

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

LAWRENCE E. JAFFE PENSION PLAN, On )	Lead Case No. 02-C-5893
Behalf of Itself and All Others Similarly )	(Consolidated)
Situated, )	
	) <u>CLASS ACTION</u>
Plaintiff, )	
	) Judge Ronald A. Guzman
vs. )	Magistrate Judge Nan R. Nolan
	)
HOUSEHOLD INTERNATIONAL, INC., et )	
al., )	
	)
Defendants. )	
_____ )	

**APPENDIX OF ELECTRONIC CASES IN SUPPORT OF THE CLASS' RESPONSE TO  
THE HOUSEHOLD DEFENDANTS' MEMORANDUM OF LAW IN SUPPORT OF THE  
RETURN OF CERTAIN ARTHUR ANDERSEN DOCUMENTS AND CROSS-MOTION  
TO COMPEL PRODUCTION OF CERTAIN DOCUMENTS PROVIDED TO OUTSIDE  
AUDITORS BY HOUSEHOLD DEFENDANTS**

**CASE**

**TAB**

*MG Capital LLC v. Sullivan*,  
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*Southern Scrap Material Co. v. Fleming*,  
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**TAB 1**

LEXSEE 2002 US DIST LEXIS 11803

**MG CAPITAL LLC, a Delaware limited liability company, Plaintiff, v. BRIAN T. SULLIVAN and THE SULLIVAN COMPANIES, an Illinois corporation, Defendants.**

**No. 01 C 5815**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

*2002 U.S. Dist. LEXIS 11803*

**June 27, 2002, Decided**

**July 1, 2002, Docketed**

**DISPOSITION:** [\*1] Counterplaintiff's Motion to Compel Return of Privileged Documents denied.

**COUNSEL:** For MG CAPITAL LLC, plaintiff: Thomas K. Cauley, Jr., Scott David Stein, Sidley Austin Brown & Wood, Chicago, IL.

For BRIAN T SULLIVAN, THE SULLIVAN COMPANIES, defendants: David H. Latham, Law Offices of David H. Latham, Chicago, IL. Jill L. Jennings, Law Offices of David H. Latham, Chicago, IL.

For BRIAN T SULLIVAN, THE SULLIVAN COMPANIES, counter-claimants: David H. Latham, Law Offices of David H. Latham, Chicago, IL. Jill L. Jennings, Law Offices of David H. Latham, Chicago, IL.

For MG CAPITAL LLC, counter-defendant: Thomas K. Cauley, Jr., Scott David Stein, Sidley Austin Brown & Wood, Chicago, IL.

**JUDGES:** JOHN W. DARRAH, United States District Judge.

**OPINIONBY:** JOHN W. DARRAH

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

Counterplaintiff, Brian T. Sullivan ("Sullivan"), moves to compel Counterdefendants, MG Capital LLC, Alain Kodosi ("Kodosi"), Antonio Gracias (Gracias"), and Amax Plating, Inc., to return an alleged privileged document that was inadvertently produced to Counterdefendants. Counterdefendants argue that the document is not privileged and that any privilege has been waived.

In August 1998, [\*2] Sullivan met with Bradford Lyerla ("Lyerla"), an attorney who was then representing a different plaintiff in a case against Kodosi and Gracias, *Connector Serv. Corp. v. Briggs*, 1998 U.S. Dist. LEXIS 18864, No. 97 C 7088 (N.D. Ill.) (*Briggs*). At that time, Sullivan had been terminated from Counterdefendants. When Lyerla agreed to speak with Sullivan, he informed him it was on the condition that Sullivan not convey information to him that Sullivan could expect to be confidential. Sullivan responded, "None of this is confidential."

On August 19, 1998, Lyerla wrote Sullivan a letter regarding Lyerla and Sullivan's meeting ("August 19 Letter"). Sullivan responded by letter to Lyerla's August 19 Letter. Less than two weeks after his meeting with Sullivan, Lyerla deposed Sullivan in the *Briggs* case. During the deposition, Lyerla asked Sullivan questions that are the subject of the August 19 Letter.

In September 1998, Lyerla was deposed in the *Briggs* case. At the deposition, the August 19 Letter was inadvertently given to defendant's counsel. Immediately upon learning that the letter had been given to defendant, Lyerla asked for the letter back. Defendant's counsel refused to give the letter back, and [\*3] it was given to the court reporter by agreement of the parties. Lyerla asked that defendant's counsel not show the letter to Gracias. The letter was not filed with a court and did not contain any indication that it was filed under seal.

On October 5, 2001, Counterdefendants produced approximately 6,000 pages of documents at the Counterdefendants' office for review by Sullivan. The materials were reviewed by Sullivan and his counsel prior to copying. The August 19 Letter was included in the first box of materials produced and reviewed.

In December 2001, Lyerla provided both parties a total of seventy pages of documents pursuant to a subpoena in this case. The August 19 Letter constituted the last two

pages of the documents. The August 19 Letter was inadvertently included in these documents by Lyerla's paralegal. Lyerla had previously indicated to Counterdefendants that the August 19 Letter was privileged pursuant to the attorney-client privilege and was not going to be disclosed based on that privilege.

On March 15, 2002, at Lyerla's deposition in the present case, Sullivan claimed that he first learned that the August 19 Letter was inadvertently provided to Counterdefendants in [\*4] December 2001 as part of the documents that had been provided by Lyerla. Sullivan then sought the return of the letter. Defendants refused to return the letter. On April 10, 2002, Sullivan filed the present motion.

The party seeking to invoke the attorney-client privilege bears the burden of proving the essential elements of the privilege. See *United States v. Evans*, 113 F.3d 1457, 1461 (7th Cir. 1997) (*Evans*). The elements include: (1) legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relate to that purpose, (4) are made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or the legal advisor, (8) except if the protection is waived.

Counterdefendants first argue that the August 19 Letter is not privileged because the purpose of Sullivan and Lyerla's meeting was for Sullivan to discuss the *Briggs* case and to provide Lyerla with confidential documents about that case. Counterdefendants concede that Sullivan did discuss with Lyerla whether Lyerla could represent Sullivan in a law suit against the Counterdefendants. Sullivan avers [\*5] that the meeting took place to determine if Lyerla would represent Sullivan in a law suit against Counterdefendants. Lyerla's August 19 Letter supports Sullivan's averment, as Lyerla denied representing Sullivan in his possible suit against Counterdefendants. Accordingly, Sullivan sought legal advice from an attorney.

Counterdefendants also argue that the August 19 Letter is not privileged as it was not made in confidence because Lyerla informed Sullivan when they met not to "tell [him] anything confidential". However, Sullivan contends that Lyerla was informing Sullivan not to discuss anything confidential in relation to the *Briggs* case because Lyerla represented the plaintiff in that suit and Sullivan was involved in representing the defendants in that case while he was employed by Counterdefendants. Sullivan's contention is belied by the August 19 Letter that indicates that the information shared at the meeting was not confidential, and Lyerla's September 2, 1998 deposition transcript in which Lyerla states that when Sullivan first came to see him he informed Sullivan not

to tell him anything confidential and Sullivan replied that none of the information was confidential. [\*6] Furthermore, Lyerla asked Sullivan questions about their meeting in Sullivan's deposition that was taken shortly after Sullivan and Lyerla had their meeting.

Counterdefendants next argue that the privilege was waived. Courts look at the circumstances surrounding the disclosure of materials in determining whether the disclosure was inadvertent. In the instant case, Sullivan argues that the circumstances of the disclosure of the August 19 Letter in both 1998 and 2001 were inadvertent.

Assuming argumentum that the letter is privileged and was inadvertently disclosed, it must be determined whether Sullivan waived the privilege. The party seeking to assert the privilege bears the burden of showing that the privilege was not waived. See *Evans*, 113 F.3d at 1461; *Consolidated Litig. Concerning Harvester's Disposition of Wis. Steel*, 666 F. Supp. 1148, 1157 (N.D. Ill. 1987).

Inadvertent disclosure can, but not necessarily always, result in the same result as intentional waiver. See *Dellwood Farms, Inc. v. Cargill, Inc.*, 128 F.3d 1122, 1127 (7th Cir. 1997) (*Dellwood*). When waiver is found based on the inadvertent disclosure of material, [\*7] it is intended to punish the person claiming the privilege for a mistake. *Dellwood*, 128 F.3d at 1127. However, committing a mistake "is not by itself a compelling reason for stripping a person of his privilege". The severity of the punishment for a mistake should be proportionate to the gravity of the mistake. *Dellwood*, 128 F.3d at 1127.

This standard set forth in *Dellwood* governs waiver of a privileged document due to inadvertence. *International Oil, Chemical & Atomic Workers, Local 7-517 v. Unoven Co.*, 170 F.3d 779, 784 (7th Cir. 1999). Generally, this standard is applied using a balancing test. See *Snap-On Inc. v. Hunter Eng. Co.*, 29 F. Supp. 2d 965, 972 (E.D. Wis. 1998) (*Snap-On*); *R.J. Reynolds Tobacco Co. v. Premium Tobacco Stores, Inc.*, 2001 U.S. Dist. LEXIS 8896, 2001 WL 1571447 (N.D. Ill. Dec. 7, 2001) (*R.J. Reynolds*); *Sanner v. Board of Trade of the City of Chicago*, 181 F.R.D. 374, 379 (N.D. Ill. 1998); *International Oil, Chemical & Atomic Workers, Local 7-517 v. Unoven Co.*, 1998 U.S. Dist. LEXIS 2379, 1998 WL 100264 (N.D. Ill. Feb. 23, 1998) (collectively finding that the balancing test comports [\*8] with standard set forth in *Dellwood*); see also *Urban Outfitters, Inc. v. DPIC Co.*, 203 F.R.D. 376, 380 (N.D. Ill. 2001) (*Urban Outfitters*); *Tokar v. City of Chicago*, 1999 U.S. Dist. LEXIS 13650, 1999 WL 138814 (N.D. Ill. March 5, 1999) (*Tokar*) (applying balancing test without citation to *Dellwood*).

Under the balancing test, a court weighs: (1) the reasonableness of the precautions taken to prevent the disclo-

sure, (2) the time taken to rectify the error, (3) the scope of the discovery, (4) the extent of the disclosure, and (5) the overriding issue of fairness. *Urban Outfitters*, 203 F.R.D. 376 at 380.

#### Reasonableness of Precautions Taken to Prevent the Disclosure

In the instant case, the August 19 Letter was first inadvertently disclosed at the September 1998 deposition. At that time, it was asked that the document be returned. When defendant's counsel refused to return the letter, the letter was given to the court reporter. While Sullivan contends that it was placed under seal, documents are not placed under seal by the court reporter but are placed under seal by the court. See N.D. Ill. Local Rule 26.2. No further action was taken concerning [\*9] the document at that time. The failure to properly place the document under seal and to take any further action was not a reasonable precaution to prevent disclosure.

The August 19 Letter was again disclosed in December 2001 when Lyerla included the letter in his document production. This production occurred within the context of formal discovery and was available for attorney review. Furthermore, the parties were aware that the same document had previously been inadvertently disclosed in Lyerla's deposition. Accordingly, reasonable precautions were not taken to prevent disclosure. See *Urban Outfitters*, 203 F.R.D. at 380 (party did not take reasonable precaution to avoid disclosure where document was produced during formal discovery and pursuant to attorney review).

#### Time Taken to Rectify the Error

As to the first inadvertent disclosure, the time taken to rectify the error was unreasonable and not appropriate. Immediately upon notice that the letter had been disclosed, Lyerla stated that the letter was privileged and asked for its return. After the opposing party would not return the document, it was given to the court reporter. However, the document was [\*10] never placed under seal by a court of law. See N.D. Ill. Local Rule 26.2. No further action was taken.

Sullivan next became aware that the letter had been disclosed on March 15, 2002, at Lyerla's deposition in the instant case. Sullivan asked for the return of the document. Counterdefendants refused to return the document. Sullivan did not ask to have the document be placed under seal and did not seek assistance from the Court for almost one month. Not placing the document under seal and waiting almost a month after having knowledge that they had possession of a privileged document, and that it refused to return such document, was not a reasonable and appropriate response to rectify the error in a timely

manner.

Furthermore, Sullivan could have become aware that the letter had been disclosed in October 2001 and December 2001 if a more thorough or proper review of documents had taken place, and he could have rectified the error in a more timely manner based on such knowledge.

#### Scope of the Discovery

In the present case, the scope of the discovery was relatively small. Lyerla disclosed the document in only seventy pages of documents. See *Urban Outfitters*, 203 F.R.D. at 380 [\*11] (waiver found when document included in a total of forty documents); *Tokar*, 1999 U.S. Dist. LEXIS 13650, 1999 WL 138814 at \*2 (waiver found in document production of approximately 2,000 pages); cf. *R.J. Reynolds*, 2001 U.S. Dist. LEXIS 8896, 2001 WL 1571447 at \*3 (waiver not found in document production of 750,000 pages).

#### Extent of the Disclosure

The contents of the August 19 Letter were disclosed at Lyerla's deposition. The full contents of the August 19 Letter were disclosed a second time in December 2001 when Lyerla sent the letter to each party as part of his document production. Sullivan did not seek return of the document until March 2002 and did not seek court assistance until April 2002. Accordingly, the inadvertent disclosure was complete. See *Draus v. Healthtrust, Inc.*, 172 F.R.D. 384, 389 (S.D. Ind. 1997) (extent of disclosure complete when opposing party had opportunity to read the document prior to the request to return the letter); *Central Die Casting & Manuf., Co. v. Tokheim Corp.*, 1994 U.S. Dist. LEXIS 11411, 1994 WL 444796 (N.D. Ill. Aug. 16, 1994) (same).

#### Overriding Issue of Fairness

Although it can be argued that it is unfair to waive Sullivan's privilege because [\*12] of others' negligence, the fairness issue still weighs in favor of Counterdefendants. The August 19 Letter was turned over as part of seventy pages of documents. Sullivan had the opportunity to review the document production and identify the inadvertent disclosure. Three months later, Sullivan became aware of the inadvertent disclosure. At this time, the document had already been fully disclosed, and Counterdefendants contend that the letter is highly relevant to their defense. "The disclosure of the [August 19 Letter] is a bell that has already been rung. The court cannot unring it by ordering that copies be returned to [Sullivan]." *Draus*, 172 F.R.D. at 389; see also *Central Die*, 1994 U.S. Dist. LEXIS 11411, 1994 WL 444796 at \*5 (finding fairness weighed in favor of opposing party

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after document had been fully disclosed and relied upon by opposing party).

In sum, the above factors weigh in favor of finding waiver as to the first inadvertent disclosure in September 1998. In addition, each factor weighs in favor of finding waiver of the privilege as to the second inadvertent disclosure. Accordingly, Sullivan has waived the attorney-client privilege as to the August 19 Letter. [\*13]

For the reasons stated above, Counterplaintiff's Motion to Compel Return of Privileged Documents is denied.

Dated: June 27, 2002

JOHN W. DARRAH

United States District Judge

[Other docket entry] Status hearing held. Enter Memorandum Opinion And Order. Counterplaintiff's motion to compel return of privileged documents is denied. All motions to extend discovery is granted. Discovery is extended to 9/10/02.

[For further detail see order attached to the original minute order.]

**TAB 2**



LEXSEE 2001 U.S. DIST. LEXIS 18281

**SMITHKLINE BEECHAM CORPORATION and BEECHAM GROUP, p.l.c., Plaintiffs,  
v. PENTECH PHARMACEUTICALS, INC. and ASAHI GLASS CO., LTD., Defendants.**

**Case No. 00 C 2855**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
ILLINOIS, EASTERN DIVISION**

*2001 U.S. Dist. LEXIS 18281*

**November 5, 2001, Decided  
November 6, 2001, Docketed**

**PRIOR HISTORY:** *Smithkline Beecham Corp. v. Pentech Pharms., Inc., 2001 U.S. Dist. LEXIS 1935* (N.D. Ill. Feb. 16, 2001).

**DISPOSITION:** [\*1] Plaintiffs' motion to compel production of communications for which defendants assert attorney-client privilege or work product immunity was granted in part and denied in part.

**COUNSEL:** For SMITHKLINE BEECHAM CORPORATION, BEECHAM GROUP, P.L.C., plaintiffs: Richard J. O'Brien, Douglas I. Lewis, Sidley Austin Brown & Wood, Chicago, IL.

For SMITHKLINE BEECHAM CORPORATION, plaintiff: Ford F. Farabow, Richard Racine, Finnegan, Henderson, Farabow, Garrett & Dunner, Washington, DC.

For SMITHKLINE BEECHAM CORPORATION, BEECHAM GROUP, P.L.C., plaintiffs: Kenneth M Frankel, York M Faulkner, Robert D. Bajefsky, Finnegan, Henderson, Farabow, Garrett & Dunner, Washington, DC.

For PENTECH PHARMACEUTICALS, INC., ASAHI GLASS CO LTD, defendants: John Edward Rosenquist, Robert F. Green, Steven H. Sklar, Lisa D. Graver, Leydig, Voit & Mayer, Ltd., Chicago, IL.

For PENTECH PHARMACEUTICALS, INC., defendant: James S. Rubin, Attorney at Law, Ft. Lee, NJ.

For PENTECH PHARMACEUTICALS, INC., counter-claimant: John Edward Rosenquist, Robert F. Green, Steven H. Sklar, Lisa D. Graver, Leydig, Voit & Mayer, Ltd., Chicago, IL.

For PENTECH PHARMACEUTICALS, INC., counter-

claimant: James S. Rubin, [\*2] Attorney at Law, Ft. Lee, NJ.

For SMITHKLINE BEECHAM CORPORATION, BEECHAM GROUP, P.L.C., counter-defendants: Richard J. O'Brien, Douglas I. Lewis, Sidley Austin Brown & Wood, Chicago, IL.

For SMITHKLINE BEECHAM CORPORATION, BEECHAM GROUP, P.L.C., counter-defendants: Kenneth M Frankel, York M Faulkner, Finnegan, Henderson, Farabow, Garrett & Dunner, Washington, DC.

For SMITHKLINE BEECHAM CORPORATION, counter-defendant: Ford F. Farabow, Richard Racine, Finnegan, Henderson, Farabow, Garrett & Dunner, Washington, DC.

For SMITHKLINE BEECHAM CORPORATION, BEECHAM GROUP, P.L.C., counter-defendants: Robert D. Bajefsky, Finnegan, Henderson, Farabow, Garrett & Dunner, Washington, DC.

**JUDGES:** Nan R. Nolan, United States Magistrate Judge. Judge Blanche M. Manning.

**OPINIONBY:** Nan R. Nolan

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

This patent infringement action is before the Court on Plaintiffs' Motion to Compel Production of Communications for Which Defendants Assert Attorney-Client Privilege or Work Product Immunity. In their motion, Plaintiffs SmithKline Beecham, Inc. and Beecham Group, p.l.c. (collectively "SB"), claim that Defendant Pentech Pharmaceuticals, Inc. ("Pentech") improperly

[\*3] withheld from production many of their documents; objected to the production of documents from two third parties; and prevented deposition testimony about two meetings. SB further claims that Defendant Asahi Glass Co., Ltd. ("Asahi") improperly withheld from production many of its documents.

For the reasons explained below, Plaintiffs' Motion is GRANTED in part and DENIED in part.

## DISCUSSION

### I. Attorney-Client Privilege

For procedural issues in a patent case that are not unique to patent law, courts are directed to "apply the law of the circuit in which the district court sits." *McCook Metals L.L.C. v. Alcoa Inc.*, 192 F.R.D. 242, 251 (N.D. Ill. 2000) (quoting *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800 (Fed. Cir. 2000)). Because SB's motion involves general issues of privilege, the law of the Seventh Circuit applies. The Seventh Circuit test to determine attorney-client privilege is: (1) Where legal advice of any kind is sought (2) from a professional legal advisor in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected [\*4] from disclosure by himself or by the legal advisor, (8) except the protection may be waived. *United States v. Evans*, 113 F.3d 1457, 1461 (7th Cir. 1997).

The privilege is narrowly construed in this Circuit, and communications to an attorney are not always cloaked with the privilege. *SmithKline Beecham Corp. v. Apotex Corp.*, 193 F.R.D. 530, 534 (N.D. Ill. 2000). For example, the fact that an attorney has requested or received documents does not, by itself, mean the documents are privileged. *Blanchard v. EdgeMark Financial Corp.*, 192 F.R.D. 233, 238 (N.D. Ill. 2000); *IBJ Whitehall Bank & Trust Co. v. Cory & Assocs., Inc.*, 1999 U.S. Dist. LEXIS 12440, No. 97 C 5827, 1999 WL 617842, at \*4 (N.D. Ill. Aug. 12, 1999). In determining whether a document is subject to the attorney-client privilege, the primary question is whether "the document in question reveal[s], directly or indirectly, the substance of a confidential attorney-client communication." *SmithKline*, 193 F.R.D. at 534. Communication of business or technical information not involving legal advice is not privileged. *McCook*, 192 F.R.D. at 252.

The attorney-client [\*5] privilege can be waived if the communication is voluntarily disclosed to a third party. *Blanchard*, 192 F.R.D. at 236. However, an exception to the waiver rule may exist if (1) the disclosure to the third party is for the purpose of assisting the attorney in rendering legal advice or (2) the third party shares a common

legal interest with the party claiming the privilege. *Id.* 192 F.R.D. at 236-37. "The [common interest] rule can apply to any two parties who have a 'common interest' in current or potential litigation, either as actual or potential plaintiffs or defendants." *IBJ Whitehall*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, at \*3, n.1.

In this case, Pentech claims the following documents are protected from disclosure by the attorney-client privilege: n1 PN11-14, 16-24; IO(P)6; and OR(P)2-4. n2 Asahi claims the privilege applies to all of its withheld documents, AS1-11.

n1 Pentech's privilege log contained additional attorney-client privilege claims, but to reduce the number of issues in this case, Pentech dropped their privilege claims as to 14 documents. (See Defs.' Mem. in Opp'n at 3, n. 2.)

[\*6]

n2 For the sake of convenience and clarity, the Court will use the document identification system the parties used in their briefs. Documents designated "PN" are from Pentech's privilege log; "AS" documents are from Asahi; "IO" documents are from the University of Iowa, a third party; and "OR" documents are from Oread, a third party.

SB argues that Pentech cannot claim the attorney-client privilege for (1) documents disclosed to third parties (PN17-18, 20-22; AS4, 11; IO(P)6; and OR(P) 2-4); (2) documents that relate to routine technical issues (PN17, 20, 22, 24; IO(P)6); and (3) documents that exhibit no attorney involvement (PN18; OR(P)4).

Pentech responds that disclosure of certain documents to third parties did not waive the attorney-client privilege because Pentech and Asahi share a common legal interest, and the disclosure to third parties was necessary to assist Pentech's attorneys in rendering legal advice. Pentech further argues that documents SB describes as involving "routine technical issues" were in fact related to legal advice.

### II. Work Product Doctrine

The work [\*7] product doctrine is distinct from, and broader than, the attorney-client privilege. *Blanchard*, 192 F.R.D. at 237; *Allendale Mut. Ins. Co. v. Bull Data Sys., Inc.*, 145 F.R.D. 84, 86 (N.D. Ill. 1992). The work product doctrine protects "documents and tangible things . . . prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety,

indemnitor, insurer, or agent)." *Fed. R. Civ. P. 26(b)(3)*.

The threshold determination of work product generally is "whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared for or obtained because of the prospect of litigation." *North Shore Gas Co. v. Elgin, Joliet & Eastern Ry. Co.*, 164 F.R.D. 59, 61 (N.D. Ill. 1995) (quoting *Binks Mfg. Co. v. National Presto Indus., Inc.*, 709 F.2d 1109, 1119 (7th Cir. 1983)) (emphasis added); *Allendale*, 145 F.R.D. at 86. Therefore, documents that were prepared for other reasons, such as documents created in the ordinary [\*8] course of business, cannot be withheld as work product. See *Allendale*, 145 F.R.D. at 87 (holding that documents prepared in the ordinary course of business are not work product even if litigation is imminent or ongoing); see also *In re General Instrument Corp.*, 190 F.R.D. 527, 530 (N.D. Ill. 2000) ("[A] document prepared for both legal and non-legal review is not privileged."); *IBJ Whitehall*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, at \*4 (quoting *Loctite Corp. v. Fel-Pro, Inc.*, 667 F.2d 577, 582 (7th Cir. 1981)) (holding that only documents "primarily concerned with legal assistance" are cloaked with immunity).

Moreover, to be subject to work product immunity, documents must have been created in response to "a substantial and significant threat" of litigation, which can be shown by "objective facts establishing an identifiable resolve to litigate." *Allendale*, 145 F.R.D. at 87 (citations omitted). Documents are not work product simply because "litigation [is] in the air" or "there is a remote possibility of some future litigation." *McCook*, 192 F.R.D. at 259; *IBJ Whitehall*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, [\*9] at \*5. "The articulable claim likely to lead to litigation must pertain to this particular opposing party, not the world in general." *McCook*, 192 F.R.D. at 259.

The protection of the work product doctrine may be waived "where the protected communications are disclosed in a manner which 'substantially increases the opportunity for potential adversaries to obtain the information.'" *Blanchard*, 192 F.R.D. at 237 (quoting *Behnia v. Shapiro*, 176 F.R.D. 277, 279 (N.D. Ill. 1997)); see also *Minnesota Sch. Bds. Ass'n Ins. Trust v. Employers Ins. Co. of Wausau*, 183 F.R.D. 627, (N.D. Ill. 1999) ("A waiver only occurs, however, if the disclosure to a third party 'is inconsistent with the maintenance of secrecy from the disclosing party's adversary.'").

An opponent may discover a party's work product "only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materi-

als by other means." *Fed. R. Civ. P. 26(b)(3)*. Furthermore, if the work product involves "the mental [\*10] impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation," the immunity from production is "for all intents and purposes absolute," whether or not the party seeking discovery has demonstrated a substantial need. *Fed. R. Civ. P. 26(b)(3)*; *Scurto v. Commonwealth Edison Co.*, 1999 U.S. Dist. LEXIS 513, No. 97 C 7508, 1999 WL 35311, at \*2 (N.D. Ill. Jan. 11, 1999).

Pentech alleges documents PN1-12, 15, 17-18, 20-31; AS1-11; IO(P) 1-42; and OR(P) 1, 4, are subject to work product immunity. SB challenges the immunity claim, arguing that Pentech has failed to establish that the documents were prepared in anticipation of litigation, and that documents involving testing or routine investigations were created in the ordinary course of business and therefore are not work product. Pentech answers by stating that when a generic drug company decides to compete with an established drug maker, litigation "is a virtual certainty," and communications are therefore made in anticipation of litigation.

In response to SB's argument that many of Pentech's withheld documents pertain to technical analysis and therefore are not work product, Pentech [\*11] argues that Iowa personnel were involved in two research projects, only one of which involved product development. Pentech goes on to state that "if Pentech is required to go into greater detail about the nature of [the research project not involving product development], Pentech would be forced to disclose the very information that the work-product doctrine seeks to protect." (Defs.' Mem. in Opp'n at 12.)

### III. Findings

This Court has reviewed the briefs submitted by the parties, n3 the relevant case law, and the documents at issue, which were submitted *in camera* pursuant to the Court's request. Following are the Court's findings as to the application of the privilege to each of the documents Pentech and Asahi seek to withhold:

n3 The parties' briefs included many arguments relating to the sufficiency of the Defendants' privilege logs. Because the Court chose to view the documents *in camera*, the privilege logs' sufficiency is no longer relevant and arguments related to sufficiency are not included in this Opinion.

[\*12]

*Documents PN1-10, 15, 17, 20-23, 25-27, 29-31 n4; IO(P)2-5, 7-26, 28-38, 40-42:*

n4 Document PN31 (and one page of Document PN29) were not included in the materials submitted to the Court. The Court's decision is based on its review of similar documents and of the descriptions included in Pentech's privilege log.

The Court does not dispute that Pentech believed litigation with SB was likely or even probable at the time these studies and analyses were commissioned. Pentech, however, must demonstrate the documents in question were created *for the purpose of litigation*, not in the ordinary course of business. Pentech was required, for purely business reasons, to research the composition and properties of the paroxetine hydrochloride capsules for which it submitted an Abbreviated New Drug Application ("ANDA") to the Food and Drug Administration. Therefore, research conducted before the ANDA was submitted was not done solely for the purpose of litigation, and any documents reflecting that research [\*13] were not created for litigation, no matter how likely it was that SB would pursue litigation after Pentech filed its ANDA. Accordingly, that research must be produced. *See SmithKline Beecham Corp. v. Apotex Corp.*, 2000 U.S. Dist. LEXIS 667, No. 98 C 3952, 2000 WL 116082, at \*4 (N.D. Ill. Jan. 24, 2000). For the same reasons, Pentech cannot bar testimony regarding the September 1997 and October 1998 meetings with third-party researchers.

**Document PN11:**

The document is a draft letter from client to attorney and was not sent to third parties. The letter also expressly demonstrates an intention to keep the communication confidential. Therefore, it may be withheld as privileged.

**Document PN12:**

Page number PEN8252 may be withheld as an attorney-client communication. The remainder of the document, a letter from the FDA and materials sent to or received from SB, is clearly not privileged and must be produced.

**Document PN13:**

The letter is a communication from the client to his attorney for the purpose of legal advice and may be withheld as privileged.

**Documents PN14, 16:**

The communications are from attorney to client, not client to attorney, [\*14] and are merely transmissions of technical information, not legal advice. Therefore, the documents are not privileged and should be produced. *See McCook*, 192 F.R.D. at 252.

**Document PN18:**

The document is a draft letter and includes handwritten notes from an attorney. It may be withheld as an attorney-client communication and work product.

**Document PN19:**

The document is merely a transmission of a public document from attorney to client. It does not include legal advice and reveals no client communications, so it must be produced.

**Document PN24:**

It is not clear from the privilege log or from the document itself whom the recipient attorney represents. In addition, the document does not appear to involve legal advice or a request for legal advice from counsel. Therefore, it must be produced.

**Documents PN28, IO(P)1, 6, 27, 39:**

As explained above in discussing Documents PN1-10 *et al.*, Pentech cannot claim that scientific analyses created before the ANDA was filed were prepared solely for the purpose of litigation. However, after the ANDA was filed and SB was notified of Pentech's intent to market a competitive [\*15] generic drug, litigation with "this particular opposing party," *McCook*, 192 F.R.D. at 259, was anticipated. Moreover, the kinds of tests performed, the materials used in the tests, and the specific compounds tested may reveal the attorney's strategy in defending the infringement claim. *See Vardon Golf Co., Inc. v. BBMG Golf Ltd.*, 156 F.R.D. 641, 648 (N.D. Ill. 1994). Finally, SB has made no claim of a substantial need for the materials. These documents, which reflect experiments and analyses created or performed by Pentech, its attorneys, and/or its consultants after the ANDA was filed, are subject to work product immunity and may be withheld.

**Document OR(P)1:**

The document may be withheld as work product because it reveals an attorney's litigation strategy. The work product immunity was not waived by disclosing the information to a third party, because disclosure to Oread did not increase the opportunity for potential adversaries to obtain the information and was not inconsistent with the maintenance of secrecy. The nature of the document, coupled with the parties' relationship, indicate that Pentech intended to maintain the confidentiality [\*16] of the document. Moreover, while not dispositive, Pentech's claim that the parties had executed a confidentiality agreement "militates against a finding of a waiver [of work product immunity]." *Blanchard*, 192 F.R.D. at 237.

**Document OR(P)2:**

The document reflects a meeting concerning litigation issues and contains privileged information. The document

lists the meeting participants and summarizes privileged communications, and therefore it may be withheld. *See SmithKline, 193 F.R.D. at 538; McCook, 192 F.R.D. at 252.*

**Documents OR(P)3-4:**

The documents include privileged communications and disclosure of the communications to Oread was necessary to assist Pentech's attorney in rendering legal advice. They may be withheld.

**Documents AS1-5:**

These documents are apparently communications between Asahi Tokyo and its Japan-based attorneys at Morrison & Foerster LLP. If the documents are privileged under Japanese law, "comity requires us to apply that country's law to the documents at issue." *McCook, 192 F.R.D. at 256.* The defendants have the burden to establish that under Japanese [\*17] law, the communications contained in Documents AS1-5 are protected by the attorney-client privilege. *See id. 192 F.R.D. at 256-58.* Pentech's Memorandum in Opposition to Plaintiffs' Motion to Compel provides no support for the argument that these documents are privileged under the applicable law of Japan. Pentech must submit to the Court proof that the documents are privileged, through case law and/or an affidavit of an attorney familiar with Japanese law regarding attorney-client privilege, stating the relevant law and applying it to the communications at issue. If Pentech cannot meet its burden of proving the documents are privileged within 21 days, they must be produced.

Additionally, several pages from these documents and others withheld by Asahi are wholly or partly in Japanese. Because the Court cannot review the contents of the documents, Pentech has not met its burden of showing the attorney-client privilege applies to these pages. Unless Pentech provides the Court with English translations of the Japanese portions of the documents within 21 days, those pages must be produced. The pages include: AS1; AS2 (page number AGC6040); AS3 (pages 1 and 3-5 of the document; the [\*18] Japanese language pages are not numbered); AS4; and AS5 (AGC6044).

**Document AS6:**

The document is a privileged communication between Asahi and its American attorney regarding patent issues and may be withheld.

**Document AS7:**

Page AGC6056 of Document AS7 is in Japanese and,

as explained above, it must be produced if Pentech does not provide the Court with an English translation. Pages AGC6057-66 of the document contain privileged communications with an American attorney regarding a patent application and a proposed draft of a submission to the United States Patent & Trademark Office, which is also privileged. *See In re Spalding, 203 F.3d at 805-06.* Those pages may be withheld.

**Document AS8:**

Page AGC6067 is in Japanese and must be produced if Pentech does not provide the Court with an English translation. Pages AGC6068-69 are privileged communications with an American attorney regarding patent issues and therefore may be withheld. Pages AGC6070-84 are documents prepared for submission to the United States Patent & Trademark Office. Because there is no expectation of confidentiality in these documents, they are not privileged [\*19] and must be produced. *See McCook, 192 F.R.D. at 252.*

**Documents AS9-10:**

The documents contain privileged communications with an American attorney regarding patent issues and therefore may be withheld. However, pages AGC6085-86 and AGC6088 are partly in Japanese and those portions must be produced if Pentech does not provide the Court with an English translation.

**Document AS11:**

The document is a confidential communication from an American attorney to Pentech regarding legal advice concerning patents. The document maintains the privilege even though it was disclosed to Asahi, because Asahi and Pentech share a common legal interest. The entire document may be withheld.

**CONCLUSION**

For the foregoing reasons, the Court finds that Plaintiffs' Motion to Compel Production of Communications for Which Defendants Assert Attorney-Client Privilege or Work Product Immunity is GRANTED in part and DENIED in part.

**ENTER:**

**Nan R. Nolan**

**United States Magistrate Judge**

**Dated:** 11-5-2001

**TAB 3**

LEXSEE 2005 US DIST LEXIS 23293

**LIONEL TREPANIER, KURT LESLIE, SHEILA MULVEY-TATORIS, THE SOUTH METRO GREENS, and THE CHICAGO GREENS/GREEN PARTY USA, Plaintiffs, v. MICHAEL CHAMNESS, individually, and JULIE GENTILE, individually, and officially as Chief Legal Counsel and Manager, Hazardous Materials Compliance & Enforcement Office of the Illinois Emergency Management Agency, and WILLIAM C. BURKE, individually and officially as Director of the Illinois Emergency Management Agency and Chair of the State Emergency Response Commission, Defendants.**

No. 00 C 2393

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

*2005 U.S. Dist. LEXIS 23293*

October 12, 2005, Decided

October 12, 2005, Filed

**PRIOR HISTORY:** *Trepanier v. Ryan*, 2004 U.S. Dist. LEXIS 8690 (N.D. Ill., May 12, 2004)

[\*2] B. Gottschall.

**COUNSEL:** [\*1] For Lionel Trepanier, Plaintiff, Pro se, Chicago, IL; Michael Radzilowsky, Law Offices of Michael Radzilowsky, Chicago, IL; Marian Henriquez Neudel, Radzilowsky & Benden, Chicago, IL.

**OPINIONBY:** MARIA VALDEZ

For Sheila Tatoris-Mulvey, Plaintiff: Michael Radzilowsky, Law Offices of Michael Radzilowsky, Chicago, IL.

**OPINION:****MEMORANDUM OPINION AND ORDER**

For Michael Chamness, individually, and officially as Director of the Illinois Emergency Management Agency and Chair of the State Emergency Response Commission, Defendant: Margaret Mary Zimmer, Phillip J. Robertson, David Wayne VandeBurgt, Jennifer Y Wu, Yolanda L Ricks, Mary Therese Nagel, Illinois Attorney General's Office, Chicago, IL; Deborah Louise Simpson, Attorney General's Office, Chicago, IL.

Defendants in this instant matter invoke privilege on a limited number of documents sought in discovery. In support of their claims of privilege, defendants submitted a privilege log on June 22, 2005. Review of the log led this Court to conclude that the defendants had neither complied with *Allendale Mutual Insurance, Co. v. Bull Data Systems*, 145 F.R.D. 84, 88 (N.D. Ill. 1992), nor carried their applicable burdens. *See, e.g., United States v. Lawless*, 709 F.2d 485, 487 (7th Cir. 1983) (citing *United States v. First State Bank*, 691 F.2d 332 (7th Cir. 1982)) (placing burden on party seeking to invoke attorney-client privilege as one where they must establish all essential elements "on a question-by-question or document-by-document basis"); *Caremark, Inc. v. Affiliated Computer Servs., Inc.*, 195 F.R.D. 610, 613-14 (N.D. Ill. 2000) (citing 8 Wright, Miller & Marcus, *Federal Practice and Procedure* § 2024 (2d ed. 1994)) (outlining a three-part test a party must carry to seek shelter under the work product doctrine).

For Julie Gentile, individually, and officially as Chief Legal Counsel and Manager, Hazardous Materials Compliance & Enforcement of the Illinois Emergency Management Agency, William C Burke, individually and officially as Director fo the Illinois Emergency Management Agency and Chair of the State Emergency Response Commission, Defendants: Margaret Mary Zimmer, Jennifer Y Wu, Yolanda L Ricks, Illinois Attorney General's Office, Chicago, IL.

This Court did, however, [\*3] allow defendants another bite at the apple and on August 29, 2005, defendants re-executed their privilege log in support of two privilege claims: (1) attorney-client privilege; and (2) the work product doctrine. On September 16, 2005, plaintiffs responded. What follows below are the Court's rulings as to each document submitted *in camera*.

**JUDGES:** Magistrate Judge Maria Valdez, Judge Joan

## DISCUSSION

### A. Attorney-Client Privilege

The purpose of the attorney-client privilege is "to encourage full and frank communication between attorneys and their clients." *Upjohn v. United States*, 449 U.S. 383, 389, 66 L. Ed. 2d 584, 101 S. Ct. 677 (1981) (citation omitted). The Seventh Circuit has construed the scope of this privilege to be narrow, "as it is in derogation of the search for truth." *In re Walsh*, 623 F.2d 489, 493 (7th Cir.) (citing *United States v. Nixon*, 418 U.S. 683, 710, 41 L. Ed. 2d 1039, 94 S. Ct. 3090 (1974)), cert. denied, 449 U.S. 994, 66 L. Ed. 2d 291, 101 S. Ct. 531 (1980). As such, the established elements of this narrow privilege, according to the Seventh Circuit, are as follows:

- (1) Where legal advice of any kind is sought
- (2) from a professional legal advisor in his capacity as such,
- (3) the communications relating to [\*4] that purpose,
- (4) made in confidence
- (5) by the client,
- (6) are at his instance permanently protected
- (7) from disclosure by himself or by the legal adviser,
- (8) except the protection be waived.

*Radiant Burners, Inc. v. Am. Gas Ass'n*, 320 F.2d 314, 319 (7th Cir.) (en banc) (adopting Wigmore's formulation), cert. denied, 375 U.S. 929, 11 L. Ed. 2d 262, 84 S. Ct. 330 (1963).

As this privilege is narrow, there are parameters that guide the determination as to which communications between attorneys and clients are covered. n1 With regard to client-to-attorney communications, the privilege "protects only those disclosures necessary to obtain informed legal advice which might not have been made absent the privilege." *IBJ Whitehall Bank & Trust Co. v. Cory & Assocs., Inc.*, 1999 U.S. Dist. LEXIS 12440, No. 97 C 5827, 1999 WL 617842, at \*2 (N.D. Ill. Aug. 12, 1999) (internal quotations omitted) (citing *In re Walsh*, 623 F.2d at 494). Nor are all attorney-to-client communications automatically privileged. Courts recognize attorney-to-client communications as privileged under two circumstances: (1) "if they constitute legal advice;" or (2) "tend directly or indirectly to reveal the [\*5] substance of a client confidence." *United States v. Defazio*, 899 F.2d 626, 635 (7th Cir. 1990) (citations omitted). See also *Harper-Wyman Co. v. Connecticut General Life Insurance Co.*, 1991 U.S. Dist. LEXIS 5007, No. 86 C 9595, 1991 WL 62510, at \*3 (N.D. Ill. Apr. 17, 1991).

n1 This jurisdiction has found that attorney-client privilege is "unquestionably . . . applicable

to the relationship between Government attorneys and administrative personnel." *Green v. IRS*, 556 F. Supp. 79, 85 (N.D. Ind. 1982) (citation omitted), aff'd, 734 F.2d 18 (7th Cir. 1984). See also *Restatement (Third) of Law Governing Lawyers* § 74 (2000) ("The attorney-client privilege extends to a communication of a governmental organization . . .").

### B. Work Product Doctrine

The work product doctrine, announced in *Hickman v. Taylor*, 329 U.S. 495, 91 L. Ed. 451, 67 S. Ct. 385 (1947), and codified as *Rule 26(b)(3) of the Federal Rules of Civil Procedure* [\*6], protects from disclosure otherwise discoverable documents. The doctrine shields documents and tangible things "prepared in anticipation of litigation or for trial by and for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) . . ." *Fed. R. Civ. Pro. 26(b)(3)*. The protection exists because "it is essential that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel." *Hickman v. Taylor*, 329 U.S. 495, 510, 91 L. Ed. 451, 67 S. Ct. 385 (1947).

A party seeking the protection of the work product doctrine must make a showing, consistent with *Rule 26(b)(3)*, that the materials in question are: (1) documents and tangible things; (2) prepared in anticipation of litigation or trial; and (3) by or for a party or by or for a party's representative. *Caremark, Inc.*, 195 F.R.D at 613-14. To rebut, the party seeking disclosure of the materials in question must show: (1) substantial need; and (2) inability to obtain the substantial equivalent of the information without undue hardship. *Id.* at 614 [\*7] (citation omitted). However, even if the party opposing privilege is successful in this showing, attorney opinion work product is still shielded as *Rule 26(b)(3)* affords heightened protection to a lawyer's mental processes. *Id.*

### C. Waiver

Both privileges, attorney-client and work product, can be waived. Waiver for each is triggered by disclosure of the communication/document that is inconsistent with the purpose underlying the respective privilege. With regard to attorney-client privilege, voluntary disclosure by the client, inconsistent with the confidential relationship waives the protection. *Wsol v. Fiduciary Mgmt. Assocs., Inc.*, 1999 U.S. Dist. LEXIS 19002, No. 99 C 1719, 1999 WL 1129100, at \*6 (N.D. Ill. Dec. 7, 1999) (citation omitted). As to work product, waiver occurs only if the dis-



closure to a third party "is inconsistent with the maintenance of secrecy from the disclosing party's adversary." *Trustmark Ins. Co. v. General & Cologne Life Re of Am.*, 2000 U.S. Dist. LEXIS 18917, No. 00 C 1926, 2000 WL 1898518, at \*4 (N.D. Ill. Dec. 20, 2000) (citations omitted). However, sharing work product with another party that has a "common interest" is not inconsistent with the adversarial [\*8] system, *IBJ Whitehall Bank*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, at \*4 (citations omitted), so long as the information is maintained in secrecy against the opponent. *Bramlette v. Hyundai Motor Co.*, 1993 U.S. Dist. LEXIS 12112, No. 91 C 3635, 1993 WL 338980, at \*3 (N.D. Ill. Sept. 1, 1993) (citation omitted).

#### **D. Application of Privileges to Privilege Log Entries**

Several of the defendants' privilege log entries contain more than a single document. To minimize confusion, this Court will only address each individual document within a log entry under a unique, but related, identifier if necessary.

While unable to disclose the specific facts contained in each document, the Court finds that Items Nos. 1.a, 2, and 8 are completely shielded from discovery under both privileges, Items Nos. 6 and 12 are covered in their entirety by the attorney-client privilege, and Items Nos. 3,4, 5, 7.b, 9, 10, 11, 13, 14, and 15 deserving of the full protection of the work product doctrine. The remaining documents — Items Nos. 1.b and 7.a — are to be disclosed by defendants to plaintiffs as detailed below.

**Privilege Log Entry 1** contains two items: (1) a memorandum (Item No. 1.a); and (2) [\*9] case law (Item No. 1.b). For each item, defendants invoke both privileges. This Court considers the memorandum and attachments to the memorandum independently as inspection of the documents reveals that they are not related.

**Item No. 1.a:** The memorandum from Julie Gentile (Ms. Gentile or defendant Gentile), then-chief legal counsel for the Illinois Emergency Management Agency (IEMA), to Mark Novak (Mr. Novak) is marked "Confidential and Privileged Communication" and discusses strategy in relation to then-forthcoming filings by plaintiffs. Plaintiffs raise no objection to the defendants' assertions of these privileges, (Pls. Resp. to Defs. Priv. Log P 1), and the Court finds Item No. 1.a protected by the attorney-client and work product privileges.

**Item No. 1.b:** Attached to the memorandum of Item No. 1.a are Westlaw versions of case law. They contain no handwritten markings. Moreover, these cases do not appear to relate to Item No. 1.a. By their nature, reported decisions are intended to be neither confidential communi-

cations nor the work products of an attorney. Accordingly, the attached case law could not be covered under either privilege defendants invoke. [\*10]

**Privilege Log Entry 2** is a February 19, 2003 email communication from Ms. Gentile to Deborah Simpson (Ms. Simpson), an assistant attorney general, sent after the commencement of litigation in this case, discussing legal strategy. Defendants assert both privileges and dual roles for Ms. Gentile in connection to privilege log entry 2. As to work product, defendants point to Ms. Gentile's role as attorney for IEMA. They also argue that Ms. Gentile adopted the role of agent for IEMA (client) with regard to their attorney-client privilege claim. On alternative bases, this Court finds both privileges applicable.

In connection to log entry 2, plaintiffs challenge defendants' characterization of Ms. Gentile as an attorney for IEMA. Specifically, plaintiffs draw the Court's attention to defendant Gentile's answers and objections to plaintiffs' first set of interrogatories, in which she states that her last day at the agency was November 26, 2002. (Pls. Resp. to Defs. Priv. Log at Exh. A P 20.) n2 Accordingly, it is clear to the Court that Ms. Gentile left her IEMA attorney post in late-November 2002. However, this fact is not fatal to finding for defendants' privilege claims. [\*11]

n2 Plaintiffs also challenge the application of the attorney work product privilege in connection to log entries 3-5, 9, and 14. (Pls. Resp. to Defs. Priv. Log PP 2, 4.) They similarly assert that no attorney-client privilege exists between Ms. Gentile and attorneys representing IEMA in their objections to log entries 3, 9, and 11. (*Id.* P 3.) Both objections are premised on the fact that Ms. Gentile no longer worked for IEMA after November 2002. For brevity's sake, the discussion of Plaintiffs' objections to log entry 2 will also apply to Plaintiffs' objections on this ground to log entries 3-5, 9, 11, and 14.

At the time the subject of log entry 2 was authored, Ms. Gentile remained a licensed attorney, albeit not with the state agency. As a matter of law, attorneys facing a common litigation opponent, such as Ms. Gentile and Ms. Simpson, may exchange communications and work product without waiving privilege. *Schachar v. American Academy of Ophthalmology, Inc.* 106 F.R.D. 187, 191 (N.D. Ill. 1985) [\*12] (citing *United States v. McPartlin*, 595 F.2d 1321, 1336 (7th Cir.), cert. denied, 444 U.S. 833, 62 L. Ed. 2d 43, 100 S. Ct. 65 (1979)). Alternatively, even assuming that Ms. Gentile authored Item No. 2 as a non-attorney, the work product doctrine nonetheless attaches when a document is prepared in anticipation of trial, as is

the case here, by or for either a party, which Ms. Gentile is, or a party's representative. See *In re Air Crash Disaster at Sioux City, Iowa*, 133 F.R.D. 515, 520 (N.D. Ill. 1990) ("Rule 26 clearly protects party, and not just attorney, preparation . . .").

Moreover, under attorney-client privilege, Ms. Gentile's status as a named defendant and then-client of the Illinois attorney general's office allows her recorded communications to her attorney(s) in furtherance of her legal representation to be privileged. A client-to-attorney communication, as Ms. Gentile's to the government attorneys in this email, is privileged if "necessary to obtain informed legal advice." *IBJ Whitehall Bank*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, at \*2. The Court's review of the email reveals it contains multiple requests for legal advice tied to the instant matter. As [\*13] such, this Court recognizes both privileges and rejects plaintiffs' objection for log entry 2 as well their objections based on Ms. Gentile's departure date under log entries 3-5, 9, 11, and 14.

**Privilege Log Entry 3** is a memorandum between agency attorneys, from Ms. Gentile to Jeanne Heaton (Ms. Heaton), IEMA attorney, dated June 2, 2003. The memorandum is marked "Confidential and Privileged Communication Prepared in Anticipation of Pending Litigation." Defendants assert only the work product privilege. Review of Item No. 3 leads this Court to conclude the memorandum to be opinion work product. Plaintiffs object to the application of attorney-client privilege to this item, (Pls. Resp. to Defs. Priv. Log P 3), but because defendants do not assert attorney-client privilege, plaintiffs' objection is baseless.

**Privilege Log Entry 4** is an April 2, 2003 email from Ms. Gentile to Dave Smith (Mr. Smith), IEMA employee, and Ms. Heaton with an attached document. Defendants assert that the attachment is Ms. Gentile's notes detailing a conversation with a Joan Silke (Ms. Silke), an attorney, regarding plaintiff Kurt Leslie (Mr. Leslie or plaintiff Leslie). Defendants [\*14] invoke both privileges as to the email and attachment. Plaintiffs offer three responses: (1) Ms. Gentile's late-November 2002 departure from her IEMA attorney post negated the basis for both privileges, (Pls. Resp. to Def. Priv. Log PP 2, 4); (2) distribution to Mr. Smith, a non-attorney agency employee, waived both privileges, (*Id.* P 4); and (3) attorney-client privilege could not cover Ms. Silke as she was not a licensed attorney in Illinois, (*Id.* P 4, Exh. B).

This Court's review reveals that the email contains Ms. Gentile's mental impressions in response to the evolving litigation. It also reveals that the attachment contains Ms. Gentile's notes from a conversation with Ms. Silke, whom

plaintiffs note is listed on the defense witness list, (*Id.* P 4), regarding the instant litigation. As such, the email is opinion work product and the attached notes are fact work product. *Caremark*, 195 F.R.D. at 613-14.

Plaintiffs argue that the work product doctrine was waived when Ms. Gentile disclosed the communication to a third party, Mr. Smith. (Pls. Resp. to Defs. Priv. Log P 4.) However, waiver is not proper in this instance as inclusion of Mr. Smith, an employee [\*15] of IEMA, is not inconsistent with the adversarial system, the standard for waiver. See, e.g., *IBJ Whitehall Bank*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, at \*4. As such, the work product doctrine shields the email and attachment. Accordingly, this Court need not address defendants' asserted attorney-client privilege and plaintiffs' remaining varied responses.

**Privilege Log Entry 5** is comprised of several documents: (1) three emails, all dated March 20, 2003, from Ms. Gentile to Mr. Smith and Ms. Heaton; (2) three versions of an attached letter regarding the possible disbanding of the Cook County South Local Emergency Planning Committee (LEPC); and (3) a stand-alone letter, which appears to be another draft version of the letter. As to each, defendants invoke both privileges.

The work product doctrine covers documents prepared in anticipation of litigation by a party's representative, Ms. Heaton as agency attorney and counsel for director of IEMA, or the party herself, in this case Ms. Gentile. See, e.g., *Caremark*, 195 F.R.D. at 613-14. Moreover, the distribution to a third party, Mr. Smith, does not waive the protection as his inclusion does not strike this [\*16] Court as inconsistent with the adversarial system. See, e.g., *IBJ Whitehall Bank*, 1999 U.S. Dist. LEXIS 12440, 1999 WL 617842, at \*4. Accordingly, the documents included in log entry 5 are at the very least covered by the work product doctrine. In so finding, the Court need not address defendants' other privilege claim.

**Privilege Log Entry 6** is comprised of an email, dated March 19, 2003, from Mr. Smith to Ms. Heaton and Michael Chamness, former deputy director of IEMA and named party to this action, regarding the possible disbanding of an LEPC. Defendants assert dual privileges. Below the March 19th exchange is a March 18, 2003 email from Ms. Heaton to Mr. Smith and Ms. Gentile. Plaintiffs respond that the inclusion of an attorney in the distribution chain was disingenuous, improperly serving to shield discoverable evidence. (Pls. Resp. to Defs. Priv. Log P 6.) Plaintiffs fail to support this bald assertion.

Review of these email exchanges leads this Court to conclude that the agency employees, attorney and non-

attorney alike, and named defendants to this action were included to carry out legal advice from the attorney general's office. At the time in question, named defendants [\*17] and the agency's interests were represented by the Illinois attorney general. Privilege for attorney-to-client communications can be had one of two ways: (1) the communication constitutes legal advice; or (2) the communication tends "directly or indirectly to reveal the substance of a client confidence." *Defazio*, 899 F.2d at 635. This Court concludes that the email conversations from March 18th and 19th do contain restatements of legal advice and if released they would reveal the substance of client confidence. As such, Item No. 6 is covered by the attorney-client privilege. Reaching such a conclusion, this Court need not address the work product argument proffered by defendants.

**Privilege Log Entry 7** contains two items for which defendants invoke work product protection. The first of the pair is a letter from Mr. Leslie, then-chair of an LEPC, to Ms. Gentile, then-agency counsel (Item No. 7.a). The second is an attached draft letter dated August 12, 2002 from Ms. Gentile, as IEMA attorney, to Mr. Leslie, as LEPC chair (Item No. 7.b). Both the letter and attached draft contain handwritten attorney notes, which defendants assert is Ms. Gentile's writing. [\*18] The handwritings record her impressions and opinions in connection to ongoing litigation. Under *Scurto v. Commonwealth Edison Co.*, 1999 U.S. Dist. LEXIS 513, No. 97 C 7508, 1999 WL 35311, at \*2 (N.D. Ill. Jan. 11, 1999) (citations omitted), opinion work product protection is close to absolute. Thus, this Court finds the written notes to be privileged.

Plaintiffs assert that Item No. 7.a was authored by Mr. Leslie, a named plaintiff, thereby negating any basis for the defense to claim privilege. (Pls. Resp. to Defs. Priv. Log P 6.) The Court agrees. As to Item No. 7.a, the defendants are ordered to redact all handwritten notes and to disclose the redacted document to plaintiffs. Item No. 7.b, however, remains shielded from discovery.

**Privilege Log Entry 8** covers two documents and defendants assert both privileges. The first is a June 14, 2000 letter, from Ms. Gentile, then-IEMA attorney and representative, to Mary Nagel, former assistant attorney general, discussing the instant lawsuit. The other document is a four-page attachment, authored by Ms. Gentile, again as IEMA attorney and agent, to Mr. Novak, assistant counsel to the Governor, and dated November 12, 1999. The attachment [\*19] discusses the likelihood of the commencement of a civil action against the state.

Plaintiffs concede privilege as to both items, (Pls. Resp. to Defs. Priv. Log. P 1), and a review of the documents leads this Court to conclude that both documents

are opinion work product and eligible for coverage under the attorney-client privilege.

**Privilege Log Entry 9** is a June 14, 2003 letter from Ms. Gentile to Ms. Heaton discussing responses to the pending lawsuit. Defendants assert work product protection. The court having previously rejected Plaintiffs' objections based on Ms. Gentile's departure date, concludes that the letter is a communication between defendant Gentile, a named party and former counsel to the agency, to her successor as counsel to the agency discussing legal proceedings. The Court concludes that Item No. 9 is opinion work product and it remains outside the reach of discovery.

**Privilege Log Entry 10** is an email containing two prior links in an email chain. The first two email links are dated November 25, 2002 and are communications between Ms. Simpson, with the attorney general's office, and Ms. Gentile, then-attorney for IEMA. They discussed [\*20] legal strategy in connection to pending litigation. The final link, dated the same day, is a communication from Ms. Gentile to Anne Dorman (Ms. Dorman), an agent for IEMA, and Ms. Heaton, IEMA attorney.

Defendants assert both privileges. In response, plaintiffs contend waiver as third parties were included in the distribution, (Pls. Resp. to Defs. Priv. Log P 9), and the "interests of justice" compel disclosure of Item No. 10 as it may shed light as to the current location of "significant portions of IEMA/SERC EPCRA LEPC documents [that] cannot be found . . ." (*Id.*).

Legal strategies related to the instant case are contained throughout the volley of the emails making Item No. 10 work product. Moreover, Ms. Gentile is still covered by the privilege in her status as a party to the litigation and inclusion as to the third parties such as Ms. Heaton and Ms. Dorman, agents for IEMA, does not seem inconsistent with the adversarial system, the standard for waiver. This Court having found the existence of a work product privilege, need not address attorney-client privilege.

Finally, plaintiffs seek disclosure in the "interests of justice." The end that plaintiffs seek — locating [\*21] a misplaced box of agency documents — is unlikely to be furthered by disclosure of the email. Based on the *in camera* review, the Court concludes that Item No. 10 makes no specific or remote mention as to boxes, their location, or other exit details relating to Ms. Gentile's final days with IEMA.

**Privilege Log Entry 11** is a thirteen-page email containing three email volleys and the text of a draft letter

incorporated into the oldest communication. The email exchanges, dated April 7, 2004, are communications between Laura Stolpman (Ms. Stolpman), an IEMA attorney, to Ms. Gentile, Kevin McClain, with IEMA, and Pam Reid, also with IEMA, discussing legal strategy. Defendants argue that work product protection applies to the whole of Item No. 11. In response, plaintiffs put forth an argument against attorney-client privilege, (Pls. Resp. to Def. Priv. Log P 10), even though defendants do not raise it.

As the email subject matter is tied to the instant case and the individuals contributing to the email volley are a named defendant and a party's attorney, the work product doctrine applies. Moreover, inclusion of third-party agency personnel in the distribution of the communication [\*22] does not constitute waiver as long as it is consistent with the adversarial system, which this Court concludes it was. Thus, Item No. 11 is sheltered from discovery.

*Privilege Log Entries 12 and 13* are not opposed by plaintiffs. (Pls. Resp. to Defs. Priv. Log P 1.) The Court accordingly finds that Item No. 12 is protected by attorney-client privilege and Item No. 13 is covered by work product.

*Privilege Log Entry 14* is a February 19, 2003 email from Ms. Gentile to Ms. Simpson discussing legal strategy in connection to the instant action. Defendants invoke the protection of both privileges. Plaintiffs respond that Ms. Gentile's departure from IEMA negates the basis for supporting either privilege. (Pls. Resp. to Defs. Priv. Log P 2.) Under *Caremark*, parties to an action, such as defendant Gentile, can author documents in anticipation of litigation and be covered by the work product doctrine. Recognizing

work product protection for Item No. 14, this Court will not address defendants' attorney-client privilege claim.

*Privilege Log Entry 15* is a three-page email containing the text of three email volleys circulated on March 17, 2004 between [\*23] Ms. Stolpman and Ms. Simpson discussing legal strategy in connection to plaintiffs' lawsuit. Defendants assert both privileges, which plaintiffs do not contest. (Pls. Resp. to Defs. Priv. Log P 1.) The Court finds that the documents are protected from discovery under the work product privilege. Reaching this result, this Court will not address defendants' attorney-client claim.

#### CONCLUSION

The Court finds that Items Nos. 1.a, 2, and 8 off plaintiffs' privilege log are protected under both privileges, Items Nos. 6 and 12 are covered by the attorney-client privilege, and Items Nos. 3, 4, 5, 7.b, 9, 10, 11, 13, 14, and 15 are shielded under the work product doctrine. As Item No. 7.a is partially covered by work product, the Court orders disclosure of Item No. 7.a to plaintiffs after redaction of all handwritten notes, as articulated above, within 7 days of this order. Similarly, this Court finds that Items No. 1.b to not be privileged. Accordingly, Item No. 1.b must also be shared with plaintiffs within 7 days of this order.

#### SO ORDERED.

Dated: October 12, 2005

ENTERED:

HON. MARIA VALDEZ

United States Magistrate Judge.

DECLARATION OF SERVICE BY EMAIL AND BY U.S. MAIL

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and employed in the City and County of San Francisco, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 100 Pine Street, Suite 2600, San Francisco, California 94111.

2. That on May 26, 2006, declarant served by electronic mail and by U.S. Mail the **APPENDIX OF ELECTRONIC CASES IN SUPPORT OF THE CLASS' RESPONSE TO THE HOUSEHOLD DEFENDANTS' MEMORANDUM OF LAW IN SUPPORT OF THE RETURN OF CERTAIN ARTHUR ANDERSEN DOCUMENTS AND CROSS-MOTION TO COMPEL PRODUCTION OF CERTAIN DOCUMENTS PROVIDED TO OUTSIDE AUDITORS BY HOUSEHOLD DEFENDANTS** to the parties listed on the attached Service List.

The parties' email addresses are as follows:

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[lfanning@millerfaucher.com](mailto:lfanning@millerfaucher.com)

and by U.S. Mail to:

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305 Madison Ave., 46th Floor  
New York, New York 10165

David R. Scott, Esq.  
Scott & Scott LLC  
108 Norwich Avenue  
Colchester, CT 06415

I declare under penalty of perjury that the foregoing is true and correct. Executed this 26th day of May, 2006, at San Francisco, California.

/s/ Monina O. Gamboa

MONINA O. GAMBOA

HOUSEHOLD INTERNATIONAL (LEAD)

Service List - 5/25/2006 (02-0377)

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