In The Matter Of:

Advanced Micro Devices v Intel Corporation

Teleconference December 1, 2008



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1	SPECIAL MASTER POPPITI: Okay. Let's
2	start the roll call with AMD, since it's AMD's
3	application, please.
4	MR. BALICK: Good afternoon, Your Honor.
5	It's Adam Balick from Balick & Balick. I have on the
6	line with me Linda Smith, Charles Diamond, and Marc
7	Williams, all from O'Melveny & Myers.
8	MS. SMITH: Good morning, Your Honor.
9	MR. COTTRELL: Your Honor, in Wilmington
10	Fred Cottrell and Steve Fineman.
11	SPECIAL MASTER POPPITI: Thank you all.
12	From Dell, please.
13	MS. MAGUIRE: Your Honor, Lauren Maguire
14	from Ashby & Geddes, and with me I have Tom Jackson and
15	Chris Maynard from Jones Day.
16	SPECIAL MASTER POPPITI: Thank you very
17	much.
18	MS. MAGUIRE: Your Honor, we also
19	represent Kevin Rollins, and Wil Barry from Richards
20	Kibbe & Orbe is on the line as well.
21	SPECIAL MASTER POPPITI: Thank you. And
22	from the Class, please.
23	MR. ATHEY: Your Honor, Clay Athey from
24	Prickett Jones & Elliott for the Class.

1	MR. FIMMEL: Steve Fimmel from Hagens
2	Berman Sobol & Shapiro for the Class. Good afternoon,
3	Your Honor.
4	SPECIAL MASTER POPPITI: Good afternoon
5	to the both of you.
6	And from Intel, please.
7	MR. HORWITZ: Good afternoon, Your
8	Honor. Here in Wilmington it's Rich Horwitz at Potter
9	Anderson.
10	MR. STONE: Good afternoon, Your Honor.
11	It's Rod Stone and Bob Cooper from Gibson Dunn & Crutcher
12	in Los Angeles.
13	SPECIAL MASTER POPPITI: Good afternoon
14	to you as well.
15	Please, let's proceed with the argument
16	on AMD's motion.
17	MS. SMITH: Your Honor, it's Linda
18	Smith. Should I begin since it's our motion?
19	SPECIAL MASTER POPPITI: Yes, please.
20	MS. SMITH: Okay. I think we disposed
21	of the case law regarding concurrent jurisdiction, and so
22	I'm going to just argue very quickly the effect of the
23	contractual arrangement. This is the subject of their
24	replacement brief.

SPECIAL MASTER POPPITI: And as you do that, and I understand that -- first of all, I'm going to ask Dell whether Dell agrees that we had disposed of that particular issue?

However, I do want to ask it in the

However, I do want to ask it in the context, for my own benefit, not necessarily for the benefit of any decision I need to make, but are you suggesting, Ms. Smith, that you agree that there is concurrent authority? That is, that each of the courts has the authority to enforce subpoenas that issue from the district in Texas?

MS. SMITH: Your Honor, I'm a little bit -- I have not seen the use, in the cases, and I have reviewed all the applicable case law, I hope, and I have not seen the use of the word concurrent.

SPECIAL MASTER POPPITI: I haven't either.

MS. SMITH: And that was the term that Dell used in their replacement brief.

But, you know, I'm just following -- I
mean, there is a Fifth Circuit Court case, and I know
Your Honor is well familiar with these, but this is
In re: Clients and Former Clients of Barron & Budd, P.C.
and Occupational Medical Resources, Inc.

SPECIAL MASTER POPPITI: Yes.

MS. SMITH: And it's 478 F. 3d 670, and it's 5th Circuit.

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It starts out with the basic principle that a motion to quash or modify a subpoena is to be granted by the court in which the subpoena is issued. And then it goes down to say certain federal statutes create an exception to the rule that only the issuing court may quash, modify, or enforce the subpoena.

SPECIAL MASTER POPPITI: Right.

MS. SMITH: For example, the multidistrict litigation statute authorizes a judge assigned an MDL action to "exercise the powers of a district judge in any district for the purpose of conducting pretrial depositions in such coordinated or consolidated pretrial proceedings." Citing Section 1407(b). This statute, therefore, authorizes the transferee district court to exercise the authority of a district judge in any district. The transferee court may hear or decide motions to compel or motions to quash or modified subpoenas directed to nonparties in any district.

Though the statutory language refers to pretrial depositions, the statute wisely has been

interpreted to embrace document production subpoenas as well. And then it cites Moore's Federal Practice.

And then, Your Honor, we found another 5th Circuit case, which is called -- and, I'm sorry, this will be the last. There is plenty of case law. I don't need to cite it, but it's called Astarte, A-S-T-A-R-T-E, Shipping Co. versus Allied Steel & Export Service, 767 F. 2, 86, 87 is the jump cite, and it's 5th Circuit 1985, that cited In re: Miller, and it says, "First of all, a transfer under Section 1407 transfers the action lock, stock, and barrel. The transferee district court has the power and the obligation to modify or rescind any orders in effect in the transferred case which it concludes are incorrect."

And between that and the Pogue case,
Your Honor, and certain other cases that are at least
governing in the 5th Circuit, not to mention the other
cases that have been cited both by Your Honor in the
Fry's decision, as well as by the parties in their
original briefing, it seems to us that whether the MDL
Court under Section 1407, and the case law and the
Panel's mandate sit as if it is in the Western District
of Texas, and every other district court where a subpoena
issues in an MDL case, or if it sort of transfers to you,

it doesn't make a difference. And probably the starkest example of this is a case that I really like, and that's the one that they cited again, Dell has cited again, and that's In re: Uranium Antitrust Litigation, and that is 503 F. Supp. 33, and that is a case where --

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SPECIAL MASTER POPPITI: Yes, buy me a ticket to fly.

MS. SMITH: Yeah, that is a case where the court decided that the transferee judge did have the jurisdiction, but that he had to -- he had to move and hear these things in every district court where a subpoena was pending. And that was later -- you know, that notion was later disabused, both in Pogue, where they basically said, you know, they gave U.S. ex rel. Poque, P-O-G-U-E, versus Diabetes Treatment Centers of America, which said, basically, I'm not going to give you the whole thing, but the judge found that while he had the power to act in another district as a judge of that district, the language of Section 1407 permitting a judge to exercise the powers in any district requires the judge to journey to another district. And the judge said we do not find that Section 1407 requires the court to become a peripatetic dispenser of justice, and agree with the other courts that have rejected this reading.

SPECIAL MASTER POPPITI: But I think you are suggesting by my question and your comments that even though you are accepting the words that Dell uses for purposes of refiling their document, you're not agreeing with Dell that it is concurrent authority. Is that correct?

MS. SMITH: That is correct. I think this court, as the MDL court, has the authority and it can operate as it so chooses.

even before you get into a discussion as to whether there is or there was an agreement as between you and Dell that subpoenas would issue from the District Court in Texas, and in addition to that the authority that the multidistrict court ultimately received, because I understand that the -- that the agreement was -- the order that Judge Farnan entered was earlier. But let me assume for the moment that that agreement lived beyond the order of the Panel to refer this case to Delaware.

I'd like to hear your view as to whether parties are able to agree to strip the multidistrict judge from the authority that that judge would have to enforce subpoenas or to manage issues involving the discovery in his or her case simply because there was an

agreement to issue subpoenas from another district? I'd like to hear some conversation as to whether or not you think it is, number one, permissible, or even if it is permissible, is it wise for a certain judge to permit that to occur?

MS. SMITH: Your Honor, I think it is -it is that it is not permissible for the parties to
contract away the MDL court's authority.

I think if the MDL court made the decision, for whatever reason, to allow the Western District to adjudicate it for some reason, then the MDL -- that's in the MDL court's discretion, but it is not in the discretion of the parties to contract away the MDL court's authority. That's the first part of the question.

And the second is, is it wise? You know, I think we've had a lot of discussion about this already, but Section 1407 and the whole MDL process was conceived of for a very clear purpose, and in the -- you know, as we talked about, the Panel's order assigned Judge Farnan as the single judge to, quote, formulate a pretrial program that, quote, eliminates duplicative discovery, prevents inconsistent pretrial rulings, conserves the resources of the parties, their counsel,

and the judiciary, and ensures that pretrial proceedings will be coordinated in a manner leading to a just and expeditious resolution of the actions to the benefit of not just some, but all of the litigation parties.

Litigation's parties.

And I think it was the specter of having, you know, in a case this large, of having subpoenas issuing all over the United States and being differently and separately adjudicated there, was one of the reasons for the MDL pretrial consolidation. And I think the court, the reason behind the multidistrict litigation and the Panel's order is to prevent forum shopping and inconsistent results.

The other thing is -- and so I think it is wise for the MDL judge to retain that authority. And, also, I mean, frankly, this case has been now -- we're now on our three, three plus years anniversary. And this court has the expertise to evaluate this dispute, you know, based on three years of familiarity with the factual and legal issues of this MDL, and I can't imagine any other court having that kind of expertise to exercise over any kind of dispute, discovery dispute that occurs.

SPECIAL MASTER POPPITI: But overlay your comments with the fact, and this is what Dell was

saying -- the efficacy of the fact is another question.

But overlay your comments with the apparent agreement -well, not apparent. There was an agreement as between

Dell and AMD that subpoenas would issue from other than
the MDL court.

Now, of course, that agreement predated the MDL order. What is your view of what effect that agreement has after the entry of the MDL order?

MS. SMITH: Well, there is two things at issue here.

or less than we will issue the subpoenas out of the United States District Court for the Western District of Texas on Dell, and that is basically the full extent of the order. And it was entered into before the MDL order was issued, etc. But, nonetheless -- so I think, number one, it was issued at a time -- it's limited in its context to we agree to issue the subpoenas out of.

It's very clear from the authority of Section 1407, the Panel's rules, as well as the case law, that the adjudication of disputes arising from the issuance of the subpoenas is by the MDL Panel.

So I see nothing -- by the MDL judge,

24 excuse me.

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So I see nothing inconsistent, if you take our agreement a deal is a deal is a deal, that we will issue the subpoenas out of the Western District of Texas, and this court's authority to adjudicate any disputes arising therefrom.

And one other --

take, though, from the agreement as described by Intel in Intel's correspondence to me -- let me just give you a date for purposes of the record. Intel's correspondence is dated November 24 of 2008. And in that correspondence Mr. Drane advises that as between Intel and Dell, there was an agreement with respect to the issuance of the subpoenas, and there was an agreement with respect to any enforcement action on those subpoenas.

MS. SMITH: Right. Your Honor, and my view is that it's utterly and completely irrelevant to this dispute. This is an undisclosed oral agreement between Intel and Dell, and has nothing to do with this issue.

SPECIAL MASTER POPPITI: Okay.

MS. SMITH: First I heard of it, and

23 doesn't matter.

SPECIAL MASTER POPPITI: Okay.

MS. SMITH: The other thing, Your Honor, and this is -- there is two more things, and I will try to be very brief.

One is that it's one thing to agree with Dell and to agree with other companies that we will issue the subpoenas out of a place where their headquarters is.

And that's all well and good.

SPECIAL MASTER POPPITI: What was the purpose of that?

MS. SMITH: Well, I think you will have to ask Dell. They wanted it, and we saw no down side to it, so we gave it to them.

But the intent was undisclosed, and it certainly didn't encompass in our mind giving up the adjudication by the MDL, which had not yet been entered yet.

But, Your Honor, I do see something different here, and that is, you know, we looked at this long and hard in the last couple of days, and Federal Rules of Civil Procedure 45 does provide that you are supposed to issue the subpoena on a nonparty, you know, within a hundred miles of where they reside. And I think that whether or not the MDL is in effect -- of course, it is -- we are still obligated right now, with individual

deponents, as opposed to Dell the corporation, to issue subpoenas within a hundred miles of where the individuals reside.

And that is why we did the five out of the Western District of Texas; we did Mr. Rollins out of Massachusetts; and consistent with that, we've done Elio Levy from Tech Data as the Middle District of Florida, and Rich Pereira of Tech Data as the Middle District of Florida; and Alex Hsu from Supermicro out of the Northern District of California, and I can go on and on.

But basically, with third parties, we are issuing them out of the district in which they reside, or within a hundred miles of the district in which they reside. And then if there is any disputes that need to be adjudicated, they're all going over to the MDL court, as is required and expected.

And the last thing, of course, and I know Your Honor is aware of this, is that the original stipulation back in June of '05 -- oh, sorry --

SPECIAL MASTER POPPITI: I'm sorry, I missed your comment.

MS. SMITH: Okay. The original preservation stipulation, September 6, 2005, says in paragraph 11, "AMD agrees that any subpoena for testimony

or for the production of documents and/or testimony AMD may serve upon Dell will issue out of the United States District Court for the Western District of Texas." On the same page of that agreement at paragraph 13 it says, "This stipulation will remain in force pending further stipulation or order of the court, or agreement of the parties to this stipulation."

And that takes us to the agreement of the parties, which is between not only AMD and Dell, but AMD and Dell and Intel and the Class. And at that time there was also another Class in the California state court, and that is the agreement that's effective as of January 1, 2007.

And as Your Honor knows, it recites that it governs all subpoenas served on Dell in a list of matters, and including the MDL, the AMD action, and the California action. Then it recites all the -- the preservation stipulation from back at September 2nd, 2005, the supplemental stipulation, the AMD service of subpoenas, Intel's service of subpoenas, the plaintiff in the MDL's action service of subpoenas, the plaintiff in the California action service of subpoenas, and concludes by saying in G, on page 2, "This agreement supersedes the subpoena, the preservation subpoena, and the supplemental

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preservation subpoena," and it's signed by all parties.

And I don't know how -- you know, I don't know how, even if you just rely on a deal is a deal is a deal is a deal, that in addition to the intervening MDL Panel order and the authority that it conveyed, just as a contractual basis, the original agreement was abrogated by this agreement between all the parties.

SPECIAL MASTER POPPITI: And Dell says that it wasn't. I mean, that's their response to that.

Correct?

MS. SMITH: I think Dell says that they had the undisclosed intent, as they do in the hundreds of subpoenas that they receive, that they have the undisclosed intent to commit to something broader than what the language that we agreed to, which just says the subpoenas will issue out of the Western District of Texas full stop. And then it's certainly abrogated. So I don't know where they get that argument. I'm sure we'll hear next.

SPECIAL MASTER POPPITI: Okay. Just give me one moment, please.

Counsel, let me just again for purposes of the record understand your position with respect to the subpoenas that you have requested issue. And I guess

my question is: You've made the decision to issue subpoenas from different districts. Correct?

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MS. SMITH: Yes, Your Honor, based on Federal Rule 45.

SPECIAL MASTER POPPITI: And my question is quite squarely: Do you then not agree that this district, as the multidistrict court, that this district has authority to issue subpoenss throughout the country?

MS. SMITH: Your Honor, I think this district court, the MDL court has the authority to issue subpoenas throughout the country.

That said, to be safe, and I also think it is extremely clear under 1407, the Panel's rules and the case law that this court has the authority to adjudicate disputes over the subpoenas wherever they may issue.

SPECIAL MASTER POPPITI: Right.

MS. SMITH: I do think, in an excess of caution, that it's probably prudent when you get to the individual third-party deponents to issue the subpoenas out of the district where they reside, because that way, since we know that any dispute over them will come to this court anyway, it seems to me, quote, safer. But I don't think it abrogates the authority of this court, the

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1	MDL court to issue the subpoenas if it chooses.
2	SPECIAL MASTER POPPITI: Yes, and that
3	would be that's certainly consistent with my view of
4	this court's authority with respect to the initial
5	authority to issue subpoenas.
6	MS. SMITH: Yes, Your Honor.
7	SPECIAL MASTER POPPITI: I don't know
8	whether Dell has a different view, and I'm sure I'll hear
9	that when I turn to Dell.
10	Any other comments, then, please?
11	MS. SMITH: No, Your Honor.
12	SPECIAL MASTER POPPITI: All right. Who
13	am I going to be hearing from for Dell? Mr. Jackson?
14	MR. JACKSON: Yes, Your Honor, I'm on.
15	SPECIAL MASTER POPPITI: Thank you, sir.
16	You may proceed.
17	MR. JACKSON: All right, Your Honor.
18	Let me begin by making a point that I
19	think is important.
20	The concept of where disputes get
21	decided as it relates to Dell and Dell employees is not
22	an issue that is unique to this litigation. Dell, in
23	fact, as you might imagine for a company of its size,

gets served with subpoenas, you know, as a nonparty from

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a variety of different matters during the course of a year, and it certainly adds up over time.

Dell's policy uniformly has been in those circumstances to try and get a uniform, consistent resolution of disputes that might arise, and the way they have done that is by requiring that all subpoenas come out of the Western District of Texas. They've done that in both individual actions, and they've done it in MDL actions other than the current one that is before the court.

SPECIAL MASTER POPPITI: Let me focus on that for a moment, Mr. Jackson. And I'll want you -- I'm sure you will want me to be understanding that in more detail.

From the perspective of the multidistrict court, you suggested that it's important for Dell to have -- and I hope I'm adopting the word that I heard. If not, please, please correct me if I didn't. Consistency from Dell's point of view is important. Is that a fair statement?

MR. JACKSON: Yes, Your Honor. Across all of the various subpoenas that it gets, that is correct.

SPECIAL MASTER POPPITI: And I

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understand that.

My question is: From this district's point of view, as the multidistrict court in massive litigation as this is, isn't this the epitome of the reason for a multidistrict assignment, number one?

And if that is the case, isn't this the epitome of an example where consistency in this case, consistency across all defendants -- I'm sorry, third parties, isn't that consistency from the court's perspective much more important than consistency as it relates to Dell as an individual third party?

MR. JACKSON: Your Honor, I learned a long time ago never to try and speak for a court's point of view.

Let me say this, that from the perspective of nonparty discovery, that, you know, we think any issue as to whether or not it was going to be consistently decided in the MDL court or not was taken away by the stipulation which agreed as part of a whole document production process that it would occur in the Western District of Texas.

And Dell was very happy that they were able to get that agreement. They got that same agreement from Intel, and Intel understood what it meant.

So we think that whatever that issue may be from the Court's perspective, and again I don't presume to speak for the Court on its desire for consistency, that it was essentially bargained away as it relates to Dell.

And that wouldn't necessarily apply to other nonparties who either did or did not ask for a similar and get a similar agreement.

SPECIAL MASTER POPPITI: But,

Mr. Jackson, and focusing squarely on that issue,

wouldn't that present the domino effect or the

possibility of a domino effect of many third parties

negotiating for a position that literally strips this

court of its authority as granted by the transfer order

as contemplated by the federal statute? Namely, to

manage discovery, to eliminate duplicate discovery, to

prevent inconsistent pretrial rulings, right down the

line.

MR. JACKSON: But, Your Honor, I also don't want to engage in a question of trying to predict what may or may not happen or what has happened with respect to other nonparties. I simply don't know the answer to that question.

What I do know is that the process and

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its efforts of consolidating together discovery doesn't strip the parties to the MDL, both the plaintiff and the defendant, from being able to engage in negotiations for the production of documents and other things.

SPECIAL MASTER POPPITI: I understand that completely.

MR. JACKSON: And in the process of doing that, you know, if they choose to give up the resolution of that dispute to another place, I don't see any reason why an MDL court wouldn't honor that obligation, just like any other court would in a normal piece of litigation.

And so --

SPECIAL MASTER POPPITI: Would you not agree with me?

MR. JACKSON: I'm sorry?

SPECIAL MASTER POPPITI: Would you not agree with me that when you submit -- at least it's been my experience on the receiving end of receiving stipulations from the parties dealing with pretrial issues, it is the practice, at least of this Special Master, on behalf of this particular judge, to review the stipulations, and if I make a determination that the stipulation is not consistent with my responsibility of

coordinating and conducting and supervising discovery, I won't sign a stipulation just because it's submitted. I won't put a so ordered just because there is a so ordered on the bottom of it.

Isn't it my responsibility as a special master to review that stipulation and make sure that it makes sense in the entire operation of the multidistrict litigation?

MR. JACKSON: Your Honor, again, I'll confess I've never been in your position, and so I haven't thought about it as far as I'm concerned.

What I do know is that there is nothing about the MDL process that ought to take away the parties to that proceeding's ability to come to accommodations or resolutions to try and cut down the number of issues that find their way to you or to the district judge or anybody else.

SPECIAL MASTER POPPITI: It would seem to me that that's working the process for the purposes of making it more efficient.

My question goes to parties agreeing in the context of multidistrict litigation that you are -- you are taking the authority away from the multidistrict court to benefit the third party, for whatever reason.

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1	MR. JACKSON: Understood, Your Honor.
2	And I think that the parties in the process are trying to
3	get a vast amount, in this case in trying to get vast
4	amounts of information from Dell, which they have
5	gotten
6	SPECIAL MASTER POPPITI: Yes.
7	MR. JACKSON: were encouraged to sort
8	of come to some agreements and resolutions and to
9	cooperate with Dell in order to make that happen.
10	And that one of the consequences of that
11	is if they voluntarily decide that should there be future
12	disputes that arise and, you know, and we got through
13	the document production process without ever having to
14	have a dispute.
15	SPECIAL MASTER POPPITI: You sure did.
16	MR. JACKSON: Knock on wood. You know,
17	but if in exchange for that they voluntarily want to
18	have, or were willing to give up the question of who is
19	going to decide this issue, then I think that's perfectly
20	consistent with all the other federal rules that exist
21	out there.
22	SPECIAL MASTER POPPITI: Okay. Then
23	let's go back to

MR. JACKSON: I'm not trying to --

I mean, how

1 SPECIAL MASTER POPPITI: Go back to the question of whether there is an agreement or whether 2 3 there isn't. MR. JACKSON: All right. 4 SPECIAL MASTER POPPITI: The question I 5 6 asked Ms. Smith later in our conversation, let me start 7 with that. 8 Do you agree or disagree that the 9 multidistrict court has the authority to issue subpoenas 10 nationwide? 11 MR. JACKSON: Your Honor, I think if you have jurisdiction, the natural correlation of that 12 jurisdiction is you have that power. I just think those 13 go one from the other. 14 15 SPECIAL MASTER POPPITI: And I don't That makes sense to me. 16 disagree with that. 17 My next question is, then, aside from 18 the language in the stipulated order, whereby you and AMD 19 did agree that the subpoenas would issue from the United States District Court for the Western District of Texas, 20 21 you hear Ms. Smith saying that's the extent of the 22 agreement, and I'm hearing you say, no, it's not.

do you expect me to come out on that when the language of

How do I come out on that?

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the document only refers to the issuance of the subpoenas in the first place?

MR. JACKSON: Well, as my client responded, Judge, when we read the AMD argument, why in the world else would they have thought we insisted on that provision to start with? And there is no other explanation for it.

SPECIAL MASTER POPPITI: Other than the question --

MR. JACKSON: Dell's reason for insisting on having it come out of the Western District is because it meets Dell's purpose of trying to have a consistent resolution of Dell's discovery obligations in the multiple lawsuits that it addresses and handles on an annual basis.

SPECIAL MASTER POPPITI: But I'm looking at rather, you would agree with me, clear and unambiguous language in this stipulated order. I'm looking at the four corners of the document, and there is nothing that deals with the issue of enforcement. Is that a fair comment?

MR. JACKSON: I think -- I think there is -- the words enforcement appear no place in the stipulation, Your Honor. I agree with that.

I think as a natural consequence of the agreement, I think Intel understood the natural consequence of the agreement, and that's what's reflected in their letter to you.

SPECIAL MASTER POPPITI: Well, Intel comes at it from a little bit of a different perspective, because Intel names names, if you will. They said there was a conversation as between -- let me go back to that letter again for purposes of the record. Mr. Stone of Intel was having conversation with Mr. Joyce of Dell. And Mr. Joyce said that he was not going to accept -- I guess that's the word that was used, was it not? He was not going to accept service of the subpoena on behalf of Dell on the condition -- only on the condition it be issued out of the district that -- District of Texas. That's a little bit of a different record, is it not?

of "he said, she said" sorts of comments, I will tell the Court that I have spoken to the gentleman here, Mr. Conrad, who was handling the negotiations with Mr. Pearl of O'Melveny, and Mr. Conrad tells me in no uncertain terms Mr. Pearl understood exactly why Dell was insisting on this provision.

Also, in the context of what the Court

MR. JACKSON: Your Honor, in the context

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1	has said, which is, you know, you're looking at the
2	agreement and the four corners, trying to avoid getting
3	out and away from that, that the purpose of including it
4	was clear, is because that way, that the issuing court
5	would then decide the issue.
6	MS. SMITH: Your Honor, it's Linda
7	Smith.
8	Can I say one thing here? One of the
9	things we had expected to see, because of the undisclosed
LO	intent and the clear language of the agreement, not to
L1	mention that it was superseded, was a declaration, a
L2	letter, an Affidavit, an e-mail
L3	SPECIAL MASTER POPPITI: We'll get to
L 4	MS. SMITH: Anything. And, also,
L5	Mr. Pearl of our office is my partner, and he did not
L6	deal with Mr. Conrad on this, he dealt with Jeffrey
L7	Joyce. And he tells me in no uncertain terms that
18	adjudication of disputes was never discussed.
L9	SPECIAL MASTER POPPITI: I can't
20	MS. SMITH: I understand that, Your
21	Honor.
22	SPECIAL MASTER POPPITI: That's part of
2 2	the reason why there is a different record here with

24

Dell.

I agree, Your Honor. 1 MS. SMITH: 2 what I'm saying is I would have expected --SPECIAL MASTER POPPITI: Counsel, I'm 3 going to ask you to hold your comments until you have 4 another chance, please. 5 6 MS. SMITH: Okay. Thank you. 7 SPECIAL MASTER POPPITI: Let me then 8 focus for the moment and accept the proposition that the order, which does not contain the language of 9 10 enforcement, let me assume for the moment that it did. 11 And then I'm directed to the stipulation that was entered into in January of 2007. 12 I don't know 1.3 any other way to read the document production agreement between Dell and requesting parties in any other fashion 1415 than to read it that all agreements entered into before 16 that date are obviated by the agreement of that date. 17 How can I read that any differently, 18 Mr. Jackson? 19 MR. JACKSON: Your Honor, if you look at 20 the obligations that were imposed in the original 21 stipulation and the supplemental stipulation, those 22 obligations survived, or at least the parties have behaved as if they did, because they are obligations to 23 maintain and preserve various items that were not 24

superseded by the document production agreement.

What was superseded was the requirement -- two things, really.

One, the requirement to continue an ongoing maintenance of documents on the theory that the time and path for such a requirement to make any sense.

Secondly, because we at that point had received, as Ms. Smith pointed out, multiple subpoenas that all asked for different types of documents in different forms and factions, and had different date ranges and all the variations one can imagine when you get multiple subpoenas in a same topic area, they were all superseded and replaced by a single set of search terms in a process that was agreed upon to handle that.

But the obligation as it related to future subpoenas was not part of that part of the negotiation. So I think what -- if the Court looks at the other obligations that were in those stipulations, you'll see that they weren't superseded.

SPECIAL MASTER POPPITI: Well, the problem I'm having with that is the language itself.

Again, I'm confronted with language in an order which is clear and unambiguous and within the four corners of an order. It's certainly more than a contract at the point

in time when Judge Farnan signed it.

But I'm looking at the stipulation, and looking at paragraph II-G. It says, This agreement supersedes the subpoenas. I understand that.

The preservation stipulation and the supplemental preservation stipulation. Now, there is no date for the preservation stipulation and no date for the supplemental preservation stipulation. And yet I'm hearing that the only possible reference for the preservation stipulation is the stipulation re preservation of documents by Dell, Inc., so ordered by the court on whatever date Judge Farnan signed it. It was September the 8th.

MR. JACKSON: In the document production agreement that was entered on the 18th of January, 2007, all of those various orders are attached as exhibits.

And the Court is correct, you are referring to the right -- the right stipulations.

SPECIAL MASTER POPPITI: I don't know how I can read --

MR. JACKSON: -- as a practical matter, was the ongoing preservation obligation that was also in that stipulation. So...

SPECIAL MASTER POPPITI: But, counsel,

what it didn't do, it didn't literally carve out what you're suggesting. It didn't simply carve out the preservation stip -- the part of the order that dealt with the obligation to preserve.

It says, This agreement supersedes the preservation stipulation. I mean, how do I read that any other way than reading it the way it reads?

MR. JACKSON: The only thing I can suggest, Your Honor, is that you look at the other things that Dell was obligated only under those prior stipulations to preserve.

The argument that AMD is advancing would leave you in a situation in which the replacement agreement would have relieved us of an obligation to preserve any of the documents that we have agreed to preserve for purposes of a search, which would have left us with a very hollow result.

So, as a matter of simply reading the agreements together, it can't possibly mean that all of those obligations were gone. And the stipulation as it relates to future subpoenas and the issuance of those, because at that point the document subpoenas had already been issued out of the Western District of Texas, would have had no reason to have been superseded as it relates

to that.

And again, Your Honor, were I to know now, or were I to know then what the dispute would be now, of course we would have insisted upon better language to describe it. You are reading the language correctly, Your Honor.

SPECIAL MASTER POPPITI: And that is, of course, one of the reasons for the parallel evidence rule, because in hindsight we would all perhaps make language tighter in documents of this nature when we're looking back in hindsight and when there is, in fact, a dispute.

Just give me one moment to collect my thoughts. Hold on.

(Brief recess.)

SPECIAL MASTER POPPITI: Counsel, if you have any more thoughts, please. Otherwise, I would like to hear from the Class, if there is anything to add to Ms. Smith's argument. I should have asked you that in the first place. I do apologize.

MR. FIMMEL: Your Honor, the only point that the Class wanted to make was that we were not a party to the purported agreement to have the disputes adjudicated in the Western District of Texas.

SPECIAL MASTER POPPITI: Thank you.

Counsel, by virtue of even hearing that statement, and I guess I should have expected that were the case in light of the papers that have been put before me, but perhaps that's even the best example of, the Class plaintiffs from their perspective just said to me, I think, we shouldn't be stuck with this because we're in multidistrict litigation here, and we anticipated that it means what it means, and we expected ultimately Judge Farnan would have a say when there is a dispute with respect to a subpoena that gets issued.

Intel, please.

MR. STONE: Your Honor, Rod Stone on behalf of Intel.

We really were not a party to the agreement between Dell and AMD, and were not part of those negotiations, so don't really have anything to add beyond what we put in our letter with respect to the conversation I had with Mr. Joyce with respect to the issuance of the Intel subpoena.

SPECIAL MASTER POPPITI: And that, of course, is, as I understand it, simply the subject of an oral agreement as between Intel counsel and Dell counsel.

Is that correct? There is nothing in writing?

MR. STONE: That is correct, Your Honor.

SPECIAL MASTER POPPITI: Okay. All

3 right.

Here is my view of this, and here is the way I think it is important to create the record. I'm going to ask AMD and the Class to discuss an appropriate form of order. I'm going to ask that Dell have the opportunity to review it and to agree to it as to form only, expecting that they may not agree to the substance of it.

Number one, it seems to me if I am asked, as I am being asked, to look at the stipulation and order that was entered by the Court on September the 8th of 2005, the language of the order is what it is. It is no more and no less than AMD and Dell agreeing that subpoenas will issue for Dell out of the United States District Court for the Western District of Texas.

I'm mindful of the fact that that order was entered prior to the order of the MDL Panel. I'm also mindful of the fact that Judge Farnan would have had an opportunity consistent with the law surrounding referral of a case to an MDL judge to make a determination as to whether that order should have been modified, and he did not do that.

Just for purposes of rounding out the record, let me just direct counsel's attention to -- just hold for a second, please.

In terms of Judge Farnan having the opportunity to look at and modify any existing orders once he received the MDL assignment, if you will look at In re: Master Key Antitrust Litigation, 320 F. Supp. 1404, and that's the JPML 1971, the language of the order, as I said, is what it is. And it's important for me, absent a record that would permit me to make a determination that there was an agreement above and beyond the language of this order, to say that the language of the order is what it is, and it does not address the issue of enforcement.

So I do conclude on the basis of this record that there was no agreement that took this language and extended it. Said another way, no agreement that it's different from the language of the order itself.

Second, it seems to me that the whole purpose of the MDL federal legislation would be easily frustrated if third parties were able in conjunction with their proper effort to do what I think all parties do, and that is attempt to meet, confer, and resolve issues

regarding discovery, particularly in a case of this nature where the cooperation on the part of AMD and Dell would likely -- the cooperation itself produce the kind of information that has been shared, I think it would be foolish of me not to expect that if Dell chose to contest some of the requests that were being made, if other third parties chose to contest some of the requests that were being made, this litigation could come to a grinding halt.

I know that you're all aware of the path that Fry's Electronics took, and how long it took to get that matter resolved when Class plaintiffs tested those issues. But it seems to me that the whole purpose of the MDL statute and order would be frustrated were agreements of this nature to be routine.

Said another way, even if there were an agreement, and even if the -- this order was not superseded by the later agreement in January of 2007, and I conclude that it, in fact, was, even if it weren't, I would recommend to Judge Farnan that the order of September 8 of 2005 be modified in such fashion that would permit him to exercise the authority that he does have throughout the country in dealing with issues involving subpoenas, whether they issue from this court

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or whether they issue from any other court.

What I would like AMD to do is to craft a form of order which puts in place my recommendation to the court. I would like to hear how quickly that can be done, because, as AMD knows, if Dell does not agree with my recommendation, they have the right to go to Judge Farnan and convince him that this is not the appropriate way or not the correct way to approach this dispute.

How quickly can AMD and the Class work on the order, and how quickly can it be turned over to Dell, and how quickly can I have it back for purposes of my signing it?

MS. SMITH: Your Honor, it's Linda Smith.

We can work with the Class and get this done and over to Dell by close of business today.

SPECIAL MASTER POPPITI: And turned around from Dell, please?

MR. JACKSON: Your Honor, if we get it by the end of the day, we'll have it back to you by no later -- well, assuming it follows exactly what the Court said, I'm sure we won't have problems in terms of the form, we'll get it back to you first thing in the morning.

SPECIAL MASTER POPPITI: Okay. And that would be good. I'll look for it, then, not later than noon tomorrow.

What I'm also going to propose is, knowing how quickly you all brought this to my attention and knowing that the papers do not represent a significant universe of material, as I have in other matters, I'm going to propose to the Court a quicker turnaround for you to take; that is, if Dell chooses to take exception to the order. And my inclination is to suggest that that be not later than three days from the issuance of the order.

And what I'll ask AMD to do is if you will -- no, actually, I'll generate that from this end.

What I intend to do is propose a form of order to Judge Farnan where he, number one, shortens the amount of time within which Dell can take an exception. And your submittals are, short as they are, I will likely suggest to Judge Farnan that he also impose a page limitation, if, in fact, there are exceptions taken.

What, clearly, I'm not in a position to do, in light of the expected schedule for discovery, if Dell chooses to take exception, I'm certainly not in a position to suggest how quickly this gets turned around

	Teleconference		
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1	back to me for purposes of making a determination on the		
2	underlying dispute.		
3	In the context of the order that I		
4	prepare for Judge Farnan's signature, by virtue of		
5	language that I will choose to use in that order, I will		
6	suggest to him the urgency from AMD's perspective.		
7	Any questions or comments, please?		
8	MS. SMITH: Your Honor, it's Linda		
9	Smith.		
10	I have just two questions, both of which		
11	are not I think you both of which are not easy.		
12	The first is that our response in Texas		
13	to Dell's motion to quash is due on December 4, which		
14	under even this expedited program would pass before this		
15	was completely resolved by Judge Farnan. And my question		
16	to Dell is: Will you agree not to proceed in Texas until		
17	such time as Judge Farnan issues his order?		
18	MR. JACKSON: I am more than happy to		
19	ask the clients their view on that request. I am not		
20	I do not have the authority to respond one way or the		
21	other as we sit here on the phone.		

23

24

you're cutting out.

MS. SMITH: I'm sorry. This seems to exemplify the problems with not having things multidistricted.

You have made a recommendation, which may or may not be appealed to Judge Farnan. And meanwhile, can you or can Judge Farnan, if Dell will not agree to halt the Texas proceeding, ask that it be stayed until such time as -- I'm not asking you to speak for Judge Farnan. I just -- this is exactly what happens when the multidistrict court is trying to interface with another court at the same time.

SPECIAL MASTER POPPITI: I understand what you're saying.

In your papers to me, I believe that there was some request or suggestion that Judge Farnan engage the judge in the Western District of Texas. And I think I told you, it may not have been the last time that we talked, it may have been the first time, that I had already advised Judge Farnan's case manager that there was that request that was made. And I think I remember, without looking down at the transcript, remember telling all of you that by virtue of making that contact with Judge Farnan's Chamber, I'm sure that he is aware of it.

Teleconference

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And yet, at the same time, I'm certainly not in a position to expect when, if at all, he will accept that suggestion.

MS. SMITH: Understood, Your Honor.

When will -- I'm not sure --

other -- I landed on three days only because I landed on three days. It seems to me it's doable in two, because all of your papers are finished. It's just a matter of reformatting them to some extent, perhaps taking into consideration what I have recommended, and simply repackaging it for Judge Farnan's view if Dell chooses to do that.

So if there is an expectation, and I'm certainly wanting to be fair to all concerned parties, if there is an expectation it can be done in two days, then I will recommend that we shorten the time to two days.

And my experience, counsel, with respect to suggestions to Judge Farnan of that nature is that he has -- he has always accepted the recommendation to shorten the time and has always taken the time that I have recommended for purposes of establishing a deadline.

MR. JACKSON: Your Honor, this is Tom

24 Jackson.

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Taking our normal 20 days to three is
1
2
    fairly dramatic. Taking it yet another day or two seems
3
    very, very short for us.
 4
                      SPECIAL MASTER POPPITI:
                                               Okay.
                                                      Then
5
    I'll leave it at three.
                     Do you have another comment or question?
 6
 7
                     MS. SMITH:
                                  Yes, I did.
8
    Mr. Jackson, will you be able to indicate to us today
    whether your client is so inclined to allow us to stay
9
10
    this until we hear from Judge Farnan?
11
                     MR. JACKSON:
                                    I promise to raise the
12
                       I do not know how quickly they will
    issue with them.
    come to a decision, but as soon as they do, I will let
13
    you know. That's all I can do.
14
                      SPECIAL MASTER POPPITI:
                                               Any other
15
16
    comments or questions, or would you prefer -- I can
17
    certainly leave you all on the line, just put you on
    hold, and when you're finished, if it's a matter of
18
19
    further conferring --
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                      MS. SMITH:
                                 Your Honor, this is Linda
    Smith.
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22
                      I have one last issue.
                                              The subpoena
    issued in the Western District of Texas, the first one
23
24
    for the deposition of Dan Allen, provides that his
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deposition is scheduled to commence on September 8th. I mean, excuse me, I've lost my track of time,

December 8th. And that would be -- that would be pretty quickly, especially considering that we need at this point to wait for Judge Farnan's ruling and then brief and address the duration of the deposition issue.

I had already written on November 24th to Mr. Jackson and his other folks at Jones Day suggesting that under the original schedule, which contemplated a more expedited -- well, was expediting things, but contemplated that the original times for briefing the second part, the duration of the deposition issue, would be originally, I'm saying, simultaneous briefs on the 4th of December and hearing on the 8th. And I, therefore, expressed to Mr. Jackson, et al. that because there may be a hearing on the 8th, that we would be happy to either issue a new subpoena for the 10th, or maybe he would agree to treat the subpoena for Dan Allen, which requires an appearance on December 8th, as if it requires his appearance on December 10th.

Mr. Jackson's response was, no, we have not -- I'm reading it. We have not agreed to any dates in any of your subpoenas. We have consistently maintained that position and continue to do so.

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So I guess what I'm saying is, we have and have always been willing to be flexible about the issue. We do need to get these depositions done, but we do understand that these have to be resolved. There is currently an outstanding subpoena directing — Federal subpoena directing Mr. Allen to appear on the 8th at 9 o'clock, and we need to have some sort of agreement on that.

And if we can't do it between the parties, I think we have to bring that issue now to Your Honor.

MR. JACKSON: Your Honor, Tom Jackson, if I might.

SPECIAL MASTER POPPITI: Yes, please.

MR. JACKSON: The issue of the subpoenas is the subject of a pending motion to quash. And as the Court knows, all of that is wound up into the issue of the question of length. And that's the sole basis on which there is a motion to quash.

I am not going to recommend to my client that we require Ms. Smith to re-serve subpoenas for whatever date we ultimately agree to to take these depos on. I think one subpoena is good enough, and we can agree to change the date to whatever date it ultimately

turns out to be. Because I realize and understand that each of these people, in fact, will be deposed. The open question is for how long.

And so, you know, I'm not going to require to keep serving subpoenas or otherwise deal with that, if that helps her in any way.

MS. SMITH: Well --

SPECIAL MASTER POPPITI: It sounds like it helps some, doesn't it, Ms. Smith?

MS. SMITH: Well, it does help some.

You know, as Your Honor is aware, for at least these six deponents, the five current and the one former, there is an agreement that they will appear, and the question is how long.

I feel like -- and, you know, I feel like if we don't have consent that the motion to quash will be stayed, and if we don't have consent on any date, and sort of a, what I would regard as, with all due respect, somewhat of an intransigence on this issue, you know, we're in position to move for contempt on the 8th if he doesn't --

SPECIAL MASTER POPPITI: My reaction is you have to do what you have to do. And if the conversation is going to be, as Mr. Jackson just

suggested, the same. I mean, once this matter leaves my desk, it seems to me that the issue will be squarely before all of you, and it will be Dell's decision as to whether or not they take exception. And if they do, I think I've done my part in trying to move this along by suggesting that there also be an order accompanying this order asking Judge Farnan to turn to it as quickly as he chooses. I don't think there is really anything more that I can do from my desk other than tee it up for Judge Farnan in the next four days.

MS. SMITH: Okay. Thank you, Your Honor.

SPECIAL MASTER POPPITI: And leave it to whomever to get his intention as quickly as possible.

All right. I will look for an order not later than noon tomorrow, and I can assure you it will be out of here soon thereafter.

(Hearing concluded at 2:11 p.m.)

CERTIFICATE

STATE OF DELAWARE

NEW CASTLE COUNTY

I, Debra A. Donnelly, a Notary Public within and for the County and State aforesaid, do hereby certify that the foregoing teleconference was taken before me, pursuant to notice, at the time and place indicated; that the teleconference was correctly recorded in machine shorthand by me and thereafter transcribed under my supervision with computer-aided transcription; that the transcript is a true record of the teleconference; and that I am neither of counsel nor kin to any party in said action, nor interested in the outcome thereof.

WITNESS my hand and official seal this day of December A.D., 2008.

DEBRA A. DONNELLY, RPR CERTIFICATE #151-PS EXPIRATION: PERMANENT