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ORAL ARGUMENT – 2/9/00
99-0616 & 99-0648
IN RE GEORGE & IN RE EPIC HOLDINGS

YATES: The narrow issue on this mandamus is whether lawyers who are disqualified from working on a case because of a genuine threat that in working on that case they will end up divulging confidences of a former client can pass their work-product on to successor counsel? And I need to go back to Epic I. You remember in Epic I, that the old Johnson & Gibbs law firm, that's matter 1, had worked on matter 1, and last time we called the lawyers at Johnson & Gibbs who actually worked on matter 1, the red guys. And then the lawyers at Johnson & Gibbs who didn't work on matter 1, but were there at the firm are the blue guys. And that's matter 1. That's where they represented my client, Epic. Then the red guys and the blue guys leave Johnson & Gibbs and go form a new law firm, which is really two firms, the Jordan/McKool group and it's got red guys and blue guys in it. And the blue guys proceed to sue my client.

Your honors hold on Epic I, in the first mandamus, the red guys clearly could not sue my client, and because the red guys cannot sue my client the blue guys are precluded from suing my client, and the firms are disqualified.

Now why were the blue guys precluded? They were precluded under Rule 109. But the reason for that is your rerebuttable presumption that your honors raised in cases like *Henderson v. Floyd*, and *Texaco v. Garcia*, where you say that if a lawyer in the firm has the confidences, then other lawyers in the firm are irrebuttably presumed to also have the confidences and therefore, the blue guys were irrebuttably presumed to have the confidences and that's why they couldn't work on the matter. So the question here is, if the blue guys couldn't work on the matter can the blue guys send their work product over to the new law firm?

ABBOTT: Isn't the real problem though what is contained in the little suitcase?

YATES: That is the question. And we would say that under cases like the *Core(?)* case which is one of the ones we cite, that what you have to say is that if the blue lawyers themselves couldn't work on it, then the confidences necessarily seep into the work product.

ABBOTT: Do you know what all is contained in the suitcase?

YATES: No, sir. I do not.

ABBOTT: What if one of the items in there are summaries of depositions that were taken, is there any problem with them shipping that over to the new lawyers?

YATES: You've hit on the exact point. To me the only troublesome issue here is where

do you draw the line on what you would let go?

ABBOTT: Would you agree that the appropriate test would be the balancing test used by the federal courts?

YATES: I do not. I know that the law review articles have written it that way, but I think the dissent in the *First Wisconsin* case has got it right.

ABBOTT: So you think that even deposition summaries should not go?

YATES: I think the way a lawyer writes up a deposition summary may very well be impacted by confidences and information that he has previously; and that is work product. And there are two kinds of work product going on in this case, and I think that's where some of the cases get confused. You have work product for evidentiary privilege purposes. It could be core work product. It could be non-core work product. But we know that confidences for purposes of protection under the ethical rules is more than just what's privileged. The DR say that. They define confidences as beyond what's privileged. And your honors have written that in *in re American Home* and in *Phoenix Founders*.

ABBOTT: But it's a fair presumption that much of what's contained in the work product suitcase is untainted in any respect.

YATES: Judge, would you agree with me that's it also true that much of - it would also be a presumption that much of what's in the briefcase is tainted? Core work product, the impressions of the lawyer; his game plan. One of my partners said it's like saying the blue guys can't coach the game but they can send their game book over to the new guys.

ABBOTT: I can see the argument that if they sent the game book over which was focused upon the confidences that they knew that they should not have known, then that's going to be problematic. But I don't see why that should also prohibit the transfer of work that was done that could involve literally hundreds if not thousands of hours of work done perhaps even by people other than these lawyers, such as, deposition summaries, legal memorandums concerning legal issues in the case that don't touch upon anything that may involve the confidences, just regular...

YATES: But your honor for purposes of the disqualification, we don't go in and draw those kind of lines, do we? We assume that all the work that the blue guys did is seeped or tainted with the confidence. Right?

PHILLIPS: Well you can't leave a lawyer in for the purpose of sending a deposition notice, but another lawyer for the purpose of taking the deposition. That's a different line than this.

YATES: I absolutely agree with you, and that gets to my point about where do you draw the line. The dissent in *First Wisconsin* and the court in the *Reardon* case I think suggests a good place to draw the line, which is first of all you say we're only talking about a situation where the disqualification is because of a threat of confidences. This is my tab 2, my pie chart. There are a lot of reasons why lawyers get disqualified. But I'm only in this piece of the pie, the part of the pie where a lawyer is disqualified, the red slice, because of the threat of confidences.

BAKER: The court held that the real issue in the first Epic was disparagement of work product, part A-1, which had never been written on by this court before. And granted that the discussion does talk about the rest of Rule 109, vis-a-vis the presumption of confidences exchanged. But what disturbs me is why did you ask for in the TC, that started this, the prohibition of the new counsel from seeing even the record of the first 3-week trial to review the order that Judge Tyson made requiring you to turn over privileged and confidential documents as the discovery request and things like that?

YATES: We have abandoned our position on the record, because part of what I would say the rule should be is that if matters are in the public domain they would get that. We would also say that as the Chief is pointing out there is a place where you have to draw the line. The place where you would draw it would be as suggested in the dissent in *First Wisconsin* and in *Reardon*, what are the documents that are the bottom line necessary things for the subsequent counsel to understand the case. And in *Reardon* they say that's the pleadings, the deposition notices and the responses. And we've stipulated in this case that they can have the discovery. The related federal court cases, we've stipulated this is our opposing counsel's brief, and he's right, let them have the discovery.

BAKER: But your first position when you were in the TC was to seal the record of the first trial?

YATES: We came too late to that.

BAKER: I understand that. Then that gets me to the waiver question. Every case that you rely on in this court, except for one, shows that the issue of the work product was litigated at the same time that the disqualification proceeding was going on. And in every one of those cases the issue of no work product being transferred was raised when the first go around on disqualification. Now how can you avoid the assertion by the other side that there was waiver?

YATES: The Dallas CA wrote that, but that's just flat not true. It is not true that in every one of the cases that's cited...

BAKER: I said every one but one.

YATES: Well, we can give you a chart. We've done a chart and divided up the cases.

BAKER: The second thing. Every case that you've relied on was decided in 1992 or before in this particular area. So how did you not know what the law was on bringing up a work product claim at the same time of the disqualification hearing?

YATES: We're here today because it's not clear whether or not work product would go. But we didn't know that they were for sure going to be disqualified. And furthermore...

BAKER: Well that doesn't seem to be anybody's concern in all the cases that you've relied on.

YATES: Can I just say about the other cases? There is no case that holds that you waive this issue of work product, and furthermore...

BAKER: I didn't say there is. But their argument in this case is that shows that you had the opportunity to bring it up then, and should have.

YATES: Right. We had the opportunity. In the *First Wisconsin* case, which is their principal case that they rely on, the party trying to get access to the work product is the one that made the motion. And in fact, if you will go through those cases and look at them, in about 1/3 of them the party trying to get access to the work product made the motion. In some of them the court sue sponte dealt with it in addition to dealing with...

BAKER: But in every case, except one, it was when the disqualification was going on before the issue was resolved by the TC on disqualification. So why doesn't that make it a problem for you on their waiver argument?

YATES: Because none of those cases are saying that if it hadn't happened that way it would have been waived. There was no law in Texas at the time that said for sure they couldn't get the work product. That's why I'm here.

PHILLIPS: Assuming it's just a brand new question if you were fully trying to protect your client's position, why didn't you seek some type of temporary order about discussion of this or giving it away to some new lawyer, and why wouldn't it be better to have it resolved so that this case can start moving on to some sort of conclusion? I mean why shouldn't we find waiver at this juncture even if there is no precedent here?

YATES: Because we would say that it was unclear whether or not the work product would go anyway, that we should not be required to presume that counsel if disqualified would turn

over the work product to somebody else.

PHILLIPS: First of all, it's the client's. The client owns all of these records. The client can get them at anytime. If the lawyer is disqualified, the client has got to have some representation very quickly. That just seems inevitable.

YATES: Right. I guess what we would say is that in a situation like this where it wasn't the clear law to find a knowing intentional relinquishment by my client of a known right on the assumption that we should have presumed that counsel would go around and say, Oh, well we might be disqualified, let me go give this to somebody else.

PHILLIPS: Well let's not call it waiver. Let's call it single action, or not bringing piece meal special proceedings. Why isn't there some real benefit to that type of rule for the TC and for us?

YATES: I can see the point on that, but I think to penalize my client when there could not in my view have been a knowing intentional relinquishment of a known right when the law was not even written.

JUDGE: Wait a second. The hearing in the record in the TC on the document pass over lasted a couple of hours. I assume the original disqualification hearing lasted a couple of hours, too?

YATES: Yes it did.

JUDGE: If you were writing a rule, does it complicate the disqualification hearing to say, And you also before the judge decides that have to have a hearing on whether the documents go or not in the case?

YATES: I think you could write that kind of rule. But the rule that I am suggesting is going to turn on the basis for disqualification. In other words, I'm saying there is not a per se rule. I'm saying that just because somebody is disqualified doesn't mean you can't turn the work product over. It's only where the disqualification is based on a confidence. So if I had as one of my grounds for disqualification the confidence, I suppose you could write a rule that says, If that's one of your grounds then you better move at the same time. But of course, I don't know if the judge is going to accept that ground.

BAKER: What if at the time you raise it and in this case after the fact of disqualification every document that you claimed was confidential or is now in the public domain for one of three reasons: it was filed with the SEC; it was given to the other side in discovery; or it was introduced at the trial, how does that affect your argument?

YATES: I would say if it's in the public domain you could write a rule that says they could have it. What we are really trying to protect here is the core type work product. It's the game book. We don't want the blue guys to be able to coach the new team with their game book. That's what we are trying to avoid. But I can't suggest...

BAKER: In other words, I guess you call it the trial notebook?.

YATES: Right. That's another way to put it. But I can't suggest to you fairly a rule that says draw the line at evidentiary privileged core work product, because I know that for purposes...

BAKER: Even if we draw a line, what's the answer to the fact that assuming every document that you say was confidential in the first go around is in the public domain because it was either SEC filed in the trial or given to them in discovery. And it is not clear from the first EPIC nor clear at all here on what privileged documents Judge Tyson ordered and whether y'all challenged that order by Judge Tyson? Did you challenge that?

YATES: We tried on mandamus and failed. You see, now that is the work product from matter 1. That get's confusing when they argue this on the other side. But that's the work product from matter 1 that we think she erroneously said the blue guys could have. But I'm talking about all of the work product in matter 2. I'm talking about the blue guys game book. That's what I'm really trying to avoid having...

BAKER: What's the blue guys game book made up of? Everything that they got from Judge Tyson.

YATES: It's all their strategy. It's their impressions. It's everything that would be under core work product.

ABBOTT: And why can't we have the judge review all of that in camera?

YATES: It would be very easy for me to say, just write a rule that lets the judge get in the briefcase and go through it document by document. But I think that's a bad rule for these reasons. First of all, your cases have said that the party that has the problem about trying to protect its confidences is not required to come in and give a list of the confidences. So who is going to get with the judge and when he goes in the briefcase and say, Judge this is what you should look for? It's not going to be my client, because I'm not supposed to have to divulge the confidences. It's not going to be successor counsel because he doesn't know what they are. Presumably.

PHILLIPS: That's always a problem on an ex parte judicial review.

YATES: Right. But normally an ex parte is based on some non-ex parte motions or arguments that are made to the judge. And my point is, who is going to be arguing to the judge on what to take out of the briefcase? You know who it is going to be? The disqualified lawyers.

BAKER: Doesn't the same thing happen when you have a hearing on a privilege objection?

YATES: That's true. And if you wanted to limit this rule to core work product. And I thought about suggesting that that's the way you write it. That's easy. Judges go in the briefcase all the time to figure out what's work product and what's not. But the problem with that is, I think it's inconsistent with the rest of your cases that say that what gets protected under the confidences is more than just what's privileged. And frankly, I think that's where the majority of *First Wisconsin* went off the rails.

JUDGE: Counsel could you explain that theory in a little bit more detail why discoverable work product that's not core work product, therefore presumably does not contain the mental impressions and thoughts of the attorneys? Why that is tainted with the confidences gained from the prior _____?

YATES: I could prepare something like a pleading, and this is where the pleading becomes an issue, and the reason I write the pleading the way I write it is because of some secret that I know that the former client told me. Now that pleading is not core work product. But I wouldn't have written that pleading the way I wrote it except for the fact that I've got the secret. I'm just trying to give an example of a situation where the confidences that you are trying to protect are beyond what's privileged under the evidence rules. And that to me is the difficulty here.

PHILLIPS: Some of us have a little trouble with the wavier argument in the last case, as you will recall. And we finally bought your argument that it was not apparent at first that counsel was going to have to be disqualified because of the way they structured their arguments. It wasn't at all clear that they weren't going to be attacking what Johnson & Gibbs had done. It was going to be another claim. And then grow close to trial when it became apparent that it was different, that's when your grounds for disqualification became _____. If that's true, how about all the records that were generated before this change in strategy and why should they _____?

YATES: That's Tab 4. Because this is another limitation that I would suggest on the rule, which is, that the work product had to have been created during a time period when the disqualifying situation existed. But what you all wrote in Epic 1, when you were talking about was there a waiver, you were writing about when did we have notice or when would the trial judge have had adequate notice that these matters really were substantially related. And the reason I say it like that, Chief is, the question of attack on work product, and this is Tab 3, is a subset of substantially related. The comments to rule 109 say that. They flat say that. They say, attack on work product,

that's really a subset of substantially related. So see in Epic 1, when you said when should our side have had notice that they were substantially related, or when should the judge have been able to tell? And you said well that didn't happen till trial, because that's when they attacked the work product. That was a subset of substantially related. That's why the opinion in Epic 1 is written the way it is, which is quoted on Tab 3 where we quote part of the opinion. And what did you all write? You said, this is a situation where there is genuine threat that exist that the lawyers could divulge confidences. So I would argue to your honor that attack on work product is part and parcel of substantial relationship. And to answer your question specifically, the waiver point in Epic 1 went to, when did our side have notice? So that they shouldn't have waived it. When they did they have notice of the substantial relationship? And you wrote, not till trial. But that doesn't mean that once we had notice that the substantial relationship did not exist the whole time. The threat of confidence divulging in this case was from the first time matter 2 started being worked on. As soon as the red guys went over there and teamed up with the blue guys and the blue guys started working on matter 2, there's a threat of disclosure.

And so I'm glad you asked that, because I was concerned that the waiver analysis in Epic 1 would seep over into this case and confuse the issue of when did the substantial relationship exist for purposes of what I think has to be part of your rule, which is, that the disqualifying situation had to have existed when the work product was created. You're not going to just throw out all the work product. And some of the cases do that. The *Easy Payer* case...

PHILLIPS: I think I have the answer.

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LAWYER: May it please the court. I represent Ken George. With respect to why didn't we ask in the TC to prevent the transfer of the work files? We did. We asked for such other relief to which we were entitled. The right to prevent the transfer of a file is so bound up with the disqualification, it is a...

BAKER: With all due respect to that statement having read the Epic record in depth the first go around, I don't think I could ever gleam that that's what you were asking for for prayer for relief. Because it certainly doesn't appear in any transcript or any written motion that that's what you were asking for.

LAWYER: The consequence of disqualification when a lawyer is presumed to have confidences, the consequence is that that work file is in viewed with those confidences and it can't be transferred. Just like we didn't ask the court to say...

BAKER: Then why if you knew all of that then, why didn't you say it instead of leaving it to conjecture in a general prayer for relief?

LAWYER: I don't stand here saying that we knew that then. I don't claim that at all.

BAKER: Well but the other side is standing here saying under the way these cases developed you should have brought it up then, and because you didn't do it you don't get a right to raise it now. Whether you agree with that or not, that's what they are saying.

LAWYER: If the law did exist that that is a consequence of disqualification, then by asking for disqualification, we asked for it. Just as we didn't say - your order was don't let McKool/Smith and don't let Jordan, Powell or Pennington continue to this case. We didn't also say, Your honors, don't let some of those lawyers leave and create a new firm and bring the case. Your honors, don't let those lawyers sit on the sidelines and continue to coach. We didn't ask all of those things either. We didn't waive those things. We get that as a consequence of asking for disqualification. And so the waiver issue is false. It's a false issue.

JUDGE: You agree that we are not here talking about pleadings or trial transcripts, or anything in the public record?

LAWYER: That's right, we are not. They will get the pleadings. They will get the depositions, the numerous depositions that have been taken in this case. They will get everything that's been filed.

OWEN: What about indices to documents, paralegal summaries of depositions, things that could have costs hundreds of thousands of dollars of non-lawyer, but para-legal time?

LAWYER: The difference if you are going to draw a line between core work product and regular work product, you could do that. But there are cases that say, Let's don't draw the line at partner and associate. Let's don't draw the line at partner and case clerk, because case clerk is under the direction of the partner. And so everyone who works on the matter is presumed to have that confidential information. And so if it's work product, then it can't be transferred. That's the line that you can draw.

JUDGE: Well it makes sense to me to draw the line at core work product. Tell us why we should not draw the line there?

LAWYER: The only reason I wouldn't draw it at core, is because there's a difference between - I think I know the difference between core and non-core, and I think judges do too. But there are going to be fights about that.

JUDGE: Isn't that a much more workable approach since the judges in this state are familiar with a concept? If we were to adopt an approach that required and in camera review, that would make it much easier to apply?

LAWYER: That's right. If the rule is that the judge needs to say that core work product can't be transferred, that is a workable rule.

O'NEILL: But isn't there a significant amount of core work product that doesn't involve an ____ of confidences?

LAWYER: No, not under the cases as they've developed. Because a lawyer - we're talking about the lawyer's mind. A lawyer has got the confidences in his or her mind. Those confidences can't help but seep into the work product. You can't really draw a line between a lawyer and a lawyer's work product.

O'NEILL: But in a disqualification case that's not based upon confidences, there's no problem with turning over work product.

LAWYER: That's right.

O'NEILL: And this is a very large and complex case and only a piece of it involves confidences. So what would be wrong with turning over work product that doesn't involve confidences?

LAWYER: That's what Ms. Yates was saying. For example, if the lawyer is a witness or a lawyer had acted as an intermediary, or the lawyer became incompetent. There wouldn't be any problem with the work product here. What we're talking about in this case, and what this court found, was that there was a genuine threat because of the substantial relationship between the representation in the first instance and the lawsuit against my client, that there's a genuine threat that my client's confidences were being disclosed. And so since the lawyers had that genuine threat, then that went into their work product.

O'NEILL: But aren't there issues that involve work product that wouldn't involve confidences? For example: attorney's fees. Couldn't the lawyer do some work on recovery of attorney's fees, internal memoranda, their theory on how they are going to put that case on? What would be wrong with transferring that work product over?

LAWYER: What you've asked the judge to do in that case then is to try and look at all of the core work product and determine what has confidences in it and what doesn't. And the judge can't be expected to do that because the judge doesn't know my client's confidences. I don't have to reveal my client's confidences. I shouldn't be expected to reveal my client's confidences. And the other side can't argue against it either. That is why you have the irrebuttable presumption. You don't put the burden on me to go to the disqualified lawyers and say, these are the confidences you have, and that's why you should be disqualified. There is an irrebuttable presumption that they've got them. And I'm saying now if they've got them, if they are in their mental processes, then that

is what work product is. It's the fruit of those mental processes.

BAKER: But that presumption doesn't exist until you show substantial relationship or some other part of 109, is that right?

LAWYER: You're exactly right. Substantial relationship has to exist...

BAKER: If it's not out there first, and then you find something else, you get the benefit of that presumption for the very reason you just said, that you shouldn't have to reveal those confidences in getting a lawyer disqualified.

LAWYER: That's right. And just like we couldn't go and say, the McKool/Smith lawyers had the following confidences, and that's why they should be disqualified. We shouldn't be required to go in and say they have it in their work product.

BAKER: Now I'm a little confused. What is your viewpoint about when the rationale for your motion to disqualify the two firms arose vis-a-vis disparagement of work product? As I understand Ms. Yates, she and her client didn't know about it until the trial started. You're there too?

LAWYER: That's when we saw it. We raised the motion during trial, and that was the first time we saw it.

BAKER: So would it be then under the argument made by Ms. Yates, you have a cut-off date that anything that was produced before y'all realized it was a work product problem would not be covered under your request of no transfer for work product to the new firm?

LAWYER: The issue is not when we discovered the conflict, but when the conflict existed. In this case since the court said that the cases were substantially related, it was there all the time.

BAKER: Then under that statement y'all knew about it in September 1994, as I recall, because that's when you and co-counsel first brought this to the attention of the two firms, didn't you?

LAWYER: And the court...

BAKER: So you had knowledge the whole time?

LAWYER: And the court disagreed and this court agreed that there was no - it wasn't obvious at that time.

BAKER: No, it just agreed there was no waiver of your right to file a disqualification motion, not that it wasn't there.

LAWYER: All I'm saying is that the time when you determine what work product can be transferred and what work product can't is when the firm is laboring under the taint. Whenever the firm is disqualified, that work which is created during that time period ought not be transferred. If there is a time period where a firm did a lot of work, 2-3 years of work, and then a tainted lawyer comes over to them and that firm then is disqualified, the work that they did for 2-3 years that's okay, you can transfer that. Only that work that was done while they labor under the disqualification, that is tainted, irrebuttably as a matter of law.

JUDGE: But in this case it was at the June trial that you determined that there was grounds for disqualification, is that right?

LAWYER: Yes. That is when we were alerted. They are attacking the work product. These cases are indeed substantially related as we'd argued earlier but was rejected.

LAWYER: And from that date, June 1994, thereafter you knew that there were grounds for disqualification, is that right?

LAWYER: We moved for it and lost that. So, no. And as this court found we didn't know if there were grounds. No one knew, there was nothing in the pleadings or in the discovery that said that we were on notice that there was a conflict.

BAKER: But you had filed motions before you raised the work product claim, which Judge Tyson overruled. And your whole pitch in Epic 1 was the appearance of the work product disparagement portion of 109(a)(1) didn't come to the fore until the trial was in progress, and we refiled our motions based on that ground. So in answer to CJ Ramey's question, I think I'm a little confused. You knew from Sept. 1994 there were grounds for disqualification either because of confidences, or that you later learned, work product disparagement. And I don't disagree with you that the court when it wrote Epic 1 said that, no, you did not waive your right to bring the disqualification thing. But the question I'm raising is under the way you _____ a possible rule, the work product is not out of the box for anything that happened before you realized the ground for which you're raising your claim.

LAWYER: There are already principles in place for the problem that you are raising. If we knew of grounds for disqualification and we sat on it, we played games and didn't bring them, then we would have waived it. We would have waived it all. In this case, we brought a motion to disqualify as soon as we thought there was a reason to. The TC overruled that. So if you say that by doing that we've waived our right to complain, then what you've said is we have to as a matter of law mandamus decisions deny disqualification motions. That's what you've said. You said if you

don't mandamus it, you've waived it.

BAKER: No, I'm not saying that. I'm trying to get you to answer me in connection with the rule that you want us to say, When is the effective date of the cut-off for work product that can or can't be transferred because of a disqualification order? And there was some suggestion by Ms. Yates that, well under one of the cases that y'all rely on anything before the tainted lawyer gets involved on the issue that you've raised for disqualification is okay to pass on. And anything under the ground that you've raised that the lawyers are involved with from that point on is not passed on. And so what I'm trying to figure out here under the facts of this case and the pro_____ litigation if you first had the opportunity to raise disparagement of work product in June of 1995 why is every piece of work product before that date transferrable?

LAWYER: Because in this case this court has already found that the prior representation of my client and the prosecution of this suit are substantially related.

BAKER: I understand. But we could have found that in Sept. 1994 if you had filed a disqualification.

LAWYER: Well we did. Because they were substantially related from the get go, from the beginning everything is tainted. If the disqualification event comes up later after the case has begun, then that's the target is when does the disqualifying event...

BAKER: So then is it your viewpoint that the qualification event is not the one that you based your June 1996 motion on when the trial aborted?

LAWYER: That's the difference. There's a difference between when we had notice to bring the disqualification motion and when we had enough evidence to have them disqualified, than when the disqualification event actually occurred. And it occurred from the beginning of the representation.

ABBOTT: When did you realize the work product could be tainted?

LAWYER: There was a motion before I was ever even involved in the case. They moved to disqualify opposing counsel...

ABBOTT: When did any lawyer with regard to your side of the case realize that the work product could be tainted?

LAWYER: When this court ruled that the two were substantially related.

ABBOTT: When you filed the motion for disqualification, you had no idea that the work

product that these lawyers who tainted the whole case, their work product may be tainted?

LAWYER: We were not familiar with the theory that we're arguing...

ABBOTT: When did you realize that the work product could be tainted?

LAWYER: When we did research after this court ruled.

BAKER: How can you tell us here today that you included that in your prayer for such other further relief as may be appropriate?

LAWYER: That's what I tried to say. It was not in our mind, but if you want to say that that was the law, then we asked for it by such other relief. Look, we didn't think of it until this court ruled.

ABBOTT: I think that's the problem. That is, the fact of the matter is, you just didn't think of it before now.

LAWYER: That's right. But that doesn't change the fact that either that the work product should be transferred or it shouldn't. And if the consequence of being disqualified under 109 is that the work product is tainted and shouldn't be transferred, then when you ask for someone to be disqualified, you've asked for it. As I said earlier, we didn't list every conceivable consequence of the disqualification, that the disqualified lawyers can't sit at the table. We didn't ask for that. You waived it. The disqualified can't reconstitute as a new law firm. You didn't ask for that, you waived it. We didn't ask for every single conceivable consequence of disqualification. No, we didn't lay it out in a prayer of 300 things. And if we listed 300 things, we would have left something out.

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RESPONDENT

HARTNETT: This is a waiver case. That's what you need to decide today. And I am walking, talking, living proof that that's all this case is, because I stand before you almost totally ignorant of everything that's gone on in the past. Why? Because counsel for the relators have threatened me with disqualification if I look at the record; if I talk to McKool Smith; if I look at the documents that Judge Tyson ordered disclosed. I made the mistake of doing what any citizen in the country could do, I went down and paid my $10,000 to the court reporter and got a copy of the record.

JUDGE: Well they really have waived that one now, so let's go on to the issue. Certainly disqualified counsel, once they are disqualified that doesn't give them carte blanche to pass on confidences to new counsel, right?

HARTNETT: I think it does to the extent it's in their files.

JUDGE: So once they are disqualified they just write a memo to the file before they hand it over to you: By the way, make sure you ask them about this stuff that we remember from back in 1990, because this one will really embarrass them.

HARTNETT: I don't agree with that. Because that's work done after the disqualification.

JUDGE: So we would expect disqualified counsel exercising their professional duties not to turn over part of the file to you?

HARTNETT: No. I would expect them to turnover the entire file to the client...

JUDGE: Even if they know there are confidences in there, it's been so found, you would expect them to turn that over?

HARTNETT: I think they are required to. I think the case law requires that and I think the disciplinary rule requires that. It's in the chart.

O'NEILL: But if the purpose of the disqualification is to protect the confidences, what sense would that make?

HARTNETT: At that point - I mean we have that problem everyday with lawyers who are changing positions, who get involved in a case and they get disqualified.

O'NEILL: Well there are different bases for disqualification. If the basis for the disqualification is the revealing of confidences, then what sense would it make to just turn the file over and allow the confidences to be revealed another way? I mean, can you give any credit to their balancing approach, or are you taking an absolute position?

HARTNETT: Like in everything when you get down to it there are going to be exceptions that require a balancing test. And I think that's what *First Wisconsin* concluded. Now I think the rule that I believe this court has made in the disciplinary rules is crystal clear. It has to be turned over, and it can be retained only if it will not be prejudicial to the client. It's a direct mandate.

O'NEILL: Where would you draw the line? Your opposing counsel doesn't want in camera review. If you backed off the absolute position that it's all capable of being turned over, where would you draw the line in terms of how you ferret out the work product that's based on the confidential information?

HARTNETT: I think it has to be pretty much what's set forth in *First Wisconsin* frankly. And that is a case-by-case determination. You have to show the specific confidences and the work that's specifically infected.

HECHT: If you have to reveal your confidences to keep them protected, that's not much of a protection.

HARTNETT: At that point, I think that's all we can do because the cat is out of the bag so to speak.

HECHT: So if enough lawyers mess up a client's life it's just too bad?

HARTNETT: They do have a remedy. They have a remedy they exercised in this case and that's to sue the lawyers, which they did. And it's unfortunate but it's really not much different than any lawyer who breaches a duty to his client by revealing the confidences anyway. If a lawyer gets on the TV and reveals all of his client's confidences, what do you do at that point?

HECHT: We don't let the other side use them.

HARTNETT: How do you stop it? How can you say they are not being used. They are used in secret. They are going to be used because they are in our minds. Just like in this case to the extent the confidences that are there, and I don't really believe there are any, and share it with my client, what do we do? Do we muzzle my client to keep her from talking to me about something that she read that McKool Smith gave her or something they told her.

JUDGE: Don't we do that with the fruit of the poisonous tree all the time in criminal cases. We say you can't use that in this trial. We're not going to tell the jury that. Anybody on the jury that's heard it is disqualified.

HARTNETT: I just don't see that working in a situation like this in particular where we're dealing with a breach of fiduciary by these people and we've got all these confidential records that are ordered disclosed anyway. I don't understand really what the relators are talking about because they focus on the work product in Matter 2. But the problem with the work product in Matter 2 is it's based on the work product in Matter 1. It sounded like in their argument and with some of the questions and answers that somebody was suggesting that they are not objecting to the work product in Matter 1 being revealed. But they are. Ms. Yates said, you know the discovery products and so forth- we're not objecting to that.

But in their supplemental brief filed in this court just a month ago, they said that what Judge Tyson ordered was to turn over documents. Documents are work product and to the extent those documents have not found their way in to the public domain, I shouldn't get to see them.

So they are still saying that, even though Judge Tyson has ruled and said you get these documents, that I'm not supposed to see them. What they are talking about is unless it was an exhibit at trial or talked about in trial, I can't see it. That's the bottom line here. But what about the work product that Judge Tyson turned over? Doesn't that contain the confidences that they are saying shouldn't be disclosed? It probably does. But you know what? I don't know because I can't see it. That's why there is a waiver. McKool Smith is the firm that should have been addressing this issue to this court or to any other court...

JUDGE: If they are the only ones talking and the question is, Did you turn over confidential information and breach your fiduciary duty to your client? What are they going to say about 100% of the file they are turning over? Are they going to fall on their swords and say, Well you are right, that part we turned over, we breached our fiduciary duty when we did that. They are going to say, not to pick on McKool Smith. But everybody who is disqualified is going to say, Of course we didn't ever disclose any confidences, right. How is that going to help me as a trial judge to have them _____ 100% of it's okay judge,

HARTNETT: If you do the balancing test that's set forth in *First Wisconsin* and you have some kind of review, McKool Smith is the party that can explain where the information came from. They can show the link to, for example, this work product in a Matter 1 that's been ejected into Matter 2.

JUDGE: And 100% of the time the people in McKool Smith's position will say _____ independently?

HARTNETT: Maybe they have to show it.

JUDGE: Because otherwise they lose their bar license if they say something else, right?

HARTNETT: Or they get sued - like what happened here. It's a thorny dilemma, but I don't think the court should deal with it on these facts. And the primary reason I don't think the court should deal with it is because Judge Tyson ordered all this confidential information delivered to my client. And so consequently I think the court has to wonder aren't these confidences already out there anyway? And so I think what the court should look at is the waiver issue, no. 1, and the mootness issue. I think it's waived because they waited - I mean the idea that - let me throw something else out there. Maybe when they came to this court on their 6th attempt before a judicial body to get a disqualification maybe they thought they shouldn't ask for that bar because they thought it would make it more difficult for them to get the relief they wanted. So maybe they intentionally did that. I don't know. I don't know what was done earlier. There was a mandamus of Judge Tyson's order. I don't know whether it reached this court or not. I don't have any idea.

BAKER: Would you explain your moot statement. I don't believe you've reached

mootness.

HARTNETT: It's moot because Judge Tyson ordered the delivery presumably of all confidential information under the *Garner v. Wolfenberger* standard.

BAKER: Well it's really not clear whether they are asking this court in this mandamus to review Judge Tyson's order even though they asked the TC to do it.

HARTNETT: Well that's effectively what they did in the reply brief when they said...

BAKER: Well I understand that. But there is not one shred of anything about that order or the mandamuses in this record that I know of.

HARTNETT: That's correct because what the plan is here is to get this court to say, Well there's got to be some kind of prohibition and then we're going to go back and we're going to fight it all over again and spend another year where they take the position that this stuff I'm not supposed to get.

BAKER: So is it your secondary argument today that it's moot because you could speculate that everything that Judge Tyson required them to turn over for which there is no indication in the record that that order was set aside and that all those documents are all the documents that they assert include the confidences? Is that why it's moot because it's all public now?

HARTNETT: Well it's not public. But that's why I believe it's moot...

BAKER: In other words, McKool, et al. have it?

HARTNETT: Yes. Any good lawyer should have been able to get the same information. And I think if you look at the underlying case, *Garner v. Wolfenberger*, I really haven't looked at in a long time, but basically my recollection is, it's a case where you've got a derivative shareholder and they say that the corporation cannot use the attorney client privilege in connection with the transaction that's complained about to prevent information from going to the shareholder who is attacking it. Well if that's true, then there are no confidences that could be asserted against my client. If the *Garner v. Wolfenberger* case was accurately applied by Judge Tyson, then there are no confidences, period. I think that Judge Tyson's ruling was mandamused. I think I've said that in my documents. I don't know, because it's a little hard for me to find out there's been so mandamus proceedings. And frankly what I do is chilled by the threats that I get.

HECHT: The idea that there wasn't any confidential information obtained or any threat of it, that's contrary to our writing in the last opinion, is it not?

HARTNETT: I think if you're talking about the fact that you presumed that there was confidential information, I agree with that. But I don't think anybody addressed the issue of whether Judge Tyson ordered all of this turned over. And I don't know what Judge Tyson ordered turned over because all I got is a copy of the order that I pulled out of the court's file, and it's 80 volumes, or something like that. But I've attached it to the record. It's part of my appendix and it refers to privileged communications of Johnson and Gibbs.

So what I'm really getting at is, if you look at the underlying case and you look at that order, I don't think there can be any confidences. There's kind of a side argument here that I can't really address fully, but the court I think has looked at it before...

BAKER: Why can't there be any confidences?

HARTNETT: Because I think Judge Tyson essentially ordered them turned over.

BAKER: But in the face of that argument our court has held that when you have the elements of the substantial relationship and the client who is represented by the same counsel and is an adverse situation, you get the benefit of an irrebuttable presumption that confidences were exchanged and that they were shared with the new firm. So regardless of what Judge Tyson ordered turned over, that's what the law is and that's what Judge Hecht is referring to. That's there. You can't say they're not anymore. But the next question is, is there some other way that even though that's there because of subsequent developments they are not longer confidential pieces of paper, or they are no longer confidential whatever?

HARTNETT: Not against my client they are not confidential. And I think that's basically what *Garner* is all about. I'm agreeing that the court is forced to conclude that there were confidences.

BAKER: But you see, their theory is despite all of that even though you're brand new and they couldn't disqualify you as a new lawyer under 109 because you didn't represent anybody before, your brand new, is what was done and what you're going to get was done by the people who were disqualified because there were confidences presumed in this exchange, and you shouldn't get the benefit of those confidences that are presumed to be there with this work product. And so the question is, why should you get them, and if there are reasons why not why you should get them, is it the wavier issue and the mootness issue?

HARTNETT: I think I should get them for three reasons: the wavier issue; the mootness issue; and it's my client's file. And that's it, and that's the law.

BAKER: Now there's some argument back and forth about who has to show harm if it's turned over or who has to show harm if it's not turned over. I haven't read the transcript of the

hearing. Did you show any harm to your client, Ms. Anderson, if you don't get the work product that we can find in the record?

HARTNETT: I really don't recall whether I showed any harm by any testimony. I did testify. I believe that we showed harm in our argument. Let me give you some examples of why I think my client would be harmed. This case was vigorously contested and it was basically tried for 3 weeks. There were all kinds of hearings, all kinds of arguments. If I don't get the notes of McKool Smith relating to all of that, then they have the benefit of a dry run.

OWEN: You got the transcript don't you?

HARTNETT: I have the transcript of the trial.

OWEN: Why do you need tainted counsel's own personal notes and thoughts about that trial?

HARTNETT: Just because of their analysis of what was said. If somebody said something that was wrong. Let me give you a better example. The trial notes. Something played terribly in front of the jury. Just as an example: McKool Smith puts some testimony on; it played very poorly against the jury. Their side knows it.

JUDGE: Or the jury consultant's notes?

HARTNETT: They don't want me to get the jury consultant's notes. That's one of the things that is in their initial band. And I think if you ask them, Can I get the jury consultant's notes, by the way expert reports. Under their view, I have to get brand new experts and start over again because these experts have been presumptively infected by these confidences. Now Epic and Mr. George know that something didn't play well in front of the jury. So they are going to be trying to get it in. I'm not going to know to try and keep it out. Why do they know? Because they were there. Why do I not know? Because McKool Smith was there, and through their efforts I don't get the notes.

OWEN: Well what if McKool Smith's notes say, remind me next time to use that document that I or my law partner drafted back when we represented Epic 1 or r. George. You get that too?

HARTNETT: I think I should be able to get that because that document I believe, I'm almost sure is in Judge Tyson's _____ documents.

OWEN: But not his thoughts about it?

HARTNETT: Well not his thoughts about it, but I don't know why his thoughts about that

document would be a problem at this stage. Because really what they are complaining about is not what the McKool Smith lawyers were thinking of as they tried the case. It's what they were thinking of as a affected or infected by what they did in Matter 1. And in this case we don't have the lawyers for Matter 1. It's not a side switching case like they like to say it is. We've got lawyers in another firm. It's presumed that the information comes over. I agree with that. And I think that's the standard the court has to adopt.

OWEN: We found in the first case, or concluded in the first case, that there was an attack on their former law firm's work product. And you now say you get his notes that - let's say theoretically reflect that very same attack on the work product. Blueprint map it out how you use that information to make the attack.

HARTNETT: I certainly think I should.

OWEN: So what's the point of disqualifying McKool if you get everything that he knew?

HARTNETT: Oh I think the disqualification by the court and I don't know what was in the majority's mind, much less Justice Hecht's who wrote the opinion, it's the disparagement that mandated disqualification in my book, not the information that they had. It's the _____ of a lawyer standing in front of a jury and attacking something that his law firm did.

JUDGE: But when we disqualify judges, we wipe out everything they did. It's a tremendous waste. It's expensive. We have to do it all over again. But the appearance of a disqualified judge with a financial interest in the case we deem sufficient to say, Sorry we have to start all over again. Now that's been the rule for judges for a 100 hundred years if the judge is disqualified. Should we change that rule too in your opinion, or is that different from disqualifying lawyers?

HARTNETT: I think it's different and one of the reasons why is because frankly I believe judges are held to a higher standard even than I am.

JUDGE: Than lawyers?

HARTNETT: Than other lawyers. But I'm the first to say that this is a tough issue. And in the right case I wouldn't want to have to struggle with it if I were the court. This is not the case. And the reason this is not the case is, because none of us know what Judge Tyson ordered turned over. Maybe Judge Tyson ordered all the notes to be turned over of every meeting between these lawyers at Johnson & Gibbs when they formulated the company and between Mr. George. And if that's the case, there are no confidences. This is a waiver case. It can be resolved simply on waiver. It should have been resolved I think 2 years ago.

BAKER: Is your argument for the waiver based on the supposition that Judge Tyson's order in discovery wiped out the confidentiality aspect of the case?

HARTNETT: No sir.

BAKER: Or is your waiver argument is that they should have filed at the same time of the disqualification hearing a specific pleading asking for the work product to be withheld?

HARTNETT: The second. They should have asked for it so that I didn't have to come in here in the dark and try and defend my client.

JUDGE: Would you expect the judge to hold that hearing at that time, or is it just a matter you have to file the pleading? It seems to me it would be a tremendous waste of time to go through several hours of disqualification, then the judge says, I'm taking it under advisement. And so, okay judge, we don't want to waive about the documents so assuming you disqualify them, we need to go forward with a 2-hour hearing and 30 boxes of in camera inspection on what will be transferred and what not, all of which may be moot if, as occurred in this case, the trial judge denies disqualification?

HARTNETT: You wouldn't have to go through it unless the trial judge was going to order a disqualification.

JUDGE: So to prevent waiver, you just file the pleading and ask for it but nobody does anything with it?

HARTNETT: No, that's not what I'm saying. I think if there was a disqualification ordered, I think right then you have to go through it.

JUDGE: Well they moved real quick in this case after the disqualification was ordered. Right?

HARTNETT: But they never asked for it in the first instance at the trial court.

JUDGE: That's my point. So to just prevent waiver, you just ask for it, but nobody does anything about it until the actual disqualification. It's just a matter of putting that line in the pleading makes the difference?

HARTNETT: Putting that line in the pleading and alerting everybody - I mean if you are disqualified, and one of the problems I have...

JUDGE: Alerting everybody to do what?

HARTNETT: To not transfer the information. What if McKool Smith fearing disqualification interviewed the top 50 firms in town and showed them the information?

JUDGE: But that's based on your view that when you are disqualified, if you feel like you might be disqualified it's okay just to transfer everything, you have no duty to say, You know there might be a problem with us sending some of this to the new firm.

HARTNETT: The difference here is in the second disqualification, the one where the court ordered disqualification, Epic and George were very clear. This is a brand new issue and a single rifle shot issue, they disparaged their former firm's work product. They weren't talking about confidences in the new appeal. That's in their petition for mandamus. This is a new and independent round, very focused, and the court agreed with it.

OWEN: Let's assume that they had moved for disqualification in the TC, and the TC had granted it. And then at the end of that hearing when the judge said, Send me an order, and they said, your honor we are going to be filing a motion tomorrow asking you to order disqualified counsel not to transfer work product. Would you say that they had waived that motion because they didn't include it with their motion to disqualify?

HARTNETT: I think a lot of judges probably would.

OWEN: But what's your position here in front of the court? Would it be waived or not?

HARTNETT: I personally wouldn't say it was waived.

OWEN: Then what's the difference between the situation we have here, the TC denied the motion to disqualify? It wasn't until we said, Yes they are disqualified, that they would then had the opportunity to come and say, now don't let the disqualified counsel disseminate the documents.

HARTNETT: Several. One is that there was a long period of time that could have made the problem much worse. I don't know whether he did or not, but it could have made the problem much worse by interviewing these firms and sharing the information because nobody is put on notice that this is what they want to do. And they didn't do this piecemeal because that's the way they had to do it. They did it piecemeal because they didn't know either to do it, or they didn't think they could get away with doing it in the first proceeding. And that's classic waiver.

JUDGE: Is it really?

HARTNETT: I think so.

JUDGE: I've always considered that waiver involved an intentional relinquishment. Not a passive relinquishment but an intentional relinquishment of a known right. From what you're describing to me that doesn't sound like an intentional relinquishment.

HARTNETT: It is because we are all charged with what the law is. It's not any different I don't believe than filing your lawsuit and say, I want a declaratory judgment that so and so ran me over. And then after you get that saying, Oh by the way now I'm going to sue for damages. We put these things together and we require people to plead all of their relief for the same facts and circumstances for judicial economy, for fairness to the parties so things don't get stale, so we don't have conflicting rulings. So I think that's a waiver. When I as a lawyer don't seek all of the relief that my client is entitled to in a trial 9 out of 10 times I'm going to be in some trouble because my client has waived it.

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REBUTTAL

YATES: I would like to go back to Justice Baker's question about when did the disqualifying circumstance exist. Remember the basis for the waiver in Epic 1 of the waiver argument. And in Epic 1 what ultimately put us on notice when we get to the trial and they start attacking the work product, and then we know. But remember that way back when we first moved to disqualify in Epic 1, and they said, We're not going to attack work product. Remember they wrote us all those letters and said, Don't worry, that's not what we're doing. If at the very beginning in matter 2, and we had said, wait a minute, these look substantially related, if they had said then honestly what they were really going to do, if they had said, Well let me tell you what we're going to do, we've got this circle of power, we're going to come in and make this argument, then Judge Tyson presumably would have said what your honors said, You're disqualified. But they didn't tell us the truth back in the beginning. That's the only reason that we didn't win the first time, presumably, because had they admitted that they were going to attack work product, they would have been disqualified from the get go. And that's why the disqualifying situation here exists from the moment that the blue guys start working on matter 1. So if you're going to write an opinion that says they can't turn their work product over, it needs to say that they can't turn any of it over because the disqualifying situation existed the whole time that they worked on matter 2.

BAKER: Well that's kind of circuitous what you just said. Which kind of rule do you want? One that says you can't turn over any, period, regardless, or one that has a cutoff date as a couple of your cases suggest?

YATES: No, I don't want a rule that says that you can't cutoff any, period. Here's the rule. You don't turn it over if the basis for the disqualification is a confidence and...

BAKER: In answer to that, if you have a substantial relationship in former

representations you get an irrebuttable presumption. So it's always never going to be turned over under that...

YATES: Right. But Judge there are other bases for disqualification.

BAKER: No. But you argued earlier if there's a substantial relationship it follows in every case that you find a substantial relationship if there's a confidence. Didn't you say that?

YATES: Yes. If there's that kind of disqualification, yes. And then I would limit it this way. I would say only if the work product was created at the time that the disqualifying situation existed, not the situation where they made the work product...

BAKER: Let me got back to rule 109. The first thing is, you have to be a lawyer who is representing a party now adverse to your former client. Then you can say, and the reason why you are disqualified when those facts exist is a) you're disparaging their work product; b) you're going to violate 105 and reveal confidences; or c) it's a substantially related cause. Those are in the alternative. You don't have to have them all.

YATES: But you see the reason that those three things are together in paragraph A of that rule is that they are all basically saying the same thing. 105 is saying, if you actually turn over a confidence, then you can't do it. Then the substantial relationship is saying, now look if you can prove these two things are substantially related, then the law is going to come in and say we're going to presume there's a genuine threat, and then the first one that says if you attack work product, that's the subset of the substantial stack(?). Because really if you are attacking your own work product it's as if it's the same matter. It doesn't even have to be substantially related. I'm now going back to the same matter.

BAKER: So now I'm confused on the rule you propose because in every case as soon as you satisfy one of those your cutoff is going to be whenever that started, period?

YATES: Because of course the three things that you've promulgated there are not the only basis for disqualification. But those are bases for disqualification, all of which arise out of a concern for confidences. And I'm saying that when that's the basis for disqualification and if the work product was created during a time period when the disqualifying situation existed, and if it doesn't come under what I'm calling this exception category that *Wisconsin* dissent calls a minuscule chance of containing confidences category - because see we realize, our side realizes we have to give them something. He needs something, so the litigation can continue. The hard part of this whole case is where do you draw the line?

O'NEILL: And who draws the line? I understand that you want us to draw the line.

YATES: We need you to draw a line in a test that the district judges can follow. And there are several ways you could draw it. You could draw it like Judge Ramey suggested by saying we're going to draw the line on core work product or privileged work product.

O'NEILL: How about core work product that relates to the particular confidence?

YATES: Now see that's your test. I wanted to come to that because what I think your test suggests is the judge is going to try to figure out whether the documents are infected with the confidence. And the problem with that test is, as Judge Hecht pointed out, I'm not supposed to have to divulge what my confidences are. As Judge Brister pointed out, the only people that are...

O'NEILL: Well you don't have to indulge what the confidences are, but you can say here was the danger created in this employment situation and anything that is going to grow out of that employment situation where there could have been a confidence - I mean you can give some signals without...

YATES: You could give the same signals that you used to figure out whether it's substantially related. But is that going to help a judge realistically when he's going through the briefcase to look at each document, is he really going to be able to figure out whether that's _____ with confidences? And remember, as Judge Owen wrote in *In Re American Home*, I can't pierce the blue guy's work product privilege.

JUDGE: And how do you mandamus an appeal to the trial judge without everybody looking at what these things are?

YATES: Right. See I can't say what the confidences are. The only people that are going to be arguing to the judge about what the confidences are, are the disqualified lawyers. I can't pierce their work product privilege to argue about it, so how on earth is that rule going to work. And that's what Judge Castle, the dissenting judge in *First Wisconsin* was saying and the balancing rule that the majority talks about in *First Wisconsin* and has been roundly criticized by the commentators, and his notion that you could do what this notion of opening the briefcase and figuring out whether each one is - that's what's been roundly criticized.

ABBOTT: So what test do you want us to apply in this case?

YATES: The test is, if you are in this piece of the pie, if it's a kind of disqualification that's based on a risk of confidence, which as Judge Baker points out, really would be anyone, one, two or three in paragraph (a) of Rule 109, if it's that kind of disqualification, if the work product was created during the time period when the disqualifying situation existed, which I would say is from the minute matter 2 started, and if it is not within this category of documents, and this is the hard part, you've got to write this rule about what are you going to let her have, because you have to let

her have something, and the way that the dissent in *First Wisconsin* says is let's write a rule that says, okay we are going to give them a minimal amount that they absolutely need to go forward. We're going to give them pleadings and that kind of stuff. And the problem is, I can't make him equal. Mr. Hartnett stands up there and Hartnett says, well it's never going to be fair. But we can't make it equal.

ABBOTT: Let's assume we write the opinion the way you want. Concerning future cases involving the red piece of pie, would that create an obligation in all these future cases that at the same time you file your motion to disqualify, you should also be obligated to file a motion to prevent the turnover of the work product?

YATES: I don't think it's waived for the reasons that...

ABBOTT: Not now. In the future.

YATES: I think it would be perfectly legitimate for your honors to write a rule that says for purposes of judicial efficiency we're going to say that in the future when you want to try to get this disqualification on one of these bases, that you should also - but you see you don't have to address today the other bases. You can leave the rest of the pie and whether they can get work product from the rest of the pie...

ABBOTT: We're just talking about the red piece of pie?

YATES: Yes. In the red piece of the pie you could say, but I do not think it should be waived in this case for all the reasons that have been discussed.

ABBOTT: But you are comfortable with us saying, in future cases it's okay to require that at the same time that you file the motion to disqualify, you must also file a motion to prevent the disclosure of the confidential information?

YATES: I guess I would really have to think about it, because it really gets to the point of what do I have to foresee. It's like what my co-counsel was saying, What do I have to foresee that might happen and should I really have to foresee that okay after they are disqualified, then they are going to go turnover the work product. And then as Judge Brister pointed out, are we going to put the trial judges to okay let's have this hearing, now let's have this hearing when we _____ ultimately going to be disqualified anyway.

BAKER: Well doesn't that really beg the question that Judge Abbott is asking you? Wouldn't it follow if your arguments are valid and the court accepts them, that when disqualified you can't turn it over, so why shouldn't you ask for it right away and put everybody on notice of what's going on? It also kind of leaves me a little puzzled when you keep saying, well we just don't

know what's going to happen, that you had less than a real strong feeling you were going to win when you filed it, or that your motion for disqualification was a little shaky or something.

YATES: I agree with you. We did feel that we should win. You shouldn't file a motion unless you think you are right.

BAKER: Then let's go for the whole enchilada if we're going to win and put it all in there.

YATES: I agree with you. But it seems like to me that as we were talking about earlier judge when you were talking about a knowing intentional relinquishment of a known right and to say in this kind of situation that my client...

BAKER: Well but *Tenneco* is a little broader than that too. I think it also says by your conduct you can waive things. You don't have to stand up to the world and say, I know all about this but I don't want to do it, so I'm waiving it. You don't have to say that.

YATES: Am I entitled to prevent them from turning the work product over unless they are disqualified? Isn't it true that I'm not entitled to it until they are disqualified?

ABBOTT: But what if the TC says that they are disqualified?

YATES: Right, but that didn't happen until your honors wrote the opinion. Now maybe if I had won in the TC, then I should have said, okay, next motion. No work product. But I lost. And since I lost it's not something I should have had to complain about until I had something to complain about.

BAKER: What about then since you lost the first one before Judge Tyson, the work product that was before that?

YATES: That's a red herring in this case. The red guys' work product is not what we're talking about. We're talking about the game book that the blue guys are writing. And you made the point yourself, Judge Baker, you can't assume that there's no additional confidences, that all the confidences are just what's in the red guys' work product, and since they are going to get it under Judge Tyson's order, that therefore, there is no more concern about confidences. You can't assume that.

BAKER: No, no. My question is since you lost your first disqualification motion in 1995, and then you proceed for another year before we get to the trial and you file a second motion, what about the work product that was generated from 1995 back to when the suit was filed?

YATES: They don't get it.

BAKER: In other words, you want to say from the day one that any disqualified attorney comes in no work product produced by that attorney and the firm he went with who are adverse can't get...

YATES: Right, because that's when the disqualifying situation existed.

BAKER: The whole suitcase is closed forever?

YATES: In this particular case, the whole suitcase. Now if the blue guys had worked on it and done a lot of work before the red guys got there, then the work that the blue guys did beforehand, I would give them. That's what the court does in *Easy Painter* and in the *Hallmark* case.

BAKER: Now we have a little factual problem in that the two firms didn't start on the same day in the litigation. The McKool and the Pennington firm started at different times.

YATES: Right. But remember there were red guys that went to both of those firms.

BAKER: That the red guys infect the whole _____.

YATES: Yes.

JUDGE: Could we call this the compulsory ancillary claim?

YATES: You got me on that one. You want to say that the requirement that they move to also keep the work product from going over is compulsory and ancillary and that they had to make it?

JUDGE: You have to give it a name. It's not a compulsory counterclaim.

YATES: Right. I wouldn't say that it's compulsory for the same reason that I said a minute ago, which is, I'm not entitled to it until _____.

JUDGE: If you were disqualified would you feel a duty not to pass on something that might be confidential?

YATES: You are absolutely right. When we conclude that we can't work on a case, we are very careful about what we let the next lawyers have.

O'NEILL: What if your client says, well give me my file back, I will go find my own

lawyer?

YATES: That's his argument, that Vicky owns the file. And the problem with that is the way that disciplinary rule is written. It's not dealing with disqualifications. It is dealing with withdrawals and it also talks in the language of that rule about to which the client is entitled, and the reason that Vicky is not entitled to our confidences. Really think about it. The blue guys never should have been creating this work product to begin with. They were disqualified. They shouldn't have created it at all. How could you write a rule that says Vicky owns it when Vicky's lawyers, the blue guys, never should have created it because they were disqualified. If anybody owns it, it ought to be Epic.