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OF THE  
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Re: In re The Walt Disney Company Derivative Litig.  
Civil Action No. 15452-NC

Dear Counsel:

With the trial in this case scheduled to commence in six weeks, and the motion for summary judgment pending before the Court, I hope that we can keep side issues to a minimum. In that spirit, I write briefly to address the application of nominal defendant Walt Disney Company for a protective order allowing the company to designate as "confidential" and to prevent public filing and dissemination of three documents (the two Fleischer letters and the Gold letter) recently produced in discovery in this lawsuit. In addition, the Walt Disney Company has demanded the sealing of certain portions of exhibit 266 in which Mr. Eisner expressed unflattering opinions about certain individuals.

I deny both of the Company's applications. The application to seal certain portions of exhibit 266 is *denied*, and the application to designate as confidential and prevent public filing and dissemination of the Fleischer and Gold letters is also *denied*. The latter three documents (the Fleischer and Gold letters) are not Disney documents. Counsel for defendant Stanley Gold drafted two of the documents. The third document was authored by Gold himself. All three were produced in connection with the redeposition of defendant Roy E. Disney in this lawsuit. Having reviewed the letters, I see no basis under the rules of this Court for ordering that they be sealed or designated as confidential. Nor does any basis appear for the letters to be filed in redacted versions. Accordingly, the unredacted versions of the three documents should be produced to plaintiffs' counsel.

This same conclusion applies to exhibit 266. The fact that information is potentially embarrassing or unflattering is not a basis for the sealing of records in public litigation. Accordingly, the application of the Walt Disney Company for the designation as confidential or the sealing of the above-referenced documents is *denied*.

IT IS SO ORDERED.

Very truly yours,

*/s/ William B. Chandler III*

William B. Chandler III

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