Case4:07-cv-01658-PJH Document614-12 Filed01/12/10 Page1 of 3

## **EXHIBIT** L

PROCEEDINGS February 13, 2009

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA MAGISTRATE JUDGE ELIZABETH D. LAPORTE

ORACLE CORPORATION, a Delaware ) Case No. C07-1658 Corporation; ORACLE, USA, INC.,) PJH (EDL) a Colorado corporation; and ORACLE INTERNATIONAL CORPORATION, a California corporation,

Plaintiffs,

vs.

FURTHER DISCOVERY CONFERENCE

SAP AG, a German corporation; SAP AMERICA, INC., a Delaware corporation; TOMORROWNOW, INC.,) a Texas corporation; and DOES 1-50, Inclusive,

Defendants.

February 13, 2009 TRANSCRIPT OF AUDIO RECORDING

TRANSCRIBED BY: FREDDIE REPPOND

ġ

## PROCEEDINGS February 13, 2009

Page 14

rely on witness testimony, if that's the only way they'll agree, of having to go out and take more testimony.

THE COURT: Witness testimony as opposed to what?

MR. HOWARD: Well, as opposed to documents. Here's the thing: What we're trying to establish --Mr. Cowan said that the JD Edwards is not part of the current stip. The current stip, as he knows, was a -is a template. It addresses the biggest piece of the client deliverables, which are PeopleSoft brand product, payroll bundles that were sent out from TomorrowNow to its clients. That's been a lot of fixes that were sent out. We started there to see if we can get agreement and get a template that we could then apply to the other aspects of the case, like JD Edwards. And those deliverables are -- all of them, every last one of them -- the result of illegal copies of software, the result of cross-use of software. They were developed through the testing of illegal copies. And that is in documents. You don't need witness testimony for it. It's clear as day in front of everybody's eyes. And I think they know it.

But I think -- so I don't really understand why there has to be witness testimony. We're not

Page 16

You notice on the stipulation that was filed as Exhibit A to the discovery conference statement there are a number of appendices. Those appendices were created using that SAS database. So that database has a rich source of information for them. Regardless of whether we have a stipulation, that database is available to them to meet their burden of proof to come forward and establish whatever they think they can establish with that information.

With respect to the need for testimony to come out of the witnesses' mouths rather than the lawyers' characterization of that, I would hope that Mr. Howard can appreciate and certainly hope the Court could appreciate what the lawyers say happened is not something particularly that has liability implications and potentially significant damages implications. It's not something that the business folks want to rely a hundred percent on. They want to know what the witnesses have to say about this, particularly since we're dealing with a subsidiary company. The decision-making on these kinds of things are certainly being made at the highest level of the parent company; and we have to have that evidence.

THE COURT: Well, you -- I mean, of course, unlike the Plaintiffs, you can interview the witnesses

Page 15

insisting that we say every single object or every single fix be done, but what we are asking is for a stipulation that reflects reality and is independent of damages. And we think that is fair. And if we think that we can get it, then we're not as far apart as we may otherwise be on the needs of the calendar.

THE COURT: All right. And --

MR. COWAN: Couple things. One, on the obviously his characterization of my clients' conduct, pre- or post-litigation, I don't agree with. But I think for purposes of this discussion, we can deal with the other points he made.

I agree that the SAS database provides some enriched source of information. We have under the extended discovery timeline agreement now completed our privilege review of that. I believe it's being produced today. I believe our office has already sent Mr. Howard an e-mail indicating whether he wants delivery tomorrow or not. It required an incredible amount of review to get that ready, but it is ready. So as of tomorrow or Tuesday, whenever they elect delivery, they should have the SAS database through October 31, 2008. And that database has all the data points in it — or most of the data points in it — that Mr. Howard is referring to.

Page 17

and do it informally. But in my own opinion, often documents are a better source of objective information about -- of this type -- than witnesses. Witnesses' recollections to the extent they're at odds with the document are usually untrue or mistaken; and the jury does not believe them.

So a lot of what I'm hearing does not make any sense, actually. I mean unless — unless it's an attempt to stay away from the truth because the witnesses will get up there and say, No, we didn't do that, you know, I don't recall doing that, which is a pretty weak defense, needless to say, if the documents are clear. Now, that's assuming the document shows something.

MR. COWAN: That's also assuming -THE COURT: When the documents are ambiguous,

obviously you need witness testimony, but --

MR. COWAN: I think that's also assuming that we have said we wouldn't agree to documents that weren't part of this. We have never said documents weren't part of this.

THE COURT: So I'm not really sure what I'm hearing. But I guess I'm also not sure what I'm supposed to do. In other words, if the Plaintiff is asking me to force them to stipulate, I can't do that.