- · Pursuant to Civil Local Rule 16-10(d), the parties respectfully submit this Joint Case Management Conference Statement.

Plaintiffs' Statement:

The original complaint in *Gallion v. Apple, Inc.*, No. 10-CV-01610, was filed in this Court on April 15, 2010, and was later consolidated with two related actions, *Corsi v. Apple, Inc.*, No. 10-CV-03316, and *Calix v. Apple, Inc.*, No. 10-CV-05895, each of which proposed a nationwide class of consumers who had purchased an original iPhone, iPhone 3G, iPhone 3GS, and/or iPod touch device ("Class Devices"). Another, related action had been filed in the Santa Clara County Superior Court, *Pennington, et al. v. Apple, Inc.*, No. 1-10-CV-162659, which proposed a class composed of California residents who had purchased a Class Device.

In each of these actions (collectively, the "Actions"), the plaintiffs alleged that Apple had a policy of denying warranty claims on the ground that Class Devices had been damaged by liquid based solely on a Liquid Contact Indicator ("LCI") that had turned pink or red, without inspecting Class Devices for evidence of actual damage by liquid. Plaintiffs also alleged that because Apple relied on a provision in its warranties by which coverage is excluded if the consumer causes damage, Apple bore the burden of proving that the Class Devices had actually been damaged by the consumer, and that Apple could not carry that burden because LCIs are inherently incapable of establishing that a Class Device had been damaged and because Apple failed to maintain records of the majority of these warranty transactions in any event. Apple has answered each of the complaints and has denied all claims of liability.

After nearly two years of extensive discovery that included the production of hundreds of thousands of documents by Apple and by third parties (3M Company, the inventor of the material Apple used for the LCIs, and AT&T Wireless Corporation, which sold and provided wireless service for the iPhone), and the



depositions of witnesses employed by Apple and 3M, the parties have engaged in a series of mediation sessions before Retired Magistrate Judge Edward Infante and Catherine Yanni of the Judicial Arbitration and Mediation Service ("JAMS").

Plaintiffs will attend the next mediation session on April 13, 2012, if certain conditions have been met. Plaintiffs believe there are issues that would benefit from the Court's assistance and are prepared to discuss the status of the litigation in detail, including the status of the parties' mediation efforts in chambers, assuming that Apple agrees to do so notwithstanding the mediation privilege.

Defendant's Statement:

Given that the parties have attended several productive mediation sessions and another session is scheduled for April 13, Apple sees no purpose to be served by responding to plaintiffs' statements respecting the merits (Apple's view of the case is set forth in prior case management conference statements). Because the mediation is ongoing, Apple does not believe it is appropriate to waive the mediation privilege. Apple does not believe there are issues to be addressed by the Court at this time, but of course will be prepared to address any issues that the Court may wish to discuss.

DATED: March 16, 2012 FAZIO | MICHELETTI LLP

by <u>/s/ Jeffrey L. Fazio</u>

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8	ATTESTATION OF FILER	
9	I, Jeffrey L. Fazio, hereby attest that concurrence in the filing of this	
10	document has been obtained from each of the other signatories. See N.D. Cal. Gen	
11	Order No. 45 ¶ X(B).	
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13	B Dated: March 16, 2012 \mathbf{Faz}	IO MICHELETTI LLP
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