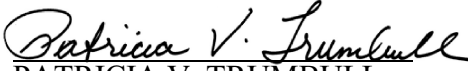


1 claims. However, discovery is not limited to information directly relevant to a parties' claim or
2 defense, but extends to information that is reasonably calculated to lead to the discovery of
3 admissible evidence. *See* FED.R.CIV.PRO. 26(b)(1). Further, the scope of discovery expressly
4 includes "the identity and location of persons who know of any discoverable matter." *Ibid.*
5 Plaintiffs are alleging Defendants engaged in a Ponzi scheme. Information regarding investments
6 and returns on investments of other investors is "reasonably calculated to lead to the discovery of
7 admissible evidence," and the other investors are "persons who know of . . . discoverable matter."

8 Omni's privacy objection is without merit. As Plaintiffs point out, Defendant Omni's
9 investors do not have a reasonable expectation of privacy in the documents to begin with, because
10 other investors are entitled to review the documents pursuant to California Corporations Code
11 sections 17058 & 17106. Moreover, even for information not specifically included within the ambit
12 of Sections 17058 & 17106, the investors' privacy interests must be balanced against the public's
13 need for discovery in litigation. *See Davis v. Leal*, 43 F.Supp.2d 1102, 1110 (E.D.Cal. 1999) (noting
14 that the right of privacy in California extends to financial privacy in litigation, but the privilege is
15 subject to balancing the needs of the litigation with the sensitivity of the information/records sought);
16 *see also, Valley Bank of Nevada v. Superior Court*, 15 Cal.3d 652, 657 (1975). The Plaintiffs' need
17 for the information for purposes of this litigation is sufficient to outweigh Omni's investors' privacy
18 interests. To the extent any confidential information is not ultimately found to be admissible at trial
19 or in connection with a dispositive motion (in which case the public's interest in open court
20 proceedings would likely entirely outweigh the investors' privacy interests), the confidential
21 information may be adequately protected under the Stipulated Protective Order on file in this case.

22 IT IS FURTHER ORDERED that Plaintiffs' request for sanctions is DENIED. *See* CIVIL
23 L.R. 7-8(a).

24 Dated: 2/16/10

25 
26 PATRICIA V. TRUMBULL
27 United States Magistrate Judge
28