

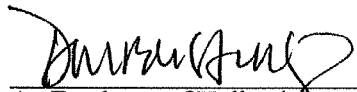
Holland & Hart LLP
9555 Hillwood Drive, 2nd Floor
Las Vegas, Nevada 89134

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b), I certify that on November 26, 2012, I served a true and correct copy of the foregoing **DEFENDANTS' MOTION FOR a PROTECTIVE ORDER** via e-mail and by depositing same in the United States mail, first class postage fully prepaid to the persons and addresses listed below:

James J. Pisanelli, Esq.
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Attorney for Plaintiff



An Employee of Holland & Hart LLP

Dineen Bergsing

From: Dineen Bergsing
Sent: Monday, November 26, 2012 4:16 PM
To: JAMES J PISANELLI; dls@pisanellibice.com; tlb@pisanellibice.com; Kimberly Peets; see@pisanellibice.com
Cc: Steve Peek; Bob Cassity; Theresa McCracken
Subject: LV Sands/Jacobs - (1) Motion for Protective Order; (2) Appendix; and (3) Motion to Seal Exhibits D and F to Motion for Protective Order
Attachments: Appendix to Motion for Protective Order.pdf; Motion for Protective Order.pdf; Motion to Seal Exhibits D and F to Motion for Protective Order.pdf

Please see attached (1) Motion for Protective Order; (2) Appendix; and (3) Motion to Seal Exhibits D and F to Motion for Protective Order. All to follow by mail.

Dineen M. Bergsing

*Legal Assistant to J. Stephen Peek,
Justin C. Jones, David J. Freeman
and Nicole E. Lovelock*
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1 maintain that reputation in a very long career that now seems
2 to have been placed in jeopardy by this Court's proceeding.

3 As I said to you from the witness stand under oath,
4 and to Mr. Bice in my cross-examination, that I went as far as
5 I thought I could go to meet my obligations to this Court and
6 to balance those obligations to the Court to protect the
7 interests of my client under the Macau Data Privacy Act. That
8 Act is -- was and is real. The administrative body that
9 administers that Act, the Office of Personal Data Protection,
10 is real. If I made a mistake in that balance, I'm sorry. I
11 hope to continue, as I have for many years, appearing in front
12 of this Court on a regular basis. I'd certainly never done so
13 as a witness, and I hope never again to do so as a witness.

14 I've known Your Honor for over 20 years. Yes, I
15 have practiced 40 years, longer than anybody else here, but
16 certainly not as long as Mr. Lionel. But I've known you as a
17 colleague in the bar and as a judge, and I respect this Court
18 very much. And I'm sorry.

19 THE COURT: Thank you, Mr. Peek.

20 Mr. Brian.

21 MR. BRIAN: I had prepared some longer remarks which
22 I won't give, Your Honor.

23 I guess I want to start by responding to your
24 comment this morning that you don't think I've understood the
25 seriousness of this. The Court doesn't know me. I haven't

1 been here long enough. I hope I'll earn your trust and your
2 respect so that you will understand how seriously I take this
3 proceeding, the ethical standards of lawyers, and the court
4 proceedings. Judge before whom I practice regularly I think
5 would tell you that, while I'm a forceful advocate, I take
6 those obligations very, very seriously.

7 I don't have time to go through everything. Mr.
8 Peek actually stole a little bit of what I was going to say,
9 because I think what happened here is the lawyers and the
10 clients were put in a dilemma. When Mr. Jacobs said he was
11 going to file a lawsuit in the summer of 2010 Mr. Kostrinsky
12 and the Las Vegas Sands took steps to transfer his electronic
13 data to the United States in anticipation of the lawsuit. The
14 following few months later there's an SEC subpoena, and there
15 are steps taken to gather documents in response to that.

16 The world changes in the time period between April,
17 May, and June before the hearings, the key hearings in front
18 of Your Honor on June 9th and July 19th. Now, they have --
19 and I will use the word -- they have a different spin, we have
20 a different interpretation of what happened, which was
21 lightbulbs went off and people understood that this is a real
22 statute in Macau that has to be dealt with. That put Mr.
23 Peek, Ms. Glaser, Mr. Jones, and the other lawyers and the
24 clients in a dilemma. That's no excuse for lying, Your Honor.
25 We get that. We get that. But that's the test. And I think

1 the test -- it's not just a question of whether there was bad
2 judgment or other mistakes were made, but the question here is
3 -- it's almost as if this is a perjury case -- did people
4 knowingly, wilfully lie to Your Honor. That's the question.
5 And so when I stand here and I'm asked by my client to put
6 forth a defense, it's not because we don't get it, it's
7 because we do get it. We do get it. The mere proceeding
8 itself has caused incredible stigma and impact on Mr. Peek and
9 some of the other individuals and I would say the clients, as
10 well. Yes, Mr. Adelson is a wealthy man. Yes, the companies
11 do well. But this proceeding -- and I'm not faulting Your
12 Honor for having it. I'm not. But it's an extraordinary
13 proceeding to have lawyers testify under oath. That itself is
14 a sanction.

15 And so when Mr. Peek -- you asked the question, it
16 was -- you asked the very question that I had written down to
17 ask Mr. Peek, what did you mean when you said, I went as far
18 as I could go. And his testimony I thought was forthright, it
19 was honest. He was trying to balance his obligation to his
20 client under the Macau law to his obligation to the court
21 system and Your Honor, and he struck the balance as best he
22 could.

23 Ms. Glaser, on the hearing when she made comments
24 about the documents, when you look at those comments, there is
25 a line that I think Your Honor has to measure, did she step

1 over the line or did she go up to what was -- something that
2 was literally true and therefore would not constitute in
3 effect perjury because of the bind she was in. Lawyers had
4 reviewed documents in May. Mr. Jones told you that he had
5 stopped reviewing them because of the bind that they were in.
6 And what happened was, and maybe it was the unfortunate
7 conflation of the stay and the meet and confer process and the
8 Rule 16 hadn't completed, the process that would normally have
9 ensued hadn't done it.

10 Now, none of that, none of that I guess explains
11 away Your Honor's reaction. I understand the impression Your
12 Honor got. I understand that. But the question is is -- now
13 is what to do about it. And I would suggest, Your Honor, that
14 the defendants and the lawyers have fully understood what Your
15 Honor's concerns are. This is a tough, tough statute. The
16 company is under investigation as a result of having disclosed
17 that. I guess we maybe should put that slide up, if we could,
18 Mr. Nichols. Both companies -- maybe the second one. Both
19 companies, Your Honor, have had to publicly disclose the
20 investigation resulting from this, so you had two questions,
21 actually, had the Court wasted its time -- and I think the
22 answer to that is no, the statute is a real, real statute, and
23 we're going to have to deal with it. And you've asked for
24 briefing, and when we're done with this I'm going to speak
25 with Mr. Bice and Mr. Pisanelli and Ms. Spinelli and talk

1 about setting up that schedule, because it's going to have to
2 be briefed for Your Honor.

3 I would just ask Your Honor to take into account the
4 situation that everybody was in in assessing what you think is
5 appropriate. I would argue, and I mean this not as a spin,
6 but as a defense, and not that they didn't step over the line,
7 it wasn't perfect, and, Your Honor, it may have been bad
8 judgment, and Your Honor's impression may have been
9 understandable. I'm not quarrelling with that. But should
10 they be convicted, if you will, of knowingly and wilfully
11 saying something false? And given the information they had
12 and the dilemma they had and the binds they had in their
13 ethical obligations to their own clients, I would respectfully
14 submit that this proceeding itself has stigmatized them, and I
15 would ask for the Court's understanding going forth.

16 THE COURT: Thank you.

17 I will issue a written decision, and you will have
18 it by the beginning of next week.

19 Anything else? Have a nice day.

20 THE PROCEEDINGS CONCLUDED AT 5:01 P.M.

21 * * * * *

22

23

24

25

INDEX

<u>NAME</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
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THE COURT'S WITNESSES

Michael Kostrinsky			3	4
(Video Depo Played, not transcribed)	150			
Justin Jones	9	13		
Manjit Singh	85	94		

* * *

CERTIFICATION

I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE AUDIO-VISUAL RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

AFFIRMATION

I AFFIRM THAT THIS TRANSCRIPT DOES NOT CONTAIN THE SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER OF ANY PERSON OR ENTITY.

FLORENCE HOYT
Las Vegas, Nevada 89146



FLORENCE HOYT, TRANSCRIBER

9/13/12

DATE

DISTRICT COURT
CLARK COUNTY, NEVADA

Defendants.

Date of Hearing: 09/10-12/12

This matter having come on for an evidentiary hearing before the Honorable Elizabeth Gonzalez beginning on September 10, 2012 and continuing day to day, based upon the availability of the Court and Counsel, until its completion on September 12, 2012; Plaintiff Steven Jacobs ("Jacobs") being present in court and appearing by and through his attorney of record, James Pisanelli, Esq., Todd Bice, Esq., and Debra Spinelli, Esq. of the law firm of Pisanelli Bice; Defendant Las Vegas Sands appearing by and through its counsel J. Stephen Peek, Esq. of the law firm of Holland & Hart and counsel for purposes of this proceeding, Samuel Lionel, Esq. and Charles McCrea, Esq., of the law firm of Lionel Sawyer & Collins; Defendant Sands China appearing by and through its counsel J. Stephen Peek, Esq. of the law firm of Holland & Hart, Brad D. Brian, Esq., Henry Weissman, Esq., and John B. Owens, Esq. of the law firm of Munger Tolles & Olson and counsel for purposes of this proceeding, Samuel Lionel, Esq. and Charles McCrea, Esq., of the law firm of Lionel Sawyer & Collins; the Court having read and considered the pleadings filed by the parties and the transcripts of prior hearings; having reviewed the evidence admitted during the trial; and having heard and carefully considered the testimony of the witnesses called to testify; the Court having considered the oral and written arguments of counsel, and with the intent of deciding the limited issues before the Court related to lack of candor and nondisclosure of information to

1 the Court and appropriate sanctions pursuant to EDCR 7.60. The Court makes the following
2 findings of fact and conclusions of law:

3
4 **I.**
PROCEDURAL POSTURE

5 On August 26, 2011, the Nevada Supreme Court issued a stay of proceedings in this
6 matter pending the conduct of an evidentiary hearing and decision on jurisdictional issues
7 related to Sands China. The Court granted Jacobs request to conduct jurisdictional discovery
8 prior to the evidentiary hearing. The order granting the jurisdictional discovery was ultimately
9 entered on March 8, 2012.

10
11 **II.**
FINDINGS OF FACT¹

12 1. Prior to litigation, in approximately August 2010, a ghost image of hard drives
13 of computers used by Steve Jacobs in Macau² and copies of his outlook emails were transferred
14 by way of electronic storage devices (the "transferred data") to Michael Kostrinsky, Esq.,
15 Deputy General Counsel of Las Vegas Sands.³

16
17
18
19 ¹ Counsel for Las Vegas Sands objected on the basis of attorney client privilege to a majority of the
20 questions asked of the counsel who testified during the evidentiary hearing. Almost all of those
21 objections were sustained. While numerous directions not to answer on the basis of attorney client
22 privilege and the attorney work product were made by counsel for Las Vegas Sands, sustained by the
23 Court, and followed by the witnesses, sufficient information was presented through pleadings already in
24 the record and testimony of witnesses without the necessity of the Court drawing inferences related to
25 the assertion of those privileges. See generally, *Francis v. Wyun*, 127 NAO 60 (2011). The Court also
26 rejects Plaintiff's suggestion that adverse presumptions should be made by the Court as a result of the
27 failure of Las Vegas Sands to present explanatory evidence in its possession and declines to make any
28 presumptions which might arguably be applicable under NRS Chapter 47.

² There is an issue that has been raised regarding the current location of those computers and hard
drives from which the ghost image was made. The Court does not in this Order address any issues
related to those items.

³ According to a status report filed by Las Vegas Sands on July 6, 2012, there were other transfers of
electronically stored data. Based upon testimony elicited during the evidentiary hearing, counsel was
unaware of those transfers prior to the preparation and filing of the status report.

1 2. Kostrinsky requested this information in anticipation of litigation with Jacobs
2 after learning of receipt of a letter by then general counsel for Las Vegas Sands from Don
3 Campbell.

4 3. This transferred data was placed on a server at Las Vegas Sands and was
5 initially reviewed by Kostrinsky.

6 4. The attorneys for Sands China at the Glaser Weil firm were aware of the
7 existence of the transferred data on Kostrinsky's computer from shortly after their retention in
8 November 2010.

9 5. The transferred data was reviewed in Kostrinsky's office by attorneys from
10 Holland & Hart.

11 6. On April 22, 2011, in house counsel for Sands China, Anne Salt, participated in
12 the Rule 16 conference by videoconference and responded to inquiry by the Court related to
13 electronically stored information and confirmed preservation of the data.

14 7. At no time during the Rule 16 conference did Ms. Salt or anyone on behalf of
15 Sands China advise the Court of the potential impact of the Macau Personal Data Privacy Act
16 (MDPA) upon discovery in this litigation.

17 8. Following the Rule 16 conference with the Court, the parties filed a Joint Status
18 Report on April 22, 2011, in which they agreed that the initial disclosure of documents
19 pursuant to NRCP 16.1 would be made by Sands China and Las Vegas Sands prior to July 1,
20 2011. The MDPA is not mentioned in the Joint Status Report as potentially affecting
21 discovery in this litigation.

22 9. Following the Rule 16 conference, no production or other identification of the
23 information from the transferred data was made.

24 10. Beginning with the motion filed May 17, 2011, Sands China and Las Vegas
25 Sands raised the MDPA as a potential impediment (if not a bar) to production of certain
26 documents.
27
28

1 11. At a hearing on June 9, 2012, counsel for Sands China represented to the Court
2 that the documents subject to production were in Macau; were not allowed to leave Macau;
3 and, had to be reviewed by counsel for Sands China in Macau prior to requesting the Office of
4 Personal Data Protection in Macau for permission to release those documents for discovery
5 purposes in the United States.

6 12. At the time of the representation made on June 9, 2012, the transferred data had
7 already been copied; the copy removed from Macau; and reviewed in Las Vegas by
8 representatives of Las Vegas Sands.

9 13. The transferred data was stored on a Las Vegas Sands shared drive totaling 50 –
10 60 gigabytes of information.

11 14. Prior to July 2011, Las Vegas Sands had full and complete access to documents
12 in the possession of Sands China in Macau through a network to network connection.

13 15. Beginning in approximately July 2011, Las Vegas Sands access to Sands China
14 data changed as a result of corporate decision making.

15 16. Prior to the access change, significant amounts of data from Macau related to
16 Jacobs was transported to the United States and reviewed by in house counsel for Las Vegas
17 Sands and outside counsel, and placed on shared drives at Las Vegas Sands.

18 17. At no time did Las Vegas Sands or Sands China disclose the existence of this
19 data to the Court.⁴

20 18. At no time did Las Vegas Sands or Sands China provide a privilege log
21 identifying documents which it contended were protected by the MDPA which was discussed
22 by the Court on June 9, 2011.
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27 ⁴ While Las Vegas Sands contends that a disclosure was made on June 9, 2011, this is inconsistent with
28 other actions and statements made to the Court including the June 27, 2012 status report, the June 28,
2012 hearing and the July 6, 2012 status report.

1 19. For the first time on June 27, 2012, in a written status report, Las Vegas Sands
2 and Sands China advised the Court that Las Vegas Sands was in possession of over 100,000
3 emails and other ESI that had been transferred "in error".

4 20. In the June 27, 2012 status report, Las Vegas Sands admits that it did not
5 disclose the existence of the transferred data because it wanted to review the Jacobs ESI.⁵

6 21. Any finding of fact stated hereinabove that is more appropriately deemed a
7 conclusion of law shall be so deemed.

8 **III.**
9 **CONCLUSIONS OF LAW**

10 22. The MDPA and its impact upon production of documents related to discovery
11 has been an issue of serious contention between the parties in motion practice before this Court
12 since May 2011.

13 23. The MDPA has been an issue with regards to documents, which are the subject
14 of the jurisdictional discovery.

15 24. At no time prior to June 28, 2012, was the Court informed that a significant
16 amount of the ESI in the form of a ghost image relevant to this litigation had actually been
17 taken out of Macau in July or August of 2010 by way of a portable electronic device.

18 25. EDCR Rule 7.60 provides in pertinent part:

19 * * *

20 (b) The court may, after notice and an opportunity to be heard, impose upon an
21 attorney or a party any and all sanctions which may, under the facts of the case, be reasonable,
22 including the imposition of fines, costs or attorney's fees when an attorney or a party without
23 just cause:

24 * * *

25 (3) So multiplies the proceedings in a case as to increase costs unreasonably
26 and vexatiously.

27
28 ⁵ The Court notes that there have also been significant issues with the production of information from
Jacobs. On appropriate motion the Court will deal with those issues.

1 26. As a result of the failure to disclose the existence of the transferred data, the
2 Court conducted needless hearings on the following dates which involved (at least in part) the
3 MDPA issues:

4 May 26, 2011

5 June 9, 2011

6 July 19, 2011

7 September 20, 2011⁶

8 October 4, 2011⁷

9 October 13, 2011

10 January 3, 2012

11 March 8, 2012

12 May 24, 2012

13 27. The Court concludes after hearing the testimony of witnesses that the 100,000
14 emails and other ESI were not transferred in error, but was purposefully brought into the
15 United States after a request by Las Vegas Sands for preservation purposes.

16 28. The transferred data is relevant to the evidentiary hearing related to jurisdiction,
17 which the Court intends to conduct.

18 29. The change in corporate policy regarding Las Vegas Sands access to Sands
19 China data made during the course of this ongoing litigation was made with an intent to
20 prevent the disclosure of the transferred data as well as other data.⁸

21 30. The Defendants concealed the existence of the transferred data from this Court.
22
23
24

25 ⁶ This hearing was conducted in a related case, A648484.

26 ⁷ This hearing was conducted in a related case, A648484.

27 ⁸ While the Court recognizes that several other legal proceedings related to certain allegations made by
28 Jacobs were commenced during the course of this litigation including subpoenas from the SEC and DOJ,
this does not excuse the failure to disclose the existence of the transferred data; the failure to identify the
transferred data on a privilege log, or the failure produce of the transferred data in this matter.

1 31. As the transferred data had already been reviewed by counsel, the failure to
2 disclose the existence of this transferred data to the Court caused repeated and unnecessary
3 motion practice before this Court.

4 32. The lack of disclosure appears to the Court to be an attempt by Defendants to
5 stall the discovery, and in particular, the jurisdictional discovery in these proceedings.

6 33. Given the number of occasions the MDPA and the production of ESI by
7 Defendants was discussed there can be no other conclusions than that the conduct was
8 repetitive and abusive.

9 34. The conduct however does not rise to the level of striking pleadings as exhibited
10 in the Foster v. Dingwall, 227 P.3d 1042 (Nev. 2010) or the entry of default as in Goodyear v.
11 Bahena, 235 P.3d 592 (Nev. 2010) cases.⁹

12 35. After evaluating the factors in Ribiero v. Young, 106 Nev. 88 (1990), the Court
13 finds:

14 a. There are varying degrees of willfulness demonstrated by the
15 Defendants and their agents in failing to disclose the transferred data to Plaintiff ranging from
16 careless nondisclosure to knowing, willful and intentional conduct with an intent to prevent the
17 Plaintiff access to information discoverable for the jurisdictional proceedings;¹⁰

18 b. There are varying degrees of willfulness demonstrated by the
19 Defendants and their agents ranging from careless nondisclosure to knowing, willful and
20 intentional conduct in concealing the existence of the transferred data and failing to disclose
21 the transferred data to the Court with an intent to prevent the Court ruling on the
22 discoverability for purposes of the jurisdictional proceedings;
23

24
25
26
27 ⁹ The Court recognizes no factors have been provided to guide in the evaluation of sanctions for conduct
in violation of EDCR 7.60, but utilizes cases interpreting Rule 37 violations as instructive.

28 ¹⁰ As a result of the stay, the court does not address the discoverability of the transferred data and the
effect of the conduct related to the entire case.

1 c. The repeated nature of Defendants and Defendants' agents conduct in
2 making inaccurate representations over a several month period is further evidence of the
3 intention to deceive the Court;

4 d. Based upon the evidence currently before the Court it does not appear
5 that any evidence has been irreparably lost;¹¹

6 e. There is a public policy to prevent further abuses and deter litigants from
7 concealing discoverable information and intentionally deceiving the Court in an attempt to
8 advance its claims; and

9 f. The delay and prejudice to the Plaintiff in preparing his case is
10 significant, however, a sanction less severe than striking claims, defenses or pleadings can be
11 fashioned to ameliorate the prejudice.

12 36. The Court after evaluation of the evidence and testimony, weighing the factors
13 and evaluating alternative sanctions determines that evidentiary and monetary sanctions are an
14 alternative less severe sanction to address the conduct that has occurred in this matter.

15 37. Any conclusion of law stated hereinabove that is more appropriately deemed a
16 finding of fact shall be so deemed.

17 IV.

18 ORDER

19 Therefore the Court makes the following order:

20 a. For purposes of jurisdictional discovery and the evidentiary hearing related to
21 jurisdiction, Las Vegas Sands and Sands China will be precluded from raising the MDPA as an
22 objection or as a defense to admission, disclosure or production of any documents.¹²

23
24
25
26 ¹¹ There is an issue that has been raised regarding the current location of those computers and hard drives
27 from which the ghost image was made. The Court does not in this Order address any issues related to
28 those items.


¹² This does not prevent the Defendants from raising any other appropriate objection or privilege.

1 b. For purposes of jurisdictional discovery and the evidentiary hearing related to
2 jurisdiction, Las Vegas Sands and Sands China are precluded from contesting that Jacobs ESI
3 (approx. 40 gigabytes) is not rightfully in his possession.¹³

4 c. Defendants will make a contribution of \$25,000 to the Legal Aid Center of
5 Southern Nevada.
6

7 d. Reasonable attorneys' fees of Plaintiff will be awarded upon filing an
8 appropriate motion for those fees incurred in conjunction with those portions of the hearings
9 related to the MDPA identified in paragraph 26.
10

11 Dated this 14th day of September, 2012

12 
13 ELIZABETH GONZALEZ
14 District Court Judge

15 Certificate of Service

16 I hereby certify that on or about the date filed, this document was copied through e-
17 mail, or a copy of this Order was placed in the attorney's folder in the Clerk's Office or mailed
18 to the proper person as follows:
19

20 J. Stephen Peek, Esq. (Holland & Hart)

21 Samuel Lionel, Esq. (Lionel Sawyer & Collins)

22 Brad D. Brian Esq. (Munger Tolles & Olson)

23 James J. Pisanelli, Esq. (Pisanelli Bice)

24 
25 Dan Kutinac
26

27
28 ¹³ This does not prevent the Defendants from raising any other appropriate objection or privilege.

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CLERK OF THE COURT

NOTC
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Attorneys for Defendants/Counterclaimants
(limited appearance)

DISTRICT COURT
CLARK COUNTY, NEVADA

STEVEN C. JACOBS,
Plaintiff,

vs.

LAS VEGAS SANDS CORP., a Nevada
corporation; et al.,

Defendants,

AND ALL RELATED CLAIMS.

CASE NO.: A627691-B
DEPT. NO.: XI

**NOTICE OF COMPLIANCE WITH
DECISION AND ORDER ENTERED
SEPTEMBER 14, 2012**

PLEASE TAKE NOTICE that on October 5, 2012 Defendant LAS VEGAS SANDS
CORP. ("LVSC") complied with the Decision and Order entered in the above-captioned action
on September 14, 2012 ordering that LVSC make contribution in the amount of \$25,000.00 to
the Legal Aid Center of Southern Nevada. A copy of the Acknowledgement of Receipt of said

....

....

....

....

1 contribution is attached hereto as Exhibit 1.

Respectfully submitted,

LIONEL SAWYER & COLLINS

By:

Samuel S. Lionel (SBN #1762)

Charles H. McCrea, Jr. (SBN #104)

1700 Bank of America Plaza

300 South Fourth Street

Las Vegas, Nevada 89101

*Attorneys for Defendants/Counterclaimants
(limited appearance)*

CERTIFICATE OF SERVICE

Pursuant to Nevada Rule of Civil Procedure 5(b), I hereby certify that I am an employee of LIONEL SAWYER & COLLINS and that on this 15th day of October, 2012, I caused documents entitled **NOTICE OF COMPLIANCE WITH DECISION AND ORDER ENTERED SEPTEMBER 14, 2012** to be served as follows:

☒ by depositing same for mailing in the United States Mail, in a sealed envelope addressed to:

James J. Pisanelli (SBN #4027)
Todd L. Bice (SBN #4534)
Debra L. Spinelli (SBN 9695)
PISANELLI BICE PLLC
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169

Stephen J. Peek (SBN #1758)
Robert J. Cassity (SBN #9779)
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Las Vegas, Nevada 89134

Brad D. Brian (*pro hac vice*)
Henry Weismann (*pro hac vice*)
John B. Owens (*pro hac vice*)
Bradley R. Schneider (*pro hac vice*)
MUNGER, TOLLES & OLSON LLP
355 South Grand Avenue, 35th Floor
Los Angeles, CA 90071-1560

with a courtesy copy by email.

☐ pursuant to Nev. R. Civ. P. 5(b)(2)(D) to be sent via facsimile as indicated:

☐ to be hand delivered to:

and/or

☒ by the Court's ECF System through Wiznet.



An Employee of
LIONEL SAWYER & COLLINS

EXHIBIT 1

EXHIBIT 1

LIONEL SAWYER & COLLINS

COPY

CHARLES H. MCCREA, JR.
Shareholder

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October 5, 2012

BY HAND

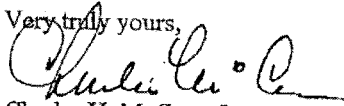
Barbara E. Buckley
Executive Director
Legal Aid Center of Southern Nevada
800 S. Eighth Street
Las Vegas, Nevada 89101

Re: *Jacobs v. Las Vegas Sands Corp., et al.*, Case No. 10-A-627691

Dear Ms. Buckley:

Enclosed is Check No. 100102155 dated October 3, 2012 in the amount of \$25,000 from Las Vegas Sands Corp. to the Legal Aid Center of Southern Nevada. This contribution is made pursuant to the Decision and Order entered in the above-referenced matter on September 14, 2012. Please acknowledge receipt of this letter and enclosed check by executing a copy of this letter where indicated.

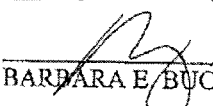
Very truly yours,


Charles H. McCrea, Jr.

CHMc:cm
Enclosure (Check No. 100102155)

ACKNOWLEDGEMENT OF RECEIPT

RECEIPT ACKNOWLEDGED this 5th day of October, 2012.


BARBARA E. BUCKLEY

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VENDOR: 34054		LAS VEGAS SANDS CORP			CHECK # 100102155
DATE	INVOICE NO.	INVOICE AMT.	DISCOUNT	AMOUNT PAID	COMMENTS
10/03/2012	JACOBSMATTERBANCTION	25,000.00	.00	25,000.00	
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3355 LAS VEGAS BLVD. SOUTH
LAS VEGAS, NV 89109

Bank of America, N.A.
Atlanta, Dekalb County, Georgia
64-1270611

CHECK NUMBER **100102155**

CHECK AMOUNT
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PAY Twenty-Five Thousand and 00/100
Dollars

CHECK DATE
10/03/2012

30 THE LEGAL AID CENTER OF SOUTHERN
NEVADA
800 SOUTH EIGHTH STREET
LAS VEGAS NV 89101, USA

⑈ 100102155⑈ ⑆ 061112788⑆ 3299841983⑈

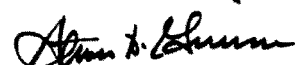
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CLERK OF THE COURT

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8
9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 STEVEN C. JACOBS,

12 Plaintiff,

13 v.

14 LAS VEGAS SANDS CORP., a Nevada
15 corporation; SANDS CHINA LTD., a
16 Cayman Islands corporation; DOES I
through X; and ROE CORPORATIONS
I through X,

17 Defendants.

18 AND RELATED CLAIMS
19

Case No.: A-10-627691

Dept. No.: XI

**PLAINTIFF STEVEN C. JACOBS'
MOTION FOR NRCP 37 SANCTIONS**

Hearing Date:

Hearing Time:

20
21 Pursuant to NRCP 37, Plaintiff Steven C. Jacobs ("Jacobs") moves for sanctions against
22 Defendants Las Vegas Sands Corp. ("LVSC") and Sands China Ltd. ("Sands China") due to their
23 egregious and ongoing discovery abuses. This Court has already documented their concealment
24 of the existence and location of evidence. This Motion seeks Rule 37 sanctions not only for that
25 outrageous misconduct, but also because LVSC and Sands China's discovery obstruction is
26 ongoing to this very day. Indeed, they recently revealed how they have yet to begin any search
27 for documents in Macau, notwithstanding this Court's explicit directions otherwise many, many
28 months ago. The time to put an end to the obstructionist conduct and sabotaging of the legal

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1 process has plainly arrived. Jacobs is submitting a separate motion on an order shortening time to
2 convene an evidentiary hearing and to seek limited discovery to lay bare the magnitude of the
3 pervasive obstructionism. The purpose of this limited discovery is a search for the truth. And,
4 because that is precisely what LVSC and Sands China do not want to come out, they have
5 resorted to an ongoing pattern of noncompliance.

6 This Motion is based on Rules 16.1, 26, 34 and 37 of the Nevada Rules of Civil
7 Procedure, and the following Memorandum of Points and Authorities, any and all exhibits
8 thereto, the papers and pleadings on file herein, and any oral argument this Court may consider.

9 DATED this 21st day of November, 2012.

10 PISANELLI BICE PLLC

11
12 By: /s/ Todd L. Bice
13 James J. Pisanelli, Esq., Bar No. 4027
14 Todd L. Bice, Esq., Bar No. 4534
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NOTICE OF MOTION

PLEASE TAKE NOTICE that the undersigned counsel will appear at Clark County Regional Justice Center, Eighth Judicial District Court, Las Vegas, Nevada, on the 27 day of December, 2012, at 8:30 a.m., in Department XI, or as soon thereafter as counsel may be heard, to bring this **PLAINTIFF STEVEN C. JACOBS' MOTION FOR NRCP 37 SANCTIONS** on for hearing.

DATED 21st day of November, 2012.

PISANELLI BICE PLLC

By: /s/ Todd L. Bice

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MEMORANDUM OF POINTS AND AUTHORITIES

I. BACKGROUND

A. Sands China Has Not Even Begun its Search for Documents Responsive to Jurisdictional Discovery.

A party exposed for concealing evidence and misrepresenting related facts directly to the Court might consider making a forthright effort at actual compliance going forward. But such is not the case for LVSC and Sands China. The proof is in their recent revelation of how they have yet to undertake the search for documents in Macau. For whatever misguided reason – apparently recognizing that they cannot win on the merits if they complied with their obligations – LVSC and Sands China have continued down the path of noncompliance.

Initially, Jacobs thought this was a casual comment at the October 30, 2012, status check. Counsel for LVSC and Sands China said:

We will be going to Macau to begin that review as to whether or not there are any documents over in Macau. You've got to get there to be able to find that out.

(Ex. 1, Hr'g Tr., Oct. 30, 2012, 12:12-14.) Immediately after that status check, Jacobs' counsel sought clarification, asking if Defendants had actually failed still to conduct any review of the documents in Macau. As this Court surely recalls, back in May of this year, it expressly rejected Sands China's attempt to sequence discovery so as to put off its obligations to provide jurisdictional discovery. Incredibly, despite the passage of months, Sands China responded to this simple inquiry with a defensive excuse claiming that the parties need to have a meet and confer: "[W]e need to reach an agreement during the meeting as to the **custodians for whom information should be reviewed** and the search terms to be used to identify potentially responsive jurisdictional information from those custodians." (Ex. 2, E-mail dated Oct. 30, 2012 (emphasis added).) Hardly. This Court told LVSC and Sands China months ago that they were required to comply with their discovery obligations. Sands China's then-counsel, Brad Brian, assured this Court as to how they had "gotten the message" and were now going to work diligently to comply with their outstanding discovery obligations. But now, despite this Court's

1 prior admonishments and Defendants' assurances, LVSC and Sands China confirmed that they
2 have done nothing despite this Court's rejection of their previous excuses.

3 There can be no justification for this renewed tactic of delay, obstruction, and
4 concealment. With this Court's explicit approval, Jacobs served jurisdictional discovery in
5 September of 2011. This Court expressly rejected Sands China's claims that it did not have to
6 review and produce documents from Macau. Furthermore, this Court subsequently ruled that
7 Sands China and LVSC could not hide behind the Macau Personal Data Privacy Act. Yet, Sands
8 China and LVSC apparently have done nothing to remedy their noncompliance. Instead, they
9 brazenly reaffirmed it by now suggesting that at some point in the future they will go to Macau to
10 "start" reviewing documents. As if it were not already established by their past misconduct, both
11 Sands China and LVSC have demonstrated that they have no compulsion about defying the Rules
12 of Civil Procedure and this Court's orders. The game of obstruction continues.

13 **B. Defendants Have Already Been Exposed as Concealing Evidence From Macau**
14 **That They Have Had in Their Possession for Over Two Years.**

15 Of course, this most recent noncompliance comes on the heels of Defendants' long
16 concealment of electronic files in Las Vegas that both LVSC and Sands China hid from Jacobs
17 and this Court. Because past misconduct is relevant in establishing sanctions going forward, this
18 Court's prior findings of noncompliance and concealment by LVSC and Sands China bear noting,
19 albeit briefly:

20 (1) LVSC received a hard drive on or about August 16, 2010 containing ghost images
21 of three of Jacobs' computers created on July 26 and July 27, 2010, and PST files of Jacobs'
22 e-mails created on August 5, 2010. (Defs.' Statement Regarding Data Transfers, dated July 2,
23 2012, 2:22-3:7, on file with the Court.) Not only did they not disclose the existence of these
24 documents, LVSC and Sands China flatly misled this Court into believing that these documents
25 were located only in Macau, which is why they had not been reviewed and produced.

26 (2) Another data storage device was believed to be brought from Macau by LVSC's
27 Deputy General Counsel in November 2010, but has now been misplaced and the data not
28 produced. (*Id.* at 3:17-20, 6:24-27.) Once again, Defendants knowingly concealed the possession

1 of this information, and both this Court and Jacobs were misled into believing that the documents
 2 were only in Macau.

3 (3) LVSC received additional hard drives from Macau in March 2011. One contained
 4 images of hard drives of computers used by two employees in Macau and the other contained
 5 images of hard drives used by three other employees in Macau and two PST files containing
 6 Jacobs' e-mails from 2009 and 2010. (*Id.* at 4:17-23). LVSC and Sands China again concealed
 7 these facts from the Court and Jacobs.

8 (4) E-mails of two employees in Macau were automatically transmitted to Ms. Hyman
 9 in Las Vegas, a fact not disclosed to Jacobs or this Court. Once again, LVSC and Sands China
 10 failed to in any way search or produce these documents as they have long been required to do.

11 (5) Also, once it was uncovered that Sands China and LVSC were failing to produce
 12 documents on the basis that they were located in Macau, this Court rejected their attempts to
 13 sequence discovery and directed their compliance.

14 As this Court may recall, once the lack of forthright disclosure began to emerge, counsel
 15 assured this Court that they were going to double their efforts and promptly undertake
 16 compliance. (Ex. 3, Hr'g Tr. June 28, 2012, 11:24-12:5 ("Mr. Brian: . . . But on the other issues,
 17 we have been dealing with this diligently, as competently as we know how to try to move this
 18 case forward. We met with the client last night. We are going to double and redouble our efforts
 19 to move this thing along").) Defendants assured this Court that they were going to add
 20 manpower to review the documents and promptly comply with this Court's orders. But tellingly,
 21 even after the Court sanctioned Defendants for their conduct in violation of EDCR 7.60, LVSC
 22 and Sands China have still to this day conducted no search of numerous electronic files both in
 23 Macau and Las Vegas.

24 II. ANALYSIS

25 A. Defendants' Conduct, Both Past and Present, Mandates Severe Sanctions.

26 There are many grounds upon which this Court must impose severe sanctions on both
 27 LVSC and Sands China. Rule 37 "authorizes the court to impose sanctions in the form of
 28 attorneys' fees and costs for a party's failure to comply with court orders or to participate in

discovery." *Chandler v. Daly*, No. 06-2742 B/P, 2008 WL 2357673 (W.D. Tenn. June 4, 2008).¹ Specifically, the Court may impose "appropriate sanctions" against "[a] party that without substantial justification fails to disclose information required by Rule 16.1 . . . or 26(c)(1), or to amend a prior response to discovery as required by Rule 26(c)(2)." NRCP 37(c)(1). Also, the Court may issue sanctions for "willful noncompliance with a discovery order of the court." See also *Young v. Johnny Ribeiro Bldg., Inc.*, 106 Nev. 88, 92, 787 P.2d 777, 779 (1990). Such sanctions may include "[a]n order that the matters regarding which the order was made or any other designated facts shall be taken to be established for purposes of the action in accordance with the claim of the party obtaining the order." NRCP 37(b)(2)(A).

Moreover, "it is clear that courts have broadly interpreted the authority granted by Rule 37(b)(2) to permit sanctions for failures to obey a wide variety of orders intended to permit discovery." *Victor Stanley, Inc. v. Creative Pipe, Inc.*, 269 F.R.D. 497, 520 (D. Md. 2010) (listing cases). For example, courts have imposed sanctions for violation a preservation order and ESI protocol, as well as a court's "express oral admonition." See, e.g., *id.* (finding that Federal Rule 37(b)(2) applied to the court's preservation order and ESI protocol); *Young*, 106 Nev. at 92, 787 P.2d at 779 ("[A] court's express oral admonition . . . suffices to constitute an order to provide or permit discovery under NRCP 37(b)(2).").

As the court in *Victor Stanley, Inc.* explained:

On its face, Rule 37(b)(2) permits sanctions for disobedience of "an order to *provide or permit discovery*, including an order under Rule 26(f), 35, or 37(a). The rule does not define what is meant by "provide or permit" discovery, but the advisory committee's notes to Rule 37 reflect that subsection (b) was amended in 1970 to broaden the ability of a court to sanction for a violation of discovery. The Advisory Committee observed that "[v]arious rules authorize orders for discovery – e.g., Rule 35(b)(1), Rule 26(c) as revised, Rule 37(d). Rule 37(b)(2) should provide comprehensively for enforcement of all these orders.

269 F.R.D. at 519 (emphasis in original). In the end, that court concluded:

¹ "[F]ederal decisions involving the Federal Rules of Civil Procedure provide persuasive authority when [the Nevada Supreme Court] examines its rules." *Nelson v. Heer*, 121 Nev. 832, 834, 122 P.3d 1252, 1253 (2005).

[T]his Court has the authority to impose Rule 37(b)(2) sanctions, if otherwise appropriate, for violations of a Court-issued preservation order, even if that order does not actually order the actual production of the evidence to be preserved. Additionally, of course, the Court's authority to impose Rule 37(b)(2) sanctions for violation of its serial orders to actually produce ESI, is equally clear.

Id. at 520.

In addition to Rule 37, the Court has "inherent equitable powers" to impose sanctions for "abusive litigation practices." *Id.* (citing *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 916 (9th Cir. 1987)) (citations omitted); *see also GNLV Corp. v. Serv. Control Corp.*, 111 Nev. 866, 869, 900 P.2d 323, 325 (1995) (noting that courts have the inherent authority to impose discovery sanctions "where the adversary process has been halted by the actions of the unresponsive party."). As the Nevada Supreme Court explained, "[l]itigants and attorneys alike should be aware that these [inherent] powers may permit sanctions for discovery and other litigation abuses not specifically proscribed by statute." *Young*, 106 Nev. at 92, 787 P.2d at 779.

1. Defendants employ deceit and delay to obstruct jurisdictional discovery.

In addressing types of sanctions that are appropriate, courts rightly examine the totality of the party's conduct. *See, e.g., Young*, 106 Nev. at 92, 787 P.2d at 780 (noting that sanctions "should be imposed only after thoughtful consideration of all the factors involved in a particular case."). Because this Court is highly familiar with Defendants' past concealment, Jacobs will only summarize that conduct as a prelude to LVSC and Sands China's ongoing noncompliance.

For eleven months, LVSC and Sands China knew of the Macau data housed in Las Vegas but, rather than tell this Court and Jacobs the truth, they lied to both and failed to produce the documents that they had long possessed in response to Jacobs' jurisdictional discovery requests. This fraud upon the Court and upon Jacobs was in addition to their purposeful refusal to even search for responsive documents in Macau. Defendants also intentionally withheld information that confirmed their failure to preserve evidence, all the while arguing for sanctions against Jacobs, claiming that he had not adequately preserved his ESI.

And while they concealed these critical facts, LVSC and Sands China clamored for the expedited scheduling of the jurisdictional hearing, representing to the Court that they *have fully*

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1 *complied with their discovery obligations.* (Ex. 4, Hr'g Tr. May 24, 2012, 10:21-25; 12:4-6.)

2 When discussing this ruse at this Court's sanctions hearing, LVSC's counsel had to acknowledge
3 their plan to obtain a jurisdictional ruling without the truth coming to light:

4 Q . . . When Ms. Glaser was telling Her Honor, please, please don't
5 continue the date, today's the disclosure date, you knew standing at
6 Her Honor's desk that all of the Jacobs emails sitting on Las Vegas
Boulevard had not been produced to the plaintiffs, didn't you?

7 A Yes.

8 Q And you didn't say a word to Her Honor in response to Patty
9 Glaser's plea that the evidentiary hearing go forward without the
disclosure or even the identification of a hundred thousand-plus
10 emails sitting at Las Vegas Sands here in Las Vegas. You didn't say
a word.

11 A I didn't, Mr. Pisanelli. . . .

12 (Ex. 5, Hr'g Tr., Sept. 12, 2012, 79:13-24.) Indeed, LVSC falsely represented that "we don't have
13 documents on our server related to Mr. Jacobs," even though LVSC had Jacobs' electronic files
14 uploaded onto their servers in approximately August 2010 and counsel had been reviewing them
15 the entire time. (*Id.* at 129:21-25.)

16 Even when their deception started to unravel, LVSC and Sands China sought to push
17 forward and obtain a jurisdictional ruling before the magnitude of their misconduct was exposed:
18 "we, too, feel very strongly that the hearing should go forward as planned on June 25th or 26th."
19 (Ex. 4, Hr'g Tr., May 24, 2012, 12:4-6.) Their plan – to obtain a ruling from this Court without
20 ever revealing their deception – was a direct assault upon the litigation process, with a litigant
21 seeking to obtain a ruling based upon a knowingly distorted evidentiary picture. Contrary to the
22 beliefs of LVSC and Sands China, they do not have the right to pick and choose what to disclose
23 and when to disclose discoverable materials. Both LVSC and Sands China were obligated under
24 the Nevada Rules of Civil Procedure, this Court's ESI Protocol, and this Court's explicit directives
25 to produce discoverable documents, including those purportedly located in Macau.

26 But even this Court's explicit findings as to LVSC's and Sands China's deception and
27 noncompliance relative to the documents located in Las Vegas has not proved a sufficient
28 incentive to detour them from their preferred path. Despite this Court's admonishment in May of

1 this year that they were not permitted to sequence discovery by not searching for records in
 2 Macau, Sands China and LVSC now acknowledge that *to this day* they have failed to conduct any
 3 review of documentation in Macau to comply with this Court's orders and Jacobs' jurisdictional
 4 discovery requests.

5 **B. The Court Must Impose Sanctions that Deprive Defendants of the Benefits of**
 6 **Their Misconduct.**

7 "Fundamental notions of fairness and due process require that discovery sanctions be just
 8 and that sanctions relate to the specific conduct at issue." *GNLV Corp.*, 111 Nev. at 870, 900 P.2d
 9 at 325 (citing *Young*, 106 Nev. at 92, 787 P.2d at 779–80). As courts recognize, the minimum
 10 sanctions that a court must impose is one that deprives the wrongdoer of the benefits of their
 11 misconduct. See *Burnet v. Spokane Ambulance*, 933 P.2d 1036, 1041 (Wash. 1997) (*en banc*)
 12 ("The purpose of sanctions generally are to deter, punish, to compensate, to educate, and *to*
 13 *ensure that the wrongdoer does not profit from the wrongdoing.*") (emphasis added); *Woo v.*
 14 *Lien*, No. A094960, 2002 WL 31194374, 6 (Cal. Ct. App., Oct. 2, 2002) (upholding trial court's
 15 imposition of sanctions because not doing so "would allow the abuser to benefit from its
 16 actions."). Otherwise, the law would perversely incentivize wealthy litigants to simply conceal
 17 evidence and obstruct the litigation process if they thought that all it would cost them are some
 18 attorneys' fees.

19 For that reason, Rule 37 expressly contemplates an order that (A) "*designated facts shall*
 20 *be taken to be established for the purposes of the action in accordance with the claim of the*
 21 *party obtaining the order;*" (B) "refus[e] to allow the disobedient party to support or oppose
 22 designated claims or defenses, or prohibiting that party from introducing designated matters in
 23 evidence;" [or] (C) "strik[e] out pleadings or parts thereof . . . , or dismissing the action or
 24 proceeding or any part thereof, or rendering a judgment by default against the disobedient
 25 party" NRCP 37(b)(2) (emphasis added); see also NRCP 37(c)(1) (noting that sanctions
 26 under that Rule may include any of the actions authorized under Rule 37(b)(2)).

27 At the same time, "[t]here is no indication in Rule 37 that this list of sanctions was
 28 intended to be exhaustive." *J. M. Cleminshaw Co. v. City of Norwich*, 93 F.R.D. 338, 355

(D. Conn. 1981). The language "suggests that, under that rule, a court possesses the authority to fashion any of a range of appropriate orders to enforce compliance with the requirements of pre-trial discovery." *Id.* (citing *Flaks v. Koegel*, 504 F.2d 702, 707 (2d Cir. 1974) (noting the discretionary nature of discovery sanctions)). In other words, a court may fashion any form of sanction that meets the purpose of sanctions, which is "to ensure that a party does not benefit from its failure to comply, and to deter those who might be tempted to such conduct in the absence of such a deterrent." *Starlight Int'l Inc. v. Herlihy*, 186 F.R.D. 626, 647 (D. Kan. 1999).

Thus, "by imposing certain types of sanctions, the Court can prevent frustration of the discovery process by giving the frustrated party or parties the benefit of an inference that the deposition would have yielded evidence favorable to its position—or at least unfavorable to that defendant." *See In re ClassicStar Mare Lease Litig.*, (multiple Civ. Action Nos.) 2012 WL 1190888 (E.D. Ky. Apr. 9, 2012). Ultimately, "[s]election of a particular sanction for discovery abuses under NRCP 37 is generally a matter committed to the sound discretion of the district court." *Stubli v. Big D Int'l Trucks, Inc.*, 107 Nev. 309, 312, 810 P.2d 785, 787 (1991); *see also GNLV Corp.*, 111 Nev. at 866, 900 P.2d at 325 (noting the decision to impose discovery sanctions is "within the power of the district court and the [Nevada Supreme Court] will not reverse the particular sanctions imposed absent a showing of abuse of discretion.")

LVSC and Sands China have successfully sabotaged Jacobs' prosecution of this action and have ground this case to a virtual standstill. They have done this by successfully exploiting the merits stay pending what was to be a prompt resolution of the jurisdictional question as to Sands China. Yet, they have ensured that there is no resolution of the jurisdictional question by obstructing discovery, concealing the existence of evidence, and flatly failing to conduct any search for information in Macau. These Defendants cannot be allowed to continue to profit from their intentional noncompliance and obstruction. The only way to deprive LVSC and Sands China of the benefits of their improper tactics is to strike Sands China's defense of personal jurisdiction, impose substantive and adverse inferences from their intentional failure to produce documents, and allow Jacobs to proceed with the merits of his case. Anything short of this results in a reward for LVSC's and Sands China's ongoing disregard of this Court's orders.

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constitutes, under Rule 12(h)(1), a waiver of the objection." *Id.* at 705. "A sanction under Rule 37(b)(2)(A) consisting of a finding of personal jurisdiction has precisely the same effect [and] creates no more of a due process problem than a Rule 12 waiver." *Id.*

The Court then expounded, "Rule 37(b)(2) contains two standards – one general and one specific." *Id.* at 707. "First, any sanction must be 'just'; second, the sanction must be specifically related to the particular 'claim' which was at issue in the order to provide discovery." *Id.*

Turning to the facts of that case, the Court found that the district court's sanction was "just." In particular, the Court explained that the defendants had repeatedly refused to produce documents to the plaintiff, despite being ordered to do so by the district court. The Court also considered other factors of "justness," such as the fact that the defendants agreed to comply with the court orders but did not, the fact that the court found as alternative grounds that personal jurisdiction did exist over the defendants, and the fact that the district warned the defendants that such a sanction would issue but for the defendants' participation in jurisdictional discovery.

On the second standard, the Court found that the sanction was specifically related to the claim at issue in the discovery order. Specifically, the Court explained:

[The plaintiff] was seeking through discovery to respond to [the defendants'] contention that the [d]istrict [c]ourt did not have personal jurisdiction. Having put the issue in question, [the defendants] did not have the option of blocking the reasonable attempt of [the plaintiff] to meet its burden of proof.

Id. at 708–09. The Court explained:

Because of [the defendants'] failure to comply with the discovery orders, [the plaintiff] was unable to establish the full extent of the contacts between [the defendants] and [the forum state], the critical issue in proving personal jurisdiction. [The defendants'] failure to supply the requested information as to its contacts with [the forum state] supports "the presumption that the refusal to produce evidence was but an admission of the want of merit in the asserted defense.

Id. at 709.

Ultimately, the Court concluded that the district court was justified when it "took as established the facts – contacts with the forum state – that the plaintiff was seeking to establish through discovery." *Id.* According to the Court, the fact "[t]hat a particular legal consequence –

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1 personal jurisdiction of the court of the defendants – follow[ed] from this, [did] not in any way
 2 affect the appropriateness of the sanction." *Id.*

3 In another case, relying on the legal authority of *Insurance Corp. of Ireland*, a federal
 4 district court struck a defendant's defenses of lack of personal jurisdiction and forum non
 5 conveniens. *Bayoil, S.A. v. Polembros Shipping Ltd.*, 196 F.R.D. 479 (S.D.Tx. 2000). In that
 6 case, the plaintiff sought sanctions because "documents were not produced and [defendants] lied."
 7 *Id.* at 481. The court granted plaintiff's motion and struck the defenses of lack of personal
 8 jurisdiction and forum non conveniens as defendants "have engaged in a pattern of obfuscatory,
 9 misleading, and untruthful conduct." *Id.* at 483.

10 The instant case mirrors *Insurance Corp. of Ireland* in many ways. First, like the
 11 defendants in that case, Sands China objected to the Court's personal jurisdiction, thereby
 12 requiring Jacobs to conduct jurisdictional discovery. Then, despite being the reason for the
 13 jurisdictional discovery, it failed to produce documents to Jacobs that would likely establish the
 14 Court's personal jurisdiction over the company. In truth, the conduct here is even more egregious.
 15 Sands China and its parent (LVSC) falsely told this Court that they could not produce, or even
 16 review documents in the United States despite that fact that they had clandestinely been reviewing
 17 these documents all along. Defendants also represented to the Court they had complied with their
 18 discovery obligations, knowing full well that they had knowingly concealed the existence of
 19 evidence in the United States and have not even reviewed documents in Macau. In other words,
 20 whereas the defendants in *Insurance Corp. of Ireland* simply refused to obey the district court's
 21 discovery orders, Sands China and LVSC affirmatively misled the Court regarding their
 22 noncompliance.

23 Also, just like in *Insurance Corp. of Ireland*, there are separate, evidentiary grounds
 24 establishing this Court's personal jurisdiction over Sands China. That is, in April 2011, the
 25 directors and executives of LVSC held a meeting in Las Vegas to consider Sands China's
 26 attorneys' advice that the MDPA prevented Sands China from producing documents in the United
 27 States. (*See* Ex. 6, Dep. Tr. of Manjit Singh, 91:1-93:15, 219:2-220:5; Ex. 5, Hr'g Tr., Sept. 12,
 28

2012, 106:14-108:7.) As a result of that meeting, LVSC implemented a new corporate policy forbidding the transfer of information out of Macau. From this, the Court concluded:

The change in corporate policy regarding Las Vegas Sands access to Sands China data made during the course of this ongoing litigation was made with an intent to prevent the disclosure of [Jacobs'] transferred data as well as other data.

(Ex. 7, Decision and Order ¶ 29.) Stated differently, the Court has already determined that LVSC directed Sands China not to produce any documents from Macau in order to prevent the disclosure of Jacobs' information in this case. (*See id.*) This demonstration of LVSC's control over Sands China, in and of itself, establishes the Court's personal jurisdiction over Sands China.² *See Hosp. Corp. of Am. v. Second Jud. Dist. Ct. In & For Cnty. of Washoe*, 112 Nev. 1159, 1160, 924 P.2d 725 (1996) (noting that "evidence of agency or control by the parent corporation[]" may establish personal jurisdiction over subsidiary corporations).

As in the case of *Bayoil, S.A.*, LVSC and Sands China have engaged in "a pattern of obfuscatory, misleading, and untruthful conduct." So, because of their misrepresentations, this Court did not even know the magnitude of their deception and discovery abuses. Due to Defendants' egregious discovery abuses, Jacobs is entitled to findings establishing personal jurisdiction.

2. The Court should also impose additional evidentiary sanctions against LVSC and Sands China for their fraud.

Nor can LVSC be allowed to deflect responsibility for the ongoing obstruction by claiming that Sands China is in control of the documents in Macau. As this Court knows from the very commencement of this case, just as soon as LVSC's executives in Las Vegas wanted documents from Macau, they were transported to Las Vegas without restriction. It is LVSC's

² Moreover, Defendants' counsel testified that it was his intention that LVSC, not Sands China, would produce the data in Las Vegas originating from Macau once they had resolved the purported issue with the Macau Data Privacy Act. (Ex. 8, Hr'g Tr., Sept. 11, 2012, 145:23-146:12.) Sands China's former counsel testified that as of June 2011, she understood LVSC's counsel was reviewing documents in connection with LVSC's production of documents in LVSC's possession in Las Vegas but that Sands China was not producing documents as they were in Macau. (*Id.* at 51:15-52:4.)

1 executives that have controlled these obstructionist activities and repeated noncompliance, which
2 is the point of Jacobs' request for an evidentiary hearing and limited discovery relating to such a
3 hearing. With it, Jacobs will establish that it is LVSC that has directed and controlled the deceit
4 against this Court and purposeful noncompliance with discovery. At the evidentiary hearing,
5 Jacobs will show his entitlement to additional substantive evidentiary sanctions and inferences
6 that this Court should impose to deprive LVSC of the benefits of its oversight of the
7 noncompliance and purposeful delay.

8 **3. *Jacobs is also entitled to an additional award of fees and costs.***

9 As this Court can well imagine, Jacobs has incurred significant attorneys' fees and costs
10 associated with the constant delays which LVSC and Sands China have engendered through their
11 noncompliance. These fees and costs are in addition to those previously awarded by this Court
12 relative to the sanctions hearing. Because LVSC and Sands China have necessitated the bringing
13 of this Motion, Jacobs is entitled to an award of further fees and costs pursuant to NRCP 37 and
14 will ask this Court for an award of those amounts at the close of the requested evidentiary hearing
15 on sanctions.

16 **III. CONCLUSION**

17 Jacobs requests this Court enter findings establishing personal jurisdiction over Sands
18 China. Both Sands China and LVSC have profited long enough by their intentional
19 noncompliance. Additionally, this Court must impose further evidentiary sanctions relative to the
20 Defendants' involvement in this sham. Otherwise, LVSC and Sands China will be rewarded for
21 their misconduct, including the fact that they have profited by their near permanent delaying of
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LAS VEGAS, NEVADA 89169

1 Jacobs' case. Finally, Jacobs is entitled to an additional reward of attorneys' fees and costs
2 incurred in bringing this motion.

3 DATED this 21st day of November, 2012.

4 PISANELLI BICE PLLC

5
6 By: /s/ Todd L. Bice
7 James J. Pisanelli, Esq., Bar No. 4027
8 Todd L. Bice, Esq., Bar No. 4534
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of PISANELLI BICE PLLC, and that on this 21st day of November, 2012, I caused to be sent via e-mail and United States Mail, postage prepaid, true and correct copies of the above and foregoing **PLAINTIFF STEVEN C. JACOBS' MOTION FOR NRCP 37 SANCTIONS** properly addressed to the following:

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9555 Hillwood Drive, Second Floor
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J. Randall Jones, Esq.
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/s/ Kimberly Peets
An employee of PISANELLI BICE PLLC

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**DISTRICT COURT
CLARK COUNTY, NEVADA**

STEVEN C. JACOBS,

Plaintiff,

v.

LAS VEGAS SANDS CORP., a Nevada
corporation; SANDS CHINA LTD., a Cayman
Islands corporation; SHELDON G. ADELSON,
in his individual and representative capacity;
DOES I-X; and ROE CORPORATIONS I-X,

Defendants.

AND ALL RELATED MATTERS.

CASE NO.: A627691-B
DEPT NO.: XI

Date: n/a December 6, 2012
Time: n/a 8:30am

**DEFENDANTS' MOTION FOR A
PROTECTIVE ORDER ON ORDER
SHORTENING TIME**

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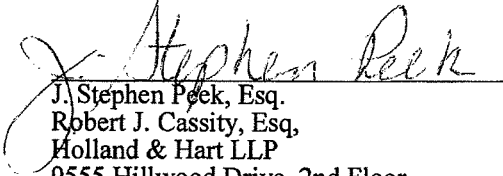
CLERK OF THE COURT

FILE WITH
MASTER CALENDAR

Holland & Hart LLP
9555 Hillwood Drive, 2nd Floor
Las Vegas, Nevada 89134

1 Order Granting SCL's Petition for Writ of Mandamus, for a protective order with respect to the
2 depositions of Sheldon G. Adelson and Robert G. Goldstein.

3 DATED November 26, 2012.

4 
5 J. Stephen Peek, Esq.
6 Robert J. Cassity, Esq.,
7 Holland & Hart LLP
8 9555 Hillwood Drive, 2nd Floor
9 Las Vegas, Nevada 89134
10 Attorneys for Las Vegas Sands Corp. and Sands
11 China Ltd.
12 -and-
13 J. Randall Jones, Esq.
14 Mark M. Jones, Esq.
15 Kemp Jones & Coulthard, LLP
16 3800 Howard Hughes Parkway, 17th Floor
17 Las Vegas, Nevada 89169
18 Attorneys for Sands China, Ltd.

12 **EX PARTE APPLICATION FOR ORDER SHORTENING TIME**

13
14 As set forth in the Affidavit of J. Stephen Peek, Esq. below, good cause exists to hear
15 Defendants' Motion for a Protective Order on an order shortening time. Plaintiff has taken an
16 extremely broad view of his entitlement to discovery under this Court's March 8 Order. In the
17 two depositions that have been taken to date, of Sheldon G. Adelson and Robert G. Goldstein,
18 Plaintiff has consistently attempted to obtain discovery into the merits of his claims, even though
19 the Court has limited discovery to jurisdictional issues. Furthermore, Plaintiff appears to be
20 pursuing jurisdictional theories that either have no viable legal basis or that Plaintiff himself
21 disclaimed a year ago, when the Court granted him the right to take limited jurisdictional
22 discovery. Two more depositions are scheduled in December, and Plaintiffs have made clear that
23 they intend to demand more deposition time with Messrs. Adelson and Goldstein in the near
24 future. Defendants seek an Order Shortening Time so that the discovery issues raised by their
25 Motion for Protective Order can be resolved expeditiously, discovery can be completed, and the
26 Court can hold a hearing on the issue of jurisdiction, as the Nevada Supreme Court directed.

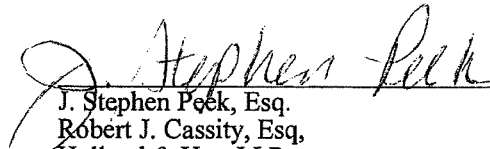
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1 Defendants' request for an order shortening time is made in good faith and is not made for any
2 improper purpose, and accordingly Defendants request that this Motion be heard on an order
3 shortening time.

4 DATED November 26, 2012.

5
6 
7 J. Stephen Peek, Esq.
8 Robert J. Cassity, Esq.
9 Holland & Hart LLP
10 9555 Hillwood Drive, 2nd Floor
11 Las Vegas, Nevada 89134
12 Attorneys for Las Vegas Sands Corp. and Sands
13 China Ltd.
14 -and-
15 J. Randall Jones, Esq.
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19 Las Vegas, Nevada 89169
20 Attorneys for Sands China, Ltd.

21 **DECLARATION OF J. STEPHEN PEEK, ESQ.**

22 I, J. STEPHEN PEEK, ESQ., being duly sworn, state as follows:

23 1. I am one of the attorneys for Defendant Las Vegas Sands Corporation ("LVSC")
24 and Sands China Ltd. ("SCL") in this action. I make this Declaration in support of Defendants'
25 Motion for a Protective Order in accordance with EDCR 2.34 and in support of their Ex Parte
26 Application for an Order Shortening Time. I have personal knowledge of the facts stated herein,
27 except those facts stated upon information and belief, and as to those facts, I believe them to be
28 true. I am competent to testify to the matters stated herein.

2. During the depositions of Mr. Sheldon Adelson and Mr. Robert Goldstein,
Plaintiff's counsel was ranging far beyond the limited scope of discovery the Court had allowed
and was asking questions relating to the merits, instead of the narrow issue of jurisdiction.

3. I objected to Plaintiff's counsel's lines of questioning during these depositions that
I believed to be beyond the limited scope of discovery on the issue of personal jurisdiction.

4. Although I met and conferred with counsel for Jacobs in accordance with EDCR

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1 2.34 during the depositions of Messrs. Adelson and Goldstein, we were unable to satisfactorily
2 resolve the discovery dispute and agreed that the discovery dispute would need to be resolved by
3 the Court.

4 5. Rather than immediately terminate the depositions, the parties agreed that I would
5 instruct the witnesses not to answer those questions that I believed to be outside the scope of
6 permitted discovery, and that Defendants would later proceed with filing a motion for protective
7 order on the discovery issues in dispute.

8 6. Plaintiff has now requested additional dates for continuing Mr. Adelson's
9 deposition. At the conclusion of Mr. Goldstein's deposition, Plaintiff's counsel indicated that he
10 would seek more deposition time with Mr. Goldstein as well.

11 7. I have also discussed with Plaintiff's counsel that these same discovery issues
12 would arise with regard to other witnesses Jacobs has already scheduled for deposition. The same
13 issues are likely to be raised in the deposition of Michael A. Leven, which is scheduled for
14 December 4 and of Kenneth Kay, which is scheduled for December 18. In order to allow all
15 parties an opportunity to present and argue a fully briefed Motion for Protective Order to be heard
16 by the Court, I believe that it would be in the best interests of both parties to resolve these issues
17 before Mr. Kay's deposition on December 18. I recognize that the Court's schedule may not
18 permit it to hear Defendants' Motion before the upcoming Leven deposition on December 4.
19 Accordingly, during the Leven deposition defense counsel will adopt the same procedure used at
20 the Adelson and Goldstein depositions, making objections as appropriate and instructing the
21 witness not to answer where counsel believes that Plaintiff's questions go beyond the bounds of
22 the limited jurisdictional discovery this Court has permitted. We will provide supplemental
23 briefing, as necessary, on the specific questions objected to in the Leven deposition.

24 8. Defendants' request for an order shortening time is made in good faith and is not
25 made for any improper purpose, and Defendants specifically request that the Court hear this
26 Motion on an order shortening time.

27 ///

28 ///

9. I declare under penalty of perjury that the foregoing is true and correct.



J. Stephen Peek, Esq.

ORDER SHORTENING TIME

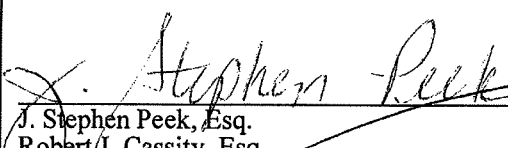
The Court having reviewed the Ex Parte Application for Order Shortening Time, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing **DEFENDANTS' MOTION FOR A PROTECTIVE ORDER** shall be heard on shortened time on the 6th day of Dec., 2012, at the hour of 8 : 30 (a.m./p.m.) in Department XI of the Eighth Judicial District Court.

DATED this 27th day of November, 2012.


DISTRICT COURT JUDGE

Submitted by:


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**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
DEFENDANTS' MOTION FOR A PROTECTIVE ORDER**

I.

INTRODUCTION

There were a number of disputes during both the Adelson and Goldstein depositions about the scope of the questions Plaintiff's counsel asked. Defense counsel objected at various points that Plaintiff's counsel was ranging far beyond the limited scope of discovery the Court had allowed and was asking questions relating to the merits, instead of to the narrow issue of jurisdiction. Rather than terminating the depositions and seeking immediate relief from the Court, defense counsel instructed the witnesses not to answer certain questions, with the understanding that Defendants would take their objections up with the Court at the appropriate time. Plaintiff has now asked to schedule another deposition day for Mr. Adelson, both to return to the questions that Mr. Adelson declined to answer and to ask additional questions. We assume that a similar request will be forthcoming in the wake of the Goldstein deposition. Accordingly, Defendants now seek a protective order sustaining their objections in both the Adelson and Goldstein depositions, precluding Plaintiff from seeking any further deposition time with either witness, and setting clear ground rules for the discovery that remains to be completed.

During Mr. Adelson's deposition, Plaintiff's counsel sought to support Jacobs' position on general jurisdiction by asking Mr. Adelson whether, in his capacity as Chairman of SCL, he had "directed" that certain actions be taken in Macau. Plaintiff's counsel then asked where Mr. Adelson was when he gave such "directions." *See, e.g.*, Adelson Dep. at 86:1-6, 87:5-8, 131:11-25. Defense counsel did not object to these questions. But he did object (and instructed Mr. Adelson not to answer) when Plaintiff sought to delve more deeply into the details of a number of events, including Jacobs' own termination. Similarly, Plaintiff's counsel asked Mr. Goldstein, who acted solely as an officer of LVSC, whether he had "directed" Jacobs or other SCL employees in Macau to take specific actions. *See, e.g.*, Goldstein Dep. at 6:24-25, 11:1-6, 74:11-14, 185:13-17, 222:6-10. Again, Defendants' counsel did not object to these questions. He objected and instructed the witness not to answer only when Plaintiff's counsel sought specific

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1 details about the events in question — including Jacobs’ termination — that have no conceivable
2 relevance to the jurisdictional issue.

3 Defendants’ objections were well-founded. Plaintiff has the right under this Court’s
4 March 8, 2012 Order to ask questions *only* about “activities that were done for or on behalf of”
5 SCL in Nevada during the relevant time frame (January 1, 2009 to October 20, 2010). *See* Ex. A
6 hereto. Defendants did not object when Plaintiff asked what directions or advice Messrs. Adelson
7 or Goldstein gave to Jacobs and other SCL employees in Macau about specific issues or what
8 involvement (if any) they had in helping SCL book entertainment or recruit executives for its
9 casino operations in Macau. But questions about the *details* of various events that occurred
10 during Jacobs’ employment as SCL’s CEO, including Jacobs’ allegations of wrongdoing by Mr.
11 Adelson and the reasons for Jacobs’ termination, are merits issues that are beyond the bounds of
12 the limited discovery the Court allowed.

13 More fundamentally, however, the Adelson and Goldstein depositions expose the fatal
14 flaws in Plaintiff’s general jurisdiction theories. Even if Plaintiff can prove that, during the
15 relevant period of time, Mr. Adelson (in his capacity as SCL’s Chairman) and Michael Leven (as
16 a special adviser to the SCL Board and later SCL’s acting CEO) routinely gave “directions” to
17 SCL personnel in Macau from their offices in Las Vegas, that would not provide a basis for
18 finding that SCL was “present” in Nevada and therefore subject to general jurisdiction here. As
19 demonstrated below, Plaintiff’s theory that SCL is subject to general jurisdiction in Nevada
20 because Las Vegas was SCL’s “de facto” executive headquarters fails as a matter of law.

21 Similarly, even if Plaintiff could show that certain LVSC officers, including Mr.
22 Goldstein, gave direction to SCL employees in Macau on a variety of issues, such a showing
23 would not provide a basis for finding general jurisdiction over SCL in Nevada. Indeed, Plaintiff
24 has already conceded this point by disclaiming any attempt to treat SCL as LVSC’s “alter ego”
25 for purposes of the jurisdictional analysis. In seeking jurisdictional discovery, Plaintiff argued
26 that he was not trying to prove that LVSC so controlled SCL that their separate corporate
27 identities should be disregarded; instead, Plaintiff argued that LVSC acted as SCL’s agent and
28 provided SCL with services in Nevada. Under Plaintiff’s own agency theory, it is irrelevant

1 whether any LVSC officer ever directed an SCL employee to do anything in Macau. Rather, the
 2 question is whether SCL retained LVSC to act as its agent in Nevada and whether LVSC's
 3 activities in Nevada on its behalf were sufficient to subject SCL to general jurisdiction here. As
 4 we will explain at the appropriate time, the answer to that question is "no." But for purposes of
 5 the present motion, the critical fact is that there is *no* theory under which Plaintiff should be
 6 asking Mr. Goldstein or Kenneth Kay (who is scheduled to be deposed on December 18) about
 7 whether, in their capacities as LVSC officers, they directed or controlled any SCL activities in
 8 Macau. Instead, under Plaintiff's own "agency" theory, the only relevant questions relate to what
 9 services (if any) LVSC provided to SCL in Nevada, pursuant to SCL's direction and control.

10 For the reasons outlined above, Defendants seek an order from this Court that:

11 (1) To the extent that Defendants objected to Plaintiff's questions in the Adelson and
 12 Goldstein depositions and instructed the witnesses not to answer, those objections are sustained;

13 (2) The Adelson and Goldstein depositions are concluded and no further jurisdictional
 14 discovery may be taken from either witness;

15 (3) In the remaining depositions, in accordance with the Court's March 8 Order,
 16 Plaintiff may only inquire into the facts regarding activities undertaken for or on behalf of SCL
 17 that are relevant to jurisdiction — such as who did what, when and where — and may not inquire
 18 into merits issues such as the reasons for Jacobs' termination; and

19 (4) Mr. Kay's deposition shall be limited to an inquiry into his activities for or on
 20 behalf of SCL in Nevada, in accordance with the March 8 Order, and shall not seek information
 21 about any purported "directions" Mr. Kay or any other LVSC executive may have given in his
 22 capacity as such to SCL personnel in Macau about activities in Macau.

23 II.

24 **BACKGROUND FACTS AND PROCEDURAL HISTORY**

25 SCL is a Cayman Islands corporation. Through its wholly-owned subsidiary, Venetian
 26 Macau Limited ("VML"), and other Macau subsidiaries, SCL owns and operates hotels, casinos,
 27 and other facilities in Macau. *See* First Am. Compl. ¶ 3 on file herein with this Court; 12/21/10
 28 Aff. of Anne Salt ("Salt Aff."), attached hereto as Ex. B, ¶¶ 3, 4 and 7. Approximately 70% of its

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1 stock is indirectly owned by LVSC; the rest is publicly owned and traded on the Hong Kong
 2 Stock Exchange. *Id.* ¶¶ 4-5. SCL is not licensed to do business in Nevada and has no operations
 3 here. Indeed, under a Non-Competition Deed that SCL entered into with LVSC, SCL is
 4 prohibited from conducting its casino business in or directing its marketing efforts to Nevada. *Id.*
 5 ¶¶ 8-9. Nevertheless, in opposing SCL's motion to dismiss for lack of personal jurisdiction,
 6 Plaintiff argued that, at the time the lawsuit was filed, there was general (or "doing business")
 7 jurisdiction over SCL in Nevada. Plaintiff also invoked the concept of "transient jurisdiction,"
 8 arguing that there was jurisdiction over SCL in Nevada because Plaintiff served the complaint on
 9 Michael Leven, who was acting CEO of SCL at the time, at his office in Las Vegas. *See* Pl. Opp.
 10 filed on 2/28/11, at 10, 14.

11 As the Nevada Supreme Court observed in granting SCL's Petition for Writ of
 12 Mandamus, Plaintiff argued that SCL could be found to be "present" in Nevada and therefore
 13 subject to general jurisdiction "based on the acts taken in Nevada to manage petitioner's
 14 operations in Macau." Nevada Supreme Court Order, Ex. C hereto, at 1. But Plaintiff did not
 15 distinguish between the actions of LVSC as SCL's parent corporation and the actions of SCL
 16 itself. The Court noted that in *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 131 S. Ct. 2846
 17 (2011), the U.S. Supreme Court had "considered whether jurisdiction over foreign subsidiaries of
 18 a U.S. parent corporation was proper by looking only to the subsidiaries' conduct; the Court
 19 suggested that including the parent's contacts with the forum would be, in effect, the same as
 20 piercing the corporate veil." Order at 2. The Nevada Supreme Court then noted that it was
 21 "impossible to determine if the district court in fact relied on the Nevada parent corporation's
 22 contacts in this state in exercising jurisdiction over" SCL and remanded for an evidentiary hearing
 23 and findings and conclusions on the issue of general jurisdiction. *Id.*¹

24 The Nevada Supreme Court's Order makes clear that whatever officers of LVSC may
 25 have done (if anything) to "manage" SCL's business in Macau cannot provide a basis for
 26

27 ¹ The Court directed this Court to consider Plaintiff's transient jurisdiction argument only if it determined that
 28 general jurisdiction was lacking. Order at 3.

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1 asserting general jurisdiction over SCL unless Plaintiff can show that LVSC's control was so
2 pervasive and complete that SCL's corporate veil should be pierced. On remand, Plaintiff
3 conceded that he could not meet the stringent standard for veil-piercing. Instead, Plaintiff offered
4 two new theories of general jurisdiction. First, he argued that the actions of SCL directors and
5 officers, including Messrs. Adelson and Leven, in supposedly managing SCL's Macau affairs in
6 Nevada could provide a basis for general jurisdiction, apparently under the theory that SCL's "de
7 facto" executive headquarters is located in Nevada. Second, Plaintiff argued that LVSC acted as
8 SCL's agent for some purposes and that LVSC's activities in Nevada as SCL's purported agent
9 could provide a basis for general jurisdiction. *See* 9/27/11 Hr'g Tr. at 21:3-10; 26.

10 The Court allowed Plaintiff to take discovery on these two general jurisdiction theories. It
11 permitted Plaintiff to take the depositions of Messrs. Adelson and Leven, who were identified as
12 serving simultaneously as both LVSC and SCL officers and/or directors, concerning the work
13 they performed directly for SCL and any work they performed on behalf of or for SCL in their
14 capacities as LVSC officers and directors. Plaintiff was also allowed to take Mr. Goldstein's
15 deposition even though Mr. Goldstein has never been employed by SCL in any capacity, because
16 Plaintiff claimed that he had actively participated in international marketing and development for
17 SCL while serving as an LVSC officer. *See* March 8 Order ¶ 4; 9/27/11 Hr'g Tr. at 26:22-25.
18 Similarly, Plaintiff was allowed to take the deposition of Mr. Kay, who also was employed only
19 by LVSC, based on Plaintiff's assertion that he had participated in funding efforts for SCL. March
20 8 Order ¶ 3; 9/27/11 Hr'g Tr. at 27:1-4. Given Plaintiff's agency theory — and his concession that
21 he was not pursuing an "alter ego" theory — we can only assume that Plaintiff's theory is that
22 Messrs. Goldstein and Kay were acting as SCL's agents in providing marketing and development
23 and financial services to SCL.

24 The document requests the Court granted were also in line with Plaintiff's two theories.
25 The Court allowed Plaintiff to request documents establishing the location of SCL Board
26 meetings, as well as documents related to Mr. Leven's service as acting CEO and Executive
27 Director of SCL during the period in question — document requests that apparently relate to
28 Plaintiff's first theory. *See* March 8 Order, ¶¶ 6, 9. Most of the other document requests appear to

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1 be linked to Plaintiff's agency theory, seeking documents reflecting any work performed by
2 LVSC in Nevada on SCL's behalf with respect to a variety of different issues. *See, e.g., id.*, ¶¶
3 10, 12, 15, and 18.

4 After SCL moved for clarification of the Court's ruling on the scope of discovery, the
5 Court added that "[t]he parties are only permitted to conduct discovery related to activities that
6 were done for or on behalf of Sands China" and that this "is an overriding limitation on all of the
7 specific items" the Court had allowed. March 8 Order. By its terms, this clarification eliminated
8 any discovery into the theory that Plaintiff himself has disclaimed — namely, that LVSC
9 executives, acting for the benefit of LVSC, directed and controlled SCL's operations in Macau.
10 Instead, discovery was limited, as the Nevada Supreme Court's Order dictates, to the activities of
11 SCL in Nevada. That includes whatever activities Messrs. Adelson and Leven undertook in
12 Nevada in their capacities as directors or (in Mr. Leven's case) as an officer of SCL and whatever
13 activities any LVSC executive could be deemed to have undertaken in Nevada for or on behalf of
14 SCL, such as negotiating agreements with entertainment companies or arranging funding on
15 SCL's behalf.²

16 A second overriding limitation on discovery is provided by the Nevada Supreme Court's
17 Order, which directed this Court to "stay the underlying action, except for matters relating to a
18 determination of personal jurisdiction, until a decision on that issue has been entered." Order at 3.
19 Pursuant to that Order, this Court has allowed only jurisdictional discovery. Thus, any discovery
20 into the merits of the case is necessarily prohibited.

21 ///

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23 ///

24 ///

25 ² SCL disputes Plaintiff's argument that LVSC acted as SCL's agent when it provided certain products and
26 services to SCL. Those products and services were provided pursuant to a Shared Services Agreement between
27 LVSC and SCL. That Agreement did not purport to create an agency relationship, nor did it give SCL the right to
28 control the manner in which LVSC performed the services in question. Without control, there is no principal-agent
relationship. However, for discovery purposes Defendants have assumed that any services LVSC provided to SCL in
Nevada pursuant to the Shared Services Agreement would be deemed to have been provided "for or on behalf of
SCL."

III.

LEGAL ANALYSISA. **DEFENDANTS' OBJECTIONS AT MR. ADELSON'S DEPOSITION SHOULD BE SUSTAINED**

Most of the objections and instructions not to answer at the Adelson deposition related to questions concerning Jacobs' termination. As the Court may recall, at one point in the deposition, the parties called the Court for guidance as to whether Plaintiff could ask questions to support a theory of specific jurisdiction — a theory that Plaintiff did not raise until long after the Nevada Supreme Court issued its order, which he therefore waived. The Court did not expressly rule on that issue, but did allow Plaintiff to inquire into Mr. Adelson's actions on behalf of SCL in terminating Jacobs. Adelson Dep. (Ex. D hereto). at 195-97. Mr. Adelson then answered a series of questions on this issue; defense counsel cut off the questioning only when Plaintiff insisted on inquiring not only into *what* Mr. Adelson did, but also *why* he did it — on the ground that these questions addressed the merits, rather than the narrow issue of jurisdiction.³

Defense counsel also objected to Plaintiff's attempt to discover the content of daily and other periodic reports supplied by SCL to Mr. Adelson in his capacity as Chairman (Adelson Dep. at 121:11-25, 146:5-17, 160:20-161:4); to questions about the content of Mr. Adelson's input into the Shared Services Agreement with LVSC (*id.* at 169:14-24); to the content of certain directions Mr. Adelson allegedly gave to Jacobs with respect to a particular individual (*id.* at 279:5-14); and to questions about the automatic transfer of customer funds in the event that SCL customers from Macau visited Las Vegas (*id.* at 162:22-163:5).

All of these objections should be sustained. Plaintiff was able to depose Mr. Adelson at length about the basic facts concerning his termination — who did what, when and where. But

³ Many of the questions that Mr. Adelson declined to answer on advice of counsel revolved around Mr. Adelson's conversation with Mr. Leven at the SCL roadshow in London in January 2010. Mr. Adelson testified that he had discussed his dissatisfaction with Jacobs' performance as SCL's CEO during that conversation. Dep. at 201-07. On advice of counsel he refused to elaborate further on the details of the conversation. *See, e.g., id.*, at 203:12-15, 216:5-25, 220:12-18. He also declined to testify about how long before his termination the list of twelve reasons for Jacobs' termination was developed (Dep. at 206:6-25, 207:22-25, 208:1-6), about the details of Mr. Leven's authority to negotiate a settlement with Jacobs, or about discussions concerning the reasons for his termination (Dep. at 234:3-10, 235:14-23, 247:5-24, 249:1-12, 253:15-254:21, 279:20-25, 280:1-9).

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1 his attempt to discover the details relating to his termination, including why he was terminated,
 2 the extent to which Mr. Leven could have negotiated with him, etc., are plainly merits issues that
 3 have no relevance to the issue of jurisdiction.⁴ For the same reason, Plaintiff was not entitled to
 4 discovery into the specific contents of the reports that flowed to Mr. Adelson in his capacity as
 5 SCL Chairman in Las Vegas or into any specific directions that Mr. Adelson might have given
 6 Jacobs. The *fact* of such directions and information flow could conceivably be relevant to
 7 Plaintiff's theory that Las Vegas is SCL's "de facto executive headquarters." But the *content* of
 8 the directions and the information are wholly beside the point even under Plaintiff's theory.

9 Finally, because the Court has already rejected Plaintiff's attempt to obtain document
 10 discovery into the so-called "automatic transfers" of funds in its March 8 Order, Plaintiff should
 11 be precluded from asking questions about those transfers in the depositions the Court has
 12 permitted.

13 Because Defendants' objections were appropriate, there is no reason to bring Mr. Adelson
 14 back to answer questions that he declined to answer the first time around. Furthermore, giving
 15 Plaintiff additional deposition time with Mr. Adelson to ask new questions would not yield any
 16 benefit. Plaintiff inquired at length about the role Mr. Adelson plays as SCL's Chairman. *See*,
 17 e.g. Adelson Dep. at 53-66; 77. It is apparent from Mr. Adelson's testimony that, in his capacity
 18 as Chairman of SCL, Mr. Adelson participates in important corporate decisions, including the
 19 hiring and firing of SCL executives.⁵ It is also clear that, as an experienced entrepreneur in the
 20 gaming industry and in his position as Chairman of both LVSC and SCL, he was never shy about
 21 expressing his views to Jacobs and others about a variety of SCL issues. Because he spent
 22 approximately 50% of his time in Las Vegas, it is likely that he participated in telephonic Board
 23

24 ⁴ Although Defendants continue to believe that Plaintiff waived any specific jurisdiction argument and that such an
 25 argument fails on the merits as well, the Court need not decide that issue in order to rule on the instant Motion for
 26 Protective Order. Even if Plaintiff could pursue his specific jurisdiction theory, discovery into the reasons for his
 termination would be irrelevant to the jurisdictional issue and thus outside the bounds of discovery allowed by the Court.

27 ⁵ Mr. Adelson testified repeatedly that virtually every decision or piece of advice he gave with respect to SCL
 28 was made wearing his "hat" as SCL's Chairman. *See* Adelson Dep. at 155:16-156:7, 165:14-25, 176:5-177:25. As
 he explained, he owes a fiduciary duty to SCL and its shareholders to ensure that whatever he does as Chairman is in
 the best interests of SCL.

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1 meetings from Las Vegas and made decisions, participated in discussions, or provided advice to
 2 SCL from Las Vegas.⁶ To the extent any of that is relevant — which it is not for the reasons
 3 outlined below — Plaintiff has all of the evidence he needs from Mr. Adelson’s deposition
 4 concerning his involvement with SCL’s affairs.

5 Furthermore, if Plaintiff has more questions regarding jurisdiction to ask of Mr. Adelson,
 6 he has no one but himself to blame for not asking them during the deposition in September.
 7 Plaintiff spent an inordinate amount of time on the issue of his termination. While Plaintiff is
 8 understandably interested in that issue from a merits perspective, it has very little to do with the
 9 issue of jurisdiction. Having chosen to waste a great deal of time on that issue, Plaintiff should
 10 not be able to force Mr. Adelson to sit for yet another deposition to ask questions that could have
 11 been asked the first time around.

12 **B. PLAINTIFF’S THEORY THAT LAS VEGAS WAS THE “DE FACTO”**
 13 **EXECUTIVE HEADQUARTERS OF SCL FAILS AS A MATTER OF LAW**

14 Defendants also seek a protective order against any further deposition of Mr. Adelson,
 15 because no matter what facts Plaintiff may develop about what Mr. Adelson did in Las Vegas in
 16 his capacity as SCL’s Chairman, Plaintiff still will not be able to sustain his theory that this Court
 17 has general jurisdiction over SCL because its “de facto” executive headquarters is supposedly
 18 located in Las Vegas.

19 “The standard for general jurisdiction is an exacting standard, as it should be, because a
 20 finding of general jurisdiction permits a defendant to be haled into court in the forum state to
 21 answer for any of its activities anywhere in the world.” *CollegeSource, Inc. v. AcademyOne, Inc.*,
 22 653 F.3d 1066, 1074 (9th Cir. 2011) (internal quotations omitted); *Budget Rent-A-Car v. Eighth*
 23 *Judicial Dist.*, 108 Nev. 483, 835 P.2d 17, 19 (1992) (“[t]he level of contact with the forum state
 24 necessary to establish general jurisdiction is high”). This standard is met only by “continuous
 25

26 ⁶ Defendants offered in March 2012 to stipulate that Messrs. Adelson and Leven attended all telephonic SCL
 27 Board meetings from Las Vegas and that offer still stands. As Mr. Adelson’s deposition shows, he generally could
 28 not recall where he happened to be when he had specific conversations relating to SCL, although he noted that he
 spent 50% of his time in Las Vegas. Dep. at 131:21-25, 248:4-11. Further inquiry to pin down his location would
 not only be futile but wholly irrelevant to the jurisdictional analysis, which focuses on where SCL’s principal place of
 business was — not on where the company’s Chairman happened to be at particular points in time.

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1 corporate operations within a state [that are] thought so substantial and of such a nature as to
2 justify suit against [the defendant] on causes of action arising from dealings entirely distinct from
3 those activities.” *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 318 (1945). *See also Helicopteros*
4 *Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 415 (1984) (the defendant’s contacts with
5 the forum state must be “continuous and systematic” to warrant the exercise of general
6 jurisdiction); 4 *Federal Practice and Procedure* § 1067.5, at 507 (“the defendant must be engaged
7 in longstanding business in the forum state, such as marketing or shipping products, or
8 performing services or maintaining one or more offices there; activities that are less extensive
9 than that will not qualify for general in personam jurisdiction”).

10 The fact that the defendant purchases goods and services in the forum for use elsewhere is
11 not the type of contact that will give rise to general jurisdiction. As the Court explained in
12 *Helicopteros*, “mere purchases [made in the forum state], even if occurring at regular intervals,
13 are not enough to warrant a State’s assertion of [general] jurisdiction over a nonresident
14 corporation in a cause of action not related to those purchase transactions.” *Id.* at 418. Thus, the
15 fact that SCL purchases goods or services from Nevada entities for use in Macau cannot provide a
16 basis for asserting general jurisdiction over SCL in a dispute that is unrelated to those good or
17 services.

18 In the recent *Goodyear* case, the Supreme Court also held that “even regularly occurring
19 sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to
20 those sales.” 131 S. Ct. at 2857 n.6; *see also id.* at 2856. Instead, it is only where a corporation
21 can be viewed as being “at home” in a particular forum that it is appropriate to subject it to
22 general jurisdiction there. *Id.* at 2851. *Goodyear* explains that “[f]or an individual, the paradigm
23 forum for the exercise of general jurisdiction is the individual’s domicile; for a corporation, it is
24 an equivalent place, one in which the corporation is fairly regarded as at home.” *Id.* at 2853-54.
25 The citation the Court provided for that proposition identifies a corporation’s place of
26 incorporation and principal place of business as the “‘paradig[m]’ bases for the exercise of
27 general jurisdiction.” *Id.*

28 ///

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Here, of course, neither SCL's place of incorporation nor its principal place of business is in Nevada. Plaintiff argued in the Nevada Supreme Court that Nevada should be deemed SCL's "de facto executive headquarters" because SCL was supposedly managed from Las Vegas. After the Nevada Supreme Court's ruling, however, it is clear that (absent veil-piercing) Plaintiff cannot rely on whatever "directions" LVSC executives may have given to SCL to sustain their claim that Las Vegas is SCL's "de facto executive headquarters." Instead, Plaintiff can look only to the actions of SCL's *own* directors and officers in Nevada. Only two individuals who resided in Nevada served on SCL's Board or held a post as an SCL officer during the relevant period — Mr. Adelson, who was and is SCL's non-executive Chairman, and Mr. Leven, who was a Special Advisor to the SCL Board until Jacobs was terminated, when he assumed the role of acting CEO for a period of time. *See* 2/25/11 Aff. of Anne Salt, Ex. E hereto, ¶¶ 3,4. Both Mr. Adelson and Mr. Leven traveled frequently to Macau, Hong Kong and other places outside Nevada to discharge their obligations to SCL.⁷ But even if we assume that both gentlemen attended all telephonic SCL Board meetings in Nevada and frequently carried out their SCL duties in Nevada, that is not nearly enough to subject SCL to general jurisdiction here.

Plaintiff's "de facto executive headquarters" theory appears to be based on a sixty-year old U.S. Supreme Court decision, *Perkins v. Benguet Consolidated Mining Co.*, 342 U.S. 437 (1952). That case involved a mining company that was incorporated under Philippine law and owned mining properties in the Philippines. During World War II, its operations were "completely halted" when the Philippine Islands were occupied by the Japanese. *Id.* at 447. During that period, the president of the company, who was also the general manager and principal stockholder, returned home to Ohio, where he conducted all of the company's (limited) business operations. *Id.* at 448. The U.S. Supreme Court held that there was general jurisdiction over the company in Ohio under these unusual circumstances. But nothing in the decision suggests that

⁷ In March 2012, Defendants offered to stipulate that in 2009, Mr. Adelson made six trips to Macau, three to Hong Kong and one to mainland China. In 2010, through October 20, he made five trips to Macau, one to Hong Kong and one to mainland China. Similarly, they offered to stipulate that in 2009, Mr. Leven made five trips to Macau and two to Hong Kong, while from January 1-October 20, 2012, he made four trips to Macau and two to Hong Kong. *See also* Adelson Dep. at 35; 26 ("I do an awful lot of traveling, quite an unusually large number of hours, and — I conduct my business from wherever I'm located"). Mr. Adelson also testified that he and Mr. Leven were in London for SCL's "roadshow" when it made its initial public offering. Dep. at 199.

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1 the Court would have found general jurisdiction over the company in Ohio had the Philippine
 2 mines remained in operation merely because the company's president and principal stockholder
 3 spent some or even all of his time in Ohio.

4 To the extent there is any ambiguity in the *Perkins* decision itself, the current Court's
 5 discussion of *Perkins* in *Goodyear* eliminates it. As noted above, in *Goodyear* the Supreme
 6 Court equated general jurisdiction for a corporation with the corporation's place of incorporation
 7 or principal place of business — a place where the company is "at home." The Court concluded
 8 that *Perkins* fit within this construct because "Ohio's exercise of general jurisdiction was
 9 permissible in *Perkins* because 'Ohio was the corporation's principal, if temporary, place of
 10 business.'" *Id.* at 2856 (quoting *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 779-80 n.11
 11 (1984)). The Court distinguished the case before it from the situation in *Perkins* because "[u]nlike
 12 the defendant in *Perkins*, whose *sole* wartime activity was conducted in Ohio, petitioners are in no
 13 sense at home in North Carolina." *Id.* at 2857 (emphasis added).

14 In this case, all of SCL's casino and hotel operations are overseas, as are all of the officers
 15 and employees who are responsible for carrying on SCL's day-to-day business. *See* 7/23/11 Salt
 16 Aff. ¶¶ 5, 7. Under these circumstances, SCL cannot be deemed to be "at home" in Nevada
 17 simply because, during the relevant time period, two of its directors and/or officers were also
 18 directors or officers of SCL's parent company and were based in Las Vegas, where the parent
 19 company has its headquarters. In *Gordon v. Greenview Hosp., Inc.*, 300 S.W.3d 635, 650 (Tenn.
 20 2009), the Tennessee Supreme Court rejected a similar argument, noting that "[i]n this age of
 21 electronic communications, telecommuting, and distributed management, the fact that [the
 22 subsidiary's] officers and directors maintain offices in Tennessee [where the parent company was
 23 headquartered] does not, by itself, lead to the conclusion that the corporation has continuous and
 24 systematic contact with Tennessee or that the corporation is conducting business within the state."
 25 *Accord Mattel, Inc. v. MGA Enter., Inc.*, 782 F. Supp. 2d 911, 1015 (C.D. Cal. 2011) (no general
 26 jurisdiction over a Mexican subsidiary in California because the CEO, who served both the parent
 27 and subsidiary, resided in California).

28 ///

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1 Indeed, that has been the law for nearly a century. In *Riverside & Dan River Cotton Mills*
 2 *v. Menefee*, 237 U.S. 189, 195 (1915), the Supreme Court held that “the mere fact that an officer
 3 of a corporation may temporarily be in the state or even permanently reside therein, if not there
 4 for the purpose of transacting business for the corporation, or vested with authority by the
 5 corporation to transact business in such state, affords no basis for acquiring jurisdiction.” See
 6 also *Joseph Walker & Sons v. Lehigh Coal & Nav. Co.*, 167 N.Y.S.2d 632, 634 (N.Y. Sup. Ct.
 7 1957) (“It is settled that if a corporation is not doing business here the mere fact that its officers
 8 may be found in this State, and even reside here, does not bring the corporation within the State’s
 9 jurisdiction.”) (citing *Menefee*). Recently, in *Kuvedina, LLC v. Pai*, 2011 WL 5403717 at *4
 10 (N.D. Ill. Nov. 8, 2011), the court applied the basic principle set forth in *Menefee* to the
 11 hypothetical situation where the president of a small business based in Illinois lives just across the
 12 border in northern Indiana. The court noted that “[u]nless the company *itself* has sufficient
 13 contacts in the Northern District of Indiana, it would not be subject to personal jurisdiction there
 14 even though its president resides there.”

15 So too, in this case, the fact that Messrs. Adelson and Leven lived in Las Vegas during the
 16 period in question and therefore sometimes carried out their duties with respect to SCL in Las
 17 Vegas does not provide a basis for the assertion of general jurisdiction over SCL. Neither Mr.
 18 Adelson nor Mr. Leven was in Las Vegas at the behest of SCL to transact business on SCL’s
 19 behalf in this State. Accordingly, the mere fact that they may have been here from time to time
 20 when they carried out their duties for SCL cannot possibly provide a basis for asserting general
 21 jurisdiction over SCL.

22 **C. DEFENDANTS’ OBJECTIONS AT MR. GOLDSTEIN’S DEPOSITION SHOULD**
 23 **BE SUSTAINED**

24 As in Mr. Adelson’s deposition, the majority of the objections and instructions not to
 25 answer in Mr. Goldstein’s deposition were in response to questions about Jacobs’ termination.
 26 See, e.g., Goldstein Dep. (Ex. F hereto) at 41:15-24, 104:3-13, 107:8-109:4, 142:10-15, 173:25-
 27 177:1, 197:5-13, 198:5-13, 198:1-7, 203:12-16, 228:9-17, and 251:20-23. Defense counsel also
 28 objected and instructed Mr. Goldstein not to answer when Plaintiff’s counsel asked a variety of

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1 questions about Mr. Goldstein's knowledge or actions with respect to specific SCL customers and
2 with respect to SCL's recruitment of Ed Tracy, who replaced Jacobs as CEO. *See, e.g., id.* at
3 80:19-81:1, 88:18-89:1, 119:5-20, 215:17-316:9, 217:3-6, 177:5-19, 250:11-21. At one point,
4 Plaintiff's counsel explained that these questions were designed to "demonstrat[e] who was really
5 calling the shots. . . which goes to the jurisdictional point." *Id.* at 111:13-16. In fact, throughout
6 the deposition, Plaintiff repeatedly asked Mr. Goldstein whether he (or other LVSC executives)
7 had directed or controlled SCL's actions in Macau with respect to certain customers or issues.

8 Defendants' objections relating to questions concerning Jacobs' termination should be
9 sustained for the reasons outlined above: discussions between Mr. Goldstein and Jacobs about
10 their respective employment agreements (Goldstein Dep. at 142:10-17 and 144:6-10), about what
11 tensions there may have been between Messrs. Leven and Jacobs (104:4-13), about why Jacobs
12 was leaving (107:8-10) all go to the merits of Jacobs' claims, rather than the jurisdictional issue.

13 Defendants' other objections should be sustained because Plaintiff's whole approach to
14 Mr. Goldstein's deposition was fundamentally flawed. Mr. Goldstein was never employed in any
15 capacity by SCL.⁸ Plaintiff's old theory, before the Nevada Supreme Court's ruling, was that
16 LVSC executives, including Mr. Goldstein, directed and controlled SCL's operations from Las
17 Vegas to such an extent that Las Vegas should be deemed SCL's "de facto executive
18 headquarters." But, for the reasons outlined above, after the Supreme Court's ruling, Plaintiff can
19 no longer rely on that theory unless he is prepared to argue that SCL is LVSC's alter ego — a
20 burden Plaintiff has specifically disclaimed. *See* 9/27/11 Hr'g Tr. at 26:1-5 ("And so we are not
21 saying alter ego. We don't care about alter ego yet, but we do care of whether the people in Las
22 Vegas Sands Corp. are acting as an agent and performing functions" for SCL).

23 Instead, Plaintiff's theory is that LVSC acted as an agent of SCL, which would require
24 proof that (contrary to the ordinary relationship between a parent and its subsidiary) LVSC acted
25 subject to the direction and control of SCL. *See Hunter Mining Labs., Inc. v. Management*
26 *Assistance, Inc.*, 763 P.2d 350, 352 (Nev. 1988) ("In an agency relationship, the principal
27

28 ⁸ Mr. Goldstein did serve as a director of VML during the period in question. *See* 10/4/11 Affidavit of John Morland, ¶ 4 (noting that Mr. Goldstein has been a director of VML since 2002).

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1 possesses the right to control the agent's conduct. Restatement (Second) of Agency § 14
 2 (1958)"). In fact, when Plaintiff persuaded the Court to allow him to take Mr. Goldstein's
 3 deposition, he did so on the basis that Mr. Goldstein performed services on behalf of SCL in
 4 Nevada as SCL's agent. See 9/27/11 Hr'g Tr. at 26:23-25; Jacobs' Opp. to Sands China Ltd.'s
 5 Motion for Clarification of Jurisdictional Discovery Order, filed on October 12, 2011, at 5-6 & n.
 6 5 (arguing that LVSC employees acting on behalf of SCL did so as subagents of LVSC, which
 7 presumably acted as SCL's agent).

8 Based on Plaintiff's arguments and his representations to the Court, Defendants expected
 9 that Plaintiff's deposition of Mr. Goldstein (and of Mr. Kay) would focus on determining what, if
 10 anything, Mr. Goldstein did on behalf of SCL *in Nevada* and whether whatever he did in Nevada
 11 was done pursuant to SCL's direction and control. Thus, Defendants were surprised, to say the
 12 least, when virtually all of the questions Plaintiff asked Mr. Goldstein were focused on whether
 13 he, in his capacity as a senior LVSC officer, directed or controlled SCL's actions *in Macau*.

14 Plaintiff should not be able, at this late stage, to resurrect a theory he abandoned (for good
 15 reason) more than a year ago. Having spent a great deal of Mr. Goldstein's deposition on that
 16 abandoned theory and on Jacobs' termination, Plaintiff should not be able to compel Mr.
 17 Goldstein to sit for any additional deposition time.

18 **D. THE COURT SHOULD ENTER A PROTECTIVE ORDER WITH RESPECT TO**
 19 **THE REMAINING DEPOSITIONS**

20 We recognize that the Court's schedule may not permit it to hear Defendants' Motion
 21 before the upcoming Leven deposition on December 4. Accordingly, defense counsel will adopt
 22 the same procedure used at the Adelson and Goldstein depositions, making objections as
 23 appropriate and instructing the witness not to answer where counsel believes that Plaintiff's
 24 questions go beyond the bounds of the limited jurisdictional discovery this Court has permitted.
 25 We also recognize that the Court may not be able to rule on specific questions that are yet to be
 26 asked and that, if objections are made during the Leven deposition, we will address those specific
 27 objections in supplemental briefing; however, for the reasons outlined above, Plaintiff should not
 28 be permitted to question Mr. Leven about the details of specific events that occurred during

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Jacobs' tenure as SCL's CEO or about the reasons why Jacobs was terminated. At most, Plaintiff should be allowed to ask Mr. Leven about the scope of his duties as Special Advisor to the SCL Board and then acting CEO — about who did what, when and where. Plaintiff should not be permitted to turn what should be a relatively simple jurisdictional deposition into a lengthy exploration into the merits of his claims. Furthermore, for the reasons outlined in Part III-B above, Plaintiff cannot show general jurisdiction over SCL simply by pointing to the fact that Mr. Leven performed some or even *all* of his duties for SCL while he happened to be in Las Vegas.⁹ Thus, Plaintiff has no need to go through the same exercise with Mr. Leven that he did with Mr. Adelson — attempting to dissect various actions taken for or on behalf of SCL and then asking where the witness happened to be when those actions were discussed or decided upon.

With respect to Mr. Kay, Plaintiff should be limited to asking what (if anything) Mr. Kay did in Nevada under the direction and control of SCL to assist SCL in obtaining financing. Plaintiff should not be able to ask if Mr. Kay gave direction to SCL, since that would be contrary to Plaintiff's own theory that LVSC and its employees acted as "agents" for SCL in Nevada

IV.

CONCLUSION

For the foregoing reasons, Defendants urge the Court to enter an order providing that:

(1) To the extent that Defendants objected to Plaintiff's questions in the Adelson and Goldstein depositions and instructed the witnesses not to answer, those objections are sustained;

(2) The Adelson and Goldstein depositions are concluded and no further jurisdictional discovery may be taken from either witness;

(3) In the remaining depositions, and in accordance with the March 8 Order, Plaintiff may only inquire into the facts regarding activities undertaken for or on behalf of SCL that are relevant to jurisdiction — such as who did what, when and where — and may not inquire into merits issues such as the reasons for Jacobs' termination; and

(4) Mr. Kay's deposition shall be limited to an inquiry into his activities for or on

⁹ Defendants offered to stipulate that Mr. Leven carried out the duties normally associated with a CEO during the period in which he was SCL's acting CEO and that he conducted some of these activities while physically located in Nevada, although he also traveled frequently to Macau during his tenure.

DATED November 26, 2012.

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1 the original and then deleted from the recycled folder, the
2 ghost image will have no trace of them; is that true?

3 A That would be correct.

4 Q And so someone could go into that -- prior to the
5 creation of the ghost image could go onto the machine and
6 could delete information from it, and so then the ghost image
7 -- it would appear from the ghost image as though it never
8 existed; is that fair?

9 A Well, again, the ghost image is a snapshot in time
10 whenever that image was taken. So anything that occurred
11 prior to that would naturally not be caught by that ghost
12 image.

13 Q Understood. That is different than a forensic
14 image; is that right?

15 A Forensic image is a lower level of catcher which
16 might contain leftover, for want of a better word, bits.

17 Q Okay.

18 A That could be reassembled.

19 Q All right. What about -- have you ever heard the
20 term "mirror image"?

21 A I have.

22 Q Is it -- is that not a term that you would use?

23 A Normally not, no.

24 Q Okay. Are there different ways in which to copy
25 drives, in other words, the original media source? Other than

1 a ghost image and the forensic image that we've talked about,
2 are there other ways in which to copy it?

3 A There are other tools that would essentially do the
4 same thing as a ghost image would.

5 Q Okay. With respect to the ghost images for those
6 three, the desktop machine and two laptops, do you know when
7 they were created?

8 A I -- from my recollection, they were created in the
9 July 2010 time frame. But I might not be recalling that
10 correctly.

11 Q All right. Do you know who had access -- let's deal
12 with the two laptops. Do you know who had access to them
13 prior to the creation of the ghost image?

14 A Well, I believe that they were laptops that were
15 provided to Mr. Jacobs.

16 Q I'm sorry. Used by Mr. Jacobs?

17 A Yes. That's my understanding.

18 Q Understood. And you got that understanding from
19 counsel?

20 A I got that understanding from counsel, plus I also
21 got that understanding from talking to some of the Macau IT
22 folks.

23 Q Understood. Let's deal, then, with the laptops. Do
24 you know who had access to them prior -- in addition to Mr.
25 Jacobs prior to the creation of the ghost image?

1 A Well, I would imagine that the IT teams would
2 normally have access to those systems, as well.

3 Q Okay. Anyone else?

4 A Not that I'm necessarily aware of.

5 Q All right. Were you made aware if any other
6 personnel, executives in the company, for example, either Las
7 Vegas Sands or Sands China, were able to access or were
8 permitted to access those -- we're just dealing with the
9 laptops right now -- were permitted to access them prior to
10 the creation of the ghost image?

11 A I have no knowledge about that.

12 Q All right. Do you know what happened to or do you
13 know where the originals are of the two laptops?

14 A I'm trying to recollect whether or not that
15 information was provided to me, and I don't recall
16 specifically.

17 Q All right. Well, at your deposition I think there
18 were -- and I could be wrong -- I think there were four
19 different computers that had been identified that Mr. Jacobs
20 might have had access to. Do you recall that?

21 A I do recall that, yes.

22 Q All right. And do you recall telling me -- and if
23 your memory's different, we'll sort it out. Do you recall
24 telling me that you had only been able to locate one of the
25 originals from the four different computers that he could --

1 that he used?

2 A I vaguely do recall that, yes.

3 Q So there was one out of four that you currently
4 have?

5 A Yes.

6 Q Okay.

7 A Of the actual systems themselves. May I clarify?

8 Q Sure.

9 A I did recently become aware that another system was
10 located in the May 2011 time period --

11 Q Okay.

12 A -- that was also provided to I believe it was either
13 FTI or Stroz Friedberg to be imaged.

14 Q All right. And so that was in May 2011 an
15 additional -- and this was one of the other original media
16 sources?

17 A I believe it was one of those computers that Mr.
18 Jacobs had access to.

19 Q Okay. So you think that two out of the four of the
20 originals have been found?

21 A Again, that's my understanding from what I can
22 recall at this point.

23 Q All right. Do you know which two were found?

24 A Well, clearly the one I just mentioned, which was
25 apparently a desktop that Mr. Jacobs had used previously. The

1 others I -- the other I don't recall specifically whether that
2 was one of the laptops or desktops. Actually, I believe there
3 is a reference that the desktop computer was not -- was not
4 kept and that that was an item of concern. So clearly it was
5 not that other desktop.

6 Q It was not the desktop that had been located?

7 A Yeah.

8 Q Do you know what happened to the original desktop
9 machine from which the ghost image was created?

10 A Again, I believe that that was being searched for.
11 I can't specifically recollect as to whether or not they
12 managed to find it or not.

13 Q What is the policy of when a computer -- when an
14 employee leaves and the computer is then recycled back into
15 the population? What happens to the -- is the computer first
16 scrubbed before it is recycled?

17 A That is the normal procedure that we would follow.

18 Q So in this particular case if normal procedure was
19 followed and that desktop machine that Mr. Jacobs had used was
20 to be put back into circulation, it would be scrubbed;
21 correct?

22 A That's my understanding, yes.

23 Q And when it would be scrubbed, tell us -- tell Her
24 Honor what happens as a result of that scrubbing.

25 A Essentially all the information on that computer

1 would have been deleted and a new operating system or a new
2 version of the operating system would be placed on that
3 computer in preparation for another employee's use.

4 Q All right. When you say it would be deleted, how is
5 it deleted?

6 A I don't know the specifics.

7 Q What is the -- what is the general -- I didn't mean
8 to cut you off. Were you done?

9 A I was.

10 Q Okay. What is the general methodology -- I
11 understand you don't know the specifics, but in terms of your
12 general -- the company's general policy how is it deleted?

13 A Well, again, I think the teams use different
14 mechanisms and different locations, so I'm not aware of the
15 exact procedures that they use.

16 Q Is it your understanding, however, that as a result
17 of that scrubbing process all of original media or all
18 original data on that media source is lost?

19 A It would be deleted.

20 Q All right.

21 A Whether or not it's lost, I would -- it depends
22 would have to be the answer, I'm afraid.

23 Q Okay. You'd have to find the -- you'd have to find
24 the device; right?

25 A Correct.

1 Q And then you'd have to examine it and see what sort
2 of scrubbing had been done to it?

3 A That would be a correct statement.

4 Q And then you would be able to determine whether or
5 not all of the original media is gone?

6 A That would be correct.

7 Q All right. And in this particular case it's your
8 understanding that as for the desktop machine that Mr. Jacobs
9 had used in Macau the original media source is gone?

10 A Again, I can't specifically recall whether or not it
11 was located. I know that there was an effort made.

12 Q All right. Now, what you're saying -- if I
13 understand it, you're saying some -- one -- some sort of a
14 device was found, you said, in May of 2011?

15 A That was -- is my understanding, yes.

16 Q All right. And a -- who was allowed to copy that?

17 A It was either Stroz Friedberg or FTI.

18 Q Okay. And do you know who Stroz Friedberg is?

19 A Well, Stroz Friedberg and FTI are both the forensic
20 firms that were engaged, is my understanding.

21 Q Okay. And do you know what they did with -- they
22 were allowed to copy it; correct?

23 A My understanding is they took an image of it, yes.

24 Q Where did they copy it at?

25 A In Macau.

1 Q Okay. And where did they take it?

2 A I believe they didn't take it anywhere. They left
3 it in Macau.

4 Q All right. So they -- whatever they created they
5 just left there?

6 A Yes.

7 Q Okay. And it's in storage somewhere?

8 A I don't know the answer to that.

9 Q Do you know whether or not anyone has searched it?

10 A I do not know that, either.

11 Q And in your preparation as a 30(b)(6) deponent no
12 one had informed you whether or not it had been searched?

13 A That's correct.

14 Q Now, let's back up. An additional bit of
15 information that has come to light that you testified about
16 was it was your belief that Mr. Kostrinsky was given a foil
17 envelope in Macau during one of his trips regarding the Jacobs
18 case; correct?

19 A That was my understanding.

20 Q All right. And it is your belief based upon your
21 investigation that such an envelope did exist and was brought
22 back to the United States?

23 A There are references that I have been made aware of
24 to that foil envelope. I did ask whether or not anybody on
25 the Macau IT side recalls an envelope, not necessarily a foil

1 envelope, and there was mention made that they believed Mr.
2 Dillon provided -- or handed something to Mr. Kostrinsky.

3 Q And who is Mr. Dillon?

4 A Mr. Dillon was the IT leader in Macau at the time.

5 Q Okay. And when did he cease being IT director in
6 Macau?

7 A Earlier this year.

8 Q Okay. And what were the circumstances of his
9 departure as IT director in Macau?

10 MR. MCCREA: Objection, Your Honor.

11 THE COURT: Sustained. It's not relevant to my
12 hearing, Mr. Bice.

13 MR. BICE: Well --

14 THE COURT: And it might have some privacy issues
15 related to it, too.

16 MR. BICE: Well, Your Honor, I understand. I don't
17 want to argue with you. I think our point is it may have some
18 bearing on what happened to evidence and why he was terminated
19 might have some bearing on what happened to evidence. And I
20 understand your ruling, so I will --

21 THE COURT: Thank you.

22 MR. BICE: -- move on.

23 BY MR. BICE:

24 Q All right. So you were informed that -- and who was
25 it that informed you that Mr. Dillon had provided such an

1 envelope?

2 A Mr. Ashley Gilson.

3 Q And I apologize?

4 A Mr. Ashley Gilson.

5 Q Mr. Gilson. All right. And can you tell the Court
6 who Mr. Gilson is.

7 A Mr. Gilson is a director of IT operations for the
8 Venetian Macau.

9 Q All right. Did he replace Mr. Dillon?

10 A He did not.

11 Q He did not?

12 A No.

13 Q All right. Who did replace Mr. Dillon?

14 A There's a gentleman that was recently hired as Mr.
15 Dillon's replacement.

16 Q All right. Mr. Dillon, how long had he been at the
17 property in Macau?

18 A Before my time. The exact time frame I would be
19 hard pressed to identify.

20 Q Okay.

21 THE COURT: How long do you have before I can take a
22 break, Mr. Bice?

23 MR. BICE: We can take a break whenever Her Honor
24 would prefer.

25 THE COURT: That would be lovely. I'll see you guys

1 at 1:30.

2 MR. BICE: Thank you, Your Honor.

3 (Court recessed at 11:56 a.m., until 1:25 p.m.)

4 THE COURT: Mr. Singh, if you could come back up.
5 We're going to resume your testimony, at least until they tell
6 me I need to go back next door.

7 And, counsel, I again want to apologize. There was
8 a bit of a hiccup in a deliberating jury case next door. I've
9 given the attorneys and the clerk an assignment that they are
10 doing without my presence on the record, and in about
11 30 minutes they'll be done with that and come get me.

12 You are still under oath.

13 THE WITNESS: Yes.

14 MR. BICE: May I proceed, Your Honor?

15 THE COURT: Yes.

16 MR. BICE: Thank you, Your Honor.

17 CROSS-EXAMINATION (Continued)

18 BY MR. BICE:

19 Q Mr. Singh, one of the things I wanted to just make
20 sure that we sort of closed out was this issue about the foil
21 envelope, when by my memory we had not. So if I'm repeating
22 myself a little bit, I apologize. The foil envelope that Mr.
23 Kostrinsky, or to your belief that Mr. Kostrinsky brought back
24 with him, have you been able to ascertain its contents?

25 A I have not.

1 Q All right. You have -- did you hear the testimony,
2 however, today from Mr. Jones?

3 A I did.

4 Q Okay. And it sounded like it was something that was
5 in a foil envelope, then wrapped in bubble wrap.

6 A That's how he described it.

7 Q All right. And in your experience as an IT person,
8 would that suggest to you some sort of a drive had been put
9 into such an envelope?

10 A It would suggest something that needed to be
11 shielded from electromagnetics.

12 Q Okay.

13 A That could be a hard drive or a thumb drive or other
14 type of device.

15 Q All right. And when you say shielded from
16 electromagnetics, is that what the -- is that what the foil
17 envelope does? Because even I know bubble wrap won't do that,
18 but is that the purpose of the foil?

19 A That is the purpose of the foil, yes.

20 Q Got it. All right. Now, so it's your understanding
21 that such a device came over; correct?

22 A Based upon what we heard, yes.

23 Q Okay. Well, and based upon your own -- what -- what
24 you are prepared in terms of the company's representative on
25 this, you were informed that as far as the company knows such

1 a device did come over; is that right?

2 A Yes.

3 Q Okay. And can you tell us what you have been able,
4 or tell Her Honor what you have been able to ascertain as of
5 the status of it?

6 A I have been unable to ascertain anything about it.
7 None of the current Las Vegas IT staff are aware of anything
8 that was brought over, nor have any items been located that
9 would fit this description.

10 Q All right. And the normal procedure for the
11 handling of these things is when such a drive would come over
12 it would be placed with whom, IT?

13 A It depends. If it was a device that was relevant in
14 a legal proceeding, it should have been -- it should have
15 followed a proper chain of custody.

16 Q Okay.

17 A If it was just something that was brought over, it
18 would be given to anybody.

19 Q All right. Tell -- tell Her Honor, if you would, in
20 the -- what the company's proper chain of -- or proper chain
21 of custody is in a legal proceeding.

22 A Well, there's a document that we have within the IT
23 department that is required to be signed off by the person
24 providing an item to -- to the IT department that we
25 acknowledge receipt of and what we've done with it.

1 Q All right. And those -- there is no such document
2 for this -- or whatever was in that foil envelope?

3 A That's correct.

4 Q Okay. And you would have been unable to ascertain
5 what happened to it, assuming that it made its way into the
6 United States?

7 A Correct.

8 Q I want to back up just a little bit about the data
9 flow between Macau and the United States on this deal prior to
10 April of 2011. Prior to April of 2011 are you aware that the
11 executives here in Las Vegas, let's just deal with Mr. Adelson
12 as being one, would receive what is called a daily report via
13 email from Macau?

14 A I am aware of that.

15 Q All right. And tell Her Honor what would be in that
16 daily report.

17 A To be honest, I can't fully describe it. I've never
18 seen one. My information is it's financial -- financial
19 information is my understanding.

20 Q All right. Does it -- prior to April of '11, did it
21 include -- well, strike that. Even today does he still
22 receive a daily report?

23 A My belief is yes.

24 Q Okay. And including a daily report that contains
25 Macau data; correct?

1 A That's my understanding.

2 Q All right. And those are -- and that data is sent
3 from Macau to Las Vegas on a daily basis?

4 A I believe so.

5 Q And it's processed by Mr. Adelson's assistant?

6 A I'm not aware of.

7 Q All right. But in any event, your understanding is
8 it's sent here every day?

9 A Correct.

10 Q And then it is disseminated to other people inside
11 the company?

12 A Correct.

13 Q Okay. And is it disseminated to more than just Mr.
14 Adelson?

15 A I believe it is.

16 Q Do you believe it's disseminated to Mr. Kaye?

17 A Yes.

18 Q Mr. Leven?

19 A I believe so.

20 Q Okay. Now, prior to April of '11, do you know
21 whether or not that data that was that daily -- what was the
22 -- I apologize.

23 MR. JACOBS: Flash report, DOR and flash report.

24 BY MR. BICE:

25 Q Daily operating report, DOR, okay, and the flash

1 report, did that contain the names of high, what I guess we
2 would call high level customers?

3 A Again, unfortunately, I've never seen this report --

4 Q Okay.

5 A -- either before or after, so I can't comment on
6 that.

7 Q All right. So you don't -- as of today you don't
8 know what sort of information it contained?

9 A That's correct.

10 Q And you still don't know what sort of information it
11 contains today?

12 A Correct.

13 Q Do you know whether or not the restrictions on data
14 that were imposed after April or around April of 2011, did
15 that impact the information that was contained in the daily
16 operating report that Las Vegas Sands executives received?

17 A Unfortunately, I do not have any knowledge about
18 that.

19 Q All right. Let's go back a little bit now to the
20 data that you do know was here in Las Vegas concerning Mr.
21 Jacobs. You had identified that there were three ghost images
22 and a file that contained PFTs?

23 A PSTs.

24 Q PSTs. I apologize. That information, was it ever
25 placed on those four -- I'll call them the four data sources.

1 Were those four sources ever placed on a server here in Las
2 Vegas?

3 A The emails were on a server. There are some archive
4 files, but they do not appear to necessarily come from that --
5 from those ghost images.

6 Q Okay.

7 A And from what I was able to determine, the images
8 themselves were not placed on the file server.

9 Q All right. The -- the ghost -- the three ghost
10 images that we've referenced?

11 A That's correct.

12 Q All right. But the emails were placed on a server
13 here in Las Vegas?

14 A That's correct.

15 Q Have you been able to ascertain for Her Honor when
16 they were placed on a server here in Las Vegas?

17 A My understanding is it was in late August that that
18 was done.

19 Q Late August of 2010; correct?

20 A Yes.

21 Q So it would be accurate to say that since August of
22 2010, Mr. Jacobs's emails that had been brought over from
23 Macau have been on the server of the Las Vegas Sands here in
24 Las Vegas since then?

25 A That would be correct.

1 Q And they have been accessible by anyone who had
2 their rights to access them since that point in time; correct?

3 A That would be correct. and my understanding is that
4 was limited to Mr. Kostrinsky.

5 Q Okay. But you don't know, just so that we're clear,
6 you don't know when and under what circumstances those same --
7 that same data source -- well, strike that. Let's break it
8 down so that Her Honor can -- I can keep it clear in my head.
9 When you did your search, you looked only at files that Mr.
10 Kostrinsky had access to. We've already talked about that;
11 correct?

12 A That is correct.

13 Q Okay. And in doing so you found, and I will mess up
14 these names so you will correct me, you found some of the data
15 involving Mr. Jacobs on something called DAV05; am I right?

16 A Yes. My --

17 Q That's D --

18 A -- recollection is that's correct.

19 Q All right. D-A-V-0-5; correct?

20 A Correct.

21 Q Okay. And DAV05 is a shared -- is it a share drive
22 on the server?

23 A It is a -- it is a file server.

24 Q File server. Okay. And on that -- and that file
25 server Mr. Kostrinsky had access to; correct?

1 A That's right.

2 Q Okay. Were there any other people other than the IT
3 department that had access to that DAV05 server?

4 A Yes, the DAV05 is a -- is a general file server --

5 Q Okay.

6 A -- that many people use.

7 Q Okay. But what about the data set -- now, was the
8 -- was the Macau -- the Jacobs data, we'll call it, was that
9 in a subfolder on that data server?

10 A It was.

11 Q All right. And was that called the M data?

12 A Correct.

13 Q And the M data meaning Macau data?

14 A Macau data.

15 Q Okay. And you had indicated that at least with
16 respect to that set of data, that version of it on that drive
17 -- no, not drive, file share, Mr. Kostrinsky could access it;
18 correct?

19 A That's correct.

20 Q IT people could access it?

21 A Correct.

22 Q Ms. Hyman could access it?

23 A No, she did not have permission to.

24 Q Okay. Was there anyone other than Mr. Kostrinsky
25 who had access to the -- to the M data?

1 A Outside of the IT department, no.

2 Q All right. But at some point did you not learn that
3 there was some form of VPN access?

4 A Yes, I did.

5 Q Okay. And what was the VPN access to?

6 A That I do not know.

7 Q Okay. So you haven't been able to determine that as
8 of yet?

9 A I have not.

10 Q All right. Is it fair to say -- do you recall when
11 your deposition was taken, sir?

12 A Yes.

13 Q Okay. August 14th. You can look at the -- you can
14 look at the front page just like me. All right. Is it --
15 isn't it true that you only learned about the VPN access about
16 a half an hour before your deposition started?

17 A That is correct.

18 Q Okay. And that's because Mr. Peek informed you that
19 his firm had it; correct?

20 A That's correct.

21 Q Okay. And did he -- and he also informed you that
22 Glaser Weil had it; is that right?

23 A He mentioned that he believed they might.

24 Q Okay. And so since that point in time, since you
25 learned that, have you conducted any further investigation to

1 determine how that VPN access was used and what could be
2 accessed through it?

3 A I have.

4 Q Okay. And when did you do that?

5 A Approximately two to three weeks ago.

6 Q Okay. And what did you find?

7 A Well, if I may describe specifically my request
8 to --

9 Q Okay

10 A -- to the IT department --

11 Q You may.

12 A -- was to determine if the access had indeed been
13 set up, who had requested that access, and whether or not we
14 had any log files to indicate time/date of the access and to
15 what it was that they were given access to. There is a
16 recollection that VPN was set up for Glaser Weil, it was set
17 up for Holland & Hart. There are no log files, unfortunately,
18 from that time period that I could refer to, and the IT group
19 did not know what specifically they were given access to. Mr.
20 Kostrinsky was the one who had set that up.

21 Q Is it normal that there would be no log files for
22 that sort of access?

23 A As I had mentioned in my deposition, we -- we
24 routinely do change log files as they outgrow and need to be
25 culled. We do do that on a routine basis.

1 Q Okay. And that was done here?

2 A That was done.

3 Q All right. So no one had turned off the override on
4 the log files?

5 A Correct.

6 Q Okay. So you have no way now of going back and
7 ascertaining who was accessing what and when; correct?

8 A There's the --

9 Q Via that VPN network?

10 A There is the potential for us to revert back to our
11 backup tapes to determine whether or not we have valid backups
12 and whether or not data could be restored from that time
13 period.

14 Q Okay. But in fairness to you and to Her Honor, I
15 think you testified at your deposition that you also know that
16 the company's backup system has not -- had not been working
17 for a number of months.

18 A That is correct.

19 Q And so there are -- in many -- in many respects
20 there are no backup tapes is your belief; correct?

21 A I wouldn't -- I wouldn't characterize it that way.
22 There are backup tapes. What we do not know is how many of
23 those are valid versus are not valid and, therefore, do not
24 have data that can be retrieved.

25 Q All right. And when did the company learn -- well

1 strike that. Tell Her Honor how long the backup system has
2 not been working for Las Vegas Sands.

3 A My understanding is it's been some time that the
4 backup system hasn't been working as we had expected to -- to
5 work.

6 Q All right. When you say some time, is it prior to
7 October of 2010?

8 A I don't know that specifically.

9 Q Okay. When did the backup system -- have you
10 corrected the backup system now?

11 A We have.

12 Q All right. When was it corrected?

13 A Approximately three months ago.

14 Q Okay. So being September --

15 A Actually, sorry, probably closer to two months.

16 Q Okay. So July 1st of this year?

17 A To the best of my recollection that sounds about
18 right.

19 Q All right. And so you know that the backups were
20 working concerning the casino system; is that right?

21 A That's right.

22 Q Okay. But the backups weren't working for the
23 general corporate matters?

24 A If I'm allowed, can I explain?

25 Q You are allowed.

1 A We have various multitudes of systems, each one of
2 which gets backed up or is supposed to be backed up on a
3 regular basis. Some of those systems themselves apparently
4 were not being successfully backed up, others were. What we
5 do know is that the casino system platform, specifically the
6 I-series platform, was being successfully backed up.

7 Q Can you tell Her Honor what wasn't being
8 successfully backed up?

9 A I can't provide a complete list, but basically some
10 of the -- the surrounding corporate systems, including file
11 shares, were the ones that were not being successfully backed
12 up.

13 Q All right. And that files shares would include
14 things like DAV05; correct?

15 A Potentially. Again, to be clear, I have done no --
16 no analysis to determine what we have backups of and what we
17 do not.

18 Q As part of your search did you also find a file on
19 the DAV05 file share that was entitled Jacobs SEC?

20 A I have a recollection of that. I don't recall
21 specifically what was on the DAV05 server, but it did appear
22 on what I -- I had discovered.

23 Q All right. And you discovered it because it was
24 part of the files that Mr. Kostrinsky had access to; right?
25 That's how you uncovered it?

1 A Through that mechanism.

2 Q Okay. And was it your recollection that once you --
3 you found that file, you tried to determine who had access to
4 it; correct?

5 A Yes, that is my recollection.

6 Q All right. Now, let's go back to the DAV05 for a
7 minute, or the M data, strike that, which is on DAV05. On the
8 M data that's on DAV05, the file still reflected that Mr.
9 Kostrinsky had access to it; correct?

10 A That's correct.

11 Q Okay. Even though Mr. Kostrinsky had not worked at
12 the company for nearly eight months?

13 A Right.

14 Q Okay. So nobody -- nobody had removed him from that
15 file?

16 A That's right.

17 Q You also found this Jacobs SEC file when you were
18 looking for files that Mr. Kostrinsky had access to and you
19 found one; correct?

20 A Right.

21 Q And that file, however, both Mr. Kostrinsky and Ms.
22 Hyman had been removed from it; correct?

23 A I don't have that recollection that I would have
24 known that they were removed from it.

25 Q Okay. But they no longer had access to it.

1 A They did not show up as having had access to it.

2 Q Okay. Well, am I wrong -- maybe I'm wrong, and if
3 you -- I am -- I'll let you correct me, but the only -- the
4 way in which you found it was it was a file that Mr.
5 Kostrinsky had had access to because that's how you were
6 searching.

7 Q Well, again, to clarify, I was searching all of the
8 systems that Mr. Kostrinsky had access to looking for pieces
9 of information. That did not necessarily imply that Mr.
10 Kostrinsky had specific access to that file at any point in
11 time.

12 Q Okay. In any event, you looked at the amount of
13 data that was in that file; correct?

14 A I recall doing so.

15 Q All right. And I think you testified to us that
16 there was very little data in that file.

17 A I seem to recall that, yes.

18 Q And I asked -- do you recall me asking you whether
19 or not you could verify whether anyone had removed any data
20 from it? Do you recall that?

21 A I have that recollection.

22 Q And do you recall telling me that there was no way
23 in which you could determine whether data had been removed?

24 A I believe I mentioned I have no way of determining
25 whether data was removed without reverting back to the backup

1 files to understand what was actually on there. I could only
2 provide an accurate reflection of what today exists.

3 Q Okay. And you don't -- and, again, this is one of
4 those areas where -- this is one of the areas where the
5 backups generally were not working; correct?

6 A Again, I did not do that investigation to determine
7 if that is a valid statement.

8 Q Okay. You would have to do that yet?

9 A Correct.

10 Q Now, in addition to the VPN access, did any of the
11 lawyers have log-ins where they could come into, let's say,
12 onto the Las Vegas Sands property and log in through the
13 computer system?

14 A I would believe that they would have been given an
15 account to access the network because they were tied in with
16 the VPN accounts.

17 Q All right. And do you recall in your research
18 finding Mr. Peek as being one of the persons who could log
19 into the system.

20 A Yes.

21 Q Okay. And do you recall Mr. -- or an individual
22 named A. Sedlock also having the ability to log into the
23 system directly?

24 A I recall he showed up on -- on one of the file
25 directory listings. I did not specifically find out whether

1 or not he had VPN access.

2 Q Okay. What was the purpose of having them on the
3 directory listings? What does it show?

4 A That they would have permission to access that area.

5 Q And do you recall which areas you found that they
6 had access to, let's say with Mr. Peek?

7 A Off-hand I do not, no.

8 Q And the same would be true for Mr. Sedlock?

9 A Correct.

10 Q Now, is it also fair to say that as part of your
11 preparation to serve as the company's representative on this,
12 you did not have time to determine whether or not the
13 documents that were the M data -- and maybe -- maybe this is a
14 better way to go about it, so let me back up. In the M data,
15 which is listed as the Macau data on DAV05; correct?

16 A Uh-huh.

17 Q All right. That data, do you recall what it
18 consisted of?

19 A From what I recall they were Outlook files.

20 Q Outlook files?

21 A Yeah.

22 Q So it was emails?

23 A Yes.

24 Q Okay. Was there any of the data from the ghost
25 images in the Macau data?

1 A To be honest, I would have to refresh my
2 recollection. I'm not sure.

3 Q Okay.

4 A I do recall that somewhere there were these archive
5 files, zip files that had some information, but I don't
6 specifically recall if that was on that M data drive or not.

7 Q All right. Well, as part of your investigation into
8 this, could you tell Your Honor -- tell Her Honor how much
9 data, in other words size, was in this Macau data that had
10 been sitting on the Las Vegas Sands server?

11 A Okay. Now, I don't recall specifically, but I
12 believe it was around 50 to 60 gigabytes worth of data. But I
13 don't recall specifically.

14 Q 50 to 60 gigabytes?

15 A Yeah.

16 Q Okay. And it's your belief that those were emails?

17 A Yes.

18 Q And did you examine any of them?

19 A I did not.

20 Q And is it also fair to say that you don't know where
21 else that same data set might exist on the company servers
22 that other people might have access to?

23 A Other than the areas that I did my investigation
24 over, that would be a fair statement.

25 Q All right. And just so I make sure I understand

1 your question -- or your statement is the only areas that you
2 did investigation over were the areas that Mr. Kostrinsky
3 could have had access?

4 A Mr. Kostrinsky or there might have been a reference
5 that I picked up in one other document that might have caused
6 me to look at a different file share.

7 Q All right. But you didn't look at, for example, you
8 didn't look at any -- you didn't search for the same data set
9 or even a subset of this data set on things that Mr. Leven
10 would have had access to?

11 A I don't know how to answer that question, because
12 honestly I do not know what Mr. Leven has access to.

13 Q Fair enough. And the same would be true for Mr.
14 Adelson; correct?

15 A Correct. I do not know what they have access to.

16 Q Same would be true for Mr. Raphaelson?

17 A Correct.

18 Q Okay. And Ms. Hyman?

19 A Correct.

20 Q All right. Thank you. When you were told to find
21 the data -- or the data, where it was on Las Vegas Sands
22 server, these emails from Mr. Jacobs, how long did it take you
23 to find them when you wanted -- when you wanted to find them,
24 how long did it take you?

25 A A few days.

1 Q It wasn't an arduous process, is that fair?

2 A Actually, it -- it could have been. Part of the
3 reason why I was limiting the investigation scope based upon
4 what Mr. Kostrinsky had access to other information that I had
5 was because otherwise there would be a significant number of
6 systems and files that would need to be searched, which would
7 have taken considerably more time.

8 Q Right. So if you had not limited your search to
9 just the areas where Mr. Kostrinsky could have entered, it
10 would take you more time; is that right?

11 A It would take more time.

12 Q Okay. But since you knew Mr. Kostrinsky had access
13 to these emails, that was an easy place to look?

14 A Correct.

15 Q All right. Did you send out any emails, since you
16 were going to be the company's designee, did you sent out an
17 email to other executives asking them whether or not they had
18 access to this information?

19 A I did not.

20 Q And other than talking to some of the IT personnel,
21 you did not interview any of the company's other executives to
22 determine whether or not they had access to this data?

23 A I did have a conversation with Gayle Hyman before
24 the deposition, and subsequent to the deposition I have had
25 some conversations with others.

1 Q Okay. Well, let's -- let's talk about your
2 conversation with Ms. Hyman. She had access to the data?

3 A Not directly, no.

4 Q Okay. How did she -- she had it indirectly?

5 A She indicated that she was -- you know, she would be
6 in Mr. Kostrinsky's office if she was accessing anything.

7 Q All right. Did she indicate that she had accessed
8 it?

9 A She did not, no.

10 Q I'm sorry?

11 A She did not.

12 Q She did not. Did she say she did not, or did she
13 just not indicate?

14 A She did not recall.

15 Q Okay. Do you -- do you know whether or not any hard
16 copies of that data was ever printed off?

17 A Again, other than what's already been testified to
18 or is in various transcripts, I am not aware of anything.

19 Q All right. You said subsequent to your deposition
20 you have spoken to others?

21 A I have.

22 Q And who have you spoken to?

23 A I have talked to Rob Rubenstein.

24 Q All right.

25 A I have talked to Mike Leven.

1 Q All right. So you spoke to Rob Rubenstein?

2 A Yes.

3 Q And you spoke to Mr. Leven?

4 A Correct.

5 Q All right. And what did Mr. Rubenstein tell you?

6 A Mr. Rubenstein indicated he does not recall ever
7 having accessed any of the data or information.

8 Q Okay. Did he know where it was at?

9 A He understood Mr. Kostrinsky to have access to it.

10 Q All right. And did -- and so Mr. Rubenstein had
11 indicated to you that there was no -- he had no source of
12 access to it?

13 A Correct.

14 Q And then you said you spoke to Mr. Leven?

15 A Correct.

16 Q And Mr. Leven told you he similarly didn't have any
17 access to it?

18 A That would be correct.

19 Q And that's the extent of any additional
20 investigation you've done since your deposition?

21 A For the question around who had access to the
22 emails, yes.

23 Q You were also aware, are you not, that the data was
24 accessed by the O'Melveny & Myer law firm?

25 A That is my understanding.

1 Q Okay. And when did they access it?

2 A I cannot recall that.

3 Q And do you know what they did with it?

4 A I do not.

5 Q Do you know whether or not they ever produced it to
6 any governmental agency?

7 A I do not know the answer to that.

8 Q Do you know whether anyone has ever produced that
9 data to any governmental agency?

10 A I do not know the answer to that.

11 Q And I take it that despite you were the company's
12 representative, you didn't do any investigation to determine
13 that?

14 A Correct.

15 MR. BICE: Bear with me one moment, Your Honor.

16 THE COURT: Sure.

17 MR. BICE: I have nothing further at this time, Your
18 Honor.

19 THE COURT: Does anybody have any additional
20 questions they would like to inquire of Mr. Singh at this
21 time?

22 MR. OWENS: A brief moment, Your Honor, to confer?

23 THE COURT: Absolutely.

24 MR. OWENS: Nothing, Your Honor. Thank you very
25 much.

1 THE COURT: Mr. Singh, thank you very much for your
2 time. You may step down. You're welcome to stay in the
3 courtroom if you want, or go back to work.

4 THE WITNESS: Leave this?

5 THE COURT: Yeah, that's fine. Leave it there.

6 All right. Would the next item of business of those
7 items and witness I have identified be the playing of the
8 video deposition of Mr. Kostrinsky?

9 MR. PISANELLI: Very well, Your Honor. And so
10 you --

11 THE COURT: No, I'm just asking. That was a
12 question. There was a question mark at the end.

13 MR. BICE: Yes.

14 MR. PISANELLI: Yes.

15 THE COURT: Okay.

16 Can you go check next door and see if they're ready
17 for me before I start this?

18 THE MARSHAL: Yes, Judge.

19 THE COURT: Other than this, are you going to
20 suggest any other witnesses you want me to hear from? I know
21 Mr. Bice had previously mentioned Mr. Weissman. Are there any
22 others so that I can have other people thinking about the
23 issues as we are watching the video?

24 MR. BICE: It will depend upon what Mr. Weissman
25 says, but I don't think so.

1 THE COURT: Okay. All right. So then I would
2 request that you guys, which is team defendant, think about
3 how you will respond when I ask formally for that, additional
4 witnesses, and then depending upon what I rule, then we'll
5 see. If I decline to permit Mr. Weissman to be examined, are
6 there additional witnesses that the Sands entities, and I'm
7 using a group for convenience, not for any other reason, would
8 intend to call for purposes of this hearing? And this can be
9 a caucus moment while I walk next door and see how they're
10 doing.

11 (Court recessed at 2:05 p.m., until 2:16 p.m.)

12 THE COURT: Okay. Did you come up with an answer
13 for me?

14 MR. BRIAN: I think Mr. Lionel is going to address
15 the Court, Your Honor.

16 MR. McCREA: Not on --

17 MR. BRIAN: Oh. As to whether we're calling anyone.
18 No, we're not, Your Honor.

19 THE COURT: Okay.

20 MR. BRIAN: I would say the only issue that I was
21 tempted to was the issue that I proffered to go into with Mr.
22 Peek, which Your Honor does not want to hear about. I was
23 going to address that briefly in closing, but those documents
24 are in the record, and if Your Honor thinks it's
25 inappropriate, you can admonish me then. But I don't think

1 there's a need to offer it. We've already put the documents
2 in the record.

3 THE COURT: Okay. So are we ready to play?

4 MR. PISANELLI: Yes, we are, Your Honor. And so you
5 know, this is a combined designation on both sides.

6 THE COURT: Lovely. I love it when people actually
7 communicate with each other and work things out.

8 MR. BICE: Your Honor.

9 THE COURT: Mr. Bice.

10 MR. BICE: Will you be offended --

11 THE COURT: No, I won't --

12 MR. BICE: -- if while this is playing --

13 THE COURT: -- be offended.

14 MR. BICE: -- I go out into the hall --

15 THE COURT: Goodbye.

16 MR. BICE: -- to attend to another matter? Thank
17 you.

18 THE COURT: And if you want to go straighten out the
19 people who are next door, they would love to have help.

20 MR. BICE: I am quite sure they would not want to
21 see me.

22 MR. BRIAN: What happened to the shared suffering we
23 talked about yesterday?

24 THE COURT: See, part of my life is I'm also the
25 presiding judge in the civil division. So when there is a

1 problem in another department, I am supposed to assist.

2 MR. BRIAN: No, I was talking about sharing the
3 suffering of watching the video, Your Honor.

4 THE COURT: Oh.

5 MR. PISANELLI: Can I go supervise him out there?

6 THE COURT: No, one of you -- well, Ms. Spinelli is
7 here. Ms. Spinelli is low man on the totem pole.

8 Can someone please hit play so we can watch the
9 designated portions of the videotape deposition of Mr.
10 Kostrinsky.

11 (Video Deposition of MICHAEL KOSTRINSKY played,
12 not transcribed)

13 THE COURT: Can we push "Stop" for a minute, or for
14 10 minutes.

15 (Court recessed at 2:53 p.m., until 3:16 p.m.)

16 THE COURT: Is anyone looking for some Steven Jacobs
17 transcripts?

18 THE COURT RECORDER: Me.

19 THE COURT: They were delivered to me in
20 Department 10.

21 Okay. Ready to push "Play" again?

22 (Playing of MICHAEL KOSTRINSKY deposition continued,
23 not transcribed)

24 THE COURT: Does that conclude the playing of the
25 agreed portions of the videotaped deposition of Mr.

1 Kostrinsky?

2 MR. PISANELLI: Yes, Your Honor.

3 THE COURT: Is there any additional evidence that
4 Mr. Jacobs would like the Court to consider?

5 MR. BICE: Yes, Your Honor. As we'd indicated
6 yesterday, we would like to call Mr. Weissman.

7 THE COURT: Okay. Can you tell me on what basis you
8 believe Mr. Weissman's testimony would be of assistance to the
9 Court in making a determination as to whether there have been
10 misrepresentations that would be of a sanctionable nature made
11 to the Court that have so multiplied these proceedings that I
12 should sanction him or his client?

13 MR. BICE: As for sanctioning him, I don't believe
14 so. But as for sanctioning his client, yes. And I believe --

15 THE COURT: And what do you think that is?

16 MR. BICE: And I believe that the evidence is Mr.
17 Weissman I believe was present in the court when the
18 representations were made about the emails and the documents
19 from Mr. Jacobs not being on any servers at the Las Vegas
20 Sands.

21 THE COURT: And you're referring to the hearing on
22 May 24th?

23 MR. BICE: I am referring to that hearing.

24 THE COURT: Just wanted to make sure I was clear.

25 MR. BICE: I believe that -- and only Mr. Weissman

1 can tell us whether or not he knew that that wasn't true at
2 the time it was made and whether he on behalf of Sands China
3 chose not to speak up; because I think it is beyond question
4 at this point, I guess that's my view, anyway, it's beyond
5 question that it was untruthful and it was designed to mislead
6 the Court and it was designed to try and get the Court to hold
7 an evidentiary hearing so that the defendants would never have
8 to produce this evidence.

9 Additionally, I believe that Mr. Weissman was also
10 present in the court on the 28th of June when the Court made
11 statements confirming the fact that no one had ever disclosed
12 this to the Court. And the fact is that no one said at that
13 point in time, contrary to the defense that's now being
14 offered, oh, wait, Your Honor, we really did disclose this to
15 you, you've just forgotten.

16 Those are the bases -- we also believe that Mr.
17 Weissman also has knowledge, Your Honor, about the
18 communications with the Macau Government that they are now
19 claiming that they were relying upon in their decision not to
20 disclose to the Court. We believe that that is also relevant.
21 Because you will recall, Your Honor, from their brief what
22 they have told you is they had a discussion with the Macau
23 Government on I believe it was either the 28th or the 29th of
24 May, and they suddenly, quote, to use their words, "got
25 comfortable" that they could disclose the existence of this

1 evidence in the United States.

2 Our belief, Your Honor, is that they, quote,
3 unquote, "got comfortable" because that's the first time the
4 ever told the Macau government that documents were already
5 over here and in their possession and had been for two years.
6 And they have advanced this defense to you and the story to
7 you that we believe is not accurate, it's not being candid
8 with the Court. And we have tried to subpoena multiple
9 witnesses to be here, and they have objected to that.

10 THE COURT: And I've sustained almost all of their
11 objections because of the limited nature of the hearing that
12 I've scheduled.

13 MR. BICE: I understand. And that is the basis by
14 which we believe that Mr. Weissman possesses knowledge of
15 those facts.

16 THE COURT: Okay. Does anyone want to respond?

17 MR. LIONEL: I will, Your Honor.

18 THE COURT: Mr. Lionel.

19 MR. LIONEL: I feel like a potted plant.

20 MR. BICE: I'll get out of your way, Mr. Lionel.

21 MR. LIONEL: Thank you.

22 As Your Honor said, this is an unusual proceeding.
23 And it really is. It's certainly unusual to have attorneys
24 testify, and particularly ask an attorney, well, were you
25 present and you heard something and you didn't get up later

1 and tell the Judge that that was not accurate or proper. I
2 think Club Vista, Your Honor, is really pertinent here. It
3 couldn't be more pertinent. Club Vista --

4 THE COURT: With respect to Mr. Weissman?

5 MR. LIONEL: By Mr. Weissman, yes, Your Honor.

6 THE COURT: Okay.

7 MR. LIONEL: Club Vista says you do not -- we should
8 not have attorneys come and testify. And it says in there
9 that unless they can demonstrate, prove the Shelton framework,
10 that they should not be permitted to testify. And the Shelton
11 framework says, number one, there must be no other means
12 existing to bring the evidence in, to show that evidence. We
13 think clearly that is not true here. They say it must be
14 crucial to preparation of the case. Now, I don't think it's
15 crucial to preparation of the case to say that Mr. Weissman
16 was present when something was said and they didn't tell that
17 to Your Honor. This matter now is whether or not there's been
18 a lack of candor and a waste of time, and all the evidence was
19 for that purpose. It's not in connection with the substantive
20 portion of the case, certainly not Mr. Weissman's testimony,
21 as has been proffered here.

22 Now, Club Vista is a very interesting case, and it
23 says a number of things, Your Honor, that I think are
24 significant here and relevant. The case points out that
25 courts must protect an attorney's work product as mental

1 impressions, conclusions, opinions, and legal theories of
2 counsel concerning litigation. Those matters, the court says,
3 are not discoverable.

4 Now, there's little doubt in my mind that if Mr.
5 Weissman testifies, that you'll hear from Mr. McCrea. Maybe
6 late in the day, but you will hear from him repeatedly, Your
7 Honor, because all these matters deal with privilege. And
8 part of the Shelton case, Your Honor, is that it should not be
9 privileged material.

10 Now, it's true, Your Honor may say, well, in that
11 we're talking a particular fact and I may permit that and I
12 may say it may not come within the privilege. In that case --
13 and it's very interesting that in the Vista case, in Club
14 Vista it say, "Such depositions could provide a back-door
15 method for attorneys to glean privileged information about an
16 opponent's legal strategy from the opposing attorney's
17 awareness of various documents." There's also that danger, and
18 that is another reason why attorneys and Mr. Weissman should
19 not be called as a witness.

20 Now, we're blindsided, Your Honor. Up until I
21 believe it was yesterday we did not hear -- or it may have
22 been the afternoon before, they want to take Mr. Weissman's
23 deposition. We didn't have the remotest idea that that would
24 be -- that he would be asked to testify. Your Honor indicated
25 initially that you wanted to hear from those people who had

1 made representations from you and that you would -- you would
2 question these people, you say, directly and to a point. Mr.
3 Weissman was clearly not included in that. So there was no
4 prior notice and no proffer was made until a few moments
5 asked. You asked counsel -- you said to counsel the other
6 day, if you're going to call Mr. Weissman I expect a proffer.
7 And here we get a proffer at the last minute. Therefore,
8 we've had no way -- if a lawyer's going to testify, he needs
9 to be prepared, he needs preparation. It has not happened
10 here. We have really been blindsided. We feel, Your Honor,
11 Mr. Weissman should not be called to testify.

12 THE COURT: Thank you, Mr. Lionel.

13 Anything else, Mr. Bice?

14 MR. LIONEL: Thank you, Your Honor.

15 MR. BICE: Yes, Your Honor. I really don't want to
16 know and I don't think we've asked anybody for their mental
17 impressions, and we certainly don't intend to ask Mr. Weissman
18 about his mental impressions. We sent a letter -- and perhaps
19 Mr. Lionel wasn't aware of it. We had sent a letter prior to
20 this hearing outlining the attorneys that we believed needed
21 to be present in the courtroom, just like we did on Mr. Ma,
22 Ms. Glaser, Mr. Jones, et cetera, et cetera, and we had told
23 them that included Mr. Weissman. So, contrary to the claim,
24 we've always taken this position.

25 You know, Your Honor, I've already shown this slide

1 once, and that was on the May 24 hearing. It was Mr. Peek and
2 Mr. Weissman who were present. And, as Your Honor can recall,
3 there were --

4 THE COURT: They said they didn't have any Jacobs
5 stuff on the server.

6 MR. BICE: That is exactly what they said.

7 THE COURT: I know. I read it.

8 MR. BICE: All right. And Mr. Weissman was in this
9 courtroom. And not only that, he then made comments to the
10 Court, says in terms of process about how they were going to
11 go through this very elaborate, lengthy, and costly process to
12 review, the very process that we've been now going through,
13 because they decided to not tell the truth.

14 So the question is did Mr. Weissman know that those
15 documents were all on the Las Vegas Sands server and when did
16 he know that, when he was taking the position with me in
17 2.34 conferences and taking the position with the Court that
18 they didn't have to produce them because they were over in
19 Macau. That's what we want to know, just like we want to know
20 whether or not Mr. Weissman himself had direct communications
21 with the Macau Government.

22 They've now offered affidavits to you, so they
23 obviously don't think this is privileged. They submitted an
24 affidavit from Mr. Fleming. Interestingly, he had no personal
25 knowledge on virtually anything he said, because he admits he

1 wasn't there, and then they also in their brief -- they're the
2 ones who have put this out.

3 Yeah. If you would like to see the email where we
4 identified the list of attorneys --

5 THE COURT: I'm not very worried about that.

6 MR. BICE: Your Honor, they're the ones who
7 submitted the brief to this Court telling you all about this
8 Macau excuse that they offered up and how they only got
9 comfortable, supposedly on May the 28th or 29th, and we
10 believe that Mr. Weissman has personal, firsthand knowledge of
11 those facts. If he gets up on the stand and he says he
12 doesn't, well, then that's obviously a wholly different issue.

13 The same is true for this other issue, Your Honor,
14 because we've got a footnote in their brief, Footnote Number 8
15 it is, where they reveal something, and again that they reveal
16 only the things that they want to reveal, where they say that
17 they were informed that after July 19 O'Melveny produced to
18 the United States Government additional documents. Are these
19 the same documents they were telling this Court that they
20 couldn't tell you about? We would like to know that. If they
21 would like to offer up some of their witnesses -- some of
22 their executives with actual knowledge about that, today was
23 the time to do that. And they didn't.

24 THE COURT: I haven't asked them for their witnesses
25 yet. They may still tell me somebody.

1 MR. BICE: Okay. But that's the reason why we
2 believe that Mr. Weissman should have to answer those
3 questions, Your Honor.

4 THE COURT: Okay. I do not think having Mr.
5 Weissman testify will help to assist me in getting to the
6 point that I need to get, which is whether representations or
7 misrepresentations were made to the Court that so multiplied
8 the proceedings that it would be sanctionable under EDCR 7.60.
9 So for that reason Mr. Weissman will not testify today.

10 That does not mean that at some point in time upon
11 appropriate motion practice I might not consider that, Mr.
12 Bice. But at this point, for purposes of this proceeding, I'm
13 not going to permit it.

14 So are there any other pieces of information that
15 the plaintiff would like me to consider as part of this
16 hearing?

17 MR. BICE: No.

18 THE COURT: Okay. Now, does the defense team have
19 any pieces of information or witnesses that you would like me
20 to consider? Are you a lawyer today, or a witness, Mr. Peek?

21 MR. PEEK: Well, Your Honor, I'd like to step back
22 into -- I think I'm still the lawyer, but I guess I should let
23 Mr. Lionel [inaudible].

24 THE COURT: Okay. Anything else?

25 MR. BRIAN: The only piece of information, Your

1 Honor, is -- I think that we referenced it in the brief -- the
2 company in Macau received a letter on August 14th from the
3 Macau authorities which was originally in Portuguese. We
4 understood originally it was confidential. Our client had a
5 conversation, was able to persuade them to make it not
6 confidential for the purpose of giving it to the Court. We've
7 got a translation into English. It's not -- we don't have the
8 -- we don't have the actual certification for the translation.
9 I don't know if Your Honor wants to see it. If it goes to the
10 point of whether this is a legit Act, which we obviously think
11 it is, we can offer it to Your Honor for whatever purpose you
12 want, or we can give it to you later when we get to briefing
13 the Macau statute. I would defer to the Court.

14 THE COURT: Have you provided a copy of the
15 translated communication to the plaintiffs?

16 MR. BRIAN: Not yet, Your Honor.

17 THE COURT: Okay. Then I don't want it.

18 All right. Is there any other information the
19 defendants would like me to consider for purposes of this
20 hearing?

21 MR. BRIAN: No, Your Honor.

22 THE COURT: All right. Would anyone like to make an
23 argument? Because I'm not going to argue. I'm the fact
24 finder. I was just trying to get information out of people.

25 MR. BICE: It is Your Honor's hearing. I will take

1 instructions from Her Honor about who you would like to hear
2 from first. Since we have been accused of hijack Your Honor's
3 hearing, I will let Your Honor decide who it is that you'd
4 like --

5 THE COURT: I'd rather have you go first.

6 MR. BICE: All right.

7 THE COURT: But you don't get to go twice. You only
8 get to go once. That means Sands gets to wrap up.

9 MR. BICE: Understood, Your Honor.

10 THE COURT: Okay.

11 MR. PEEK: Your Honor, are we going to go past 5:00
12 today or not?

13 THE COURT: I sure hope not. It's 4:28.

14 MR. PEEK: I was just wondering whether --

15 THE COURT: But then I don't know. Mr. Bice and Mr.
16 Pisanelli have been able to go for 45 minutes on unopposed
17 motions before.

18 MR. PEEK: I remember you saying that once or twice
19 Your Honor, so I just was wondering whether we're going to be
20 heard today.

21 THE COURT: I'm going to stop at 5:00, because I'm a
22 responsible public official who tries very hard not to incur
23 overtime.

24 MR. PEEK: Thank you, Your Honor.

25 MR. BICE: Your Honor, I will try and use 15

1 minutes, and they can have the same amount of time I will
2 have.

3 Your Honor, despite what I think is the defendants'
4 apparent belief, we're actually not happy to be here today. I
5 don't like to have to ask attorneys questions on the stand, I
6 don't like to have to have attorneys sworn, and to have to
7 cross-examine them. We did not want to have this proceeding.
8 This is a making of the conduct of the defendants and their
9 attorneys. It's not only the conduct that was occurring we
10 now know throughout 2010 or the end of 2010 and all of 2011
11 and most of this year, it's that which has gone up right and
12 through this very proceeding. It is this strategy of simply
13 deny, deny, deny.

14 I had hoped -- and I was wrong. I had hoped that
15 when it finally came out that we were just going to get --
16 someone was just going to step up to the Court and say, we
17 were wrong, we shouldn't have done this, you're right, we were
18 not telling you the truth. But that's not what they decided
19 to do. There is an old adage, Your Honor, that when you're in
20 a hole sometimes you should stop digging. For whatever
21 reason, I don't know what the strategy is, but whatever the
22 reason is, the Sands and Sands China, along with their
23 counsel, went and purchased a backhoe and brought it into the
24 court and started digging at an even greater pace than they
25 were before.

1 I don't want this to sound -- and I'm struggling
2 with my words a little bit, Your Honor, because this really is
3 -- I actually am -- I'm angry. I'm angry at Mr. Peek for
4 several things. I'm angry at what he tried to do to my
5 client, I'm angered at what he tried to do to me by lying to
6 me. But I'm really angry at him that he's put us through this
7 process. I'm angry his clients are putting us through this
8 process. They know exactly what they were doing, and they
9 knew exactly why they were doing it.

10 I was here in front of you about a year ago on what
11 some people considered to be a really rather silly case. And
12 it was kind of silly in some regards. If you'll recall, I was
13 in front of you --

14 THE COURT: It wasn't a year ago, it was about
15 10 months ago.

16 MR. BICE: I was in front of you on a -- you know
17 what, Your Honor, I think maybe it was, and that was a year
18 ago, an election case. Remember that silly case involving one
19 vote?

20 THE COURT: It wasn't silly, Mr. Bice.

21 MR. BICE: Your Honor, you're right. I know -- and
22 I use that terminology because that's how it was viewed by
23 some people. But it wasn't silly, because what was going on
24 in that case, in my view -- and, as you know, Your Honor, I
25 was never going to get paid on that case unless you awarded me

1 fees, and you declined to do that because of the statute. But
2 the principle in that case was very, very important, because
3 the very process by which we function, by which our rights --
4 in that case it was the rights of a voter were being decided,
5 were being manipulated. The process was under attack, and
6 someone had to do something about it. And, yes, it was a
7 small municipal election, but the public's rights were being
8 cheated by the conduct that was occurring in that case.

9 And, unfortunately, Your Honor, the integrity of the
10 judicial process is under assault in this case, and it is
11 under assault by the conduct that occurred in this case. It
12 is just as offensive --

13 (Pause in the proceedings)

14 THE COURT: You may continue, Mr. Bice.

15 MR. BICE: Thank you, Your Honor.

16 The process by which our -- when I say "our," the
17 public's rights are decided, the legal process, is being
18 defied here by what was going on and what was going on in this
19 case. I've heard my colleague Mr. Brian try and characterize
20 this as poor judgment, as a lawyer making a bad judgment call
21 perhaps. That is, of course, unless one wants to assume one
22 of their defenses, and that is, well, we really told the Court
23 and we really told you, just you and the Court weren't smart
24 enough to recognize what we were telling you.

25 But set that issue aside for a moment. I recognize,

1 just like you recognize and every lawyer in this room
2 recognizes, that every day lawyers make judgment calls, every
3 one of us. I made a judgment call the other day that you
4 didn't like, and you told me so in terms of my questioning of
5 Mr. Peek. We all make judgment calls, Your Honor. What was
6 going on in this case was not a judgment call, and, quite
7 frankly, it's an insult to the Court to suggest that it was a
8 judgment call. Telling the Court things that counsel knew
9 were untruthful so as to try and better their position in the
10 case is not a judgment call. It never is. And the day that
11 the courts start recognizing it and characterizing it as a
12 judgment call the legitimacy of this process is over with.

13 I'd like you to think for a moment, Your Honor, if
14 you would, about the message. I take no glee whatsoever,
15 despite my years of -- and Mr. Peek and I have had cases where
16 we have been at each other's throats. I take absolutely no
17 pleasure in being here on this despite his feelings otherwise
18 perhaps. But what went on here is unacceptable, and he knew
19 it. He knew it from the beginning it was unacceptable. When
20 he was looking through those emails he didn't want to possess
21 those emails, because he didn't want to have his fingerprints
22 on them. He left them in Mr. Kostrinsky's office. He didn't
23 think that the Macau Data Privacy Act allowed him to review
24 them, allowed him to print them, allowed him unquestionably to
25 take notes about them, but as long as he didn't possess a

1 physical copy he was A-okay. He knew better than that.

2 And despite his many, many years of successful
3 practice and that of his colleagues and that of Ms. Glaser, as
4 well, we should all be so lucky to be so successful as they
5 are. But I ask this Court to think about what are the
6 consequences if the Court either accepts this behavior, finds
7 some way to look the other way about it, finds some way to
8 rationalize it under our laws and under our rules. There are
9 really three constituents here I would like the Court to think
10 about.

11 The first is the public at large. What is the
12 message that you are telling the people who have in our system
13 here in Nevada voted for you, put you in this position to
14 safeguard the rule of law? What is the message that they've
15 gotten? That this is the way that the system operates? This
16 is what they can expect in their judicial process under the
17 rule of law? That's what the defendants would have you do, is
18 to tell everyone, this is okay, this is how the system works,
19 don't you rubes just understand it, don't you little people
20 understand that when the billionaires of the world want to do
21 things they get to do them.

22 I ask the Court to consider what's the message that
23 you send to litigants themselves, whether it's Mr. Jacobs or
24 the defendants. The message that you send to litigants are
25 you can't get a fair resolution, your only option is to cheat

1 and rise -- not rise, lower yourself to the level of your
2 opponent because if you don't you're going to get run over.
3 And we all know where that spirals down to, Your Honor.
4 That's exactly what happens when this conduct is permitted.
5 It encourages litigants themselves to recognize, I can get a
6 legitimate resolution if I comply with the law, if I do the
7 right thing, because my opponent won't, and when my opponent
8 gets caught the judicial for whatever reason looks the other
9 way about it.

10 And then lastly, Your Honor, I would ask you to
11 think about what is the message to us, to lawyers. The
12 message is, if this conduct is permitted, well, that's how you
13 get clients because that's the only way you can win, if you're
14 not going to lower yourself to that level, if you're not going
15 to do these sorts of things, if you're not going to employ
16 these sorts of devices, you're not serving your clients'
17 interests because this is what big-time litigators do, this is
18 how they behave and so if you don't behave that way you're not
19 doing your client's job, you're not representing your client
20 appropriately. That is exactly the message that is going to
21 be sent if this Court does not deal with this and deal with it
22 decisively and appropriately.

23 I would ask the Court to also consider the defense
24 itself that has been put forward here in both the briefs and
25 the presentation to the Court by the defendants.

1 THE COURT: You have five minutes.

2 MR. BICE: I would tell -- I would submit to Your
3 Honor the defense itself is a lack of candor. They have come
4 into the court with the story, and asked you to believe it,
5 that, well, we really thought we told you about this, Your
6 Honor, we're sorry, we searched through the haystack and we
7 found the needle and that needle was on June 9. And you're
8 supposed to believe that that's what happened here.

9 Your Honor, if that is candor for the Court, and if
10 that is what has become of our system, then we need to scrap
11 it, and we need to have a new one, because it will not work.
12 Litigants will not accept it, they will not accept the
13 legitimacy of the Court's rulings if those -- if that is the
14 conduct that's going to be tolerated. The public won't accept
15 it. The public will never have any respect for judicial
16 resolutions if that's the sort of conduct that is allowed to
17 occur as part of a judicial resolution of a case.

18 Much has been made -- not much. I should take that
19 back. Some has been made, the Court's even made a comment
20 about it, that we haven't filed a motion to compel. That's
21 right, we haven't. And I didn't on purpose. A motion to
22 compel would have become the excuse du jour for the defendants
23 to try and characterize this as an ordinary discovery dispute.
24 It is not an ordinary discovery dispute. This was outright
25 lying to the Court and lying to us about these documents, and

1 they know it. And to come into the Court and to ask you to
2 just look the other way or accept some argument I think
3 reinforces the fact of the defendants' attitude in this case.
4 They don't get it, and the Court's got to let them know how to
5 get it and how to figure it out.

6 I don't want to spend any time really arguing about
7 the law. We have briefed the law to you about an attorney's
8 duty of candor, as well as that of the litigant; because it's
9 rather obvious that the litigant was directing this activity.
10 Even though they don't -- the litigant doesn't want to admit
11 it, we do know, for example, even by Mr. Peek's own account,
12 the litigant had concealed from him multiple data sources that
13 had been brought into the States.

14 And in that regard, Your Honor, I ask you simply to
15 consider -- you had raised the prospect of an adverse
16 inference, and the defendants make note of the Nevada statute
17 that says that adverse inferences can't be drawn from the
18 proper invocation of attorney-client privileges. I tend to
19 agree with Your Honor, since I did argue the Francis-Wynn
20 case, that this is more akin to a Fifth Amendment invocation
21 of the privilege. But -- of a Fifth Amendment privilege.
22 Nonetheless, I really think that the proper legal analysis for
23 the adverse inference question is the presumptions that are
24 imposed under 47.250(3) and (4). As Your Honor knows, we gave
25 them every opportunity, we in fact tried to bring their

1 executives into the courtroom, and I think Mr. Brian confirmed
2 this fact for us. Because you'll recall yesterday he stood up
3 in front of you and he said, a lot of this information isn't
4 privileged, Your Honor, they're just not asking the right
5 people. They're not offering -- you know, we can provide all
6 these facts by way of interrogatory answer, I think is what he
7 said. Well, it doesn't shock Your Honor, I'm sure, that I'm
8 not interested in the defendants' spin from themselves or
9 their counsel by way of now documents that they would file
10 with the Court, whether they're interrogatory answers or more
11 briefs characterizing -- you'd used the word "spin," I
12 actually think what's going on in this proceeding is an insult
13 to people that do spin.

14 If you look at the statute, they are telling you
15 they have this evidence, but they have declined to offer it to
16 you. And under the law it's an actual presumption, not an
17 inference under Nevada law, it's a presumption that the
18 evidence is adverse to them. It's a presumption that evidence
19 wilfully withheld is adverse to them. It is a presumption
20 under Nevada law that evidence that is superior to inferior
21 evidence is presumed adverse to you. Those two presumptions
22 in operation together in light of the defendants' refusal to
23 provide information that they claim exists in a nonprivileged
24 format and instead have elected to bring only lawyers and then
25 invoke the privilege so as to avoid the truth coming out has

1 consequences for them. That evidence is within their
2 possession, custody, and control. They opposed every effort
3 by us to use discovery means to obtain it. The Court has to
4 presume that it is adverse to them. The Court has to presume
5 that they were concealing these facts from us.

6 Your Honor, we just briefly cited to you also the
7 law about what is the sanction that should be appropriate.
8 They have submitted a brief to you that I will characterize as
9 they ask you for a slap on the wrist. If the Court were to
10 accept their premise, the only thing that will happen is Mr.
11 Adelson and his company will get a gigantic grin on their
12 face. Mr. Adelson could write a check for tens of millions of
13 dollars, and it isn't even going to be a blip on his radar
14 screen. It's the suggestion that you ought to just impose a
15 small fine here, tell everybody, hey, good job. That's a big
16 round of applause. It'll be congratulations time. We ask the
17 Court not to do that.

18 I've taken up my 15 minutes. Thank you, Your Honor.

19 THE COURT: Thank you.

20 Mr. Lionel, you may.

21 MR. LIONEL: Your Honor, I'm going to be quite
22 brief, and I'm not going to argue. I'm behind the third on
23 this case, and I assure Your Honor since I got into it about
24 nine days ago or so I've spent a lot of time. But, as I say,
25 I won't argue, but Mr. Brian will make a formal argument, Your

1 Honor. But I will be brief.

2 The lawyers in this case, and I did not know any of
3 the California lawyers in this case except for Patty, they do
4 take this matter seriously. They really do, Your Honor. They
5 have worked hours at my office or at night. And, of course, I
6 know Patty, and I spoke to her a number of times, and she does
7 take it very seriously.

8 As Your Honor said, this is a small community.
9 That's true. And publicity about this case has not been good.
10 And if Your Honor would find against our clients, against the
11 defendants and any of the lawyers, that would be devastating,
12 Your Honor. You take someone like Mr. Peek -- and I have
13 litigated against him -- and he's been practicing he said for
14 40 years.

15 THE COURT: Not quite as long as you, Mr. Lionel.

16 MR. LIONEL: Not as long as --

17 THE COURT: Not quite as long as you.

18 MR. LIONEL: Not as long as me. And I don't know
19 exactly how many years Patty has, but I remember the winter of
20 1980 when she and I were in New York representing Mr.
21 Kerkorian in an antitrust case and taking double track
22 depositions, so assume that's more than 40 years, but less
23 than me. And it would be devastating, Your Honor, I really
24 mean that.

25 Now, Mr. McCrea has made objections on privilege.

1 And, of course, he has a right to do that. And we must not
2 forget that there is an SEC investigation, there's a
3 Department of Justice investigation, there's a Gaming
4 investigation, and there's a Macau investigation because of
5 problems which --

6 THE COURT: And a Hong Kong Securities
7 investigation.

8 MR. LIONEL: And there we are, Your Honor. And you
9 can understand why privilege has been repeatedly taken in this
10 case. And I think the record in this case shows the
11 legitimacy of concerns about the Macau Data Privacy Act. It
12 is an Act that apparently has been difficult to get arms
13 around, but it is the reason why we are in court today. If
14 there was no Macau Data Privacy Act, I don't believe we would
15 be in court today.

16 And the delay that Your Honor was concerned about
17 is, of course, as a result of that Act. If there wasn't that
18 Act, there would not have been the delay, though I will say
19 from a legal standpoint to the extent that they were caused by
20 the delay, they are not the vexatious cause or unreasonable
21 cause that are referred to in District Court Rule 7.60 under
22 which this proceeding was brought.

23 And one of the final things I want to say, Your
24 Honor, in my view -- and I'm saying it as my thought and I
25 don't intend it as an argument, but what I had seen and

1 knowing the people involved, that there was -- that the
2 lawyers here do not make knowingly false statements. They had
3 no reason to do it. They're honorable lawyers, and they did
4 what they felt they had to do legally and properly. If the
5 Court does disagree, we have filed a brief with respect to
6 penalties or sanctions which Your Honor had requested. And
7 even though Counsel says it's a slap on the wrist, we think it
8 is a well-done brief for the Court.

9 Thank you very much, Your Honor, for your
10 indulgence.

11 THE COURT: Thank you, Mr. Lionel.

12 Mr. Brian.

13 MR. PEEK: Your Honor, I want to say something.

14 THE COURT: Want to let Mr. Brian go first, or do
15 you want to go now?

16 MR. PEEK: I want to go now, Your Honor.

17 THE COURT: Okay. Mr. Brian, why don't you sit
18 down. We'll let Mr. Peek talk for a minute.

19 MR. PEEK: Your Honor, this has been a very painful
20 proceeding for me. I know from the Court's remarks that I've
21 disappointed you, and for that I'm sorry. This has been an
22 embarrassment to me. I'm sure even an embarrassment to the
23 Court to have to do this, and for that I'm sorry. My
24 reputation and my credibility are more important to me than
25 anything other than my own children. I've worked hard to

1 MR. PISANELLI: I remember that from a hearing.

2 BY MR. PISANELLI:

3 Q Did you bring back any --

4 A Actually, that was on a subsequent trip, Your Honor.

5 THE COURT: Okay.

6 BY MR. PISANELLI:

7 Q Did you bring back any evidence concerning this
8 case?

9 A Absolutely not.

10 Q Did you witness, other than that envelope, any other
11 person bring evidence back from Macau?

12 A No. And I think that I testified that I did not see
13 Mr. Kostrinsky bring that envelope back. So --

14 Q Okay. You said you just saw it handed to him?

15 A Correct.

16 Q Okay. Fair enough. Did you see any other forms of
17 evidence handed to anyone else that you were on that trip
18 with?

19 A No.

20 Q All right. Yes or no question, do you have any
21 reason to believe that any form of evidence concerning this
22 case was brought back as part of that trip?

23 MR. MCCREA: Objection. Attorney-client privilege.

24 THE COURT: Sustained.

25 //

1 BY MR. PISANELLI:

2 Q Now, there was a third delivery of electronically
3 stored information from Macau to the United States in February
4 or March of 2011. Are you aware of that?

5 A I have heard that in connection with these
6 proceedings.

7 Q Is that the first time you'd heard of it?

8 A To my recollection, yes.

9 Q Okay. I'll represent to you that your client has
10 represented to Her Honor that on or around that time two hard
11 drives were delivered to the United States, the first one
12 containing images of a hard drive from two employees. Had you
13 known of that fact prior to these proceedings?

14 A Las Vegas Sands is not my client.

15 Q Had you known about the delivery of two hard drives
16 in February or March of 2011, to the United States from Macau?

17 A Did I know then? Absolutely not.

18 Q Was a hearing in these proceedings the first time
19 you learned of it?

20 A Best of my recollection.

21 Q You said Las Vegas Sands is not your client?

22 A I am not doing any work for Las Vegas Sands. I
23 haven't done any since September of 2011. They may be my
24 firms client, but not mine.

25 Q Thank you for that clarification. You threw me for

1 a loop for a half a second there. So then fair for us to
2 understand that while you were working on this case -- well,
3 back up a minute. You were working on this case on behalf of
4 Las Vegas Sands in February, March of 2011; correct?

5 A Correct.

6 Q All right. And despite that you're working on this
7 case, you didn't learn about the delivery of these two hard
8 drives to the United States until you were sitting in this
9 courtroom listening to it?

10 A I learned before sitting in this courtroom. I think
11 I said in connection with these proceedings.

12 Q So you read it in some papers that were filed?

13 A Yes. Or was told be another --

14 MR. McCREA: Objection, Your Honor.

15 THE COURT: Sustained.

16 BY MR. PISANELLI:

17 Q Here's what I'm getting at. Mr. Jones, you filed and
18 -- you didn't file, strike that. You served three supplements
19 to the 16.1 disclosures throughout 2011. Do you recall that?

20 A I don't.

21 Q Does it sound like the right date that you served a
22 supplement on July 28th, 2011?

23 A I'll accept your representation.

24 Q And on the -- the second supplement was served
25 August 1st, 2011?

1 A I'll accept your representation.

2 Q And the third supplement was served August 5th,
3 2011?

4 A And I'll accept your representation.

5 Q Okay. All right. Is it your testimony today that
6 despite that all three of these deliveries of electronically
7 stored information from Macau had occurred prior to all of
8 those supplements? You were never made aware that that
9 information was in United States?

10 MR. MCCREA: Objection, Your Honor. Attorney-client
11 privilege.

12 THE COURT: Sustained.

13 MR. PISANELLI: Well, Your Honor, if I may --

14 THE COURT: Uh-huh.

15 MR. PISANELLI: The reason why I think that last
16 question is important is one of the exercises we're going
17 through today is trying to determine what counsel knew when
18 they made representations to you. And if Mr. Jones's position
19 is that he didn't know that any of this information was in the
20 United States, that certainly will be relevant to any analysis
21 of his representations to you.

22 THE COURT: But the client is, if they decide,
23 permitted to make the attorney-client privilege objection.
24 And if I brought an adverse inference related to that, that's
25 one of the things that happens. But they're allowed to direct

1 their counsel not to answer that question.

2 MR. PISANELLI: Okay.

3 THE WITNESS: And again, the adverse inference is --

4 THE COURT: I'm dealing with party issues --

5 THE WITNESS: All right.

6 THE COURT: -- at this point.

7 MR. MCCREA: Your Honor, I'm deeply concerned about
8 your repeated comments that --

9 THE COURT: I've said it about 25 times in the last
10 three weeks, Mr. McCrea.

11 MR. MCCREA: I know. And I respectfully direct the
12 Court's attention to NRS 49.405, which says that no inference
13 is to be drawn from the assertion of the privilege. And, in
14 fact, if we were in front of a jury we would be entitled to
15 instruction to the jury admonishing the jury that no inference
16 could be taken from the assertion of the privilege.

17 THE COURT: You know, there's this case that's a
18 couple years old where there's a Fifth Amendment privilege
19 assertion in a civil case and it talks about the inferences
20 that can be made. Because of the nature of the issues in this
21 case, the attorney-client privilege is being used in this
22 particular case more in the nature of a Fifth Amendment
23 privilege objection by Sands, and I think that may be an issue
24 that is briefed at some point in time, but, unfortunately, a
25 corporation can act only through its officers, employees, and

1 agents, and so I don't have a person here who is the Las Vegas
2 Sands who can make that sort of provision. So I have not made
3 a decision as to the type of inference that will be drawn.
4 That is certainly something I will entertain argument on. But
5 given the Nevada Supreme Court's analysis of the way in which
6 a trial court is supposed to draw conclusions related to the
7 assertion of certain privileges, I didn't want anyone to be
8 surprised if I ultimately made a decision that an adverse
9 inference was appropriate to be made. That's all I'm trying
10 to say, Mr. McCrea. I'm trying to make sure nobody gets
11 blindsided by what may happen. And I certainly haven't
12 decided what that appropriate standard is at this time.

13 MR. MCCREA: Thank you for the clarification.

14 MR. BICE: Your Honor, I just would like to be heard
15 just briefly on the legal point so that the record is clear on
16 this.

17 THE COURT: Do we really need to do it now?

18 MR. BICE: Well, I can tell from your tone that I do
19 not.

20 THE COURT: Thanks.

21 All right. Since we're on interruption, let me go
22 back to one of the questions. And this is -- it may elicit an
23 objection, and, if so, don't answer it. So if you see Mr.
24 McCrea start to move or start to object, please be cautious.

25 On the hearing where you and I were having the

1 discussion and you told me you couldn't go back to Macau Ms.
2 Glaser had told me that, we're, and she was including the
3 attorneys, not even allowed to look at documents on a work
4 station here in the U.S. Is there a reason that you didn't
5 tell me you'd already looked at the documents on the work
6 station that day?

7 MR. MCCREA: Objection, Your Honor. Attorney-client
8 privilege.

9 THE COURT: Okay. Thanks.

10 BY MR. PISANELLI:

11 Q I want to start a little earlier than the hearing
12 Your Honor referenced. I want to start a hearing on April
13 22nd, 2011. It was the mandatory Rule 16 conference. Do you
14 remember that?

15 A I believe I was present.

16 Q Do you remember participating in that hearing?

17 A I remember I was present. I don't know how much I
18 participated or not.

19 Q Let's do this. Do you see that?

20 A Yes.

21 Q Court was involved in a discussion with Ms. Salt
22 where she asked, "Do you know how the electronically stored
23 information is kept? Is it emails, is it kept in some other
24 type of server than an email server?" And Ms. Salt stated, "I
25 think the vast majority is kept in an email server." The

1 Court then asked, "And is that an email server that is
2 maintained by Sands China, or is it maintained by a separate
3 vendor?" And Ms. Salt said, "No, it's maintained by a Sands
4 China subsidiary."

5 MR. PEEK: Mr. Pisanelli, I didn't hear the page.
6 Could you tell me the page.

7 MR. PISANELLI: I'm sorry. I think it's page 19.

8 MR. PEEK: Thank you. I just didn't hear it.

9 BY MR. PISANELLI:

10 Q Do you recall that conversation, Mr. Jones?

11 A I see the transcript. I don't recall it, no.

12 Q Now, I know from your testimony that you had not yet
13 reviewed the emails that were located in the United States,
14 but you were aware of them in April of 2011; correct?

15 A Yes.

16 Q Were you aware that those emails were here in the
17 United States when Ms. Salt was representing that they are
18 maintained by a Sands China subsidiary?

19 A I don't recall.

20 Q Do you recall whether you ever took any action to
21 inform Her Honor that you were aware that Ms. Salt's statement
22 was not completely true?

23 A I didn't inform the Court of that. I'm not sure
24 that I would agree with your characterization of Ms. Salt's
25 testimony, and I don't know that I'm here to opine as to Ms.

1 Salt's veracity.

2 Q Well, at the time that she said that it is
3 maintained in Sands China subsidiary, a hundred thousand or so
4 emails were in the United States; is that right?

5 A I don't know how many emails were stored in the
6 United States.

7 Q The Jacobs emails were here in the United States at
8 the time she made that statement?

9 A It was my understanding that a copy of the emails
10 had been transported to the United States, not the original.

11 Q Fact of the matter is no one during that Rule 16
12 conference informed Her Honor of that fact; is that right?

13 A Correct.

14 Q All right. So let's take a look at now at the
15 June 9th, 2011, hearing, starting on page 52.

16 THE COURT: Which one.

17 MR. PISANELLI: Oh. Wrong one. Sorry.

18 THE COURT: Which one, Mr. Pisanelli?

19 MR. PISANELLI: June 9th, page 52, Your Honor.

20 THE COURT: Thank you. I was just trying to put
21 mine back in chronological order, so --

22 THE WITNESS: You said page 52, Mr. Pisanelli?

23 BY MR. PISANELLI:

24 Q Yes, sir. Thank you.

25 Now, by June of 2011 you had reviewed the emails;

1 correct?

2 A I had reviewed some emails, yes.

3 Q Yes. And you were at this June 9th hearing;

4 correct?

5 A Yes, I was.

6 Q All right. And you were sitting at defense table
7 when Ms. Glaser said to Her Honor that, "Documents get," this
8 is at line 7, "must be reviewed in Macau." See that?

9 A Yes.

10 Q When she made that remark you were very well aware
11 that documents were being reviewed in the United States; isn't
12 that true?

13 A Documents were not being reviewed in the United
14 States at that time.

15 Q Emails were reviewed at --

16 A Emails of Mr. Jacobs --

17 Q -- at Mr. Kostrinsky's desk, were they not?

18 THE COURT: Wait. Only one at a time, please.

19 THE WITNESS: Can I finish my answer?

20 THE COURT: Yes.

21 BY MR. PISANELLI:

22 Q I'm sorry. I was in the middle of a question. But
23 go ahead.

24 THE COURT: He hadn't finished the one before you
25 started the next one.

1 THE WITNESS: Let me rephrase. There may have been
2 other documents that were being reviewed in the United States
3 at that time. We were trying to get discovery going. With
4 regards to what I expect the questioning was with regards to
5 Mr. Jacobs's emails, those were not being reviewed in the
6 United States.

7 BY MR. PISANELLI:

8 Q Mr. Jacobs's emails were not being reviewed in the
9 United States; is that what you just said?

10 A Not in June.

11 Q They'd already been reviewed in the United States?

12 A There had been a very limited review in May of 2011.

13 Q Very limited by you.

14 A Correct.

15 Q But Mr. Peek had reviewed some himself; right?

16 A Again, I understood Mr. Peek's review also to be
17 fairly limited.

18 Q Did you know what Mr. Kostrinsky's review was?

19 A I did not.

20 Q Did you know what anyone else at Las Vegas Sands'
21 review was?

22 MR. MCCREA: Objection, Your Honor. Attorney-client
23 privilege.

24 THE COURT: Sustained.

25 //

1 BY MR. PISANELLI:

2 Q The bottom line is that when Ms. Glaser told Her
3 Honor that the documents must be reviewed in Macau, you were
4 at this table with complete knowledge that they had already,
5 at least in part, been reviewed in Las Vegas; right?

6 A I knew that some had been reviewed, that it was our
7 understanding at that time, at this hearing, that the Office
8 of Data Privacy in Macau had been quite clear that no further
9 review could happen.

10 MR. MCCREA: Objection, Your Honor. Attorney-
11 client.

12 THE COURT: Sustained.

13 BY MR. PISANELLI:

14 Q My point is not about what would be done in the
15 future. My point is very simply that you never told Her Honor
16 when you heard Ms. Glaser make this remark that documents had
17 already been reviewed in the United States, did you?

18 A That is correct.

19 Q And when she says in the next line that, "They are
20 in Macau," that, too, was untrue; right?

21 A You examined Ms. Glaser. I can't get in her head
22 and know exactly what documents she was referring to.

23 Q That is a fair point, Mr. Jones. But you knew that
24 a statement that the documents are in Macau was at least
25 partially untrue, because you knew the Jacobs emails were on

1 Las Vegas Boulevard; right?

2 A I knew that Jacobs -- there was a copy of Mr.
3 Jacobs's emails at Las Vegas Sands.

4 Q And you did not take any action to inform Her Honor
5 that Ms. Glaser had made a false statement, did you?

6 A I did not.

7 Q Okay.

8 A I'm not sure that I would agree with the
9 characterization of Ms. Glaser's statement as false, but --
10 Q Well, how about the next one, where she says, "They
11 are not allowed to leave Macau"? You knew when she made that
12 remark that some of them did leave Macau; right?

13 A At the time we were in the process of trying to
14 figure out how we were going to accomplish the Court's goal of
15 getting things reviewed as quick as possible. We got
16 direction from OPDP that we couldn't --

17 MR. McCREA: Objection, Your Honor. Attorney-
18 client.

19 THE COURT: Sustained.

20 BY MR. PISANELLI:

21 Q My simple question to you is when you heard Ms.
22 Glaser say that, "They are not allowed to leave Macau," you
23 knew that they already had; correct?

24 A I knew that some had.

25 Q Yes. And you didn't say anything to Her Honor to

1 correct that statement, did you?

2 A I did not.

3 Q She then says, "We have to review them there." You
4 knew that was false, too, because you had reviewed them here;
5 right?

6 A Again, Mr. Pisanelli, I understood at the time that
7 no one was going to be reviewing the documents from Las Vegas
8 Sands, either in Las Vegas or in Macau. So, yes, at the time
9 that statement was made I wasn't going over to the Sands to
10 review those documents, and I wasn't going over to Macau to
11 review those documents.

12 Q But you already had reviewed them here?

13 A I reviewed some of them, you are correct.

14 Q And you remained silent when Ms. Glaser said they
15 have to review them there; right?

16 A Correct.

17 Q And now it is your testimony to Her Honor that you
18 believe at this time that it was only Sands China lawyers that
19 could review the records in Macau; is that right?

20 MR. McCREA: Objection. Work product. Calls for
21 his mental impression.

22 MR. PISANELLI: He just said --

23 THE COURT: Overruled.

24 THE WITNESS: That was my understanding.

25 //

1 BY MR. PISANELLI:

2 Q All right. As of the date of this hearing you
3 didn't believe that Las Vegas Sands was entitled to review any
4 documents at all; right?

5 MR. MCCREA: Objection. Attorney-client.

6 THE COURT: Sustained.

7 BY MR. PISANELLI:

8 Q Okay. Isn't it true, Mr. Jones, that even after
9 this hearing you told Her Honor that Las Vegas Sands could
10 review the documents but they had to do it in Macau?

11 A I don't recall.

12 Q Let me read something to you, see if it refreshes
13 your recollection. I'm reading a document entitled "Las Vegas
14 Sands Corp.'s Motion to Compel Return of Stolen Documents
15 Pursuant to Macau Personal Data Protection Act." Do you
16 remember that brief?

17 A I do.

18 Q You signed it?

19 A I believe so.

20 Q Yep. And I'm going to turn to page 6 of 7, the last
21 remark you made to Her Honor.

22 MR. MCCREA: Is that in your witness book; Counsel?

23 MR. PISANELLI: I don't know the answer to that, but
24 I have copies.

25 THE COURT: Can you see it on the screen, Mr. Jones?

1 THE WITNESS: Yes.

2 MR. BICE: The answer to Mr. McCrea's question is
3 no, it is not in the book.

4 MR. PISANELLI: Your Honor, would you like a
5 courtesy copy? Got it on the screen?

6 THE COURT: I do.

7 BY MR. PISANELLI:

8 Q So this proceeding that we were talking about was
9 the position taken by Las Vegas Sands that Steve Jacobs had
10 stolen records. You remember that?

11 A Yes.

12 Q And that he was not entitled to keep them in his
13 possession during the pendency of this case; right?

14 A Correct.

15 Q As a matter of fact, it was Las Vegas Sands'
16 position that Mr. Jacobs was not entitled to keep possession
17 of them at all; right?

18 A Correct.

19 Q And the position that Las Vegas Sands took, your
20 client, was that Mr. Jacobs was not obligated to return them
21 to Sands China, but he was obligated to return the documents
22 to Las Vegas Sands. That's the position you took in the
23 papers you've signed; right?

24 A Yes.

25 Q And you even said to the Court, contrary to what you

1 just said a moment ago, that the appropriate manner to address
2 this issue is for Jacobs to return stolen company documents to
3 LVSC, and, if necessary, LVSC will then review the documents
4 in Macau. That's what you told Her Honor; right?

5 A That's what I stated in here, yes.

6 Q Right. You didn't tell her in that paper as you
7 just did that it was only Sands China lawyers that could
8 review records in Macau; right?

9 A I did not state that here.

10 Q You didn't. And you also didn't state in this
11 document that you and other Las Vegas Sands lawyers had
12 already reviewed Macau documents here in the United States;
13 right?

14 A I did not.

15 Q Now let's turn to page 55, going back to the
16 June 9th, 2011, hearing.

17 Prior to this hearing, before we talk about this,
18 Mr. Jones, did you personally inform a lawyer at Campbell &
19 Williams that Las Vegas Sands had possession of Steve Jacobs's
20 emails here in Las Vegas?

21 A I don't recall.

22 Q And Mr. Peek states at line 5 -- start at line 6,
23 where the substance of his remark starts, "That same Data
24 Privacy Act, Your Honor, also implicates communications that
25 may be on servers and email communication and hard document --

1 hard-copy documents in Las Vegas."

2 I will represent to you that Mr. Peek has taken a
3 position in this proceeding that this statement satisfied his
4 disclosure obligations to the Court. My question to you is do
5 you agree that this statement satisfied your disclosure
6 obligations to the Court concerning the transfer of data from
7 Macau to the United States?

8 MR. MCCREA: Work product, Your Honor. Objection.

9 THE COURT: Overruled.

10 THE WITNESS: I heard Mr. Peek's testimony. I know
11 that he would never make a misrepresentation to this Court.
12 And so I believe that that was -- satisfied the obligation,
13 yes.

14 BY MR. PISANELLI:

15 Q Satisfied your obligation?

16 A Yes.

17 Q And you held that belief at the time of this
18 hearing?

19 A I don't recall what I thought at the time of the
20 hearing, Mr. Pisanelli, to be quite frank.

21 Q Is your statement -- in all fairness, Mr. Jones, is
22 your statement, then, nothing more than your current state of
23 mind in support of Mr. Peek?

24 MR. MCCREA: Objection, Your Honor. Mental
25 impressions, work product.

1 THE COURT: Sustained.

2 BY MR. PISANELLI:

3 Q Is it your testimony, then, that you don't recall
4 what your state of mind was concerning your obligations of
5 candor and disclosure to the Court at the time that you were
6 listening to Ms. Glaser's remarks?

7 MR. McCREA: Object.

8 THE COURT: Sustained.

9 BY MR. PISANELLI:

10 Q Did you believe at the time that you heard Mr. Peek
11 make the remarks that he did on page 55 that he was referring
12 Her Honor to the existence of the Jacobs emails here in Las
13 Vegas?

14 MR. McCREA: Same objection.

15 THE COURT: Sustained.

16 BY MR. PISANELLI:

17 Q Now, on page 56 Mr. Peek tells Her Honor that your
18 law firm is not going to be able to make the date for the
19 production of documents, which was July 1st. Do you see that?

20 A Yes.

21 Q Now, you had been reviewing the documents, as you
22 told us earlier, as early as May of that same year; right?

23 A I think you're mixing documents here, Mr. Pisanelli.
24 We're reviewing a whole lot of documents --

25 Q Well --

1 A -- more than just Mr. Jacobs's emails.

2 Q Correct.

3 A I reviewed thousands and thousands and thousands of
4 documents in this case.

5 Q Did you take any action to inform Her Honor during
6 this portion of the discussion that the review of the emails
7 had already occurred at least in part?

8 A I did not.

9 Q Now, Mr. Peek said during this discussion that he
10 would be producing documents not implicated by the Macau Data
11 Privacy Act. Do you see that?

12 A Yes.

13 Q Okay. If he was making that representation in June,
14 can you explain to this Court why none of the documents that
15 were here in Las Vegas showed up on any of the 16.1
16 disclosures following this representation by Mr. Peek?

17 MR. McCREA: Objection. Attorney-client, work
18 product.

19 THE COURT: Sustained.

20 BY MR. PISANELLI:

21 Q On page 58 we're back to Ms. Glaser's remarks, where
22 she says to Her Honor that, "All documents from Sands China
23 have to get permission from the Office of Privacy." Do you
24 see that?

25 A Yes.

1 Q The documents that you had reviewed on Las Vegas
2 Boulevard prior to this hearing had not gone through or been
3 permitted by the Office of Privacy, had they?

4 MR. MCCREA: Objection. Attorney-client, work
5 product.

6 THE COURT: Sustained.

7 BY MR. PISANELLI:

8 Q Did you take any action to determine whether the
9 emails that you were reviewing here in Las Vegas had gone
10 through the Office of Privacy in Macau?

11 MR. MCCREA: Work product. Objection.

12 THE COURT: Sustained.

13 BY MR. PISANELLI:

14 Q Did you do anything to tell Your Honor that there
15 were records here in Las Vegas even raising the issue of
16 whether Ms. Glaser was telling the truth when she was telling
17 Her Honor about this Office of Privacy requirement?

18 A Other than Mr. Peek's statement, no.

19 Q The earlier statement on page 55?

20 A Correct.

21 Q Okay. Let's turn to some remarks that were made in
22 July -- on July 19th of 2011. Here on page 5 -- I'm sorry,
23 page 6, Ms. Glaser tells Her Honor that her client, Sands
24 China is on the cusp of violating the law. Do you see that?

25 A Yes.

1 Q Again, at the risk of belaboring this point, at the
2 time she made this remark hundred thousand-plus emails were
3 here in Las Vegas already; right?

4 A I don't know how many emails were here.

5 Q But you knew the Jacobs were here?

6 A Yes.

7 Q And you understood Ms. Glaser's remark about being
8 on the cusp of violating the law to be at best misleading in
9 light of the documents that were here in Las Vegas?

10 MR. MCCREA: Objection. Mental impression, work
11 product.

12 THE COURT: Sustained.

13 BY MR. PISANELLI:

14 Q Well, let's just talk about what you did. What did
15 you do to inform Her Honor about the existence of those
16 documents here in Las Vegas in light of Ms. Glaser telling Her
17 Honor that they were on the cusp of violating the law?

18 A I did not inform the Court at that hearing that
19 there were certain documents here in Las Vegas.

20 Q Now, the same theme continued on onto the next page.
21 On page 7, line 9, Ms. Glaser says, "We're not allowed to look
22 at documents at a station here." Earlier she said that you
23 have to go -- the law requires them to go to Macau. Do you
24 see that?

25 A Yes.

1 Q Now, when you sat here listening to her say that
2 people had to go to Macau to review the documents, you
3 couldn't review them at a station here, you had already done
4 that exact same thing; right? You did exactly what she was
5 saying could not be done; right?

6 A Two months prior and before we had learned from OPDP
7 that we should be doing so.

8 MR. MCCREA: Objection, Your Honor. Attorney-
9 client.

10 THE COURT: Sustained.

11 BY MR. PISANELLI:

12 Q What did you do to tell Her Honor -- after you heard
13 Patty Glaser say that documents could not be reviewed at a
14 station here, what did you do to inform Her Honor that
15 documents had already been reviewed at a station here?

16 A I did nothing.

17 Q I think Her Honor covered this point, but Ms. Glaser
18 said that you can't go to Macau on line 13. You see that?

19 A Yes.

20 Q Did that catch you by surprise when she said you
21 can't go?

22 A Again, I think I already clarified this with Her
23 Honor. The context of this was not that I couldn't go over
24 there and gamble or enjoy myself, it was that I couldn't go
25 over there to review documents as a Las Vegas Sands Corp.

1 lawyer.

2 Q Were you concerned that Her Honor and everyone else
3 in this courtroom was under the understanding that the
4 government wanted you out of their country?

5 MR. MCCREA: Objection, Your Honor. Lack of
6 foundation.

7 THE WITNESS: No. And I'm sorry if I --

8 THE COURT: Overruled.

9 THE WITNESS: -- that impression. It certainly
10 wasn't my intent. I thought quite and clear and after reading
11 the transcript I honestly don't believe that there should have
12 been any confusion. I apologize to Her Honor of there was the
13 impression that the government of Macau had barred me
14 personally from going over to their country.

15 BY MR. PISANELLI:

16 Q Okay. So your only point, then, when you said -- or
17 you allowed -- well, actually, you did participate in it. You
18 said, "I'm prohibited from going, actually, by the Macau
19 government." Actually your words; right?

20 A Yes. And if you continue reading down, Ms. Glaser
21 talks about the fact that the Macau government said they have
22 to review the documents in Macau.

23 Q Did she --

24 A That was the context, Mr. Pisanelli.

25 Q All right. Well, let's talk about context. Right

1 there on that same statement she started off with, "The only
2 people that can go are people that represent Sands China." Do
3 you see that?

4 A Yes.

5 Q That's exactly opposite of what you said in the
6 brief we just discussed from September; right?

7 A Mr. Pisanelli, I can't get back to my mental
8 impression in that brief. The best that I recollect with
9 regards to that line in that brief was that we needed the
10 documents back. I don't know what the point of Las Vegas
11 Sands doing the review in that brief was. However, at the
12 time we knew -- we only knew that there were 11 --

13 MR. McCREA: Objection, Your Honor. Attorney-
14 client.

15 THE COURT: Sustained.

16 BY MR. PISANELLI:

17 Q So what I want to know from you, Mr. Jones, is we
18 have you sitting silent when Ms. Glaser tells Her Honor that
19 only Sands China people can go and review the documents in
20 Macau, and we have you later, a month or later saying that Las
21 Vegas can go to China and review the documents. As you sit
22 here today, which is your position?

23 MR. McCREA: Objection. Mental impression, work
24 product.

25 THE COURT: Sustained.

1 BY MR. PISANELLI:

2 Q Well, we're trying to figure out, Mr. Jones, whether
3 you sat silent as a misrepresentation was made to the Court.
4 So my question to you is did you make misrepresentation in the
5 written brief we've talked about?

6 A Perhaps it should have said "Sands China do the
7 review," Mr. Pisanelli.

8 Q Even then, as you now say that it should have said
9 Sands China, that's all the while with the open concession
10 that you and many other Las Vegas Sands people reviewed the
11 documents here in Las Vegas?

12 MR. McCREA: Objection, Your Honor.
13 Mischaracterizes the testimony.

14 THE COURT: Overruled.

15 THE WITNESS: I don't believe that there were many.
16 As we testified, myself and Mr. Peek reviewed some documents,
17 and staff went over and made an index of them.

18 BY MR. PISANELLI:

19 Q All right. You're aware that Mr. Rubenstein
20 reviewed those emails here in Las Vegas?

21 A I don't know.

22 Q You're aware that Mr. Kostrinsky did?

23 MR. McCREA: Objection, Your Honor. Attorney-
24 client.

25 THE COURT: Overruled.

1 THE WITNESS: I understood that Mr. Kostrinsky had
2 reviewed some. I don't know what he reviewed.

3 BY MR. PISANELLI:

4 Q You're also aware that O'Melveny & Myers reviewed
5 those documents in the United States?

6 A I don't know.

7 Q Okay. Ms. Glaser made the same remark on page 12,
8 did she not, line 6, where she said, "It is only Sands China
9 lawyers who are being allowed to even start the process of
10 reviewing documents"? Do you see that?

11 A I do.

12 Q That was a patently false remark in light of what
13 occurred Mr. Kostrinsky's office, was it not?

14 A I wouldn't characterize it that way, no, Mr.
15 Pisanelli.

16 Q Did you do anything to at least clarify for Your
17 Honor what happened on Las Vegas Boulevard prior to her making
18 this remark?

19 A I did not inform the Court that we had two months
20 prior performed a limited review prior to -- I will
21 discontinue my answer.

22 THE COURT: Thank you.

23 BY MR. PISANELLI:

24 Q Let's take a look at at what happened on what may
25 have been my first appearance in this case on September 16th,

1 2011. Do you remember participating in that hearing?

2 A Not specifically, but --

3 Q My best recollection was that you and I were
4 standing up at the podium, and Ms. Glaser was on the
5 telephone. Does that ring a bell to you?

6 A I see that I'm on here, so I'll take the transcript
7 as it is.

8 Q On page 3 Ms. Glaser said to Her Honor -- in
9 opposition to my request for additional time to get up to
10 speed she said the following. "We are very much opposed to
11 continuing the evidentiary hearing." Do you see that?

12 A Yes.

13 Q She was talking about the evidentiary hearing on the
14 issue of jurisdiction over Sands China; right?

15 A I'll take your representation.

16 Q You don't remember that?

17 A I don't. I haven't been in this case for a year,
18 Mr. Pisanelli.

19 Q Okay. Now, on September 16th, 2011, Ms. Glaser said
20 in reference to the hearing, "It's not till November 21st.
21 I'm not trying to be unprofessional," she said, "because I
22 appreciate that counsel's just coming into this case. But --
23 and again, at the risk of sounding pedantic, this should not
24 become our problem," she said. "Sands China if appropriate
25 wants out."

1 Now, you understood that Ms. Glaser was trying to
2 convince the Court that the evidentiary hearing should go
3 forward without a continuance in November; right?

4 A Again, I don't really have a recollection of this
5 hearing. I'm reading this now. Ms. Glaser said what she
6 said.

7 Q She goes on to say on page 10, starting at line 20,
8 "Your Honor, disclosure is required today. Your prior order
9 was that we were to exchange witnesses and documents. The
10 November 21st evidentiary hearing is two months away. We
11 urge, please, please, urge the Court not to continue that
12 date."

13 When Ms. Glaser was telling Her Honor, please,
14 please don't continue the date, today's the disclosure date,
15 you knew standing at Her Honor's desk that all of the Jacobs
16 emails sitting on Las Vegas Boulevard had not been produced to
17 the plaintiffs, didn't you?

18 A Yes.

19 Q And you didn't say a word to Her Honor in response
20 to Patty Glaser's plea that the evidentiary hearing go forward
21 without the disclosure or even the identification of a hundred
22 thousand-plus emails sitting at Las Vegas Sands here in Las
23 Vegas. You didn't say a word.

24 A I didn't, Mr. Pisanelli. There were also many,
25 many, many other documents that had not yet been produce and a

1 team of reviewers going over things during the summer. And,
2 no, not everything had been produced yet, because it was a
3 very lengthy, tedious process of review.

4 Q Knowing that Ms. Glaser was pleading, please, please
5 let this hearing go forward, and understanding your remark
6 just now about all the work that needed to be done, remember
7 this is the disclosure day when she said it. Was it in the
8 works to produce those emails to the plaintiffs prior to the
9 start of the evidentiary hearing?

10 MR. McCREA: Objection, Your Honor. Attorney-
11 client, work product.

12 THE COURT: Sustained.

13 BY MR. PISANELLI:

14 Q Was it the exact opposite --

15 MR. McCREA: Objection. Same objection.

16 BY MR. PISANELLI:

17 Q -- for the defendants -- let me get the question
18 out. Was it the exact opposite for the defendants to do what
19 they could to move forward with that hearing without ever
20 giving one of those emails or even the idea and the knowledge
21 of the existence of those emails to the plaintiffs?

22 MR. McCREA: Same objection.

23 THE COURT: Sustained.

24 MR. PISANELLI: Thank you, Your Honor.

25 THE COURT: Would any of the defense team like to

1 inquire of Mr. Justin Jones?

2 MR. BRIAN: No, Your Honor.

3 THE COURT: Thank you, Mr. Jones. Have a very nice
4 day.

5 That takes us to a short break before we begin with
6 I believe Mr. Singh. So 10 minutes.

7 MR. PEEK: Thank you, Your Honor.

8 (Court recessed at 10:59 a.m., until 11:07 a.m.)

9 THE COURT: Mr. Brian --

10 MR. BRIAN: Yes.

11 THE COURT: -- the case I was trying to tell Mr.
12 McCrea about, the name I couldn't remember, is Francis versus
13 Wynn.

14 MR. BRIAN: Okay. That's the case name?

15 THE COURT: 127 Nev. Adv. Opn. 60. So it's a 2011
16 case.

17 MR. BRIAN: Okay. Thank you.

18 THE COURT: Unfortunately, I have the carry on of
19 that case, and Mr. Pisanelli had the first part of that case,
20 I think. Mr. Bice had the first part.

21 MR. BRIAN: And that's the Fifth Amendment case you
22 were talking about?

23 THE COURT: Yeah.

24 MR. BRIAN: Yeah.

25 THE COURT: And I read in the paper that the jury

1 gave him 20 million punies, so --

2 MR. PISANELLI: Twenty more.

3 THE COURT: Assessed twenty more. Forty. Twenty
4 plus twenty.

5 MR. BRIAN: I know of that case. I actually
6 represented Mr. Francis in his criminal tax case in L.A.

7 THE COURT: See? So there's just lots of tentacles.

8 Mr. McCrea, I just gave Mr. Brian citation of the
9 case I mentioned for you.

10 MR. MCCREA: Oh. Thank you.

11 THE COURT: I think Mr. Pisanelli can tell you all
12 about that case, since it's his case. I didn't realize that
13 till I pulled the opinion just now.

14 MR. MCCREA: Sorry to hear that.

15 MR. PISANELLI: Your Honor, for case management
16 purposes, hearing management purposes and followup to the
17 Kostrinsky issue, rather --

18 THE COURT: Hold on a second. Hold on a second.
19 You need everybody in the room before you get too far along.

20 MR. PISANELLI: Okay.

21 THE COURT: Mr. Peek, I told Mr. Kutinac he could
22 not bring a toothbrush for you yesterday. I forgot to tell
23 you that.

24 MR. PEEK: Thank you, Your Honor. That's --

25 THE COURT: Like the Black Knight day, he was going

1 to put a toothbrush up there just to make you feel better.

2 MR. PEEK: That's comforting.

3 THE COURT: I said no, that was mean.

4 Okay. Now that everybody's in the room what do you
5 want to say?

6 MR. PISANELLI: Just for Your Honor's information
7 and management of the hearing, we last night, rather than
8 torture you and everyone else again with the entire four hours
9 of the deposition, we went through --

10 THE COURT: Referring to the Mr. Kostrinsky
11 videotape deposition?

12 MR. PISANELLI: Yes, ma'am, I am.

13 THE COURT: All right.

14 MR. PISANELLI: We went through and pulled out
15 excerpts and video, and it's about an hour 28.

16 THE COURT: And have you shared those excerpted
17 portions that you intend to play with the defense team?

18 MR. PISANELLI: We have it in both hard copy and a
19 video.

20 THE COURT: So why don't you give the hard copy to
21 the defense team so they can look at it and see if there are
22 additional portions of the videotaped deposition of Michael
23 Kostrinsky taken on July 5th, 2012, that they would like to
24 designate so that that can also be played.

25 MR. PISANELLI: Very well. We will do that.

1 THE COURT: Because that's the same thing I do every
2 time we deal with this process.

3 MR. BRIAN: May I confer briefly, Your Honor?

4 THE COURT: You may always confer briefly.

5 And I do have to break a few minutes before 12:00,
6 because I have a meeting. It's on the tenth floor, so it
7 doesn't take me very long to get there, but I've got to go,
8 and we'll probably be broke till about 1:30.

9 MR. PISANELLI: Your Honor, do you want a
10 highlighted version of the transcript for what designations
11 we're playing on video?

12 THE COURT: Nope.

13 MR. PISANELLI: We have one for you if you'd like
14 it.

15 THE COURT: No, I don't.

16 MR. PISANELLI: Okay.

17 THE COURT: However, someone on the defense team
18 should probably follow along just to make sure that there's no
19 departure from what they believe is being played and there's
20 no additional portions they want played that mistakenly got
21 left out.

22 MR. BRIAN: We're going to start reviewing this
23 right now. We just discussed --

24 THE COURT: Well, but I'm going to have Mr. Singh go
25 next; right? I've got a live witness?

1 MR. BRIAN: Yes. I understand.

2 THE COURT: Multitask.

3 MR. BRIAN: That's what we're going to do.

4 MR. PISANELLI: Your Honor, at Jill's request we're
5 going to have one available for her when it -- the tape starts
6 playing.

7 THE COURT: Jill loves to have help.

8 MR. PEEK: But she doesn't need it, Your Honor.

9 THE COURT: She is very efficient.

10 All right. Is there anything else before we resume
11 with our next live witness, Mr. Singh?

12 Hearing none, Mr. Singh, if you'd come up, please.

13 MANJIT SINGH, COURT'S WITNESS, SWORN

14 THE CLERK: Thank you. Please be seated. State
15 your name, and spell it for the record.

16 THE WITNESS: Manjit Singh, M-A-N-J-I-T S-I-N-G-H.

17 DIRECT EXAMINATION

18 BY THE COURT:

19 Q Good morning, sir. I have a --

20 MR. BICE: Apologize, Your Honor.

21 THE COURT: I get to go first.

22 MR. BICE: You do.

23 BY THE COURT:

24 Q All right. I have some questions for you.

25 Hopefully my questions will make sense to you. I don't -- I'm

1 not computer savvy, but you are. That's what you do for a
2 living.

3 A I appreciate that assumption.

4 Q If I use any terms that you think I'm not using
5 correctly or they're confusing to you, please let me know.
6 I'm not going to be offended by that. And I will try and work
7 through what it is that I'm really asking you about, okay.

8 A Okay, Your Honor.

9 Q When was the first time that electronically stored
10 information was transferred from Sands China operations in
11 Macau to the United States?

12 A In relation to this case?

13 Q No. Ever.

14 A My understanding would be that in the ordinary
15 course of business there were emails exchanged on a frequent
16 basis.

17 Q And that was beginning when?

18 A That I do not know the answer to.

19 Q Okay. Does it predate your employment?

20 A I believe it does, yes.

21 Q And when did your employment start?

22 A I started August 30th of 2010.

23 Q Okay. And so at the time you started working at the
24 Sands there was already an exchange of electronic information
25 occurring with the Macau groups?

1 A That's correct.

2 Q Okay. Do you know how frequent those transfers were
3 at the time you first started?

4 A I do not.

5 Q Okay. Did the frequency of the transfers ever
6 change?

7 A I don't have a context to be able to answer that
8 question.

9 Q Okay. You knew there were exchanges of information
10 that were occurring when you first started?

11 A Right.

12 Q Did those exchanges of information ever stop?

13 A Not to my knowledge, no.

14 Q Okay. So they still go on today?

15 A To the best of my knowledge, yes.

16 Q All right. Are you aware that a ghost or mirror
17 image -- and if I'm using the terms incorrectly, please feel
18 free to correct me -- was made of the hard drive of a computer
19 that Mr. Jacobs had used in Macau?

20 A Yes.

21 Q How did you become aware of that?

22 A As part of these proceedings I was made aware of
23 that.

24 MR. MCCREA: Your Honor, may I make a statement?

25 THE COURT: Absolutely.

1 MR. McCREA: Mr. Singh, as the Court knows, was
2 designated as a 30(b)(6) witness, and he was deposed as such.
3 As part of his preparation for that task he met with a number
4 of attorneys to be briefed on areas that he would be -- that
5 he was designated to testify on. I'm not going to object to
6 the general subject matter of what was discussed, but I will
7 object to specific -- if there's a question that calls for a
8 specific communication from or to the attorney involved, I
9 will object. I --

10 THE COURT: Let me tell you how I've ruled on this
11 in the past.

12 MR. McCREA: Okay.

13 THE COURT: Because this issue is not the first time
14 somebody has prepped a 30(b)(6) witness by using a lawyer to
15 do that preparation.

16 MR. McCREA: I'm sure.

17 THE COURT: And I think the last time this was
18 problematic was a case that Mr. Peek was involved in along
19 with Mr. Hejmanowski of your law firm.

20 MR. McCREA: I'm not surprised.

21 MR. PEEK: Why am I always the poster child, Your
22 Honor?

23 THE COURT: Because you're here a lot, just like
24 Lionel Sawyer's here a lot. So, I mean, it's -- the firms
25 that are here in Business Court are here the same ones over

1 and over again, so I see you all.

2 My position has been historically, and I'm not
3 saying you won't be able to change my mind if you brief it and
4 give me some convincing arguments, is that if an attorney
5 preps someone to be a 30(b)(6) witness, what the attorney told
6 the 30(b)(6) witness is fair game to be explored, because that
7 was the preparation method that was chosen, as opposed to the
8 more laborious process of preparation of a witness to become a
9 30(b)(6) of reviewing a pile of 6 feet of documents. That's
10 been my ruling in the past. I'm not married to it, I'm just
11 telling you Mr. Hejmanowski convinced me that was the correct
12 one last time.

13 MR. McCREA: All right.

14 THE COURT: Sorry, Mr. Lionel. He's a very bright
15 lawyer, and he's very good. Paul Hejmanowski, not his son.

16 MR. McCREA: Your Honor, we're going to allow him
17 to, you know, testify pretty freely because of that, but if I
18 do feel that he's going to far afield and violating the
19 attorney-client privilege, I will lodge an objection.

20 THE COURT: Well, I'm just -- I understand. And if
21 you need to object, it's not going to bother me.

22 MR. McCREA: All right.

23 THE COURT: We'll brief it. I mean, I understand
24 the legal issues are rather complicated in this particular
25 circumstance, which is why I'm trying to make sure you guys

1 understand what I think the issues are, as opposed to what I
2 think the ruling should be, because I haven't decided what the
3 ruling should be yet. But I want you to be able to approach
4 the legal issues appropriately.

5 MR. McCREA: Thank you.

6 BY THE COURT:

7 Q All right. Are you ready?

8 A Yes.

9 Q So let's go back. How did you become aware that the
10 ghost or mirror image was made of the hard drive the computer
11 that Mr. Jacobs had used in Macau?

12 A I was informed by one of our counsel in preparation
13 for my testimony.

14 Q And what were you told?

15 A I was told that there was a ghost image made of Mr.
16 Jacobs's hard drive and that there was also a hard drive that
17 was sent over from Macau.

18 Q Okay. And did you to any examination of those data
19 storage devices at that time?

20 A I did not.

21 Q Okay. Have you ever?

22 A I have not, no.

23 Q Okay. So I take it, since those came over prior to
24 you starting with the Sands, that you were not involved in the
25 decision to make the initial ghost or mirror image of the hard

1 drive that was on the computer of Mr. Jacobs in Macau.

2 A That would be correct.

3 Q Okay. So hold on. Let me check off several
4 questions now.

5 Do you know what happened to the data storage device
6 when it arrived here in the United States from Macau?

7 A In terms of how it was handled?

8 Q Yes.

9 A My belief is that copies of some of the data was
10 placed on some file shares, or on a file share, rather, and
11 then the storage device was placed in a vault.

12 Q Okay. And when you refer to file shares, that a
13 drive that other people can access?

14 A That would be correct.

15 Q And did it allow for remote access?

16 A That's --

17 Q When I say remote I mean somebody like one of the
18 lawyers who was in say New York could sign onto the Sands
19 system, onto the server using an appropriate identifier and
20 password, and then be provided access to that drive.

21 A It would be possible. I do not know whether or not
22 that was actually done in this case.

23 Q Okay. For any of the subsequent data transfers that
24 were made -- because you've been sitting through the
25 proceedings and heard about some other data that was brought

1 over on storage devices --

2 A I have.

3 Q -- were you involved in the decision on how those
4 storage -- how the formatting or the information was to be
5 placed onto the storage devices that were transported from
6 Macau?

7 A I was not involved in those decisions.

8 Q Once those storage devices arrived in the United
9 States were you involved at all and then doing something with
10 that data?

11 A I was not.

12 Q Okay. Do you know who had access to the information
13 that was put on the shared drive?

14 A In the course of my preparation for the testimony
15 what I was able to do was determine whether or not that -- any
16 of those files existed on the file servers today, and took a
17 look to see who had access to that information.

18 Q Okay. Can you tell me who had access to that
19 information?

20 A It was essentially the IT group which would normally
21 have access and Mr. Kostrinsky.

22 Q Was there anyone else who had access other than the
23 IT group and Mr. Kostrinsky?

24 A The best of my recollection, no. But there was
25 another IT individual who was -- who was on the one files, as

1 far as I recollect.

2 Q Okay. You've heard some testimony of some of the
3 outside lawyers, I think Mr. Ma, about this ability to sign in
4 but having a problem with a password?

5 A Yes.

6 Q Were you aware that there was an attempt to provide
7 that type of access to any of the outside lawyers?

8 A I was made aware of that, yes.

9 Q How were you made aware of that?

10 A Again, in preparation for my initial deposition
11 testimony that was shared with me by counsel.

12 Q And what were you told?

13 A I was told that VPN access were provided to
14 specifically Holland Hart and potentially Glaser Weil.

15 Q And were you able to confirm that VPN access had in
16 fact been provided to Holland & Hart and Glaser Weil to the
17 shared file drive or shared drive?

18 A I was able to confirm that Holland Hart had VPN
19 access and was able to access some information that Mr.
20 Kostrinsky made available. I was not able to determine what
21 information that necessarily was.

22 Q Okay.

23 A I was not able to determine or validate that Glaser
24 Weil was given was given access.

25 Q Now, when you say it was shared information Mr.

1 Kostrinsky had made available, what do you mean by that?

2 A There was apparently -- my understanding is that
3 there was a location that was made available to external
4 counsel through this VPN connection that contained various
5 documents. I do not know what documents those were and what
6 information was available there.

7 Q Okay. And I would take it that then you wouldn't
8 know if any changes had made to the data that was on that
9 location, either.

10 A That would be correct.

11 THE COURT: All right. That's all the questions I
12 had for you. That was quick.

13 Mr. Bice.

14 He won't be as quick as I was.

15 CROSS-EXAMINATION

16 BY MR. BICE:

17 Q Let's just clarify a couple of points, if we might,
18 about the Judge's questions.

19 You'd indicated -- the Judge had asked you who had
20 access to the shared drives. Do you recall her asking you
21 that?

22 A I recall that question.

23 Q And you had indicated that the IT personnel and Mr.
24 Kostrinsky; right?

25 A That's correct.

1 Q All right. But, to be fair, you only looked for
2 drives that Mr. Kostrinsky had access to; correct?

3 A That would be correct.

4 Q So you never looked -- despite the fact that you
5 were the designated 30(b)(6) deponent, you actually never
6 looked to determine whether or not all those emails or other
7 data from Macau was stored on other drives that other people
8 had access to; correct?

9 A In the context of what I had been prepared for and
10 what information I had -- was my understanding was relevant I
11 did attempt to make a search of locations for other
12 information, and I -- as indicated in my deposition, I did
13 find a few locations.

14 Q Okay. But in terms of for -- you searched -- when
15 you ran your records to determine who had access to this data,
16 you only searched on the drives that Mr. Kostrinsky had
17 previously had access to; correct?

18 A That would be a correct statement.

19 Q Okay. You didn't search any drives that only, for
20 example, Mr. Rubenstein had access to; correct?

21 A Well, that would assume that Mr. Rubenstein would
22 have different access, which I do not know if that's a valid
23 statement.

24 Q Okay. Well, Mr. Rubenstein might have access to
25 documents that Mr. Kostrinsky didn't have access to; correct?

1 A It's possible.

2 Q Okay. And the same would be true for Ms. Hyman;
3 correct?

4 A It might be possible.

5 Q And the same would also be true for the current
6 general counsel, Mr. Raphaelson; correct?

7 A It could be.

8 Q All right. And you have not searched -- despite you
9 being the designated 30(b)(6) witness, you did not search to
10 determine who else in the company would have had access to all
11 of these documents; correct? Potentially had access to them.

12 A Again, that would presume that those documents exist
13 in another location other than the ones that I had identified.

14 Q Okay. And if they do, you don't know it?

15 A That would be correct.

16 Q Okay. Because you couldn't determine -- as I
17 recall, at your deposition you couldn't determine whether or
18 not all of those emails or the Macau data was stored on other
19 drives that people had access to; correct?

20 A That is correct.

21 Q All right. You'd also indicated to Her Honor when
22 she asked you about the transfer of electronic data between
23 Las Vegas and Macau -- did I understand you correctly to tell
24 Her Honor -- and if I misunderstood, you will correct me or
25 Her Honor will correct me -- that the policy today is the same

1 as it was when you started at the company.

2 A I'm not aware that a policy exists.

3 Q Okay. You're not aware that a policy exists; is
4 that right?

5 A That's what I said.

6 Q And are you -- and you're unaware that there was
7 ever any change in the transfer of data between Las Vegas and
8 Macau?

9 A Again, I'd have to ask you for some clarification.
10 I don't want -- don't know what you mean by change.

11 Q Okay. Well, do you recall at your deposition
12 telling me that in April of 2011 there was a change?

13 A Again, are we talking specifically to what I was
14 referencing during the deposition?

15 Q Okay. It's a simple question. Do you recall
16 telling us at your deposition that there was a change in the
17 -- what sort of data could be transferred or could be access
18 in Macau?

19 A Yes, there was a change in the access of certain
20 information in Macau.

21 Q Okay. Prior to -- and that was in April of 2011;
22 correct?

23 A It would be became aware of an issue around April-
24 May.

25 Q Okay.

1 A To be clear, subsequent to my deposition when I took
2 a look back to determine date, time frame of when access was
3 removed it was more around the July time frame.

4 Q Okay. But you -- so you're saying access was
5 removed in the July of 2011 time frame?

6 A That there was action taken in Macau in July 2011 in
7 order to make sure that there was compliance with our current
8 understanding of the data privacy issue.

9 Q Do you recall telling me that what prompted this
10 decision was a Securities and Exchange Commission subpoena
11 that had been issued to Las Vegas Sands Corp.?

12 A I recall mentioning I wasn't quite clear on what the
13 exact trigger was, that it could have been the SEC.

14 Q Okay. And do you recall telling us that it was your
15 understanding that the time frame in which the change in
16 policy and the discussion was occurring was when you overheard
17 discussions within the company about the Securities and
18 Exchange commission subpoenaing records?

19 A Again, I would want to correct that I would not
20 characterize it as a change in policy, because there was no
21 policy.

22 Q All right. Well, let's go to --

23 MR. BICE: Your Honor, may I publish --

24 THE COURT: Already started the process.

25 MR. BICE: Thank you.

1 THE COURT: Hold on a second.

2 Sir, here's your original deposition transcript.
3 Counsel will refer you to a page. Please feel free to read
4 before or after to give yourself context.

5 THE WITNESS: Thank you, Your Honor.

6 BY MR. BICE:

7 Q If you would, please, Mr. Singh, let's turn to
8 page 122 of your deposition.

9 THE COURT: 122?

10 MR. BICE: Yes.

11 THE COURT: Thank you.

12 BY MR. BICE:

13 Q Actually, let's start on the bottom of page 121 -- I
14 apologize.

15 MR. PISANELLI: See if Her Honor wants a copy.

16 THE COURT: No, thank you.

17 MR. PISANELLI: No, thank you?

18 THE COURT: No, thank you.

19 MR. BICE: I'm disappointed.

20 THE COURT: Sorry.

21 BY MR. BICE:

22 Q All right. I'll start on the bottom, and I'll read
23 along. Make sure -- you make sure I'm reading correctly for
24 the record. Line 23 is a question to you.

25 "Did you see written documents?"

1 And your answer was, "There was information
2 exchanged around the fact that the SEC subpoena came
3 in April of 2011, and that was what really started
4 the conversation around access to Macau data."

5 Question, "So it was in direct response -- is it
6 fair to say that this change in policy was prompted
7 by the SEC subpoena?"

8 Your answer was, "Again, I can't answer the
9 question. The time frame is all I can provide you
10 with."

11 My next question, "All right. But the time frame of
12 the change in policy and the discussions that you
13 overheard about it were in direct reaction to the
14 SEC subpoena?"

15 And your answer was, "That would be a valid
16 statement."

17 Correct?

18 A The best of my knowledge at the time, yes.

19 Q Okay. And my point was I'd asked you specifically
20 about a change in policy, right, and there was a change in
21 policy, was there not?

22 A Well, again, I wouldn't characterize it as a policy,
23 and perhaps I should have clarified that during my deposition.
24 But I would not characterize it as a policy.

25 Q All right. It was a change in access?

1 A Yes.

2 Q Okay. Do you recall testifying that there were two
3 changes that occurred? If you'd go to page 118. Actually,
4 let's start on page 117 so that we have the context of the
5 questions and answers. And I'll read it, and you follow along
6 with me again.

7 Line 9, question, "Were there any restriction -- or
8 restraints," I apologize, "as far as you know upon
9 the physical ability from an executive here in Las
10 Vegas to access any records -- any records at
11 Macau?"

12 Answer, "Not that I'm aware of."

13 Question, "The only restrictions would be
14 restrictions that might be on access levels by the
15 person's rank; is that fair?"

16 Answer, "Are we talking electronically, or
17 physically?"

18 Question, "Electronically."

19 Answer, "Electronically, yes."

20 Question, "And then -- and that then changed, you
21 said, in April of 2011; correct?"

22 Or the answer you gave was, "Correct."

23 And the next question was, "Okay. Do you know, did
24 it change after Sands was asked to respond to a
25 subpoena by the Securities and Exchange Commission,

1 or did the change occur before Sands was asked to
2 respond to the Securities and Exchange Commission?"
3 Answer, "I don't know the answer to that."

4 Question, "So describe for me what the change was
5 that occurred."

6 Okay? You're following me along?

7 A Yes.

8 Q Okay. So now, if you would, read to the Court what
9 your answer was to that question.

10 A I indicated there were two changes, one was a
11 clarification that no data in Macau should be accessed unless
12 approval was granted explicitly by Macau. There was access
13 that some individuals had to some systems in Macau that were
14 removed.

15 Q Okay. So now, prior to April of 2011 and prior to
16 this Securities and Exchange Commission subpoena being issued
17 Las Vegas Sands had a network-to-network connection with
18 Macau; correct?

19 A Correct.

20 Q And that connection, does it still exist today?

21 A Yes, it does.

22 Q But restrictions have now been imposed upon it;
23 correct?

24 A That is correct.

25 Q And those restrictions were not imposed by the

1 government of Macau, but they were imposed by Las Vegas Sands;
2 correct?

3 A Well, the action -- excuse me. The steps to
4 restrict access was taken by us in Macau.

5 Q Okay. And those were -- and that access restriction
6 occurred at the direction of executives here in Las Vegas, did
7 it not?

8 A I don't believe that that's an accurate statement.

9 Q Okay. You believe that it was at the direction of
10 executives in Macau?

11 A That is my understanding.

12 Q And where did you acquire that understanding?

13 A I would assume that it occurred that way because
14 there were discussions with my group or the folks in Macau
15 that indicated in their conversations with other executives in
16 Macau that the determination was that some steps need to be
17 taken.

18 Q Okay. Because if steps weren't taken, documents
19 were going to have to be supplied to the Securities and
20 Exchange Commission, weren't they?

21 A I would not have knowledge about whether or not that
22 was their context.

23 Q All right. But the time frame in which this
24 restriction, this turning off of the data flow occurred at
25 exactly -- from your understanding, at exactly the same time

1 the discussion accrued about responding to the Securities and
2 Exchange Commission?

3 A Well, again, I can only provide you with the context
4 that I recall, and that is the context in which I recall the
5 discussions taking place.

6 Q All right. Now, you say that you recall the
7 discussions in Macau. Do you recall attending a meet -- let's
8 clarify for the Court what your role in the company is. Can
9 you tell Her Honor what your title is.

10 A Sure. I'm the chief information officer.

11 Q And the chief information officer for whom?

12 A Las Vegas Sands Corporation.

13 Q All right. Chief information officer, what does
14 that mean to us lawyers?

15 A I provide the strategy and overall direction, if you
16 will, for the information technology groups.

17 Q All right. And the -- each property then has it's
18 own information technology officer?

19 A Correct.

20 Q All right. And they all report to you, except for
21 one or two of them; right?

22 A The leaders in Singapore and Macau do not report
23 directly to me, nor does --

24 Q I apologize.

25 A Nor does the leader in Pennsylvania.

1 Q Okay. The leader in Macau indirectly reports to
2 you; correct?

3 A You could make that statement.

4 Q Well, do you recall that you made that statement in
5 your deposition?

6 A Yeah.

7 Q Okay. I just wanted to make sure. And it's an
8 indirect report, as you'd indicated at your deposition,
9 because it's a publicly traded company; correct?

10 A That's my understanding.

11 Q Okay. But you are still overall responsible for the
12 IT oversight of all of the properties, both in the United
13 States and worldwide; correct?

14 A And if I could clarify --

15 Q Okay.

16 A -- I don't know what you mean by the term of
17 "oversight." For me it's strategic direction.

18 Q Okay.

19 A And guidance on say day-to-day issues.

20 Q All right. And you provide that also to the
21 properties in Macau; correct?

22 A In a more limited capacity.

23 Q All right. But you provide it also to the
24 properties in Singapore?

25 A Again, more limited capacity.

1 Q All right. And also here in Las Vegas?

2 A Yes.

3 Q Okay. So while those -- the information technology
4 officers onsite in Macau and Singapore don't report directly
5 to you, you do have -- they indirectly report to you, and you
6 provide them oversight concerning the IT operations for those
7 properties; is that true?

8 A That would be correct.

9 Q Now, do you recall -- going back a little bit now
10 that we sort of understand what your role is, do you recall
11 being summoned to a meeting in the spring of 2011 concerning
12 the reduction, or however one wants to use the word --
13 actually, let me strike that, use this.

14 You were present for the testimony of Ms. Glaser.
15 Do you recall that?

16 A Yes.

17 Q Okay. Do you recall there being some questions
18 about her and she had used the word "stone wall." Do you
19 recall that?

20 A I do recall that.

21 Q That a stone wall was erected. Do you recall that?

22 A I do.

23 Q Okay. And that stone wall was erected in the spring
24 of 2011; correct?

25 A I believe that was her testimony.

1 Q Okay. And that stone wall was erected by Las Vegas
2 Sands; correct?

3 A I don't recall whether she mentioned that that was
4 done by Las Vegas or Sands China.

5 Q Well, when you were summoned to a meeting to discuss
6 this data flow or what Ms. Glaser called the stone wall, that
7 occurred here in Las Vegas; correct?

8 A That meeting did take place in Las Vegas.

9 Q All right. And there were lawyers there from the
10 O'Melveny & Myers law firm, were there not?

11 A There were.

12 Q Okay. And Mr. Kaye, the Las Vegas Sands chief
13 financial officer, was also present, was he not?

14 A I believe that he was.

15 Q Okay. And Mr. Adelson even came into that meeting
16 for a period of time, did he not?

17 A I believe he came in at the end of that meeting.

18 Q All right. And Mr. Leven, the company's chief
19 executive or CEO, I'm not sure actually. Maybe he's COO. I
20 always get those acronyms a little confused. COO I think is
21 his title. He was not present; is that right?

22 A I don't recall completely whether or not he was
23 present or he was not. He may have attended, you know, when
24 Mr. Adelson joined, but I can't recall specifically.

25 Q All right. Now, is it fair to say that when this

1 stone wall was erected it was erected because the United
2 States had asked for information?

3 A Again, I don't know what the context was for why we
4 were having the discussion.

5 Q All right. But you knew that that was the timing of
6 it; correct?

7 A It was around that time frame.

8 Q Okay. So let's deal with prior to the United States
9 asking for information. Prior to that -- I think you've
10 already -- we read from your deposition testimony, and if I
11 think I'm wrong, you'll correct me -- there was a free flow of
12 data in this network-to-network system that existed between
13 Macau and Las Vegas; correct?

14 A I wouldn't characterize it necessarily as free flow.
15 I mean, information was exchanged. The nature of that
16 information I'm not specifically aware of.

17 Q Okay. Well, as I recall asking at your deposition,
18 and if I'm wrong you'll have to correct me, I recall asking
19 you whether there were any restrictions on the types of data
20 that could flow between the properties. Do you recall that?

21 A I do recall the question.

22 Q All right. And you were designated as the company's
23 representative to tell us what the restrictions were; correct?

24 A Correct.

25 Q Okay. And you were prepared by the lawyers

1 representing these defendants; correct?

2 A Correct.

3 Q And do you recall telling me that you as the
4 company's representative were unaware of any restrictions on
5 data flow prior to the spring of 2011?

6 A And I did make that comment --

7 Q All right.

8 A -- or I did make that statement, rather, and if I
9 can -- if I can explain or clarify it, there was -- my
10 intention in answering the question was there was no
11 documented restrictions on that.

12 Q All right. What happened was there were some people
13 of a certain rank in the company that could access certain
14 data, and others couldn't; right?

15 A Well, that is normally the case.

16 Q Right. That's true. But -- and that's true here in
17 Las Vegas; right?

18 A That's correct.

19 Q Okay. And so the types of data that could be
20 accessed in Macau from Las Vegas or even sent over to Las
21 Vegas was really controlled by the rank of the person either
22 accessing it or requesting it or sending it; right?

23 A Or a party who created that data and chose whether
24 or not to give access to various individuals.

25 Q Understood. And so -- but there were no physical

1 restrictions other than -- I don't know the terminology that
2 people in your industry use. An old person like me would use
3 the term "bandwidth," but that's clearly not valid anymore, or
4 I assume it's not. Were there any physical restrictions in
5 the amount of data that could be moved between Las Vegas and
6 Macau?

7 A Well, I would say bandwidth was an issue.

8 Q Okay.

9 A It's not a very fast connection.

10 Q Got it.

11 A Which would have caused some limitations, if that's
12 what you meant by physical limitations.

13 Q Okay. And were there any physical limitations,
14 though, on the types of data that could be moved between Las
15 Vegas and Macau?

16 A To the best of my knowledge, no.

17 Q And so prior to -- let's deal with the August 2010
18 transfer of a hard drive from Macau to Las Vegas involving the
19 Jacobs case, okay. Do you follow me?

20 A (No audible response)

21 Q All right. There was -- you understand that there
22 was a drive that was shipped over from Macau that contained on
23 it a ghost image; correct?

24 A Correct.

25 Q And that ghost image was of Mr. -- purported to be

1 of Mr. Jacobs's desktop machine; correct?

2 A And that was one of the images that was on the hard
3 drive.

4 Q All right.

5 A There were multiple images.

6 Q Okay. Tell the Court what else was on that original
7 drive.

8 A There were some images of two laptop systems, as
9 well, and then emails from Mr. Jacobs.

10 Q All right. So there -- and the emails were
11 separated from the ghost image of the desktop machine?

12 A I do not know. I've not seen or -- I've not seen
13 the exact contents of that hard drive.

14 Q Right. Do you recall what the -- how were the
15 emails stored on that drive?

16 A My recollection is that they were stored as a .pst
17 file.

18 Q All right. Can you tell us what sort of file that
19 is.

20 A Sure. That's normally an email repository used by
21 Microsoft Outlook.

22 Q Okay. And so this image that was created, the ghost
23 image of the desktop and of the two -- did you say two
24 laptops?

25 A Two laptops is my --

1 Q All right. Those images, would they also contain
2 the emails in addition to the .pst files?

3 A I'm not sure I understand the question.

4 Q You know what, I'm not sure I do, either. That's
5 why I'm sort of walking around on this subject matter like a
6 blind person. So you're going to have to bear with me just a
7 little bit.

8 When a ghost image is created -- why don't we do
9 this. And Her Honor actually knows more about this than I do,
10 but I want the record to be clear.

11 When a ghost image is created, tell us what that is.

12 A A ghost image is basically a replica of the layout
13 of the hard drive, including all the files that were on it at
14 the time the image was taken, which would include your normal
15 documents, any applications on it, your deleted items folder,
16 those kinds of -- those kinds of items.

17 Q All right. Would it contain your emails?

18 A Yes.

19 Q Okay. Would it -- on a ghost image does the ghost
20 image -- can you access the ghost image and determine what had
21 been deleted from the original media source prior to the
22 creation of the ghost image?

23 A Only to the extent that those documents were in its
24 recycled folder or deleted folder.

25 Q Okay. If they -- however, if they were deleted from

IN THE SUPREME COURT OF THE STATE OF NEVADA

LAS VEGAS SANDS CORP., a Nevada
corporation, and SANDS CHINA LTD., a
Cayman Islands corporation

Petitioners,

vs.

CLARK COUNTY DISTRICT COURT, THE
HONORABLE ELIZABETH GONZALEZ,
DISTRICT JUDGE, DEPT. 11,

Respondents,

and

STEVEN C. JACOBS,

Real Party in Interest.

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**APPENDIX TO PETITION
FOR WRIT OF
PROHIBITION OR
MANDAMUS
RE MARCH 27, 2013
ORDER**

**Volume VIII of XIII
(PA1178 – 1415)**

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**APPENDIX TO EMERGENCY PETITION FOR WRIT OF
PROHIBITION OR MANDAMUS RE MARCH 27, 2013 ORDER
CHRONOLOGICAL INDEX**

Date	Description	Vol. #	Page Nos.
12/22/2010	Sands China Ltd's Motion to Dismiss including Salt Affidavit and Exs. E, F, and G	I	PA1 - 75
3/16/2011	First Amended Complaint	I	PA76 - 93
4/1/2011	Order Denying Defendants' Motions to Dismiss	I	PA94 - 95
5/6/2011	Petition for Writ of Mandamus, or in the Alternative, Writ of Prohibition (without exhibits)	I	PA96 - 140
5/17/2011	Defendant Sands China Ltd.'s Motion to Stay Proceedings Pending Writ Petition on OST(without exhibits)	I	PA141 - 57
7/14/2011	Defendant Sands China Ltd.'s Motion to Stay Proceedings Pending Writ Petition on OST including Fleming Declaration	I	PA158 - 77
7/26/2011	Answer of Real Party in Interest Steven C. Jacobs to Petition for Writ of Mandamus, or in the Alternative, Writ of Prohibition (without exhibits)	I	PA178 - 209
8/10/2011	Petitioner's Reply in Support of Petition for Writ of Mandamus, or in the Alternative, Writ of Prohibition (without exhibits)	I	PA210 - 33
8/26/2011	Order Granting Petition for Writ of Mandamus	I	PA234 - 37
9/21/2011	Plaintiff's Motion to Conduct Jurisdictional Discovery	I	PA238 - 46

Date	Description	Vol. #	Page Nos.
9/26/2011	Defendant Sands China Ltd.'s Opposition to Plaintiff's Motion to Conduct Jurisdictional Discovery on OST(without exhibits)	II	PA247 - 60
9/27/2011	Transcript: Hearing on Plaintiff's Motion to Conduct Jurisdictional Discovery	II	PA261 - 313
9/28/2011	Sands China Ltd.'s Motion in Limine to Exclude Documents Stolen by Jacobs in Connection with the November 21, 2011 Evidentiary Hearing re Personal Jurisdiction on OST(without exhibits)	II	PA314 - 52
10/6/2011	Sands China Ltd.'s Motion for Clarification of Jurisdictional Discovery Order on OST (without exhibits)	II	PA353 - 412
10/12/2011	Plaintiff Steven C. Jacobs' Opposition to Sands China Ltd.'s Motion for Clarification of Jurisdictional Discovery Order on OST(without exhibits)	II	PA413 - 23
10/13/2011	Transcript: Hearing on Sands China's Motion in Limine and Motion for Clarification of Order	III	PA424 - 531
12/9/2011	Notice of Entry of Order re November 22 Status Conference and related Order	III	PA532 - 38
3/8/2012	Order Regarding Plaintiff Steven C. Jacobs' Motion to Conduct Jurisdictional Discovery and Defendant Sands China Ltd.'s Motion for Clarification	III	PA539 - 44
3/22/2012	Stipulated Confidentiality Agreement and Protective Order	III	PA545 - 60

Date	Description	Vol. #	Page Nos.
5/24/2012	Transcript: Status Check	III	PA561 - 82
6/27/2012	Defendants' Joint Status Conference Statement	III	PA583 - 92
6/27/2012	Plaintiff Steven C. Jacobs' Status Memorandum on Jurisdictional Discovery	III	PA592A - 592S
6/28/2012	Transcript: Hearing to Set Time for Evidentiary Hearing	III	PA593 - 633
7/6/2012	Defendants' Statement Regarding Data Transfers	III	PA634 - 42
8/7/2012	Defendants' Statement Regarding Investigation by Macau Office of Personal Data Protection	III	PA643 - 52
8/27/2012	Defendant's Statement Regarding Hearing on Sanctions	IV	PA653 - 84
8/27/2012	Appendix to Defendants' Statement Regarding Hearing on Sanctions and Ex. HH	IV	PA685 - 99
8/29/2012	Transcript: Telephone Conference	V	PA700 - 20
8/29/2012	Transcript: Hearing on Defendants' Motion to Quash Subpoenas	V	PA721 - 52
9/10/2012	Transcript: Court's Sanction Hearing – Day 1 – Monday, September 10, 2012	VI	PA753 - 915
9/11/2012	Transcript: Court's Sanction Hearing – Day 2 – Volume I Tuesday, September 11, 2012	VI	PA916 - 87
9/11/2012	Transcript: Court's Sanction Hearing – Day 2 – Volume II Tuesday, September 11, 2012	VII	PA988 - 1157
9/11/2012	Defendants Las Vegas Sands Corp.'s and Sands China Limited's Statement on Potential Sanctions	VII	PA1158 - 77

Date	Description	Vol. #	Page Nos.
9/12/2012	Transcript: Court's Sanctions Hearing – Day 3 – Wednesday, September 12, 2012	VIII	PA1178 - 1358
9/14/2012	Decision and Order	VIII	PA1359 - 67
10/16/2012	Notice of Compliance with Decision and Order Entered 9-14-12	VIII	PA1368 - 1373
11/21/2012	Plaintiff Steven C. Jacobs' Motion for NRCP 37 Sanctions	VIII	PA1374 - 91
11/27/2012	Defendants' Motion for a Protective Order on Order Shortening Time (without exhibits)	VIII	PA1392 - 1415
12/4/2012	Defendant Sands China Ltd.'s Motion for a Protective order on OST	IX	PA1416 - 42
12/4/2012	Appendix of Exhibits to Defendant Sands China Ltd.'s Motion for a Protective order on OST and Exs. F, G, M, W, Y, Z, AA	IX	PA1443 - 1568
12/6/2012	Transcript: Hearing on Motion for Protective Order	IX	PA1569 - 1627
12/12/2012	Defendants' Opposition to Plaintiff's Motion for Sanctions (without exhibits)	IX	PA1628 - 62
12/18/2012	Transcript: Hearing on Motions for Protective Order and Sanctions	X	PA1663 - 1700
1/8/2013	Defendant Sands China Ltd.'s Report on Its Compliance with the Court's Ruling of December 18, 2012	X	PA1701 - 61
1/17/2013	Notice of Entry of Order re: Sands China Ltd.'s Motion for Protective Order and related Order	X	PA1762 - 68

Date	Description	Vol. #	Page Nos.
2/08/2013	Plaintiff's Renewed Motion for NRCP 37 Sanctions on Order Shortening Time	XI	PA1769 - 917
2/25/2013	Defendants' Opposition to Plaintiff's Renewed Motion for NRCP 37 Sanctions	XII	PA1918 - 48
2/25/2013	Appendix to Defendants' Opposition to Plaintiff's Renewed Motion for NRCP 37 Sanctions NOTE: EXHIBITS O AND P FILED UNDER SEAL (Bates PA2119-2159A Submitted Under Seal)	XII	PA1949 - 2159A
2/28/2013	Transcript: Hearing on Plaintiff's Renewed Motion for NRCP 37 Sanctions	XIII	PA2160 - 228
3/6/2013	Reply In Support of Plaintiff's Renewed Motion for NRCP 37 Sanctions	XIII	PA2229 - 56
3/27/2013	Order re Renewed Motion for Sanctions	XIII	PA2257 - 60

**APPENDIX TO EMERGENCY PETITION FOR WRIT OF PROHIBITION OR
MANDAMUS TO PROTECT PRIVILEGED DOCUMENTS
ALPHABETICAL INDEX**

Date	Description	Vol. #	Page Nos.
7/26/2011	Answer of Real Party in Interest Steven C. Jacobs to Petition for Writ of Mandamus, or in the Alternative, Writ of Prohibition (without exhibits)	I	PA178 - 209
12/4/2012	Appendix of Exhibits to Defendant Sands China Ltd.'s Motion for a Protective order on OST and Exs. F, G, M, W, Y, Z, AA	IX	PA1443 - 1568
2/25/2013	Appendix to Defendants' Opposition to Plaintiff's Renewed Motion for NRCP 37 Sanctions (Excerpt) NOTE: EXHIBITS O AND P FILED UNDER SEAL (Bates PA2119-2159A Submitted Under Seal)	XII	PA1949 - 2159A
8/27/2012	Appendix to Defendants' Statement Regarding Hearing on Sanctions and Ex. HH	IV	PA685 - 99
9/14/2012	Decision and Order	VIII	PA1359 - 67
12/4/2012	Defendant Sands China Ltd.'s Motion for a Protective order on OST	IX	PA1416 - 42
5/17/2011	Defendant Sands China Ltd.'s Motion to Stay Proceedings Pending Writ Petition on OST(without exhibits)	I	PA141 - 57
7/14/2011	Defendant Sands China Ltd.'s Motion to Stay Proceedings Pending Writ Petition on OST including Fleming Declaration	I	PA158 - 77

Date	Description	Vol. #	Page Nos.
9/26/2011	Defendant Sands China Ltd.'s Opposition to Plaintiff's Motion to Conduct Jurisdictional Discovery on OST(without exhibits)	II	PA247 - 60
1/8/2013	Defendant Sands China Ltd.'s Report on Its Compliance with the Court's Ruling of December 18, 2012	X	PA1701 - 61
6/27/2012	Defendants' Joint Status Conference Statement	III	PA583 - 92
9/11/2012	Defendants Las Vegas Sands Corp.'s and Sands China Limited's Statement on Potential Sanctions	VII	PA1158 - 77
11/27/2012	Defendants' Motion for a Protective Order on Order Shortening Time	VIII	PA1392 - 1415
12/12/2012	Defendants' Opposition to Plaintiff's Motion for Sanctions (without exhibits)	IX	PA1628 - 62
2/25/2013	Defendants' Opposition to Plaintiff's Renewed Motion for NRCP 37 Sanctions	XII	PA1918 - 48
7/6/2012	Defendants' Statement Regarding Data Transfers	III	PA634 - 42
8/27/2012	Defendant's Statement Regarding Hearing on Sanctions	IV	PA653 - 84
8/7/2012	Defendants' Statement Regarding Investigation by Macau Office of Personal Data Protection	III	PA643 - 52
3/16/2011	First Amended Complaint	I	PA76 - 93
10/16/2012	Notice of Compliance with Decision and Order Entered 9-14-12	VIII	PA1368 - 1373

Date	Description	Vol. #	Page Nos.
12/9/2011	Notice of Entry of Order re November 22 Status Conference and related Order	III	PA532 - 38
1/17/2013	Notice of Entry of Order re: Sands China Ltd.'s Motion for Protective Order and related Order	X	PA1762 - 68
4/1/2011	Order Denying Defendants' Motions to Dismiss	I	PA94 - 95
8/26/2011	Order Granting Petition for Writ of Mandamus	I	PA234 - 37
3/8/2012	Order Regarding Plaintiff Steven C. Jacobs' Motion to Conduct Jurisdictional Discovery and Defendant Sands China Ltd.'s Motion for Clarification	III	PA539 - 44
3/27/2013	Order re Renewed Motion for Sanctions	XIII	PA2257 - 60
5/6/2011	Petition for Writ of Mandamus, or in the Alternative, Writ of Prohibition (without exhibits)	I	PA96 - 140
8/10/2011	Petitioner's Reply in Support of Petition for Writ of Mandamus, or in the Alternative, Writ of Prohibition (without exhibits)	I	PA210 - 33
11/21/2012	Plaintiff Steven C. Jacobs' Motion for NRCP 37 Sanctions	VIII	PA1374 - 91
10/12/2011	Plaintiff Steven C. Jacobs' Opposition to Sands China Ltd.'s Motion for Clarification of Jurisdictional Discovery Order on OST	II	PA413 - 23
6/27/2012	Plaintiff Steven C. Jacobs' Status Memorandum on Jurisdictional Discovery	III	PA592A - 592S
9/21/2011	Plaintiff's Motion to Conduct Jurisdictional Discovery	I	PA238 - 46

Date	Description	Vol. #	Page Nos.
2/08/2013	Plaintiff's Renewed Motion for NRCP 37 Sanctions on Order Shortening Time	XI	PA1769 - 917
3/6/2013	Reply In Support of Plaintiff's Renewed Motion for NRCP 37 Sanctions	XIII	PA2229 - 56
10/6/2011	Sands China Ltd.'s Motion for Clarification of Jurisdictional Discovery Order on OST (without exhibits)	II	PA353 - 412
9/28/2011	Sands China Ltd.'s Motion in Limine to Exclude Documents Stolen by Jacobs in Connection with the November 21, 2011 Evidentiary Hearing re Personal Jurisdiction on OST (without exhibits)	II	PA314 - 52
12/22/2010	Sands China Ltd's Motion to Dismiss including Salt Affidavit and Exs. E, F, and G	I	PA1 - 75
3/22/2012	Stipulated Confidentiality Agreement and Protective Order	III	PA545 - 60
9/10/2012	Transcript: Court's Sanction Hearing – Day 1 – Monday, September 10, 2012	VI	PA753 - 915
9/11/2012	Transcript: Court's Sanction Hearing – Day 2 – Volume I Tuesday, September 11, 2012	VI	PA916 - 87
9/11/2012	Transcript: Court's Sanction Hearing – Day 2 – Volume II Tuesday, September 11, 2012	VII	PA988 - 1157
9/12/2012	Transcript: Court's Sanctions Hearing – Day 3 – Wednesday, September 12, 2012	VIII	PA1178 - 1358

Date	Description	Vol. #	Page Nos.
8/29/2012	Transcript: Hearing on Defendants' Motion to Quash Subpoenas	V	PA721 - 52
12/6/2012	Transcript: Hearing on Motion for Protective Order	IX	PA1569 - 1627
12/18/2012	Transcript: Hearing on Motions for Protective Order and Sanctions	X	PA1663 - 1700
9/27/2011	Transcript: Hearing on Plaintiff's Motion to Conduct Jurisdictional Discovery	II	PA261 - 313
2/28/2013	Transcript: Hearing on Plaintiff's Renewed Motion or NRCP 37 Sanctions	XIII	PA2160 - 228
10/13/2011	Transcript: Hearing on Sands China's Motion in Limine and Motion for Clarification of Order	III	PA424 - 531
6/28/2012	Transcript: Hearing to Set Time for Evidentiary Hearing	III	PA593 - 633
5/24/2012	Transcript: Status Check	III	PA561 - 82
8/29/2012	Transcript: Telephone Conference	V	PA700 - 20

CERTIFICATE OF SERVICE

Pursuant to Nev. R. App. P. 25, I certify that I am an employee of MORRIS LAW GROUP; that, in accordance therewith, I caused a copy of the **APPENDIX TO PETITION FOR WRIT OF PROHIBITION OR MANDAMUS RE MARCH 27, 2013 ORDER** to be served as indicated below, on the date and to the addressee(s) shown below:

VIA HAND DELIVERY

Judge Elizabeth Gonzalez
Eighth Judicial District Court of
Clark County, Nevada
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

Respondent

VIA ELECTRONIC AND U.S. MAIL

James J. Pisanelli
Todd L. Bice
Debra Spinelli
Pisanelli Bice
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169

Attorneys for Steven C. Jacobs, Real Party in Interest

DATED this 5th day of April, 2013.

By: /s/ PATRICIA FERRUGIA

ORIGINAL

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA

FILED IN OPEN COURT
STEVEN D. GRIERSON
CLERK OF THE COURT

SEP 13 2012

BY *Billie Jo Craig*
BILLIE JO CRAIG, DEPUTY

STEVEN JACOBS

Plaintiff

vs.

LAS VEGAS SANDS CORP., et al..

Defendants

CASE NO. A-627691

DEPT. NO. XI

Transcript of
Proceedings

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

COURT'S SANCTION HEARING - DAY 3

WEDNESDAY, SEPTEMBER 12, 2012

APPEARANCES:

FOR THE PLAINTIFF:

JAMES J. PISANELLI, ESQ.
DEBRA SPINELLI, ESQ.
TODD BICE, ESQ.

FOR THE DEFENDANTS:

J. STEPHEN PEEK, ESQ.
BRAD D. BRIAN, ESQ.
HENRY WEISSMAN, ESQ.
JOHN OWENS, ESQ.

FOR HOLLAND & HART

CHARLES McCREA, ESQ.
SAMUEL LIONEL, ESQ.

FOR MR. KOSTRINSKY:

JEFFREY A. GAROFALO, ESQ.

COURT RECORDER:

TRANSCRIPTION BY:

JILL HAWKINS
District Court

FLORENCE HOYT
Las Vegas, Nevada 89146

Proceedings recorded by audio-visual recording, transcript
produced by transcription service.

A-10-827691-B
TRANS
Transcript of Proceedings
1086063



181

1 LAS VEGAS, NEVADA, WEDNESDAY, SEPTEMBER 12, 2012, 9:26 A.M.

2 (Court was called to order)

3 MR. PEEK: Your Honor, my apologies for a --

4 THE COURT: Not your problem. I mean, there was a
5 flood yesterday, and I went down and looked at the wall this
6 morning and it was still wet. So it affected the equipment,
7 and I know it affected the people down there. So don't worry
8 about it.

9 MR. PEEK: Thank you.

10 MR. BRIAN: Your Honor, both sides got a message
11 from Mr. Kostrinsky's counsel that he wanted to come back this
12 morning and offer some supplemental or clarifying or
13 correcting testimony. He thought it would be short. I think
14 both of agree that that can -- which should proceed first if
15 that's convenient to the court.

16 THE COURT: Sure. Mr. Kostrinsky, why don't you
17 come on back up.

18 MR. BRIAN: There may be, as you probably
19 anticipate, a privilege issue, but we'll deal with that. But
20 procedurally we all agree.

21 THE COURT: Mr. Garofalo, so nice of you to join us
22 today.

23 MR. GAROFALO: Good morning, Your Honor, Jeff
24 Garofalo for the witness.

25 THE COURT: I had Mr. Lee in the box where you

1 usually sit for CityCenter next to the mike.

2 MR. GAROFALO: I heard.

3 MICHAEL KOSTRINSKY, COURT'S WITNESS, SWORN

4 THE CLERK: Please be seated and state your name and
5 spell it for the record, please.

6 THE WITNESS: Good morning. Michael Kostrinsky
7 K-O-S-T-R-I-N-S-K-Y.

8 REDIRECT EXAMINATION

9 BY THE COURT:

10 Q Was there something you wanted to tell us, Mr.
11 Kostrinsky?

12 A Yes. Yesterday, Mr. Pisanelli had asked me some
13 questions about the SEC drives. And one of the questions he
14 had asked was whether -- it was in the tune of whether I had
15 information or I had -- I had information of whether it was
16 possible that information may have been loaded onto one of the
17 two SEC drives and perhaps taken off at some point. And I
18 believe my answer to that was, no. And after being able to
19 think about it, my answer to --

20 MR. MCCREA: Your Honor, I'm going to object.
21 Attorney-client privilege.

22 BY THE COURT:

23 Q Is your information that you have based upon a
24 communication with your former employer and client, Las Vegas
25 Sands, or based upon something else?

1 A It would be based upon communications from counsel
2 from my former client.

3 THE COURT: Okay. The objection's sustained.

4 And whoever has the cell phone still going off,
5 please turn it off.

6 Anything else you wanted to tell us? Mr.
7 Kostrinsky, anything else you wanted to add?

8 THE WITNESS: No. It's just I wanted to be able to
9 clarify the answer that I gave.

10 THE COURT: I appreciate that.

11 Now, Mr. Pisanelli, did you want to ask some
12 questions of Mr. Kostrinsky?

13 MR. PISANELLI: Thank you, Your Honor.

14 RECROSS-EXAMINATION

15 BY MR. PISANELLI:

16 Q Mr. Kostrinsky, there was a time when you had access
17 to the shared drives containing the SEC subpoena documents;
18 correct?

19 A I know I had access to the U.S. drive, yes.

20 Q All right. And you took the opportunity to review
21 those documents on the drive itself; is that right?

22 A I've loaded documents onto the drive.

23 Q Okay. After -- when was that approximately?

24 A This would have been between February -- I think we
25 estimated between 10 and 15 -- 12th and the 15th of February I

1 think it started. And I think it stopped around the middle of
2 March.

3 Q Okay. So did there come a time after, we'll call
4 the middle of March after the documents were loaded onto that
5 drive, that you had the ability -- well, strike that. Did
6 there come a time after the documents were loaded where you
7 reviewed the shared drive again?

8 A I was on the U.S. shared drive quite a bit --

9 Q Okay.

10 A -- loading documents, organizing things and so
11 forth.

12 Q Now, from the time that the documents were loaded
13 and moving forward in time, did there come a time where you
14 personally noticed that some of the documents were missing
15 from that shared drive? In other words, they had been taken
16 off the shared drive?

17 A I don't recall personally noticing documents not
18 being there. Although, I didn't go on and check them everyday
19 for that purpose. So I want to put it in that context.

20 Q I understand. So Her Honor understands your point,
21 is it your testimony then that any information you have
22 concerning the removal of documents from that shared drive
23 came from a communication with another human being and not
24 from your personal experience?

25 MR. McCREA: Objection, Your Honor. Attorney-client

1 privilege.

2 THE COURT: Overruled.

3 THE WITNESS: The information that I would have -- I
4 would have received information from somebody about
5 information that may or may not have been removed and not from
6 -- and not from other sources. It would have been from an
7 internal communication from --

8 Can I say where it's from or I can't?

9 THE COURT: No. Don't tell me, because Mr. McCrea's
10 going to object again and I already sustained it once.

11 BY MR. PISANELLI:

12 Q But the communication, so we're clear on whether a
13 privilege is appropriate, came from someone at Las Vegas Sands
14 Corp?

15 A No.

16 Q Okay. Was it a lawyer that you were speaking to?

17 A I wasn't speaking to them, but yes.

18 Q Okay. So this was a written communication?

19 A Yes.

20 Q All right. Who was the written communication from?

21 A Anne Salt, an attorney from --

22 Q Anne Salt was an attorney for Sands China?

23 A Yes.

24 Q Okay. And Ms. Salt sent you a written communication
25 about documents on the United States shared drive, is that

1 what you're telling Her honor?

2 A I don't know if it was on the United States shared
3 drive.

4 Q Okay.

5 A But she sent me information -- she sent me
6 information.

7 MR. MCCREA: Objection, Your Honor.

8 THE WITNESS: Yes, I --

9 THE COURT: Don't tell me what the information was.
10 We've established the fact of the communication, it would
11 appear to be privileged because of Ms. Salt's position.

12 BY MR. PISANELLI:

13 Q And I think you just answered this, I'm sorry, she
14 sent this to you via email?

15 A Yes.

16 Q Okay. And it concerned records on one or the other
17 of the shared drives?

18 MR. MCCREA: Objection, Your Honor. Attorney-client
19 privilege.

20 THE COURT: Overruled. As to the subject matter
21 only, it's a yes or no.

22 THE WITNESS: Yes.

23 BY MR. PISANELLI:

24 Q And it is that communication that you were relying
25 upon when you asked the court to come back in to clarify your

1 testimony about the removal of documents from a shared drive?

2 A Yes.

3 Q Okay. And you have no other source of information
4 concerning the removal of documents from a shared drive other
5 than that email from Anne Salt; is that right?

6 A To the best of my recollection, that's right.

7 MR. PISANELLI: Thank you, Your Honor.

8 THE COURT: Anything else?

9 Anything else, Mr. Kostrinsky, that you wanted to
10 tell us?

11 THE WITNESS: No.

12 THE COURT: Have a very nice day. Thank you, Mr.
13 Garofalo, for visiting with us.

14 MR. GAROFALO: Thank you, Your Honor.

15 THE COURT: All right. Now, we were going to go to
16 either Mr. Singh or Mr. Justin Jones depending upon court
17 availability. Since I see Mr. Justin Jones in the courtroom,
18 I'm assuming you want to go to Mr. Justin Jones next. Just an
19 assumption on my part.

20 MR. PEEK: That is correct, Your Honor. I'd
21 arranged with him.

22 THE COURT: Okay.

23 JUSTIN JONES, COURT'S WITNESS, SWORN

24 THE CLERK: Please be seated. State your name and
25 spell it for the record, please.

1 THE WITNESS: Justin Jones, J-O-N-E-S.

2 DIRECT EXAMINATION

3 BY THE COURT:

4 Q Good morning, Mr. Jones. How are you today?

5 A Great.

6 Q That's delightful to hear. I only have a few
7 questions to you. Some of them may elicit an attorney-client
8 objection. If they do, I'll rule on the objection and then
9 I'll decide whether I'm going to stop asking questions and let
10 Mr. Pisanelli or Mr. Bice start. On July 19th, 2011, in a
11 court hearing you told me you could not be involved in the
12 review of Jacobs's information and were prohibited from going
13 to Macau. Do you recall that?

14 A Yes.

15 Q Okay. Why did you tell me that?

16 MR. McCREA: Objection, Your Honor. Foundation --

17 THE WITNESS: I'm happy to answer, but --

18 MR. McCREA: -- and attorney-client privilege.

19 THE COURT: Okay.

20 BY THE COURT:

21 Q Did you review ESI from an image of the hard drive
22 of Mr. Jacobs's computer in the United States?

23 A I reviewed email correspondence.

24 Q And was that at Mr. Kostrinsky's computer at the Las
25 Vegas Sands?

1 A Yes, that is correct.

2 Q And when did you do that review?

3 A Approximately May 19th, 2011.

4 Q What were you told about the source of that ESI?

5 MR. McCREA: Objection, Your Honor. Attorney-client
6 privilege.

7 THE COURT: Objection's sustained.

8 BY THE COURT:

9 Q Were any portions of ESI converted to hard copy
10 while you were in Mr. Kostrinsky's office? In other words,
11 did you print any of them?

12 A Yes.

13 Q What did you do with the ones that you printed?

14 A I placed them on Mr. Kostrinsky's desk with a Post-
15 it note.

16 Q Okay. Well, I'm not going to ask what the Post-it
17 note says, because I know what that will elicit. Can you tell
18 me why you failed to disclose to the court the mirror -- or
19 the information that you were reviewing at Mr. Kostrinsky's
20 office?

21 MR. McCREA: Objection, Your Honor. Attorney-client
22 privilege.

23 BY THE COURT:

24 Q Were you, in fact, precluded from going back to
25 Macau by the authorities?

1 A I could have gone there and gambled if I wanted.
2 But it was my understanding that I could not participate in
3 the review of documents because I was not counsel for Sands
4 China or VML.

5 Q So it wasn't that you couldn't go to Macau?

6 A Correct. And if -- I apologize to the court if that
7 was --

8 Q I thought you'd done something and they wouldn't let
9 you back in the country.

10 A I'm not aware that I did anything that would prevent
11 me from going back there. It was in the context of Ms.
12 Glaser's comments with regards to communications from OPDP
13 with regards to review of documents by anyone other than Sands
14 China counsel.

15 MR. McCREA: Your Honor, objection. I don't want
16 him to get into any communications he had with any attorneys
17 for Las Vegas Sands or Sands China.

18 THE COURT: Okay. I'm not going to ask any more
19 questions of Mr. Jones, because everything else I want to know
20 from Mr. Jones would probably elicit an attorney-client
21 objection and is probably cleaner if one of the attorneys for
22 Mr. Jacobs now asks the question so I can just rule on
23 objections.

24 Thank you, Mr. Jones.

25 THE WITNESS: May I ask a question?

1 THE COURT: Sure.

2 THE WITNESS: Since I haven't been involved in this
3 case for a year now and am only -- have only limited knowledge
4 as to what the purpose of this proceeding is, I've heard Your
5 Honor make some comments with regards to adverse inferences of
6 the invocation of the privilege. Since I am an attorney
7 sitting here that you're questioning, is that adverse
8 inference going to be directed at me since you have questions
9 about me, because I --

10 THE COURT: That is probably unlikely given the
11 limited --

12 THE WITNESS: Okay. Because --

13 THE COURT: -- involvement that you had.

14 THE WITNESS: -- that's of concern to me.

15 THE COURT: So let me -- let me tell you, it's
16 probably unlikely given the limited involvement that you had
17 in the proceedings. However, I anticipate there will some day
18 be another Rule 37 motion that is filed by the plaintiffs and
19 that they're going to ask for a hearing. And I can't tell you
20 what will happen at that hearing.

21 THE WITNESS: Understood.

22 THE COURT: There is primarily issues related to
23 sanctioning every party that is involved in my proceeding as
24 opposed --

25 THE WITNESS: Okay.

1 THE COURT: -- sanctioning of an attorney.

2 THE WITNESS: Thank you for the clarification.

3 THE COURT: But I do not, you know, we'll see what
4 happens if something else happens in the future.

5 THE WITNESS: All right.

6 THE COURT: I'm ready.

7 MR. PISANELLI: Thank you, Your Honor.

8 THE COURT: I'm ruling on objections. Now I'm
9 taking notes.

10 MR. PISANELLI: Thank you, Your Honor.

11 CROSS-EXAMINATION

12 BY MR. PISANELLI:

13 Q Mr. Jones, there was a time during dependency of
14 this litigation that you were involved in the representation
15 of one or more of the defendants; is that right?

16 A One of the defendants.

17 Q Which defense?

18 A Las Vegas Sands.

19 Q And when did your involvement in this litigation
20 begin?

21 A Either the very end of October or beginning of
22 November, 2010.

23 Q Now, did there come a time when you ever were
24 involved in joint representation of both defendants?

25 A No.

1 Q Okay. When did you stop working on this case?

2 A End of September, 2011.

3 Q Why did you stop working on it?

4 MR. McCREA: Objection, Your Honor. Attorney-client
5 privilege.

6 THE COURT: Sustained.

7 BY MR. PISANELLI:

8 Q Did you ask or demand to be removed from this case?

9 A No.

10 Q Was your removal from this case based upon any of
11 your concerns of ethical violations that were occurring?

12 MR. McCREA: Objection, Your Honor. Attorney-client
13 privilege, work product.

14 THE COURT: Sustained.

15 BY MR. PISANELLI:

16 Q When did you first learn that the Macau Data Privacy
17 Act was going to be used as a -- I'm going to use the word
18 reason, as neutral a word as I can find, for one or both of
19 the defendants to not produce documents that originated out of
20 Macau?

21 MR. McCREA: Objection, Your Honor. Attorney-client
22 privilege.

23 MR. PISANELLI: The date, Your Honor.

24 THE COURT: The date only.

25 THE WITNESS: To the best of my recollection, that

1 would have been in connection with my trip to Macau the fourth
2 week in May 2011.

3 BY MR. PISANELLI:

4 Q And how did you learn that that law of Macau would
5 be used as a reason for not producing documents in this case?

6 MR. MCCREA: Objection. Attorney-client privilege.

7 MR. PISANELLI: Didn't ask what the communication
8 was, Your Honor, just the nature of the communication.

9 THE COURT: How he learned, whether it was a
10 communication in writing of an in-person conversation,
11 something like that. To the extent it was only a how the
12 communication was given to you.

13 THE WITNESS: There were verbal communications with
14 other attorneys for Sands China.

15 BY MR. PISANELLI:

16 Q Were these in-house attorneys or outside counsel?

17 A Both.

18 Q Was Anne Salt the in-house attorney?

19 A She was an attorney.

20 Q Was Mr. Melo one of the attorneys?

21 A No.

22 Q I'm sorry, not Mr. Melo. Who was the in-house
23 attorney?

24 A David Fleming.

25 Q Who were the outside counsel?

1 A I don't recall. We met with two law firms when we
2 were in Macau. I heard reference to one of the firm names
3 yesterday -- or for Ms. Glaser the other day, but I don't
4 recall.

5 Q Do you recall either of the counsel, the law firms?
6 Do you remember any of their individual names?

7 A I don't.

8 Q Other than those conversations that occurred while
9 you were in Macau, did you ever independently analyze the
10 Macau Data Privacy Act?

11 A No.

12 Q Did anyone at Holland & Hart?

13 MR. McCREA: Objection, Your Honor. Work product,
14 attorney-client privilege.

15 THE COURT: Sustained.

16 BY MR. PISANELLI:

17 Q Let's talk about the transfers of the data from
18 Macau to Las Vegas. I'd like to get a feel for the depth of
19 your understanding of what occurred. You understand that the
20 first delivery of data from Macau to the United States
21 occurred on or around August of 2010?

22 A I have heard that.

23 Q Where have you heard it?

24 A In connection with these proceedings.

25 Q Okay. When did you first learn that data had been

1 transferred from Macau to the United States?

2 A Early part of 2011.

3 Q And did you understand that that data that was sent
4 here was Mr. Jacobs's email?

5 MR. McCREA: Objection, Your Honor. Attorney-client
6 privilege, work product.

7 BY MR. PISANELLI:

8 Q I'll ask it broadly. What do you understand the
9 transfer of data to be -- what data was transferred --

10 MR. McCREA: Same objection.

11 THE COURT: Overruled.

12 THE WITNESS: I had an understanding that there were
13 email files of Mr. Jacobs that had been transferred.

14 BY MR. PISANELLI:

15 Q Did you also understand that a hard drive had been
16 transferred to the United States?

17 A I have a recollection to that extent. I don't know
18 that I ever was aware of any other documents that were
19 contained on the hard drive.

20 Q Okay. Did you understand the body of emails to be
21 separate and apart from the hard drive?

22 MR. McCREA: Objection. Attorney-client work
23 product.

24 THE COURT: Sustained.

25 //

1 BY MR. PISANELLI:

2 Q You said that you first learned about this transfer
3 of data in September of 2011; is that right?

4 A No.

5 THE COURT: He said, early 2011.

6 BY MR. PISANELLI:

7 Q I'm sorry, the spring. Can't even read my own
8 writing. Spring?

9 A I believe what I said, Mr. Pisanelli, was the early
10 part of 2011.

11 Q Can you be a little more clear on that point.

12 A I know that it was prior to April. I can't pinpoint
13 it any further than that.

14 Q Why do you know it was prior to April?

15 MR. McCREA: Objection. Attorney-client, work
16 product.

17 THE COURT: Sustained.

18 BY MR. PISANELLI:

19 Q All right. So from your answers to Your Honor we
20 are to understand that you did have an opportunity to review
21 those emails?

22 A Yes.

23 Q And at the time that you did, you were acting as
24 counsel for Las Vegas Sands Corp; is that right?

25 A Yes.

1 Q What was the purpose of your review?

2 MR. McCREA: Objection, Your Honor. Work product.

3 MR. PISANELLI: We've already heard Mr. Peek give a
4 long explanation of what his purpose was.

5 THE COURT: I understand. The objection's
6 overruled.

7 THE WITNESS: To understand the allegations in Mr.
8 Jacobs's complaint.

9 BY MR. PISANELLI:

10 Q Did you hear Mr. Peek's testimony about why he was
11 reviewing them?

12 A I did.

13 Q Do you share that explanation as to why you were
14 reviewing them?

15 A Yes.

16 Q Okay. Did you review all of them?

17 A No.

18 Q How did you determine which to review and which not
19 to review?

20 MR. McCREA: Objection. Attorney-client, work
21 product.

22 THE COURT: Sustained.

23 BY MR. PISANELLI:

24 Q As between the work that you did and that Mr. Peek
25 did, do you have a belief that both of you had completed a

1 review of all of the email that had been transferred
2 concerning Mr. Jacobs from Macau?

3 A No.

4 Q Okay. Without telling me the thought process, was
5 there some type of measure you were using as to which email to
6 review and which not to review?

7 MR. McCREA: Objection, work product.

8 THE COURT: It's only a yes or no, was there a
9 thought process?

10 THE WITNESS: Yes, there was a thought process.

11 BY MR. PISANELLI:

12 Q In other words, it wasn't just simply a random
13 review, there were certain things that you had an objective of
14 reviewing and certain things you just let go. Something to
15 that effect?

16 A Yes.

17 Q Okay. Fair enough. Did you review emails between
18 Mr. Jacobs and his wife?

19 MR. McCREA: Objection. Work product, attorney-
20 client.

21 THE COURT: Sustained.

22 BY MR. PISANELLI:

23 Q Did you review emails between Mr. Jacobs and his
24 personal counsel?

25 MR. McCREA: Same objection.

1 THE COURT: Sustained.

2 BY MR. PISANELLI:

3 Q Where were you when you made this review?

4 A Mr. Kostrinsky's office.

5 Q You were actually sitting at his desk?

6 A I was.

7 Q All right. And you were using the same computer
8 that Mr. Kostrinsky had testified to that contained these
9 emails?

10 A I didn't listen to Mr. Kostrinsky's testimony. It
11 was my understanding that it was his laptop.

12 Q Okay. That's -- the laptop that he just used on a
13 day-to-day basis in other words?

14 A Yes.

15 Q All right. How many of the emails did you print?

16 A I don't recall.

17 Q Can you give us your best estimate.

18 A Twenty-five to 30.

19 Q What was the purpose of printing those emails?

20 MR. McCREA: Objection. Work product.

21 THE COURT: Sustained.

22 BY MR. PISANELLI:

23 Q Did you print them for the purpose of circulating
24 them?

25 MR. McCREA: Same objection.

1 THE COURT: Sustained.

2 BY MR. PISANELLI:

3 Q Did you circulate them?

4 A No.

5 MR. MCCREA: Objection.

6 THE COURT: You've got to be faster, Mr. McCrea.

7 MR. MCCREA: Doing my best.

8 BY MR. PISANELLI:

9 Q You left them on Mr. Kostrinsky's desk with a
10 Post-it note?

11 A Yes.

12 Q Post-it note directed to Mr. Kostrinsky?

13 MR. MCCREA: Objection, Your Honor. Work product.

14 THE COURT: Overruled.

15 THE WITNESS: The Post-it note was directed to
16 someone?

17 A Yes.

18 Q Who was it directed to?

19 A My staff.

20 Q How did you expect your staff to read that Post-it
21 note if it was left on Mr. Kostrinsky's desk?

22 A The staff was going to go over and index the
23 documents.

24 Q Okay. So without telling me what was on there, you
25 were leaving some type of instruction for your staff of what

1 to do with those documents?

2 A No.

3 Q What was the purpose of the Post-it note?

4 MR. MCCREA: Objection. Work product.

5 THE COURT: Sustained.

6 BY MR. PISANELLI:

7 Q I think you already answered this, Mr. Jones, and if
8 you did I apologize, but did you review the emails that Mr.
9 Peek printed?

10 A Not to my recollection.

11 Q Were you aware that he had printed out email?

12 A Yes.

13 Q All right. Did you have any idea one way or another
14 whether you were printing out duplicates of what he had
15 already printed out?

16 MR. MCCREA: Objection. Work product.

17 THE COURT: Sustained.

18 BY MR. PISANELLI:

19 Q I got the impression from Mr. Peek's testimony that
20 you were both combining your efforts to complete a particular
21 task. I think the words that he used is that he didn't
22 complete the review or the assignment and that you came in
23 after him to review it. Did you view your work in that same
24 manner?

25 A He performed some searches, I performed some

1 searches. I was only in Mr. Kostrinsky's office because of
2 the circumstances of the timing for approximately two hours.
3 I did not feel that I completed any task.

4 Q Did you have an intention of going back to review
5 those records?

6 A I don't recall --

7 MR. McCREA: Objection. Work product.

8 THE COURT: Sustained.

9 BY MR. PISANELLI:

10 Q Well, when you left, did you just say a moment ago
11 that you only reviewed emails for a couple of hours?

12 A Correct.

13 Q At the completion of those couple of hours, did you
14 believe that your review was complete?

15 MR. McCREA: Objection. Work product.

16 MR. PISANELLI: I think he just said this a second
17 ago, Your Honor.

18 THE COURT: I think he did, too. The objection's
19 overruled.

20 THE WITNESS: I don't believe so.

21 BY MR. PISANELLI:

22 Q Okay. And when you went to go perform these
23 searches that you just described, were there any restrictions
24 imposed upon you about which emails you could review and which
25 you could not?

1 MR. MCCREA: Objection. Attorney-client, work
2 product.

3 THE COURT: Sustained.

4 BY MR. PISANELLI:

5 Q Was there any restrictions imposed upon you at some
6 later date that prohibited you from going back and completing
7 the project you were working on?

8 MR. MCCREA: Same objection.

9 THE COURT: Sustained.

10 BY MR. PISANELLI:

11 Q After leaving those email -- printed emails in Mr.
12 Kostrinsky's office did you ever see them again?

13 A No.

14 Q Did your staff go in and complete the assignment you
15 had given them?

16 A The staff had gone back to index documents, yes. I
17 don't recall whether it was I or Mr. Peek that gave specific
18 direction.

19 Q It was staff and not lawyers that went back?

20 A Correct.

21 Q All right. Did any lawyers from Holland & Hart go
22 in to review the emails?

23 A Other than myself and Mr. Peek?

24 Q Yes, sir.

25 A No.

1 Q Okay. Mr. Anderson go for any reason?

2 A No.

3 Q And it's your understanding that Bob Cassity didn't
4 review any of these email either?

5 A Not to my knowledge.

6 Q Okay. Without telling me what was on the documents,
7 did you or your staff create any summaries about the emails
8 you had reviewed?

9 MR. MCCREA: Objection. Work product.

10 THE COURT: Sustained.

11 MR. PISANELLI: Your Honor, as you notice from the
12 question, all I'm asking is the existence --

13 THE COURT: I understand, Mr. Pisanelli.

14 MR. PISANELLI: -- of a document that would be
15 something that would be on the privilege log.

16 THE COURT: A summary may not be in a privilege log.

17 MR. PISANELLI: Well, depending upon who it was
18 circulated to it would.

19 THE COURT: A summary that was created by counsel is
20 unlikely to appear on a privilege log.

21 MR. PISANELLI: Depending if it was circulated to
22 someone other than their law firm then -- that's my point is
23 only to know if certain documents exist.

24 THE COURT: The objection is sustained.

25 MR. PISANELLI: Okay.

1 THE COURT: Thank you.

2 BY MR. PISANELLI:

3 Q Did you have any -- well, strike that. The visit
4 that you took to Mr. Kostrinsky's office, that was the only
5 time you went there to review those emails; is that right?

6 A Correct.

7 Q Did you have the opportunity to review the emails in
8 some other form?

9 A No.

10 Q Do you have any knowledge as to whether Holland &
11 Hart was provided electronic access to those email?

12 MR. MCCREA: Objection. Work product, attorney-
13 client.

14 THE COURT: Overruled.

15 THE WITNESS: Not to my knowledge.

16 BY MR. PISANELLI:

17 Q Did you receive any hard-copy emails from Mr.
18 Kostrinsky?

19 A I received many emails from Mr. Kostrinsky. Are you
20 referring specifically to emails printed out from Mr. Jacobs's
21 computer?

22 Q Yes, sir. Right.

23 A I heard Mr. Peek reference that there may have been.
24 I don't specifically have a recollection, there may have been.

25 Q Okay. You recall -- actually you may not recall, I

1 haven't turned around much during these proceedings, but were
2 you here for Mr. Ma's testimony?

3 A I believe I was here for all of Mr. Ma's testimony.

4 Q Were you here for his followup testimony when he
5 came back to correct some earlier answers?

6 A Yesterday?

7 Q Yes.

8 A I think I was.

9 Q Okay. Were you -- happened to be paying attention
10 when he talked about these notebooks that he had received from
11 a client that contains some emails and other documents?

12 A I did hear that.

13 Q All right. Did you -- strike that. Did Holland &
14 Hart receive similar notebooks of documents and emails from
15 your client?

16 MR. McCREA: Objection. Work product.

17 THE COURT: Overruled.

18 THE WITNESS: I don't have a recollection of that.
19 I don't recall what time frame Mr. Ma was referencing. I was
20 out of the case by September. So if he was referencing
21 something that postdated my involvement I don't know, but not
22 to my recollection.

23 Q Okay. All right. I know you said that Mr.
24 Kostrinsky would send emails to you about the case all the
25 time. I don't want to know about those specifically unless

1 they contained attachments of the Jacobs's emails. And again,
2 I think you just answered this, but were there any such
3 emails?

4 A Like I said, I heard Mr. Peek reference that there
5 may have been. I don't have a specific recollection, but I
6 don't want to say no.

7 Q Do you have a belief, one way or another, of whether
8 Glaser Weil was aware of the existence of the emails at or
9 around the same time you were aware of them?

10 MR. MCCREA: Objection. Work product, attorney-
11 client.

12 THE COURT: Sustained.

13 BY MR. PISANELLI:

14 Q Did you provide any of the emails to Glaser weil?

15 MR. MCCREA: Objection. Attorney-client, work
16 product.

17 THE COURT: Sustained.

18 BY MR. PISANELLI:

19 Q Did you discuss the existence of the emails with
20 Glaser Weil?

21 MR. MCCREA: Same objection.

22 THE COURT: Sustained.

23 BY MR. PISANELLI:

24 Q Now, following -- you were pretty precise on the
25 date that you reviewed those emails, were you not?

1 A Yes.

2 Q May 19th, was that right?

3 A That's my recollection.

4 Q Did you review your billing records prior to coming
5 to court?

6 A I reviewed a few billing records.

7 Q For what purpose?

8 MR. McCREA: Objection. Work product.

9 THE COURT: Overruled.

10 THE WITNESS: To refresh my recollection as to
11 certain dates.

12 BY MR. PISANELLI:

13 Q Okay. And did the billing records actually refresh
14 your recollection?

15 A Yes, they did.

16 Q Do you know which billing records you actually
17 reviewed that did in fact refresh your recollection about
18 events in this case?

19 A I reviewed my billing records for the third week in
20 May to determine what day it was.

21 Q Those the only ones you reviewed?

22 A No.

23 Q What else did you review?

24 A What other billing records did I review?

25 Q Yes.

1 A I reviewed some billing records from I know the end
2 of August or early part of September.

3 Q Of what year?

4 A 2011.

5 Q For the purpose of refreshing your recollection
6 again?

7 A Yes.

8 Q Did they in fact refresh your recollection about the
9 timing of events in this case?

10 A Yes.

11 Q Okay. Did you review anything else?

12 A Did I review any other documents in preparation for
13 appearing here today?

14 Q That's a better way to put the question, yes.

15 A Yes.

16 MR. McCREA: Objection, Your Honor. Work product.

17 THE COURT: Overruled.

18 BY MR. PISANELLI:

19 Q What else did you review?

20 A I reviewed some emails.

21 Q Which ones?

22 MR. McCREA: Your Honor, same objection.

23 THE COURT: Overruled.

24 THE WITNESS: I reviewed emails that refreshed my
25 recollection as to the timing of events in this case. I also

1 reviewed the transcript from the July -- the transcript that
2 Her Honor referenced.

3 THE COURT: July 19th, 2011.

4 THE WITNESS: July 19th.

5 BY MR. PISANELLI:

6 Q Okay. And did all of those documents refresh your
7 recollection about the events in this case?

8 A Yes.

9 Q Let's start with the emails. Who were the parties
10 to the emails?

11 A There were several parties.

12 Q Okay. First of all, how many emails were there?

13 A How many emails did I review in preparation for
14 appearing today?

15 A Yes, sir.

16 A I don't recall.

17 Q Approximately?

18 A Ten to 15.

19 THE COURT: Let me recharacterize that question.
20 How many emails did you review to refresh your memory in
21 preparation for appearing today?

22 THE WITNESS: Ten to 15.

23 THE COURT: Okay.

24 MR. PISANELLI: Thank you, Your Honor.

25 //

1 BY MR. PISANELLI:

2 Q What did you do with those 10 to 15 emails --

3 MR. BRIAN: Your Honor, may we be heard briefly on
4 this?

5 THE COURT: Absolutely, you can be heard. I think I
6 dealt with this issue yesterday, Mr. Brian.

7 MR. BRIAN: No. I think it's a little different --
8 I think it's different, Your Honor. And I think this is an
9 example of one of the problems I think of when we have a
10 situation of a proceeding where counsel is now examining a
11 lawyer at the firm currently representing the client. Because
12 it's not the same, I would argue to Your Honor, about a lawyer
13 who refreshes -- a witness who normally would refresh
14 recollection, I understand the rules on that.

15 Here you have a situation where quite -- in a quite
16 extraordinary proceeding, Your Honor, it's permitting counsel
17 to do an extensive examination of lawyers at firms that are
18 currently representing. Those documents would otherwise be
19 privileged. And I think in that circumstance, given the
20 nature of this proceeding that the -- whether you call it the
21 witness advocate rule or whether you call it the legal system
22 we now have, I think it puts the parties and counsel in a very
23 difficult situation. And I don't think it's appropriate to
24 then cause privileged documents to be produced when a witness
25 used them to try to figure out dates and the like. I think

1 it's not the normal situation, Your Honor.

2 THE COURT: I understand what you're saying, Mr.
3 Brian. Right now the question is who were the recipients on
4 the emails and who were the addressees. That's not the same
5 issue that you're addressing.

6 MR. BRIAN: That's fine, Your Honor.

7 THE COURT: I'm not there yet.

8 MR. BRIAN: Okay. That I appreciate, Your Honor.

9 THE COURT: Mr. Pisanelli, you may continue.

10 MR. PISANELLI: Thank you.

11 BY MR. PISANELLI:

12 Q Before we got to the identities, I just want to
13 know, what did you do with those 10 to 15 emails that you used
14 to refresh your recollection about testimony today?

15 A I looked at them. I provided copies of some of them
16 to counsel.

17 Q To whom?

18 A John Owens.

19 Q You didn't provide all of them to Mr. Owens?

20 A No.

21 Q If called upon, Mr. Jones, to reassemble those 10 to
22 15 emails, do you believe you'd have the ability to do that?

23 A Yes.

24 Q Did you maintain hard copies of them somewhere in
25 your office or wherever?

1 A Some of them.

2 Q Okay. Would you have to go off of memory to
3 assemble the 10 or 15? In other words, that's what I'm
4 getting at, do you have them already segregated, or would you
5 have to go back and recollect them?

6 A I could assemble the ones I sent to Mr. Owens.

7 Q Okay. What about the --

8 A I don't recall about the other ones.

9 Q I'm sorry?

10 A I couldn't tell you about the other ones.

11 Q You would have to just go off your best
12 recollection?

13 A Yes.

14 Q All right. How many did you send to Mr. Owens?

15 A I don't remember, six or seven.

16 Q So let's start with the others. We'll call it five
17 to 10. Actually, strike that. Let's just test your memory
18 the best we can and go through and identify for me each of the
19 emails as best you can whether it be by author, recipient,
20 date, subject matter, whatever it is. Do what you can to
21 identify them for us.

22 THE COURT: Mr. Pisanelli, we've got to be very
23 careful about subject matter. I don't have a problem with the
24 identification by date and recipient, because that information
25 is something that should be on the privilege log, or at least

1 arguably should be on the privilege log. If it is subject
2 matter, I get into issues of concern.

3 MR. PISANELLI: Understood, Your Honor. The only
4 point I would make, and not to debate you, is this isn't as
5 Mr. Brian characterized, a general litigation issue, this is a
6 specific Nevada statute as Your Honor knows. And there is no
7 exception for the circumstances of this proceeding. There's
8 no exception at all, it is a mandatory disclosure in Nevada
9 when a party does what Mr. Jones did. And so I think that
10 they are openly discoverable at this point.

11 THE COURT: Not a party, a witness.

12 MR. PISANELLI: I'm sorry. A witness. And so they
13 are openly discoverable in non-privileged records as we stand.

14 THE COURT: I understand what we're going to do.
15 You're going to identify them for me and then we're going to
16 have a motion --

17 MR. PISANELLI: Okay.

18 THE COURT: -- and you're going to ask for them to
19 be produced. And Mr. Brian's going to file a brief and he and
20 Mr. Peek are going to -- and Mr. Lionel and Mr. McCrea are
21 going to say why they shouldn't be produced.

22 MR. PISANELLI: Okay.

23 THE COURT: And then I'm going to have an argument
24 and then I'm going to rule.

25 MR. PISANELLI: I hear you loud and clear.

1 THE COURT: Okay.

2 MR. PISANELLI: All right.

3 THE COURT: So if you want to identify them so it
4 makes our life easier to be able to identify the particular
5 items that are going to be in dispute as part of the refreshed
6 recollection issue, then we can do it.

7 MR. BRIAN: I would just say, just to preview the
8 argument, Your Honor, I think this is the --

9 THE COURT: I don't need you to preview the
10 argument. I know what you're going to say.

11 MR. BRIAN: I'm just going to say two words, Club
12 Vista.

13 THE COURT: This isn't Club Vista.

14 MR. BRIAN: I think it's a --

15 THE COURT: This is a very serious violation of
16 duties of candor to the court by counsel who are representing
17 a party.

18 MR. BRIAN: I understand.

19 THE COURT: That's why I'm here, Mr. Brian.

20 MR. BRIAN: I know that. I understand --

21 THE COURT: All right. This isn't Club Vista.

22 MR. BRIAN: I understand your concern, Your Honor.
23 But I'm just saying the policy --

24 THE COURT: Mr. Brian, you don't understand my
25 concern. You've not understood my concern since the issue

1 arose in May.

2 MR. BRIAN: I have, Your Honor. Trust me, I have.

3 THE COURT: So -- Mr. Pisanelli, if you would like
4 to identify the documents, I would appreciate it.

5 MR. PISANELLI: Thank you, Your Honor.

6 BY MR. PISANELLI:

7 Q Mr. Jones, I want to do this the best way for you.
8 So if it's easiest to say let me start with the John Owens or
9 let me start with the non John Owens or start chronologically,
10 whatever it is easiest for you to recall the 10 to 15, feel
11 free to do so. Let's start, if it makes sense, with the dates
12 of the emails. Do you recall the dates of the emails that you
13 used to refresh your recollection?

14 A Somewhere in May of 2011. Others were in August,
15 September of 2011.

16 Q I take it you don't remember the specific dates of
17 any of them?

18 A I do not.

19 Q All right. So let's take a different approach.
20 Let's talk about the authors or recipients, would that be an
21 easier way for you to identify for the court the emails that
22 you used to refresh your recollection?

23 A Sure.

24 Q Okay. Who were the authors of the emails that you
25 reviewed to refresh your recollection?

1 A In May the author was Steve Peek. I don't recall on
2 other emails from May. The authors and recipients of the
3 emails in August and September of 2011 were myself and in-
4 house and outside counsel.

5 Q Were you in -- focusing on the May emails, were you
6 the recipient of the emails from Mr. Peek?

7 A Yes.

8 Q Okay. Anyone else copied on those emails?

9 A Not to my recollection.

10 Q So the body of email that you used to refresh your
11 recollection about your testimony today from May were email
12 communications solely between you and Mr. Peek. Do I have
13 that right?

14 A That's my recollection.

15 Q How many in May?

16 A One.

17 Q Now, let's move over to August. This was -- I'm
18 sorry, between you and outside counsel?

19 A Both in-house counsel and outside counsel.

20 Q All right. Who -- were you the author?

21 A Some of them I was the author, some of them I was
22 the recipient.

23 Q All right. On the ones where you were the author,
24 who were you writing to?

25 A Varied by email, but generally Mr. Peek, counsel

1 from Glaser Weil, and in-house counsel.

2 Q Who at Glaser weil?

3 A Mr. Ma and perhaps Ms. Glaser on one or two of them.

4 Q And on the emails where you were the recipient, who
5 was or who were the authors?

6 A Mr. Ma, Mr. Rubenstein.

7 Q Were there any other recipients besides yourself?

8 A Were there recipients? Yes. A Ms. Salt was an
9 author of an email that I recall.

10 Q And who else were the recipients of those? Let's
11 start with the emails from Mr. Ma, who was he writing to?

12 A I don't recall specifically. To the best of my
13 recollection, there would have been at least one of the in-
14 house counsel.

15 Q And Mr. Rubenstein, who was he writing to?

16 A I don't recall if -- who the other recipients were.
17 There may have been other recipients. There probably were
18 other recipients.

19 Q And Ms. Salt, who was she writing to?

20 A The best of my recollection, that was directed back
21 to the legal team that included in-house and outside counsel.

22 Q And who were those individuals?

23 A Myself, Mr. Peek, Ms. Glaser, Mr. Ma, Mr. Sedlock,
24 Mr. Fleming, Mr. Rubenstein, Mr. Kostrinsky, Ms. Hyman.

25 Q Anyone else?

1 A Not that I can recall.

2 Q Now, we've been going through the body of emails I
3 think that you labeled as the August email. But earlier you
4 said there was a body from May and a body from August,
5 September. Just so we're clear, everything we just went
6 through under the August label, that includes what you had
7 earlier described as August/September, fair enough?

8 A Correct.

9 Q All right. Good. Were there any other emails that
10 you reviewed to refresh your recollection other than those
11 that you've just described?

12 A Not that I recall.

13 MR. PISANELLI: Your Honor, did I understand you
14 correctly that you did not want the witness to disclose if
15 there were re lines or subject lines in these emails?

16 THE COURT: I'd rather not go through that --

17 MR. PISANELLI: Okay.

18 THE COURT: -- process, because I think it's too
19 likely to have an inadvertent waiver of reform. Mr. McCrea
20 can get up and object.

21 MR. PISANELLI: Fair enough.

22 BY MR. PISANELLI:

23 Q Are there any other identifiers in these emails that
24 you can disclose to Her honor that would not disclose what
25 otherwise may be an attorney-client privileged communication

1 or work product information?

2 MR. McCREA: Objection, Your Honor. Attorney-client
3 privilege.

4 THE COURT: That's a yes or a no, Mr. Jones.

5 THE WITNESS: I'm sorry. I don't know what other
6 identifiers you would be referring to.

7 BY MR. PISANELLI:

8 Q Well, I doubt that it happened --

9 A Sorry.

10 Q -- but for instance, a Bates number could have been
11 put on these things?

12 A On the emails themselves?

13 Q Yes.

14 A No.

15 Q Okay. You're a litigator; right?

16 A Yes.

17 Q And so you can brainstorm this issue as much as I
18 can. I'm just trying to --

19 A I can't think of anything Mr. Pisanelli.

20 Q That's all I'm asking. Okay. Good. Thank you.

21 MR. PISANELLI: Now, Your Honor, it is not for me to
22 direct Mr. Jones to assemble these records, but I would ask
23 Your Honor to direct him to do so only so we won't have to
24 challenge or test or rely upon Mr. Jones's memory as the
25 briefing goes on. In all likelihood, this may last more than

1 a month or so, and it certainly is in everyone's best interest
2 if they are assembled and preserved waiting for Your Honor's
3 resolution on what to do about them.

4 THE COURT: I understand what you're saying, Mr.
5 Pisanelli. Thank you.

6 MR. PISANELLI: I will take your silence as a
7 rejection of my request and I will move on.

8 THE COURT: Very perceptive.

9 MR. PISANELLI: Yes.

10 BY MR. PISANELLI:

11 Q To the yes or no questions, Mr. Jones, do these
12 emails reflect in any manner a reason why you no longer
13 participated in the defense of this case?

14 MR. MCCREA: Objection. Attorney-client, work
15 product.

16 THE COURT: Sustained.

17 BY MR. PISANELLI:

18 Q Let's talk about the billing records. Have you
19 segregated those billing records that you used to refresh your
20 recollection?

21 A To be clear, I didn't look at a physical billing
22 record. We have a system called DTE Axiom at my office. I
23 clicked back through to the months that I wanted to look at,
24 pulled open the entry for Las Vegas Sands and reviewed the
25 date for that particular entry.

1 Q Did you review your own entries on the bill, is that
2 what you mean?

3 A Well, it wasn't a physical bill. I enter my time on
4 my computer, it comes up on my computer screen in DTE Axiom.
5 And so I went back to that particular date and clicked on that
6 particular entry. So kind of bill per say.

7 Q Is this program that you're using, does it show only
8 your entries?

9 A Yes.

10 Q Okay. Once again, if you were called upon to go
11 back and print hard copies of the particular entries that you
12 reviewed to refresh your recollection, do you believe you'd
13 have the ability to do that?

14 A Yes.

15 Q Have you made any notation or any type of
16 memorialization of the dates of your billing entries that you
17 reviewed to refresh your recollection?

18 A No.

19 MR. MCCREA: Objection. Work product.

20 THE COURT: Overruled.

21 BY MR. PISANELLI:

22 Q So as you sit here today, the only source of
23 information concerning the billing entries that you reviewed
24 to refresh your recollection would be your own memory?

25 A Yes.

1 Q All right. Besides your -- the email that you
2 described and the billing entries that you've described, were
3 there any other documents or information that you reviewed to
4 refresh your recollection about today's testimony?

5 A I don't believe so.

6 THE COURT: Mr. Jones, I'll tell you the same thing
7 I tell all witnesses. If you need to take a break at some
8 point in time, you let us know.

9 THE WITNESS: Oh, I don't want to take a break.

10 THE COURT: Just telling you. Treating you like any
11 other witness, you've got M&M's --

12 THE WITNESS: Appreciate that.

13 THE COURT: -- you've got water, you're entitled to
14 a break if you need it.

15 BY MR. PISANELLI:

16 Q So I believe we started on this path because you
17 were certain of the date that you reviewed the emails. Do I
18 have that right?

19 A I believe my testimony, Mr. Pisanelli, was that it
20 was approximately May 19th.

21 Q And again, I apologize, Mr. Jones, if you've told us
22 this before, but prior -- well, strike that. You knew about
23 the existence of the emails in the United States prior to the
24 day that you went over to review them; right?

25 MR. MCCREA: Objection. Work product.

1 THE COURT: Overruled.

2 BY MR. PISANELLI:

3 Q Were you able to refresh your recollection to
4 determine when you learned that the emails were here in the
5 United States?

6 A No more than I already testified.

7 Q Okay. Your best estimate, how long prior to you
8 going over on or around May 19th, did you learn that the
9 emails were here in the United States?

10 A I know that I knew in April. I don't recall of any
11 before then.

12 Q All right. Now, you were responsible for preparing
13 the 16.1 disclosures in this case; is that right?

14 A I believe so, yes.

15 Q You actually signed them?

16 A If you -- I'll accept your representation that I
17 signed them, yes.

18 Q Now, the first one that you made in this case was
19 May 5th of 2011; is that right?

20 A Again, if you want to show me a document, otherwise
21 I'll accept your representation.

22 Q You knew at the time of the preparation and
23 execution of Las Vegas Sands Corp's first 16.1 disclosure of
24 the existence of these emails in the United States, did you
25 not?

1 A I did.

2 Q All right. Yet, none of the emails are on that 16.1
3 disclosure, are there?

4 A If you could show me the 16.1 disclosure I'd
5 appreciate it.

6 Q Do you recall putting anything about those emails on
7 that 16.1 disclosure?

8 MR. MCCREA: Objection. Work product.

9 THE COURT: Overruled.

10 THE WITNESS: Again, if you want to show me the
11 document, I'd be happy to review it. I don't recall putting
12 them on there, no.

13 Q All right. Do you recall producing to the
14 plaintiffs in this case a privilege log concerning the emails
15 that you knew to exist in the United States at the time of
16 that disclosure?

17 A I don't recall.

18 Q If I were to tell you that the plaintiffs have never
19 seen one, would that be inconsistent with your knowledge of
20 what happened in this case?

21 A I can only testify with regard to my involvement in
22 the case. If there wasn't a privilege log before I left the
23 case, then I accept your representation.

24 Q Okay. Thank you. So there was a second delivery of
25 data from Macau to the United States that occurred around, on

1 or around November of 2010, are you aware of that?

2 MR. McCREA: Objection, Your Honor, attorney-client.

3 THE COURT: Overruled.

4 Mr. Jones, if you're aware of it from some source
5 other than an attorney-client communication because it's been
6 put in public documents filed by the Sands, you're welcome to
7 tell him about it. But if it comes solely from an attorney-
8 client communication, just tell me you don't have any non-
9 privileged information,

10 THE WITNESS: I'm not sure I can answer that
11 question.

12 BY MR. PISANELLI:

13 Q Okay. I don't want you, as Your Honor instructed,
14 to tell me what you and Mr. Kostrinsky talked about while you
15 were both in Macau. I want you to tell us, if you can, what
16 you saw. Okay? Did you witness Mr. Kostrinsky bring some
17 form of storage device back to the United States during that
18 trip?

19 A I did not witness him bring it back to the United
20 States.

21 Q Did you see any storage devices that Mr. Kostrinsky
22 had with him while on your trip to Macau?

23 A While we were in Macau I witnessed a foil envelope
24 handed to Mr. Kostrinsky. What became of that after that I'm
25 not entirely certain.

1 Q Can you describe the envelope for Her Honor.

2 A It was foil and had bubble wrap around it, the kind
3 you would expect a hard drive to come in.

4 Q How big was it?

5 A 4 by 6.

6 Q Did you witness what Mr. Kostrinsky did with that
7 envelope?

8 A No.

9 Q Did you ever see it again?

10 A No.

11 Q Did you ever have the opportunity to review the
12 data, if any, that was on it?

13 A Not to my knowledge.

14 Q Let's talk about that trip for a few minutes. What
15 was the purpose of that trip?

16 MR. McCREA: Objection. Attorney-client privilege.

17 THE COURT: Sustained.

18 BY MR. PISANELLI:

19 Q Who went on that trip to Macau?

20 A Michael Kostrinsky, Gayle Hyman, Patty Glaser.

21 Q While on that trip, did you have an opportunity to
22 review any documents?

23 A I don't specifically recall reviewing documents
24 while we were there, that was not the purpose of the trip.

25 Q Did you witness any of the other people that went on

1 the trip with you reviewing documents?

2 A Not to my recollection.

3 Q Did you witness anyone reviewing electronic
4 information?

5 A No.

6 Q Did you review any electronic information?

7 A No.

8 Q All right. Did you have an opportunity to inspect
9 Mr. Jacobs's office while you were there?

10 A No.

11 Q Did you witness anyone else inspecting that office?

12 A I'm not sure that I knew where Mr. Jacobs's office
13 was, so not to my recollection.

14 Q Did you have any communications with any government
15 officials while you were there?

16 A No.

17 Q Did you ever have any communications with any Macau
18 government officials concerning this case --

19 A No.

20 Q -- or Mr. Jacobs?

21 A No.

22 Q Did you bring back anything back?

23 A My luggage.

24 Q It was a very unclear and poorly worded question.

25 THE COURT: You brought back balls that broke.