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.

Electronically Filed Aug 28 2013 12:53 p.m. Tracie K. Lindeman Clerk of Supreme Court

Case Number: 63444

District Court Case No. A627691-B

SUPPLEMENT TO APPENDIX IN SUPPORT OF EMERGENCY PETITION FOR WRIT OF PROHIBITION OR MANDAMUS TO PROTECT PRIVLEGED DOCUMENTS

Volume 1 (PA3193 - 3230)

MORRIS LAW GROUP Steve Morris, Bar No. 1543 Rosa Solis-Rainey, Bar No. 7921 900 Bank of America Plaza 300 South Fourth Street Las Vegas, Nevada 89101 KEMP, JONES & COULTHARD, LLP J. Randall Jones, Bar No. 1927 Mark M. Jones, Bar No. 267 3800 Howard Hughes Pkwy, 17th Flr. Las Vegas, Nevada 89169

HOLLAND & HART LLP J. Stephen Peek, Bar No. 1759 Robert J. Cassity, Bar No. 9779 9555 Hillwood Drive, 2nd Flr. Las Vegas, Nevada 89134

Attorneys for Petitioners

SUPPLEMENT TO APPENDIX IN SUPPORT OF EMERGENCY PETITION FOR WRIT OF PROHIBITION OR MANDAMUS TO PROTECT PRIVILEGED DOCUMENTS CHRONOLOGICAL INDEX

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CERTIFICATE OF SERVICE

Pursuant to Nev. R. App. P. 25(b) and NEFR 9(f), I hereby certify that I am an employee of Morris Law Group; that on this date I electronically filed the foregoing **SUPPLEMENT TO APPENDIX IN SUPPORT OF EMERGENCY PETITION FOR WRIT OF PROHIBITION OR MANDAMUS TO PROTECT PRIVLEGED DOCUMENTS** with the Clerk of the Court for the Nevada Supreme Court by using the Nevada Supreme Court's E-Filing system (Eflex). Participants in the case who are registered with Eflex as users will be served by the Eflex system as follows:

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

I further certify that I caused a copy of the SUPPLEMENT TO APPENDIX IN SUPPORT OF EMERGENCY PETITION FOR WRIT OF PROHIBITION OR MANDAMUS TO PROTECT PRIVLEGED DOCUMENTS to be hand delivered, in a sealed envelope, on August 28, 2013 and to the addressee(s) shown below:

Judge Elizabeth Gonzalez Eighth Judicial District Court of Clark County, Nevada Regional Justice Center 200 Lewis Avenue Las Vegas, Nevada 89155

Respondent

DATED this 28th day of August, 2013.

By: <u>/s/ PATRICIA FERRUGIA</u>

R CLERK OF THE COURT

ORDR James J. Pisanelli, Esq., Bar No. 4027

JJP@pisanellibice.com

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Todd L. Bice, Esq., Bar No. 4534

3 TLB@pisanellibice.com

Debra L. Spinelli, Esq., Bar No. 9695

DLS@pisanellibice.com PISANELLI BICE PLLC

5 3883 Howard Hughes Parkway, Suite 800

Las Vegas, Nevada 89169 Telephone: (702) 214-2100

Facsimile: (702) 214-2101

Attorneys for Steven C. Jacobs and Vagus Group, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

LAS VEGAS SANDS CORP., a Nevada corporation,

Case No.:

A-11-648484-B

Dept. No.:

Plaintiff,

INTERIM ORDER

STEVEN C. JACOBS, an individual; VAGUS GROUP, INC., a Delaware corporation; DOES I through X and ROE CORPORATIONS XI through XX;

Defendants

Plaintiff Las Vegas Sands Corp.'s ("LVSC") Application for Temporary Restraining Order and Motion for Preliminary Injunction or in the Alternative for Protective Order ("Application") came before the Court for hearing at 1:15 p.m., on September 20, 2011. J. Stephen Peek, Esq., and Brian G. Anderson, Esq., of the law firm Holland & Hart LLP, appeared on behalf of LVSC. James J. Pisanelli, Esq., and Debra L. Spinelli, Esq., of the law firm PISANELLI BICE PLLC, appeared on behalf of Defendants Steven C. Jacobs ("Jacobs") and Vagus Group, Inc. ("Vagus") (collective "Defendants"). The Court considered the papers filed on behalf of the parties and the oral argument of counsel, and good cause appearing therefor:

Patricia L. Glaser, Esq., of the law firm Glaser Weil Fink Jacobs Howard Avchen & Shapiro LLP was in the audience but made no formal appearance on behalf of Sands China Ltd. ("Sands China").

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THE COURT HEREBY FINDS AS FOLLOWS:

- (I) The issues raised in the Application in the instant, above-referenced action appears to be an issue that the Parties have been dealing with for a year in the first, companion action, Steven C. Jacobs v. Las Vegas Sands Corp., et al., Case No. A-627691, also pending before this Court (the "First Action");
- (2) After Sands China sought and received a writ from the Supreme Court of Nevada on the issue of personal jurisdiction in the First Action, the Supreme Court stayed the First Action pending an evidentiary hearing on personal jurisdiction over Sands China;
- (3) This Court has previously advised LVSC that it cannot take any action in the First Action because of the stay, and suggested that LVSC seek clarification and/or move the Supreme Court to modify the stay so the Court may be permitted to address the discovery dispute without violating the stay;
- (4) LVSC did not seek the suggested relief from the Supreme Court, but instead commenced the instant action, and simultaneously filed the Ex Parte Application for an injunction (which is essentially a motion for protective order on the discovery dispute in the First Action).

In light of the above timilings, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that relief should be granted through the issuance of an Interim Order as follows:

- (1) For a period of fourteen (14) days, from the date of the hearing up to and until Colober Friday, November 4, 2011, Defendants shall not disseminate to any third party the documents that Plaintiff believes are not rightfully in the possession of Jacobs and/or Vagus Group;
- (2) During that time frame, Counsel for Jacobs and Vagus Group are permitted to review the documents and take any other action related to the documents (in accordance with the Nevada Rules of Professional Responsibility) but for dissemination to third parties;
- (3) This Order shall remain in full force and effect until October 4, 2011, and will not be extended.

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CLERK OF THE COURT

DISTRICT COURT CLARK COUNTY, NEVADA

LAS VEGAS SANDS CORP.

Plaintiff

CASE NO. A-648484

A-627691

vs.

DEPT. NO. XI

STEVEN C. JACOBS, et al.

Defendants

Transcript of Proceedings

And related cases and parties

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

HEARING ON PLAINTIFF'S MOTION FOR SANCTIONS

TUESDAY, OCTOBER 4, 2011

APPEARANCES:

FOR THE PLAINTIFFS:

J. STEPHEN PEEK, ESQ.

BRIAN ANDERSON, ESQ.

STEPHEN MA, ESQ.

FOR THE DEFENDANTS:

JAMES J. PISANELLI, ESQ.

DEBRA SPINELLI, ESQ.

COURT RECORDER:

TRANSCRIPTION BY:

JILL HAWKINS

FLORENCE HOYT

Las Vegas, Nevada 89146

District Court

Proceedings recorded by audio-visual recording, transcript

produced by transcription service.

OCT 6 2011 -

1	LAS VEGAS, NEVADA, TUESDAY, OCTOBER 4, 2011, 9:31 A.M.			
2	(Court was called to order)			
3	THE COURT: Las Vegas Sands versus Jacobs.			
4	Good morning, all.			
5	MR. PEEK: Good morning, Your Honor.			
6	THE COURT: I got the reply before I got the			
7	opposition, but I did have an opportunity to review both.			
8	Mr. Anderson, you're on the wrong side of the room.			
9	Oh. No. They're plaintiffs in this case.			
LO	MR. PEEK: We're plaintiff in this case, Your Honor,			
11	so I think that he actually did sit on the right			
L2	MR. PISANELLI: My fault. I forgot.			
13	MR. PEEK: Jim is used to being plaintiff, I know.			
L4	THE COURT: Before you start your argument may I			
۱5	make an inquiry of you.			
L6	MR. PEEK: And I'll give you the answer, because we			
just checked.				
L8	THE COURT: And what'd they say?			
١9	MR. PEEK: We checked with the Clerk's Office, and			
20	all we are told is, yes, it has been filed, but, no, there has			
21	been no action taken on the emergency writ that we have filed.			
22	THE COURT: The Clerk's Office you're referring to			
3	is not the District Court Clerk's Office?			
4	MR. PEEK: Correct, Your Honor. It is the Nevada			
25	Supreme Court Clerk's Office. We checked this morning, as I			

anticipated that the Court would ask that question, which is a very good question and one that I am anxious to also understand. And we were told that, yes, they had received the writ last Monday, the --THE COURT: The emergency writ. MR. PEEK: The emergency writ, the 26th. They at least acknowledged that it was an emergency writ, that it had been filed with them, and that there had been no action taken on the emergency writ in the Supreme Court. THE COURT: Okay. Thank you, Mr. Peek. MR. PEEK: Thank you, Your Honor. THE COURT: Would you like to argue now? I would like to argue, Your Honor. MR. PEEK: yes, I did file a reply before Mr. Pisanelli had filed his opposition, and I know the Court has read it. And the reason why I did file the reply is that anticipation of the arguments and the fact that I wanted the Court to at least see what our reply would be to what I anticipated the opposition was, and I think I anticipated the opposition very well and did reply to the opposition that was filed. Let me go back with some of the history of this case.

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job.

Pisanelli was going to say. And you did a pretty accurate

In other words, you guessed what Mr.

THE COURT:

MR. PEEK: I did my best, Your Honor. And I did have some very good help from Mr. Anderson, as well, in anticipating that argument.

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But that said, I want to -- I want to go back, because there's a lot of outrage and a lot of indignation expressed in the opposition. And I get that. I understand the outrage and the indignation. But I think it's misplaced, because what we have here is -- if you go back to November of 2010 -- and Mr. Pisanelli brought this up to us at the last hearing, on the 20th -- what we have in November 2010 is a request from Mr. Jacobs to turn over to us documents that he had improperly obtained during the course of his employment at VML, Sands China Limited. And their response was that we have these reports and we'll return those. But nowhere within the body of any of those letters is there an acknowledgement that he had 11 gigabytes of data.

And, Your Honor, I checked on what 11 gigabytes of data is -- or actually Mr. Anderson did -- and what I was told, 11 gigabytes of data, if you were to translate that into just Word documents at about nine and a half pages apiece, it comes out to over 700,000 pages. If there were emails alone at one and a half pages per email, it comes out to over a million pages of documents. So this isn't a small amount of documents that Mr. Jacobs has.

And, yes, we know that Mr. Jacobs did disclose a

very small amount of documents in his oppositions to the two motions to dismiss, but it wasn't until sometime in the summer of 2011 that for first time did Mr. Jacobs advise us through his counsel that he had 11 gigabytes of our data that he had received during the time -- claimed that he'd received during the ordinary course of his business. And we said, no, you didn't receive it in the ordinary course and, if you did, you were required to return it as per the employment guidelines of VML and SCL, as well as the guidelines that were imposed upon your consultancy agreement at Vagus, you should have returned all those documents.

So what do the rules tell us? The rules tell us that when you have notice, when you are told or you have reason to believe that you had come into possession of documents that were improperly obtained, whether you make that judgment yourself or whether you are told by opposing counsel that the documents that you obtained were obtained improperly, what are you supposed to do under the rules? You are to, one, cease your review of the documents; you are to notify opposing counsel that you have those documents; and then the third thing is that you're supposed to return those.

I get in this case that we are -- we're trying to deal with the return of the documents. We certainly had from Mr. Williams his expression to us of a notification, I have 11 gigabytes. When we said, they're improperly obtained, we

had from him an acknowledgement that he would cease the review of those documents.

And so that's where we got brought up to at least sometime in early September. And we had an agreement with the prior counsel that we would establish -- that they would not review the documents until such time as this Court could determine whether or not those documents were improperly in the hands of Mr. Jacobs and improperly now in the hands of his counsel, Colby & Williams [sic]. We know what happened to that process. It became frustrated as a result of the Supreme Court's stay on the eve of our effort to implement that agreement that we had reached with opposing counsel.

So now we are faced with a situation where those documents, albeit ones that were previously disclosed in oppositions to motions for -- motions to dismiss and before we knew about the existence of the 11 gigabytes of data that he had that are now attempted to be used by Mr. Jacobs.

So what do we know about some of those documents?

We know that in those disclosures that the emails that he attached to the motions to dismiss are part of -- at least two of them are part of a long email chain which includes attorney-client privileged communications, but only one of those long email chains is attached to the opposition.

Now, in order to get to the root of that email chain one has to look at the other emails associated with that,

which are the attorney-client privileged communications.

THE COURT: And, Mr. Peek, you're not contending that at the time Mr. Jacobs was an employee of the Macau entity that he shouldn't be receiving those emails. He received them in the course of his job duties. Your position is that once he left his employment he should not have retained those.

MR. PEEK: Actually, Your Honor, I had two positions with respect to that. I would agree with the Court that during the course of his employment he would have received some of those emails, and I agree with the Court that it's my position that those emails that he was rightfully the recipient of, in other words, he was copied, he was the addressee, or he was the author of, that those came into his possession during the course of his employment.

What I also believe, Your Honor, but I don't have -because I don't have the 11 gigabytes of data to identify or
to evaluate is I also believe that he is in possession of
documents that he was not the recipient, the addressee, or the
sender.

THE COURT: So you're saying there are two classes of documents.

MR. PEEK: There are two classes of documents.

The other thing that I know, Your Honor, is at or about the time -- and this would be something that we would

have vetted had we had a hearing --

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THE COURT: As part of the discovery dispute in the other case.

MR. PEEK: -- the process, whether it be in this case or the other one, the first case, is that there -- I believe that this data was downloaded, whether it be onto a thumb drive or a hard drive or some disk, at or about the time In other words, this that Mr. Jacobs left the employment. isn't something that he was -- during the course of his employment had a computer where, okay, here's data coming to me and it's -- I'm sending it on to Vagus, I'm sending it on someplace. You had to actually physically go in at or about the time of the termination in July of 2010 and download that information, because it was on his computer that was locked up on the day of his termination. So before he's terminated he has to, again, go into our system, insert some device, and then copy these one million pages of emails or a combination of emails and Word documents or Excel spreadsheets onto a thumb drive or some other device to copy and take with him when he left. This is not something that, I've got a laptop and they're on my laptop and I walk out the door with them on my laptop. This is something where they're on his desktop and he has to insert and take with him.

So I hope that answers the Court's question.

THE COURT: I understand what you're saying. My

concern as I have expressed it repeatedly since before this case was filed is this is really a discovery dispute in the case I'm not allowed to do anything on.

MR. PEEK: And, Your Honor, I get that. So what have I at least attempted to do? I saw in Mr. Pisanelli's opposition a statement by Mr. Pisanelli that, oh, I'm just going to honor the agreement that you reached with Campbell & Williams. And the agreement that I had reached with Campbell & Williams is set forth in the August correspondence, which is -- from Mr. Williams, is that I will not review any of the documents in the 11 gigabytes of data until this issue is resolved by the Court.

So when I came before you on the 20th I received, of course, the same indignation and outrage that you see now from Mr. Pisanelli. And I get that. But I didn't get a commitment from Mr. Pisanelli on the 20th of September that, I will not at any time ever review these documents until this issue is decided by this Court. In fact, what I saw from the transcript -- I read it -- was the Court said to Mr. Pisanelli is that he would be allowed to review those documents. That's what the Court said.

THE COURT: That's what I said.

MR. PEEK: That is inconsistent, Your Honor, with at least the cease, notify, and return. That is inconsistent with what I pointed out or the rules of professional

responsibility and the cases that I cited, whether it's the Bert Hill, the Zahodnik, or the Maldonado case out of New Jersey. Each of those say is that when you're notified that those documents are improperly in the possession of your client you cease, you notify, and return. I get the return is going to maybe be the province of the Court as to whether or not it's something that this Court would order. But until that happens there's a violation of those rules. You don't get to make the determination, as Mr. Pisanelli seems to argue, that they're rightfully in my possession, I don't care what you say, they're rightfully in my possession, or, that I am --

THE COURT: Mr. Peek, some of them are rightfully in his possession. The ones to which Mr. Jacobs was an addressee or a recipient are likely rightfully in his possession regardless of how he came into possession of those.

MR. PEEK: I disagree with the Court, but I get what the Court is saying. But I disagree with the Court.

THE COURT: There is clearly a class of information that are alleging that should be treated differently. And I recognize that. And if at some point in time I am authorized to deal with the discovery dispute that had been teed up for last summer, I would have been happy to deal with it. But I recognize that what Mr. Williams suggested was probably the appropriate protocol.

MR. PEEK: And we're all trying to do that. But what we're faced with now is I tried to get the same agreement from Mr. Pisanelli, because I saw in his papers that he said, I'm going to honor it. So I spoke to -- I sent him an email last night, and I spoke to him this morning about can I have the same agreement with you that I had with Mr. Williams, which is that you will not look at these documents until such time as the Court makes a determination as to whether or not you have proper -- you're properly in possession of them and you can properly use them. And I got the answer that, I can't commit to that and I also can't commit to the fact to whether or not my client will disseminate them.

So I am now stuck with a position that the Court has ordered, and I have an expiration date of today.

THE COURT: Yep.

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MR. PEEK: I have documents that are now put -- put more into the public domain with now disclosures, and I don't have an agreement that he will not review those, will not disseminate those documents until this Court can make a determination.

THE COURT: Which I'm not allowed to do, because the case is stayed.

MR. PEEK: I get that you're not allowed -- you say you're not allowed to do it. But that's why I'm here in this case, Your Honor. And I know you don't like this case because

you think, as Mr. Pisanelli points out, that it is my effort 2 to --3 THE COURT: It's a game. MR. PEEK: I understand you say it's a game. What 4 am I supposed to do, Your Honor? 5 6 THE COURT: Ask the Nevada Supreme Court to clarify 7 the --8 MR. PEEK: I have asked the Nevada Supreme Court, and now here's what I'm faced with, Your Honor, is I have an 9 order that is expiring. And I respectfully disagree with the 10 Court that Mr. Jacobs is rightfully entitled to documents in 11 which he is a recipient, an addressee, or an author of those 12 documents if they were improperly taken at the termination of 13 14 his employment. He may be entitled to them in discovery, but he doesn't get to take them. That's what the cases that we 15 cited say to you. That's what the rules of professional 16 responsibility say to you. You don't get to go in and 17 download 11 gigabytes of data of a company from which you have 18 19 now been terminated and say, they came into my possession rightfully during the time I was employed so now, even though 20

So I get that Mr. Pisanelli is not going to commit to that. I get that maybe this Court isn't going to do anything until the Supreme Court allows, but I'm trying to get

I'm obligated to return them, I get to take them. And that's

what happened, we believe, in this case.

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some kind of relief from this Court, Your Honor, to prevent the further review and the further dissemination of the 2 documents that he obtained improperly. 3 THE COURT: Okay. 4 MR. PEEK: And I don't have any other opportunity to 5 6 do that other than in this. Your Honor --THE COURT: I understand. 7 MR. PEEK: -- and the rules which certainly Mr. 8 Pisanelli says he will be bound by them, but I don't have that 9 full commitment from him. 10 THE COURT: Mr. Peek, I recognize you are in a very 11 12 difficult position given the stay order by the Nevada Supreme Court, which was why I gave a 14-day interim order even though 13 14 I think this entire case is improper. But that's a whole different issue. 15 So let me hear from Mr. Pisanelli. 16 Thank you, Your Honor. 17 MR. PEEK: 18 THE COURT: And perhaps we will work this out. 19 MR. PEEK: Trying to, Your Honor. THE COURT: Because I'm trying not to violate a stay 20 order. 21 MR. PISANELLI: So when he asks you, what am I 22 supposed to do, I guess we can read from his actions that the 23 24 best he could come up with was a sanctions motion against me, a sanctions motions that's premised on words like "unethical 25

conduct," like words from Ms. Glaser, who says that I have "no compunction with violating basic ethical and professional standards." Attack me because I -- as you recall last week, didn't have the transcript, but you recall, I'm sure, as well as I do last week sitting at this table they said that I have read through the documents, I've attached, do you recall, thousands of pages of additional documents in my witness and exhibit list and therefore we find ourselves here today on the sanctions motion. All of this hysteria and drama was presented to you simply on the scheduling of today and a scheduling of Ms. Glaser's parallel motion in the main case, all based upon the fact that I had the audacity, they said, to read documents and to put -- identify them in our exhibit list. Sanction me, they ask you, because what else can I do, Judge, the Supreme Court's not listening to me. what brings us here today.

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I will get to how outrageous those allegations are, how reckless both Mr. Peek and Ms. Glaser have been in making them in a moment. But I have to touch upon a point that you just made, Judge, that this is the same TRO that he asked for a couple weeks ago. It's even the same authority that he's coming forward with you and asking for relief that he's not entitled to. Your Honor said it then, and you've said it now, and you have left no question for any of us, including Team Sands in the back of the room, that this is a game and this is

an inappropriate action and it's an attempt to get around the Supreme Court's order. There's no way around that conclusion. As a matter of fact, with all due respect to you, Your Honor, 3 no one in this room needed to hear you say it. We all knew it before we walked into this room what was going on. And --6 THE COURT: -- works better if I say it on the 7 record. MR. PISANELLI: It does indeed. It certainly helps 8 And let there be no mistake about it --9 THE COURT: Well, I'm trying to make sure the 10 Supreme Court understands. 11 12 MR. PISANELLI: Fair. Fair. But --13 THE COURT: Somebody might give them a copy of the 14 transcript. 15 MR. PISANELLI: I'll write that note down. That's not a bad idea. 16 MR. PEEK: Mr. Anderson took note of that, Your 17 18 Honor. 19 THE COURT: Yeah. The same frustration that you have that 20 MR. PEEK: 21 we have. MR. PISANELLI: Let me also point Your Honor to the 22 other not so subtle game that's going on before you that is so 23 24 disrespectful as really to be shocking to the conscience, 25 especially for out-of-state counsel. We continue to have this

shill issue going on with Las Vegas Sands coming in here claiming to be the aggrieved party while Sands Macau or Sands China sits in the back of the room. Last time it was Ms. Glaser in the front row. Now we have Mr. Ma in the back row. What's interesting about him being here, Your Honor, is this reply brief. When I get a reply brief filed before I file my opposition, of course, the first question in our entire office was, reply to what.

THE COURT: Who leaked it. Yeah, who leaked it.

MR. PISANELLI: Yeah. Yeah. What are you replying to? I didn't even have to ask who leaked it, because while Mr. Anderson and Mr. Peek pat themselves on the back for having predicted our argument, I can tell you they address our argument on page 10 from line 13 to 26. That's it.

Everything else in this 12-page brief is new. And guess where it came from? It is Ms. Glaser and Mr. Ma's brief that we have to oppose on Friday. There's times when it's cut and paste, even the same highlights, the same commas, the same citations. So what we have is again the right hand talking to the left hand, we have other arguments you should have put into that other case that we don't want to pretend that we're participating in, so file a reply brief.

I would have respected both sets of counsel more if they were just up front and called it what it is, a new brief or a supplemental brief. That was objective -- clearly

objective number one, that we needed to hear Sands China's position through this reply brief, and so they filed it through Mr. Peek. Now, the other objective is they realized what they had done in their opening briefs and they'd realized what they'd done when they stood in this courtroom accusing us of ethical violations.

This is what we have, very clearly, without debate. Remember I told you -- and the bailiff even stood up because I raised my voice a little too much -- that it was all on the Internet and that -- and I predicted they would withdraw their motions if they had any integrity. Do you recall that, Your Honor? Well, this is what I was talking about. They filed a motion and they stood up here and looked you in the eye and called me unethical for attaching more emails, more records from what they characterize as the stolen records. I told them they're wrong, they should read them, and Ms. Glaser shouted over my voice, that's untrue, that's untrue.

Well, they have -- now this reply brief clearly shows they figured out what happened. Our exhibits are from the Internet, their Website. Our exhibits are also from the opposition that Campbell & Williams filed to the motion to dismiss. That's really the set of emails that they're complaining about and screaming about that they wanted me sanctioned for and even Mr. Peek still holds onto tightly with those 13 lines of text in his reply brief. But what they

forgot, Your Honor, is that Sands China listed the same records.

So when they come in here asking you to sanction me for listing records in an exhibit list, the same records Mr.

Ma listed in his exhibit list, I sarcastically, but with some element of truth, have to ask Mr. Peek is he going to ask that Mr. Ma be sanctioned, that Sands China be sanctioned for doing exactly what I did. The hysteria and the drama was all because they didn't read what we had listed. And so I'm mixing a couple of issues here, and I'll do my best to clarify it.

We have on the one hand an ill-founded and reckless motion to begin with on sanctions. If there is anything that is legitimate for you to consider in this rogue case, it's whether I have done anything unethical. And the totality of actions that they complain about was my witness and exhibit list and the very outrageous behavior of Bates numbering the documents from the witness exhibit list so that when we are in this evidentiary hearing we would have a basis for identifying those documents.

THE COURT: Because we have a rule that requires you do that in the Eighth Judicial District.

MR. PISANELLI: We do indeed. And so having them complain -- by the way, it shouldn't be lost in this debate when Mr. Peek continues to hold onto this issue about the

documents that are in the public record, on the Internet, anyone in the public can come up and look at them, they have been there since the spring. Is it April, I think it was on I didn't see an objection in the record of this case against Campbell & Williams or Mr. Jacobs when their opposition was filed. I didn't see anyone object when Mr. Ma submitted -- and Glaser Weil submitted documents attached to their own brief, and I didn't see since April 2, the day we got this ridiculous motion, anyone objecting that those documents were in the public record. The first time all this hysterical and dramatic nonsense was raised was in this motion for a sanction. That was the first time they complained about it. How dare Pisanelli Bice put in their witness and exhibit list documents that they have known about have been in the record for seven, eight, nine months, whatever it has been. It really was a manufactured sham, like this entire case is, and it's been outrageous.

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I have said without sarcasm, Your Honor, that I demanded from Ms. Glaser and from Mr. Peek that they stand up in the same courtroom where they accused me and my colleagues of unethical conduct, they stand in this same courtroom and tell you they were wrong, apologize to you for providing false information and allegations to you, and apologize to Mr.

Jacobs for the false and reckless allegations that they've made about him. You recall they love throwing -- so

comfortable with this word "stolen records." Now we have Mr. Peek, understanding that he has probably been far, far too reckless with that phrase, we're starting to see him say "improperly obtained." We're seeing at least some pullback from one of the lawyers on this concept of stolen records.

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Mr. Jacobs is entitled to an apology, as well. And Ms. Glaser, more than anyone, needs to come into this courtroom and apologize to you and to Mr. Jacobs, as she has in her brief, which we'll respond to on Friday, "criminal conduct" is what she characterizes it.

So I can't wait for the debate when we talk about these stolen records, when we see all of the extraordinary effort that this company went to when they escorted Mr. Jacobs out of their premises and figuratively out of the country. can't wait for them to tell you how hard they worked to make sure that they were retrieving any documents in his computers. I can't wait to see that evidence. I can wait to see the letters, I can't wait to see the complaints, I can't wait to see the TROs, I can't wait to see the motions for sanctions, I can't wait to see any of it. But you know what we're all going to find, Your Honor, the very first time they petitioned the Court on anything having to do with these things is this ridiculous sanction motion against me and my firm today. That's the first time. They've known about all of these records that were properly in the possession of Mr. Jacobs for

a year, and now they start labelling it, either for the press or for Mr. Adelson or maybe to even taint you, start calling them "stolen records." And it is a fraud upon this Court, because everyone associated with this case knows that nothing has been stolen, and it is time to start addressing this reckless name calling. If not for the litigation privilege, there would be people being sued left and right over the behavior of the lawyers in this case. THE COURT: Can I ask you a question, Mr. Pisanelli.

MR. PISANELLI: Yes, ma'am.

THE COURT: Mr. Williams in an email that was authored on July 8th in the other case, clearly in the other case, which is, for the record, Case Number A-627691, addressed a procedure which, if I was allowed to do something with respect to that case, I might say was an appropriate procedure to follow.

MR. PISANELLI: Right.

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THE COURT: What is your position related to that procedure?

MR. PISANELLI: My position -- Mr. Peek tells you a moment ago, and I wanted to bang my head on the table listening to it, that -- he says, we are all trying to do that, that's the proposal you're talking about, and that he said that I will not agree. I'll tell you exactly what I told him. I said that that is, as you said, as reasonable a

protocol as there is available, you want the extreme, Steve, you want me to give it all back to you, and that's not going to happen, we'll respectfully disagree on what the law is, maybe you can fairly say I want the opposite extreme, I want to start discovery and we'll give you mirror of it and let's go into this case. And so the protocol seems to address everyone's concerns.

What I told him I would not agree to do is to give him a promise not to review anything and do anything and sit on my hands waiting for them to do something. That protocol, as you see, Your Honor, in my best recollection is several months old now.

THE COURT: July 8th, 2011.

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MR. PISANELLI: Yeah. Several months old. And you don't have in the record, because it doesn't exist, anyone from Sands China, anyone from LVSC accepting it. If they step up and say, this is workable, let's get it done so we can resolve all of the documents document by document, then we can have all of the records available for everyone to use at the evidentiary hearing and the remainder of the case. I will not, however, handcuff myself and Mr. Jacobs and say, yes, you get all the relief you want because I won't read them forever, and then sit on their hands and never take any action to get it resolved.

THE COURT: And you understand, Mr. Pisanelli,

though, that there is a risk to you that if you review those records and I find that there are certain records that are clearly inappropriately obtained that are attorney-client privileged that your client should not have had in their possession, it may result in your disqualification.

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MR. PISANELLI: I understand the rules governing the issue, Your Honor. And I'll tell, as I said in my briefs, I have not reviewed anything other than the public record, not a single additional document. And you would have thought that Mr. Peek and Ms. Glaser would have at least asked me that question before they stood up in this court and accused me of having no compunction for violating ethical standards and rules and all of the other nonsense that we heard.

So I understand your point. I've researched it, and I wholeheartedly disagree with what Mr. Peek has to say about what is appropriate protocol. I also find that -- it compelling, to say the least, that all he ever does in this case is try and get the totality of the relief that he has asked through TROs, through sanctions and otherwise, but never once addresses that protocol with you. Never once. And there's a reason why, Your Honor. Because they don't want that protocol because it is going to necessarily result in most or all -- and I firmly believe the answer is all -- every single document will remain where they're at. For Mr. Peek to stand up here and give you this long speech about pre

termination Mr. Jacobs had to reach in with a thumb drive or otherwise and take documents out. Where is this coming from? Evidence? Declarations? Tell us where is this come from where he has -- he knows where everything happened. Did they go back and reconstruct Mr. Jacobs's hard drives or activities? I suspect they know exactly every single document he has. I have little doubt in my mind they have reconstructed every moment of Mr. Jacobs's existence from a computer-life standpoint and know every single thing he had and every single thing he currently possesses. The act worried and we don't know really is suspect. Let me leave it at that.

And, so you know, getting back to your question,

Your Honor, this is a protocol that we can live with, and I'll

start it today if I get Sands China -- Mr. Ma's here, he can

stand up, unless he's terrified of what'll happen if he speaks

in this case -- and we've got Mr. Peek, stand up, let's start

talking about this issue and getting this resolved, because it

will be very, very unfair to us to find ourselves in November

not able to either review or use those documents in that

hearing simply because Sands China and Las Vegas Sands sat on

their hands and took the benefit of either the risk associated

with this analysis or the fact that I would have agreed and

given them a blank check to say, no, I won't do anything until

you actually move. That's unfair. And so stand up and let's

get it resolved. And that's what I'm prepared to do. But it cannot be lost --2 THE COURT: Especially since I've told you I'm not 3 moving your hearing on November 21st. 4 MR. PISANELLI: That was actually my last point of 5 6 why it really should be done. 7 MR. PEEK: Do you want me to stand up now, Your Honor, or wait till he's finished? 8 THE COURT: Wait till he's finished, Mr. Peek. 9 MR. PISANELLI: Yeah. I would request that you wait 10 11 till I'm finished. 12 MR. PEEK: Okay. I just --13 MR. PISANELLI: And so with all of that said, Your Honor, these are all issues for the other case. 14 The more we 15 entertain these issues, the more Mr. Peek and his team and Las Vegas Sands becomes empowered to play this game. 16 17 game and a fraud and a sham. They know that these are 18 discovery disputes. They know that this case has no merit whatsoever, and they continue to recycle these old tired 19 20 arguments and these old tired allegations. I would ask Your Honor give no relief. You've 21 already given some relief, which you acknowledged to us today, 22 and I think you did the first time around, that Las Vegas 23 24 Sands really wasn't entitled to what they got in the first

place, and I'll ask you let's not do anything else in this

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case and give it more life than it's entitled to.

We have, I believe, two options available to us.

One is the Supreme Court, which Mr. Peek went to. He filed his petition, accused me of unethical conduct in that petition, too, because of my witness list. But I think it's also an evidence issue before you relating to the jurisdictional hearing. So, you know, I may be stretching it to the limits for your comfort, but I think we can address this issue in the context of jurisdictional -- the jurisdictional analysis, because I think those documents will go to the heart of what we're debating about. And so if we resolve it in the context of jurisdiction, I think we're well within the bounds of what the Supreme Court told us to do. I offer that as a suggestion to get this -- get the real case moving and stop this nonsense in coming into this phony case.

THE COURT: Thank you.

Mr. Peek.

MR. PEEK: So there's no mistake about the discussion that I had with Mr. Pisanelli, and I think he accurately identified where we reached disagreement, and where we reached disagreement is his ability absent a Court determination on -- and I'll use the words "stolen documents" as I'm backing away from it, improper documents, however you want to identify it, that Mr. Pisanelli, so long as until the Court decides this you will not review, you will not

disseminate, then I am okay with the protocol that you propose

-- or that Mr. Williams proposed, we can give the documents -a copy of the documents to a third party vendor so that we can
at least look at what it is that contained within the universe
of those documents and identify what's contained within the
universe of those documents that is privileged, that you
should not have, although we contend he shouldn't have any of
it, what is covered by the Data Privacy Act, what is covered
by trade secrets, what is covered by propriety and identify
all of those. I said, I'm happy to do that and go forward
with that protocol, but I want at least an assurance that
during that period of time until that's resolved by the Court
that you not look at those documents. That's where it broke
down.

But -- so I guess I want to go back, Your Honor, because we can't seem to agree with Mr. Pisanelli and Jacobs that he will refrain from reviewing and using 11 gigabytes of data, that creates the reason for our being here today. That creates the imminent risk that they will continue to review and disseminate. So long as that exists, that there's that dissemination, that there's this review of the documents, I'm going to stand before you, I'm going to stand before the Supreme Court, and I'm going to yell from the rooftops, I need relief. I'm going to continue to do that, Your Honor.

They're not entitled to keep or use the documents.

They are the company's property. How do we know that? We know certainly from the Vagus agreement, we know from the Sands China policies, we know from the Las Vegas Sands policies. So retention of the documents after termination, Your Honor, the cases tell us breaches the agreement as well as statutory and common-law duties. Zahodnik tells us that. Zahodnik tells us that it is improper for an employee to retain the documents obtained during employment and disclosure to his counsel, particularly so when those documents include attorney-client privilege and trade secret information. It makes it even more critical to us.

I can't get that commitment from Mr. Pisanelli to do that. So the important issue I think for us is what do we do going forward for Jacobs and Vagus and counsel to commit to us -- can I get that commitment from them. If I don't, what relief do I have? So in similar circumstances where that party or their counsel have improperly obtained documents belonging to an adversary without the consent of the adversary, Las Vegas Sands, the courts have consistently required the recipient to cease the review, and in some circumstances have at least required the return, and in many circumstances have even said, you cannot not only use them, but if you -- you can't even get them from the other side, you can't get discovery of those very same documents. We have the cases of Castalano and Bert Hill we cited to you.

The 11 gigabytes of data, Your Honor, we all know does contain privileged information. Mr. Williams acknowledged that. Mr. Williams said in his correspondence to us, my initial review is there are attorney-client documents so when I saw that I ceased the review and because of the risk that I might inadvertently look at those I'm not going to look at any of the 11 gigabytes of data. So did Mr. Pisanelli say, as I start looking through this and do I do search terms and do I exclude from my search terms the names of who the counsel are or were, does he know who all the counsel are or were, or is he just going to start looking through the data and just flip through it page by page? And when he comes across a document that is clearly attorney-client, he's looked at it. That's what we don't want to have happen here.

So all of this outrage and indignation about what happened before and what has happened over the course of the last four or five months about what we have and have not done, he doesn't have the same institution memory that I have, because we have been working with Mr. Williams to resolve these issues. We filed on September 13th in this case a motion to amend and a motion for protective order to seek to resolve, as we had told Mr. Williams we would do, the issue of the entitlement to those documents and whether those documents had or had not been improperly obtained by Mr. Jacobs. And, of course, we know what happened with that motion we filed on

September 13. There was a hearing on the 16th, on Friday, the 16th, and the Court said to Mr. Jones, who filed that and stood here with Mr. Pisanelli, gentlemen, I cannot address this issue.

So to stand there and say we haven't -- we, Las

Vegas Sands, hasn't taken the steps necessary, we have, Your

Honor. We've had the meet and confers with Mr. Williams, had

the meet and confers with Mr. Pisanelli, and what we can't get

resolved is the fact that they will not review any of the

documents until this Court has made a determination as to

whether it is or is not proper to do so under the rules of

discovery and the rules of professional conduct. Thank you.

THE COURT: Thank you.

The motion is denied. There's no violation of the order I issued which I characterized as an interim order in the hopes that the Nevada Supreme Court would take some action to modify the stay order they have entered in this case.

To the extent permitted under the stay order, the Court will address the use of the documents in the jurisdictional discovery hearing -- in the jurisdictional discovery before the evidentiary hearing on the jurisdictional issues that the Supreme Court has ordered in Case Number A-627691.

Given the Court's inability to resolve what is truly a discovery dispute in Case A-627691, the Court is limited in

what it may do. As I have told you, my belief is this case is purely a discovery dispute. As a result, I am dismissing this case without prejudice for you to pursue it as a discovery 3 dispute related to the jurisdictional evidentiary hearing issue. I am also going to now call Case Number A-627691, 6 which requires Mr. Ma to stand up and come close, since I'm 7 calling the case that he's actually appearing in. 8 9 Gentlemen --10 MR. PISANELLI: Are both cases still open, Your Honor? 11 12 MR. PEEK: Do you want me to move to the other side 13 of the room? THE COURT: I want you guys to stay there. 14 No. Mr. Ma, come this way, please. I need you to 15 16 appear, because I'm calling the case that you're actually appearing in. 17 18 Good morning, Mr. Ma. It's so nice of you to be 19 here. 20 MR. MA: Good morning, Your Honor. THE COURT: Because --21 MR. MA: And I do want to make sure I'm making my 22 appearance for the earlier-filed case, as opposed to the 23 24 second case. 25 THE COURT: Only on the earlier-filed case, which is

why I said that was calling that case now.

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Because of the issue related to the discovery dispute in A-627691 and the inability of the Nevada Supreme Court to address the issue related to the stay that was presented to it on an emergency petition for extraordinary relief, I am going to vacate the November 21st hearing. will require us to go through a process that will be longer than what we would anticipate to resolve what I'm going to treat, at least as much as I can, as a discovery dispute related to the jurisdictional discovery which has been raised in a motion in limine. To the extent we set up a protocol for the examination of documents as a result of that motion in limine, we will do so, or you could all agree to it. But, knowing how long it takes for those ESI issues to be resolved, there is no way that you will be able to be ready for a hearing on November 21st. So, despite my best efforts to make sure we were able to do this, we are unable to accomplish that hearing in the time scheduled, and I'm going to unfortunately grant Mr. Pisanelli's request from a month ago to vacate that hearing. So we'll talk about rescheduling when I see you at

So we'll talk about rescheduling when I see you at the motion in limine hearing and hopefully set up a protocol and --

MR. PEEK: That's on the 13th, Your Honor, as I recall.

MR. PISANELLI: Your Honor, on the case you just dismissed pending before you and -THE COURT: Wait. Mr. Ma has to now step back,

MR. MA: Thank you, Your Honor.

THE COURT: A-648484.

because he can't appear on that case.

MR. PISANELLI: -- pending before you in particular on this ill-advised --

THE COURT: I dismissed this case.

MR. PISANELLI: -- motion for sanctions against us we have requested that we be reimbursed for fees. In light of the fact that the entire action was a sham, I think it's all the more compelling that fees be awarded under these circumstances.

THE COURT: You can make a separate motion in that case if you feel it is appropriate. I will tell you that you know it is rare for me to award fees, especially when somebody is put in the difficult position by the Nevada Supreme Court, as opposed to some of the rest of us. But I agree with you there are some issues, and I may give fees, but you'll have to file a separate motion. I'm not going to do it just on what you asked for in your opposition that everybody got last night, I got this morning.

MR. PISANELLI: A fair point on the difficulty offered by the Supreme Court. My focus is on these reckless

allegations of misconduct that --THE COURT: I understand. 2 MR. PISANELLI: -- that had no foundation whatsoever 3 that we had to oppose. So I'll file a separate petition. 4 Thank you. 5 6 THE COURT: And it'll be in the normal course, and we'll deal with it some day later. 7 MR. PISANELLI: Very well. Thank you. 8 THE COURT: Mr. Peek, good luck with the Nevada 9 Supreme Court, but I will try to the extent it is possible, 10 11 since you presented this as a potential issue, to deal with it 12 in the context of the jurisdictional discovery issue. 13 MR. PEEK: Thank you, Your Honor. And I appreciate 14 Mr. Pisanelli's invitation, as well, to the Court to allow it 15 to be heard in the ordinary course of that jurisdictional dispute. 16 17 THE COURT: We'll see how it works out, though. Thank you, Your Honor. 18 MR. PEEK: THE COURT: Okay. Goodbye. 19 THE PROCEEDINGS CONCLUDED AT 10:17 A.M. 20 21 22 23 24 25

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

Ilmence M. Hoyl	10/4/11
FLORENCE HOYT, TRANSCRIBER	DATE