

December 4, 2008

**BY ELECTRONIC MAIL**

The Honorable Vincent J. Poppiti  
Special Master  
Blank Rome LLP  
Chase Manhattan Centre, Suite 800  
1201 North Market Street  
Wilmington, DE 19801-4226

**PUBLIC VERSION**

**Re: *In re Intel Corporation Microprocessor Antitrust  
Litigation - Discovery Matter 20***

**REDACTED**

-- Fred Sharkey (Dell employee) August 2003

Dear Judge Poppiti:

Six current and former employees (the "Dell Witnesses") of Dell Inc. ("Dell") have agreed to sit for deposition in this multidistrict litigation, but they refuse to appear for their depositions unless AMD agrees upfront to time limits for all three parties' examination.

This MDL proceeding is of unprecedented breadth and scope, and involves the entire ecosystem of the computer industry affected by Intel's abuse of its power to maintain a monopoly in the x86 microprocessor market. The vast number of parties and nonparties spans the globe and includes the players at each level of the ecosystem from OEMs (Dell, HP, IBM, Gateway, Sony, Toshiba, etc.), to systembuilders (Supermicro, Rackable, etc.), to distributors (Synnex, Tech Data, Avnet, ASI, etc.) to software providers (Adobe, Bea, etc.), to retailers (Fry's, Circuit City, Office Depot, Best Buy, MediaMarkt, etc.), to original design manufacturers (Asus, Epox, Foxconn, etc.), to standard-setting organizations (JEDEC, etc.).

And in that pantheon of all the key players in this ecosystem, Dell and its most senior executives are at the very heart of AMD's case against Intel. During most of the relevant period, Dell purchased all of its microprocessor requirements exclusively from Intel, was Intel's largest customer and was the largest computer manufacturer in the world. Intel secured Dell's agreement not to buy processors from AMD by giving it advantages over disloyal OEMs, including payment of billions of dollars in rebates during the relevant period.

There are at least a half-dozen key times from 2000 to present when the infrastructure of the Intel-Dell rebate (or MCP) agreement changed to fend off a threat from AMD. As Mr. Sharkey's quote opening this brief describes: These agreements were reached at the highest levels of the two companies, between Dell's Chairman Michael Dell and CEO Kevin Rollins and Intel's Chairman Craig Barrett and CEO (now Chairman) Paul Otellini and \_\_\_\_\_ were not in writing. **REDACTED**

Each of the six Dell Witnesses was personally involved at various times in the lengthy negotiations with Intel that culminated in the multiple revisions to the Intel-Dell exclusive-dealing agreements. Their one-on-one meetings and the emails they authored and received during the course of these negotiations and the internal strategic deliberations surrounding each negotiation reveal the unwritten exclusivity condition of the handshake agreements and the price tag to Intel. See, e.g., *Travelers Rental Co., Inc. v. Ford Motor Co.*, 116 F.R.D. 140 (D. Mass. 1987). This evidence must be adduced by AMD in order to prove its case.

Michael Dell wants his deposition completed by all parties in only *four* hours. (Attached Exhibit A.) The other five Dell Witnesses each will give all parties only one seven-hour day to complete their depositions. Moreover, after six months of negotiations, Dell has never given us a start date for any of these depositions, claiming it cannot do so until the duration is known, thus necessitating the deposition subpoenas. (That said, after six months, Dell just happened yesterday afternoon to propose a start date for Michael Dell, while still maintaining that his deposition must be taken by all four parties in four hours.) That is impossible.

AMD wants its intentions to be clear. Given the vast scope of this litigation and the Dell Witnesses' roles, AMD will be as efficient as possible with the depositions of the Dell Witnesses, having neither the time nor the resources to do otherwise. But AMD cannot reasonably be expected to crunch over eight years of face-to-face meetings, emails, strategies, agreements, and the implementation of those agreements into its portion of these improbable time limits. AMD has made its time estimates in good faith and has agreed to take the depositions in the most efficient, non-duplicative manner possible. But AMD must have the time necessary to adduce the facts in which each particular Dell Witness was a player. As will be illustrated in more detail in the appendices that accompany this brief, each of the Dell Witnesses has a unique, non-duplicative role in the events at issue in this litigation.

It is impossible for AMD to predict exactly how long each of the depositions will take. They may take more or less time. Much will depend on unknowns, such as discovery of new information or the lack of cooperation from a witness or counsel.<sup>1</sup> Moreover, accepting the Dell Witnesses' artificial limitations on the length of their depositions would frustrate the intent of Case Management Order No. 6 issued by this Court. (Attached Exhibit C, ¶ 1 (f)). That Order granted the parties flexibility to allocate the deposition hours available in this litigation and makes no exception for witnesses that are affiliated and not affiliated with a party. Such flexibility is **permitted by court order under F.R.C.P. 30(d)(1)** and is critical in this complex litigation, particularly with respect to the Dell Witnesses.

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<sup>1</sup> AMD reserves the right to seek additional time to complete the Dell Witnesses' depositions as necessary. AMD also has at all times reserved the right to take depositions of other current and former employees of Dell. (Attached Exhibit B.)

Overview of the Dell Part of AMD's Case against Intel

There are two main pieces of AMD's case against Intel that involve Dell: (1) Dell's exclusive dealing with Intel from 1984 until September 2006, an exclusivity maintained by Intel's payment to Dell of massive amounts of money, and (2) Intel's below-cost pricing to Dell through "bid buckets."

The documentary evidence produced by Dell and Intel candidly paints a picture of a monopolist losing its price-performance advantage to its only competitor, AMD. As AMD assumed technological leadership, Intel paid larger and larger sums to Dell, all conditioned on Dell staying 100% Intel. Intel also provided Dell with a panoply of non-monetary preferential incentives including first look at roadmaps, first in line for supplies and first at the table for engineering support.

There are multiple points from 2000 to the present when the infrastructure of the Intel-Dell rebate (or MCP) agreement changed to fend off a threat from AMD. These agreements were reached at the highest levels of the two companies and were *not* in writing. In addition to the ever-escalating money and the non-monetary preferential incentives, Intel kept Dell 100% Intel by the threat of two very dire consequences: (1) Dell would lose all rebates and preferential treatment, and (2) Intel would shift those benefits over to one of Dell's competitors.

For AMD to meet its burden proof, it must be permitted to seek testimony regarding at least these issues: 1) Whether Intel paid Dell to be exclusive; 2) Whether Intel's ever-escalating monetary payments and non-monetary incentives were conditioned on Dell remaining exclusive and putting up with Intel's inferior products; 3) Whether Intel threatened Dell to keep it from offering any AMD products and what Dell's perception was of the retaliation Dell would suffer if it did so; 4) Whether Dell stayed with Intel despite its own and Intel's assessment of AMD versus Intel's product roadmaps and profitability because of Intel's money and its fear of Intel retribution; and 5) Whether Intel funded Opteron bid buckets, so that Dell could predatorily price its processors in order to win key bids against other OEM bidders using AMD processors.

Dell Witnesses Dell, Rollins, Clarke, Allen and Luecke each played key roles in the strategizing and negotiations that culminated in each of the exclusive dealing agreements. Dell, Rollins and Clarke were the key interfaces and deal makers with Intel's most senior executives (after participating in their own high-level internal strategy sessions and in sessions with other Dell employees). Allen and Luecke were more involved in the strategies leading up to the negotiations, the modeling of Intel's rebate dollars and of Intel retaliation, and the implementation of Intel's Dell MCP agreements. However, the roles are not defined so precisely.

**REDACTED**

(Appendix 2 of Facts and Evidence, Exhibit

Luecke and Allen were in constant communication with Intel's Worldwide Senior Executive in charge of the Dell Account, Art Roehm, as was Clarke. In addition, as discussed, Intel's rebate dollars were not only a shield against AMD, but also a sword. After AMD's Opteron server processor gained an undisputed performance leadership, starting in 2003, Intel pushed Dell to establish an Opteron bid bucket. When Intel and Dell realized that Intel could not compete with Opteron on the merits, Intel agreed that Dell should use the Opteron bid bucket to price Intel's processors below cost in order to bid against Dell's competitors who were offering AMD processors. While the more senior executives made this agreement, Jerele Neeld managed and distributed the bid bucket funds after consultation with Intel.

In its defense, Intel alleges that Dell freely chose to remain exclusive with Intel because AMD had supply and execution problems and Intel's products were superior in performance. The Dell Witnesses (from Michael Dell on down) provide a powerful refutation of these defenses and are knowledgeable about Intel's constant supply and execution problems.

Dell's documents present far more evidence than Intel's. Dell produced its documents to AMD and Intel in native form. It produced from 29 custodians' files, and both Intel and AMD reviewed these documents and advised Dell of the documents each selected to put into play for this litigation. Intel and AMD collectively selected 235,190 documents to put in play, which amounts to 3,111,324 pages. And that is just the Dell production. It does not count potential exhibits from the Intel and AMD productions. Nor does it include Dell's second production set, which has been coming in on a rolling basis and is just now complete. These documents are an enormous collection of emails, PowerPoints and memos within Dell and Intel assessing rebate structures, modeling Intel retaliation, discussing Intel's technology, supply and execution problems, assessing Dell's advantage for remaining exclusive, planning negotiation strategies, reacting to offers and counter-offers, considering AMD, and examining the Opteron bid buckets successes and failures.

Accompanying this letter brief are two appendices. The first appendix ("Appendix 1") provides a brief overview of each of the six witnesses and how they not only possess personal knowledge, but superior or unique knowledge not available from anyone else or their subordinates. The second ("Appendix 2") is an appendix of facts and evidence that provides a very small sampling of documents that support our assessment of each witness' involvement.

Honorable Vincent J. Poppiti  
December 4, 2008  
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Conclusion

The six Dell Witnesses are vital to proving AMD's case and defending against Intel's defenses. AMD needs sufficient time with the Dell Witnesses to address the events that occurred over almost a decade. Based on the foregoing, AMD respectfully requests that the Court deny the Dell Witnesses' request to truncate *ab initio* the time for their depositions.

Respectfully,



Adam Balick  
(DE Bar # 2718)

cc: Clerk of the Court  
Richard L. Horwitz, Esq.  
James L. Holzman, Esq.  
Thomas R. Jackson, Esq.  
Michael D. Mann, Esq.  
Lauren E. Maguire, Esq.  
The Honorable Joseph J. Farnan, Jr.

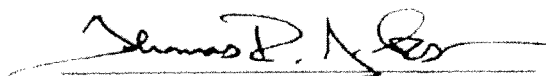
# Exhibit A



Clarke, Mr. Luecke, and Mr. Neeld) to no more than one day of seven hours, as provided by Rule 30(d)(1).

Dated: November 20, 2008

Respectfully submitted,

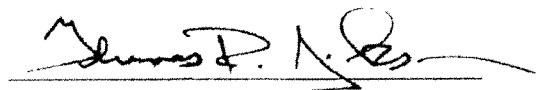


Thomas R. Jackson  
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ATTORNEYS FOR NON-PARTIES  
DELL INC. AND DELL EMPLOYEES

**CERTIFICATE OF CONFERENCE**

I hereby certify that I have communicated with counsel in the underlying suit regarding the substance of this motion and the relief sought is opposed.





CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of November, 2008 a copy of this Motion to Quash Deposition Subpoenas or, Alternatively, for a Protective Order was served on the following known counsel of record in the manner indicated below.

Michael Klein *by certified mail, return receipt requested*  
Smith, Robertson, Elliott, Glen, Klein & Bell LLP  
221 West Sixth Street, Suite 1100  
Austin, Texas 78701

Laina M. Herbert *by certified mail, return receipt requested*  
Prickett, Jones & Elliott, P.A.  
1310 King St.  
P.O. Box 1328  
Wilmington, DE 19899-1328

  
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# Exhibit B

**Smith, Linda**

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**From:** Smith, Linda  
**Sent:** Friday, October 03, 2008 10:33 AM  
**To:** Thomas R. Jackson  
**Cc:** csmaynard@JonesDay.com; Evan P Singer  
**Subject:** Dell Deponents and Estimated Time Requirements

As requested below are the six deponents AMD intends to depose (reserving all rights to additional deponents) along with AMD's estimates of the time required for AMD's examination. Both Intel and Class have also provided estimates but those estimates were understandably heavily caveated. With the premise that "since these are third-party depositions we expect we will have limited time with each of them," Rod Stone wrote in part:

"Our preliminary estimate is that we can cover what we need in half a day, but of course this may change depending on how much time the parties are ultimately given to depose these witnesses and the scope of the issues and documents that you or the class may choose to cover with them. Without knowing how long the depositions are going to be or the scope of the issues to be covered by AMD and the class, it is difficult to provide a definite or certain time estimate."

The Class estimates it will need 2 hours with each witness, principally subject to the caveat that their estimate assumes that the second custodian inspection set has been produced and that it has been produced sufficiently ahead of the start of the depositions to allow them to review those documents.

I will forward this letter to Intel and to Class.

**Dell Depositions and Estimates of Time Required by AMD:**

**Name:** Michael Dell  
**Company:** Dell  
**Hours Est:** 12 hours  
**Dates:** end of November/December  
**Address to send Letter and Subpoena:**  
Thomas R. Jackson  
Jones Day  
2727 North Harwood Street  
Dallas, Texas 75201

**Name:** Dan Allen  
**Company:** Dell  
**Hours Est:** 21 hours  
**Dates:** end of November/December  
**Address to send Letter and Subpoena:**  
Thomas R. Jackson  
Jones Day  
2727 North Harwood Street  
Dallas, Texas 75201

**Name:** Jerele Need  
**Company:** Dell  
**Hours Est:** 14 hours

**Dates:** end of November/December  
**Address to send Letter and Subpoena:**  
Thomas R. Jackson  
Jones Day  
2727 North Harwood Street  
Dallas, Texas 75201

**Name:** Alan Luecke  
**Company:** Dell  
**Hours Est:** 14 hours  
**Dates:** end of November/December  
**Address to send Letter and Subpoena:**  
Thomas R. Jackson  
Jones Day  
2727 North Harwood Street  
Dallas, Texas 75201

**Name:** Jeff Clarke  
**Company:** Dell  
**Hours Est:** 21 hours  
**Dates:** end of November/December  
**Address to send Letter and Subpoena:**  
Thomas R. Jackson  
Jones Day  
2727 North Harwood Street  
Dallas, Texas 75201

**Name:** Kevin Rollins  
**Company:** Former Dell Employee  
**Hours Est:** 14 hours  
**Dates:** end of November/December  
**Address to send Letter and Subpoena:**  
Michael D. Mann  
William P. Barry  
Richards Kibbe & Orbe LLP  
Portrait Building,  
701 8th Street NW  
Washington, DC 20001-3727

**Linda J. Smith**  
**O'Melveny & Myers**  
**1999 Avenue of the Stars**  
**Los Angeles, CA 90067**  
**Direct 310-246-6801**  
**Fax 310-246-6779**

# Exhibit C



may have to the taking of a deposition, including, but not limited to, the location or length, which will be raised promptly and addressed by the Special Master, as required.

1. **Notice and Logistics.**

a. Deposition Point Person. Intel, AMD, and Class Plaintiffs each will appoint a deposition point person to whom all communications regarding depositions will be sent. The parties will cooperate to expand the notifications as necessary and convenient, but for a communication concerning the notice or scheduling of a deposition to be effective it must be made by email to the deposition point person(s).

b. Advance Notice Of Depositions. Between the first and fifth of each month, each side will notify the other by e-mail or letter of the depositions each party wishes to take the following month, including third parties, and will include in the notification the estimated number of hours of examination by the noticing party. For party witnesses, the e-mail or letter should be followed-up by a formal deposition notice within 7 days. The deposition notice need not include a specific date or location to be effective, nor does it need to comply with the seven (7) day notice provision set forth in Local Rule 30.1. For 30(b)(6) depositions, the initial e-mail or letter should include a preliminary list of the topics of examination for that deposition. A final list of the topics of examination should be provided with the formal deposition notice within 7 days. Subpoenas will be prepared and served on witnesses as required, although the parties agree to cooperate to minimize the burdens. Absent unusual circumstances or compelling scheduling issues, party related witnesses (*i.e.*, current and former employees of a party) will be produced for deposition in the month requested, and third party depositions should also, to the extent possible, take place in the month requested.

c. Scheduling of Depositions. The parties will use best efforts to confirm the dates and locations for depositions as soon as practicable but no later than 14 calendar days after receipt of the letter requesting the depositions. The date for a deposition shall be final or "locked in" and not subject to further change 10 days before the deposition is scheduled to take place, absent agreement of the parties or a specific showing of unavoidable good cause.

d. Reporting and Videotaping of Depositions. The parties have entered into a joint arrangement with a court reporting and videographer firm that will govern all depositions. All depositions will be videotaped unless the noticing side informs the parties to the contrary. For purposes of tabulating deposition hours each party has used, the videographer shall track to the nearest quarter-hour (rounding up) the time consumed by each party's examination (which is defined as the time from commencement of the examination through completion, excluding breaks), and the videographer shall announce the totals on the stenographic record at the conclusion of each day of examination. In the event a deposition is not videotaped, time-tracking shall be performed by the court reporter.

e. Numbering of Deposition Exhibits. The parties will meet and confer to develop a protocol for the numbering of deposition exhibits to facilitate use of depositions at trial. The parties have agreed on distinct exhibit number ranges for use in depositions: AMD will use exhibit numbers 1 to 5000, Intel will use exhibit numbers 5001 to 10000, and Class Plaintiffs will use exhibit numbers 10001 to 15000. Additional ranges will be assigned, if need be. Each party, with assistance from the court reporters,



will track its own deposition exhibits and use their numbers sequentially from one deposition to the next by the same party

f. Deposition Hour Allocations. The parties are collectively allocated 2,086 hours of merits depositions exclusive of expert depositions. AMD and Class Plaintiffs are collectively allotted 1,147 hours; Intel is allocated 939 hours. For scheduling purposes, a full day of deposition shall consist of 7 hours of examination.

2. Location and Other Scheduling Issues.

Depositions will be held in a city convenient to the deponent. The specific location of the deposition in that city will be selected by the deposing lawyer. Depositions lasting more than one day will be conducted day to day, unless the witness agrees to an adjournment requested by the examining party or unanticipated scheduling exigencies otherwise requires. Attendance and conduct at a deposition will be governed by Local Rules 30.3 and 30.6 and the protective order entered in this case.

3. Special Master

The parties agree that discovery issues that arise during depositions may be presented telephonically to the Special Master. Any decisions made in connection with such issues, except those involving privilege or other immunity or protection from disclosure, will be final and not subject to further review by the Court. Any objections raised will be deemed preserved for all purposes.

4. Review, Signing, and Custody of Transcript.

The parties agree that that the original transcript will be sent to the attorney defending a witness, who will then promptly forward the transcript to the witness to review. Subject to reasonable extensions, which will be freely given, party witnesses will

have thirty days from the date the transcript is sent by the court reporter to the defending attorney to review and sign the transcript, and the attorney will notify all parties of changes or corrections promptly, but no later than five (5) days after receiving them. The attorney representing a party witness or the attorney for the party that requested or noticed a third party deposition shall maintain custody of the original transcript and make it available upon reasonable request. The parties agree that copies of a transcript may be used as if they were the original litigation transcript, including where a witness fails to sign the original transcript for any reason after given an opportunity to do so, subject to the protective order.

5. **Special Provisions Applicable to Third-Party Depositions**

a. Service of Notification. In the case of deponents who are neither current nor former employees of a party, or other persons who are not under the control of a party, the notification provided for in Paragraph 1(b) will also be served on (i) the deponent if unrepresented, or counsel known to represent the deponent in this litigation, and (ii) in the case of current or former employees of any entity served with a subpoena in this case, the entity or any counsel representing it. Service to the deponent will be by certified mail, and email, where available and reasonably ascertainable. All notices served under this paragraph will include a copy of this Order. Should the non-noticing party contemplate conducting an examination of the deponent lasting more than one hour, it will provide to the same persons a counter-notice setting forth the estimated duration of its examination.

b. Scheduling of Deposition. Any person receiving such a notice (and counter-notice), or counsel acting on his or her behalf, will provide date(s) for the

commencement of the deposition in the month requested as soon as practicable but no later than 14 calendar days after receipt of the letter requesting the deposition. The proposed date(s) should be sufficient to accommodate the time estimates of the parties. Upon receiving a proposed start date, the requesting party will promptly cause a subpoena for that date to be served on the deponent or any counsel authorized by the deponent to accept service. In the event the deponent or his/her representative fails timely to provide a start date, the deposition will be noticed for a date selected by the requesting party. Absent some further agreement of the parties and the deponent, **the deposition will commence on the date specified in the subpoena unless the deponent applies for a protective order from this Court pursuant to the Procedures for the Handling of Discovery Disputes Before the Special Master dated June 26, 2006, as amended on October 9, 2007 (available on Pacer). Any such proceeding shall be commenced sufficiently early so as to permit the deposition to proceed on the scheduled start date in the event the application is denied.**


c. Disputes Over the Scheduling of Third-Party Depositions. The parties recognize that document productions, including some third party productions, are ongoing. A party receiving notice of a proposed third-party deposition that believes the deposition is premature given the status of pertinent document productions, will within seven days provide a written objection to the requesting party and to the deponent. Any scheduling dispute the parties are unable to resolve shall promptly be brought to the attention of the Special Master for resolution. The pendency of any such dispute, however, shall not relieve the deponent and the parties of their scheduling obligations under this Order.

d. **Local Rule 30.6.** Local Rule 30.6 shall apply to the defense of third-party depositions.

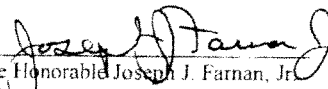
6. **Third Party Document Production Cut-Off.** So as to permit timely completion of third-party depositions, all third parties currently under subpoenas duces tecum are ordered to complete their production of documents on or before August 29, 2008. Plaintiffs shall so inform third-parties of this production cut-off by serving copies of this Order on them or their counsel. **Any third-party that believes it cannot comply with this deadline shall apply to this Court for relief from it on or before July 1, 2008.**

7. **Reports to the Special Master.** Within fifteen days of the end of every second month (beginning July 15, 2008), the parties will jointly report to the Special Master on the number of hours of depositions each has expended during the preceding two months and any issues relating to progress of the depositions, or any other issues, that have arisen in connection with the depositions.

ENTERED this 20<sup>th</sup> day of June, 2008.

  
\_\_\_\_\_  
Vincent J. Poppiti (#100614)  
Special Master

SO ORDERED this 20<sup>th</sup> day of June, 2008.

  
\_\_\_\_\_  
The Honorable Joseph J. Farnan, Jr.  
Delaware District Court Judge