1	Scott A. McMillan, Cal. Bar. No. 212506		
2	Evan Kalooky, Cal. Bar. No. 247851		
3	THE MCMILLAN LAW FIRM, APC 4670 Nebo Drive, Suite 200		
-	La Mesa, California 91941-5230		
4	(619) 464-1500 x 14		
5	Fax: (206) 600-5095		
6	E-mail: <u>scott@mcmillanlaw.us</u>		
7	Lawyers for Sean Ryan and The McMillan Law Firm, APC, appearing Pro Hac Vice.		
8	UNITED STATES BANKRUPTCY COURT		
9	FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION		
10	DALLAS	DIVISION	
11	In re	Chapter 11	
12		Case No.:09-31828 (BJH)	
13	IDEARC INC., et al., Debtors.	(Jointly Administered)	
14			
15	JUDGMENT CREDITORS' OBJEC	TIONS TO THE DECLARATION OF	
16	RONALD LENINGTON,		
17	FILED ON MAY 20, 2009 IN THIS ACTION		
18			
19			
	OBJECTION NO. 1: Lacks personal knowledge – Fed. R. Evid. 602, calls for		
20	speculation – Fed. R. Evid. 602, assumes facts not in evidence – Fed. R. Evid. 611(a).		
21	"If the contract ^{[1}] was terminated, it is not likely that we could quickly find		
22	another company who could provide these services because the work is to support		
23	proprietary Amdocs software. If these services were not provided, these applications		
24			
25	¹ Idearc makes the legal conclusion that there are, in fact, legally binding contracts without any factual support as to their existence. A contract is a legally binding agreement that requires an offer,		
26	acceptance, and consideration. Here, Idearc has neither produced the contract in its original form (hence		
27	the following objections pursuant to Fed. R. Evid. 901 and 1002), nor has Idearc provided evidence that a legally binding contract exists. This is a convenient maneuver for Idearc, since citation to a legally binding contract, a writing of independent legal significance, effectively inoculates it from a hearsay objection under Fed. R. Evid 802.		
28			
-0	п аллалалын иншагтал. к. тунц ойд.		

could cease to function, leaving Idearc with no means to record sales, publish directories, 2 and bill customers. Pricing rates are comparable to rates charged by large domestic 3 software suppliers providing on-site support services and specialized custom development services for proprietary code." (Declaration of Ronald Lenington, Paragraph 7, Page 2.)

Grounds for objection: Lacks personal knowledge – Fed. R. Evid. 602, calls for speculation – Fed. R. Evid. 602, assumes facts not in evidence – Fed. R. Evid. 611(a).

Lacks personal knowledge - Fed. R. Evid. 602. "A witness may not testify to a matter unless the witness has personal knowledge of the matter." (Granahan v. Christian (2007) 2007 Bankr. LEXIS 926, citing Fed. R. Evid. 602.) Here, there are no facts to support Mr. Lenington's personal knowledge that Idearc's core print business computer applications would cease to function, nor is there support for his statements regarding the pricing rates of large domestic software suppliers providing similar services.

Calls for speculation – Fed. R. Evid. 602. A witness may not testify as to a guess or speculation. Here, Mr. Lenington's statement, without more, calls for speculation: "If the contract was terminated, *it is not likely* that we could quickly find another company...." (Declaration of Ronald Lenington, Paragraph 7, Page 2. Emphasis added.) Here, "not likely" demonstrates speculation on Mr. Lenington's part and thus this objection is improper. Moreover, there is no evidence provided that supports Mr. Lenington's claim that Idearc could not quickly find another company to provide those same services.

Next, Mr. Lenington states: "[i]f these services were not provided, these applications could cease to function...." (Id. Emphasis added.) Here, the use of the conditional modifier "could" again suggests speculation on Mr. Lenington's part and thus the objection is not proper.

Assumes facts not in evidence – Fed. R. Evid. 611(a). The statement above assumes facts not in evidence. Paralleling the analysis above, the speculative nature of Mr. Lenington's statement assumes that (a) there are few or no other companies that

1

could provide the same service; (b) that the applications' functionality is dependent upon
only those particular companies; and (c) that the pricing rates are comparable to large
domestic software suppliers providing similar services. These implications require further
evidence in order for the statement to be proper.

Court's Ruling on Objection #1: Sustained _____ Overruled _____

OBJECTION NO. 2: Lacks personal knowledge – Fed. R. Evid. 602, calls for speculation – Fed. R. Evid. 602, assumes facts not in evidence – Fed. R. Evid. 611(a).

"Idearc pays market rates for services under this contract. My experience and survey of the marketplace indicate that rates are comparable to rates charged by other large software suppliers providing such services. In addition, Idearc has engaged in significant negotiations with multiple providers prior to the selection of the salesforce.com tool." (Declaration of Ronand Lenington, Paragraph 8, Page 2.)

Grounds for objection: Lacks personal knowledge – Fed. R. Evid. 602, calls for speculation – Fed. R. Evid. 602, assumes facts not in evidence – Fed. R. Evid. 611(a).

Lacks personal knowledge, Fed R. Evid 602. Here, Mr. Lenington discusses Idearc's rates by comparison to "market rates" for other, presumably similar, services besides those offered by salesforce.com. Reference to those market rates without explaining the source of Mr. Lenington's knowledge about such facts is inappropriate without first demonstrating that he has actual personal knowledge as claimed in the declaration verification in Paragraph 1. Similarly, his claim that "Idearc would not have visibility into the sales pipeline activity needed to accelerate sales" is likewise unsupported by any evidence demonstrating Mr. Lenington's personal knowledge about such claims.

Calls for speculation, Fed. R. Evid. 602. Mr. Lenington's claim that "Idearc
would not have visibility into the sales pipeline activity needed to accelerate sales" is a

Case No. 09-31828 (BJH) OBJECTION TO RONALD LENINGTON'S MAY 20, 2009 DECLARATION

speculative comment on Mr. Lenington's behalf without any proof or explanation as to its merits, and fails to explain why alternate methods would not provide sufficient visibility 3 to accelerate Idearc's sales.

Assumes facts not in evidence, Fed. R. Evid. 611(a). The statement in question assumes facts and figures about other companies' prices for the services in question without properly proving such facts with evidence; similarly, there have been no facts submitted that explain why an interruption of services would harm Idearc's business or sales.

Court's Ruling on Objection #2:

Sustained

Overruled

OBJECTION NO. 3: Lacks personal knowledge – Fed. R. Evid. 602, calls for speculation – Fed. R. Evid. 602, assumes facts not in evidence – Fed. R. Evid. 611(a).

"If these services were not provided, these applications could cease to function, leaving Idearc with no means to record sales, publish directories, and bill customers. Since many of these services are provided from off-shore, rates under this contract are significantly below domestic market rates." (Declaration of Ronald Lenington, Paragraph 9, Page 2.)

Grounds for objection: Lacks personal knowledge – Fed. R. Evid. 602, calls for speculation – Fed. R. Evid. 602, assumes facts not in evidence – Fed. R. Evid. 611(a).

Lacks personal knowledge – Fed. R. Evid. 602. There is nothing in the declaration statement that explains the actual personal knowledge upon which Mr. Lenington has based this statement.

Calls for speculation - Fed. R. Evid. 602. The word choice "these applications could cease to function" (Declaration of Ronald Lenington, Paragraph 9, Page 2. 27 Emphasis added.) explicitly demonstrates that Mr. Lenington is speculating as to the 28 resulting adverse effects upon Idearc that failure of the services to provide their services

Case No. 09-31828 (BJH) OBJECTION TO RONALD LENINGTON'S **MAY 20, 2009 DECLARATION**

1

2

4

1 would cause.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

19

20

Assumes facts not in evidence – Fed. R. Evid. 611(a). There is no evidence demonstrating that Idearc's applications could not function but for the sevices provided by Tata. Without further evidence, there is nothing to preclude the possibility that Idearc could support the function of its applications by some alternative means. Moreover, no evidence is presented supporting the difference between off-shore and domestic market rates.

Court's Ruling on Objection #3:

Sustained

Overruled

OBJECTION NO. 4: Lacks authentication – Fed. R. Evid. 901, "best evidence rule" – Fed. R. Evid. 1002, hearsay – Fed. R. Evid. 802.

"Idearc currently owes the following amounts to each vendor for services performed prior to March 31, 2009 (the "Petition Date"):

- Amdocs \$303,352.12
- Tata \$274,430.57

• salesforce.com \$33,968.94"

18 (Declaration of Ronald Lennington, Paragraph 10, Page 2.)

Grounds for objection: Lacks authentication – Fed. R. Evid. 901, "best evidence rule" – Fed. R. Evid. 1002, hearsay – Fed. R. Evid. 802.

The fundamental issue with this evidence is that although statements and invoices
must exist, we must accept Mr. Lennington's opinion of what the statements say. Also,
the participants in this bankruptcy don't have any idea when these debts were incurred.

Lacks authentication, "best evidence rule" – Fed. R. Evid. 901, 1002. If a
document is being introduced, the document must be relevant and authenticated.
Authenticating the document means that its foundation must be laid, i.e., it is
demonstrated to be what it is purported to be. "The requirement of authentication or
identification as a condition precedent to admissibility is satisfied by evidence sufficient

Case No. 09-31828 (BJH) OBJECTION TO RONALD LENINGTON'S MAY 20, 2009 DECLARATION

to support a finding that the matter in question is what its proponent claims." (Fed. R. 1 2 Evid. 901.) Moreover, it must comply with the "best evidence rule," (Fed. R. Evid. 1002) 3 and not be privileged or hearsay. Where the contents of a writing are at issue, the best 4 evidence rule requires the originals to be used or they must be shown to be unavailable 5 through no fault of its proponent (Fed. R. Evid. 1002)."[This] rule requires that parties that seek to prove what the contents of a writing are must produce the original writing...." 6 7 (Maxwell Macmillan Realization Liquidating Trust v. Aboff (1995) 186 B.R. 35, 47, citing 8 *Herzig v. Swift & Co.* (1945) 146 F. 2d 444, 445.)

9 Here, Mr. Lenington states the various dollar amounts owed each vendor for 10 services performed prior to March 31, 2009. These dollar values presumably came from 11 some document, computer file, or other memorialized medium, but Mr. Lenington does not lay the foundation for the source of these figures. Moreover, subject to the "best 12 evidence rule," because these figures are at issue, the original must be produced. 13 Pursuant to Rule 1006², if Mr. Lenington provided evidence that the original document 14 15 containing these figures is so voluminous or complex as to render it impracticable to 16 produce in court, Mr. Lenington may have at least provided a summary of the contract as Rule 1006 permits. But here, Mr. Lenington has produced neither the original contract 17 nor a summary of its contents. 18

Therefore, the "exception" that Rule 1006 effectivley provides Rule 1002 is inapplicable, and thus Mr. Lenington must comply with Rules 901 and 1002 and produce the original copy of the document containing the quoted figures.

22

23

19

20

21

Hearsay – Fed. R. Evid. 802. Hearsay is an out-of-court statement offered for the

²An exception to the "best evidence rule" is Fed. R. Evid. 1006 which allows "[t]he contents of voluminous writings, records, or photographs [that] cannot conveniently be examined in court [to] be presented in the form a chart, summary, or calculation." (Fed. R. Evid. 1006.) Moreover, Rule 1006 mandates that "[t]he originals, or duplicates, shall be made available for examination ... by other parties at reasonable time and place." In determining the applicability of Rule 1006, the court in *Leonard v. Mylex Corp.* ((1999) 240 B.R. 328) explained that "[t]he failure to provide a full copy [of the document, when requested by the opposing party,] with the court reporter's certification is ... fatal." (*Leonard*, at 355.) No exception applies here, and even if proponent of the evidence sought to avail itself of the exception, Idearc has not complied with foundation prerequisites.

Case No. 09-31828 (BJH) OBJECTION TO RONALD LENINGTON'S MAY 20, 2009 DECLARATION

truth of the matter asserted. Under Rule 801(a), a "statement" is "(1) an oral or written 2 assertion...." (Fed. R. Evid. 801(a). Emphasis added.) Generally, absent some exclusions, 3 exemptions, or exceptions, hearsay is not admissible.

4 Here, the information provided in by Idearc is cited from some other contracts, i.e., the various contracts with Amdocs, Tata, and salesforce.com, and are thus written statements that were made out-of-court. The figures are an assertion of fact: if they were not asserted as true, then all claims made upon the figures would be an empty statement. Here, the reference is to various contracts that are asserted as true. Accordingly, these hearsay statements are inadmissible. The contracts as between Idearc's partners and Idearc are cited with respect to amounts owed Idearc's partners. This is a written statement that was made out-of-court. It is being asserted as a true statement; it is therefore offered for the truth of the matter being asserted. Accordingly, the statements are inadmissible hearsay.

Sustained **Court's Ruling on Objection #4:**

Overruled

OBJECTION NO. 5: Lacks personal knowledge – Fed. R. Evid. 602, lacks authentication - Fed. R. Evid. 901, "best evidence rule" - Fed. R. Evid. 1002, hearsay - Fed. R. Evid. 802

"The contracts are in writing and executed. The contracts are still active. The effective date of the salesforce.com contract was October 13, 2008, and the term is perpetual. The effective date of the Tata contract was November 1, 2007, with an expiration date of December 31, 2009. The effective date of the Amdocs contract was January 1, 2001, with an expiration date of December 31, 2011." (Declaration of Ronald Lenington, Paragraph 11, Page. 2.)

Lacks personal knowledge – Fed. R. Evid. 601. There is nothing in the facts to support Mr. Lenington's claim about the origin and status of these contracts.

Lacks authentication, "best evidence rule" - Fed. R. Evid. 901, 1002. Here, the Case No. 09-31828 (BJH) OBJECTION TO RONALD LENINGTON'S **MAY 20, 2009 DECLARATION**

1

5

1 contents of the document are at issue and therefore the originals must be produced.

Hearsay – Fed. R. Evid. 802. The statements contained in the contracts are statements written for the truth of the matter being asserted, and they were made out of court. Accordingly, they are inadmissible hearsay.

5				
6	Court's Ruling on Objection #5:	Sustained	Overruled	
7				
8	Date: May 31, 2009	The McMillan Law F	irm, APC	
9		/s/ Scott A. McMillar	1	
10		Scott A. McMillan		
11			ent Creditors IcMillan Law Firm, APC	
12		Sean Kyan and The W	Tewnnan Law Finn, AFC	
13	CERTIFICATE OF SERVICE			
14	I certify that on May 31, 2009, a true and correct copy of the foregoing pleading			
15	was served (1) electronically by the Court's ECF system, or (2) according to the orders			
16	specific to this case – by sending an email copy to the persons who have supplied email			
17	address, or otherwise (3) by first class mail upon those persons identified by the ECF			
18	system as having requested notice appeared but not receiving electronic notices.			
19	BY:	/S/ SCOTT A. MCM		
20	DI.	Scott A. McMillan		
21				
22				
23				
24				
25				
26				
27				
28				
	Case No. 09-31828 (BJH) OBJECTION TO RONALD LENINGTON'S MAY 20, 2009 DECLARATION		V'S 8	