UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	SACV 13-01267-JLS (JEMx)	Date	June 13, 2014
Title	Consumer Financial Protection Bureau v. Morgan Drexen Inc., et al.		

Present: The Honorable	John E. McDermott, United States Magistrate Judge

S. Anthony	
Deputy Clerk	Court Reporter / Recorder
Attorneys Present for Plaintiffs:	Attorneys Present for Defendants:

Proceedings: **(IN CHAMBERS) ORDER RE PLAINTIFFS' MOTION TO COMPEL DISCOVERY RESPONSES (Docket No. 81)**

Before the Court is a Motion to Compel Discovery Responses ("Motion") filed by Plaintiff Consumer Financial Protection Bureau ("Plaintiff" or "Bureau") against Defendant Morgan Drexen Inc. ("Morgan"). The Motion is GRANTED in part and continued in part as explained below.

The Bureau seeks production of all non-privileged documents responsive to Document Requests 1-28 and 31-34 and a privilege log for all documents withheld on attorney-client privilege grounds. The Court cannot tell for certain from the papers whether this production has occurred. Morgan agreed to produce the documents in issue and, although delay has occurred, Morgan represents in the Joint Stipulation that production will occur by the end of May. Neither party filed a supplement memorandum updating the Court on the status of the production. If production did not occur by May 31, 2014, or has still not occurred, then Morgan is ORDERED to complete production **within 7 days** of this Order, along with a privilege log.

The Bureau's Document Request 29 seeks all communications related to the Telemarketing Sales Rule, 16 C.F.R. part 310 ("TSR"), which basically would require Morgan to produce every communication regarding every transaction it has undertaken. The Request is overbroad and many of the documents requested would be subject to attorney-client privilege. The Court also does not believe the parties have met and conferred sufficiently on this Request. The Court directs the parties to discuss how the Request could be narrowed to be less burdensome. If the parties fail to agree, they can return to the Court on shortened notice for further relief.

As to Document Request 30 seeking communications related to financing, Morgan's rationale for refusing to respond is that Bureau has not provided "compelling evidence" for disclosure of banking information and that Morgan fears that Bureau will contact Morgan's lenders. The Bureau is not required to present "compelling evidence" to obtain the information requested. Fed. R. Civ. P. Rule 26(b)(1) provides that "[p]arties may obtain discovery regarding non-privileged matter that is relevant to

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	SACV 13-01267-JLS (JEMx)	Date	June 13, 2014
Title	Consumer Financial Protection Bureau v. Morgan Drexen Inc., et al.		

any party's claim or defense." Rule 26(b)(1) goes on to provide that "[r]elevant information need not be admissible at trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence." The scope of discovery under the Federal Rules is extremely broad." Soto v. City of Concord, 162 F.R.D. 603, 610 (N.D. Cal. 1995). The Bureau provided a plausible rationale for the relevance of the banking information to which Morgan offered no response. Morgan must produce the documents.

Morgan's fear that the Bureau will misuse the information to interfere with Morgan's lending relationships seems speculative and is unsupported by any case authority that would justify withholding the documents requested. There is a protective order in place in this case. If it is not sufficient to protect against use of the documents by the Bureau to contact lenders, then the parties should agree on a protective order that would prohibit the Bureau from contacting lenders identified in the documents for the duration of this suit without relief from this Court.

cc: Parties

_____ : _____

Initials of Deputy Clerk sa