1	UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA		
2	X AMERICAN SOCIETY FOR THE Docket No. CA 03-2006		
3	PREVENTION OF CRUELTY		
4	TO ANIMALS, ET AL, Plaintiffs,		
5	v. Washington, D.C. March 23, 2010 2:10 p.m.		
6	FELD ENTERTAINMENT, INC., Defendant.		
7	X AND FELD ENTERTAINMENT, INC., Docket No. CA 07-1532		
8	Plaintiffs, v.		
9	AMERICAN SOCIETY FOR THE		
10	PREVENTION OF CRUELTY TO ANIMALS, ET AL,		
11	Defendants. X		
12	STATUS HEARING BEFORE THE HONORABLE EMMET G. SULLIVAN		
13	UNITED STATES DISTRICT JUDGE APPEARANCES:		
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1	APPEARANCES: (CONT'D.)
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1 P-R-O-C-E-E-D-I-N-G-S 2 (2:10 P.M.; OPEN COURT.) 3 THE DEPUTY CLERK: Please remain seated and come to order. Civil Action 03-2006, American Society for the 4 5 Prevention of Cruelty to Animals, et al versus Feld Entertainment, Inc., et al; and Civil Action 07-1532, Feld 6 7 Entertainment, Inc. versus American Society for the Prevention 8 of Cruelty to Animals, et al. Would counsel please identify 9 yourselves for the record. 10 MR. GLITZENSTEIN: Good afternoon, Your Honor. 11 Glitzenstein for ASPCA against Feld Entertainment, Inc. 12 THE COURT: All right. Counsel. 13 MS. MEYER: Katherine Meyer. 14 MR. CRYSTAL: Good afternoon, Your Honor. Howard 15 Crystal. MR. BRAGA: Good afternoon, Your Honor. Stephen 16 Braga for the Defendants in the Feld versus ASPCA case. 17 18 THE COURT: All right. 19 MS. STEEL: Good afternoon, Your Honor. Laura 20 I'm here on behalf of certain of the Defendants in the Steel. 21 Feld Entertainment versus ASPCA case. 22 THE COURT: All right. Good afternoon. 23 MR. SIMPSON: Good afternoon, Your Honor. John 24 Simpson for Feld Entertainment in both cases. 25 THE COURT: All right, counsel.

MS. PARDO: Good afternoon, Your Honor. Michelle Pardo for Feld Entertainment.

MR. SMITH: Richard Smith for Feld Entertainment versus ASPCA case.

THE COURT: All right. At the risk of everyone being invited to the podium, I'll ask that principal counsel come to the podium, and if it's everyone, it's everyone.

And let me thank everyone for the status report. I just want to focus on where we are at this point. It sounds like we're about to start the next million mile journey, but let me just share with you my inclination.

My inclinations are to stay the issues of ascertainment of cost and any award of counsel fees at this point pending judgment of this case being indeed the final judgment, if indeed there's an appeal. I don't know whether the parties have any -- any desire whatsoever to attempt to resolve any or all of these issues. I get the sense not, but by the same token, I'm not going to read anything into the wording of the status report which basically tells me that no portion of the issue of attorney's fees has been -- no resolution of any aspect of the fee has been reached.

You know, what does that mean? Does that mean parties are talking? I don't know whether you're talking or not. I don't know. If you are talking, whether you need the assistance of someone totally disinterested, a mediator or --

so I just don't know. But I just want to share those thoughts before I request you to respond.

But my inclination is if indeed there is an appeal, if there's no likelihood of a resolution of any of these issues at this point, if staying matters for a period of time to enable counsel to discuss whether or not they would serve a useful purpose or not, I need to know that because I'm not going to waste anyone's time and — or mediator's time. Or what — you know, what is the future likely to bring in this case? More litigation? So, I need to hear from counsel.

MR. SIMPSON: I don't know what the protocol is, Judge.

THE COURT: There's no protocol. Look, I mean, I issued a judgment. The notices of -- cross notices of appeal want to appeal everything, which is fine. It's the way our system works. I'm not surprised by that. But I mean, I don't know. I don't know if there is any likelihood of resolution of the underlying substantive issues and attorney's fees issues and costs. I just don't know.

And the RICO, I can't overlook the RICO case. I mean, that's, you know, the one teed up on the block now, so there is no protocol. A lot of questions I have. I don't know. Maybe there's some answers. I don't know.

MR. SIMPSON: Your Honor, my client -- and for the record, John Simpson for the Defendant in 03-2006. My client

is prepared to go the distance in both cases.

On the other hand, if there's a way that we can settle the case, we'd be happy to discuss it. I think up till now that has not proven to be fruitful, but if there's a mediator, an independent mediator who has stature with both parties, then I think that's worth exploring. We're not in this and just continue to the end of my career litigating Ringling Brothers' cases. On the other hand, my client, their view, and I agree with it, is they got dragged through nine years of hell and it cost them \$19 million. And they think they're entitled, and I agree with them, to get every nickel of that back.

Now, is that a monetary claim that can be settled? Could it be resolved for less? That's possible. It's clearly possible. It's possible we wouldn't even seek that amount if we filed a petition, because as Your Honor well knows, in fee litigation, you rarely get what you ask for. But yes, it's a monetary claim that we would be willing to talk about, but I don't get the sense from the other side that there's any interest in that. I don't want to disclose what we talked about.

THE COURT: I don't want you to either. I don't want you to. I mean, this RICO matter, is that a jury triable case if it survives, if it goes forward?

MR. SIMPSON: We demand a jury trial.

MR. BRAGA: Yes, it is, Your Honor.

MR. SIMPSON: And we would request a jury trial.

But I think the concept -- I don't know whether Your Honor wants me to address the --

THE COURT: You know what, I want to be very careful, too, because the other matter is totally nonjury, so I'm throwing these questions out, but I don't want -- I don't need to be informed about matters that as the trier of fact, former trier of fact I don't need to know about, so if there have been discussions, that's fine. I don't need to even know whether there have been any discussions or not.

I did take the liberty of placing a phone call to — under the theory hopes springs eternal sometimes, to Ms. Wind. I don't know if she's present or not. She is present. She is our excellent attorney and who's in charge of our mediation program, and she has a national, if not indeed an international reputation, because I just wanted her present if she had the time. Thanks for being present.

You know, she's available. Her program is available to assist if the parties want to. Again, it's not -- I have to ask these questions. These are very legitimate questions to ask at this juncture, having been in it probably longer than anyone, other than I don't know if there's an attorney present who has been here since -- since probably Plaintiff's counsel, maybe Mr. Simpson. I don't know.

MR. SIMPSON: I do think, Your Honor, though, at this stage of this case, the elephant case, the dynamic is somewhat different than it was when we started because I think now what we're talking about is a claim for money, and in my view, it's just a question of how much they have and how much they're willing to pay. That can be settled. That can be resolved.

THE COURT: I don't know whether it can't or not. I guess one question right now is if you want some time, if you want the benefit of our excellent mediation program to at least talk and see whether a basis exists for resolution, fine with me. It would seem to me that, you know, a stay for a finite period of time would be appropriate. If not, you know, we can talk about where we go from here, but...

MR. SIMPSON: I would point out, Your Honor, I don't know whether this is the right time to bring that up, but we did look at the question, since the other side asked for a stay, the attorney's fee question. I think to the extent that that's been litigated in this court, the consensus seems to be it's preferrable, even with an appeal pending, to go forward with the attorney's fees part of the case.

THE COURT: That's not been my experience, though.

MR. SIMPSON: Well, for example, in a pretty --

THE COURT: I don't recall having done that. That's not to say it's not done, you know.

MR. SIMPSON: It's within your discretion.

THE COURT: I understand.

MR. SIMPSON: When we had a seven-and-a-half week -- or six-and-a-half week trial and were just right on the end of the decision Your Honor here issued at the end of last year is still fresh in the parties' mind --

THE COURT: But I could be completely wrong on the merits.

MR. SIMPSON: You're not going to be wrong. That's not going to happen. This case is not coming back. And it's just --

THE COURT: Counsel, I appreciate your confidence.

MR. SIMPSON: I mean, it's not. I mean, I don't know what case they are going to cite to the Court of Appeals, but we've looked for one, and this court's never reversed a trial judge on a credibility determination after a trial, and I don't see this as being the first case. But be that as it may, regardless of the merits of the appeal from a judicial efficiency standpoint, you go forward with the attorney's fees now because the other thing to keep in mind, an appeal can take a year or more.

If they go to the Supreme Court, longer. You don't get interest on attorney's fees, so every day this is delayed, that award is worth less and that's one of the reasons articulated in the case law for proceeding with it now. And

there's always a possibility you could get reversed. Anything is possible. Is it likely? Is it really likely? The answer to that is no. It's not coming back under Rule 52 for either Tom Rider or the Animal Protection Institute. It's over. It's over. The whole thing is tied to witness credibility, which is unassailable on appeal or findings of fact that they're going to have to show were clearly erroneous, and that's not going to happen.

There's not a single piece of evidence that Your Honor excluded on any of these issues. Nothing. Everything came out. They just lost.

So now is the time to move on to attorney's fees.

We're entitled to attorney's fees. The standard says we're entitled to it. Defendants don't usually get attorney's fees. It's rare. But this is a case where I think it fully merits it under all three of the bases that we're going to proceed under, the statute 1927 and the bad faith exception and the American rule. All three of those grounds we think we can show that they have violated those standards, and I think that's going to be potentially protracted litigation.

If they contest our hours, they contest our rates, that could lead to discovery into what they did. That's commonly done. So when you have something like that looming, then it makes more sense to get started on that.

THE COURT: Are there appellate decisions that

sanction an award of attorney's fees to a prevailing defendant -- to prevailing nongovernment Defendant?

MR. SIMPSON: Yes, yes.

THE COURT: In this circuit?

MR. SIMPSON: In this circuit. In fact, there was one in which — it was an interesting situation. It was a Title VII case, and by the way, it's the same standard.

Basically a defendant in a Title VII case has the same standard under the Endangered Species Act. It's essentially 42 U.S.C. 1998 standard. You have to demonstrate that the plaintiff's case was unreasonable, it was frivolous or had no foundation. But in a case, the Harris case, and I can get the cite in my stack here, D.C. Circuit imposed fees on appeal because if they gave the plaintiff the benefit of the doubt through the trial, but they say you never should have brought this to the Court of Appeals, therefore, we're going to give attorney's fees to the Defendant.

Judge Borg did it in a case involving Washington

Greater Hospital Authority under the Labor Management

Relations Act, which is again the same standard. So, fees

have been imposed in this circuit for prevailing defendants.

Fees have been imposed under the Clean Water Act to prevailing defendants.

It happened in a case in Colorado involving the Sierra Club, and there was in a recent case -- actually it

came out three or four weeks ago in a federal court in Iowa in which the judge imposed fees against the EEOC, very similar situation. Very similar situation.

They brought a discrimination case on behalf of a class of female workers at a van company. They had discrimination evidence. The Court denied their motion — the defendant's motion for summary judgment, but it came out during the course of that case that the EEOC had not complied with Title VII by investigating the claim and conducting conciliation, which is statutory prerequisite to sue.

And so the Court dismissed the case and awarded the defendant \$4 million in attorney's fees, notwithstanding the EEOC's argument: "We've got a good case; we've got discrimination." And the Court said, "Indeed you do, but that's a red herring and you shouldn't have brought this case. You didn't satisfy these threshold requirements." And that was Iowa.

They hired a firm from Chicago. That was Iowa, and they got \$4 million. Here, we are in the District of Columbia. So, we think there is ample precedent for this and we think their conduct fully merits that.

So, I think if I -- I would be happy to engage in a mediation, a limited stay for that. I think that's a very good idea, but I think if that --

THE COURT: Of everything? Of everything?

MR. SIMPSON: Well, that's the other question. I thought we were only talking about the elephant case, but if you want to talk about both cases --

THE COURT: Everything. Are you willing to put everything on the table and in a good conscience, in good faith try to --

MR. SIMPSON: Absolutely, absolutely, but I want to have a good faith mediation. I don't want to go into a mediation and hear all the reasons why we're entitled to nothing. I don't want to hear all the reasons about how they got no exposure. If that's their mindset, then it is going to be a waste of time, but if it's going to be a good faith exercise to recognize you've got flaws in your position, we've got flaws in our position but we could win this thing, so what are you willing to do, then yeah, we may get somewhere. But if I'm going to get a —

THE COURT: I think that's part and parcel of mediation. I mean, you have to be receptive to their arguments that Judge Sullivan erred by doing this, whatever they are. I mean, whether you buy it or not is something else, but you can't foreclose them from making arguments that --

MR. SIMPSON: No, no. It's one thing to hear the dance of the peacock, which you always hear at the start of these things, but when you really get down to discussion, is

1 that going to good faith or not? Because if it's not, then 2 we're wasting time. 3 THE COURT: You know what, believe me, I'll never 4 know because I'm not going to micro-manage, but I just -- my 5 job today, and I think it's an important job today, is to inquire and see whether or not there is indeed a good faith 6 7 basis just to talk for 90 days or so. 8 MR. SIMPSON: No, absolutely, I agree with that 9 fully. 10 THE COURT: Everything, everything. 11 MR. SIMPSON: Yes, both cases. So far we only have 12 two --13 THE COURT: I have no control over staying the 14 schedule, you know, set by the Court of Appeals. I don't know 15 what's going on there. 16 MR. SIMPSON: Well, I think if this is something 17 that the parties are seriously interested in doing, there is no reason we can't notify the D.C. Circuit that that's what's 18 19 going on because they have an appellate mediation program 20 themselves. So, there's no reason we can't have that appeal 21 held in abeyance. 22 THE COURT: Right, right. What do you think?

MR. CRYSTAL: Your Honor, of course, I only speak for the Plaintiffs in the -- referred to as the elephant case, and I do agree with one thing that Mr. Simpson said, and

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that's that we lost. We recognize that. We appreciate that. We read Your Honor's ruling. We have great respect for the Court. We don't know what's going to happen in the Court of Appeals. There are some factual issues and there are some legal issues.

As Your Honor may recall, you had expanded in very interesting colloquies about some aspects of the standing issue, particularly the informational standing question, the organizational standing question. We don't think the Court would have expended that energy and time if you did not think that those were at least arguable questions.

Again, all I'm saying is nobody ever predicts what the D.C. Circuit is going to do. As for the --

THE COURT: Or what a trial judge may do.

MR. CRYSTAL: Or what a trial judge may do.

THE COURT: You know, this case was -- presented some of the most interesting challenging issues and that's why the Court had the opportunity, because, you know, the parties -- I mean, there was an army of attorneys. I had the opportunity to get questions -- get answers to serious questions I had at various stages of litigation, but, you know, go ahead.

MR. CRYSTAL: Well, Your Honor, all I was going to say is, Your Honor did say on the last day of trial that it was a fairly fought case and you had --

THE COURT: Absolutely.

MR. CRYSTAL: -- great regard for the attorneys on both sides. We appreciated that. Plaintiffs and all the counsel did the best that we could do.

THE COURT: I had no idea that the trial would be as pleasant as it was, and it was indeed a pleasure and I think I said that during the course of the trial. This was a well tried case.

MR. CRYSTAL: We appreciate that, Your Honor, and we enjoyed being before the Court, and we cannot say we did not get our day in court. We certainly did, and in the interest we speak on behalf of, we think the elephants got their day in court, so we cannot say anything other than that.

As to what will happen going forward, obviously

Mr. Simpson has his view. He always has his view. We rarely
agree with it, but we have our view.

What I would say as to the mediation suggestion, I think we're the ones who made it clear during the elephant case that we were always happy to talk. As Your Honor may recall, when you inquired at various times and suggested that maybe there were ways of working out some aspect of that case, the Plaintiffs were always the ones who would say we're happy to sit down and discuss any possible way of approaching settlement. It was always Defendant's, and they have every right to that position. They always did. We said, "No, we're

going the distance." I think that was even Mr. Simpson's line at that time, he wanted to go the distance.

We did that. We lost. Perhaps that strategy then prevailed on his part, I understand, but we've always been willing to talk about whatever universe of issues --

THE COURT: I cannot disagree with you. I have heard that loud and clear that you were.

MR. CRYSTAL: We were and we are, and I can't say that, you know, in going in -- when Mr. Simpson puts on the table \$19 million from an animal protection organizations who, you know, believe they were going into this case in an effort to do something for animals, and whatever anybody may say, that was the objective and has always been the objective of these groups.

The ASPCA spends its money protecting dogs and cats. So, if we're talking about sitting down and demanding a huge shift of resources from an organization that spends its money trying to help animals to a very large and wealthy corporation, you know, obviously there are some challenges.

Does that mean we're not willing to sit down and look for some kind of a way of finally reaching, you know, an end to what we all recognize has been a very difficult and drawn out — as Your Honor said, difficult and fairly drawn battle lines? We were happy to do that. We're willing to do that, and we would enter into it, I think, with an open mind

and a good faith effort without making any predictions about what the outcome of the --

THE COURT: Sure, absolutely. And without your hands being tied. I would not set any ground rules for what a person can say or not say. I wouldn't do that.

MR. CRYSTAL: I appreciate that, Your Honor. And I think Your Honor has known these Plaintiffs long enough and that would dare say you've known our firm long enough to know that our objective is always to reach a reasonable resolution. I mean, we may be criticized for whatever people want to criticize us for, but I don't think we've ever been criticized for not sitting down and trying to reach some kind of resolution if there's one to be had, and we've done that in other cases before the Court. We would make every effort to see if there is some way of exploring that kind of resolution here.

Just for the record, Mr. Simpson was armed with some cases. If you get to the point of briefing this issue, either now or at some point in the future, you know, not surprisingly there's going to be a lot of precedent suggesting that where groups make an effort to expand their protections of the law, even if they're unsuccessful, even if the Court at the end of the day makes a credibility finding, as Your Honor made, that there are daunting barriers to defendants obtaining an award of attorney's fees.

We have not been able to find a single published Endangered Species Act decision in particular, and I don't think that's any great surprise because, as Your Honor has pointed out, when you first rejected the RICO case when it was brought as a counterclaim, Your Honor pointed out that one of the purposes of the ESA attorney's fees provision is to encourage plaintiffs to seek to enforce the law to protect endangered species.

And many cases have looked back and said, "Well, these plaintiffs didn't succeed. They certainly tried, but they didn't succeed." But we find at the end of the day that at least this case was an effort to apply the protections of the law, and as a consequence, we're going to deny fees even if we were concerned about some aspects of the plaintiff's position. Again, I'm not, of course, asking Your Honor to prejudge the outcome of all that. We understand you wouldn't do that. We understand they would have arguments that they would make strongly on their side, as Mr. Simpson always does, but I do think that one of the reasons to look at the mediation process is because we think there are actually pretty compelling legal arguments not to allow the massive kind of attorney's fees award that Mr. Simpson has advocated.

So, speaking on behalf only of the plaintiffs in the elephant case, we would be perfectly willing to explore that option and see if it takes us anywhere.

THE COURT: All right. Thank you, Counsel. Good afternoon, counsel.

MR. BRAGA: Yes. Thank you, Your Honor. Stephen Braga on behalf of the defendants in the *RICO* case. As the newest recruit to the army of lawyers --

THE COURT: You're welcome.

MR. BRAGA: Thank you. Far be it for me to get in the middle of, I think, a very productive discussion we just had with Your Honor's suggestion and the position of both counsel. We would certainly agree to a stay of 90 days to engage in good faith mediation talks.

I don't know Mr. Simpson. I just met him. I have very high regard for his firm. I do know Mr. Smith and I highly respect him, and I think maybe as a new participant in the case I can bring some value to helping move those discussions along with a fresh set of eyes that isn't wedded to the war that's gone on for nine to ten years, but we would certainly agree to that suggestion in terms of the RICO case.

THE COURT: All right. That's great. Unless I'm hearing any objection, I'm going to stay the cases then for 90 days and ask Ms. Wind to assign an appropriate mediator, and I'll leave it up to her, mediator or mediators, as appropriate, and certainly not disqualifying her.

I have the utmost confidence in her. You know, will the cases settle? Who knows. I don't know, but I appreciate

the willingness on the part of everyone to at least talk about this in good faith, and I emphasize that and I've said it at least four or five times "in good faith." Maybe at the end of the day, end of the 90-day period you can't settle it, I don't know, but I appreciate your willingness to at least talk about these very significant issues.

MR. SIMPSON: Your Honor, if I could just amend that and if you would add in your order, whatever you're going to use to direct this, that the parties be directed to seek an abeyance of the D.C. Circuit proceedings while we do this.

THE COURT: I'll do that, and I welcome any further suggestions Ms. Wind may have in that regard.

I think you're directly involved in the mediation process in the circuit as well, so I welcome any suggestions she may have for tailoring an appropriate order, and thank you for carving out time to be here this afternoon, and I'm going to leave them with you, and it is good to see everyone.

And what I should do is -- let me think about that. I'm going to stay the case for at least 90 days. That takes us to the end of June, and maybe I should -- I never need to know what's being discussed and do not want to know and will not know, but maybe -- maybe some sort of brief status report at the end of the 90-day period, maybe second week in July, just let me know where the parties are so we can plan accordingly.

1 Does anyone else wish to say anything? 2 MR. BRAGA: No, Your Honor. 3 THE COURT: All right. Well, thank you, and good luck, and I sincerely mean that. And Ms. Wind, thank you 4 5 again, and I'll issue an appropriate order. If you need to speak with Jen about any language we need to put in the order 6 7 of referral with respect to the appeal the parties should be 8 directed to do, we welcome your suggestions as well. 9 I leave you with Ms. Wind. Thank you, Counsel. No 10 Thank you very much. need to stand. 11 THE DEPUTY CLERK: This honorable court now stands 12 in recess. 13 (PROCEEDINGS END AT 2:31 P.M.) *_*_* 14 15 CERTIFICATE OF REPORTER 16 17 I, Catalina Kerr, certify that the foregoing is a 18 correct transcript from the record of proceedings in the 19 above-entitled matter. 20 21 22 Catalina Kerr Date 23 24

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