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Uncover Knowledge
and Avoid Surprises

By C. Bailey King, Jr.
and Evan M. Sauda

To maximize effectiveness, you should integrate this tool into your overall discovery strategy.

Using 30(b)(6) Depositions to Bind Corporations

Commercial litigation by definition usually doesn't involve individuals; it involves corporations suing one or more corporations or other corporate entities. However, a corporation can only act through its employees. Thus, for dis-

covery purposes, a lawyer must attempt to determine which documents are relevant and which people within a corporation have relevant information. Two risks of commercial litigation are that an attorney can learn at the end of a discovery period that relevant documents exist that someone failed to request or that every corporate employee deposed answered "I don't know" to a critical question.

Federal Rule of Civil Procedure 30(b)(6) and comparable state rules provide commercial litigators with a tool to minimize these risks by allowing them to depose a corporation or other organization that is actually a party to a litigation. To maximize this discovery tool, though, a litigator must use Federal Rule of Civil Procedure 30(b)(6) or the state equivalent depositions strategically as part of overall discovery plans. The purpose of this article is to provide some insight into how a litigator can use a 30(b)(6) deposition to uncover a corporation's knowledge and to avoid litigation surprises. In doing so, this article will dis-

cuss cases decided under Federal Rule of Civil Procedure 30(b)(6). Most states, however, have enacted comparable rules so the principles articulated here will probably apply in either a federal or a state court. *See, e.g.,* Mo. R. Civ. P. 57.03(b)(4); Ark. R. Civ. P. 30(b)(6); N.C. R. Civ. P. 30(b)(6).

Deciding Whether to Use Rule 30(b)(6)

Of course, before seeking a 30(b)(6) deposition you first need to determine whether it is a proper tool for a particular case. The advantages of a 30(b)(6) deposition are that it allows a deposing party seeking discovery simply to provide a list of deposition topics shifting the burden to the corporation to designate one or more suitable spokespersons on those topics, and those spokespersons' testimony will bind the corporation.

Federal Rule of Civil Procedure 30(b)(6) follows:

(6) *Notice or Subpoena Directed to an Organization.* In its notice or subpoena,



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a party may name as the deponent a public or private corporation, a partnership, an association, a governmental agency, or other entity and must describe with reasonable particularity the matters for examination. The named organization must then designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on its behalf; and it may set out the matters on which each person designated will testify. A subpoena must advise a nonparty organization of its duty to make this designation. The persons designated must testify about information known or reasonably available to the organization. This paragraph (6) does not preclude a deposition by any other procedure allowed by these rules. Fed. R. Civ. P. 30(b)(6).

The purpose of the rule, which was enacted in 1970, was to “reduce the difficulties now encountered in determining, prior to the taking of a deposition, whether a particular employee or agent is a ‘managing agent.’” See Fed. R. Civ. P. 30(b)(6) advisory committee’s note (1970). The rule also intended to “curb the ‘bandying’ by which officers or managing agents of a corporation are deposed in turn but each disclaims knowledge of facts that are clearly known to persons in the organization.” *Id.* Conversely, the rule protects a corporation from unnecessary depositions sought by another seeking knowledge on a particular topic. *Id.*

Having the ability to list deposition topics with a notice or subpoena to depose a corporation has a trade-off: the party seeking information cannot also request that a particular designee testify. If you need the testimony of a particular officer or employee, a 30(b)(1) deposition will suffice to obtain that person’s testimony; however, if you take that route, you don’t have a guarantee that that particular deponent will have knowledge about specific topics. You may not need a 30(b)(6) deposition from a corporate designee from a small corporation because one particular individual probably would have the relevant knowledge; however, in a large corporation information tends to become dispersed among a large number of individuals, for instance, among members of a large department. In sum, you likely will

find 30(b)(6) depositions more useful when you need discovery from larger organizations where information relevant to cases tends to become scattered among multiple employees or departments. A 30(b)(6) deposition offers the opportunity to take a wide-ranging deposition on a variety of topics germane to a case at the “cost” of only one deposition—a particularly important consideration given the presumptive limits on depositions under the Federal Rules of Civil Procedure; more than 10 typically requires leave of the court. See Fed. R. Civ. P. 30(a)(2)(A)(i). However, note that a corporation doesn’t have an obligation to put a person with direct knowledge of the facts forward as its corporate designee, although after completing a 30(b)(6) deposition an attorney could depose the person with such direct knowledge under Federal Rule of Civil Procedure 30(b)(1).

Timing a 30(b)(6) Deposition

The next consideration is when is the best time in the “life” of a case to take a 30(b)(6) deposition. The two schools of thought are to take it either at the beginning of the discovery period to survey the “lay of the land,” or to take it at the end of discovery to tie up loose ends.

Taking a 30(b)(6) deposition at the beginning of a case can give you a sense of the knowledge possessed by a corporation so that you can formulate focused written discovery requests and target the key employees with knowledge of the relevant facts. You can then depose those individuals once an opponent has produced all the relevant documents. This is especially useful if the other party’s original document production does not seem to provide the relevant communications or identify the key employees with knowledge of the relevant facts. During an early 30(b)(6) deposition you can also learn about a company’s document-retention policy to find out which documents the company may still have that you could ask it to produce in a discovery request. When used for this purpose, a 30(b)(6) deposition can serve as a roadmap for the remainder of discovery in a case.

Alternatively, taking a 30(b)(6) deposition at the end of a case can fill gaps. The deposition would notice those topics for which previously deposed individ-

uals lacked knowledge or did not address adequately. When used for this purpose, a 30(b)(6) deposition can provide testimony on those unexplored areas eliminating fishing expeditions requiring multiple depositions to find someone in a company with actual knowledge of particular topics.

Either way, you should consider the timing of a 30(b)(6) deposition as part of your

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overall case strategy rather than as afterthought to other discovery.

Noticing a 30(b)(6) Deposition and Designating the Location

A 30(b)(6) deponent must receive a formal written notice that adheres to Federal Rule of Civil Procedure 30(b)(1) that complies with the other Federal Rule 30(b) requirements, as well as with the Federal Rule 30(a) requirements that apply when a party must secure leave of a court for a deposition. Basically, noticing for a 30(b)(6) deposition mostly will proceed the same as for a regular deposition with two important exceptions.

First, as with a regular deposition notice, a 30(b)(6) deposition notice must supply the deposition location. But while the rules of civil procedure presume that deposing parties will take 30(b)(6) depositions at the deponents’ principal places of business, courts adjudicating pending actions have discretion to order that these depositions take place in other locations, and deposing parties do urge courts to use that discretion. See, e.g., *Nat’l City Reinvestment*

Coalition v. Novastar Fin., Inc., 604 F. Supp. 2d 26 (D.D.C. 2009). Second, 30(b)(6) deposition notices must supply a list of the topics that the deposing parties will cover. This feature distinguishes 30(b)(6) deposition notices from regular deposition notices.

Deposition Location

As mentioned, as with most depositions

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the rules of civil procedure presume that a deposing party will take a 30(b)(6) deposition at the corporation’s principal place of business rather than wherever the case is pending. See *In re Outsidewall Tire Litigation*, 267 F.R.D. 466, 473 (E.D. Va. 2010) (“courts have generally recognized a presumption that Rule 30(a)(1) or 30(b)(6) depositions of a foreign defendant corporation’s officers or managing agents should be taken at the corporation’s principal place of business”). For example, in *United States ex rel. Barko v. Halliburton Co.*, 270 F.R.D. 26 (D. D.C. 2010), the plaintiff sought a 30(b)(6) deposition of a defendant headquartered in Amman, Jordan, but attempted to take this deposition in the U.S. District of Columbia. *Barko*, 270 F.R.D. at 27. The defendant objected, offering to appear voluntarily for the 30(b)(6) deposition, but in Jordan. *Id.* at 29. The plaintiff sought to compel the deposition in the United States arguing that, among other things, Jordan lacked proper procedures for a deposition and taking the deposition there would put a greater burden on plaintiff. *Id.* at 29–30. The District Court for the District of Columbia ordered that the deposition take place in Jordan at the company’s principal place of business noting that the company consented to the deposition, and Jordan did not outright prohibit such depositions. *Id.* at 29.

A court adjudicating an action, however, has discretion to order that a 30(b)(6) deposition take place in another location. See, e.g., *Nat’l City Reinvestment Coalition v. Novastar Fin., Inc.*, 604 F. Supp. 2d 26 (D. D.C. 2009). In the *National City* case, the court noted four relevant factors cited Wright, Miller & Marcus’s *Federal Practice and Procedure: Civil 2d*: the location of the counsel; the size of the corporation and the frequency of the travel; resolution of disputes by the court; and the nature of the claim and the parties’ relationship. *Id.* at 31–32. The *National City* court considered these factors, and after noting the general rule, required a defendant with its principal place of business in Kansas City to appear for its deposition in the District of Columbia. *Id.* See also e.g., *Custom Form Mfg., Inc. v. Omron Corp.*, 196 F.R.D. 333, 336–338 (N.D. Ind. 2000) (ordering that a deposition of a Japanese corporation occur in United States) and *In re Honda American Motor Co.*, 168 F.R.D. 535 (D. Md. 1996) (same).

In short, if the involved parties do not site a 30(b)(6) deposition by consent, the parties should have a hardship analysis to determine the location. This is much less crucial when a deposition does not involve international travel; however, in that situation, courts appear more inclined to hold depositions within their jurisdictions.

Deposition Topics

The rules of civil procedure require that the topic list—the distinguishing feature of a 30(b)(6) deposition notice—state the topics with “reasonable particularity.” Fed. R. Civ. P. 30(b)(6). This raises two questions. First, what does “reasonable particularity” mean? And second, if a notice fails to state the topics to this standard, how can a court deal with it?

Courts have interpreted “reasonable particularity” differently when determining whether a deposing party’s notice met this requirement. In *Alexander v. FBI*, 186 F.R.D. 137 (D.D.C. 1998), the plaintiffs sought a 30(b)(6) deposition on “the computer systems commonly known as or referred to as ‘Big Brother’ and/or ‘WHODB.’” *Alexander*, 186 F.R.D. at 140. The court held that the notice was proper, stating that the defendant “was on sufficient notice of what discoverable matters the plaintiffs would inquire into on the WhoDB deposition”

since the “parties are well aware of the discoverable issues in this case.” *Id.* The *Alexander* holding contrasts with the ruling in *Reed v. Nellcor Puritan Bennett & Mallinckrodt, Inc.*, 193 F.R.D. 689 (D. Kan. 2000), in which the court found that a 30(b)(6) notice was not reasonably particular. *Reed*, 193 F.R.D. at 692. The inadequate notice included language that the deposition would “include, but not [be] limited to” the topics given, and, the court held, this would submit the company to an “impossible task.” *Id.* The *Reed* court held that when a deponent “cannot identify the outer limits of the areas of inquiry,” it could not properly designate witnesses to respond. *Id.* Furthermore, although not all courts are as stringent, the best practice is to include a topic list with a deposition notice. *Bank of New York v. Medidien Biao Bank Tanzania, Ltd.*, 171 F.R.D. 135, 145–146 (S.D.N.Y. 1997) (Francis, M.J.) (finding that informal requests contained in letters between counsel did not constitute proper notice under 30(b)(6)); but see *Alexander*, 186 F.R.D. at 140 (finding it sufficient to clarify in later communications the deposition topic only vaguely described during noticing).

As to the remedy for an insufficient notice, that involves a simpler analysis. A court may quash or modify a notice that fails to state the topics with reasonable particularity, consistent with its discovery powers to regulate other discovery. See Fed. R. Civ. P. 26(c), Fed. R. Civ. P. 37; *Reed*, 193 F.R.D. at 692.

Responding to Objections to the List of Topics

In responding to a 30(b)(6) deposition notice, a corporation’s duties are as follows:

- (1) the [corporation’s representative] must be knowledgeable on the subject matter identified as the area of inquiry;
- (2) the [corporation] must designate more than one deponent if necessary in order to respond to the relevant areas of inquiry...;
- (3) the [corporation] must prepare the [deponent] to testify on matters not only known by the deponent, but those that should be known by the [corporation]; and
- (4) the [corporation] must substitute an appropriate deponent when it becomes apparent that the previous deponent is unable to respond to certain relevant areas of inquiry.

7 James Wm. Moore *et al.*, Moore's Federal Practice ¶30.25[3] (3d ed. 2011).

In fulfilling these duties, a corporation must prepare a designee to testify on all matters within the scope of the areas of inquiry known to or reasonably available to the corporation, including the corporation's subjective beliefs and opinions. *Id.* This obviously significantly burdens a corporation.

In light of this burden, most lawyers will respond to a 30(b)(6) deposition notice with a litany of objections similar to those asserted when they object to written discovery requests. The purpose of these objections is usually two-fold: (1) to limit a corporation's duty to prepare a witness to a manageable scope, and (2) to limit the testimony that will bind a company. If a party objects to a topic and refuses to produce a witness on that topic, a court could preclude that party from offering testimony on that topic during a trial. *See United States v. Taylor*, 155 F.R.D. 356, 360 (M.D.N.C. 1961). Thus, most lawyers use the objections to negotiate the scope of the topics rather than to avoid producing corporate designee witnesses altogether.

A lawyer taking a 30(b)(6) deposition, therefore, needs to determine whether a corporation's testimony will provide sufficient information if the corporation objects to some topics. For example, a deposing attorney may view it as acceptable for a large corporation to limit its testimony on its document-retention policy to the division of the corporation involved in the litigation in some circumstances but not in others. For instance, if a deposing attorney needs to elicit information related to a corporation's size for the purpose of showing inequality of bargaining power between the parties, the attorney may not view that limitation as acceptable.

If litigating parties cannot agree on the scope of the deposition topics, the party responding to the 30(b)(6) notice has the onus to file a motion for a protective order before the deposition. *See Fed. R. Civ. P.*; Moore's Federal Practice §30.25[3]. If a corporation does not move for a protective order, and the witness cannot provide testimony on a topic, as mentioned, a court may sanction the corporation and preclude it from offering testimony on that topic during a trial. *See Taylor*, 155 F.R.D. at 360.

However, the lawyer taking the deposition must respond to the objections to prevent misunderstanding at the time of the deposition on the scope of the deposition topics. Otherwise the deposing lawyer may

have to file a motion to compel testimony under Federal Rule of Civil Procedure 37 if he or she views the level of preparation or knowledge of the 30(b)(6) deponent as unsatisfactory.

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**Taking a 30(b)(6) Deposition**

In general, a 30(b)(6) deposition proceeds just as any other deposition with two exceptions. First, a corporation's testimony during a 30(b)(6) deposition is limited to the topics identified with the deposition notice. *Paparelli v. Prudential Ins. Co.*, 108 F.R.D. 727, 730 (D. Mass. 1985). Second, unlike individual depositions, in many instances



Unlike individual depositions, in many instances deposing lawyers won't accept "I don't know" as answers.

deposing lawyers won't accept "I don't know" as answers. These two differences can lead to disputes between a deposing lawyer and the defending lawyer regarding how a deposition should proceed.

Because the deposition scope is limited to the previously identified topics, a corporation's counsel will likely object if a deposing lawyer asks questions about topics other than the noticed topics. It is not proper, however, for counsel to instruct a witness not to answer a question merely because it isn't about the designated deposition topics. To the contrary, a deposing attorney ordinarily may question a 30(b)(6) deponent as broadly as any other deponent. *See, e.g., King v. Pratt & Whitney*, 161 F.R.D. 475, 476 (S.D. Fla. 1996). However, a 30(b)(6) witness' answers to questions beyond the scope of the 30(b)(6) topics will not bind a corporation. Instead, they are treated as the witness' individual answers only. *See, e.g., Flachenberg v. New York State Dep't of Educ.*, 567 F. Supp. 2d 513, 521 (S.D.N.Y. 2008). Thus, if a question exceeds the noticed deposition range, the defending lawyer should object to the question, note on the record that it exceeds the range of the topics, the corporation has not prepared the witness to answer that question on behalf of the corporation, and the witness can answer the question based on his or her individual knowledge but the answer will not bind the corpora-

tion. *See EEOC v. Caesars Entertainment, Inc.*, 237 F.R.D. 428, 432 (D. Nev. 2006).

Similarly, sometimes a deposing lawyer will need to clarify that a witness has answered a question as a corporation's designee so that the answer will bind the corporation. For example, if a 30(b)(6) witness answers "I don't know" to a question, sometimes a deposing lawyer should follow up that answer by asking a question to clarify that the witness has testified on behalf of the corporation, such as "Is it your testimony that the corporation does not know?" A deposing lawyer also can accomplish this by asking questions at the beginning of a deposition to confirm that the witness understands that he or she will testify on behalf of the corporation on the noticed topics and asking what he or she did to prepare to answer questions. Although a deposing attorney doesn't need to take these steps to establish binding corporation testimony, they can help if a dispute arises over whether a 30(b)(6) witness' answer should bind the corporation.

The other question that often arises in a 30(b)(6) deposition is, what should lawyers and courts do if a 30(b)(6) witness does not know the answer to a question that is clearly within the range of the deposition topics? The obligation to prepare a witness for a 30(b)(6) deposition "does not mean that the witness can *never* answer that the corporation lacks knowledge of a certain fact." *Chick-Fil-A v. ExxonMobil Corp.*, Case No. 08-61422, 2009 U.S. Dist. Lexis 109588, at *37-38 (S.D. Fl. Nov. 10, 2009); *see also Cost v. County of Burlington*, 254 F.R.D. 187, 190 ("Simply because defendant's witness could not answer every question posed to him does not equate to the fact that defendant did not satisfy its obligation to prepare its 30(b)(6) witness"). Indeed, the "absence of knowledge is, by itself, a fact that may be relevant to the issues in a given case." *Id.* For example, it is possible that the only employees who have knowledge of a specific fact may have left the company. A corporation does, however, have a duty to prepare its 30(b)(6) witness to testify on all information known to or reasonably available to the corporation about the specific topics. *See, e.g., Bank of New York v. Meridien Biao Bank Tanzania, Ltd.*, 171 F.R.D. 135, 151 (S.D.N.Y. 1997) (finding that a deponent must prepare a designee to that extent reasonably available,

whether from documents, past employees, or other sources). If during the course of a deposition it becomes clear that a 30(b)(6) witness is not prepared to answer questions on the noticed topics, the corporation must substitute another witness. *See, e.g., Dravo Corp. v. Liberty Mut. Ins. Co.*, 164 F.R.D. 70, 75 (D. Neb. 1995).

With this in mind, a deposing lawyer should ask questions to determine whether a 30(b)(6) witness doesn't know something because the corporation inadequately prepared him or her or because the corporation truly does not have the requested information. In addition, a deposing lawyer should consider whether a corporation's lack of knowledge is strategically advantageous. For example, if a deposing lawyer's theory of a case is that the corporation had its "head in the sand," the deposing lawyer may not want the corporation to substitute another witness who may testify more helpfully for the corporation.

If, on the other hand, a deposing lawyer by covering a particular topic aims to learn information that a corporation should know and that the deposing lawyer needs, the deposing lawyer will need to create a record that establishes that the corporation has not prepared the witness to answer questions about the topic and should request that the corporation substitute another corporate designee to address it. For instance, a deposing lawyer should probably ask a corporation to substitute another designee if the lawyer needs to uncover the existence of a key corporate policy. Further, under Federal Rule of Civil Procedure 30(b)(6), failing to produce a prepared and educated corporation witness is "tantamount to nonappearance at a deposition, meriting the imposition of sanctions." *Pioneer Drive, LLC v. Nissan Diesel Am., Inc.*, 262 F.R.D. 552, 555 (D. Mont. 2009). Accordingly, if a corporation does not agree to make a substitute witness available, the deposing lawyer can move to compel the corporation to designate a witness under Federal Rule of Civil Procedure 37(a)(3)(ii) and seek sanctions. That said, courts typically only award monetary sanctions in egregious circumstances. *See, e.g., Commodity Futures Trading Comm'n v. Noble Metals Int'l, Inc.*, 67 F.3d 766, 771 (9th Cir. 1995) (finding that the trial court properly sanctioned a cor-

Depositions, continued on page 66