

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Telluride Asset Management, LLC,

Civil No. 04-4862 (JMR/FLN)

Plaintiff,

v.

ORDER

Bridgewater Associates, Inc.,

Defendant.

Tara C. Norgard, R.J. Zayed, Russell J. Rigby, for Plaintiff
Michael M. Gordon, Timothy W. Regan, Adam Gislason, for Defendant

THIS MATTER came before the undersigned United States Magistrate Judge on September 12, 2005, on Plaintiff's Motion to Compel Defendant's Compliance with Court Orders [#96].

On March 30, 2005 Defendant was ordered to disclose a list of the specific alleged Trade Secrets that it contends Plaintiff or Plaintiff's employee Vivin Oberoi have appropriated. [#45] The Court ordered that, "This list shall include each alleged trade secret itself with sufficient specificity to determine whether the alleged trade secret qualifies as a trade secret under the Minnesota Uniform Trade Secret Act." In response to the Court's Order Defendant submitted to Plaintiff a nine and one half page narrative (hereinafter "the narrative"), four appendices and a compact disc containing Excel spreadsheets. Plaintiff now moves the Court to compel compliance with its March 30 order. Plaintiff contends that the narrative, appendices and computerized spreadsheets do not comply with the Court's order for a "list of the specific alleged trade secrets" that it contends Telluride asset management or Telluride's employee, Vivin Oberoi have appropriated.

The Court has reviewed the documents produced by Bridgewater and concludes that it does

not comply with the Court's order. No doubt, there are some trade secrets disclosed within the documents. However, Bridgewater's voluminous production is not what the Court envisioned when it issued its Order on March 30, 2005.

While some trade secrets can be discerned from looking at the information provided to Plaintiff, the information submitted does not satisfy the March 30, 2005, Order in that it does not constitute a list of the trade secrets that Defendant alleges were appropriated by Plaintiff or Plaintiff's employee. Instead, Bridgewater produced an argumentative piece explaining Defendant's contention that Plaintiff's employee, Mr. Oberoi, must have stolen trade secrets from Defendant. For instance, Defendant states in the narrative:

[i]t is both the proprietary *understanding* and the proprietary *process* for systematizing this understanding that constitute [Defendant's] trade secrets. Oberoi inevitably must have used his trade secret knowledge of what works and what does not work, acquired at [Defendant], in creating the models he used and uses in making investment decisions at [Plaintiff].

See Declaration of Russell J. Rigby, Ex. 2, p. 1.

While the narrative promises to "focus on Bridgewater's systemization process and the resulting systems that convert Bridgewater's understandings into programmed decision rules," the narrative instead reverts to argument. On page 3, the narrative does identify what it describes as three trade secrets. However, the sections which purport to describe the three secrets focus more on why Bridgewater believes Oberoi stole the secrets than on explaining what the secrets are. For example, after broadly describing the momentum indicators and value indicators that Bridgewater uses to create decision rules, the narrative continues, "We believe that Oberoi replicated Bridgewater's value process and traded resulting positions in a similar way."

The appendices too are overly argumentative and do not constitute the list the Court envisioned when it issued its March 30, 2005, order. For example, Appendix 3 is called "Expected

Oberoi U.S. Bond Value System". While Bridgewater's expectations regarding Oberoi's U.S. Bond Value System may be useful at some point to the Court and the parties, at this point, the Court anticipated that Defendant's trade secret list would be a list of the specific formulas, systems, and processes by which such formulas are developed that Defendant contends are trade secrets. Bridgewater's argumentative description of what it anticipates the evidence might show about Oberoi's system does not assist the Court or the Plaintiff to understand what trade secrets Bridgewater contends Oberoi in fact stole.

To be sure some alleged trade secrets are disclosed in Bridgewater's voluminous documents.¹ To give just one example, on pages 5-6 of the narrative, Bridgewater describes a series of interrelated steps it uses to measure rates of change in specified momentum indicators, which steps, Bridgewater contends, constitute trade secrets. The first three steps describe with sufficient specificity how Bridgewater calculates a "Z score." The fourth step, however, states only that "Bridgewater transforms the Z value into a signal through numerous possible transformations." While Bridgewater goes on to state the range within which such a signal could be expressed, it does not explain how Bridgewater decides what transformation to apply to the Z value to arrive at the signal. In issuing its March 30 Order, the Court envisioned a simple list of secrets, like the first three steps described on p. 6 of the narrative, not the voluminous polemic produced here by Bridgewater.

¹The Court expresses no opinion here on whether any of the alleged secrets are trade secrets within the meaning of the Minnesota Uniform Trade Secret Act. The alleged secrets are mentioned here only to illustrate the kind of information the Court envisioned would be disclosed pursuant to its March 30, 2005 Order.

Based on all the files, records and proceedings herein, **IT IS HEREBY ORDERED** that Plaintiff's motion [#96] is **GRANTED**. Defendant is ordered to produce a list of the trade secrets that it contends Plaintiff or Plaintiff's employee, Vivin Oberoi, has allegedly appropriated.

The protective order currently in place is sufficient to protect both parties' interests in the present case. To the extent Defendant requests that the Court adopt a supplemental protective order, that request is **DENIED**. To the extent Plaintiff requested the Court to impose sanctions against the Defendant in connection with this motion that request is **DENIED**.

DATED: September 20, 2005

s/ Franklin L. Noel
United States Magistrate Judge



Exhibit N