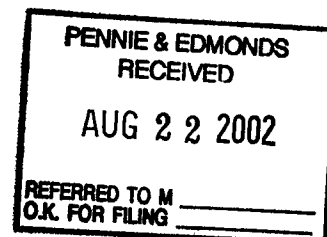


**CHAMBERS OF DOUGLAS F. EATON**

United States Magistrate Judge  
United States District Court  
Southern District of New York  
500 Pearl Street, Room 1360  
New York, NY 10007

CHAMBERS TELEPHONE NO. 212-805-6175  
FAX NO. 212-805-6181

DATE:

8/22/02

TO:

Thomas Scully 869-9741Stephen Schott 215-988-2757GM Network Ltd v. E-Gold Ltd, 01 Civ. 9621 (RMB) (LDFE)

DESCRIPTION:

Judge Eaton's 8/22/02 Memo & Order

FROM:

Elyse Entin, law clerk

NUMBER OF PAGES, INCLUDING THIS PAGE:

3

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x

GM NETWORK LIMITED et ano.,

Plaintiffs, 01 Civ. 9621(RMB) (DFE)

- against -

MEMORANDUM AND ORDER

E-GOLD LTD., et al.,

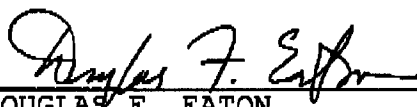
Defendants.

-----x

DOUGLAS F. EATON, United States Magistrate Judge.

I am responding to the August 20 joint letter from Mr. Scully and Mr. Schott (13 pages plus 16 exhibits).

Defendants complain that plaintiffs have given discovery that is incomplete in three categories. Defendants make very strained arguments that some of the discovery is relevant to their counterclaims. For example, at page 5 of the joint letter they say: ". . . E-gold has a right to investigate the source code [of Plaintiffs] to see if Mr. Grigg, or perhaps Mr. Evans, gave trade secrets to the Plaintiffs . . . ." But there is no such claim in the counterclaims. In reality, defendants are asking me to order discovery which is merely relevant to the "subject matter" of this lawsuit. For this type of discovery, F. R. Civ. P. Rule 26(b)(1) requires "good cause." I find that defendants have failed to show good cause. I am satisfied that plaintiffs have provided adequate responses with respect to each of the three categories in dispute.

  
\_\_\_\_\_  
DOUGLAS F. EATON  
United States Magistrate Judge  
Room 1360, U. S. Courthouse  
500 Pearl Street  
New York, NY 10007

Dated: New York, New York  
August 22, 2002

Copies of this Memorandum and Order were sent on this date by fax and by mail to:

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