

UNITED STATES OF AMERICA
OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

In the Matter of:)
FRANKLIN D. RAINES) Notice No. 2006-1
J. TIMOTHY HOWARD) Judge William B. Moran
LEANNE G. SPENCER)
_____)

**LEANNE G. SPENCER'S RESPONSE TO OFHEO'S
MOTION TO STRIKE OR LIMIT DISCOVERY REQUESTS**

Pursuant to 12 C.F.R. § 1780.27(d), Respondent Leanne G. Spencer ("Spencer") respectfully submits this response to OFHEO's Motion to Strike or Limit Discovery Requests From Respondent Leanne G. Spencer (the "Motion"). The Motion should be denied because its invocation of various purported privileges is too vague to permit a response, and because its claims about relevance and undue burden are unjustified.

BACKGROUND

OFHEO's attempt to withhold critical information from Spencer must be understood in light of the complexity of the allegations against her. OFHEO supervises only two entities – Fannie Mae and Freddie Mac. In July 2003, OFHEO commenced a Special Examination of Fannie Mae's accounting policies and procedures. More than three years later, after gathering, organizing and reviewing more than seven million pages of documents, interviewing more than 85 witnesses and producing two reports totaling hundreds of pages, OFHEO commenced this proceeding by filing a Notice of Charges (the "Notice") on December 18, 2006. In 508 paragraphs and 101 separate claims for relief, the Notice accuses the Respondents of violating numerous complex accounting standards over several years. Some of the accounting decisions at

issue involve applications of the most complicated accounting rules ever developed. As relief for these alleged violations, OFHEO seeks to recover hundreds of millions of dollars.

Spencer filed her Answer to the Notice on January 8, 2007. In view of the abbreviated pre-hearing timeframe established by law,¹ Spencer also served her Requests for the Production of Documents on that date. *See* 12 C.F.R. §§ 1780.26-.27. Now, through its Motion, OFHEO attempts to evade its responsibility to provide Spencer with a timely and fair hearing by refusing to produce necessary documents.

DISCUSSION

The Motion consists of two distinct parts.² The first part, which purports to be “General Objections,” sets forth in broad, abstract terms the bases for OFHEO’s various objections to production, none of which are tied to specific document requests or, more importantly, to the documents responsive to such requests. *See* Motion at 2-11. The second part consists of specific responses to each of Spencer’s individual document requests. *See id.* at 12-34. We address each part in turn.

I. THE GENERAL OBJECTIONS

OFHEO’s General Objections are divided between assertions of privilege and complaints that Spencer’s requests call for irrelevant material or would impose undue burdens on the agency. All of these objections suffer from a lack of specificity – without being tied to specific requests or responsive documents, it is difficult for Spencer to formulate appropriate responses. OFHEO recognizes as much by asking only that the requests be struck or limited “to the extent” that they are privileged or otherwise not discoverable. *See id.* at 2. Of course, this merely begs

¹ Pursuant to 12 U.S.C. § 4633(a)(2), the hearing on this matter must commence by February 16, 2007.

² The Motion does not contain a proposed order, in violation of 12 C.F.R. § 1780.25(a)(2).

the question. Documents that are privileged or not reasonably calculated to lead to relevant material need not be produced, but the question is which documents fall into those categories.

A. The Privilege Objections

OFHEO's assertions of privilege are vague and overbroad. They are not applied to particular requests or specific responsive documents, leaving Spencer without a concrete basis upon which to challenge OFHEO's contentions. For instance, OFHEO describes in general terms the nature of the purported "investigative files privilege," *see* Motion at 7, but never states which specific documents or categories of documents are protected by this privilege.

The impossibility of responding to this type of blanket assertion is shown by the obvious overbreadth of OFHEO's conclusion: "The investigative files privilege protects the multitude of documents involving the Special Examination of Fannie Mae." *Id.* Surely OFHEO does not contend that *all* documents "involving the Special Examination" are privileged. Such a position clearly would violate Spencer's due process right to a fair hearing, particularly in view of OFHEO's use of some of those same documents as the basis for the Notice. *See SEC v. Lavin*, 111 F.3d 921, 933 (D.C. Cir. 1997) ("The prohibition against selective disclosure of confidential materials derives from the appropriate concern that parties do not employ privileges both as a sword and as a shield.") (construing the marital communications privilege).

OFHEO's discussion of its other claimed privileges is similarly vague and overbroad. It claims that the "bank examination privilege" shields "OFHEO workpapers, documents reflecting communications with the enterprise, documents concerning information provided by the enterprise to OFHEO in connection with the exercise of OFHEO's regulatory authority, documents concerning presentations made by OFHEO to the enterprise (or vice versa), and documents concerning other confidential enterprise information (including information related to enterprise personnel)." Motion at 5. The "deliberative process privilege" purportedly shields

“internal materials generated at OFHEO in connection with its regulatory authority over the Enterprise.” *Id.* at 6. Finally, the discussion of the attorney-client and attorney work product privileges does no more than state the existence of the privileges. *See id.* at 7-8.

Taken at face value, and given the breadth of asserted scope of the various privileges, one might conclude that OFHEO intends to litigate this matter without producing *any* documents – except those that it views as helpful to its case. Of course, that cannot be permitted. *See, e.g., In re Subpoena Served Upon Comptroller of Currency*, 967 F.2d 630, 634 (D.C. Cir. 1992) (“The bank examination privilege, like the deliberative process privilege, shields from discovery only agency opinions or recommendations; it does not protect purely factual material. Even when asserted to protect deliberative material, the privilege may be overridden where necessary to promote the paramount interest of the Government in having justice done between litigants, or to shed light on alleged government malfeasance, or in other circumstances when the public's interest in effective government would be furthered by disclosure.”) (citations and quotation marks omitted).

At this time, the issues raised by OFHEO’s invocation of its purported privileges simply are not ripe. If and when OFHEO asserts that specific documents are subject to a particular privilege in a detailed and timely-provided privilege log, Spencer will bring any appropriate challenges pursuant to 12 C.F.R. § 1780.27(f).

B. The Relevance And Undue Burden Objections

OFHEO also complains that “[s]everal requests are excessive in scope and unduly burdensome.” Motion at 8. These objections, like the privilege objections discussed above, are

general in nature and not tied to specific requests.³ Moreover, these objections are based on false premises, mischaracterize Spencer's requests and misstate the law.

OFHEO's complaints about the burden of compliance are entirely without merit. First, OFHEO characterizes itself as a "small government agency" that cannot possibly be expected to produce the requested documents. But OFHEO has retained the law firm of Duane Morris LLP to represent it in this matter. Duane Morris is "among the 100 largest law firms in the world." Duane Morris – Home, <http://www.duanemorris.com> (last visited Feb. 1, 2007). OFHEO can also call upon the assistance of the United States Attorney's Office and the Department of Justice, both of which represent it in connection with civil litigation related to Fannie Mae now pending in the United States District Court for the District of Columbia. *See In re Fannie Mae Sec. Litig.*, Case No. 1:04-cv-01639 (RJL) (the "Securities Litigation").

Moreover, the documents should be readily accessible to OFHEO. The agency regulates only two entities, so identifying the universe of potentially responsive materials should not be difficult, and it necessarily engaged in a substantial effort to organize the relevant information for purposes of its public reports and preparing the Notice of Charges. Also, the documents sought herein are similar (but not necessarily identical) to those OFHEO has produced and will continue to produce pursuant to subpoenas in the Securities Litigation.⁴

Here, in contrast to the Securities Litigation, OFHEO is not a mere third-party on the wrong end of a subpoena. It initiated this litigation by releasing the results of its Special Examination and filing the Notice of Charges, which contains 101 claims for relief involving

³ In addition to the more general relevance objections asserted in the General Objections, OFHEO has also attacked specific requests as not reasonably calculated to seek any materially relevant information. We address those specific objections in Part II below.

⁴ As detailed in Part II below, OFHEO's conduct in the Securities Litigation has been recalcitrant, at best. Accordingly, the District Court has ordered the agency to obtain assistance from the Department of Justice for purposes of responding to the pending subpoenas.

numerous complex accounting standards and seeks hundreds of millions of dollars from the Respondents. It is no stretch to say that if OFHEO prevails, Spencer will suffer extreme personal, professional and financial harm. In the circumstances, it is not an undue burden to require OFHEO to produce all of the documents in its possession (not just those it regards as favorable) relating to the subject matter of this case.⁵

OFHEO next suggests that Spencer has failed to describe the documents requested with “reasonable particularity.” Motion at 9. But Spencer’s requests are detailed and specific and, more importantly, are clearly relevant to the matters raised in the Notice. The cases that OFHEO cites demonstrate the weakness of its position. In *FDIC v. Eagle Properties, Inc.*, 105 F.R.D. 12 (D.D.C. 1984), the FDIC sued to collect on debts owed to a failed bank. The debtors counterclaimed, alleging that they were defrauded into entering the transaction giving rise to the debts and that the FDIC knew this fact when it took possession of the debts. In order to prove the FDIC’s knowledge, the debtors served a subpoena on the Office of the Comptroller of the Currency (“OCC”). *See id.* at 14. However, the subpoena sought all records relating to the OCC’s supervision of the bank over a three year period. The Court held that it would be unduly burdensome to require OCC to comply, given that the only matter at issue was the single transaction giving rise to the debts. Accordingly, the Court held that the debtors were entitled only to “any and all documents directly relating to the sale/leaseback transaction which are not protected by privilege.” *Id.* at 15. Spencer seeks no more herein. She has not sought documents

⁵ OFHEO’s reliance on *United States v. Legal Services for New York City*, 249 F.3d 1077 (D.C. Cir. 2001), is misplaced. First, the Court in that case *rejected* the subpoenaed party’s undue burden argument. *See id.* at 1084. Moreover, the issue did not pertain to the “administrative burden” of devoting sufficient resources to respond. Instead, the subpoenaed party, a legal services organization responding to an audit of its federally funded program, sought to substitute codes for client names in order to avoid the “professional detriment” of having to reveal its clients’ identities. *See id.* That has nothing to do with the present situation, where OFHEO simply seeks to avoid doing the work necessary to assure Spencer a fair hearing.

relating to OFHEO's examinations of other entities, issues unrelated to accounting, or for time periods remote from the allegations contained in the Notice.

OFHEO also cites *Edwards v. Gordon & Co.*, 94 F.R.D. 584 (D.D.C. 1982), but truncates the quotation from that opinion. The full quotation, with the part omitted by OFHEO emphasized, is as follows:

Discovery thus should be confined to developing facts underlying the plaintiff's claim or claims and not used as a 'fishing expedition' *to discover what else may be amiss or to develop wholly new claims unrelated to what is averred in the complaint. The mere allegation of one specific claim of an alleged violation of the securities laws does not per se entitle a plaintiff or his counsel to roam through a defendants' files at will.*

Id. at 586 (citation omitted); *compare* Motion at 9 (ending the quoted statement after "expedition"). The omitted part of the quotation serves to distinguish *Edwards* from this case, where Spencer's requests are based on solely on the need to defend against the claims asserted by OFHEO, not any desire to find new claims or issues.

Finally, OFHEO argues that documents relating to its examinations of Fannie Mae are irrelevant because "OFHEO owes no duty to Enterprise officers and directors, including Ms. Spencer, when carrying out OFHEO examinations, and as such, OFHEO's examinations of Fannie Mae are not at issue in this action." Motion at 9. OFHEO entirely misunderstands the nature of Spencer's arguments. She does not seek to shift any culpability to OFHEO, or to "attack" the regulator. *See id.* at 9-10.

Rather, OFHEO's examinations go to Spencer's *state of mind*. That is, OFHEO's consistently glowing reports about Fannie Mae's operations gave Spencer a good faith basis to believe that Fannie Mae's operations were, in fact, proper. Similarly, the documents may show that OFHEO approved specific accounting policies or procedures, which would tend to support the reasonableness of Spencer's belief in their propriety. Of course, Spencer's state of mind is a

critical issue in this case. *See, e.g.*, Notice ¶ 161 (seeking to impose third tier penalties pursuant to 12 U.S.C. § 4636(b)(3) for “knowing” misconduct).

Once again, the point is not that OFHEO is culpable for getting it wrong, but rather that Spencer had reason to believe that she got it right. For this reason, the cases that OFHEO cites are inapposite. *See Salt Lick Bancorp v. FDIC*, 187 Fed. Appx. 428, 437-38 (6th Cir. 2006) (dismissing a complaint against bank examiners); *First State Bank of Hudson County v. United States*, 599 F.2d 558, 561 (3d Cir. 1979) (“The Bank sought to recover from the United States.”); *Resolution Trust Corp. v. Heiserman*, No. 93-B-944, 1994 WL 907409, at *2 (D. Colo. Aug. 31, 1994) (“[T]he RTC’s decisions made pursuant to such discretionary authority are exempt from tort liability and, by implication, from use as affirmative defenses to liability actions.”); *Resolution Trust Corp. v. Moskowitz*, No. 93-2080, 1994 WL 229812, *14-16 (D.N.J. May 24, 1994) (rejecting contributory or comparative negligence defenses).

II. RESPONSES TO SPECIFIC DOCUMENT REQUESTS

In its responses to Spencer’s specific requests, OFHEO has in some cases agreed to produce responsive documents, and in other cases it has refused. Each category will be addressed in turn, as even those responses in which OFHEO agreed to produce are not free from issue.

A. Responses In Which OFHEO Agreed To Produce Documents

In some of its responses, OFHEO agreed without reservation to produce responsive documents. *See* Motion ¶¶ 2, 3, 5, 110. These responses need not be addressed further.

In other cases, OFHEO’s agreement to produce documents is prefaced by a reference to the General Objections or some other vague assertion of “privilege.” *See id.* ¶¶ 8, 12-15, 22-31. For the reasons discussed in Part I, Spencer cannot respond to these assertions until OFHEO particularizes its assertions of privilege.

In two cases, OFHEO appears to be agreeing to produce documents, but in fact does not do so. Request No. 4 sought communications with expert witnesses. OFHEO responded that it will produce responsive documents “to the extent such an exchange is required in accordance with 12 C.F.R. § 1780.34.” Motion at 12 ¶ 4. The referenced regulation, however, deals with prehearing submissions. Although the provision requires an exchange of witness lists, it has nothing to do with discovering the basis of an expert’s conclusions, which is the goal of Request No. 4. Accordingly, OFHEO’s response should be struck or limited to the extent it purports to condition its compliance on section 1780.34.

Request No. 22 sought “[a]ll documents concerning OFHEO’s Annual Examinations of Fannie Mae for the years 1998-2004.” In response, OFHEO agreed to “produce responsive, non-privileged annual examinations of Fannie Mae for years 1998 through 2004.” Motion at 16 ¶ 22. Although it is unclear, it appears that OFHEO is agreeing to produce the annual examination reports themselves (which are publicly available) but not any related documents. Once again, this is critical evidence that Spencer will utilize to show that the experts at OFHEO (like all the other accountants, lawyers and other experts who reviewed Fannie Mae’s accounting) shared her belief that the accounting was proper. This evidence must be produced.

Finally, OFHEO provided the following response to each of Request Nos. 32-109: “To the extent any non-privileged documents tend to support or refute the allegations, they have been or will be provided in the [Securities Litigation].” Motion at 18-34 ¶¶ 32-109.⁶ However, the prospect of document productions in the Securities Litigation is no substitute for Spencer’s right to obtain necessary documents in this proceeding. It has been difficult to extract any documents

⁶ No response at all is provided to Request No. 78. *See* Motion at 27 ¶ 78. This appears to be an inadvertent omission. Spencer assumes that OFHEO intended to employ the same response it set forth in the surrounding paragraphs, but requests that OFHEO clarify its intention.

from OFHEO in the Securities Litigation, where it constantly reminds the Court that it is a mere third party and attempts to evade or delay its productions. *See In re Fannie Mae Sec. Litig.*, No. 1:04-cv-01639 (RJL), Docket Nos. 210, 221, 230, 231, 243, 317, 324, 341 (all motions for extensions of time filed by OFHEO since August 2006). The District Court has barely tolerated this conduct, telling OFHEO at the most recent status hearing in no uncertain terms that it would receive no more extensions:

But I am going to make this very clear. You are not likely to get it ever granted again. So if you are not getting the manpower you need over at that agency, you better let me know about it. . . . [I]t's not going to be a good excuse that OFHEO hasn't got enough manpower on it. There is nothing more important than this case, as far as I can, tell to OFHEO. This is the highest priority. Now, let's get this done. You have got your extension. Don't expect any others unless there was some kind of volcanic eruption and OFHEO went in the ground

Transcript of Hearing (January 25, 2007) at 86-87 (excerpt attached hereto as Exhibit A).

It is apparent that Spencer cannot rely on the promise of future productions in the Securities Litigation. There is no telling when, if ever, those productions will actually be made. Moreover, contrary to the assertion in the Motion (at 1), Spencer has *not* served a subpoena on OFHEO in the Securities Litigation.⁷ Thus, she has no standing to challenge the adequacy of OFHEO's productions in that case, she is not privy to the corresponding negotiations and, most importantly, the documents subject to subpoena are *not co-extensive* with the documents she seeks herein. Given that OFHEO is a party in this matter (and one seeking to recover hundreds

⁷ In the Securities Litigation, the District Court is presently overseeing OFHEO's production of documents related to its allegations against the Respondents. The Court has compelled OFHEO to comply with subpoenas *duces tecum* issued by Respondents Raines and Howard. We understand that OFHEO and counsel for Raines and Howard have been negotiating in an effort to reach agreement on the scope of OFHEO's production. To avoid needless and duplicative litigation and potentially inconsistent rulings, Spencer may serve a similar subpoena on OFHEO within the next week. To the extent that Spencer is able to participate fully and adequately in those proceedings, Spencer may be willing to defer to the ongoing District Court supervision of OFHEO's production.

of millions of dollars at that), justice demands that all responsive documents be produced promptly.

B. Responses In Which OFHEO Refused To Produce Documents

The final category of responses are those in which OFHEO moved to strike the request as “not reasonably calculated to seek any materially relevant information pertaining to the pending administrative action.” Motion ¶¶ 1, 6-11, 14-21, 23, 25, 27. In discovery, the party resisting production bears the burden of establishing that the information sought is not relevant, and relevance is construed broadly in favor of discovery. *See Chubb Integrated Sys. v. Nat’l Bank of Washington*, 103 F.R.D. 52, 58 n.3 (D.D.C. 1984) (“As the party resisting discovery, plaintiff bears the burden of demonstrating that the information sought is not legally relevant.”).

Many of the requests at issue are plainly relevant to the allegations in OFHEO’s Notice, and in particular to Spencer’s state of mind. For instance, Request No. 6 seeks documents provided by KPMG in connection with the Special Examination. Such documents could support Spencer’s contention that she relied on KPMG’s advice in making various accounting decisions, and therefore that she acted in good faith. Alternatively, the documents could demonstrate that KPMG independently agreed with certain accounting decisions now criticized by OFHEO, which would undermine the notion that Spencer acted improperly or recklessly. Other requests, such as those seeking documents and interview notes relating to other Fannie Mae employees (Request Nos. 8-9) or communications with other investigators (Request Nos. 10-11), could have a similar impact. Any documents that could conceivably call into question OFHEO’s fundamental allegation – that Spencer and the other Respondents intentionally manipulated and misapplied the accounting rules – is relevant and must be produced.

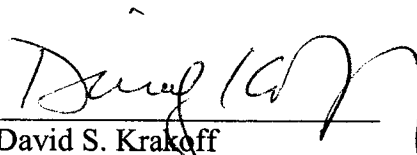
Given the sheer number of requests that OFHEO has moved to strike on the bare assertion that they call for materials “not reasonably calculated to seek any materially relevant

information,” and the fact that OFHEO bears the burden of proof on this issue, Spencer respectfully suggests that OFHEO be directed to particularize its arguments regarding its motions to strike or limit specific requests. That will produce a more orderly process than if Spencer is forced to guess as to the basis for OFHEO’s argument that a given request is outside the wide bounds of relevance for discovery purposes.

CONCLUSION

For the foregoing reasons, Spencer respectfully requests that OFHEO’s Motion be denied.

Respectfully submitted,



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Attorneys for Leanne G. Spencer

Dated: February 2, 2007

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of February, 2007, I caused to be served by hand delivery a copy of the foregoing Leanne G. Spencer's Response To OFHEO's Motion To Strike

Or Limit Discovery Requests upon:

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Adam B. Miller

EXHIBIT A

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

IN RE: FANNIE MAE SECURITIES : Docket No. CV04-1639 (RJL)
LITIGATION :

. :

EVERGREEN EQUITY TRUST, et al., : Docket No. CV06-82 (RJL)

Plaintiffs, :

v. :

FEDERAL NATIONAL MORTGAGE :
ASSOCIATION, et al., :

Defendants. :

. :

FRANKLIN MANAGED TRUST, : Docket No. CV06-139 (RJL)

Plaintiff, :

January 25, 2007

v. :

2:30 p.m.

FEDERAL NATIONAL MORTGAGE :
ASSOCIATION, et al. :

Defendants. :

. :

TRANSCRIPT OF MOTION HEARING

BEFORE THE HONORABLE RICHARD J. LEON

UNITED STATES DISTRICT JUDGE

1 You know, I am particularly mindful that there are an
2 awful lot of meters running in this room right now. We don't
3 need to have all these meters here for this hearing, just the
4 parties who have gotten involved in this issue and who feel they
5 need to be heard on the issue. We don't need everybody here.
6 All right?

7 MR. ROMAIN: Yes.

8 THE COURT: Okay. Anything else you need to talk
9 about?

10 MR. ROMAIN: No, your Honor.

11 THE COURT: Good. Mr. Truong, come on up.

12 MR. CHESLEY: Your Honor, you indicated were other
13 parties interested in this confidential thing. We, on behalf of
14 the Plaintiffs, concur. Maybe one of the few times that we
15 concur with Raines' counsel; they shouldn't be confidential.

16 THE COURT: Good. All right. You might let that be
17 known somehow in writing.

18 MR. CHESLEY: We will.

19 THE COURT: So it's all under one roof, so to speak.

20 MR. CHESLEY: We will, your Honor.

21 THE COURT: Mr. Truong, how are you doing?

22 MR. TRUONG: Thank you, your Honor. My name is John
23 Truong for OFHEO and with me --

24 THE COURT: I know who you are. Don't worry.

25 MR. TRUONG: With me is Dave Felt, the deputy General

1 Counsel, and also Mr. Carley Welsh (phonetic) from the
2 Department of Justice and Mr. Art Goldberg from the Department
3 of Justice.

4 THE COURT: Welcome aboard.

5 MR. TRUONG: We are mindful of the fact that the
6 Court -- the last time I appeared before you, the Court say to
7 bring more ammunition, so we did.

8 THE COURT: Good.

9 MR. TRUONG: There are several issues that were raised
10 by Plaintiffs and by Mr. Romain. Let me --

11 THE COURT: I am going to save you a little time here.
12 Okay? See this Motion for -- that you all filed here for an
13 amendment -- that's an extension of time?

14 MR. TRUONG: Yes, sir.

15 THE COURT: Granted.

16 MR. TRUONG: Thank you.

17 THE COURT: You have got until Monday. I am going to
18 tell you something, though. I am granting it. All right? But
19 I am going to make this very clear. You are not likely to get
20 it ever granted again. So if you are not getting the manpower
21 you need over at that agency, you better let me know about it.

22 MR. TRUONG: Yes, your Honor.

23 THE COURT: And I am going to start issuing orders to
24 that agency that they better start putting the adequate manpower
25 on it. I assume you are going to take care of the Justice piece

1 of the puzzle and get enough lawyers at Justice getting going on
2 this thing. And if we are not getting the manpower we need at
3 OFHEO to get going on it, then you've got to let me know.

4 If you don't let me know, guess what? You are the one
5 who is going to be standing at that microphone, and you are not
6 going to like standing at that microphone when that happens. So
7 the ball is in your court.

8 If OFHEO -- it's not going to be a good excuse that
9 OFHEO hasn't got enough manpower on it. There is nothing more
10 important than this case, as far as I can, tell to OFHEO. This
11 is the highest priority. Now, let's get this done.

12 You have got your extension. Don't expect any others
13 unless there was some kind of volcanic eruption and OFHEO went
14 in the ground, but I'm not expecting that to happen either
15 because they are right here in Washington.

16 MR. TRUONG: Yes, sir.

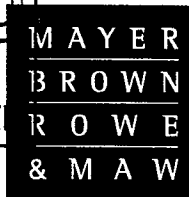
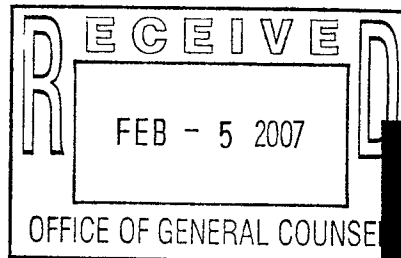
17 THE COURT: I've got a feeling I would be in the
18 ground, too, so, you know, none of this would be relevant.

19 Now -- so that's taken care of. Now, let's go back to
20 this one we were talking about a second ago here.

21 Now, you are not serious that 180,000 documents are
22 confidential, are you?

23 MR. TRUONG: Yes, I am, your Honor.

24 THE COURT: You are. Okay. Good. Well, then we have
25 an issue.



February 2, 2007

BY HAND

Honorable William B. Moran
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**Re: In the Matter of Franklin D. Raines, J. Timothy Howard and Leanne G. Spencer
Notice No. 2006-1**

Dear Judge Moran:

Enclosed for filing please find the original and two copies of each of the following:

- Leanne G. Spencer's Response To OFHEO's Motion To Strike Or Limit Discovery Requests; and
- Leanne G. Spencer's Memorandum Regarding The Proposed Scheduling Order.

Please date stamp one copy of each document and return them with our messenger. Thank you.

Very truly yours,

David S. Krakoff

Enclosures

cc: Joseph J. Aronica, Esq.
David A. Felt, Esq.
Kevin M. Downey, Esq.
Steven M. Salky, Esq.

Berlin Brussels Charlotte Chicago Cologne Frankfurt Hong Kong Houston London Los Angeles New York Palo Alto Paris Washington, D.C.
Independent Mexico City Correspondent: Jauregui, Navarrete y Nader S.C.

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