

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	:	
	:	
Plaintiff,	:	CV No. 17-2511
vs.	:	
	:	Washington, D.C.
	:	Thursday, April 5, 2018
AT&T, INC., ET AL.,	:	2:35 p.m.
	:	
	:	Day 9
	:	
Defendants.	:	
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AFTERNOON SESSION
TRANSCRIPT OF BENCH TRIAL
BEFORE THE HONORABLE RICHARD J. LEON
UNITED STATES DISTRICT SENIOR JUDGE

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Table of Contents

Direct	Cross	Redirect	Recross
--------	-------	----------	---------

On behalf of the Plaintiff:

Gregory Manty

By Ms. Elmer	1729		
--------------	------	--	--

By Mr. Oppenheimer		1776	
--------------------	--	------	--

E-X-H-I-B-I-T-S

Marked	Received
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Exhibit No. PX 363		1732
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Exhibit No. PX 31		1734
-------------------	--	------

Exhibit No. 189		1742
-----------------	--	------

Exhibit No. 543		1748
-----------------	--	------

Exhibit No. 184		1769
-----------------	--	------

1 P-R-O-C-E-E-D-I-N-G-S

2 THE DEPUTY CLERK: Good morning, Your Honor.

3 We are on the record in Civil Matter 17-2511. The
4 United States of America versus AT&T, Incorporated, et al.

5 THE COURT: All right. Government ready to call its
6 next witness?

7 MR. CONRATH: Yes, Your Honor, my colleague, Julie
8 Elmer, will be taking care of the next witness.

9 THE COURT: All right. Welcome.

10 MS. ELMER: Good afternoon, Your Honor.

11 THE COURT: Welcome.

12 MS. ELMER: The United States calls Gregory Manty as
13 an adverse party witness.

14 THE COURT: All right.

15 THE DEPUTY CLERK: Sir, please raise your right hand.

16 GREGORY MANTY, ADVERSE PARTY WITNESS, SWORN

17 THE DEPUTY CLERK: Please be seated.

18 MS. ELMER: May I proceed, Your Honor?

19 THE COURT: You may. You may use leading questions
20 if you wish.

21 DIRECT EXAMINATION

22 BY MS. ELMER:

23 Q. Mr. Manty, please state your full name for the record?

24 A. My name is Gregory Steven Manty.

25 Q. And you're a director and AT&T's corporate strategy group,

1 right?

2 A. Yes.

3 Q. You joined that group in July of 2014?

4 A. Yes.

5 Q. And in 2017, you did some work on merger integration
6 planning, correct?

7 A. Yes.

8 Q. And you worked on a team that focused on content
9 distribution strategy for the company post-merger, right?

10 A. Yes.

11 Q. And you prepared a document to be used at a meeting of the
12 AT&T and Time Warner merger integration teams in April of 2017,
13 correct?

14 A. Yes.

15 MS. ELMER: Your Honor, I have some binders, may I
16 approach?

17 THE COURT: Okay.

18 MS. ELMER: Your Honor, may I proceed?

19 THE COURT: You may.

20 BY MS. ELMER:

21 Q. Mr. Manty, please turn to the first tab in your binder, PX
22 363.

23 MS. ELMER: And, Your Honor, this document has been
24 marked for identification as PX 363, and defense counsel has
25 been given a copy. May I proceed?

1 THE COURT: You may.

2 BY MS. ELMER:

3 Q. PX 363, Mr. Manty, is an email from you to Tony Driscoll
4 attaching a draft PowerPoint presentation, correct?

5 A. Yes, ma'am.

6 Q. And Mr. Driscoll was your supervisor during the time that
7 you worked on merger integration planning in 2017, correct?

8 A. He was one of the supervisors, I wasn't reporting directly
9 to him.

10 Q. In any event, he was superior to you; is that right?

11 A. Yes, ma'am.

12 Q. And the date of your e-mail is April 8th of 2017?

13 A. Yes.

14 Q. And the attachments line of your e-mail says, CD 417 draft
15 GM version 1, right?

16 A. Yes, ma'am.

17 Q. And GM means that you personally worked on this draft,
18 correct?

19 A. Yes.

20 Q. And CD means content distribution?

21 A. Yes.

22 Q. And you prepared this draft for an April 2017 meeting
23 between AT&T and Time Warner merger integration teams, right?

24 A. Yes, I believe so.

25 Q. And you attended this meeting?

1 A. Yes.

2 MS. ELMER: Your Honor, plaintiff moves to admit PX
3 363 into evidence?

4 THE COURT: All right.

5 MR. OPPENHEIMER: Your Honor, no objection,
6 confidential.

7 THE COURT: It will be admitted under seal.

8 (Plaintiff's Exhibit No. PX 363 was
9 received in evidence under seal.)

10 MS. ELMER: May I proceed?

11 THE COURT: You may.

12 BY MS. ELMER:

13 Q. And, Mr. Manty, in your cover e-mail you wrote, "Tony,
14 attached is a revised draft as previously discussed. Note that
15 for each of the core beliefs I've haded 'so what' to the notes
16 for our reference." Do you see that?

17 A. Yes.

18 Q. And let's go to the page with PX 0363 dash 012 in the
19 bottom center. I'll give you a minute.

20 Are you there yet?

21 A. Yes, ma'am.

22 Q. And the top of the slide says, "Core belief number one,"
23 you see that, sir?

24 A. Yes.

25 Q. And core belief number one is the economic incentives of

1 major pay-TV firms will ensure stability through the slow
2 structural decline of the industry reducing the risk of a
3 dramatic downturn period," right? That's what it says?

4 A. That's what it says, yes.

5 Q. And you worked on this slide?

6 A. Yes, I believe so.

7 Q. And you also added the speaker's notes for this slide on
8 the following page, correct?

9 A. Yes, I believe so.

10 Q. And let's look at that page. It has PX 0363 dash 013 on
11 the bottom, are you with me?

12 A. Yes, ma'am.

13 Q. And, Mr. Manty, that speaker note says, "So what.
14 Traditional pay-TV will be a cash cow business to AT&T for many
15 years to come during which we can slowly pivot the broader
16 strategy. Dramatic strength changes don't need to happen
17 overnight." And that's what you wrote, correct?

18 A. Yes, I believe so.

19 Q. And this slide was sanitized before the meeting between
20 the AT&T and Time Warner merger integration teams, wasn't it?

21 A. I don't know if I would characterize it that way.

22 Q. Core belief number one was watered down, correct?

23 A. I think it went through several iterations of change.

24 Q. It was made more bland?

25 A. A few different iterations, I think I used bland as a

1 descriptive, yes.

2 Q. And it was made more bland because the lawyers would be
3 all over it if it was not watered down, correct?

4 A. No, not necessarily.

5 Q. Sir, if you could please turn to the second tab in your
6 binder, PX 31.

7 MS. ELMER: And, Your Honor, this document has been
8 marked for identification as PX 31, and defense counsel has
9 been given a copy. May I proceed?

10 THE COURT: You may.

11 BY MS. ELMER:

12 Q. Mr. Manty, PX 31 is an e-mail from you to Tony Driscoll
13 attaching a draft PowerPoint presentation; is that right?

14 A. Yes, ma'am.

15 Q. And that e-mail has a date of April 9, which is one day
16 after of the draft we just looked at, correct?

17 A. Yes, I believe so.

18 MS. ELMER: Your Honor, plaintiff moves to admit PX
19 31 into evidence?

20 MR. OPPENHEIMER: No, Your Honor, no objection under
21 seal.

22 THE COURT: It will be admitted under seal.

23 (Plaintiff's Exhibit No. PX 31 was
24 received in evidence under seal.)

25 BY MS. ELMER:

1 Q. And the e-mail at the bottom of the chain on the first
2 page is your April 8 e-mail that we just looked at a moment
3 ago, correct?

4 A. Yes, I see that.

5 Q. And Mr. Driscoll wrote back to you, "Nice work," right?

6 A. Yes.

7 Q. But he watered your draft down, didn't he?

8 A. I think he made few different changes, we were still in
9 the process of drafting this.

10 Q. He made core belief number one too bland, in your opinion?

11 A. I was pushing back a little bit to see what his response
12 would be.

13 Q. And because it's easier to read than the back and white
14 PDF version, I'd like to look at the native version of this
15 document, which is toward the back of this particular exhibit
16 on the page with PX 0031 dash 041. Are you with me, sir, on
17 that page?

18 A. Yes, ma'am.

19 Q. And, Mr. Manty, in this version of the document, core
20 belief number one reads, "The economic incentive of major
21 pay-TV players will encourage stability as the ecosystem
22 evolves," correct?

23 A. Yes.

24 Q. And this was Mr. Driscoll's revision to your earlier
25 draft, right?

1 A. Yes, I believe so.

2 Q. And you wrote a note to him at the top right of this page,
3 didn't you?

4 A. Yes, ma'am.

5 Q. And your note says, "Can we say," quote, "as the industry
6 experiences slow structural decline," unquote, "or that there's
7 a reduced risk of, quote, a dramatic downturn period," unquote,
8 "I feel like this one has become too bland, but I also know the
9 lawyers will be all over it." That's what you wrote, correct?

10 A. Yes, I believe so.

11 THE COURT: What are you looking at?

12 MS. ELMER: I'm looking at the box, the blue box in
13 the top right-hand of the slide that has --

14 THE COURT: Where is it on 0031?

15 MS. ELMER: I'm sorry?

16 THE COURT: Where is it in 0031?

17 MS. ELMER: It's on the page with PX 0031 dash 041 at
18 the bottom.

19 THE COURT: 041?

20 MS. ELMER: Yes, sir. And it's a box in the upper
21 right-hand side that's in blue.

22 Your Honor, may I proceed?

23 THE COURT: Not yet.

24 MS. ELMER: Okay.

25 Pause.)

1 THE COURT: Did you say there's two versions of this
2 here?

3 MS. ELMER: Your Honor, that's black and white
4 version, and then there's the color. In that particular
5 Exhibit PX 31, they're identical to each other, but the version
6 that we were just discussing earlier, 363, is an earlier
7 version of the document.

8 THE COURT: 363?

9 MS. ELMER: Yes, sir, yes, Your Honor.

10 THE COURT: Is that supposed to be in this notebook I
11 have?

12 MS. ELMER: I believe it was tab -- the first tab of
13 your notebook, Your Honor. I can give you a cite.

14 THE COURT: Hold on.

15 What's the reason we have two versions of the same
16 document?

17 MS. ELMER: Your Honor, it's just for the ease of
18 viewing because the color version is easier to see. It's very
19 difficult to read the box in the black and white version.

20 THE COURT: In 31?

21 MS. ELMER: Of 31, yes, Your Honor.

22 THE COURT: Because my version of 31 is colored as
23 well. All kinds of color in it.

24 MS. ELMER: All right, my bad, I'm sorry for having
25 too much paper in the record.

1 May I proceed, Your Honor?

2 THE COURT: If you're ready. What's next?

3 BY MS. ELMER:

4 Q. Mr. Manty, you can set that document aside, sir.

5 Now, sir, core belief number one was watered down even
6 further in a later version of this document, correct?

7 A. I believe, I mean, this whole deck changed a little bit
8 through the interim process that we go through.

9 Q. And the lawyers sanitized it had between the meeting
10 between the AT&T and the Time Warner merger integration teams,
11 correct?

12 A. I wouldn't use the word "sanitize." It's through the
13 parlor in process so there's legal review.

14 Q. Mr. Manty, if you could turn to the third tab in your
15 binder, PX 189.

16 MS. ELMER: And, Your Honor, this document has been
17 marked for identification as PX 189 and defense counsel has
18 been given a copy. May I proceed?

19 THE COURT: You may.

20 BY MS. ELMER:

21 Q. Mr. Manty, PX 189 is an e-mail from you to Mel Coker dated
22 May 5th of 2017 regarding CD deck, do you see that?

23 A. Yes, ma'am.

24 Q. And you wrote to Ms. Coker, "Mel, please find attached
25 deck from our content distribution work stream," and that's

1 what you wrote to her, correct.

2 A. Yes.

3 Q. And this was the final version of the deck used at the
4 April meeting between the integration teams, right?

5 A. I believe what was forwarded, at the time I was under the
6 impression it was the final, but I later, I think, realized
7 later that it was not, in fact, the final.

8 Q. In any event, this is a later version of the document than
9 the two that we just looked at, correct?

10 A. I believe so.

11 MS. ELMER: Your Honor, plaintiff moves to admit PX
12 189 into evidence.

13 MR. OPPENHEIMER: Your Honor, objection, foundation.

14 THE COURT: You can approach.

15 Step down, sir, sit over there.

16 (Witness withdrew from the witness stand.)

17 (Sealed Bench Conference.)

18 THE COURT:

19 MR. OPPENHEIMER:

20 THE COURT:

21 MR. OPPENHEIMER:

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MS. ELMER:

THE COURT:

MR. OPPENHEIMER:

MS. ELMER:

THE COURT:

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MS. ELMER:

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MR. OPPENHEIMER:

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(Open court.)

5

THE COURT: Come on back up.

6

(Witness resumed the witness stand.)

7

THE COURT: You may proceed consistent with the discussion at the bench.

8

BY MS. ELMER:

9

10 Q. Mr. Manty, you testified earlier that these decks were
11 created as part of a parlor process, correct, you mentioned the
12 word "parlor"?

13 A. The parlor in process, yes, ma'am.

14 Q. And there were attorneys and consultants involved in this
15 process; is that right?

16 A. Yes, ma'am.

17 Q. And then the content distribution team that you were
18 working on was also involved in this process, correct?

19 A. Yes.

20 Q. And so in going through the iterations of the deck, you
21 worked with other people on your team like Mr. Driscoll; is
22 that right?

23 A. Yes.

24 Q. And then also the consultants and the attorneys were
25 involved in iterations of the deck, correct?

1 A. Yes, ma'am.

2 Q. And then the deck was ultimately used at a meeting between
3 the Time Warner and AT&T merger integration teams at a parlor
4 meeting that was overseen by the consultants and the legal team
5 as part of the clean team process, right?

6 A. Yes, ma'am.

7 MS. ELMER: Your Honor, plaintiff moves to admit PX
8 189 into evidence?

9 MR. OPPENHEIMER: Your Honor, I still say foundation.

10 THE COURT: Objection overruled, I'm going to admit
11 it under seal.

12 (Plaintiff's Exhibit No. PX 189 was
13 received in evidence under seal.)

14 MS. ELMER: I'm sorry Your Honor.

15 THE COURT: Go ahead.

16 BY MS. ELMER:

17 Q. Mr. Manty, if you could please turn to the page with PX
18 0189-011 at the bottom center.

19 A. (Witness complies.)

20 Q. Are you with me, sir, on that page?

21 A. Yes, ma'am.

22 Q. And, sir, in this version core belief number one states,
23 "Major pay-TV players will continue to support the traditional
24 creation, aggregation, distribution value chain," do you see
25 that there?

1 A. Yes.

2 Q. And this revision is even blander than the one
3 Mr. Driscoll wrote, correct?

4 A. No, I would say that this is maybe, perhaps a better
5 discussion starter. It doesn't draw to, you know, a dramatic
6 conclusion to kick off the discussion.

7 Q. Sir, if you could flip a few pages to the page with PX
8 0189-018 at the bottom.

9 A. (Witness complies.)

10 Q. And this page contains a summary of core beliefs, correct?

11 A. Yes.

12 Q. And the very top left of this page it says, "Previously
13 updated by AG and Cravath, updates in red, new text matches
14 approved headline from page 10," do you see that?

15 A. Yes.

16 Q. And that's the approved by the lawyers, correct?

17 A. I don't really know what that -- I don't know what that
18 note was from.

19 Q. And coming down to item number 1, we see that the approved
20 headline is the version that we just looked at on page PX 0189
21 dash 11, correct?

22 A. Yes, I believe so.

23 Q. And this is the --

24 THE COURT: Do you know what AG means?

25 THE WITNESS: It's a law firm, yes.

1 THE COURT: AG, updated by AG, do you know what that
2 means?

3 THE WITNESS: I think Akin Gump.

4 THE COURT: Akin Gump? Do you know what Cravath is?

5 THE WITNESS: They're a law firm, yes, sir.

6 THE COURT: All right.

7 BY MS. ELMER:

8 Q. And, sir, the version that appears here on the slide is
9 even blander than Mr. Driscoll's version, isn't it?

10 A. No, I don't know if I would describe it that way.

11 Q. It's the version that was sanitized by the lawyers, isn't
12 it?

13 A. I don't think I would describe it as sanitizing.

14 Q. Mr. Manty, you can set that particular document aside, but
15 keep your notebook, please.

16 MS. ELMER: Your Honor, I have one more subject area
17 to cover with this witness.

18 THE COURT: All right.

19 BY MS. ELMER:

20 Q. Mr. Manty, in the ordinary course of your job duties at
21 AT&T, you've worked with consultants hired by AT&T, correct?

22 A. Yes, ma'am.

23 Q. And sometimes you've worked with consultants to create
24 documents?

25 A. Yes.

1 Q. And sometimes those documents are in the form of
2 PowerPoint slides?

3 A. Yes.

4 Q. And during your time at --

5 THE COURT: Sometimes? Is there any evidence to the
6 contrary that there's anything else? That's all these folks
7 do.

8 BY MS. ELMER:

9 Q. And Mr. Manty, during your time at AT&T, you've worked
10 with consultants from Bain on some AT&T projects; is that
11 right?

12 A. Yes, ma'am.

13 Q. And one of those projects was a video strategy project in
14 2014, correct?

15 A. Yes.

16 Q. And this was a big project at AT&T?

17 A. It was the -- one of the first projects I worked on. I
18 couldn't tell you if it was considered a big project for the
19 corporation.

20 Q. Lots of people worked on it, right?

21 A. Yes.

22 Q. And it was an important project at AT&T?

23 A. I can't speak to its importance for the corporation.

24 Q. The working team for the project reported up to a steering
25 committee of more senior executives, didn't they?

1 A. From what I remember there were some senior folks in the
2 steering committee, yes, ma'am.

3 Q. And that committee in turn reported up to AT&T senior
4 governance team, correct?

5 A. I don't -- I don't remember.

6 MS. ELMER: Your Honor, I've marked for
7 identification PX 543. May I have permission to approach?

8 THE COURT: You may.

9 MS. ELMER: May I proceed?

10 THE COURT: You may.

11 MS. ELMER: Your Honor, this document has been shared
12 with defense counsel as well.

13 THE COURT: I hope so.

14 BY MS. ELMER:

15 Q. Mr. Manty, PX 543 is an e-mail dated October 2, 2014 from
16 Mr. Wallingford to you and many others at AT&T and Bain,
17 correct?

18 A. Yes, ma'am.

19 Q. And a video content strategy kickoff deck dated October 2,
20 2014 is attached to his e-mail, correct?

21 A. Yes.

22 Q. And if you turn to the second page of this document, the
23 AT&T globe logo is on the cover page of the deck; is that
24 right?

25 A. Yes.

1 Q. And let's look at slide number 3 of the deck, working team
2 introductions, do you see that?

3 A. Yes, ma'am.

4 Q. And do you see your name and picture on the AT&T side of
5 the slide?

6 A. I do.

7 Q. Along with eleven other AT&T employees?

8 A. Yes.

9 Q. And you see Chris Sambar's name there, he was a
10 vice-president at AT&T?

11 A. Yes, ma'am.

12 Q. You also see twelve Bain and Company employee names and
13 photos on the other side of this slide, correct?

14 A. Yes.

15 Q. And so this deck was the kickoff deck for the project that
16 you were working on; is that right, sir?

17 A. Looks like it, yes.

18 Q. And if you turn to slide number 7.

19 A. (Witness complies.)

20 Q. This one says, "Project governance roles and
21 responsibilities" at the top, do you so see that?

22 A. Yes.

23 Q. Do you see your name in the core team box on the left side
24 of the page?

25 A. Yes, I do.

1 Q. And you see seven AT&T executives listed in the steering
2 committee box above that?

3 A. Yes.

4 Q. And you see four senior AT&T executives in the senior
5 governance team box at the very top of the AT&T slide on the
6 page?

7 A. Yes, I see that.

8 Q. And that includes Mr. Donovan?

9 A. Yes.

10 Q. Mr. Stankey?

11 A. Yes.

12 Q. Ms. Lee?

13 A. Yes.

14 Q. And so a lot of important people had eyes on this video
15 strategy project, didn't they?

16 A. Looks like this was what was proposed at the kickoff. But
17 I really don't remember too much about this project.

18 MS. ELMER: And, Your Honor, plaintiff moves to admit
19 PX 543 into evidence?

20 MR. OPPENHEIMER: No objection.

21 THE COURT: Be admitted.

22 (Plaintiff Exhibit No. 543 received in evidence.)

23 BY MS. ELMER:

24 Q. Mr. Manty, you were assigned to lead a sub-team on this
25 project, correct?

1 A. I really don't remember too much about what my role was on
2 this project.

3 Q. Right. Well, Mr. Manty, let's look at your binder again.
4 And please turn to the fourth tab, PX 190.

5 MS. ELMER: And, Your Honor, this document has been
6 marked for identification as PX 190, and defense counsel has
7 been given a copy. May I proceed?

8 THE COURT: Yes.

9 BY MS. ELMER:

10 Q. And, Mr. Manty, PX 109 is an October 6th, 2014 e-mail, an
11 attachment from Scott Wallingford to you and others, correct?

12 A. Yes.

13 Q. And Mr. Wallingford was one your superiors at AT&T?

14 A. Yes.

15 Q. And Mr. Wallingford's e-mail outlined some of the
16 assignments for the video strategy project, correct?

17 A. It looks like he called it the initial work team
18 alignment.

19 Q. And you see your name there?

20 A. Yes.

21 Q. And the video strategy project was a team effort, right?

22 A. Yes.

23 Q. And the AT&T employees and the Bain employees worked
24 together?

25 A. Yes.

1 Q. Now, Mr. Wallingford's e-mail lists some immediate action
2 items for the team, you see those?

3 A. Yes.

4 Q. And item number 1 is, "See attached templates," correct?

5 A. Yes.

6 Q. And those templates are contained in the slides that are
7 attached to Mr. Wallingford's e-mail, right?

8 A. Yes.

9 Q. And if you'll look in the immediate action items, item
10 number 3, that's marketplace evolution, correct? Flip back,
11 I'm sorry, to the cover e-mail. And item number 3 says,
12 "Marketplace evolution"?

13 A. Yes.

14 Q. And that's the team that you were assigned to, correct?

15 A. That's what it looks like, yes.

16 Q. And the assignment that he gave was, "Develop one page
17 description for each scenario, see attached template, to
18 catalog the potential scenarios." Do you see that under
19 immediate action items?

20 A. Yes.

21 Q. And the template that he's directing you to use is
22 attached to his e-mail in these slides, correct?

23 A. Yes.

24 MS. ELMER: Your Honor, plaintiff moves to admit PX
25 190 into evidence?

1 MR. OPPENHEIMER: Your Honor, we have an objection.

2 THE COURT: See counsel. Step down.

3 (Witness withdrew from the witness stand.)

4 (Sealed Bench Conference.)

5 THE COURT:

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7 MS. ELMER:

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11 THE COURT:

12 MS. ELMER:

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5 (Open court.)

6 (Witness resumed the witness stand.)

7 BY MS. ELMER:

8 Q. Now, Mr. Manty, the AT&T working team used the template
9 that Mr. Wallingford attached to his e-mail, correct?

10 THE COURT: You better put a time frame on that
11 question, ma'am. Did you hear me?

12 MS. ELMER: Yes, Your Honor.

13 THE COURT: Modify your question. Put a timetable on
14 it.

15 MS. ELMER: Yes, Your Honor.

16 BY MS. ELMER:

17 Q. So, Mr. Manty, we were talking about an assignment that
18 you received from Mr. Wallingford, your superior, in October of
19 2014, correct?

20 THE COURT: That's out of bounds.

21 MS. ELMER: Okay.

22 THE COURT: Consistent with the discussion at the
23 bench.

24 BY MS. ELMER:

25 Q. All right. Mr. Manty, you can set that document aside.

1 A. (Witness complies.)

2 Q. So work on the video strategy project continued after --
3 continued after 2014, correct?

4 A. Actually I don't remember when it ended.

5 Q. The work that the video strategy team did in 2014
6 continued to be important to AT&T in 2016, true?

7 THE COURT: If you know.

8 THE WITNESS: Yeah, I don't know.

9 BY MS. ELMER:

10 Q. Mr. Manty, please turn to the sixth tab in your binder, PX
11 34.

12 MS. ELMER: And, Your Honor, this document has been
13 marked for identification as PX 34, and defense counsel has a
14 copy. May I proceed?

15 THE COURT: Hold on a minute.

16 BY MS. ELMER:

17 Q. Mr. Manty --

18 THE COURT: Ma'am, I said hold on a minute.

19 MS. ELMER: I'm sorry.

20 THE COURT: Listen.

21 MS. ELMER: Getting old here, I'm sorry.

22 THE COURT: Yeah, listen.

23 Approach. Step down.

24 (Witness withdrew from the witness stand.)

25 (Sealed Bench Conference.)

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9 THE COURT:

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11 (Open court.)

12 (Witness resumed the witness stand.)

13 BY MS. ELMER:

14 Q. Mr. Manty, you sent documents from the 2014 video strategy
15 project to some senior executives in July 2016, correct?

16 A. I don't recall.

17 Q. You sent them to senior vice-president Mel Coker less than
18 half an hour before a prep session for a board of directors
19 meeting in July of 2016; is that right?

20 A. I believe so. But I don't remember what the time, that
21 half hour that you just mentioned.

22 Q. Mr. Manty, you do recall sending documents from the 2014
23 video strategy project to Ms. Coker in July of 2016, correct?

24 A. I believe I sent an excerpt from the work to her, yes.

25 Q. And that was just a couple of months before the

1 announcement of this merger, correct?

2 A. That sounds right.

3 Q. The merger was announced in October of 2016?

4 A. Yes.

5 THE COURT: October.

6 BY MS. ELMER:

7 Q. Mr. Manty, if you could turn to the last tab in your
8 binder, PX 184.

9 MS. ELMER: Your Honor, this document has been marked
10 for identification as PX 184, and defense counsel has a copy.
11 May I proceed?

12 THE COURT: You may.

13 BY MS. ELMER:

14 Q. Mr. Manty, PX 184 is an e-mail with attachments from you
15 to Mel Coker on July 12th, 2016, right?

16 A. Yes, ma'am.

17 Q. And Ms. Coker is a senior vice-president at AT&T?

18 A. Yes.

19 Q. And you copied Jennifer Robertson, another vice-president
20 at AT&T?

21 A. Yeah, at the time I think that she was a vice-president.

22 Q. And one of the attachments to your e-mail was a talk track
23 that you prepared for a board of directors meeting, right?

24 A. I believe so, yes.

25 Q. And you prepared that talk track for Mr. John Donovan to

1 present?

2 THE COURT: What's a talk track?

3 THE WITNESS: Speaking notes, parts, some more
4 background, talking notes.

5 THE COURT: Talking points?

6 THE WITNESS: Yeah.

7 THE COURT: You don't use that phrase, talking
8 points?

9 THE WITNESS: Talking points, yeah.

10 THE COURT: Talk track. Go ahead.

11 THE WITNESS: I'm sorry. Yes, I believe this was
12 prepared for Mr. Donovan, I think it's still in draft form.

13 BY MS. ELMER:

14 Q. And the other attachment that you e-mailed Ms. Coker in
15 July 2016 was an excerpt from the December 2014 video strategy
16 steer co meeting presentation correct?

17 A. Yes.

18 Q. And as you testified earlier, the working team that you
19 were on reported up to a steering committee for this video
20 strategy project, correct?

21 A. From the project in 2014?

22 Q. That's right.

23 A. Yes, I believe so.

24 MS. ELMER: Your Honor, plaintiff moves to admit PX
25 184 into evidence?

1 MR. OPPENHEIMER: Your Honor, objection, same
2 grounds, plus an addition.

3 (Sealed Bench Conference.)

4 MR. OPPENHEIMER:

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12 THE COURT:

13 MR. OPPENHEIMER:

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MR. OPPENHEIMER:

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(Open court.)

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THE COURT: You may proceed consistent with the

14

discussion at the bench.

15

BY MS. ELMER:

16

Q. Mr. Manty, could you turn to the page with PX 184 dash 004

17

at the bottom?

18

THE COURT: It will be admitted under seal,

19

Mr. Oppenheimer, or not?

20

MR. OPPENHEIMER: Under seal, Your Honor.

21

THE COURT: Be admitted under seal.

22

(Plaintiff's Exhibit No. PX 184 was

23

received in evidence under seal.)

24

THE COURT: What page?

25

MS. ELMER: Your Honor, it's PX 184-004.

1 THE COURT: All right.

2 BY MS. ELMER:

3 Q. Mr. Manty, the title of this page is, Content Player
4 Acquisition Logic Flow, correct?

5 A. Yes, ma'am.

6 Q. If we go to the next page that has PX 184-005 at the
7 bottom. This slide is titled, Vertical Integration potential
8 Logic Paths," correct?

9 A. Yes.

10 Q. And the second column is the shape the Ecosystem Logic
11 Path, correct?

12 A. Yes.

13 Q. And that's defined here on the pages purchase content
14 player to reinforce pay-TV bundle?

15 A. That's what the definition under that column, yes.

16 Q. And one of the strategic rationales that the video
17 strategy team identified is in the second column, which reads,
18 Content players have different incentives than AT&T, i.e., they
19 will move to the grade or destroy the bundle; is that correct?

20 A. I don't, I don't remember if that was a team effort or if
21 that was a Bain quote there.

22 Q. Well, those slides say AT&T on them, right, they have the
23 AT&T globe on them; is that right?

24 A. They have the globe on there, yes.

25 Q. And as we saw earlier, your team, your core working team

1 of AT&T employees worked with the Bain employees together on
2 this project, correct?

3 A. We worked as a team, yes.

4 Q. And you worked together to create documents for this
5 project, right?

6 A. Yes.

7 Q. And Mr. Wallingford directed you and others on the AT&T
8 team to use templates provided by Bain in doing your work on
9 the project, correct?

10 A. I mean, we looked at that document earlier. I think that
11 that's how I remember it, looking at it now. But I can't
12 really recall. That was a couple of years ago.

13 Q. Okay. Now, but this particular e-mail is not a couple of
14 years ago, is it? You sent this to Ms. Coker in July of 2016,
15 correct?

16 A. I sent it in July 2016.

17 Q. Let's see. So I want to look at the far left column.

18 THE COURT: Counsel approach, please.

19 (Sealed Bench Conference.)

20 THE COURT:

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22 MS. ELMER:

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11 MS. ELMER:

12 (Open court.)

13 THE COURT: You may proceed consistent with the
14 discussion at the bench.

15 BY MS. ELMER:

16 Q. Mr. Manty, the vertical -- I'm sorry, video strategy
17 document that you forwarded to Ms. Coker in July of 2016 was a
18 document from December of 2014, correct, the slide that we were
19 just looking at?

20 A. Yeah, I mean, I can't -- I don't remember, it says
21 December 3rd, 2014. It sounds like that that was when it was
22 created.

23 Q. So your e-mail to her was a 2016 e-mail, but you were
24 attaching some materials from 2014?

25 A. Yes.

1 Q. And so the page that we're looking at, PX 0184-006, that
2 is a page from December of 2014, correct, sir?

3 A. Yes, all of these pages are, yes.

4 MS. ELMER: I just have a few more questions, Your
5 Honor.

6 BY MS. ELMER:

7 Q. In the far left corner of this page is a column entitled
8 acquisition type. Do you see that, sir?

9 THE COURT: What are you looking at, at 006?

10 MS. ELMER: Yes, sir, yes, Your Honor.

11 THE COURT: All right.

12 THE WITNESS: Acquisition type, yes.

13 BY MS. ELMER:

14 Q. And each acquisition type has its own row on the slide,
15 right?

16 A. That's what it looks like, yes.

17 Q. And the acquisition type in the first row is major
18 integrated players, e.g., Disney, Time Warner. Do you see that
19 there?

20 A. I see that, yes.

21 Q. And sticking with that first row, there's a checkmark in
22 the second column, correct?

23 A. In that cell, yes.

24 Q. And the second column is entitled, shape the ecosystem; is
25 that right?

1 A. Yes.

2 Q. And acquiring Time Warner would achieve that goal,
3 according to this slide, correct?

4 MR. OPPENHEIMER: Foundation, Your Honor.

5 THE COURT: You can clean that up. Ask some other
6 questions.

7 BY MS. ELMER:

8 Q. The checkmark that is on this slide shows that the team
9 that prepared this slide believed that acquiring Time Warner
10 would achieve the goal of shape the ecosystem, correct?

11 MR. OPPENHEIMER: Same objection, Your Honor.

12 THE COURT: Step down.

13 (Sealed Bench Conference.)

14 MR. OPPENHEIMER:

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7 MR. OPPENHEIMER:

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11 MS. ELMER:

12 THE COURT:

13 (Open court.)

14 BY MS. ELMER:

15 Q. Mr. Manty, I have --

16 MS. ELMER: Your Honor, I have no further questions
17 for Mr. Manty at this time. I'll pass the witness.

18 THE COURT: Mr. Oppenheimer.

19 MR. OPPENHEIMER: May I proceed, Your Honor?

20 THE COURT: You may.

21 MR. OPPENHEIMER: I'll be very brief.

22 CROSS-EXAMINATION

23 BY MR. OPPENHEIMER:

24 Q. Good afternoon, Mr. Manty.

25 A. Good afternoon.

1 Q. Just very quickly, early in the examination this afternoon
2 you were asked some questions by the government about some
3 lawyer review of some documents. Do you recall that?

4 A. Yes, sir.

5 Q. All right. And you referred to something called the
6 parlor process?

7 A. Yes.

8 Q. Okay. Would you just very briefly explain to the Court
9 your understanding of the parlor process?

10 A. My understanding is that it's put in place. It's highly
11 regulated when two entities have agreed to -- on a transaction,
12 but have not closed that transaction. And it's a way to not
13 share sensitive information between those two entities, and
14 it's highly regulated. And that's why it's overseen by lawyers
15 and counsel.

16 Q. Okay. Other than collecting some information, have you
17 had anything to do with the decision regarding the Time Warner
18 merger?

19 A. No, sir.

20 Q. Have you had anything to do with its implementation?

21 A. I'm sorry?

22 Q. Other than the parlor process that you just described,
23 you've been collecting some information for that, have you had
24 anything to do with the implementation of this merger?

25 A. No, sir.

1 Q. Did you have anything to do with deciding whether it
2 should occur in any team of any kind?

3 A. No.

4 Q. Okay. Is one of the main --

5 MR. OPPENHEIMER: Your Honor, no further questions.

6 THE COURT: Redirect?

7 MS. ELMER: No, Your Honor.

8 THE COURT: You're excused.

9 THE WITNESS: Thank you, Your Honor.

10 (Witness excused.)

11 THE COURT: Call your next witness.

12 MR. CONRATH: May I consult for one moment, Your
13 Honor?

14 THE COURT: Go right ahead.

15 (Pause.)

16 MR. CONRATH: Your Honor, we've decided not to call
17 Mr. Sambar, who would be the next witness. So we don't have an
18 additional witness here for today. We can proceed according to
19 the schedule we discussed this morning.

20 THE COURT: All right. I'll see counsel.

21 (Sealed Bench Conference.)

22 MR. PETROCELLI:

23 MR. CONRATH:

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1 MR. CONRATH:

2 THE COURT:

3 (Open court.)

4 THE COURT: All right, witnesses are concluded for
5 today. We'll reconvene at 10:30 on Monday morning. We'll be
6 going until 5:00 on Monday. Stand in recess.

7 (Trial adjourned at 3:55 p.m.)

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CERTIFICATE

I certify that the foregoing is a true and correct transcript, to the best of my ability, of the above pages, of the stenographic notes provided to me by the United States District Court, of the proceedings taken on the date and time previously stated in the above matter.

I further certify that I am neither counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken, and further that I am not financially nor otherwise interested in the outcome of the action.

/s/Crystal M. Pilgrim, RPR, FCRR

Date: April 5, 2018