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STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

CHRYSLER CORPORATION, a
Delaware corporation,

Plaintiff,

No. 94-489177-CZ
Hon. David F. Breck

-vs-

PAUL SHERIDAN,
Defendant.

The deposition of ROBERT A. LUTZ,
taken pursuant to the Michigan General Court Rules before
Rose Ann Zaidan, a Notary Public in and for the County of
Oakland, acting in the County of Washtenaw, State of
Michigan, at 2101 Hubbard Drive, Ann Arbor, on Friday, June
4, 1998, commencing at or about the hour of 9:20 o'clock
A. M.

APPEARANCES:

KIENBAUM, OPPERWALL, HARDY & PELTON, P.L.C.,
BY THOMAS G. KIENBAUM, ESQ., (P15945),
and ROBERT B. BROWN, ESQ., (P51378),
325 South Old Woodward Avenue, Birmingham,
MI 48009, 248-645-0000, appearing on behalf of
the Plaintiff.

MAZUR, AMLIN, MORGAN, MEYERS & KITTEL,
BY COURTNEY E. MORGAN, JR., ESQ., (P29137),
and MICHAEL S. MAZUR, ESQ., (P29137),
1490 First National Building, Detroit,
MI 48226, 313-961-0130, appearing on behalf of
the Defendant.

ALSO PRESENT: Paul Sheridan

Rose Ann Zaidan, CSR-2217, RPR

R. A. ZAIDAN & ASSOCIATES, INC.
248-643-4740

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C O N T E N T S

WITNESS

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ROBERT A. LUTZ

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1 the government compliance with Motor Vehicle Safety
2 Standards based on F1 prototype testing?

3 A. I have no idea.

4 MR. KIENBAUM: Where are we going? This is
5 beyond the scope.

6 Q. (BY MR. MORGAN) Do you know what an F1
7 prototype is?

8 A. I'm going to cease cooperating.

9 Q. Is that a yes or a no?

10 MR. KIENBAUM: That's a refusal to answer.

11 A. That's a refusal to answer.

12 Q. (BY MR. MORGAN) Do you know what changes were
13 made in the minivan in order to get it to pass the tests
14 that it failed as reported by the Automotive News?

15 A. No.

16 Q. Did you play any role -- strike the question.

17 Do you know whether or not there was any
18 investigation to find out the source of the information
19 that was published in the Automotive News on December 12th
20 of 1994?

21 A. I heard at the time that an effort was under
22 way to determine the source of the leak.

23 Q. And from whom did you hear that?

24 A. I have no idea.

1 Q. Was that article the only time that information
2 regarding crash tests had been published outside the
3 company?

4 A. I don't know. We frequently had leaks on
5 status of product programs. I don't know whether any of
6 them involved crash tests or not.

7 Q. Okay. You said you frequently had leaks on the
8 status of programs. What was Chrysler doing, if anything,
9 to discover the source of those leaks?

10 A. I believe we routinely followed up to see if
11 there was a way we could identify like who the photographer
12 was or where the picture was taken, that type of thing.

13 Q. Okay. And the investigation that you heard of
14 with respect to this Automotive News article, was it of the
15 same character, a routine follow-up --

16 A. (Interposing) I have no idea.

17 Q. (Continuing) -- to try to find the source of
18 the leak?

19 A. No idea.

20 Q. Okay. What group within Chrysler would do this
21 follow-up on the frequent leaks on the status of programs
22 that you had?

23 A. I don't know specifically. I mean --

24 Q. (Interposing) Would it be the security group?

1 A. It might be, yeah. That would seem logical.

2 Q. And it's really just your assumption that there
3 was routine follow-up? You don't know for a fact that that
4 occurs, or occurred at that time?

5 A. It's my assumption, because any time we had
6 some sort of an egregious leak where, you know, a very
7 early prototype vehicle was photographed somewhere on our
8 premises and the photograph's published, this is obviously
9 a damaging leak of proprietary information that's of value
10 to competitors, so you go back into the system and try to
11 find out how the leak occurred.

12 Q. Okay. So, these -- you're using an example of
13 a photograph of an early prototype?

14 A. Yes.

15 Q. That would be something that you would term an
16 egregious leak of obviously competitive sensitive
17 information; you'd want to know the source of that?

18 A. Yeah, sure, uh-huh.

19 Q. Taking a look at Exhibit 2 is it, the
20 Automotive News article, Mr. Lutz?

21 A. My Exhibit 2, yes.

22 Q. Can you tell me if there's anything in there
23 that's competitive or sensitive to Chrysler?

24 A. It's -- not -- no, not competitive -- well, on

1 the perusal of the information I can see material that was
2 potentially reputationally damaging, but it was so late in
3 the program and so shortly before introduction that this
4 view of the vehicle up here, imperfect as it is, would not
5 have been considered in the category of a major design
6 leak.

7 Q. All right. Anything else? You can take a
8 moment and review the article and scan it and do whatever
9 you'd like to see if there's anything else in there that
10 you find competitively sensitive.

11 A. I can't see anything in there that would
12 directly benefit competition at that stage in the program.

13 Q. Okay. You used the term "reputationally
14 damaging." What did you mean by that term, sir?

15 A. Well, Automotive News has broad readership,
16 dealers and people in the industry, and even some
17 readership outside the industry, and an article such as
18 this, with allegations of severe product, or program
19 problems and delays creates the impression of a product
20 program that is in serious difficulty, and that harms the
21 manufacturer's reputation, when in fact the program was in
22 excellent shape.

23 Q. Harms the manufacturer's reputation with whom?

24 A. With the public that reads Automotive News and