

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>QUADRANT EPP USA, INC., et al.,</b>	:	<b>CIVIL ACTION</b>
<b>Plaintiffs</b>	:	
	:	
<b>v.</b>	:	<b>NO. 06-356</b>
	:	
<b>MENASHA CORPORATION,</b>	:	
<b>Defendant</b>	:	

**MEMORANDUM**

**STENGEL, J.**

**January 29th, 2007**

This case concerns the interpretation of a Stock Purchase Agreement (“Agreement”) in the context of environmental problems at several facilities. Claiming it needs to evaluate whether the Agreement’s terms are ambiguous, Menasha Corporation, the seller of the stock, wants the purchasers of the stock to produce any and all drafts of the Agreement and all documents reflecting any discussions about its negotiations. In an effort to determine which provisions of the Agreement the defendant classifies as potentially ambiguous, the plaintiffs served on the defendant requests for admission which ask the defendant to admit or deny that 19 specific provisions of the Agreement were not ambiguous. The parties have denied each other’s requests, and have both filed motions to compel. For the following reasons, I will deny the defendant’s motion to compel the documents, and deny as moot the plaintiffs’ motion to compel answers to requests for admission.

Under Federal Rule 26(b)(1), “[p]arties may obtain discovery regarding any matter, not privileged, that is relevant to the claim or defense of any party....Relevant

information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence. FED. R. CIV. P. 26(b)(1). The Third Circuit “employs a liberal discovery standard.” Westchester Fire Ins. Co. v. Household Int’l, Inc., No. 05-1989, 2006 U.S. App. LEXIS 2375, at \*11 (3d Cir. Jan. 17, 2006) (citing Pacitti v. Macy’s, 193 F.3d 766, 777 (3d Cir. 1999)). While Federal Rule 26 still defines the scope of discovery broadly, “courts should not grant discovery requests based on pure speculation that amount to nothing more than a ‘fishing expedition’ into actions...not related to the alleged claims or defenses.” Collens v. City of New York, 222 F.R.D. 249, 253 (S.D. N.Y. 2004) (collecting cases).

Here, the defendant seeks the production of the documents because it believes that the Agreement might be ambiguous and such documents are relevant in determining the intent of the parties. The plaintiffs object to producing the documents because the Agreement contains an integration clause<sup>1</sup> which superseded all previous versions. Thus, the plaintiffs contend, the drafts and other requested documents are barred by the parol evidence rule. In a recent case, the Supreme Court of Pennsylvania explained the effects of an integration clause in a contract:

An integration clause which states that a writing is meant to represent the parties’ entire agreement is also a clear sign that the writing is meant to be just that and thereby expresses all of

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<sup>1</sup> The integration clause states: “This Agreement and the Related Agreements set forth the entire agreement and understanding of the parties hereto with respect to the transactions contemplated hereby and supersede any and all prior agreements, arrangements and understandings among the parties relating to the subject matter hereof.” (Agreement, ¶ 15.11).

the parties' negotiations, conversations, and agreements made prior to its execution.

Once a writing is determined to be the parties' entire contract, the parol evidence rule applies and evidence of any previous oral or written negotiations or agreements involving the same subject matter as the contract is almost always inadmissible to explain or vary the terms of the contract.

Yocca v. Pittsburgh Steelers Sports, Inc., 854 A.2d 425, 436-37 (Pa. 2004) (citations omitted). The court further held that an exception to this general rule is that parol evidence may be introduced where a term in the parties' contract is ambiguous. Id. What is most troublesome, however, is that the defendant states, "It has not yet been determined, nor have the parties agreed, whether the Agreement contains material ambiguities." No ambiguous term or provision of the Agreement has been identified. I find that such pure speculation does in fact amount to nothing more than a fishing expedition, and cannot serve as an exception to the parol evidence rule.

The plaintiffs also argue that producing the previous drafts and other documents requested is unduly burdensome. Federal Rule 26(b)(2) allows me to set limitations on discovery requests if "the burden or expense of the proposed discovery outweighs its likely benefit, taking into account the needs of the case, the amount in controversy, the parties' resources, the importance of the issues at stake in the litigation, and the importance of the proposed discovery in resolving the issues." FED. R. CIV. P. 26(b)(2)(iii). There are some 50,000 pages of documents in hard copy and 2,000 documents in electronic form. The number of hours required to remove non-responsive,

non-relevant, and privileged material would be unmanageable and extremely costly, especially when the benefit to the defendant is so limited.

Therefore, I find that pursuant to the integration clause, the Agreement expresses all of the parties' negotiations made prior to its execution; that the likelihood of the previous drafts and/or related documents leading to admissible evidence is tenuous at best; and that the burden borne by the plaintiffs in producing drafts of the Agreement and documents related to its negotiation clearly outweighs any benefit the defendant might receive in possibly finding an ambiguity. I will deny the defendant's motion.

During the telephone conference with counsel, it was apparent that the plaintiffs' motion to compel answers to requests for admission would become moot should the defendant's motion to compel production of documents be denied. Because I will deny the defendant's motion, the plaintiffs no longer require the defendant's admissions of which provisions it thinks might be ambiguous. I will deny the plaintiffs' motion as moot.

An appropriate Order follows.

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:**

**v. : NO. 06-356**

**MENASHA CORPORATION, :  
:**

**Defendant :**

**ORDER**

**STENGEL, J.**

**AND NOW**, this **29th** day of January, 2007, upon careful consideration of the defendant's motion to compel production of documents (Document #13), the plaintiffs' response thereto (Document #15), and after a telephone conference with counsel, **IT IS HEREBY ORDERED** that the motion is **DENIED** in its entirety.

**IT IS FURTHER ORDERED** that the plaintiffs' motion to compel answers to requests for admission (Document #14) is hereby **DENIED** as moot.

**BY THE COURT:**

/s/ Lawrence F. Stengel  
**LAWRENCE F. STENGEL, J.**