

Board's value-related determinations, because the Board's rejection of prior, fair acquisition offers, demonstrates its (alleged) entrenchment motives, and therefore, that its decision lacked good faith. Thus, to the extent that the Board's prior conduct may be relevant to this lawsuit, such relevance is at best limited and conditional.

What follows from this analysis is the conclusion that while plaintiffs are entitled to discovery into acquisition proposals considered by the Board from and after January 1, 1985, that discovery should not be "full blown" or unrestricted. Due to the potential of such discovery for unwarranted intrusions into the corporation's ongoing business and for creating collateral ("trial within a trial") disputes that threaten to divert the resources of the parties and this Court, the discovery will be restricted, at the present time, to (a) materials presented or made available to the Board describing the terms of proposed acquisitions, (b) other materials presented to the Board for its consideration or calculation of such proposals, including reports prepared internally and/or by investment bankers relating to the adequacy of such proposals and the value of Ponderosa in relation thereto, and (c) materials describing any defensive measure considered by the Board in response to such proposals, including "friendly" acquisitions or transactions such as a recapitalization, leveraged buyout, or "white knight" transaction.

III.

The foregoing is intended to set forth only the general concepts or principals under which discovery will be allowed. It is not meant to be a precise description of the particular documents to be produced. It will be the responsibility of the parties to narrow the specific categories of documents to be produced so as to conform to these limitations.⁴ Moreover, any production will be subject to appropriate confidentiality stipulations.

Counsel shall confer in an effort to resolve their discovery dispute in accordance with this Opinion.

4. In this regard, many of the document requests in their current form are overbroad and cannot be justified under plaintiffs' rationale, *e.g.*, Discovery Requests Nos. 16-19 and 27-34.