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CITY OF OAKLAND



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May 6, 2014

HONORABLE CITY COUNCIL
Oakland, California

**Subject: In Re Municipal Derivatives Antitrust Litigation
United States District Court Southern District Of New York,
MDL No. 1950**

Dear President Kernighan and Members of the City Council:

At closed session on April 22, 2014, the City Council considered a proposed partial settlement with GE Funding Capital Market Services, Inc., Trinity Funding Co., LLC, And Trinity Plus Funding Co., (Collectively "GE") of In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950,¹ filed by the City.

The lawsuit alleged that in violation of antitrust laws various financial institutions and brokers for their role in a longstanding conspiracy to fix prices and rig bids in the municipal derivatives industry.

The settlement proposal was for the City to accept the payment from GE of \$281,750, in exchange for dismissal with prejudice of the City's pending litigation.

The City Council accepted the settlement proposal. Accordingly, we have prepared this Resolution authorizing and directing the City Attorney to enter into a settlement agreement consistent with the terms of the settlement proposal to resolve the Action, and we request that the City Council adopt the Resolution.

¹ The City of Oakland (City of Oakland v. AIG Financial Products Corp., United States District Court Case No. C 08-2116 MMC), and the County of Alameda filed separate actions in the Northern District of California, while the City of Fresno and the Fresno County Financing Authority each filed separate complaints in the Eastern District of California. All four of these cases were transferred by order of the Judicial Panel on Multidistrict Litigation to United States District Court Southern District of New York for pretrial coordination. For administrative purposes consistent with 14 U.S.C. § 1407, plaintiffs filed a joint amended complaint: In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950.

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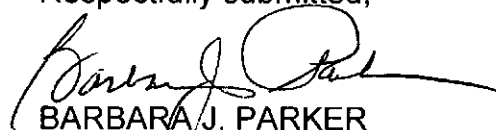
Subject: Resolution Approving Settlement of
City of Oakland v. In Re Municipal Derivatives Antitrust Litigation

MDL No. 1950

Page 2

The Council authorized settlement of this case in Closed Session on Tuesday, April 22, 2014, moved by Councilmember Lynette Gibson McElhaney and seconded by Councilmember Larry Reid – 5 Ayes, 3 Absent – Councilmembers Brooks, Gallo and Kaplan.

Respectfully submitted,



BARBARA J. PARKER
City Attorney

Attorney(s) Assigned:
Kathleen Salem-Boyd

Attachments:
Proposed Resolution

Barbara J. Paul
City Attorney's Office

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OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION APPROVING PARTIAL SETTLEMENT OF IN RE MUNICIPAL DERIVATIVES ANTITRUST LITIGATION, UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK, MDL NO. 1950, AUTHORIZING ACCEPTANCE OF PAYMENT FROM GE FUNDING CAPITAL MARKET SERVICES, INC., TRINITY FUNDING CO., LLC, AND TRINITY PLUS FUNDING CO., (COLLECTIVELY "GE") OF \$281,750, IN EXCHANGE FOR DISMISSAL OF THE LAWSUIT BY THE CITY

WHEREAS, in 2008, the City filed City of Oakland v. AIG Financial Products Corp, United States District Court Case No. C 08-2116 MMC, alleging that in violation of antitrust laws various financial institutions and brokers for their role in a longstanding conspiracy to fix prices and rig bids in the municipal derivatives industry; and

WHEREAS, for administrative purposes consistent with 14 U.S.C. § 1407, the City of Oakland, County of Alameda, City of Fresno and Fresno County Financing Authority subsequently filed a joint amended complaint known as In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950 (the Action), following transfer of their cases to United States District Court Southern District of New York; and

WHEREAS, on April 22, 2013, the City Council considered in closed session whether to approve a settlement of the Action in which GE would pay the City \$281,750 in exchange for dismissal of the Action by the City with prejudice; now therefore be it resolved

RESOLVED: That the City Attorney is authorized and directed to partially settle In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950, City Attorney Matter No. X03177, to accept payment in the amount of \$281,750 from GE in exchange for dismissal with prejudice of the litigation by the City.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, KALB, GALLO, KAPLAN, REID, GIBSON MCELHANEY, SCHAAF and PRESIDENT KERNIGHAN

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the City of
Oakland, California