



15 OCT -8 AM 1:31

ONE FRANK H. OGAWA PLAZA • 6TH FLOOR • OAKLAND, CALIFORNIA 94612

Office of the City Attorney  
Barbara J. Parker  
City Attorney

(510) 238-3601  
FAX: (510) 238-6500  
TTY/TDD: (510) 238-3254

October 20, 2015

**HONORABLE CITY COUNCIL**  
Oakland, California

**Subject: 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 JP MORGAN OF \$200,000, IN EXCHANGE FOR DISMISSAL OF THE LAWSUIT BY THE CITY**

Dear President Gibson McElhaney and Members of the City Council:

At closed session on October 6, 2015, the City Council considered a proposed partial settlement with JPMorgan Chase & Co. and J.P. Morgan Securities LLC (collectively "JPMorgan") of In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950,<sup>1</sup> 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. In 2012, counsel for the nationwide class settled with JPMorgan for \$45 million with some 65,000 potential claimants. The City opted out of

---

<sup>1</sup> 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.

HONORABLE CITY COUNCIL

October 20, 2015

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

MDL No. 1950

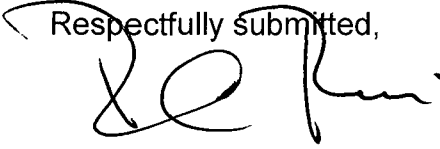
Page 2

the class settlement, and continued to pursue individual negotiations with JPMorgan for a larger settlement. Those negotiations led to a settlement that is far more than the amount of approximately six hundred and ninety-two dollars and thirty cents (\$692.30) that the City would likely have received under the nationwide class settlement.

The settlement proposal was for the City to accept the payment from JPMorgan of \$200,000, in exchange for dismissal with prejudice of the City's pending litigation.<sup>2</sup>

The City Council accepted the settlement proposal. Accordingly, we 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.

Respectfully submitted,



BARBARA J. PARKER  
City Attorney

Attorney(s) Assigned:  
Kathleen Salem-Boyd

1741617v1

---

<sup>2</sup> Litigation will continue on Oakland's behalf against remaining defendants: UBS, Piper Jaffrey, Societe Generale, National Westminster, Natixis, CDR, George K. Baum, and Sound Capital Management.

OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

15 OCT -8 AM 1:31  
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 JP MORGAN OF \$200,000, 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 October 6, 2015, the City Council approved in closed session a settlement of the Action in which JPMorgan Chase & Co. and J.P. Morgan Securities LLC (collectively "JP Morgan") would pay the City \$200,000 in exchange for dismissal of the Action by the City with prejudice; now, therefore, be it

**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 \$200,000 from JP Morgan in exchange for dismissal with prejudice of the litigation by the City.

IN COUNCIL, OAKLAND, CALIFORNIA,

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, GALLO, GUILLEN, KALB, KERNIGHAN, REID, WASHINGTON, and PRESIDENT GIBSON  
MCELHANEY

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_

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