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CITY OF OAKLAND



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December 8, 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 GEORGE K. BAUM OF \$35,000 AND ACCEPTANCE OF PAYMENT FROM SOCIETE GENERALE OF \$263,089 IN EXCHANGE FOR DISMISSAL OF THE LAWSUIT BY THE CITY**

Dear President Gibson McElhaney and Members of the City Council:

At closed session on November 17, 2015, the City Council considered a proposed partial settlement with George K. Baum ("Baum") and Societe Generale ("SocGen") 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.

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<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

December 8, 2015

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

MDL No. 1950

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The settlement proposals were for the City to accept payment from SocGen of \$263,089 and payment from Baum of \$35,000 in exchange for dismissal with prejudice of the City's pending litigation against these defendants.<sup>2</sup>

The City Council accepted the settlement proposals. 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

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

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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 GEORGE K. BAUM OF \$35,000 AND ACCEPTANCE OF PAYMENT FROM SOCIETE GENERALE OF \$263,089 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 November 17, 2015, the City Council approved in closed session a settlement of the Action in which George K. Baum ("Baum") would pay \$35,000 and Societe Generale (SocGen) would pay the City \$263,089 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 \$263,089 from SocGen and payment from Baum of \$35,000 in exchange for dismissal with prejudice of the City's pending litigation against these defendants.

IN COUNCIL, OAKLAND, CALIFORNIA,

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, GALLO, GUILLEN, KALB, KAPLAN, 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