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CITY OF OAKLAND



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

July 30, 2013

HONORABLE CITY COUNCIL  
Oakland, California

**Subject:** In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950  
City Attorney's File No. X03177

Dear President Kernighan and Members of the City Council:

At closed session on July 16, 2013, the City Council considered a proposed partial settlement with Wachovia Bank, N.A., now known as Wells Fargo Bank, N.A., and Wells Fargo & Company (collectively, "Wells Fargo") in the case of In Re Municipal Derivatives Antitrust Litigation, MDL No. 1950, initially filed by the City as City of Oakland v. AIG Financial Products Corp., United States District Court Case No. C 08-2116 MMC (the Action).<sup>1</sup>

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 Wells Fargo of \$200,000, in exchange for dismissal with prejudice of Wells Fargo from the City's pending litigation.

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<sup>1</sup> The City of Oakland 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

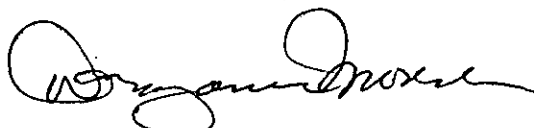
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The City Council accepted the settlement proposal. Accordingly, we have prepared this Resolution authorizing and directing the City Attorney to enter into a settlement agreement consistent with the terms of the settlement proposal to resolve the Action,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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Barbara J. Parker', with a large, stylized initial 'B'.

BARBARA J. PARKER  
City Attorney

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# OAKLAND CITY COUNCIL

Resolution No. \_\_\_\_\_ C.M.S.

Approved as to Form and Legality

  
City Attorney's Office

**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 WELLS-FARGO OF \$200,000, IN EXCHANGE FOR THE CITY'S DISMISSAL OF WELLS FARGO FROM THE LAWSUIT.**

**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 July 16, 2013, the City Council considered in closed session whether to approve a settlement of the Action in which Wells Fargo would pay the City \$200,000 in exchange for dismissal of the Action by the City with prejudice; now, therefore, be it

**RESOLVED**: 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 Wells Fargo in exchange for dismissal with prejudice by the City of Wells Fargo from the pending litigation.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - **BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, AND PRESIDENT KERNIGHAN**

NOES -  
ABSENT -  
ABSTENTION -

ATTEST:

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