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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

March 4, 2014

HONORABLE CITY COUNCIL  
Oakland, California

**Subject: RESOLUTION APPROVING PARTIAL SETTLEMENT OF CITY OF OAKLAND V. AMBAC FINANCIAL GROUP, INC., ET AL., SAN FRANCISCO SUPERIOR COURT CASE NO. CGC-08-479241, AUTHORIZING ACCEPTANCE OF PAYMENT FROM SYNCORA GUARANTEE, INC. OF \$25,830.33, IN EXCHANGE FOR DISMISSAL OF THE LAWSUIT BY THE CITY**

Dear President Kernighan and Members of the City Council:


At closed session on January 7, 2014, the City Council considered a proposed partial settlement with Syncora Guarantee, Inc. (f/k/a XL Capital Assurance, Inc.) ("Syncora") of City of Oakland v. Ambac Financial Group, Inc., et al., San Francisco Superior Court Case No CGC-08-479241, City Attorney Matter No X03170.

The lawsuit alleges against Syncora and several other bond insurer defendants causes of action for fraud, breach of contract, and an antitrust conspiracy.

The settlement proposal was for the City to accept the payment from Wells Fargo of \$25,830.33, 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.


Respectfully submitted,

  
BARBARA J. PARKER  
City Attorney

Attorney(s) Assigned:  
Kathleen Salem-Boyd

Attachments:  
Proposed Resolution  
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Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

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

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**RESOLUTION APPROVING PARTIAL SETTLEMENT OF CITY OF OAKLAND V. AMBAC FINANCIAL GROUP, INC., ET AL., SAN FRANCISCO SUPERIOR COURT CASE NO. CGC-08-479241, AUTHORIZING ACCEPTANCE OF PAYMENT FROM SYNCORA GUARANTEE, INC. OF \$25,830.33, IN EXCHANGE FOR DISMISSAL OF THE LAWSUIT BY THE CITY**

**WHEREAS**, in 2008, the City filed a lawsuit in the San Francisco County Superior Court against Syncora Guarantee, Inc. (f/k/a XL Capital Assurance, Inc.) ("Syncora") and several municipal bond insurance companies alleging claims for fraud, breach of contract, and an antitrust conspiracy; and

**WHEREAS**, on January 7, 2014, the City Council considered in closed session whether to approve a settlement of the Action in which Syncora would pay the City \$25,830.33 in exchange for dismissal of the Action by the City with prejudice; now therefore be it resolved

**RESOLVED:** The City Attorney is authorized and directed to partially settle City of Oakland v. Ambac Financial Group, Inc., et al., San Francisco Superior Court Case No. CGC-08-479241, City Attorney Matter No. X03170, to accept payment in the amount of \$25,830.33 from Syncora in exchange for dismissal with prejudice of the litigation by the City.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE

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

NOES -

ABSENT -

ABSTENTION -

ATTEST.

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