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CITY OF OAKLAND



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December 4, 2007

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**HONORABLE REDEVELOPMENT AGENCY AND CITY COUNCIL**  
Oakland, California

President De La Fuente and Members of the City Council:

**SUBJECT: Report Regarding Resolution Authorizing Waiver of any Potential Conflict of Interest that the Law Firm of Hanson, Bridgett, Marcus, Vlahos, Rudy LLP may have as a Result of the Firm's Representation of Yellow Cab in its Appeal of the City's Decision Revoking Taxi Medallions, to allow the Firm to Provide Specialized Legal Assistance to the City of Oakland Regarding Union Pacific Railroad's Interest in Using a Rail Spur Track in Oakland's Fruitvale District**

**I. INTRODUCTION**

The purpose of this report is to inform the City Council of a request from the law firm of Hanson, Bridgett, Marcus, Vlahos, Rudy, (the "Firm") that the City waive any potential conflict of interest resulting from the firm's representation of Yellow Cab of the East Bay ("Yellow Cab") in a taxi permit revocation appeal.

There is no **legal** conflict of interest because there is no current connection between the Firm's representation of Yellow Cab and the legal advice that the Firm would provide to the City regarding a rail dispute with Union Pacific Rail Road. Therefore, the City's interests would not be compromised if the Firm represents Yellow Cab in its appeal of the Council's decision, and at the same time provides advice to the City on rail law and regulations. The City Attorney's Office is requesting that the City Council grant the "conflict waiver" nevertheless because it is the City's practice to review retention of outside counsel who are in an adverse position to the City in other matters, regardless of whether there is any legal conflict.

Because the law firm is not representing the City on any pending litigation, there are no grounds to discuss this waiver in closed session.

**II. SUMMARY OF THE ISSUE**

The question is whether the City should waive any potential conflict of interest that the Firm may have by virtue of providing legal advice to the City regarding the City's rail dispute with Union Pacific Railroad and simultaneously representing Yellow Cab in its pending challenge to the City's revocation of its taxi permit.

The decision ultimately is a policy question for the Council to determine. From a legal standpoint, there is no conflict of interest as discussed in the introduction to this report. The law firm has a number of attorneys, and none of the attorneys representing Yellow Cab would be involved in providing legal advice to the City regarding the Union Pacific Railroad matter, nor is there any connection between the two matters.

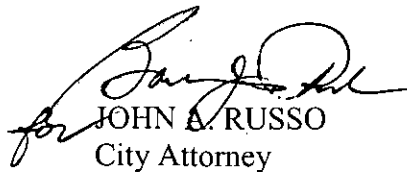
**III. DISCUSSION**

In the past the Firm has been the City's outside counsel for deferred compensation matters. Tax laws allow employees to invest a portion of their wages in a deferred compensation plan. Tax on the invested amounts is deferred until the employee retires. The Council has previously waived the potential conflict resulting from the Firm's advice to the City on deferred compensation matters and its subsequent representation of Yellow Cab of the East Bay ("Yellow Cab"). The Firm continues to represent Yellow Cab in its challenge to the City Council decision to revoke a number of taxi medallions issued to Yellow Cab, but at this time is not providing advice to the City on deferred compensation issues.

**IV. CONCLUSION**

As discussed in this report there is no legal conflict of interest between the firm's provision of advice to Yellow Cab and the firm's provision of rail law advice to the City.

Respectfully submitted,

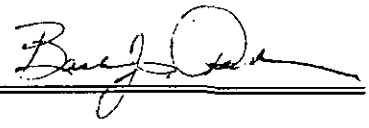
  
for JOHN A. RUSSO  
City Attorney

Attorney Assigned:  
J. Patrick Tang

CITY OF OAKLAND

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

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



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**Resolution Authorizing Waiver of any Potential Conflict of Interest that the Law Firm of Hanson, Bridgett, Marcus, Vlahos, Rudy LLP may have as a Result of the Firm's Representation of Yellow Cab in its Appeal of the City's Decision Revoking Taxi Medallions, to allow the Firm to Provide Specialized Legal Assistance to the City of Oakland Regarding Union Pacific Railroad's Interest in Using a Rail Spur Track in Oakland's Fruitvale District**

**WHEREAS**, Yellow Cab of the East Bay ("Yellow Cab") retained the firm of HANSON, BRIDGETT, MARCUS, VLAHOS, RUDY LLP to provide legal assistance in appealing the City's decision to revoke 10 of its taxi permits/medallions; and

**WHEREAS**, the City Attorney would like to retain HANSON, BRIDGETT, MARCUS, VLAHOS, RUDY LLP to provide specialized legal assistance related to a dispute involving Union Pacific Rail Road's plans to use a rail spur track in Oakland known as the Fruitvale Lead; and

**WHEREAS**, the proposed representation would not constitute a legal conflict, but it is the City's policy and the Firm's desire to obtain "conflict waivers" in such cases; and

**WHEREAS**, none of the Firm's lawyers involved in the appeal of the decision to revoke the taxi medallions would be involved in assisting the City in the rail spur track dispute; and

**WHEREAS**, the City Attorney desires to engage the Firm because of its expertise in railroad transportation matters; now therefore be it,

**RESOLVED:** That the City waives the Firm's conflict of interest, to the extent one existed, so that the Firm may represent the City regarding the rail dispute.

**OAKLAND, CALIFORNIA,**

**PASSED BY THE FOLLOWING VOTE:**

**AYES-** BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, KERNIGHAN,  
AND PRESIDENT DE LA FUENTE,

**NOES-**  
**ABSENT-**  
**ABSTENTION-**

**ATTEST:**

\_\_\_\_\_  
LATONDA SIMMONS  
CITY CLERK  
CITY OF OAKLAND