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CITY OF OAKLAND



2014 SEP 11 PM 2:02

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September 23, 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 FINANCIAL SECURITY ASSURANCE, INC. AND ASSURED GUARANTY, INC. OF \$1,000, IN EXCHANGE FOR DISMISSAL OF THE LAWSUIT BY THE CITY

Dear President Kernighan and Members of the City Council:

At closed session on July 29, 2014, the City Council considered a proposed partial settlement with 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 Financial Security Assurance, Inc. (n/k/a Assured Guaranty Municipal Corp.) and Assured Guaranty Corp. ("FSA/Assured"), 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 of \$1,000 from FSA/Assured in exchange for dismissal with prejudice of the City's pending litigation.

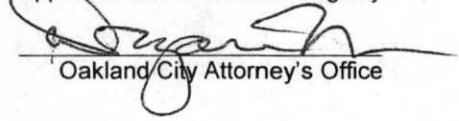
The City Council accepted the settlement proposal. Accordingly, we have prepared this Resolution authorizing and directing the City Attorney to enter into a settlement agreement consistent with the terms of the settlement proposal to resolve the Action, and we request that the City Council adopt the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

Respectfully submitted,

BARBARA J. PARKER
City Attorney

Attorney(s) Assigned:
Kathleen Salem-Boyd

1298117


Oakland City Attorney's Office

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2014 SEP 10
OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

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 FINANCIAL SECURITY ASSURANCE, INC. AND ASSURED GUARANTY, INC. OF \$1,000, 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 Financial Security Assurance, Inc. (n/k/a Assured Guaranty Municipal Corp.) and Assured Guaranty Corp. ("FSA/Assured") and several municipal bond insurance companies alleging claims for fraud, breach of contract, and an antitrust conspiracy; and

WHEREAS, on July 29, 2014, the City Council approved in closed session a settlement of the Action in which FSA/Assured would pay the City \$1,000 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 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 \$1,000 from FSA/Assured 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, REID, SCHAAF
AND PRESIDENT KERNIGHAN

NOES -
ABSENT -
ABSTENTION -

ATTEST:

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