

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 4 – 2016
Adopted January 25, 2016

**APPROVING A SETTLEMENT WITH SOCIETE GENERAL IN THE MATTER OF *IN
RE MUNICIPAL DERIVATIVES ANTITRUST LITIGATION* REQUIRING SOCIETE
GENERAL TO PAY TO THE SUCCESSOR AGENCY APPROXIMATELY \$16,425 AS
BEING IN THE BEST INTEREST OF THE TAXING ENTITIES**

- WHEREAS, A class action lawsuit, *In re Municipal Derivatives Antitrust Litigation*, MDL No. 1950, alleging price-fixing in the sale of municipal derivatives is pending in the United States District Court for the Southern District of New York; and,
- WHEREAS, The Successor Agency is one of several plaintiffs that is represented on a contingency fee basis by the law firm of Cotchett, Pitre and McCarthy LLP ("CPM"), and that has opted out of the class action and filed its own individual suit based on its purchase of derivatives from some of the defendants in the MDL proceedings (*Redevelopment Agency of City and County of San Francisco v. Bank of America, et al.*, Master Docket No. 08-2516, also part of MDL No. 1950); and,
- WHEREAS, On March 6, 2012, the Oversight Board approved two proposed settlements with defendants in the case; the first with Bank of America and the second with Morgan Stanley. The first settlement required payment of \$27,617.48 to the Successor Agency and the second settlement required payment of \$10,036.36 to the Successor Agency (each to be paid after pro rata reductions were made for the out of pocket costs incurred by outside counsel prior to the date of those settlements); and,
- WHEREAS, On September 23, 2013, the Oversight Board approved another settlement with Wells Fargo. That settlement involved a payment of \$1.95 million dollars to 14 individual plaintiffs represented by CPM; of which \$26,666.25 was received by the Successor Agency based on its pro rata share of damages after additional out of pocket costs were netted out; and,
- WHEREAS, On December 14, 2015, the Oversight Board approved another settlement with JPMorgan Chase & Co. That settlement involved a payment of \$1 million dollars to the 14 individual plaintiffs represented by CPM; of which approximately \$12,470 would be allocated to the Successor Agency based on its pro rata share of damages, after additional out of pocket costs and fees are netted out;
- WHEREAS, There is now a proposed settlement with another defendant: Societe General ("SocGen"). The proposed settlement is an offer by SocGen of 1.6 million dollars to the individual plaintiffs represented by CPM; of which approximately \$16,425 would be allocated to the Successor Agency based on its pro rata share of damages, after additional out of pocket costs and attorney's fees are netted out (the "Proposed SocGen Settlement"); and,

WHEREAS, All of the other individual plaintiffs represented by CPM have approved or are expected to approve the Proposed SocGen Settlement, and it would not be economical for the Successor Agency to pursue additional litigation against SocGen on its own; and

WHEREAS, The Commission on Community Investment and Infrastructure approved the Proposed SocGen Settlement on December 15, 2015, subject to the approval of the Oversight Board and review by the California Department of Finance; now, therefore, be it

RESOLVED, That, subject to review by the California Department of Finance, the Oversight Board hereby approves the Proposed SocGen Settlement and authorizes the Successor Agency and its counsel to execute an appropriate settlement agreement with SocGen, and finds that for the reasons stated above, the settlement is in the best interest of the taxing entities.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of January 25, 2016.



Board Secretary