

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 48-2015

Adopted, August 4, 2015

APPROVING A SETTLEMENT WITH JP MORGAN IN THE MATTER OF IN RE MUNICIPAL DERIVATIVES ANTITRUST LITIGATION REQUIRING JPMORGAN TO PAY TO THE SUCCESSOR AGENCY APPROXIMATELY \$12,470

- 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 17, 2013, the Commission on Community Investment and Infrastructure 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, Another defendant in the MDL proceedings, JPMorgan Chase & Co., has proposed a settlement. The settlement offer involves 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 (the "Proposed JPMorgan Settlement"); and,
- WHEREAS, All of the other individual plaintiffs represented by CPM have approved or are expected to approve the Proposed JPMorgan Settlement, and it would not be economical for the Successor Agency to pursue additional litigation against JPMorgan on its own; now, therefore, be it
- RESOLVED, That, subject to the approval of the Oversight Board and review by the California Department of Finance, the Successor Agency Commission hereby approves the Proposed JPMorgan Settlement and authorizes the Successor Agency and its counsel to execute an appropriate settlement agreement with JPMorgan.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of August 4, 2015.



Commission Secretary