

## **FIRE SALE OF CALIFORNIA COURTHOUSES AND OTHER STATE-OWNED ASSETS STAYED BY COURT OF APPEALS**

On December 14, 2010, the California Court of Appeals issued a stay halting the fire sale of eleven iconic state-owned facilities, including the San Francisco Civic Center Buildings and the Ronald Reagan State Building in Los Angeles. This means that the state's plan to close escrow on the sale this Wednesday, December 15, 2010, has been stopped until further order of the court. As part of the order, the court invited the parties to submit briefing before the end of the month.

According to attorney Anne Marie Murphy, "we are thrilled with the court's ruling today – this is excellent news for the citizens of the state of California." Ms. Murphy adds, "this backroom deal to sell our state's historic buildings had to see the light of day – the court's order stops dead the efforts of certain officials to push through the sale before it can be properly reviewed."

According to an earlier statement by Joseph Cotchett, "nobody from [State Treasurer] Bill Lockyer, to [State Controller] John Chiang, thinks the deal makes sense. Even the Legislature's own Legislative Analyst's Office recommends against this sale as a waste of public monies." The lawsuit alleges that the \$2.3 billion sale to a private consortium with roots in Mumbai, India and Texas is both illegal and unconstitutional. According to the suit, the sale was hatched out of last minute efforts by the Schwarzenegger Administration to close the recent budget shortfall -- but even by the independent analysis of the Legislative Analyst's Office, the deal will cost future generations of Californians nearly \$10 billion in exchange for present day savings of barely one-tenth that amount.

According to the complaint, the deal is illegal because it is slated to cede ownership of California Supreme Court and Courts of Appeal facilities without approval of the Judicial Council, which is the governing body of the California Court System.