

# NEWS RELEASE

## COTCHETT, PITRE & McCARTHY LLP RENNE SLOAN HOLTZMAN SAKAI LLP

FOR IMMEDIATE RELEASE  
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### PLAINTIFFS DECLARE VICTORY AS GOVERNOR BROWN ANNOUNCES FIRE SALE OF CALIFORNIA COURTHOUSES AND OTHER STATE-OWNED ASSETS WILL NOT PROCEED

This morning Governor Brown announced that the State is abandoning the Schwarzenegger-led initiative to sell eleven iconic state-owned facilities, including the San Francisco Civic Center Buildings and the Ronald Reagan State Building in Los Angeles.

The sale had been slated to close – and the buildings had been slated to be turned over to private ownership on December 15, 2010; however, the Court of Appeals issued an emergency stay of the sale after plaintiffs, Jerry Epstein, Rusty Doms and Don Casper (all former State Building Authority officials fired by Schwarzenegger) filed suit claiming that the sale was unconstitutional and a waste of taxpayer funds. The Court of Appeals ordered that the sale was not to proceed until further order of the Court.

According to attorney Joseph Cotchett, of Cotchett, Pitre & McCarthy, who is counsel for the filing parties, “we are thrilled with the Governor’s decision this morning – it is obviously the right thing to do and is excellent news for the citizens of the state of California. We are pleased our lawsuit gave him the opportunity to make that decision.” Louise Renne of Renne, Sloan, Holtzman & Sakai adds, “the litigation was fiercely fought by the parties and we have always believed that in the end we would be victorious.”

The lawsuit file in November alleged 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 would have ceded 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.

Contact:  
Joseph Cotchett  
Anne Marie Murphy  
Cotchett, Pitre & McCarthy  
840 Malcolm Road

Burlingame, California 94010  
(650) 697-6000 / (415) 235-8546  
FOR FULL COMPLAINT, SEE [www.cpmlegal.com](http://www.cpmlegal.com)

Louise Renne  
Renne Sloan Holtzman Sakai LLP  
350 Sansome St., Ste. 300  
San Francisco, CA 94104  
(415) 678-3805