

# Municipal & Public Entity Litigation

CPM has a long history of representing public entities as outside counsel. CPM is often engaged to handle complex litigation that requires a law firm with the legal skills, dedication and resolve to litigate cases that often demand significant time and resource commitment, plus a thorough understanding of the intricacies of representing public entities. CPM has a proven record of successfully prosecuting and defending cases on behalf of large and small public entities throughout the state of California, including CalSTRS, UC Regents, the City and County of San Francisco, City and County of Los Angeles, San Diego County, Sacramento County, County of San Mateo, County of Monterey, and the City of San Jose.

For more information, or to discuss a potential legal matter, please follow up with Nanci Nishimura or Mark Molumphy.

## Key Contacts

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## Noteworthy Cases

### ***The People of the State of California v. Atlantic Richfield Co., et al.***

#### **Santa Clara County Superior Court**

CPM represented the People of the State of California alongside ten California cities and counties in a public nuisance action in the Complex Department of Santa Clara County Superior Court. The six defendants included the largest historical manufacturers of lead-based paint and lead pigments in the country. The case was initially filed in March of 2000, and was finally brought to trial in the summer of 2013. The Lead Paint Litigation is considered one of the largest representative public nuisance actions in the country ultimately resulting in a judgment for the People in the amount of \$1.15 billion.

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### ***LIBOR-Based Financial Instruments Antitrust Litigation***

#### **USDC Southern District of New York**

CPM represents more than a dozen public entities including the UC Regents, San Diego Association of Government, the County of Sacramento, the Counties of San Mateo and San Diego, the Cities of Richmond and Riverside, East Bay Municipal Utility District, and others who invested in financial instruments with interest rates that were set to the London Interbank Offered Rate (LIBOR). LIBOR is the world's benchmark rate used for setting interest rates on a wide range of financial instruments from car and home loans to municipal derivatives. LIBOR is set daily based on the borrowing costs reported by members of the British Bankers' Association. The complaints allege that the member banks conspired to suppress LIBOR, both to reduce the amounts they were required to pay on LIBOR-based transactions, and to increase their perceived credit strength in the market. Plaintiffs invested significant sums in LIBOR-based financial instruments such as interest rate swaps and corporate securities, the rates of return of which were tied to LIBOR, and earned less on those investments as a result of the alleged suppression of LIBOR.

### ***In re: Municipal Derivatives Antitrust Litigation***

#### **USDC, Southern District of New York**

CPM represents dozens of public entities in ongoing complex litigation alleging a conspiracy to manipulate the bidding process for municipal investments of bond funds by financial institutions, insurance companies and brokers in the multi-billion dollar derivatives market. Bank of America obtained amnesty for violations of US antitrust laws by admitting its involvement in the conspiracy. Several executives from major financial institutions and brokers including JPMorgan, UBS and GE Capital have been convicted or pled guilty to criminal charges for their involvement in the bid-rigging conspiracy. By bringing individual actions, CPM is able to maximize gains on behalf of its public entity clients.

### ***City and County of San Francisco v. Cobra Solutions, Inc., et al.***

#### **San Francisco County Superior Court**

CPM successfully represented the City and County of San Francisco ("CCSF") in a contract dispute with one of its former outside contractors, Cobra Solutions, Inc. ("Cobra"). Cobra submitted bills to CCSF for work that was never performed by one of the subcontractors that the contractor was responsible for

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supervising. CCSF was forced to bring a lawsuit against Cobra when Cobra refused to allow CCSF to conduct an audit. Cobra responded by filing a \$12 million counter-claim against CCSF. After a three-week jury trial, the jury found Cobra liable to CCSF and rejected Cobra's \$12 million counter-claim in its entirety.

### ***Municipal Bond Insurance Litigation***

#### **San Francisco County Superior Court**

CPM represents public entities and non-profit organizations in California alleging that bond insurance companies and the credit rating agencies colluded to suppress their credit ratings forcing them to buy bond insurance before they issued bonds at a cost of millions of dollars. Defendants include Standard & Poor's, Moody's and Fitch. Major bond insurance company defendants including Ambac and MBIA also misrepresented the extent of their exposure to subprime mortgage securitizations, which negatively impacted their ability to maintain their highest AAA-rated insurance, and the credit rating agencies misrepresented the insurers' AAA ratings knowing they were increasingly insuring toxic subprimes. These individual actions are coordinated in San Francisco County Superior Court before the Honorable Richard A. Kramer.

### ***National Gas Anti-Trust Cases I, II, III, & IV***

#### **San Diego County Superior Court**

*City of Los Angeles v. Reliant, et al.*

*County of Santa Clara v. Sempra, et al.*

*City and County of San Francisco v. Sempra, et al.*

*County of Alameda v. Sempra, et al.*

*County of San Diego v. Sempra, et al.*

*City of San Diego v. Sempra, et al.*

*County of San Mateo v. Sempra, et al.*

*UC Regents v. Reliant, et al.*

*Association of Bay Area Government v. Sempra, et al.*

*Sacramento Municipal Utilities District v. Sempra, et al.*

*School Project for Utility Rate Reduction v. Sempra, et al.*

*Nurseymen's Exchange, Inc., v. Sempra, et al.*

*Owens-Brockway Glass Containers, Inc. v. Sempra, et al.*

*TAMCO Steel, et al. v. Dynege, et al.*

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Antitrust litigation on behalf of eleven public entities and others who filed individual actions statewide that were coordinated in San Diego County Superior Court with related class actions. The complaints alleged that non-core natural gas retailers manipulated the market by reporting false pricing to published price indices to fix prices in the natural gas market during the California energy crisis. The case was venued in San Diego Superior Court before Judge Ronald S. Prager. The last settlements were done in 2009 and overall settlements totaled approximately \$124 million.

### ***Santa Clara Valley Transportation Authority***

CPM represented the Santa Clara Valley Transportation Authority (“SCVTA”) in a contractual dispute relating to several lease transactions that SCVTA entered into with a number of major financial institutions concerning the sale and lease-back of rail cars. These banks sought to extract tens of millions of dollars in unwarranted penalties from SCVTA after the financial crisis resulted in the downgrading of credit ratings of the insurance companies that insured the transactions, at no fault of SCVTA. CPM assisted SCVTA in resolving the contract dispute in a manner beneficial to SCVTA without resorting to litigation.

## **News**

As CPM Represents Pro Bono the City of San Jose, Supreme Court Rejects Trump Administration Attempt to Dismantle DACA  
06.18.2020

CPM Pursues Justice as South San Francisco Unified School District Files Suit Against Juul  
04.20.2020

After Years of Support from CPM, California Counties and Cities Announce Groundbreaking \$305 Million Settlement of Landmark Lead Paint Litigation  
*SF Chronicle*, 2020

CPM Helps San Mateo School Districts File Lawsuit Against Juul  
12.17.2019

CPM Helps County of San Mateo File Suit Against Opioid Manufacturers Over Opioids Flooding the County  
*Daily Journal*, 2019

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United States Supreme Court Denies Defendant Paint Companies Review of Lead Paint Poisoning Case (Plaintiffs Represented by CPM)

10.15.2018

CPM Client Retired Judge Files Lawsuit for Records of Trump, Jr. Private Business Trip

08.14.2018

CPM Client San Mateo County Takes On Opioid Distributors

*CBS SF Bay Area*, 2018

CPM Victory for Clients as California Supreme Court Denies Defendant Paint Companies Hearing In Lead Paint Poisoning Case

02.15.2018

CPM files claim for family of San Francisco man killed with stolen police gun

*San Francisco Chronicle*, 02.14.2018

CPM Client City of Oroville Files Lawsuit Against DWR for Decades of Mismanagement Resulting in the Oroville Dam Failure

01.17.2018

With CPM Pro Bono Representation, Federal Judge Protects “Dreamers,” Issues Injunction Against Trump Administration

2018

Court Upholds Landmark Judgment for CPM Clients Against Sherwin-Williams, Conagra and NL Industries Ordering Removal of Lead Paint from Homes

11.16.2017

Ninth Circuit to Hear CPM Client's Oral Argument Regarding Climate Change in *Juliana v. United States*

11.16.2017

Trump sued by CPM; lawyers claim denying children a healthy future by not addressing climate change

*Yale News*, 10.30.2017

DACA Lawsuit Filed by CPM Representing Pro Bono the City of San Jose

09.14.2017

CPM Files Lawsuit Against Immigration and Customs Enforcement for Family of Fallen Oakland Muralist, Tony Ramos

08.03.2017

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CPM Files Government Claim Alleging the California Department of Water Resources Is Responsible for Damages from the Oroville Dam Spillway Flooding  
08.02.2017

CPM client Burlingame family suing city over storm damage to home  
*ABC 7 News*, 07.15.2017

A landmark climate lawsuit against Trump is scheduled for trial next year. Here's what to expect  
*The Washington Post*, 07.05.2017

Update: City of Richmond (CPM Client) v. Trump; limiting the scope of prior executive order threatening to defund sanctuary jurisdictions  
05.22.2017

CPM Fights Pro Bono for Small Town Residents; Who Owns the Water in Weed, California?  
*Sierra Club*, 04.01.2017

CPM Client City of Richmond Files Lawsuit Against President Trump's "Sanctuary Jurisdictions" Executive Order  
2017

CPM Clients Kids Name President Trump as Defendant in Constitutional Climate Case  
02.09.2017

CPM Represents Children's Trust Combatting Climate Change

As CPM Fights for Justice to Be Served, Government Disclaims Responsibility for Kate Steinle's Death

California police officers required to lock up guns after bill signed into law  
*OC Register*, 09.26.2016

Unaccounted For: Hundreds of Guns Lost or Stolen From Bay Area Police Agencies Since 2010  
*NBC Bay Area*, 11.16.2015

Motion to Intervene Filed by Fossil Fuel Industry Against CPM Client Youth Activists in Climate Change Case  
11.12.2015

CPM Client Steinle Family Files Claims to Hold SF Sheriff Ross Mirkarimi, ICE and the Bureau of Land Management Responsible for Daughter's Death  
09.01.2015

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Judge hears auto shop lift dispute: CPM Client Hudson Automotive, San Mateo city officials in court  
*San Mateo Daily Journal*, 06.16.2015

CPM Attorneys Team Up to Help Children from Guatemala

Atmospheric Trust Litigation Featured on Bill Moyer Show  
09.19.2014

School bonds are a Wall Street scam  
*San Francisco Chronicle*, 09.16.2013

CPM client Northern California city sues Chevron over refinery fire  
*Reuters*, 08.02.2013

CPM Files Complaints for LIBOR Interest Rate Manipulation for UC Regents, City of Houston & Other  
Public Entities  
06.2013

Frank Pitre Receives Edward I. Pollock Award