

1 [Settlement Of Lawsuit]
2 AUTHORIZING TO PARTICIPATE IN THE SETTLEMENT OF LITIGATION OF STATE OF
3 CALIFORNIA EX REL. STULL AGAINST THE BANK OF AMERICA

4
5 Section 1. Findings:

6 (1) The City and County of San Francisco intervened in a lawsuit against the Bank of
7 America in May 1997, entitled State of California ex rel. Stull v. Bank of America, S.F. Superior Court
8 No. 968-484, alleging false claims, unfair and unlawful business practices, breach of contract and
9 negligence;

10 (2) In November, 1998, the Attorney General of the State of California entered into an
11 Agreement Among Plaintiffs with San Francisco and other Issuers of municipal bonds regarding the
12 distribution of any funds derived from any settlement of this action;

13 (3) Under the Agreement, the California cities, counties and special districts are expected to
14 receive approximately 40% of any settlement of the case and San Francisco is expected to receive a
15 premium of between \$7.5 and \$10 million dollars in addition to proceeds related directly to its bond
16 issues;

17 (4) On November 10, 1998 the State and San Francisco negotiated a settlement with the
18 Bank whereby the bank will pay to plaintiffs the sum of \$187.5 million dollars, plus interest at the rate
19 of 5% starting November 20, in addition to \$10.6 million dollars previously paid turned over by the
20 Bank to plaintiffs;

21 (5) The proceeds of the settlement are to be distributed pursuant to the terms of the
22 Agreement Among Plaintiffs and San Francisco is expected to receive in excess of \$15 million dollars,
23 representing its costs and attorneys' fees, the premium for its work in the litigation and its pro rata share
24 of the funds recoverable by Issuers of municipal bonds.

25

Supervisor Kaufman


BOARD OF SUPERVISORS

1 Section 2. The Board of Supervisors authorizes the San Francisco City Attorney's Office to
2 settle its lawsuit against the Bank of America in consideration for the monetary benefits as delineated in
3 the Agreement Among Plaintiffs.

4 Section 3. That the Board of Supervisors of the City and County of San Francisco hereby
5 authorizes the Controller of the City and County of San Francisco to accept all the payments made to
6 the City and County of San Francisco pursuant to the terms of the Agreement Among Plaintiffs.

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8 APPROVED AS TO FORM AND
RECOMMENDED:

9
10 LOUISE H. RENNE
City Attorney

11 
12 _____
PATRICK J. MAHONEY
13 Chief Trial Deputy



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 981975

Date Passed:

Ordinance authorizing to participate in the settlement of litigation of State of California ex rel. Stull against the Bank of America.

December 14, 1998 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 11 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Medina, Newsom, Teng, Yaki, Yee

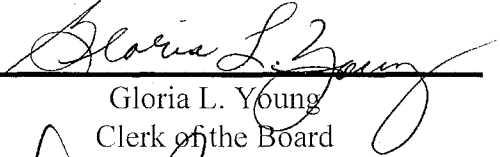
December 21, 1998 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Medina, Newsom, Yaki, Yee

Absent: 1 - Teng

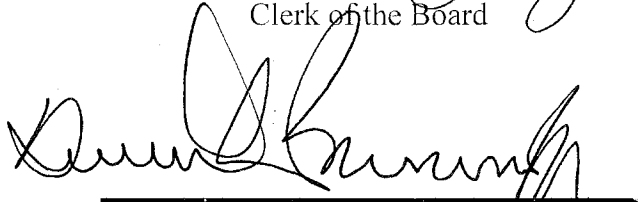
File No. 981975

I hereby certify that the foregoing Ordinance was FINALLY PASSED on December 21, 1998 by the Board of Supervisors of the City and County of San Francisco.


Gloria L. Young
Clerk of the Board

DEC 24 1998

Date Approved


Mayor Willie L. Brown Jr.