

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Conflict of Interest Waiver

Expenditure: N/A.

RECOMMENDATION

Recommendation of the City Attorney that Council approve a conflict of interest waiver to allow the law firm of Nossaman LLP to represent the County of Los Angeles in connection with County Counsel's review of Recognized Obligation Payment Schedules (ROPs).

Funding

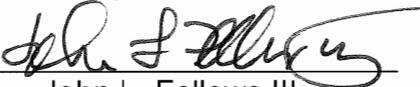
Not applicable

BACKGROUND

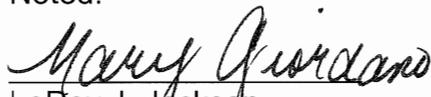
The City of Torrance has been using Lloyd W. Pellman at Nossaman LLP regarding proposed amendment of the City's boundaries and the process required in seeking approval of that boundary amendment by the Los Angeles County Local Agency Formation Commission. Nossaman LLP has been requested to assist the Los Angeles County Counsel's office in its efforts to review Enforceable Obligations of various former redevelopment agencies, including the former Redevelopment Agency of the City of Torrance. Nossaman LLP has requested that the City of Torrance consider waiving any conflict of interest.

Respectfully submitted,

JOHN L. FELLOWS III
City Attorney

By: 
John L. Fellows III

Noted:


for LeRoy J. Jackson
City Manager

Attachment: A) Waiver Letters



ATTORNEYS AT LAW

777 S. Figueroa Street
34th Floor
Los Angeles, CA 90017
T 213.612.7800
F 213.612.7801

Lloyd W. Pellman
D 213.612.7802
lpellman@nossaman.com

Refer To File #: 111111-2222

VIA U.S. MAIL

May 2, 2012

John L. Fellows III, Esq.
City Attorney
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503

Re: Waiver of Conflict of Interest

Dear Mr. Fellows:

This is to follow up on my telephone call earlier as well as to send the request for the conflict waiver by the City of Torrance.

As the process was described to me, the County Auditor-Controller retained CPA firms to do the first review of claimed Enforceable Obligations. The CPA firms placed items in three categories: (1) those which they viewed as clearly acceptable under the applicable law, (2) those which require further review by attorneys, and (3) those which they view as clearly not in compliance with the law.

The Los Angeles County Counsel's office, in advising the Auditor-Controller who will, in turn report to the State Controller, retained four law firms to assist in reviewing this second category of claimed Enforceable Obligations since there is a short time frame in which to prepare the report and there were 71 redevelopment agencies in Los Angeles County. The three firms, other than Nossaman, as I understand it are: Meyers Nave, Troutman Sanders, and Greenberg Traurig.

The City of Torrance was among those assigned to Nossaman LLP. In checking conflicts, I am the only member of the firm performing services for your city, and we do not seem to have any clients who would be payees under the Recognized Obligation Payment Schedule (ROPS) that was provided to us for your city's former Redevelopment Agency. In fact, your ROPS lists only 9 debt obligations for all categories, including the administrative cost and audit charges to be paid to the Auditor-Controller.

John L. Fellows III, Esq.
 May 2, 2012
 Page 2

I hope that this additional information is helpful to you in considering the request for a waiver of any conflicts.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Lloyd W. Pellman
 of Nossaman LLP

LWP/

CONSENT

The City of Torrance, successor to the former City of Torrance Redevelopment Agency pursuant to the provisions of ABX1 26, acting by and through John I. Fellows, III, Esq., the duly appointed City Attorney, having considered the request for the waiver of conflicts as stated in this letter and having had the opportunity to consult with independent counsel of its choice, hereby consents to Nossaman's provision of services to the Los Angeles County Counsel's office in assisting that office in its efforts to evaluate certain claimed Enforceable Obligations for the Los Angeles County Auditor-Controller.

Dated: _____

The City of Torrance, a municipal corporation,

By: _____
 John L. Fellows III, Esq.
 City Attorney



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Refer To File #: 111111-2222

VIA U.S. MAIL

May 2, 2012

John L. Fellows III, Esq.
City Attorney
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503

Re: Waiver of Conflict of Interest

Dear Mr. Fellows:

Nossaman LLP has been requested to assist the Los Angeles County Counsel's office in its efforts to evaluate certain claimed Enforceable Obligations of various former redevelopment agencies. The evaluations will be used by the County Counsel's office to advise the County Auditor-Controller, which will, in turn, report to the State Controller pursuant to the provisions of ABX1 26, the legislation winding down redevelopment agencies in California. The firm has been requested to provide these services regarding a number of former redevelopment agencies, including the former redevelopment agency in the City of Torrance to which the City Council has become the successor pursuant to the state legislation.

I have in the past provided legal services to the City of Torrance regarding the proposed amendment of the City's boundaries and the processes required in seeking approval of that boundary amendment by the Los Angeles County Local Agency Formation Commission. However, that matter in which our firm currently is providing ongoing legal services to the City of Torrance appears to be totally unrelated in any manner to the claimed Enforceable Obligations of the former redevelopment agency for which the City Council has become the successor. In any event, I will not be involved in the direct provision of the services of examining the claimed Enforceable Obligations for the Los Angeles County Counsel's office.

The purpose of this letter is to memorialize these circumstances and to present our request that the City of Torrance consider the waiver of any conflict of interest that might be associated with the provision of such services or as might appear to exist.

Rule 3-310 of the Rules of Professional Conduct which govern lawyers in California requires that

(C) A member [of the Bar] shall not, without the informed written consent of each client:

* * *

(3) Represent a client in a matter and at the same time in a separate matter accept as a client, a person or entity whose interest in the first matter is adverse to the client in the first matter.

* * *

(E) A member shall not, without the informed written consent of the client or former client, accept employment adverse to the client or former client where, by reason of the representation of the client or former client, the member has obtained confidential information material to the employment. . . .

“Informed written consent” as used in the rule requires “the client’s . . . written agreement to the representation following written disclosure;” and disclosure means “informing the client or former client of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to the client or former client.” (Rule 3-310(A)(1), (2).)

Nossaman’s provision of services to the County Counsel’s office with respect to the review of the Enforceable Obligations of the City’s former redevelopment agency under ABX1 26 does not relate to the services being provided to the City of Torrance in the other matters. Any knowledge that Nossaman attorneys gain in the provision of legal services to the City of Torrance does not appear likely to have any relation to the firm’s engagement to assist the Los Angeles County Counsel’s office in the review of Enforceable Obligations under ABX1 26; and vice versa – any knowledge Nossaman attorneys gain in providing advice on matters for which services are provided to the Los Angeles County Counsel’s office relating to Enforceable Obligations under ABX1 26 does not appear likely to have any relation to the firm’s provision of services to the City of Torrance on the other matters.

However, we very much value the attorney-client relationship we have with the City of Torrance and, accordingly, we believe it is appropriate to provide you with the foregoing information and to seek the consent of the City of Torrance to provide the legal services to the Los Angeles County Counsel’s office in these matters.

As related to the present situation, “conflicts of interest” is a shorthand term for describing the fact that lawyers owe undivided allegiance to each of their clients. A lawyer cannot prefer one client over the other. It is for this reason that lawyers may not accept engagements in which there is an actual or potential conflict of interest, unless the clients are first advised of the conflict of interest and of the potential consequences of waiving the conflict of interest, and they then waive the conflict in writing after such consultation with independent counsel if they so desire.

The Rules of Professional Conduct call for an opportunity for any client who is asked to sign a conflict of interest waiver to consult on that subject with independent counsel of the client’s choice. We urge you to take advantage of that right if you so wish.

John L. Fellows III, Esq.
 May 2, 2012
 Page 3

If, after due consideration of the potential conflicts, you are willing to wave the conflicts of interest as described above, please sign the enclosed copy of this letter and return it to us, acknowledging that:

- (1) You have been advised of Rules 3-310(A) and 3-310(C) of the California Rules of Professional Conduct;
- (2) We have advised you to seek independent counsel with respect to the decision to waive the conflict; and
- (3) You consent on behalf of the City of Torrance to the firm's undertaking of these services for the Los Angeles County Counsel's office.

Very truly yours,



Lloyd W. Pellman
 of Nossaman LLP

LWP/

CONSENT

The City of Torrance, successor to the former City of Torrance Redevelopment Agency pursuant to the provisions of ABX1 26, acting by and through John I. Fellows, III, Esq., the duly appointed City Attorney, having considered the request for the waiver of conflicts as stated in this letter and having had the opportunity to consult with independent counsel of its choice, hereby consents to Nossaman's provision of services to the Los Angeles County Counsel's office in assisting that office in its efforts to evaluate certain claimed Enforceable Obligations for the Los Angeles County Auditor-Controller.

Dated: _____

The City of Torrance, a municipal corporation,

By: _____
 John L. Fellows III, Esq.
 City Attorney