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12 Attorneys for  
 13 Wells Fargo Bank, National Association, as Indenture Trustee

14 **UNITED STATES BANKRUPTCY COURT**  
 15 **EASTERN DISTRICT OF CALIFORNIA**  
 16 **SACRAMENTO DIVISION**

17 In re:  
 18 CITY OF STOCKTON, CALIFORNIA,  
 19 Debtor.

Case No. 12-32118  
 DC No: OHS-4  
 Chapter 9

**LIMITED OBJECTION OF WELLS FARGO  
 BANK, NATIONAL ASSOCIATION AS  
 INDENTURE TRUSTEE TO EMERGENCY  
 MOTION FOR LEAVE TO INTRODUCE  
 EVIDENCE RELATING TO NEUTRAL  
 EVALUATION PROCESS UNDER  
 GOVERNMENT CODE SECTION 53760.3(q)**

25 Date: Friday, July 6, 2012  
 26 Time: 10:00 a.m  
 27 Place: United States Courthouse,  
 Dept. A, Courtroom 28  
 501 I Street  
 28 Sacramento, CA 95814

1 NOW COMES, Wells Fargo Bank, National Association in its role as indenture  
2 trustee<sup>1</sup> (the “Indenture Trustee”) and files this limited objection (the “Limited Objection”) to the  
3 Emergency Motion for Leave to Introduce Evidence Relating to Neutral Evaluation Process Under  
4 Government Code Section 53760.3(q) (the “Motion”) filed by the City of Stockton (the “City”).  
5 In support of this Limited Objection, the Indenture Trustee states as follows:

6 1. As the City makes clear in the Motion, the neutral evaluation process (the “AB 506  
7 Process”) contemplated by California Government Code section 54760 *et seq.* (“AB 506”), like  
8 any other mediation, is intended to be conducted in confidence.

9 2. Nevertheless, the City seeks authority to introduce information regarding the  
10 AB 506 Process into the record in this case in order to support its eligibility to be a debtor under  
11 Chapter 9 of the Bankruptcy Code.

12 3. The Indenture Trustee participated in the AB 506 Process and, in concept, does not  
13 object to full and fair dissemination of information relating to the AB 506 Process. The relief  
14 requested in the City’s Motion, however, is unduly one-sided and would likely not result in a  
15 balanced and accurate picture of the AB 506 Process here.

16 4. Specifically, the City asks that the Court order that the City, and only the City, be  
17 permitted to disclose information of its choosing regarding the AB 506 Process. If granted in its  
18 present form, the Motion would enable the City to pick and choose the information to be disclosed,  
19 and apparently would prohibit any other participants in the AB 506 Process from making any  
20 disclosures of their own (or from requesting that the City make further disclosures).

21 \_\_\_\_\_  
22 1 Wells Fargo Bank, National Association serves as Indenture Trustee for the following issues of securities: (i) City of  
23 Stockton Certificates of Participation (Redevelopment Housing Projects) Series 2003A and Taxable Series 2003B, (ii)  
24 Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center –Arena  
25 Project), (iii) Stockton Public Financing Authority Lease Revenue Bonds, Series 2004 (Parking and Capital Projects),  
26 (iv) Stockton Public Financing Authority 2006 Lease Revenue Refunding Bonds, Series A, (v) Stockton Public  
27 Financing Authority Variable Rate Demand Lease Revenue Bonds, 2007 Series A and 2007 Series B (Taxable)  
28 (Building Acquisition Financing Project), (vi) City of Stockton 2007 Taxable Pension Obligations Bonds, Series A  
and Series B, and (vii) Stockton Public Financing Authority Lease Revenue Bonds, 2009 Series A (Capital  
Improvement Projects). It also serves as Indenture Trustee for approximately 21 other issues of securities related to  
the City, as to which the City has stated in its SEC Rule 15C2-12 Notice of Material Event dated June 28, 2012 that it  
does not intend to seek to affect the rights of the holders and instead will continue to fully perform all of its obligations  
relating thereto.



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# EXHIBIT A

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7 Attorneys for Debtor  
 City of Stockton  
 8

9 **UNITED STATES BANKRUPTCY COURT**  
 10 **EASTERN DISTRICT OF CALIFORNIA**  
 11 **SACRAMENTO DIVISION**  
 12

13 In re:  
 14 CITY OF STOCKTON, CALIFORNIA,  
 15 Debtor.

Case No. 2012-32118  
 DC No. OHS-4  
 Chapter 9

16 **ORDER GRANTING EMERGENCY MOTION**  
 17 **FOR LEAVE TO INTRODUCE EVIDENCE**  
 18 **RELATING TO NEUTRAL EVALUATION**  
 19 **PROCESS UNDER GOVERNMENT CODE**  
 20 **SECTION 53760.3(q)**

Date: Friday, July 6, 2012  
 Time: 10:00 a.m.  
 Place: United States Courthouse  
 Dept. A, Courtroom 28  
 501 I Street  
 Sacramento, CA 95814

24 The Court, having considered the Emergency Motion For Leave To Introduce Evidence  
 25 Relating To Neutral Evaluation Process Under Government Code Section 53670.3(q) (“Motion”),  
 26 the Declaration of Marc A. Levinson in support thereof, any opposition to the Motion, the record  
 27

1 in this case, and any admissible evidence presented to the Court at or prior to the hearing on the  
2 Motion, if any, hereby finds that: (a) notice of the Motion and the hearing thereon were adequate  
3 and proper under the circumstances; (b) the relief sought in the Motion is reasonable, necessary  
4 and in the best interests of the City of Stockton (“City”); and (c) good cause appearing therefore;

5 **IT IS HEREBY ORDERED** that:

6 1. The Motion is granted to the extent set forth herein.

7 2. The City and each other participant in the AB 506 Process (as such term is defined  
8 in the Motion) is permitted to disclose and submit information and evidence relating to the AB  
9 506 Process, including without limitation information and evidence as to the number and length of  
10 meetings between the City and its various creditors, the identity of the participants at such  
11 meetings, actions taken by the mediator, the types of issues discussed, proposal and  
12 counterproposals made, the financial and other information shared, and the status of negotiations  
13 between the City and each interested party as of the petition date (collectively the “AB 506  
14 Materials”). Notwithstanding anything to the contrary in section 53760 *et seq.* of the California  
15 Government Code or any other applicable statute, rule, regulation, law or agreement, neither the  
16 City nor any other participant in the AB 506 Process shall be entitled to withhold AB 506  
17 Materials from otherwise enforceable disclosure or discovery requests on the grounds that the AB  
18 506 Materials are confidential.

19 3. The City shall file and serve the evidence described in the preceding paragraph no  
20 later than 5:00 p.m. Pacific time on July 13, 2012.

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City of Stockton

9 **UNITED STATES BANKRUPTCY COURT**  
10 **EASTERN DISTRICT OF CALIFORNIA**  
11 **SACRAMENTO DIVISION**

13 In re:  
14 CITY OF STOCKTON, CALIFORNIA,  
15 Debtor.

Case No. 2012-32118  
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Chapter 9

16 **ORDER GRANTING EMERGENCY**  
17 **MOTION FOR LEAVE TO INTRODUCE**  
18 **EVIDENCE RELATING TO NEUTRAL**  
19 **EVALUATION PROCESS UNDER**  
20 **GOVERNMENT CODE SECTION**  
21 **53760.3(q)**

22 Date: Friday, July 6, 2012  
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25 The Court, having considered the Emergency Motion For Leave To Introduce Evidence  
26 Relating To Neutral Evaluation Process Under Government Code Section 53670.3(q) ("Motion"),  
27 the Declaration of Marc A. Levinson in support thereof, any opposition to the Motion, the record in

28 **ORDER GRANTING EMERGENCY MOT. FOR LEAVE**  
**TO INTRODUCE EVIDENCE RELATING TO NEUTRAL**  
**EVALUATION PROCESS**

1 this case, and any admissible evidence presented to the Court at or prior to the hearing on the  
2 Motion, if any, hereby finds that: (a) notice of the Motion and the hearing thereon were adequate and  
3 proper under the circumstances; (b) the relief sought in the Motion is reasonable, necessary and in  
4 the best interests of the City of Stockton (“City”); and (c) good cause appearing therefore;

5 **IT IS HEREBY ORDERED** that:

6 1. The Motion is granted to the extent set forth herein.

7 2. The City and each other participant in the AB 506 Process (as such term is defined in  
8 the Motion) is permitted to disclose and submit information and evidence relating to its participation  
9 in the AB 506 process (as such term is defined in the Motion)Process, including without limitation  
10 information and evidence as to the number and length of meetings between the City and its various  
11 creditors, the identity of the participants at such meetings, actions taken by the mediator, the types of  
12 issues discussed, proposal and counterproposals made, the financial and other information shared,  
13 and the status of negotiations between the City and each interested party as of the petition date. Were  
14 the Court to deny this motion, the City would be unable to prove its eligibility to be a chapter 9  
15 debtor and Government Code § 53760.3(q)(2) would be surplusage. Indeed, AB 506 would become  
16 a death sentence for municipalities because they are obligated to follow it in order to file for  
17 bankruptcy relief, but would be precluded by the self-same statute from proving compliance with it  
18 (collectively the “AB 506 Materials”). Notwithstanding anything to the contrary in section 53760 et  
19 seq. of the California Government Code or any other applicable statute, rule, regulation, law or  
20 agreement, neither the City nor any other participant in the AB 506 Process shall be entitled to  
21 withhold AB 506 Materials from otherwise enforceable disclosure or discovery requests on the  
22 grounds that the AB 506 Materials are confidential.

23 3. The City shall file and serve the evidence described in the preceding paragraph no  
24 later than 5:00 p.m. Pacific time on July 13, 2012.