

**OFFICE OF THE SAN DIEGO CITY ATTORNEY
SIGNIFICANT RULINGS**

**More information on cases can be found on the City Attorney's website,
www.sandiegocityattorney.org, under Media Center or Significant Reports and
Legal Documents**

State Fair Political Practices Commission (FPPC)

**City of San Diego and members of the City's Community Parking District Advisory
Boards**

Advisory Letter Supports City Attorney's Advice

June 2, 2008

**FPPC affirms City Attorney's Legal Opinion that Parking Board Members Must
Disclose Financial Interests; La Jolla Parking Advisory Board Cannot Move
Forward On La Jolla Parking Meter Plan Until Members File Financial Disclosure
Statements**

U.S. Securities & Exchange Commission (SEC)

**SEC vs. Thomas J. Saiz and Calderon Jaham & Osborn (CJO), An Accountancy
Corporation, Case No. CV 2308 L JMA**

December 10, 2007

**Two years after the City Attorney's Office filed a malpractice lawsuit against the
City's former outside auditor, the SEC settled a civil fraud action against the same
firm.**

U.S. Internal Revenue Service (IRS)

**IRS Compliance Letter to San Diego City Employees' Retirement System
(SDCERS), citing 14 "failures of SDCERS.**

December 20, 2007

**The IRS barred a special retirement benefit given by SDCERS to past and current
municipal union presidents that were not allowed under the IRS code.
The City Attorney's 2005 counter pension lawsuit against SDCERS raised the same
issue.**

U.S. Securities & Exchange Commission (SEC)

**Cease-and-Desist Proceedings in the matter of Callan Associates
File No. 3-12808**

September 19, 2007

**Based on evidence first publicly revealed in a City Attorney lawsuit against Callan
Associates, Inc., the SEC has taken action against the pension consulting firm for
not disclosing it had an economic relationship with a brokerage firm.**

U.S. Securities & Exchange Commission (SEC)

**Cease-and-Desist Proceedings in the matter of City of San Diego
File No. 3-12478**

November 14, 2006

The City Attorney created the blueprint for the settlement of fraud charges raised by the SEC against the City over allegedly fraudulent bond offerings.

The fraudulent municipal bond offerings settlement between the SEC and the City of San Diego was first advocated by the City Attorney in February 2005—less than three months after taking office.

The settlement requires the City to cease-and-desist violating securities laws in the future issuance of municipal bonds and retain an independent consultant to monitor compliance with its disclosure obligations. The SEC reprimanded the City for not disclosing to investors the massive, intentional underfunding of its employee pension and health care plans in connection with the offer and sale in 2002 and 2003 of over \$260 million in municipal bond offerings.

The City also did not report the pension and healthcare plan underfunding in “continuing disclosure” documents related to \$2.29 billion in outstanding bonds for the purpose of updating investors on the state of the City’s finances.