

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

376  
A



**FROM:** County Counsel


**SUBMITTAL DATE:**  
August 27, 2014

**SUBJECT:** Conflicts Waiver

**RECOMMENDED MOTION:** That the Board approve the letter waiver of conflict of interest and authorize County Counsel to sign the waiver for Best Best & Krieger LLP to represent the Successor Agency to the Former Redevelopment Agency of the City of Palm Springs (the "Successor Agency") in an action against the California Department of Finance ("DOF") regarding certain items listed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") for the period of July 1, 2014 through December 31, 2014 that were rejected by DOF. The County is an effected "taxing entity" and therefore will likely be named as a real party in interest in the matter.

**BACKGROUND:** The County has retained Best Best & Krieger LLP to act as legal counsel on several matters. Best Best & Krieger LLP also desires to represent the Successor Agency to the Former Redevelopment Agency of the City of Palm Springs in litigation against the DOF and the Riverside County Auditor Controller in an action

(continued next page)

  
GREGORY P. PRIAMOS, County Counsel

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**  
BY:   
Ivan M Chand 8/26/2014

**County Executive Office Signature**

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:  
Per Exec. Ofc.:

Departmental Concurrence

challenging the DOF rejection of certain items listed in the July 1, 2014 through December 31, 2014 ROPS. Because the jurisdictional boundaries of the County overlap the boundaries of the Former Redevelopment Agency, the County qualifies as an effected "taxing entity" of the Former Redevelopment Agency project areas. Therefore, the County will likely be named as a real party in interest in the litigation.

County Counsel staff has reviewed the attached waiver of conflict of interest letter and does not believe that the County's interests would be adversely effected or that a conflict of interest would arise in connection with Best Best & Krieger LLP's representation of the Successor Agency in the DOF litigation. The Successor Agency is not a party to any action or other matter currently being handled by Best Best & Krieger LLP on behalf of the County, and counsel representing the County will not be handling the Successor Agency matter; nor will Best Best & Krieger LLP have access to County files in relation to the Successor Agency matter.

The request for a conflicts waiver by Best Best & Krieger LLP is prompted by Rule 3-310 of the California Rules of Professional Conduct, which provides, in pertinent part:

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

- (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
- (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or
- (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."

Attachment: Conflict Waiver Letter from Best Best & Krieger LLP



**BEST BEST & KRIEGER**  
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**Jeff S. Ballinger**  
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August 1, 2014

Via E-Mail  
gpriamos@co.riverside.ca.us

Greg Priamos, County Counsel  
Riverside County Counsel's Office  
3960 Orange St  
Riverside, CA 92501

Re: Successor Agency to the Community Redevelopment Agency of the City of Palm Springs/ County of Riverside; Conflict Waiver

Dear Greg:

Congratulations and welcome to your new position as Riverside County Counsel!

As you know, Best Best & Krieger LLP has provided special legal services to the County of Riverside over the years. BBK also provides legal services to local public agencies within the Inland Empire and beyond. This includes representing the many successor agencies in their lawsuits against the State Department of Finance.

Recently, one of my partners, a Redevelopment Law expert, Brent Hawkins, was asked by the Successor Agency to the Community Redevelopment Agency for the City of Palm Springs to represent that Successor Agency. The matter involves potential litigation against the DoF. Although the DoF is the primary party with a position adverse to the Palm Springs Successor Agency, because of the role of the Riverside County Auditor in distributing funds under the AB 26x1/AB 1484 wind-down process, successor agencies throughout the State are required to name the applicable County Auditors in their lawsuits against the DoF.

As a result, from a purely technical perspective, there is a potential that County of Riverside and the Successor Agency's interests could conflict in any such DoF litigation by the Palm Springs Successor Agency, creating a conflict of interest for BBK. When a potential or actual conflict of interest exists, a law firm is ethically obligated to disclose the conflict to the clients and obtain their waiver and written consent to continue with the representation.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Greg Priamos, County Counsel  
Riverside County Counsel's Office  
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**RULES OF PROFESSIONAL CONDUCT**

Rule 3-310 of the California Rules of Professional Conduct provides in pertinent part:

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

- (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
- (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or
- (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.

(D) A member who represents two or more clients shall not enter into an aggregate settlement of the claims of or against the clients without the informed written consent of each client.

**OUR REPRESENTATION**

In this matter, we will represent the interests of the Successor Agency to the Community Redevelopment Agency for the City of Palm Springs. This will involve naming the County Auditor as a defendant and serving the County. We will continue to represent the County in special legal counsel matters while our other client's interests are adverse to the County Auditor's. A list of the active matters that BBK is working on for the County is enclosed with this letter. However, be assured that we will have separate attorneys representing the County on those other, separate matters that the County has, or will in the future, assign to BBK.

**ADVERSE CONSEQUENCES**

We are obliged to inform you of any actual or reasonably foreseeable adverse effects of our representation of the County and the Successor Agency to the Palm Springs Community Redevelopment Agency under these circumstances. It is impossible to foresee every possible circumstance that might occur, however, some of the following could occur:

- We may be tempted to favor the interests of one client over another.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Greg Priamos, County Counsel  
Riverside County Counsel's Office  
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- Our exercise of independent judgment to the County of Riverside in unrelated matters may be impaired or clouded by our relationship with the Successor Agency to the Palm Springs Community Redevelopment Agency.
- We may be forced to withdraw from representing either or both clients because of disputes or further conflicts of interest which could increase either or both clients' attorney's fees and costs.
- There may be an appearance of impropriety in our representation of both clients simultaneously.

**YOUR CONSENT**

It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with us. Those communications will remain confidential and will not be disclosed to any third party without your consent.

I believe that you are familiar with the factual background in this matter, and I have given you a sufficiently-detailed description for obtaining informed written consent. However, if you believe that there is any other information that you or I need to have before such consent can be granted, please let me know immediately.

In the event that circumstances change or we become aware of new information that requires a new consent from the parties, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties. However, BBK will not seek another conflict waiver for any additional special legal counsel work that the County asks BBK to perform while the Palm Springs Successor Agency litigation is pending.

I should emphasize that you are entitled to and should consider obtaining an independent legal opinion regarding the advisability of signing this consent form.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Section 3-310 of the California Rules of Professional Conduct previously quoted in this letter. Further, your execution of this consent form will also warrant that you are authorized to execute this consent form on behalf of the City of Riverside.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Greg Priamos, County Counsel  
Riverside County Counsel's Office  
August 1, 2014  
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A copy of this letter is enclosed for your files. If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Ballinger'.

Jeffrey S. Ballinger, Partner  
Municipal Law Practice Group Leader  
BEST BEST & KRIEGER LLP

Enclosure

AGREED AND ACCEPTED:

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**Active County of Riverside Client/Matter Listing**  
As of 8/1/2014

Open Date

Client/Matter ID	Description	Open Date
27939	COUNTY OF RIVERSIDE PROPERTY TAX SYSTEM GROUP	
27939.00000	GENERAL	05/31/07
60580	RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY	
60580.00003	MAGNOLIA AVENUE GRADE SEPARATION PROJECT	11/04/11
25137	RIVERSIDE COUNTY FLOOD CONTROL & WATER	
25137.00000	GENERAL	05/09/01
25137.00004	HOMELAND-ROMOLAND CFD	04/21/04
25137.00005	2014 NOTES	03/07/14
25137.00006	2014 NOTES - TAX MATTERS	03/11/14
29907	RIVERSIDE COUNTY INFORMATION TECHNOLOGY DEPARTMENT	
29907.00001	GENERAL BUSINESS	11/08/13
29868	RIVERSIDE COUNTY TRANSPORTATION AND LAND MANAGEMENT AGENCY	
29868.00001	GENERAL BUSINESS	09/30/13
25183	RIVERSIDE COUNTY OF	
25183.00005	GENERAL PLAN UPDATE	08/18/09
25183.00006	V. HAZY COLITAS	03/01/12
25183.00010	WINE COUNTRY EIR	05/16/12
25183.00011	CAJALCO ROAD PROJECT	01/29/13
25183.00013	ACORN CORPORATION ASSET ACQUISITION	10/23/13
28391	RIVERSIDE COUNTY OF	
28391.00003	ASSIST IN THE PERSONNEL INVESTIGATION PROCESSES	06/27/13
28391.00004	PERFORM INTERNAL INVESTIGATION OF PUBLIC DEFENDER ALLEGED OF	07/01/13
28391.00005	GRAND JURY REPORT	05/09/14
29734	RIVERSIDE COUNTY OF	
29734.00003	RIVERSIDE COUNTY AND RIVERSIDE COUNTY PFA 2013 REFUNDING	07/26/13
29734.00004	RIVERSIDE COUNTY AND RIVERSIDE COUNTY PFA 2013 REFUNDING-TAX	07/31/13
29734.00005	PFA 2014 REFUNDING TABS SERIES B-C-D	05/06/14
29734.00006	PFA 2014 REFUNDING TABS SERIES B-C-D - TAX MATTERS	05/12/14