

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

573A



**FROM:** County Counsel

**SUBMITTAL DATE:**  
February 11, 2013

**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 attorney Best Best & Krieger to represent the City of Riverside and the Successor Agency to the Former Redevelopment Agency of Riverside (collectively, the "City of Riverside")) in an action against the California Department of Finance (DOF) regarding certain items listed on the Successor Agency's Recognized payment Obligation Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013 that were rejected by DOF. The County is an effected "taxing entity" and therefore is being named as a real party in interest in the matter.

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

(continued next page)

*[Signature]*  
ANITA C. WILLIS, Assistant 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: *[Signature]*  
Denise C. Harden

**County Executive Office Signature**

- Policy
- Consent
- Policy
- Consent

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Stone, Benoit and Ashley  
 Nays: None  
 Absent: Tavaglione  
 Date: February 26, 2013  
 xc: Co.Co., RDA/EDA, COB<sub>cm</sub>, BB&K

Kecia Harper-Ihem  
 Clerk of the Board  
 BY: *[Signature]*  
 Deputy

Dept Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.:      District:      Agenda Number:

ATTACHMENTS FILED  
 WITH THE CLERK OF THE BOARD

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County Counsel  
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Rejection of certain items listed in the January 1, 2013 through June 30, 2013 Recognized Obligation Payment Schedule. 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; the County is being named as a real party in interest in the litigation.

County Counsel staff have reviewed the attached waiver of conflict of interest letter and do not believe a conflict of interest would arise in connection with the firm's representation or that the County's interests would be adversely affected by the firm's representation of the City of Riverside in the DOF litigation regarding the denial of ROPS items. The City of Riverside and the Riverside Successor Agency are not parties to any action or other matter currently being handled by Best Best & Krieger on behalf of the County, and counsel representing the County will not be handling the City of Riverside matter; nor will counsel on the City of Riverside matter have access to County files.

The request for a conflicts waiver by Best Best & Krieger 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



**BEST BEST & KRIEGER**  
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**Steven C. DeBaun**  
(951) 826-8201  
steven.debaun@bbklaw.com  
File No. 21501.00022

February 7, 2013

VIA EMAIL

Jay Orr  
County Executive Officer  
County Administrative Center  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501

*Re: Possible Conflict of Interest re Concurrent Representation of the County of Riverside, the City of Riverside, and the Successor Agency to the Former Redevelopment Agency of the City of Riverside*

Dear Mr. Orr:

We represent the City of Riverside and the Successor Agency to the Former Redevelopment Agency of the City of Riverside (collectively, the "City") on a variety of matters pertaining to the dissolution of the former Redevelopment Agency of the City of Riverside ("Redevelopment Agency"). As you know, we also represent the County of Riverside on a variety of matters. The City has requested our representation on a lawsuit by the City against the California Department of Finance ("DOF") and the Riverside County Auditor-Controller regarding certain items listed on the Successor Agency's recognized obligation payment schedule ("ROPS") for the period of January 1, 2013 through June 30, 2013 that were rejected by DOF. Because your jurisdictional boundaries overlapped the former Redevelopment Agency's boundaries, you qualify as a "taxing entity" of the Redevelopment Agency's former project areas and are being named a real party in interest on this matter. Accordingly, we have to inform you about our representation of our other client, discuss with you the potential impact of our representation and obtain your informed written consent.

**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



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

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- (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 City of Riverside and the Successor Agency to the Redevelopment Agency of the City of Riverside. However, you should know that we will continue to represent the County of Riverside on other non-related matters.

We may additionally provide legal advice to the County of Riverside on any general consequences that the Lawsuit may have on the County of Riverside. However, we will not represent the County of Riverside in the Lawsuit itself, or participate in the Lawsuit on behalf of the County of Riverside.

The attorneys representing the City of Riverside and Successor Agency of the City of Riverside will not consult with or otherwise communicate with myself or any other attorneys that provide legal advice to the County of Riverside regarding the Lawsuit. Similarly, neither I nor any attorneys that provide legal advice to the County of Riverside on this matter will have access to the files of the City regarding the Lawsuit, nor will the attorneys representing the City and Successor Agency on the Lawsuit have access to the County of Riverside files on this matter.

**ADVERSE CONSEQUENCES**

We are obliged to inform you of any actual or reasonably foreseeable adverse effects of this representation. It is possible that:

- We may be tempted to favor the interests of one client over the other.
- Our exercise of independent judgment to the County of Riverside may be impaired or clouded by our relationship with the City of Riverside and/or the Successor Agency to the Former Redevelopment Agency of the City of Riverside.



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- We may not be able to present the appropriate position, claims or defenses for a client in order to avoid taking adverse positions to the other client.
- We may be restricted from forcefully advocating a client's position for fear of alienating the other client.
- We may impair the position, claims or defenses of one client because of an adverse position we take for another client.
- 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**

To proceed with our representation, we need you to sign this consent letter. It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with us in this matter. 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.

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.



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ATTORNEYS AT LAW

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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.

Very truly yours,

BEST BEST & KRIEGER LLP

By:   
Steven C. DeBaun

AGREED AND ACCEPTED:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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