

HARBOR DIVISION

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DATE: AUGUST 13, 2014

FROM: OFFICE OF THE CITY ATTORNEY

SUBJECT: RESOLUTION NO. _____ - APPROVE FIRST AMENDMENT TO AGREEMENT E-6723 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE STANZLER LAW GROUP

SUMMARY:

The Office of the City Attorney requests approval of a First Amendment to Executive Director Agreement No. E-6723 with The Stanzler Law Group, extending the one-year term of the Agreement by two more years. The extension is necessary due to postponement of the trial in *City of Los Angeles v. National Union Fire Insurance Co. of Pittsburgh, PA* (U.S. District Court Case No. 12-cv-07662). No additional funds are requested.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the First Amendment to Agreement No. E-6723 with The Stanzler Law Group, extending the one-year term to a total of three years;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement E-6723; and
3. Adopt Resolution No. _____.

DISCUSSION:

Jordan Stanzler of The Stanzler Law Group was retained under Executive Director Agreement E-6723 to generate an expert opinion report and to provide expert witness

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trial testimony in *City of Los Angeles v. National Union Fire Insurance Company of Pittsburgh, PA*, (U.S. District Court Case No. 12:-cv-07662), regarding insurance claims handling generally and more particularly, National Union's handling of the City's claims related to *United States ex rel Stanley Mosler v. City of Los Angeles et al.* (U.S. District Court Case No. 02-cv-02278). The term of the one-year Executive Director Agreement commenced September 20, 2013.

The February 4, 2014 trial date in *City v. National Union* was vacated when the trial court certified its order of December 26, 2013 for immediate appeal. The City's petition requesting interlocutory review is pending before the Ninth Circuit Court of Appeals.

Extension of the Agreement is necessary to keep Mr. Stanzler retained for the trial. The contract appropriation is \$65,000. The amount budgeted per year is hourly billings with no retainer fee. A total of \$13,200 has been billed to date. The balance (\$51,800) will be adequate to cover Mr. Stanzler's trial testimony.

CONCLUSION:

Extending the term of Agreement E-6723 will keep Mr. Stanzler retained to serve as a testifying expert at the eventual trial in *City of Los Angeles v. National Union Fire Insurance Company of Pittsburgh, PA*.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Amendment to Agreement No. E-6723 with The Stanzler Law Group to extend the term of the Agreement by two years. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

ECONOMIC IMPACT:

Approval of the proposed Amendment will have no employment impact.

FINANCIAL IMPACT:

Funding for the proposed First Amendment in the amount of \$41,440 has been included in the approved FY 2014-15 Operating Budget, within the Harbor Department City Attorney's Office Account No. 54410, Division No. 0120, and Program No. 000.

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Funding for future fiscal years if necessary, will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A funding out clause was included in the original Agreement.

Firm	FY 13/14	FY14/15	FY 15/16	TOTAL
The Stanzler Law Group	\$ 13,200	\$ 41,440	\$10,360	\$65,000

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed First Amendment as to form and legality.

TRANSMITTAL:

1. First Amendment to Agreement E-6723 extending its term from one to three years

FIS Approval: WR (initials)

CA Approval: JMS (initials)



 KENNETH F. MATTFELD
 Deputy City Attorney



 JANNA B. SIDLEY
 General Counsel

APPROVED:


 By _____
 EUGENE D. SEROKA
 Executive Director