

HARBOR DIVISION

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April 11, 2018

THE HONORABLE BOARD  
OF HARBOR COMMISSIONERS

SUBJECT: RESOLUTION NO. \_\_\_\_\_ WAIVING THE POTENTIAL CONFLICT WITH RESPECT TO GORDON & REES, SCULLY MANSUKHANI LLP'S REPRESENTATION OF TRAVELERS INSURANCE COMPANY AND COLONIAL YACHT ANCHORAGE

HONORABLE MEMBERS:

**SUMMARY:**

The law firm of Gordon & Rees, Scully Mansukhani, LLP has requested a conflict waiver so that they may represent Travelers Insurance Company in its attempt to intervene and defend Wilmington Marine Services (a defunct corporation) in *City of Los Angeles v. Wilmington Marine Services*, Los Angeles Superior Court Case No. BC559959, and that it may continue to defend Colonial Yacht Anchorage in *City of Los Angeles v. Colonial Yacht Anchorage*, Los Angeles Superior Court Case No. BC559960.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Formally waive any potential conflict that might arise by way of Gordon & Rees, Scully Mansukhani, LLP's representation of Travelers Insurance and Colonial Yacht Anchorage in the above referenced cases; and
2. Authorize the City Attorney's office to execute a written conflict waiver; and
3. Adopt Resolution No. \_\_\_\_\_; and
4. Authorize and direct the Board Secretary to transmit the conflict waiver to the City Council for its approval.

**DISCUSSION:**

The San Diego office of Gordon & Rees, Scully Mansukhani, LLP has requested a wavier so that it may represent adverse parties in the *Wilmington* and *Colonial* cases. Both cases seek to recover the cost of investigating and remediating contamination caused by years of boat repair activity.

Gordon & Rees, Scully Mansukhani's Los Angeles office has represented the Harbor Department in employment litigation in the recent past and is currently representing the Harbor Department in *Cheryl Morris v. City of Los Angeles*, Superior Court Case No. BC552974 and in *James Strachan v. City of Los Angeles*, Superior Court Case No. BC659318.

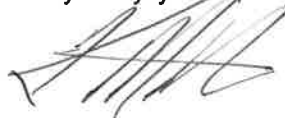
**CONCLUSION:**

An explanation of the City Attorney's recommendation is the subject of a confidential Board report that will be discussed in closed session.

**TRANSMITTAL:**

1. Conflict Waiver

Very truly yours,



KENNETH F. MATTFELD  
Deputy City Attorney

KFM:cp

CONCURRED:

By   
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April 12, 2018

**VIA EMAIL ONLY**

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Re: *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Wilmington Marine Service, Inc., et al.*  
Los Angeles Superior Court Case No. BC559959

Dear Mr. Mattfeld:

This letter is intended as a supplement to the earlier letters our office sent regarding the above-referenced matter. Since that letter was sent, we have spoken regarding the matter. As indicated previously, Gina Haggerty Lindell, from my office spoke with Chris Bobo regarding our potential representation of Travelers Insurance Company as an intervenor in the above-referenced lawsuit, related to its bankrupt insured, Wilmington Marine Service, Inc. As indicated to Mr. Bobo, Travelers has requested that we represent it in connection with this matter. Given that we represent the Harbor Division in other employment matters, we are writing to request that the Harbor Division waive any potential conflict of interest in connection with our representation of Travelers in connection with the above-referenced matter.

Furthermore, as Wentzelee Botha and I have discussed, Gordon & Rees also currently represents Colonial Yacht Anchorage, Inc. in the matter of *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Colonial Yacht Anchorage, Inc.*, venued in the Los Angeles Superior Court, case number BC559960.

The employment matters in which we have represented (or continue to represent) the City of Los Angeles Harbor Department are as follows:

- *Jane Chiappetta v City of LA Harbor Department*, Los Angeles Superior Court Case no. BC578142;

- *Anthony Espinoza v. City of Los Angeles Harbor Department; Christopher R. Bobo*, Los Angeles Superior Court Case no. BC631685;
- *Peter Gion v. City of Los Angeles Harbor Department*, DFEH Case no. 881499-287331;
- *Cheryl Morris v. City of Los Angeles*, Los Angeles Superior Court Case no. BC552974 (matter is still pending);
- *James Edwin Strachan v. City of Los Angeles Harbor Department*, Los Angeles Superior Court Case no. BC659318 (matter is still pending);
- *Christopher Poplion v. City of Los Angeles, et al.*, Los Angeles Superior Court Case no. BC510703.

Pursuant to California Rules of Professional Conduct, an attorney “shall not, without the informed written consent of the client or former client, accept employment adverse to the client or former client where, by reason of the representation of the client or former client, the member has obtained confidential information material to the employment.” (See CRPC 3-310(E).)

While our representation of the Harbor Division in employment matters may potentially conflict with our representation of Travelers Insurance Company as an intervenor in the above-referenced matter, as well as our continued representation of Colonial Yacht Anchorage, Inc. in the matter of *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Colonial Yacht Anchorage, Inc.*, we believe the conflict is presently potential or theoretical rather than actual. The above-referenced action and the action against Colonial Yacht Anchorage, Inc. involve claims of violations of the Hazardous Substance Account Act, and are not related to any of the issues germane to our representation of the Harbor Division in the employment matters. However, it is theoretically possible that the interests of the Harbor Division regarding its employment matters could somehow relate to its interests in the HSAA matters, and therefore an actual conflict could arise. In the event an actual conflict does arise, we would no longer represent the defendants in the HSAA matters.

If you consent to our representation of Travelers Insurance Company in the above-referenced HSAA matter and our continued representation of Colonial Yacht Anchorage, Inc. in the matter of *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Colonial Yacht Anchorage, Inc.*, please have the original of this letter on the Consent Form portion executed below and return it to us. By so executing the consent form, you are indicating your informed consent and waiver of any objection to Gordon Rees Scully Mansukhani, LLP’s representation of Travelers Insurance Company in this matter and our continued representation of Colonial Yacht Anchorage, Inc. in the matter of *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Colonial Yacht Anchorage, Inc.*

If you have any questions regarding the foregoing or the paragraph set forth below, please do not hesitate to contact us.

Very truly yours,

GORDON & REES LLP



J. Todd Konold

JTK

#### WAIVER OF CONFLICT AND CONSENT TO REPRESENTATION

On behalf of City of Los Angeles, by and through its Board of Harbor Commissioners, I hereby represent and warrant that I have read and understand the conflict of interest issues raised by Gordon Rees Scully Mansukhani, LLP's representation of the Harbor Division in the above-referenced employment matters and its representation of Travelers Insurance Company (as an intervenor) in Los Angeles Superior Court Case no. BC559959, and of Colonial Yacht Anchorage, Inc. in Los Angeles Superior Court Case no. BC559960 as discussed above. I understand that the Harbor Division has the right to seek independent legal counsel on the conflict of interest issue. Notwithstanding, I hereby consent to Gordon Rees Scully Mansukhani, LLP's representation of Travelers Insurance Company (as an intervenor) in connection with the aforementioned *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Wilmington Marine Service, Inc., et al.* matter as well as its continued representation of Colonial Yacht Anchorage, Inc. in the matter of *City of Los Angeles, acting by and through its Board of Harbor Commissioners v. Colonial Yacht Anchorage, Inc.*

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

Print name: \_\_\_\_\_

Authorized Representative of City of Los Angeles, acting by and through its Board of Harbor Commissioners