

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

3

WINSTON & STRAWN LLP
 Richard A. Lapping (SBN: 107496)
 rlapping@winston.com
 101 California Street
 San Francisco, CA 94111-5802
 Telephone: (415) 591-1000
 Facsimile: (415) 591-1400

WINSTON & STRAWN LLP
 Lawrence A. Larose (admitted pro hac vice)
 llarose@winston.com
 200 Park Avenue
 New York, NY 10166-4193
 Telephone: (212) 294-2700
 Facsimile: (212) 294-4700

Attorneys for Creditor
 NATIONAL PUBLIC FINANCE
 GUARANTEE CORPORATION

Winston & Strawn LLP
 101 California Street
 San Francisco, CA 94111-5802

**UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION**

In re:
 CITY OF VALLEJO, CALIFORNIA,
 Debtor.

Case No. 08-26813
 Chapter 9
 DC No. WS-1
 Date: August 9, 2010
 Time: 9:00 a.m.
 Dept: A
 Judge: Hon. Michael McManus

**ORDER GRANTING IN PART CITY'S MOTION TO RECONSIDER ORDER GRANTING
 NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION'S *EX PARTE*
 APPLICATION FOR AN ORDER PURSUANT TO BANKRUPTCY RULE 2004
 AUTHORIZING EXAMINATION OF DEBTOR AND PRODUCTION OF DOCUMENTS**

Upon consideration of the Motion (the "Motion") of the City of Vallejo (the "Debtor") to Reconsider Order Granting National Public Finance Guarantee Corporation's ("National") Ex Parte Application for an Order Pursuant to Bankruptcy Rule 2004 Authorizing Examination of Debtor and

1 Production of Documents, the Court having jurisdiction to consider the Motion and all related filings
2 in connection therewith, and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and
3 venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409 to consider the
4 Motion; and due and proper notice of the Motion and the opposition papers having been provided,
5 and it appearing that no other or further notice need to be provided; and a hearing having been held
6 before the Court with respect to the Motion on August 9, 2010 (the "Hearing"); and upon the record
7 of the Hearing and for the reasons set forth on the record at the Hearing,

8 IT IS HEREBY ORDERED THAT:

9 1. The Motion is granted in part.
10 2. The Court's Order Pursuant to Bankruptcy Rule 2004 Authorizing and Directing (A)
11 Oral Examination of Debtor City of Vallejo, California and (2) Production of Documents
12 ("Examination Order") dated May 18, 2010 is modified as set forth in this Order and in the Court's
13 final ruling in the Civil Minutes dated August 9, 2010 [Docket no. 758]. In the event of an
14 inconsistency between the Civil Minutes and this Order, the Civil Minutes shall control.

15 3. National is authorized to examine the Debtor pursuant to FRBP 2004(a) and FRBP
16 2004(b) in order to assess its impairment on the Debtor's default to National on the COPs. National
17 is not authorized to examine or propound discovery on the Debtor's workout plan.

18 4. The examination of the Debtor shall take place on September 17, 2010 at 10:00 a.m.
19 at the San Francisco office of Winston & Strawn LLP 101 California Street, San Francisco,
20 California 94111-5802, or at such other date, time or place that the Debtor and National may set by
21 mutual agreement.

22 5. Pursuant to FRBP 2004(c) the Debtor shall produce, at the examination or at such
23 other reasonable time and place set by National, any responsive documents identified by National as
24 documents sought but not yet produced pursuant to Exhibit A attached to the Examination Order.

25 6. Nothing contained herein compels the production of privileged or other legally
26 protected matter or precludes the filing of a motion to quash or a motion for protective order. This
27 notwithstanding, if documents are withheld from production based on a claim of privilege or other
28 legal grounds, the Debtor must deliver to National's counsel at the San Francisco office of Winston

1 & Strawn LLP, 101 California Street, San Francisco, California 94111-5802 a privilege log in
2 accordance with FRBP 7026(b)(5) with its document production.

3 Dated: August 13, 2010

By the Court

4
5 
6 Michael S. McManus
United States Bankruptcy Judge

7 Approved as to form:

8 ORRICK HERRINGTON & SUTCLIFFE LLP

9
10 By: /s/ Marc A. Levinson
11 Marc A. Levinson
12 Attorneys for the City of Vallejo, Debtor

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
Winston & Strawn LLP
101 California Street
San Francisco, CA 94111-5802