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12 Attorneys for Defendant
 City of Stockton, California

13 UNITED STATES BANKRUPTCY COURT
 14 EASTERN DISTRICT OF CALIFORNIA
 15 SACRAMENTO DIVISION
 16

17 In re:
 18 CITY OF STOCKTON, CALIFORNIA,
 19 Debtor.
 20
 21 WELLS FARGO BANK, NATIONAL
 22 ASSOCIATION, FRANKLIN HIGH YIELD
 23 TAX-FREE INCOME FUND, AND
 24 FRANKLIN CALIFORNIA HIGH YIELD
 25 MUNICIPAL FUND,
 26 Plaintiffs,
 27 v.
 28 CITY OF STOCKTON, CALIFORNIA,
 Defendant.

Case No. 12-32118
 Chapter 9
 Adv. No. 13-02315

**ORDER GOVERNING THE
 DISCLOSURE AND USE OF
 DISCOVERY INFORMATION AND
 SCHEDULING DATES RELATED TO
 THE TRIAL IN THE ADVERSARY
 PROCEEDING AND ANY
 EVIDENTIARY HEARING
 REGARDING CONFIRMATION OF
 PROPOSED PLAN OF ADJUSTMENT**

RECEIVED

December 09, 2013

CLERK, U. S. BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
0005050325

1 IT IS HEREBY ORDERED THAT, pursuant to sections 105(a) and (d) of the Bankruptcy
2 Code and Rules 9006 and 9014 of the Federal Rules of Bankruptcy Procedure, the following
3 procedures and deadlines shall apply with respect to the trial (the “Trial”) in the above-captioned
4 adversary proceeding (the “Proceeding”) and the evidentiary hearing regarding confirmation of
5 the City’s proposed plan of adjustment (the “Hearing”) in the above-captioned bankruptcy case
6 (the “Case”):

7 **GENERAL**

8 1. This Order shall apply to the City of Stockton, California (the “City”), Franklin
9 High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund
10 (collectively, “Franklin”), and Wells Fargo Bank, National Association (“Wells Fargo”) as parties
11 to the Proceeding, and to all parties in interest who intend to appear and be heard in connection
12 with the Hearing (collectively, the “Parties”), including without limitation the following: Ambac
13 Assurance Corporation, Assured Guaranty Municipal Corp., Assured Guaranty Corp., the
14 California Public Employees’ Retirement System, National Public Finance Guarantee
15 Corporation, and the Official Committee of Retirees.

16 2. To the extent that the procedures and deadlines set forth herein conflict with the
17 Local Rules, this Order shall govern.

18 3. In all instances herein where service is required on a Party or Parties, service shall
19 be made via electronic mail.

20 **DISCLOSURE AND USE OF DISCOVERY INFORMATION**

21 4. The term “Discovery Material,” as used herein, shall include any document,
22 deposition testimony, electronic data, interrogatory response, response to requests for admissions,
23 expert reports or other information disclosed or produced by or on behalf of a Party (or any of its
24 attorneys or other agents), or by or on behalf of a third party (or any of its attorneys or other
25 agents) in the Case (whether in connection with this Order or pursuant to any previous stipulation
26 or order in the Case) or the Proceeding.

27 5. Discovery Material may be designated by any Party disclosing or producing such
28 Discovery Material (each, a “Designating Party”) as “Confidential” pursuant to the provisions of

1 this Order. Discovery Material produced pursuant to any previous stipulation or order in the Case
2 that was designated “Ongoing Confidential” shall be treated as Confidential Discovery Material
3 under this Order.

4 6. Third parties from whom discovery is sought by the Parties may designate
5 Discovery Material disclosed or produced by such third party as “Confidential” consistent with
6 the terms of this Order and are considered Designating Parties herein.

7 7. A Designating Party may designate Discovery Material as “Confidential” only if it
8 has a reasonable, good faith belief that the Discovery Material so designated contains
9 confidential, proprietary, commercially or politically sensitive, non-public or personal
10 information of the Designating Party or one of the relevant Parties or their current or former
11 affiliates, agents or employees. Such material shall include, but shall not be limited to, any
12 Discovery Material that either constitutes or contains sensitive commercial or business
13 information not available to the public or competitors, or private and/or personal information of
14 individuals, including, but not limited to, addresses, telephone numbers, social security numbers,
15 passwords, and/or any other information to which an individual would have a reasonable
16 expectation of privacy under California or federal law.

17 8. Except with the prior written consent of the Designating Party, or upon order of
18 this Court, Discovery Material designated “Confidential” shall not be disclosed to any person
19 other than the following (each, for purposes of “Confidential Discovery Material,” a “Qualified
20 Person”):

21 (a) the Parties, including their current or former members, officers, directors,
22 partners, managing agents or employees who have managerial or other responsibility with
23 respect to the prosecution, defense, settlement or other disposition of the Case or the
24 Proceeding, together with members of their clerical and/or secretarial staff to the extent
25 reasonably necessary to assist them;

26 (b) outside counsel of record for the Parties to the Case or the Proceeding and
27 their associates, secretaries, legal assistants, or other support personnel to the extent
28 reasonably necessary to assist outside counsel in the Case and Proceeding (collectively,

1 “Outside Litigation Counsel”) and in-house counsel and legal assistants and other support
2 personnel assisting in-house counsel in the Case or the Proceeding (collectively, “Inside
3 Legal Counsel”);

4 (c) any external contractors engaged in any aspect of organizing, copying,
5 coding, imaging, filing, converting, storing or retrieving data, documents, photographs or
6 other information, or designing programs for handling data in connection with the Case or
7 the Proceeding, including performance of such duties in relation to a computerized
8 litigation support system (collectively, “Outside Service Vendors”);

9 (d) experts, consultants or outside litigation support personnel who are
10 expressly engaged to assist counsel of record in the prosecution, defense, settlement or
11 other disposition of the Case or the Proceeding, together with members of their clerical
12 and/or secretarial staff to the extent reasonably necessary to assist them (collectively,
13 “Outside Litigation Consultants”);

14 (e) the Court, Court personnel, the Court-appointed mediator, a mediator
15 selected by the Parties, and members of any mediator’s clerical or secretarial staff to the
16 extent reasonably necessary to assist him or her;

17 (f) court reporters and videographers who are retained to transcribe or
18 videotape, respectively, deposition testimony in the Case or the Proceeding; and

19 (g) any witness testifying at a deposition, the Trial, or the Hearing, or
20 otherwise providing written testimony, in the Case or the Proceeding.

21 9. Notwithstanding the provisions of paragraph 8 hereof, if a Party deems it
22 necessary to include Confidential Discovery Material in a pleading, exhibit, or demonstrative in
23 the Case or the Proceeding, such Party may do so provided, however, that (a) the version of any
24 such document filed on the public docket or used in the Trial or Hearing shall be redacted to
25 conceal any Confidential Discovery Material; and (b) an unredacted version of any such
26 document shall be filed under seal pursuant to Local Rule 5005-1(c)(3) without the need to
27 submit a formal request to the Court pursuant to sections 107(b) and (c) of the Bankruptcy Code
28 and Rule 9018 of the Federal Rules of Bankruptcy Procedure.

1 10. Prior to disclosing any Confidential Discovery Material to any Outside Service
2 Vendors or Outside Litigation Consultants, as contemplated by paragraphs 8(c) and 8(d) hereof,
3 or to former members, officers, directors, partners, managing agents or employees of a Party
4 pursuant to paragraph 8(a) hereof, counsel for the Party or person making the disclosure shall
5 ensure that such Qualified Person is bound by the terms and conditions of this Order by
6 (a) providing a copy of this Order to such Qualified Person, and (b) obtaining from such Qualified
7 Person a signed Acknowledgement in the form annexed hereto as Exhibit A. Each such
8 Acknowledgement shall be retained by counsel disclosing the Confidential Discovery Material
9 and shall be made available to the Court for in camera inspection upon a showing of good cause.
10 In addition, all Outside Litigation Counsel and Inside Legal Counsel shall be advised that they are
11 bound by the terms of this Order. All Qualified Persons who receive Confidential Discovery
12 Material pursuant to this paragraph shall safeguard such material so as to avoid any disclosure
13 thereof except as provided in this Order.

14 11. A Designating Party shall designate Discovery Material as Confidential by
15 affixing a stamp with the word "CONFIDENTIAL" on the Discovery Material before copies
16 thereof are delivered to another Party. A Designating Party shall designate Discovery Material
17 comprised of electronic data as Confidential by affixing a stamp with the word
18 "CONFIDENTIAL" on the medium (including, but not limited to, tapes, CDs or DVDs) on which
19 the electronic data is stored before copies are delivered to another Party.

20 12. Any deposition transcript or videotaped deposition containing Confidential
21 Discovery Material shall be marked "CONFIDENTIAL" on the cover and shall indicate as
22 appropriate within the transcript and on the videotape (which term, as used herein, shall include
23 any DVD or other recording made from such videotape) that the Discovery Material therein has
24 been so designated. Any Party may designate any portion(s) of the transcript (including exhibits)
25 or videotape as containing Confidential Discovery Material by written notice to all Parties within
26 14 days after the conclusion of the deposition, designating portions of the transcript or testimony
27 as Confidential Discovery Material. Until 14 days have passed after the conclusion of the
28 deposition, the entire transcript and videotape shall be treated as Confidential Discovery Material.

1 Nothing in this Order shall prevent an officer, director, partner or employee of a Party, who has
2 managerial or other responsibility with respect to the prosecution, defense, settlement or other
3 disposition of the Case or the Proceeding, from attending any deposition, except that unless
4 otherwise agreed to by the Designating Party, only persons entitled to receive Confidential
5 Discovery Material shall be present when Discovery Material so designated is disclosed at a
6 deposition.

7 13. In the event that any person or Party subject to this Order receives a subpoena,
8 formal or informal discovery request, public records act request or other process or order (each, a
9 "Request") seeking production of Discovery Material in his, her or its possession, custody or
10 control, the recipient of such Request shall promptly: (a) advise the attorney for the person
11 issuing or serving the Request that the Discovery Material being requested (the "Subject
12 Discovery Material") is subject to this Order; and (b) notify the attorneys of record for the Party
13 that produced the Subject Discovery Material in writing of such Request and furnish that Party
14 with copies of the Request and any other documents served in connection therewith. Counsel for
15 the Party that produced the Subject Discovery Material shall have at least 14 days from the date
16 of his or her receipt of a copy of said Request to file a motion to quash or modify the Request. If
17 production of Discovery Material pursuant to the Request is required by the terms thereof prior to
18 the expiration of this 14 day period, counsel for the recipient of the Request shall object in writing
19 to the production by stating that the Discovery Material is governed by this Order. Counsel for
20 the recipient of the Request shall be under no obligation to file any motion to quash or modify the
21 Request or take any actions other than to object in writing to the production pending a court order
22 compelling production of the Subject Discovery Material. If a motion to quash or modify the
23 Request is made by the Party that produced the Subject Discovery Material, there shall be no
24 disclosure of the Subject Discovery Material objected to, except sufficient to identify it for
25 purposes of the motion to quash, until the court in which the motion is brought has ruled on the
26 motion, and then only in accordance with the ruling so made. In the event that production of
27 Confidential Discovery Material is made pursuant to the Request notwithstanding a timely motion
28 to quash or modify the Request, such production shall be made in accordance with this Order.

1 Specifically, Confidential Discovery Material shall retain its Confidential designation and shall
2 continue to be treated as such by all Parties and persons who receive such production materials
3 according to the terms of this Order, unless and until the Court orders otherwise in the Case or the
4 Proceeding. If the Party that produced the Subject Discovery Material does not file a motion to
5 quash or modify a Request within the 14-day period provided herein, the person or Party
6 receiving such Request shall be entitled to comply with such Request, provided it has fulfilled its
7 obligations hereunder. Nothing herein shall be construed as requiring the recipient of a Request
8 or anyone else covered by this Order to challenge or appeal any order directing production of any
9 Discovery Material or subject itself to any penalty for non-compliance with any legal process or
10 Order or to seek relief from this or any other Court.

11 14. If a Party disagrees with the designation of any documents, materials, or other
12 information as “Confidential” or disputes the limitations on the use of or access to such
13 Confidential Discovery Material under this Order, such Party shall provide written notice of its
14 disagreement to the Party in possession of such Confidential Discovery Material and shall
15 specifically identify the Confidential Discovery Material and/or restriction in dispute. If, despite
16 good faith effort, the dispute cannot be resolved informally, the Party challenging the designation
17 shall raise the issue with the Court and the burden of persuasion shall rest with the Party that
18 designated the Discovery Material as Confidential. Pending the Court’s ruling, the Discovery
19 Material shall continue to be treated as Confidential Discovery Material in the manner required
20 by this Order.

21 15. Inadvertent production of Discovery Material that a Party or third party later
22 claims should not have been produced because of a privilege or immunity from disclosure (an
23 “Inadvertently Produced Privileged Discovery Material”) will not be deemed to waive such
24 privilege or immunity from disclosure. A Party or third party may, within 14 days of the date of
25 discovery by that Party or third party of the inadvertent production, request the return of any
26 Inadvertently Produced Privileged Discovery Material by specifically identifying the document
27 inadvertently produced and stating the basis for withholding such document from production. In
28 that event, each Party or third party in possession of a copy of the Inadvertently Produced

1 Privileged Discovery Material (each, a “Receiving Party”) shall promptly (but in no event later
2 than 14 days after receiving notice from the Party requesting return) return the Inadvertently
3 Produced Privileged Discovery Material and all copies thereof and shall expunge from any other
4 document or material information derived solely from the Inadvertently Produced Privileged
5 Document, unless the Receiving Party determines that it will seek to challenge the request for
6 return of the document. If the Receiving Party determines that it will seek to challenge the
7 request for return of the document, within 14 days of being notified of the request it shall contact
8 the producing Party to attempt to informally resolve the issue in good faith. If, despite good faith
9 effort, the dispute cannot be resolved informally, the Party challenging the designation shall raise
10 the issue with the Court within 14 days following the date the informal attempt to resolve the
11 dispute failed. In the event that the Receiving Party seeks an order from the Court regarding an
12 Inadvertently Produced Privileged Discovery Material, the Receiving Party may retain possession
13 of the document during the pendency of such application, provided that the Inadvertently
14 Produced Privileged Discovery Material is sequestered and is not used by the Receiving Party
15 during that time except in connection with any application challenging its return. In ruling on the
16 dispute, the Court shall resolve whether the Inadvertently Produced Privileged Discovery
17 Material was in fact privileged without regard to the factors set forth in Rule 502(b) of the Federal
18 Rules of Evidence. If the Receiving Party does not timely raise and challenge the request for the
19 return of the Inadvertently Produced Discovery Material as provided herein, it shall promptly
20 return the Inadvertently Produced Discovery Material.

21 16. A Party that has inadvertently produced Confidential Discovery Material without
22 designating it as “Confidential” may, at any time prior to the expiration of 14 days following any
23 fact discovery cutoff in the Case and the Proceeding, redesignate such Discovery Material with its
24 proper designation and shall promptly provide replacement marked materials reflecting such
25 designation. The Party receiving such redesignated Confidential Discovery Material shall make a
26 reasonable good faith effort to ensure that any analysis, memoranda, notes, or other materials that
27 were generated based upon such Confidential Discovery Material shall promptly be treated in
28 conformity with any such designation.

1 17. In the event that a Party or a third party produces two or more identical or
2 substantially identical copies of Discovery Material, and any copy is designated “Confidential”
3 while other copies are not so designated, all such identical or substantially identical documents or
4 other Discovery Material shall be treated as Confidential Discovery Material once notice is given
5 of the inconsistent designation and properly marked materials reflecting such designation are
6 provided. Upon learning of any inconsistent designation, the Designating Party shall be
7 responsible for providing notice of the inconsistent designation and properly marked Discovery
8 Materials to the other Party.

9 18. Nothing herein shall impose any restriction on the use or disclosure by any
10 Designating Party of Confidential Discovery Material that the Designating Party produces.

11 **DATES AND PROCEDURES RELATED TO DISCOVERY**

12 *General*

13 19. Counsel of record for each Party agrees to accept service via electronic mail of any
14 requests for production of documents, document subpoenas, deposition notices, or deposition
15 subpoenas on behalf of such Party and its employees, officers, or directors.

16 20. Deposition notices must be served no later than 7 days before the date noticed for
17 the deposition.

18 21. Each Party waives the right to object to or to seek to quash or modify any
19 subpoena on the basis that the subpoena was served without simultaneous tender of the fees
20 specified by Rule 45(b)(1) of the Federal Rules of Civil Procedure.

21 22. The deadlines related to discovery stated herein may be extended by written
22 agreement of the requesting and responding Parties and/or third parties, as the case may be, or by
23 order of the Court.

24 23. With respect to any discovery dispute that may arise, the parties to the dispute
25 (“Litigants”) shall meet and confer within 3 business days of any Litigant’s request for a meet and
26 confer conference. If the Litigants are unable to resolve the dispute, any Litigant may seek the
27 intervention of the Court as follows:
28

1 (a) The requesting Litigant shall file and serve all Parties via electronic mail a
2 motion, no more than 5 pages in length (excluding the caption page), identifying the
3 issue(s) in dispute, the relief requested, and the basis for such relief.

4 (b) Within 2 business days after receipt of such a motion, the responding
5 Litigant or Litigants shall file and serve all Parties via electronic mail a response, no more
6 than 5 pages in length (excluding the caption page), responding to such motion.

7 (c) The Court thereafter will instruct the Litigants whether a telephonic
8 conference or hearing shall be scheduled with the Court to address the issues raised and
9 whether the Court requires further briefing.

10 ***Fact Discovery***

11 24. Any requests for admission or interrogatories shall be served no later than
12 December 13, 2013. Requests for admission shall be restricted solely to those seeking admissions
13 concerning the authenticity and/or foundation for admissibility of documents. Notwithstanding
14 Rule 33(a)(1) of the Federal Rules of Civil Procedure, interrogatories shall be limited to no more
15 than 10, plus those interrogatories solely seeking to discover (a) the names of witnesses with
16 knowledge of information relevant to the subject matter of the Proceeding or the Hearing, and (b)
17 the existence, custodian, location and general description of relevant documents, other physical
18 evidence, or information of a similar nature.

19 25. Any document requests not already pending shall be served no later than
20 December 13, 2013. If any discovery requests not already pending are served on or before
21 December 13, 2013, the Party or third party to which such requests are directed shall serve
22 written responses by no later than January 8, 2014.

23 26. The City shall serve written responses to Franklin's pending document requests,
24 served on November 22, 2013, by no later than December 23, 2013.

25 27. By no later than January 24, 2014, each Party or third party to whom a document
26 request has been timely directed shall produce documents responsive to such document requests
27 directed to that Party or third party so as to conclude such production.

28

1 28. On or before January 24, 2013, each Party shall exchange and provide to the other
2 Parties preliminary lists of all witnesses (other than witnesses from whom expert reports will be
3 submitted pursuant to Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure) that such Party
4 then believes that it may call to provide testimony at the Trial or the Hearing.

5 29. Depositions of any fact witness shall be taken by no later than February 14, 2014.

6 ***Expert Discovery***

7 30. On or before January 24, 2014, each Party intending to present expert testimony
8 shall exchange and provide to the other Parties the identity of any expert witness it may use to
9 present evidence in its case-in-chief and shall provide a written summary of the topics that each
10 such witness is expected to address. Such written disclosures are for notification purposes only
11 and need not comply with Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure.

12 31. On or before February 21, 2014, each Party intending to present expert testimony
13 shall serve and file their expert reports and otherwise comply with the requirements of Rule
14 26(a)(2)(B) of the Federal Rules of Civil Procedure.

15 32. On or before March 10, 2014, each Party intending to present rebuttal expert
16 testimony shall serve and file their rebuttal expert reports and otherwise comply with the
17 requirements of Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure.

18 33. Expert depositions may commence on or after March 12, 2014, and must conclude
19 by no later than March 21, 2014.

20 34. All Parties and third parties shall comply with Rule 26(b)(4) of the Federal Rules
21 of Civil Procedure.

22 **DATES RELATED TO THE TRIAL AND THE HEARING**

23 35. Unless otherwise ordered by the Court, evidence at the Trial and Hearing may be
24 submitted (a) in written form by declaration, consistent with the Alternate Direct Testimony
25 procedure provided for in Local Rule 9017-1 (each a "Direct Testimony Declaration"), (b) in the
26 form of oral testimony (for expert, rebuttal and impeachment witnesses), (c) by deposition
27 designation pursuant to Rule 32 of the Federal Rules of Civil Procedure, and/or (d) by designation
28 of live testimony given in any previous evidentiary hearing in the Case.

1 36. On or before February 21, 2014, each Party intending to present evidence shall
2 serve on each other Party a list of fact and expert witnesses (other than rebuttal and impeachment
3 witnesses) whose testimony the Party may submit at the Trial or Hearing. Such list shall include
4 the names of the witnesses and a brief summary of the subject matter of each witness' anticipated
5 testimony. Only witnesses so listed (other than rebuttal and impeachment witnesses) will be
6 permitted to testify at the Trial or the Hearing (the Parties acknowledge that the Court narrowly
7 construes the "solely for impeachment" exception to Rule 26(a)(3)(A) of the Federal Rules of
8 Civil Procedure) and, unless otherwise ordered by the Court, witness testimony at the Trial and
9 the Hearing shall be limited to the subjects set forth in such summary of the anticipated subject
10 matter of each witness' anticipated testimony.

11 37. By no later than March 4, 2014, each Party shall serve on the other Parties a list of
12 exhibits (other than those to be used for impeachment or rebuttal) the Party intends to introduce
13 into evidence at the Trial and/or the Hearing. The list of exhibits shall expressly identify each
14 discovery item and deposition transcript to be offered into evidence. Each Party shall designate
15 by page and line(s) each portion of deposition testimony that shall be offered in evidence. Any
16 paper(s) in the Court's file of which a Party intends the Court to take judicial notice must be
17 included on the exhibit list as an exhibit(s).

18 38. On March 5, 2014, at 10:00 a.m., the Court will conduct a status conference in
19 both the Case and the Proceeding and will hear any dispositive motions in either. In the event
20 that on or prior to February 28, 2014, Franklin has withdrawn (a) its complaint in the Proceeding;
21 and (b) any objection to confirmation of the Plan, the Court will conduct the Hearing on March 5,
22 2014 as per the order approving the City's modified disclosure statement [docket no. 1220].

23 39. By no later than March 24, 2014, each Party shall file and serve the Party's Direct
24 Testimony Declarations.

25 40. By no later than March 24, 2014, each Party shall serve on the other Parties the
26 Party's designation, by page and line number(s), of any deposition testimony from fact witnesses
27 they reasonably anticipate offering into evidence. Parties may designate portions of depositions
28 previously taken in connection with the Case, subject to the provisions of Rules 32(a)(1)(B)-(C)

1 and 32(b) of the Federal Rules of Civil Procedure; provided that nothing in this Order waives any
2 Party's right to depose or call at the Trial or the Hearing any witness whose deposition testimony
3 was so designated.

4 41. Exhibits are to be premarked for identification. Franklin shall use exhibit numbers
5 2000-2999, inclusive, and the City shall use exhibit numbers 3000-3999, inclusive. Exhibits to be
6 introduced by third parties shall be numbered in such a way as to avoid duplication. New exhibits
7 shall be marked by new numbers. Each page of any exhibit that has more than one page is to be
8 numbered consecutively. Each of the Parties or third parties shall bring to the Hearing and Trial
9 copies of all of its exhibits (with one set for counsel to the City, one set for counsel to Franklin,
10 one set for each of the other Parties, one set for the witnesses, and one set for the Court), together
11 with an exhibit list. If a Party has more than 10 exhibits, the exhibits shall be placed in a three-
12 ring binder with a tab for each exhibit and the exhibit list placed at the front of the binder.

13 42. The requirement of advance identification of witnesses and production of exhibits
14 does not apply to witnesses and exhibits presented for purposes of impeachment or rebuttal by
15 any Party.

16 43. By no later than April 1, 2014, Parties shall exchange copies of those exhibits
17 identified in the exhibit lists served pursuant to paragraph 37 that have not been previously
18 produced or otherwise delivered.

19 44. By no later than April 1, 2014, each Party shall serve (a) any counterdesignations
20 of deposition testimony; and (b) any written objections to the admission of all or any part of the
21 exhibits identified on the list of exhibits provided by each Party, including any designations of
22 deposition testimony. By no later than April 9, 2014, each Party shall serve any response to such
23 counterdesignations and written objections. Parties must meet and confer before the Trial and
24 Hearing to attempt to reach agreement regarding admissibility. The Court expects the Parties to
25 make good faith efforts to resolve all evidentiary issues.

26 45. By no later than April 1, 2014, the Parties shall file and serve any *Daubert* motions
27 and any other motions in limine. By no later than April 9, 2014, the Parties shall file and serve
28 oppositions to any *Daubert* motions or other motions in limine.

1 46. On April 14, 2014, at 9:30 a.m., the Court shall hear argument on any *Daubert*
2 motions, any motions in limine, and any objections to the Direct Testimony Declarations,
3 deposition designations, and other exhibits filed and served pursuant to this Order. Prior to the
4 start of the Trial and the Hearing, the Court shall rule on all objections, motions, and other
5 matters raised by the Parties prior to the April 14, 2014, hearing.

6 47. The Court as fact finder will consider evidentiary issues in the context of making
7 its rulings in the Trial and the Hearing and will give the evidence the weight the Court believes it
8 deserves, and the Parties and third parties are free to comment upon the perceived reliability, or
9 lack thereof, of any of the evidence admitted. Nothing in this Order may be construed as a waiver
10 or determination of any Party's or third party's right to assert evidentiary objections, objections to
11 exhibits (even if an exhibit has been admitted into evidence in the Trial or Hearing), or any other
12 objections in subsequent contested matters or adversary proceedings in the bankruptcy case.

13 48. Notwithstanding any of the provisions described above, all exhibits admitted into
14 evidence in any previous evidentiary hearing in the Case remain in evidence for purposes of the
15 Trial and Hearing.

16 49. To cross-examine any other Party's witnesses at the Trial or the Hearing, a Party
17 shall so notify the other Party by electronic mail by no later than April 10, 2014, in which case the
18 witness(es) will be required to attend the Trial or the Hearing. Any Party who fails to so notify
19 the other Party will not be permitted to cross-examine the other Party's witness(es). Any Party
20 who requests the right to cross-examine and then does not do so will be expected to reimburse the
21 other Party the reasonable expenses incurred in producing the witness(es) at the Trial or the
22 Hearing.

23 50. Parties shall serve all demonstrative exhibits on one another no later than 24 hours
24 before the commencement of the court hearing on the date at which such demonstratives are
25 proposed to be used, and any objections thereto will be heard on the morning of the hearing.

26 51. The Trial and the Hearing shall commence on April 14, 2014, following the
27 conclusion of the hearing on the matters described in paragraph 46 and continue for as long as
28

1 necessary before United States Bankruptcy Judge Christopher M. Klein in Courtroom 35, located
2 on the 6th floor of the United States Courthouse, 501 I Street, Sacramento, California, 95814.

3 **BRIEFING**

4 52. The City shall file and serve the Plan Supplement on or before January 27, 2014.
5 The deadline by which the City may file its memorandum in support of the Plan is January 27,
6 2014. The deadline by which any Party or third party may serve and file a timely objection to the
7 confirmation of the Plan is February 10, 2014. Such memoranda and objections may be filed in
8 summary form in such a manner as to fully identify the issues to be addressed at the Hearing.

9 53. Notwithstanding the Court's Order approving the City's modified disclosure
10 statement [docket no. 1220], the following deadlines also shall apply with respect to the Hearing:

11 (a) the City may file a supplemental memorandum in support of the Plan no
12 later than March 7, 2014;

13 (b) any Party or third party that filed a timely objection to the confirmation of
14 the Plan may file a supplemental objection to confirmation of the Plan no later than
15 March 24, 2014; and

16 (c) supplemental responsive pleadings to any objection to confirmation of the
17 Plan may be filed no later than April 3, 2014.

18 54. The City and Franklin shall file in the Proceeding a joint statement of uncontested
19 facts relating to the Trial on March 11, 2014.

20 55. The City and Franklin shall serve and file pretrial opening briefs in the Proceeding
21 on March 11, 2014.

22 56. The City and Franklin shall serve and file pretrial reply briefs in the Proceeding on
23 March 24, 2014.

24 57. Briefing related to any dispositive motions shall occur pursuant to the Local Rules
25 and the Federal Rules of Civil Procedure.

26 **MISCELLANEOUS**

27 58. Entry of this Order shall be without prejudice to any appropriate application for
28 relief from, or modification of, the provisions hereof, or to any other applications, objections, or

1 motions relating to the production, exchange, or use of any Discovery Material or Confidential
2 Discovery Material in the course of the Case or the Proceeding.

3 59. All provisions of this Order shall continue to be binding after the conclusion of the
4 Case or the Proceeding, including all appeals, until further order of this Court, or, in the case of a
5 dismissal or transfer of venue, until further order of a court of competent jurisdiction, unless the
6 Parties agree otherwise in writing.

7 60. Nothing in this Order is intended to constitute an agreement regarding the scope of
8 any discovery related to the Case or the Proceeding.

9 61. Nothing contained in this Order, or any designation of confidentiality hereunder or
10 any failure to make such designation, shall be used or characterized by any Party as an
11 “admission” by any Party.

12 62. Upon good cause shown, and on notice to all Parties, any Party may seek to have
13 this Order modified by the Court.

14 APPROVED AS TO FORM:

15 JONES DAY

MINTZ LEVIN COHN FERIS GLOVSKY
AND POPEO, P.C.

16
17 By: /s/ James O. Johnston
18 James O. Johnson (SBN 167330)
19 Joshua D. Morse (SNB 211050)
20 Attorneys for Franklin High Yield Tax-Free
Income Fund and Franklin California High
Yield Municipal Fund

By: /s/ Adrienne K. Walker
William W. Kannel (Admitted *Pro Hac Vice*)
Adrienne K. Walker (Admitted *Pro Hac Vice*)
Attorneys for Wells Fargo Bank, National
Association as Indenture Trustee

21 SIDLEY AUSTIN LLP

WEIL, GOTSHAL & MANGES LLP

22
23 By: /s/ Christina M. Craige
24 Jeffrey E. Bjork (Cal. Bar No. 197930)
25 Christina M. Craige (Cal. Bar No. 251103)
26 Guy S. Neal (Admitted *Pro Hac Vice*)
27 Attorneys for Assured Guaranty Corp. and
28 Assured Guaranty Municipal Corp.

By: /s/ Debra A. Dandeneau
Debra A. Dandeneau (Admitted *Pro Hac Vice*)
Marcia L. Goldstein (Admitted *Pro Hac Vice*)
Attorneys for National Public Finance
Guaranty Corporation

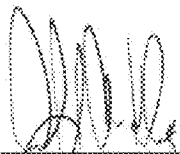
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K&L GATES LLP

By: /s/ Michael L. Gearin
Attorneys for California Public Employees'
Retirement System

IT IS SO ORDERED.

Dated: December 10, 2013



United States Bankruptcy Judge

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EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of
_____ [print or type full address], declare under penalty of perjury
that I have read in its entirety and understand the *Order* that was entered by the United States
Bankruptcy Court for the Eastern District of California as Docket Number ____ on December __,
2013, in the case styled *In re City of Stockton, California*, Case No. 12-32118, and in *Wells Fargo
Bank, Nat'l Ass'n, et al., v. City of Stockton, Cal.*, Case No. 12-32118, Adv. No. 13-02315 (the
"Order"). I agree to comply with and to be bound by all the terms of the Order and I understand
and acknowledge that failure to so comply could expose me to sanctions and punishment in the
nature of contempt. I solemnly promise that I will not disclose in any manner any information or
item that is subject to the Order to any person or entity except in strict compliance with the
provisions thereof.

I further agree to submit to the jurisdiction of the United States Bankruptcy Court
for the Eastern District of California for the purpose of enforcing the terms of the Order, even if
such enforcement proceedings occur after termination of the Case and the Proceeding.

I hereby appoint _____ [print or type full name] of
_____ [print or type full address and telephone
number] as my California agent for service of process in connection with the Case or the
Proceeding or any proceedings related to enforcement of the Order.

Date: _____

City and State where sworn and signed: _____

Printed name: _____
[printed name]

Signature: _____