

ARTHUR J. SHARTSIS

SAMPLE OF MAJOR LITIGATION

Steven Poizner, as Insurance Commissioner of the State of California, etc. v. ALTUS Finance S.A., et al.

Recently retained by the California Department of Insurance to serve as new lead trial counsel in the jury retrial of this case in federal district court. The original trial resulted in a finding of \$700 million in punitive damages, \$241 million in restitution, but no compensatory damages.

Alejandro Madrid v. James E. Tilton

Represented Governor Arnold Schwarzenegger in a federal court proceeding in which a court-appointed Special Master sought authority to conduct a public investigation of the Governor's Office in connection with prison reform matters. The Governor's two most senior staff members were alleged by the Special Master to have committed perjury. Mr. Shartsis successfully opposed the proposed investigation.

Mikhail Khodorkovsky Accusation By the Russian Federation

Retained to assist in the defense of Mikhail Khodorkovsky, former owner of Yukos Oil Company in Russia, involving criminal claims by the Russian Federation for allegedly embezzling \$30 billion from Yukos.

Rabobank v. National Westminster Bank

Concluded a seven-year defense of NatWest (formerly National Westminster Bank and now owned by Royal Bank of Scotland) in a claim by a major Dutch bank for approximately \$200,000,000, involving litigation both in England and California. The case was defended successfully at trial in England, with full "indemnity" fees of approximately \$25 million awarded to our client after trial.

Charles Davis, et al. v. California Health And Human Services Agency, et al.

Retained to assist the Attorney General's Office of California defending California State health and welfare agencies in a federal case challenging the long-term health care system of the State of California, with multi-billion dollar annual exposure. The case was resolved on favorable terms.

Eureka Federal v. Kidwell

Retained to replace Joseph Alioto as lead defense trial counsel in this \$500,000,000 claim arising out of the savings and loan crisis. The matter was settled for \$13,000,000 less than the defendants' pre-trial settlement offer after six weeks of jury trial in a case which the federal government had publicly asserted it would never settle.

In re National Mortgage Equity Corporation Securities Litigation, MDL 647

Served as lead plaintiffs' counsel in obtaining approximately \$120,000,000 of recovery from parties including the Bank of America and Wells Fargo Bank on behalf of a number of savings and loans in what at the time was one of the largest mortgage-backed securities frauds in American history. This case was featured as a cover story in the American Lawyer.

Hummel v. Bank of America

Retained by the Bank of America after other counsel failed in eight years to resolve complicated trust litigation involving over \$90,000,000. Mr. Shartsis settled the matter within months for a small fraction of the claim.

HBOC/McKesson

Retained by Arthur Andersen to represent one of its senior auditors in SEC proceedings arising from one of the largest securities fraud claims in history, involving an \$8,000,000,000 loss of capital value. Successfully represented the client through SEC proceedings.

Henriquez v. Comdisco

Retained to obtain contractual benefits for two former venture investment specialists. After extensive litigation in bankruptcy court in the Northern District of Illinois, the case settled for \$31,000,000, which represents the full amount of the claim.

Fair v. Bakhtiari

Successfully argued in the California Supreme Court a major case upholding important aspects of confidential communications in mediation. The Supreme Court voted 7-0 to overturn a unanimous decision in the California Court of Appeal, and return the case to the trial court. The case was tried successfully in 2008, defeating a claim of \$14 million and recovering property rights for our clients worth \$5 million. The case was featured in the San Francisco Daily Journal: "Mixing Client, Business Ends Badly."

Simpson Strong-Tie Company, Inc. v. Stewart, Estes & Donnell

Won a landmark decision in the Tennessee Supreme Court regarding lawyer advertising and defamation.

Eshelman, et al, v. Orthorclear Holdings, Inc.

Successfully defended securities class action against manufacturer that was accused of misleading investors about the prospects of patent litigation brought by its major competitor that was eventually settled on unfavorable terms. Representing the company, directors and officers, Succeeded in winning a motion to dismiss all claims without leave to amend. The case was featured in The Recorder: "Suit over lost patent trial rejected."

Sierra REIT securities litigation

Successfully defended the officers, directors and entities in state and federal derivative and securities class action litigation against the seven Sierra REITS.

Harbor Bay Business Park Litigation

Retained by Harbor Bay Business Park in Alameda County to develop and execute a strategy to avoid impending foreclosure. After litigating simultaneously in three forums, caused the creditors to cease foreclosure proceedings. Harbor Bay Business Park is successfully operating today.

Point Tiburon Construction Defect Litigation

Represented the developer in a massive construction defect case, simultaneously defending two class actions and successfully obtaining full recovery from over thirty defendants.

Success for All Foundation v. Education Partners

Retained by Success for All, the largest educational reform program in the United States, to attempt to void a 25-year license agreement and a 7-year, \$10 million-per year printing contract following their second year of performance. Termination of the license agreement was obtained following a full arbitration of the matter, and the printing agreement was terminated by subsequent settlement.

Computerized Ticket Distribution Antitrust cases; Department of Justice Inquiry into Computerized Ticket Distribution

As counsel to Bay Area Seating Services (BASS), persuaded the United States Justice Department to take no action with regard to complaints (including the complaint of the rock group Pearl Jam) against the computerized ticket distribution industry. Also acted as counsel in the California class actions challenging computerized ticket distribution practices.

Rudolph & Sletten v. DPR Construction

Retained by Rudolph & Sletten, the premier California construction company for high-tech plants and facilities, to seek damages from former executives who had left the company with know-how, customer and prospect lists and employee information. Obtained a \$7 million recovery for the client.

Alexander, et al. v. Masters Institute

Retained by a vocational school to defend 170 individual claims by former students alleging fraud in connection with their vocational education. After the voluntary or court-ordered dismissal of nearly 100 plaintiffs' actions, the remainder of the plaintiffs were dismissed by the Santa Clara Superior Court as a result of a motion brought based upon discovery abuse. This unique dismissal ruling was discussed in a feature article in the Daily Journal on May 24, 2000. Dismissal was upheld by the California Court of Appeal.

California Corporations Code section 2000 Proceeding

Represented one of two 50% shareholders in what appears to be one of the largest disputed dissolutions of a privately held corporation in the history of California.

Tri-Valley Growers Litigation

Represented the former president of Tri-Valley Growers, formerly the largest agricultural co-op in the United States, defending claims in excess of \$100,000,000.

Ida Eu v. Regents of the University of California

Retained by the Regents to represent them on appeal from a judgment in their favor in their most high profile sexual harassment case. Prevailed in the California Court of Appeal.

Lillick & Charles v. Pillsbury, Madison & Sutro

Retained by the San Francisco law firm of Lillick & Charles to attempt to enjoin the use of the “Lillick” name in the merger between Pillsbury, Madison & Sutro and Lillick & McHose, and succeeded in doing so.

Olympic Club v. Lloyds of London

Retained by Lloyds of London to dispute the Olympic Club’s entitlement to insurance coverage in its defense of claims by the City and County of San Francisco of race and sex discrimination. Won in the Federal District Court, and the case was affirmed on appeal by the Ninth Circuit Court of Appeals.

The People of the State of California v. Honig

Retained by former California State Superintendent of Public Instruction Bill Honig and successfully represented him in connection with reducing his four-count felony sentence to misdemeanors.