



Castle, Petersen & Krause, LLP

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UNITED STATES DISTRICT COURT JUDGE ORDERS SAN DIEGO POLICE OFFICERS ASSOCIATION LAWSUIT AGAINST THE CITY OF SAN DIEGO TO MOVE FORWARD

On February 8, 2006, the Federal District Court ordered that the lawsuit brought to court by the San Diego Police Officers Association (“SDPOA”) against San Diego City Attorney Michael Aguirre, the City of San Diego (the “City”), the San Diego City Council, the San Diego City Employees Retirement System, and other defendants would go forward. This lawsuit (SDPOA vs. Michael Aguirre, et al., Case No. 05-CV-1581, United States District Court, Southern District of California) alleges the pension underfunding crisis was the result of, among other things, improper closed session meetings among City officials who acted in breach of their fiduciary obligations to SDPOA's members. The SDPOA is seeking, among other relief, an injunction to protect the pensions of SDPOA's members, stop the City from imposing reductions affecting DROP enrollees, and require that retiree medical benefits be fully funded and properly administered.

Civil Rights violations and Conspiracy are alleged against City Attorney Michael Aguirre. The allegations include Mr. Aguirre offered union leaders \$650 million that would be "left on the bargaining table" during labor negotiations if they followed his political agenda. It is also alleged that Mr. Aguirre and other City officials retaliated against the SDPOA and its members for not submitting to the will of the City Attorney.

During the court hearing leading up to the February 8 Order, the defendants stated they would seek an appeal of the court's decision. However, on February 15 the court ordered that it would deny any request by the defendants for an "interlocutory appeal" and stay of the case.

This case is going forward and the trial is scheduled to commence on November 14, 2006. The court has given the SDPOA leave to file an amended complaint for which the defendants must file a response not later than March 27, 2006. In the meantime, the court has ordered the parties may begin conducting depositions.

About Castle, Petersen & Krause, LLP

The law firm of Castle, Petersen & Krause, LLP, headquartered in Newport Beach, CA, specializes in labor and employment law and litigation, and business litigation. The firm's areas of focus within labor and employment include civil rights, labor relations, contract negotiations, disciplinary actions, Fair Labor Standards Act (“FLSA”), discrimination, retaliation, wage and hour issues, and wrongful termination. Castle, Petersen & Krause has a near 30-year history of representing law enforcement officers and their associations in contract negotiations, disciplinary actions, civil rights claims, and class actions related to FLSA and wage and hours matters. The firm also has a history of success in recovering overtime wages from public and private employers through FLSA class action claims, including recent cases against the City of Los Angeles and companies in the hospitality and fitness industries. Additionally, Castle, Petersen & Krause provides its clients counsel in the areas of construction defect, intellectual property, product liability and first and third party insurance litigation, as well as personal injury claims. More information on Castle, Petersen & Krause can be found at www.cpk-law.com.