10

MARC A. LEVINSON (STATE BAR NO. 57613)
malevinson@orrick.com
NORMAN C. HILE (STATE BAR NO. 57299)
nhile@orrick.com
JOHN W. KILLEEN (STATE BAR NO. 258395)
jkilleen@orrick.com
ORRICK, HERRINGTON & SUTCLIFFE LLP
400 Capitol Mall, Suite 3000
Sacramento, California 95814-4497
Telephone: (916) 447-9200
Facsimile: (916) 329-4900

Attorneys for Debtor
City of Stockton

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

SACRAMENTO DIVISION

In re: CITY OF STOCKTON, CALIFORNIA, Debtor.	CASE NO. 2012-32118 D.C. NO. OHS-4 CHAPTER 9 **ORDER MODIFYING ORDER ON MOTION FOR LEAVE TO INTRODUCE EVIDENCE RELATING TO NEUTRAL EVALUATION PROCESS UNDER CALIFORNIA GOVERNMENT CODE § 53760.3(Q)** [NO HEARING REQUIRED]

RECEIVED
October 31, 2012
CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
0004512840

WHEREAS this Court has entered its Order On Motion For Leave To Introduce Evidence Relating To Neutral Evaluation Process Under California Government Code § 53760.3(q) (the "Protective Order") [Docket No. 429], which granted in part and denied in part the Motion For Leave To Introduce Evidence Relating To Neutral Evaluation Process Under California Government Code § 53760.3(q) filed by the City of Stockton, California (the "City") and provided that "no party, person, or entity may disclose, without prior permission of this court, any statements made, information disclosed, or documents produced during the neutral evaluation process that was conducted before the filing of this case pursuant to California Government Code § 53760.3" (the "AB 506 Process");

WHEREAS the parties represented by the undersigned counsel (each a "Party" to the above-captioned bankruptcy case, collectively, the "Parties") have consulted with the Honorable Elizabeth M. Perris, the court-appointed mediator in the above-captioned bankruptcy case (the "Mediator"), over the prospective scope of the Protective Order with respect to communications that occurred between some and/or all of the Parties during the AB 506 Process, including but not limited to statements made, information disclosed, and documents produced, between or among the Parties during the AB 506 Process (collectively, the "AB 506-Related Communications"); provided, that the term AB 506-Related Communications does not include those communications, whether oral or written, solely between any Party or its counsel and Judge Ralph Mabey made outside the presence of any other Party;

WHEREAS the Mediator has agreed that relief from the Protective Order is appropriate to allow for the disclosure of AB 506-Related Communications during discovery in this case and that the disclosure of AB 506-Related Communications will not have any adverse impact on the mediation being conducted by the Mediator; and,

WHEREAS this Court has found that such a modification to the Protective Order is necessary and appropriate in this case,

IT IS HEREBY ORDERED THAT:

1. The Protective Order is modified to permit any party, person or entity to disclose any AB 506-Related Communications to any Party pursuant to a discovery request or during a deposition in connection with this case, subject to the remaining terms of this Order.

2. The Protective Order shall continue to protect any AB 506-Related Communications disclosed during the course of discovery from disclosure to the extent not explicitly permitted by this Order.

3. This Order is without prejudice to the right of any Party to seek further modification of the Protective Order and/or this Order to permit the further use and disclosure of AB 506-Related Communications in this case.

Dated: _____ Dated: November 02, 2012

United States Bankruptcy Judge

The undersigned concludes that the disclosure of AB 506-Related Communications will have no adverse impact on the Mediation:

Dated: September 23, 2012

The Hon. Elizabeth L. Perris
United States Bankruptcy Judge
and Court-Appointed Mediator

Prepared by:

Dated: 9/21, 2012

K&L GATES LLP

By _____
Michael J. Gearin
Attorneys for the California Public Employees' Retirement System

Approved as to Form and Content:

Dated: September 21, 2012

ORRICK, HERRINGTON & SUTCLIFFE LLP

By _____
Marc A. Levinson
Attorneys for City of Stockton, Debtor

Approved as to Form and Content:

Dated: Sept 24, 2012

WINSTON & STRAWN LLP

By _____ for L.A.L.
Lawrence A. Larose
Attorneys for National Public Finance Guarantee Corporation

Approved as to Form and Content:

Dated: _____, 2012

JONES DAY

By See attached signature
James O. Johnston
Attorneys for Franklin High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund

Approved as to Form and Content:

Dated: _____, 2012

MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO P.C.

By See attached signature
Michael Gardener
Attorneys for Wells Fargo Bank, National Association, as Indenture Trustee

Approved as to Form and Content:

Dated: _____, 2012

SIDLEY AUSTIN LLP

By See attached signature
Jeffrey B. Bjork
Attorneys for Assured Guaranty Corp. and Assured Guaranty Municipal Corp.

Prepared by:

Dated: 9/21, 2012

K&L GATES LLP

By _____
Michael J. Gearin
Attorneys for the California Public Employees' Retirement System

Approved as to Form and Content:

Dated: September 21, 2012

ORRICK, HERRINGTON & SUTCLIFFE LLP

By _____
Marc A. Levinson
Attorneys for City of Stockton, Debtor

Approved as to Form and Content:

Dated: _____, 2012

WINSTON & STRAWN LLP

By _____
Lawrence A. Larose
Attorneys for National Public Finance Guarantee Corporation

Approved as to Form and Content:

Dated: September 24, 2012

JONES DAY

By _____
James O. Johnston
Attorneys for Franklin High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund

Approved as to Form and Content:

Dated: _____, 2012

MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO P.C.

By _____
Michael Gardener
Attorneys for Wells Fargo Bank, National Association, as Indenture Trustee

Approved as to Form and Content:

Dated: _____, 2012

SIDLEY AUSTIN LLP

By _____
Jeffrey E. Bjork
Attorneys for Assured Guaranty Corp. and Assured Guaranty Municipal Corp.

Prepared by:

Dated: 9/21, 2012

K&L GATES LLP

By _____
Michael J. Gearin
Attorneys for the California Public Employees' Retirement System

Approved as to Form and Content:

Dated: September 21, 2012

ORRICK, HERRINGTON & SUTCLIFFE LLP

By _____
Marc A. Levinson
Attorneys for City of Stockton, Debtor

Approved as to Form and Content:

Dated: _____, 2012

WINSTON & STRAWN LLP

By _____
Lawrence A. Larose
Attorneys for National Public Finance Guarantee Corporation

Approved as to Form and Content:

Dated: _____, 2012

JONES DAY

By _____
James O. Johnston
Attorneys for Franklin High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund

Approved as to Form and Content:

Dated: _____, 2012

MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO P.C.

By _____
Michael Gardener
Attorneys for Wells Fargo Bank, National Association, as Indenture Trustee

Approved as to Form and Content:

Dated: 9/24, 2012

SIDLEY AUSTIN LLP

By _____
Jeffrey E. Bjork
Attorneys for Assured Guaranty Corp. and Assured Guaranty Municipal Corp.

Prepared by:

Dated: 9/21, 2012

K&L GATES LLP

By _____
Michael J. Gearin
Attorneys for the California Public Employees' Retirement System

Approved as to Form and Content:

Dated: _____, 2012

ORRICK, HERRINGTON & SUTCLIFFE LLP

By _____
Marc A. Levinson
Attorneys for City of Stockton, Debtor

Approved as to Form and Content:

Dated: _____, 2012

WINSTON & STRAWN LLP

By _____
Lawrence A. Larose
Attorneys for National Public Finance Guarantee Corporation

Approved as to Form and Content:

Dated: _____, 2012

JONES DAY

By _____
James O. Johnston
Attorneys for Franklin High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund

Approved as to Form and Content:

Dated: 9/24, 2012

MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO P.C.

By _____
Michael Gardener
Attorneys for Wells Fargo Bank, National Association, as Indenture Trustee

Approved as to Form and Content:

Dated: _____, 2012

SIDLEY AUSTIN LLP

By _____
Jeffrey E. Bjork
Attorneys for Assured Guaranty Corp. and Assured Guaranty Municipal Corp.

Approved as to Form and Content:

Dated: 9/21, 2012

PARKINSON PHINNEY

By Thomas R Phinney
Thomas R. Phinney
Attorneys for Stockton Police Officers Association

Approved as to Form and Content:

Dated: _____, 2012

FELDERSTEIN FITZGERALD WILLOUGHBY & PAZCUZZI LLP

By See attached signature
Steven H. Felderstein
Attorneys for Association of Retired Employees of the City of Stockton

Approved as to Form and Content:

Dated: _____, 2012

JOHN T. HANSEN, ATTORNEY AT LAW

By See attached signature
John T. Hansen
Attorney Operating Engineers, Local 3, Stockton Professional Firefighters, Local 456 and Stockton City Employees Association

K:\203763\\00191\20919_MT\20010P22C5

Approved as to Form and Content:

Dated: _____, 2012

PARKINSON PHINNEY

By _____
Thomas R. Phinney
Attorneys for Stockton Police Officers Association

Approved as to Form and Content:

Dated: September 24, 2012

FELDERSTEIN FITZGERALD WILLOUGHBY & PAZCUZZI LLP

By _____
Steven H. Felderstein
Attorneys for Association of Retired Employees of the City of Stockton

Approved as to Form and Content:

Dated: _____, 2012

JOHN T. HANSEN, ATTORNEY AT LAW

By _____
John T. Hansen
Attorney Operating Engineers, Local 3, Stockton Professional Firefighters, Local 456 and Stockton City Employees Association

K:\2037631\00191\20919_MR\20919P22C6

Approved as to Form and Content:

Dated: _____, 2012

PARKINSON PHINNEY

By _____
Thomas R. Phinney
Attorneys for Stockton Police Officers Association

Approved as to Form and Content:

Dated: _____, 2012

FELDERSTEIN FITZGERALD WILLOUGHBY & PAZCUZZI LLP

By _____
Steven H. Felderstein
Attorneys for Association of Retired Employees of the City of Stockton

Approved as to Form and Content:

Dated: 09/21, 2012

JOHN T. HANSEN, ATTORNEY AT LAW

By _____
John T. Hansen
Attorney Operating Engineers, Local 3, Stockton Professional Firefighters, Local 456 and Stockton City Employees Association

K:\2037631\00191\20919_MR\20819P22C6