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NATIONAL PUBLIC FINANCE  
10 GUARANTEE CORPORATION

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

14 In re:  
15 CITY OF STOCKTON, CALIFORNIA,  
16 Debtor.

) Case No. 12-32118  
) D.C. No. OHS-1  
) Chapter 9

) **DECLARATION OF MATTHEW M. WALSH IN SUPPORT OF NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION'S MOTION *IN LIMINE* #2 TO EXCLUDE ANY EVIDENCE GENERATED POSTPETITION CONCERNING THE RATIONALE FOR THE CITY OF STOCKTON, CALIFORNIA'S DECISION NOT TO NEGOTIATE WITH OR TO SEEK TO IMPAIR THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIOR TO THE FILING OF THIS CHAPTER 9 PETITION**

) Date: March 20, 2013  
) Time: 9:30 a.m.  
) Dept: Courtroom 35  
) Judge: Hon. Christopher M. Klein

1 I, Matthew M. Walsh, declare as follows:

2 1. I am a partner with the firm of Winston & Strawn LLP, counsel to National Public  
3 Finance Guarantee Corporation (“National”). I make this declaration in support of National Public  
4 Finance Guarantee Corporation’s Motion *in Limine* #2 to Exclude Any Evidence Generated  
5 Postpetition Concerning the Rationale for the City of Stockton’s Decision Not to Negotiate with or  
6 to Seek to Impair the California Employees’ Retirement System Prior to the Filing of this Chapter 9  
7 Petition (the “Motion”). If called upon to do so, I could and would testify of my own personal  
8 knowledge to the facts set forth herein.

9 2. On March 11, 2013, I made a request to meet and confer with counsel for the City of  
10 Stockton (the “City”) regarding the Motion. On Tuesday, March 12, 2013, counsel for the City  
11 responded that such a meet and confer would likely not be productive at this time because the City  
12 had not reviewed the Motion. National is available and willing to meet and confer with the City  
13 subsequent to the filing of the Motion if the City believes that a mutually agreeable resolution can be  
14 reached.

15 3. Attached hereto as Exhibit A are true and correct excerpts from the transcript of the  
16 deposition of Teresia A. Haase taken on November 14, 2012.

17 4. Attached hereto as Exhibit B are true and correct excerpts from the transcript of the  
18 deposition of Laurie Montes taken on November 1, 2012.

19 5. Attached hereto as Exhibit C are true and correct excerpts from the transcript of the  
20 deposition of Ann Goodrich taken on November 6, 2012.

21 6. Attached hereto as Exhibit D are true and correct excerpts from the transcript of the  
22 deposition of Robert Deis taken on November 28, 2012.

23 7. Attached hereto as Exhibit E are true and correct excerpts from the transcript of the  
24 deposition of Eric Jones taken on November 7, 2012.

25 8. Attached hereto as Exhibit F is a true and correct copy of the Management Partners’  
26 Follow-Up Notes from August 8, 2012 Meeting with Ann Goodrich and Teresia Haase as well as  
27 SDT Meeting.

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9. Attached hereto as Exhibit G is a true and correct copy of an Email from Andy Belknap to Teresia Haase and Ann Goodrich, dated September 10, 2012, discussing an updated version of the CalPERS Business Case Outline.

10. Attached hereto as Exhibit H is a true and correct copy of a Memorandum to Governor Jerry Brown and other California state officials from City Manager Deis calling for state reform of pension laws, dated August 15, 2012.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed this 13th day of March 2013 at Los Angeles, California.

/s/ Matthew M. Walsh  
Matthew M. Walsh