

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 99-2829 AHM (CWx) Date May 20, 2005
Consolidated with CV 01-1339 AHM (CWx)

Title JOHN GARAMENDI v. ALTUS FINANCE S.A., et al.

Present: The Honorable A. HOWARD MATZ, U.S. DISTRICT JUDGE

Stephen Montes

Leslie King

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys **NOT** Present for Plaintiffs:

Attorneys **NOT** Present for Defendants:

Proceedings: (IN CHAMBERS)

The Court ORDERS Plaintiff John Garamendi and Defendant Francois Pinault, along with Peter Galanis (the President of NOLHGA), to attend a mediation in Federal Court on the following dates: June 3 and June 4, 2005. Each of the foregoing persons shall attend individually and failure to do so may result in a finding of contempt and sanctions.

The mediation will take place in the same window-less jury room in which the jury deliberated for three weeks following the almost nine week trial. The mediation will be conducted by Professor Eric Green, who has served as the party-elected and court-ordered mediator for many years. The Court will be available to participate in this last effort to assist the parties to resolve their differences.

Because of space limitations and for other reasons, Messrs. Garamendi and Pinault may be represented by or accompanied by not more than two lawyers and one aide. Mr. Pinault may, in addition, be joined by one interpreter. Mr. Galanis may be accompanied by one lawyer.

The Court invites California Attorney General William Lockyer and one lawyer representing him to attend the mediation and strongly encourages Mr. Lockyer to do so. At this procedural stage, the action Mr. Lockyer filed, which this Court dismissed, is on appeal, so the Court lacks jurisdiction to order him to attend. Nevertheless, for the reasons the Court stated at yesterday's hearing, the Court has concluded that only if the Attorney General cooperates with the Insurance Commissioner in pursuing a "global settlement" will those two elected officials be able to carry out their respective responsibilities to the citizens of California. There is a need to put an end to the spectacle of each of them competing with the other to recover money on behalf of

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California from what is now – given the settlements involving the CDR and Aurora parties – a considerably reduced “pot.”

The foregoing requirements will be vacated if on or before May 27, 2005 the parties notify the Court that they have achieved a settlement directly between themselves. Otherwise, they are mandatory (except as to Mr. Lockyer).

The Court intends to notify the jurors that they may be required to resume their responsibilities in the so-called “damages” phase. Any such phase will be limited to five days of evidence total – even if the Court permits the Commissioner to posit his theory of recovery on the notion that damages may be based on what the results would have been if he had awarded the winning bid to NOLHGA (had there not been a conspiracy).

The Court will not issue any ruling on the myriad of issues related to and arising out of the previous verdict until the exhaustion of all efforts to settle the case.

Initials of
Preparer

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