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7 *Income Fund and Franklin California High*
8 *Yield Municipal Fund*

9 **UNITED STATES BANKRUPTCY COURT**
10 **EASTERN DISTRICT OF CALIFORNIA**
11 **SACRAMENTO DIVISION**

12 In re:
13 CITY OF STOCKTON, CALIFORNIA,
14 Debtor.

Case No. 12-32118 (CMK)
D.C. No. OHS-15
Chapter 9
Adv. Proceeding No. 13-02315-C

16 WELLS FARGO BANK, NATIONAL
ASSOCIATION, FRANKLIN HIGH
17 YIELD TAX-FREE INCOME FUND,
AND FRANKLIN CALIFORNIA HIGH
18 YIELD MUNICIPAL FUND,

19 Plaintiffs.

20 v.

21 CITY OF STOCKTON, CALIFORNIA,
22 Defendant.

FRANKLIN HIGH YIELD TAX-FREE INCOME FUND AND FRANKLIN CALIFORNIA HIGH YIELD MUNICIPAL FUND'S EVIDENTIARY OBJECTIONS TO DIRECT TESTIMONY DECLARATION OF KIM NICHOLL IN SUPPORT OF CONFIRMATION OF FIRST AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF CITY OF STOCKTON CALIFORNIA

23 Date: May 12, 2014
24 Time: 9:30 a.m.
25 Dept: C, Courtroom 35
26 Judge: Hon. Christopher M. Klein

1 Franklin High Yield Tax-Free Income Fund and Franklin California High Yield Municipal
 2 Fund (collectively, “Franklin”) respectfully submit the following evidentiary objections to the
 3 *Direct Testimony Declaration Of Kim Nicholl In Support Of Confirmation Of First Amended Plan*
 4 *For The Adjustment Of Debts Of City Of Stockton, California (November 15, 2013)* [Docket
 5 No. 1379 / Adv. Pro. Docket No. 73].

PARAGRAPH OBJECTED TO	GROUNDS FOR OBJECTION
6 7 3. I have reviewed the Moore Report and 8 its accompanying exhibits. I also attended Mr. 9 Moore’s deposition on April 16, 2014. I 10 believe that the opinions, analysis, and 11 conclusions in the Moore Report contain 12 serious flaws. First, the Moore Report 13 contains multiple errors and assumptions that 14 suggest a lack of familiarity with how pension 15 plan contributions are calculated. Second, the 16 Moore Report’s comparison of Segal’s 17 projections with those of the California Public 18 Employees’ Retirement System (“CalPERS”) 19 fails to disclose or account for the reasoned 20 differences in assumptions between the two sets of projections, which readily explain the differences in final projections. Finally, while the Moore Report concludes that Stockton’s pension contributions are unsustainably high, it fails to offer any workable and less costly alternative to CalPERS that would allow Stockton to provide pension benefits to its current employees. These errors and omissions render the analyses and conclusions contained in the Moore Report suspect.	Franklin objects to the statements in this paragraph because Ms. Nicholl’s descriptions of Mr. Moore’s report are not the best evidence of that document. FED. R. EVID. 1002.

21 Dated: April 25, 2014

JONES DAY

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 23 By: /s/ Joshua D. Morse
 24 James O. Johnston
 25 Joshua D. Morse
 26 Charlotte S. Wasserstein

27 *Attorneys for Franklin High Yield Tax-Free*
Income Fund and Franklin California High
 28 *Yield Municipal Fund*