

1 SCHIFF HARDIN LLP
KAROL DENNISTON (Bar No. 141667)
2 Jeffrey D. Eaton (Bar No. 272717)
One Market, Spear Street Tower
3 Thirty-Second Floor
San Francisco, CA 94105
4 Tel: (415) 901-8700
Fax: (415) 901-8701

5 Attorneys for Ad Hoc Taxpayers Working Group
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8 UNITED STATES BANKRUPTCY COURT
9 EASTERN DISTRICT OF CALIFORNIA
10 SACRAMENTO DIVISION
11

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

Case No. 12-32118
Chapter Number: 9

**VERIFIED STATEMENT OF
SCHIFF HARDIN LLP PURSUANT
TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 2019**

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18 Schiff Hardin LLP (“Schiff Hardin”), as attorneys for certain parties-in-interest in the
19 Chapter 9 case of City of Stockton, California, (the “Debtor” or the “City”), makes the following
20 statement pursuant to Fed.R.Bankr.P. 2019.

21 1. Schiff Hardin represents the following parties-in-interest, each a member of the Ad
22 Hoc Taxpayers of Stockton Working Group (“Working Group”):¹
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25 ¹ The Working Group members are parties in interest in this case. The Ninth Circuit recently considered the breadth
26 of Section 1109(b)’s definition of “party in interest” and held that standing as a party in interest is coextensive with
27 Article III standing under the Constitution. In re Thorpe Insulation Co., 677 F.3d 869, 884 (9th Cir. 2012).
Specifically, taxpayers that will be affected by a tax increase proposed by the plan or that will primarily bear the
28 costs of the plan’s implementation—such as the Working Group members—are parties in interest in a Chapter 9 case.
See In re Mount Carbon Metropolitan District, No. 97-20215, 1999 WL 34995477, *5 (Bankr. D. Colo., July 20,
1999); Ault v. Emblem Corp. (In re Wolf Creek Valley Metropolitan District No. IV), 138 B.R. 610 (D. Colo. 1992).

1 a. James DiSerio has an address at 1746 Grand Canal Boulevard, #14B,
2 Stockton, CA 95207. Mr. DiSerio has a disclosable economic interest in the above-captioned
3 case insofar as he is a resident and taxpayer of the City.

4 b. Robert French has an address at 1308 West Robinhood Drive, Suite 14,
5 Stockton, CA 95207. Mr. French has a disclosable economic interest in the above-captioned case
6 insofar as he is a resident and taxpayer of the City.

7 c. Dale Fritchen has an address at 2243 Stern Place, Stockton, CA 95206.
8 Mr. Fritchen has a disclosable economic interest in the above-captioned case insofar as he is a
9 resident and taxpayer of the City.

10 d. David Renison has an address at 1225 Hartwell Avenue, Stockton, CA
11 95209. Mr. Renison has a disclosable economic interest in the above-captioned case insofar as he
12 is a resident and taxpayer of the City.

13 e. Larry M. Solari has an address at 501 West Weber, Suite 500, Stockton,
14 CA 95203. Mr. Solari has a disclosable economic interest in the above-captioned case insofar as
15 he is a resident and taxpayer of the City.

16 2. Schiff Hardin has been retained to represent the Working Group relating to the
17 above-captioned case.

18 3. Since the City was found to be an eligible Debtor, Schiff Hardin has received
19 inquiries from Stockton taxpayers regarding the plan process. The taxpayers reached out to the
20 community. An initial meeting held on June 5, 2013 was attended by seven taxpayers. In
21 response Schiff Hardin suggested that a Working Group be formed and that interested taxpayers
22 reach out to other City taxpayers who would be interested in participating in a Working Group, if
23 formed.

24 4. The Working Group has identified three objectives: (1) analyze and review on
25 behalf of taxpayers the proposed tax increase that the Working Group is advised constitutes part
26 of the Debtor's anticipated plan of adjustment. The Working Group's analysis and review will
27 include considering whether the tax increase is appropriate and will provide Stockton with a
28 sufficient number of public safety officers; (2) work with the Debtor and creditors to ensure the

1 Debtor's proposed plan provides the taxpaying residents a sufficient and reasonably acceptable
2 level of health, safety and welfare services; and (3) that any plan presented is feasible in terms of
3 providing an appropriate level of services to taxpayers and fiscally sustainable for the reasonably
4 foreseeable future.

5 5. Schiff Hardin has fully advised the Members with respect to this concurrent
6 representation. The Members have (a) consented to such representation and (b) requested that
7 Schiff Hardin represent them in this case.

8 6. Contemporaneously with the filing of this Verified Statement, Schiff Hardin, on
9 behalf of the Working Group, is making a formal written request to the Office of the United
10 States Trustee to appoint an official taxpayer's committee pursuant to 11 U.S.C. § 1102. A copy
11 of the written Request is attached as Exhibit A.

12 7. Upon information and belief, neither Schiff nor the undersigned attorney, owns or
13 has ever owned any claim against the Debtor in the above-captioned case, or any equity securities
14 of the Debtor.

15 8. All of the information contained herein, including the nature, amount and time of
16 acquisition of each disclosable interest listed herein, is intended only to comply with
17 Fed.R.Bankr.P. 2019 and is not intended for any other use or purpose. Each party-in-interest
18 listed herein reserves its right to supplement or amend the information contained herein, to assert
19 additional or different claims, and to assert that the amount of its claim is higher or lower than is
20 stated herein at any point in these proceedings.

21 I, Karol K. Denniston, declare under penalty of perjury that I have read the foregoing
22 statement and to the best of my knowledge, information and belief it is true and correct.

23 Dated: June 28, 2013

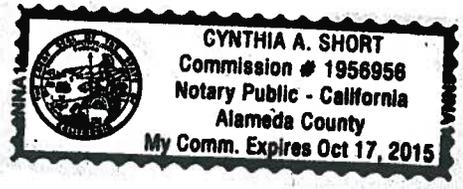
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25 Karol K. Denniston (141667)
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27 Thirty-Second Floor
28 San Francisco, CA 94105
Tel: (415) 901-8700
Fax: (415) 901-8701

1 State of California)
2 County of San Francisco) ss:

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4 Subscribed to and sworn to (or affirmed) before me on this 28th day of June, 2013, by
5 Karol K. Denniston, proved to me on the basis of satisfactory evidence to be the person who
6 appeared before me.

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8 Cynthia A. Short
9 Cynthia A. Short

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