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MEETING

STATE LANDS COMMISSION

STATE CAPITOL

Room 6031

Sacramento, California

THURSDAY AND FRIDAY, JUNE 26 and 27, 1975

10:00 A.M. and 11:30 A.M.

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THURSDAY, JUNE 26, 1975

MEMBERS PRESENT

Mr. Kenneth Cory, State Controller, Chairman

Mr. Roy M. Bell, Director of Finance, Commissioner

MEMBERS ABSENT

Mr. Mervyn M. Dymally, Lieutenant Governor, Commissioner

STAFF PRESENT

R. S. Golden, Assistant Executive Officer, State Lands Commission.

Robert G. Hight, Staff Counsel.

ALSO PRESENT

Iver E. Skjeie, Assistant Attorney General.

N. Gregory Taylor, Deputy Attorney General.

1 FRIDAY, JUNE 27, 1975

2 MEMBERS PRESENT

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4 Mr. Kenneth Cory, State Controller, Chairman
5 Mr. Mervyn M. Dymally, Lieutenant Governor, Commissioner
6 Mr. Roy M. Bell, Director of Finance, Commissioner

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8 MEMBERS ABSENT

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10 None

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12 STAFF PRESENT

13 William F. Northrop, Executive Officer, State Lands Commission.
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16 Robert C. Hight, Staff Counsel.

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18 ALSO PRESENT

19 N. Gregory Taylor, Deputy Attorney General.
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P R O C E E D I N G S

THURSDAY, JUNE 26, 1975, 10:00 A.M.

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CHAIRMAN CORY: Call the meeting to order.

The secretary will note that the Director Of Finance, Mr. Bell, is present, constituting a quorum, and there have been some recent developments.

We have a request -- Mr. Skjeie, who requested just a moment ago that he make a statement to the Commission. In view of some other developments, the Commission thinks it will be necessary to postpone action at this time and we will recess this meeting until 11:30 tomorrow morning at this room and at that time we will be glad to discuss anything, or in the intervening time, on the Attorney-Client relationship.

We would be glad to discuss anything with Mr. Skjeie.

MR. SKJEIE: Thank you very much, Mr. Cory. We will of course, in light of that action, withhold. Thank you.

MR. TAYLOR: We want to express our appreciation.

CHAIRMAN CORY: At this time, we stand in recess until 11:30 tomorrow.

(Thereupon the Commission adjourned until Friday, June 27.)

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P R O C E E D I N G S

FRIDAY, JUNE 27, 1975, 11:30 A.M.

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CHAIRMAN CORY: Call the meeting to order.

The secretary will please note that Governor Dymally is here and Mr. Bell. The only item that we have on the agenda is the question of possible litigation and research of litigation with respect to the Long Beach Tideland Contractors. Does any member of the Commission wish to comment, or make a motion?

We have had some interviews which most of the commissioners attended and if not their staff was there, in terms of personnel matters on the subject, and we have had meetings with both the Attorney General people and representatives of the City of Long Beach on the subject.

COMMISSIONER BELL: I have now read the calendar.

CHAIRMAN CORY: Yes, Governor Dymally.

COMMISSIONER DYMALLY: Mr. Chairman, I have a motion. We have before us a document which reads: "It is recommended that the Commission approve..." and I want to amend that to read that: "It is recommended that the Commission approve the Attorney General and the City of Long Beach employment of the law firm of..." and so on, and so on, and ad infinitum.

CHAIRMAN CORY: You want to amend it to make it a joint responsibility --

COMMISSIONER DYMALLY: Yes.

1 CHAIRMAN CORY: -- of the Attorney General and the
2 City of Long Beach. Is there a second to the motion?

3 (No response) Hearing none, it dies for a lack of a second.

4 COMMISSIONER DYMALLY: We have another -- another
5 motion.

6 CHAIRMAN CORY: Um-hmm.

7 COMMISSIONER DYMALLY: The original text of the
8 language before us, and at the end of "Commission" comma,
9 "...in conjunction with the Attorney General..."

10 COMMISSIONER BELL: At the end of "Commission..."

11 CHAIRMAN CORY: That's at the very end.

12 COMMISSIONER DYMALLY: At the end.

13 COMMISSIONER BELL: Oh, I see. Right at the end.

14 "On behalf of the Commission," comma, "in conjunction with..."

15 COMMISSIONER DYMALLY: Yes.

16 COMMISSIONER BELL: "...in conjunction with..."

17 COMMISSIONER DYMALLY: "...with the Attorney
18 General..."

19 COMMISSIONER BELL: I'm not so sure what that means.

20 COMMISSIONER DYMALLY: That first one was the A.G.
21 is the lead counsel, and in this one, the A.G. works with the
22 law firm of Blecher, Collins, as a co-counsellor.

23 CHAIRMAN CORY: Would you, uh --

24 COMMISSIONER BELL: With the law firm being the lead
25 counsel?

1 CHAIRMAN CORY: Well, rather than getting
 2 into that question, would you -- would it accomplish suffi-
 3 ciently towards the direction you wish to go Governor, if
 4 that -- if we added to that, instead of that language, lan-
 5 guage that said; instead of: "in conjunction with..." make
 6 reference to -- that they should coordinate their activities
 7 or meet and confer with respect to their mutual thinking?
 8 I think that's --

9 COMMISSIONER DYMALLY: That's the sense of my
 10 language.

11 CHAIRMAN CORY: I think that would accomplish, uh--

12 COMMISSIONER DYMALLY: In cooperation with, or work
 13 with.

14 COMMISSIONER BELL: On behalf of the Commission.

15 CHAIRMAN CORY: So that they don't step on each
 16 others' toes as they are pursuing our mutual interest.

17 COMMISSIONER BELL: That wouldn't be a bad idea.

18 CHAIRMAN CORY: Is that what we are driving at?

19 COMMISSIONER DYMALLY: That's the sense of my
 20 language.

21 COMMISSIONER BELL: And to cooperate with --

22 CHAIRMAN CORY: Yes.

23 COMMISSIONER DYMALLY: Can we -- also, can we put
 24 that in some language?

25 MR. HIGHT: Yes.

1 CHAIRMAN CORY: In cooperation with --

2 COMMISSIONER BELL: In cooperation with the
3 Attorney General.

4 (Thereupon a brief discussion was held off the record)

5 COMMISSIONER DYMALLY: I'd like counsel to read
6 that language before we --

7 MR. HIGHT: Yes.

8 CHAIRMAN CORY: Be sure you wordsmiths know what
9 you are putting in there now.

10 MR. HIGHT: If we add at the end: " It is recom-
11 mended that the Commission approve the City of Long Beach
12 employment of the law firm of Blecher, Collins, and Hoecher
13 to take all steps necessary, including litigation, to recover
14 damages arising from the actions of the City of Long Beach
15 Tideland Contractors and authorize the City of Long Beach to
16 file on behalf of the Commission and to confer with the Office
17 of the Attorney General and seek their support and participa-
18 tion in any suit filed."

19 COMMISSIONER DYMALLY: Okay.

20 COMMISSIONER BELL: I would second that motion,
21 Governor, if --

22 CHAIRMAN CORY: We have a motion to second. Any
23 questions?

24 MR. TAYLOR: Mr. Chairman, may I make a statement
25 for the Office of the Attorney General: We look forward to

1 continuing discussions with you with regard to this matter.
 2 All members of this State are very interested in this entire
 3 area as being one of prime concern. The people of the State
 4 of California and all members of the current State Administra-
 5 tion have contributed to -- significantly to bringing this
 6 situation about.

7 We have indicated to the City and to you that we
 8 are very interested in working with you to make sure that
 9 there's no misunderstandings in this entire area and in that
 10 connection, I have been authorized to speak for the Office to
 11 say that we hope to work this entire matter out and we appre-
 12 ciate the language that's been inserted in this matter and
 13 the support that has been given by the Commission in the law
 14 suit which was previously filed. Thank you very much.

15 CHAIRMAN CORY: Question:(directed to the staff)
 16 If this gets passed, does the Commission have any involvement
 17 in the setting of the parameters of the financial -- the final
 18 financial arrangements with the City of Long Beach?

19 MR. NORTHROP: Yes, sir, we do. Those parameters
 20 will be worked out with the City of Long Beach.

21 COMMISSIONER BELL: So it's not necessary to add
 22 anything to this motion?

23 MR. NORTHROP: I think it's implicit within the motion
 24 and Long Beach is aware of that -- is working out the financial
 25 arrangements. The staff is working staff-to-staff on that.

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CHAIRMAN CORY: Okay. Ready to vote?

MR. NORTHROP: There's one question I might ask:
it's -- I would like for the record -- the staff would like
to be sure the Commission's intent is that the firm of Blecher,
Collins, and Hoecher is to be lead counsel in this suit, or is
that of concern to the staff?

CHAIRMAN CORY: I think, you know, the trustee, the
attorneys, whether this be a separate suit or the same suit,
I don't know that we're in a position to really make that. I
think the attorneys are the best ones if we are going to hire
them to do that.

We have authorized them if they want to -- I think
if they have to file it, if it's the same action, if it's a
different action, however that works out then they can make
those determinations and maximize the State's option as long
as they convey that message to Long Beach in the contract, if
they clearly understand that the State's interest, vis-a-vis
perpetrators of evil in our society, must be preserved and
that is the enemy and, you know, whether it's in the same
action, separate action, however they wish to proceed, we can
resolve that as long as they keep -- all sides keep communi-
cating, and I'm sure on that understanding that, even if it's
separate, they may be combined later or they may be combined
jointly. I don't know that, and I'm not sure that the three
of us should try to make those decisions. As long as it's

1 clearly understood.

2 COMMISSIONER BELL: That's fine with me.

3 CHAIRMAN CORY: Ready to vote? All those in favor
4 signify by saying aye.

5 COMMISSIONER DYMALLY: Aye.

6 COMMISSIONER BELL: Aye.

7 CHAIRMAN CORY: Opposed? (No response)

8 The motion is passed unanimously. Any further items to come
9 before the Commission?

10 MR. NORTHROP: No, sir.

11 CHAIRMAN CORY: We stand adjourned.

12 (Thereupon the Commission adjourned.)

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1 State of California)
2 County of Sacramento) ss.

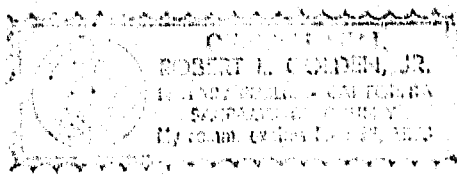
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4 I, ROBERT L. GOLDEN, JR., a Notary Public in and
5 for the County of Sacramento, State of California, duly
6 appointed and commissioned to administer oaths, do hereby
7 certify:

8 That I am a disinterested person herein; that
9 the foregoing State Lands Commission Meeting was reported
10 in shorthand by me, Robert L. Golden, Jr., a Shorthand
11 Reporter of the State of California, and thereafter trans-
12 cribed into typewriting.

13 I further certify that I am not of counsel or
14 attorney for any of the parties to said meeting, nor in any
15 way interested in the outcome of said meeting.

16 IN WITNESS WHEREOF, I have hereunto set me hand
17 and affixed my seal of office this 30th day of June,
18 1975.

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Robert L. Golden, Jr.
Robert L. Golden, Jr.
Notary Public in and for the County
of Sacramento, State of California