

## I. Civil Lawsuits Brought by the Sign Industry

During the past decade, the City Attorney's Office has defended against an unprecedented number of civil lawsuits brought by members of the billboard industry. This relentless barrage of litigation is consistent with the billboard industry business model nationwide, but intensified in Los Angeles due to our importance to the advertising marketplace. Today, the City Attorney's Office is defending against more than 20 of these lawsuits.

These lawsuits attack the legal viability of the City's sign laws and regulations. Typically, the plaintiffs in these cases employ aggressive litigation tactics geared primarily toward maintaining the greatest number of illegal signs for as long as possible. However, in most instances, the plaintiffs in these cases additionally seek significant monetary damages against the City. If the City is unsuccessful at defending against these claims, the City's aggregate exposure could exceed \$100 million (over 200 supergraphic signs are at issue, not counting numerous other types of signs such as traditional billboards). The City Attorney's Office continues to aggressively defend against these cases and, where feasible, we bring counter claims for damages against the plaintiffs.

Two recent examples of litigation brought by members of the sign industry include World Wide Rush and LA Outdoor.

During the past two years, World Wide Rush has maintained multiple lawsuits against the City. In February of this year, the Criminal Branch of the City Attorney's Office filed an enforcement action against World Wide Rush and others based on their violation of the City's ICOs and the August 2009 off-site sign ban. World Wide Rush quickly responded by filing a Motion with Federal District Court Judge Audrey Collins seeking draconian monetary penalties and to hold the City, the Mayor, each City Council member, and the City Attorney in both civil and criminal contempt of the Court's previous Orders. This Office worked tirelessly to oppose World Wide Rush's motion. On March 30, 2010, Judge Collins denied the motion in its entirety. In doing so, Judge Collins noted that "the Court believes the City is trading carefully in pursuing the state civil action without running afoul of this Court's orders and will continue to do so."

Most recently, on March 29, 2010, LA Outdoor and others filed a completely new federal action challenging the August 2009 ban and the City Attorney's Office recent stepped-up enforcement efforts. Late last week, the case was transferred to Judge Collins, who denied plaintiffs' requests for a temporary restraining order and for an order to show cause why a preliminary injunction should not issue against the City. We aggressively fought the plaintiffs' motion and, while we are pleased with the Judge's response, this case, like many of the other pending cases, is not over. We will continue to aggressively defend the City and its 2009 off-site sign ban and, in so doing, seek to prevent the imposition of monetary damages.

Date: 4/5/10  
Submitted in B+F Committee *by City Attorney*  
Council File No: 10-0529  
Item No. 9  
Deputy: J. Brautwate

## **II. Criminal Branch Prosecutions**

In addition to the civil cases mentioned above, our Criminal Branch is handling, among other things, the following:

- \* 10 pending criminal prosecutions involving illegal supergraphics and billboards.
- \* 2 pending civil enforcement (17200, Nuisance, Outdoor Advertising Act) actions involving a total of 13 supergraphic locations.
- \* 20 cease and desist letters issued to sign locations, with the need to confirm removal and possible prosecution.
- \* Over a dozen active criminal/civil enforcement investigations involving approximately 25 supergraphic locations.
- \* Numerous preliminary investigations involving illegal wall signs, illegal unhitched trailer signs, illegal mobile signs and illegal freeway adjacent billboards (in coordination with Caltrans).
- \* In the event 9<sup>th</sup> Circuit Court of Appeal in the World Wide Rush matter decides in the City's favor, we will be prepared to initiate immediate enforcement actions against approximately 100 supergraphic locations.

## **III. Request for Funds**

As such, in order to support these enforcement efforts over the next 6-12 months, we would need, at a minimum, the following resources:

- \* 2-4 experienced investigators
- \* 1 paralegal
- \* 1 financial analyst with, if possible, experience in the outdoor advertising industry.

The following represent cost estimates of April 10, 2010 through the end of the fiscal year in order to assist the City Attorney in investigating, preparing and defending cases.

These estimates also represent the same level of service continued during the fiscal year period (2010-11 FY).

	<b>FY 09-10</b>	<b>FY 10-11</b>
(1) Paralegal I	15,077.54	65,792.88
(1) Financial Manager	24,953.78	108,889.20
Investigators (4 @ \$65/hour, 174 hrs per month)	120,655.00	542,880.00
Mileage (\$.050/mile, 750 mi per week)	18,000.00	78,000.00
	<hr/>	
<b>TOTAL</b>	<b>178,686.32</b>	<b>795,562.08</b>