



**MICHAEL N. FEUER**  
CITY ATTORNEY

**REPORT NO. R20 - 0244**  
AUGUST 20, 2020

REPORT RE:

**CONFLICT WAIVER FOR  
NIXON PEABODY, LLP**

The Honorable City Council  
of the City of Los Angeles  
200 North Spring Street  
City Hall, Room 395  
Los Angeles, California 90012

Honorable Members:

This Office recommends that the City Council approve the conflict waiver request made by the law firm of Nixon Peabody, LLP in connection with its representation of R4 Capital LLC.

Background

Nixon Peabody, LLP (“Nixon” or “the Firm”) has a number of contracts with the City acting as outside counsel on matters primarily related to municipal finance and bond issuances. By letter dated July 22, 2020, the Firm notified the City Attorney of a desire to represent R4 Capital LLC and/or its affiliates (collectively, “R4”) as purchaser’s counsel with respect to the Reseda Theater project (the “Transaction”), with the understanding that Los Angeles Housing and Community Investment Department (“LAHCID”) is the seller in the Transaction.

The California Rules of Professional Conduct generally impose upon an attorney the duty to exercise independent professional judgment solely for the benefit of his or her client, free of compromising influences or loyalties. Rule 3-310 provides in pertinent part:

- (C) A member [of the Bar] shall not, without the informed written consent of each client:
  - (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
  - (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or
  - (3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

Nixon has stated that it does not believe there is any material risk that the Firm's commitment and dedication to the City's interests will be adversely affected by its representation of R4 in this Transaction, and that the Firm will be able to continue to provide competent and diligent representation to the City in the matters on which it is engaged. The Firm also agrees that any privileged, sensitive, proprietary, or other confidential information of a nonpublic nature acquired by it as a result of its representation of the City will not be transmitted to R4. In addition, an appropriate "screen" will be instituted by the Firm between attorneys representing R4 in the Transaction and attorneys who regularly represent the City on bond deals, in order to prevent the transmission of such information.

This Office has considered the facts and representations of caution and, in light of both, is assured the City will not be compromised by Nixon's representation of R4 in the Transaction. We therefore recommend waiver by this Council.

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Recommendation

This Office respectfully requests that the City Council:

1. Waive the conflict caused by Nixon Peabody's representation of R4 in the Transaction and authorize the City Attorney to execute a waiver to that effect.

If you have any questions regarding this matter, please contact the undersigned at (213) 978-8100. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By *Anne Haley*  
ANNE HALEY  
Assistant City Attorney