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## Lafayette Civic News

### Public Meetings

#### City Council

Monday, January 23, 7:00 pm  
Lafayette Library & Learning Center,  
Community Hall, 3491 Mt. Diablo Blvd

#### Planning Commission

Monday, January 30, 7:00 pm  
Lafayette Library & Learning Center,  
Community Hall, 3491 Mt. Diablo Blvd

#### Design Review

Monday, January 23, 7:00 pm  
Lafayette Library & Learning Center  
in the Arts & Science Discovery  
Center at 3491 Mt. Diablo Blvd.

#### School Board Meetings

##### Acalanes Union High School District

Monday, January 23, 6:00 pm  
Special Governing Board Meeting  
Next reg. meeting Wed. Feb. 1, 7:30 pm  
Board Room AUHSD Office  
1212 Pleasant Hill Rd, Lafayette  
www.acalanes.k12.ca.us

##### Lafayette School District

Wednesday, February 8, 7:00 pm  
LAFSD Office  
3477 School Street, Lafayette  
www.lafsd.k12.ca.us

Check online for agendas, meeting notes and announcements

**City of Lafayette:**  
www.ci.lafayette.ca.us

**Chamber of Commerce:**  
www.lafayettechamber.org

## Transition for the Lafayette Redevelopment Agency

By Cathy Tyson

In limbo no more. The Lafayette City Council was waiting to see what the bottom line on the possible dissolution of the city's Redevelopment Agency would be for some time now. In late June of 2011, Assembly Bill 1 X 26 was signed into law by Governor Jerry Brown. Just a few weeks ago, in late December of 2011, the California Supreme Court upheld the validity of the new law.

With a deadline of Friday, January 13, the Council was forced to make a quick decision on who will handle the wind down of the Redevelopment Agency (RDA) – either han-

dling it themselves or opting out of the role and allowing the County to manage it. Neither Orinda nor Moraga has a Redevelopment Agency.

City Attorney Mala Subramanian spelled it out in a detailed staff report. "The successor agency is the community that created the redevelopment agency, unless the community expressly elects not to serve as the successor agency by passing a resolution making such election and filing a copy of this resolution with the county auditor controller no later than January 13, 2012."

Responsibilities of the successor

agency include continuing to make payments on enforceable obligations made by the RDA—those obligations include the Mercantile Building and the Lafayette Library and Learning Center—along with several administrative requirements associated with winding down the affairs of the agency. Actions taken by the successor agency will be reviewed and approved by an oversight board.

"It's pretty clear to me that we should become the successor agency," said Council Member Don Tatzin, explaining that the move would help retain local control.

Council Member Mike Anderson agreed, "Everyone should be made whole – eventually."

"We appreciate your predicament," said Steve Cortese, developer of the Lafayette Mercantile Building. "From our side of the fence we'd rather work with you than someone else. We'd love to see the City step in."

Library representatives met earlier in the day and also voiced their support of the decision. With a unanimous vote, the City Council approved becoming the successor agency.

## Hundreds of Millions at Stake in Securities Fraud Lawsuit

... continued from page A1

Funds raised from Mortgage Fund '08 investors were loaned to R.E. Loans in order to pay distributions and other expenses of R.E. Loans," writes Nance Becker, of Chavez & Gertler, LLP, one of the attorneys for the plaintiffs in the class action complaint.

The lawsuit claims that R.E. Loans promised investors returns of between 7.5% and 12.5% annually. More than \$700 million was raised by early 2007. However, in the following months operating capital was paid out to close friends and family members, and by the summer of 2007 R.E. Loans faced a liquidity crisis. To prop up funding of RE Loans, a \$50 million dollar line

of credit was arranged from Wells Fargo. Plaintiffs allege that, "within days after securing the Wells Fargo Line of Credit, the Company's management drew down over \$43 million...and paid out nearly \$25 million of that amount in additional preferential distributions to themselves, family members and business associates."

News of the investment opportunity that had in years past made money, spread via word of mouth to many in the community, especially those who were nearing retirement – enticed by the reassurances that their money was safe and secure. "It's quite tragic," said Becker.

The outlook for investors went from bad to worse with Walter Ng, Kelly Ng and Barney Ng along with Bruce Horwitz, R.E. Loans, Mortgage Fund '08 and B-4 Partners filing for bankruptcy in the months following the filing of the class action suit.

To add another wrinkle to the matter, attorneys for R.E. Loans filed a motion to have their case heard in Texas Bankruptcy Court. Jeff Krause, attorney with Stutman, Treister & Glatt, representing R.E. Loans, had no comment.

Attorney Becker has filed a motion asking the Court to consolidate her clients' claims with another similarly situated class action

group. "Everything else is currently on hold until some of the bankruptcy proceedings move forward," she said. Becker believes that Texas is not the proper venue since most of the defendants, as well as the investors and the properties that secured the loans, are in California.

"We believe they targeted a group of susceptible clients," said Becker. She explained their firm's strategy is to look for relief from Wells Fargo and Greenberg Traurig, stating, "You're allowed to develop creative solutions to help your clients, but not to knowingly mislead third parties."

The former office of R.E. Loans and Mortgage Fund '08 at 201 Lafayette Circle is dark – with only boxes of documents visible through the tinted windows. A small sign taped to the locked door re-directs clients to an office building on Camino Diablo, home to Bailey, Elizondo, Brinkman. Bill Brinkman is the Responsible Individual who was retained by Mortgage Fund '08 to provide restructuring advice and to manage the company after an involuntary bankruptcy case was filed against it on September 12, 2011. "We are attempting to make the best of a bad situation, and we hope to return money to the note holders as quickly as possible," said Brinkman.



### Police Report

Car in "recovery", 12/29/2011 Someone finally figured it out. A property manager filed a police report about a vehicle that had been "parked" on Carol Lane for several months. Police found it was stolen from Concord last August. The owner gets a year end "gift" – a new car (his old one).

Who's on first? 12/27/2011 Two cars collided along Deer Hill Road. The accident was deemed a "failure to yield." One person injured a wrist but declined medical help.

Chair-man of the Board (-ed up building), 12/26/2011 Chairs, hand tools and "various items not yet listed" were taken after a forced entry/burglary of a vacant commercial building on Mt. Diablo Blvd.

Macho men, 1/2/2012 Thieves recently cut a lock and stole heavy construction equipment (emphasis on the "heavy") from a Mount Diablo Blvd location, taking a pump, jumper jacks, a generator, tow jack hammers and drill traffic signs. They probably chucked the lot into the bed of the Ford F450 truck, which they also stole.

Seeing red, 1/7/2012 One driver became an unwilling witness to a smash and grab on her own car parked ever so temporarily along Happy Valley Road. A red car pulled alongside the victim's parking space, and was gone an instant later. Gone, too, was the victim's purse, wallet and Ipod. In its place was a smashed window. Damages estimated at \$350; with \$525 in missing goods.



## City of Lafayette Current Volunteer Vacancies

- Bicycle Pedestrian Advisory Committee
- Circulation Commission
- Community Center Foundation
- Design Review Commission
- Downtown Street Improvement Implementation Committee (DSIMPIC)
- Environmental Strategies Task Force
- Senior Services Commission

Individuals interested in these volunteer positions may obtain an application from the City's website at [www.ci.lafayette.ca.us](http://www.ci.lafayette.ca.us) or in person at:

City of Lafayette Offices, 3675 Mt. Diablo Blvd., Suite 210, Lafayette, CA  
Positions open until filled.

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