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May 21, 2007

REPORT TO THE HONORABLE  
MAYOR AND CITY COUNCIL

BENEFITS TO THE CITY OF SAN DIEGO FROM THE SETTLEMENT OF THE CLASS  
ACTION LAWSUIT *CITY AND COUNTY OF SAN FRANCISCO ET AL v MICROSOFT CORP*  
(USDC FOR THE DISTRICT OF MARYLAND CASE NO. 04-CV-03705, MDL NO. 1332)

### **INTRODUCTION**

A class action lawsuit instituted by the City and County of San Francisco along with other California public entities brought on behalf of all California public entities has resulted in a significant settlement. The City of San Diego as a class member is entitled to share in the settlement benefits. The lawsuit against Microsoft Corp. alleged antitrust and unfair competition violations related to the sale of Microsoft software to California public entities.

### **SETTLEMENT BENEFITS**

The City of San Diego and other San Diego City sub-entities are entitled to receive a total of \$423,487.11 in settlement benefits. The settlement benefits are distributed to the City and its sub-entities as follows:

City of San Diego - \$421,945

Redevelopment Agency of the City of San Diego - \$1,030.08

San Diego Open Space Facilities District No. 1 - \$319.76

San Diego Redevelopment Financing Authority - \$187.27

San Diego Facilities and Equipment Leasing Corp. - \$5.00<sup>1</sup>

To receive settlement benefits, the public entity must first purchase qualifying computer products, then submit proof of the purchase to the Settlement Administrator (a court appointed

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<sup>1</sup> The settlement provides that a government entity may make a one time transfer of its Settlement Benefits to other Members of the Settlement Class, therefore, the City sub-entities could designate the City to use their specified settlement and the Redevelopment sub-entity could designate the Redevelopment Agency to use its specified settlement.

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administrator of the settlement fund) who will reimburse the public entity 100% of the purchase price up to the total of the settlement proceeds to which the entity is entitled. Purchases qualifying for reimbursement are essentially any computer hardware or software by any manufacturer. Purchases can be made at one time or over a series of purchases at anytime up to April 13, 2012. Specific information from the Settlement Administrator on how to redeem the settlement benefits will be provided to City CFO Jay Goldstone to facilitate the City's use of the benefits.

Respectfully submitted,

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