



City Of San Diego
COUNCIL PRESIDENT PRO TEM JIM MADAFFER
DISTRICT SEVEN

MEMORANDUM

M-08-08-02 Please refer to this number when responding to this memo
DATE: August 26, 2008
TO: SEDC Board of Directors
FROM: Council President Pro Tem Jim Madaffer
SUBJECT: SEDC Appointments and Contractual Agreements

A handwritten signature in black ink that reads "Jim Madaffer".

After reviewing the memo to you from Jay Goldstone, I felt it appropriate to be more direct with my perspective on things related to SEDC.

As you know the City Council acts as the sole shareholder body of SEDC and by virtue of that is the member of interest and governs who serves on the Board of Directors. Under California Corporation law, the City Council controls your by-laws and holds the sole power to appoint and remove Board members. Given the impending changes to the Board I am asking that you trail all current business before the Board of Directors, including any and all hiring, appointments and other contractual agreements that are not required due to the essence of time.

You are well aware that replacement directors for the corporation have been docketed for approval by the City Council next week and if it were not for the current City Council recess, these replacement appointments would have already taken place.

I want to take this opportunity as a member of the shareholder body your corporation serves, to put you on notice as a fiduciary to the corporation that any steps that you may take prior to new Board appointments that would bind or otherwise cause expense to the corporation that might later be determined to be detrimental to the organization could be assessed to you personally. And, that I will consider pursuing actions against you for any actions that you are obviously aware should be left to the next Board of Directors.

CC: Mayor Jerry Sanders
Honorable Councilmembers / Redevelopment Agency Board
Jay Goldstone COO
Mary Lewis CFO

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CC: Edwardo Luna, City Auditor
Andrea Tevlin, Independent Budget Analyst
Greg Levin, Comptroller
Janice Weinrick, Redevelopment Agency
Rolando Charvel, Principal Accountant

JM/dm