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For Immediate Release:

COURT OF APPEAL ALLOWS HIGH-SPEED RAIL TO VIOLATE BOND MEASURE

The Third District Court of Appeal late yesterday overturned two trial rulings that had hamstrung California's still-embattled High-Speed Rail project. The Court ruled that "The Legislature appropriated the bond proceeds based on the preliminary funding plan, however deficient, and there is no present duty to redo the plan."

Plaintiff's lead counsel, Michael Brady, was disappointed with the ruling. He said "The voters approved Proposition 1A only because it included stringent requirements to protect the state from financial risk. The Court ruled that although the project did not meet the requirements, taxpayers have no remedy now. They can only sue after many more tens of millions of dollars are spent on design and analysis."

Stuart Flashman, co-counsel added, "The court has essentially allowed the Authority to ignore promises it, and the legislature, made to California's voters. It bodes ill for voters' willingness to trust such promises in the future. Supreme Court review appears warranted."

In November 2013, Judge Michael Kenny ruled that the High-Speed Rail Authority's Funding Plan failed to properly certify, as the bond measure required, that all needed environmental clearances had been obtained and sufficient funding was available to complete the Merced to San Fernando Valley segment of the project.

The *Tos v. California High-Speed Rail Authority* case was brought by a farmer, a rural homeowner and Kings County. It asked the Court to block the Authority from using bond funds because the project failed to meet the ballot measure's requirements.

In addition, the appeals court reversed Kenny's ruling that blocked the issuance of bonds because of another failure to satisfy bond measure requirements. In *California High-Speed Rail Authority et al. v. All Persons Interested etc.*, the appellate court held that no evidence was needed to show that it was "necessary or desirable" to issue the bonds – effectively erasing that provision from the ballot measure.

See transdef.org for access documents from the two cases. Three other claims in the *Tos* case are still pending in the trial court.