

United Fabrics International Inc v. Forever 21 Inc et al

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

10	United Fabrics International, )	CASE NO. CV 07-800-GPS(SSx)
11	Inc., a California )	
11	corporation, )	Referred for settlement proceedings to
12	Plaintiff, )	Magistrate Judge Suzanne H. Segal
13	v. )	ORDER RE SETTLEMENT CONFERENCE
14	Forever 21 Inc )	DATE: September 10, 2007
15	a California corporation, et )	TIME: 1:30 p.m.
15	al., )	PLACE: COURTROOM 23
16	Defendants.	

PLEASE READ THIS ORDER CAREFULLY

20 This case has been referred to Magistrate Judge Suzanne H. Segal  
21 for settlement proceedings.

23 The Settlement Conference is placed on calendar for Monday,  
24 September 10, 2007 at 1:30 p.m., Courtroom 23, Third Floor, 312 N.  
25 Spring Street, Los Angeles, California 90012.

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1 The Magistrate Judge will not be involved in the actual trial of  
2 the case and will assist the parties in an objective appraisal and  
3 evaluation of the case. The following are guidelines for the parties in  
4 preparing for the Settlement Conference.

5  
6 1. The purpose of the Settlement Conference is to permit an  
7 informal discussion between the attorneys, parties, non-party  
8 indemnitors or insurers, and the settlement judge, of every aspect of  
9 the case bearing on its settlement value.

10  
11 2. Pursuant to Local Rule 16-14.8, all settlement proceedings  
12 shall be confidential and no statement made therein shall be admissible  
13 in any proceeding in the case, unless the parties otherwise agree. No  
14 part of a settlement proceeding shall be reported or otherwise recorded,  
15 without the consent of the parties, except for any memorialization of a  
16 settlement.

17  
18 3. Counsel who will try the case must be present. In addition,  
19 a person with full settlement authority should likewise be present for  
20 the conference. This requirement contemplates the physical presence of  
21 your client or, if a corporate or governmental entity, of an authorized  
22 and knowledgeable representative of your client. The plaintiff's  
23 representative must have full and final authority, in the  
24 representative's discretion, to authorize dismissal of the case with  
25 prejudice, or to accept a settlement amount recommended by the  
26 settlement judge down to the defendant's last offer made prior to the  
27 settlement conference. The defendant's representative must have final  
28 settlement authority to commit the defendant to pay, in the

1 representative's discretion, a settlement amount recommended by the  
2 settlement judge up to the plaintiff's prayer (excluding punitive damage  
3 prayers), or up to the plaintiff's last demand made prior to the  
4 settlement conference, whichever is lower.

5  
6 The purpose of this requirement is to have representatives present  
7 who can settle the case during the course of the conference without  
8 consulting a superior. ANY VIOLATION OF THIS REQUIREMENT WILL CAUSE THE  
9 COURT TO CANCEL THE SETTLEMENT CONFERENCE. IN ADDITION, COUNSEL AND/OR  
10 THE PARTY WHO VIOLATE THIS ORDER MAY BE SUBJECT TO SANCTIONS.

11  
12 Either at a telephonic conference prior to the date of the  
13 settlement conference (which will only take place if the Court requests  
14 such a telephonic conference) or at the beginning of the settlement  
15 conference, the Court will ask each counsel to identify who will appear  
16 on behalf of the party. Even if your client is located outside the  
17 Central District of California, the client will be expected to appear in  
18 person.

19  
20 Any relief from this requirement may only be granted by the Court,  
21 following a motion or ex parte application from the party seeking  
22 relief. Relief from this requirement will rarely, if ever, be granted  
23 and only upon a showing of exceptional good cause.<sup>1</sup>

24  
25  
26  
27 <sup>1</sup> The provisions of Local Rule 16-14.5(b) are inapplicable to  
28 this Order. Only the United States, its agencies or employees are  
entitled to rely upon Local Rule 16-14.5(b).

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1 4. If Board approval is required to authorize settlement, the  
2 attendance of at least one sitting and knowledgeable member of the Board  
3 (preferably the Chairman) is absolutely required.

4  
5 5. Counsel appearing without their clients (whether or not  
6 counsel purportedly have been given settlement authority) will cause the  
7 settlement conference to be canceled and rescheduled. The noncomplying  
8 party, attorney, or both, may be assessed the costs and expenses  
9 incurred by other parties as a result of such cancellation and  
10 rescheduling.

11  
12 6. Any insurance company that is contractually required to defend  
13 or to pay damages assessed within policy limits also should have a  
14 settlement representative present at the conference. Such  
15 representative must have final settlement authority to commit the  
16 company to pay, in the representative's discretion, an amount  
17 recommended by the settlement judge within the policy limits. The  
18 purpose of this requirement is to have an insurance representative  
19 present who can settle the outstanding claim or claims during the course  
20 of the conference without consulting a superior. An insurance  
21 representative authorized to pay, in his or her discretion, up to the  
22 plaintiff's last demand made prior to the settlement conference will  
23 also satisfy this requirement. Counsel of record will be responsible  
24 for timely advising any involved non-party insurance company of the  
25 requirements of this Order.

26  
27 7. The settlement judge may, in her discretion, converse with the  
28 lawyers, the parties, the insurance representatives, or any one of them

1 outside of the hearing of the others. The comments of the judge during  
2 such separate sessions are not to be used by counsel in settlement  
3 negotiations with opposing counsel. This is a necessary requirement in  
4 order to avoid intentional or unintentional misquotation of the judge's  
5 comments. Violation of this policy may be misleading and therefore a  
6 hindrance to settlement.

7

8 8. Prior to the Settlement Conference, the attorneys are directed  
9 to discuss settlement with their respective clients and insurance  
10 representatives, so that the parameters of possible settlement will have  
11 been explored well in advance of the Settlement Conference. At the  
12 Settlement Conference, each party shall be fully prepared to discuss all  
13 economic and non-economic factors relevant to a full and final  
14 settlement of the case. In addition, the Court strongly encourages the  
15 exchange of written demands and counter-offers prior to the settlement  
16 conference.

17

18 9. No later than five (5) court days prior to the conference,  
19 each party shall submit a Settlement Conference Statement directly to  
20 the chambers of Magistrate Judge Segal (312 N. Spring St., Room 324) or  
21 fax to (213) 894-4368. The parties shall serve the Statements on all  
22 relevant parties in the action on the same date. The Statements should  
23 not be filed with the Clerk of the Court and they will not be made part  
24 of the case file. The Statements shall be double-spaced and shall not  
25 exceed ten (10) pages in length.

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1 The parties respective Settlement Conference Statements shall.  
2 include the following:

3  
4 A. A brief statement of the facts of the case, including the  
5 party's claims and defenses. The statement should include citations to  
6 the applicable statutory or other grounds upon which claims or defenses  
7 are based. This statement should identify the major factual and legal  
8 issues in dispute, and cite any controlling authorities.

9  
10 B. An ITEMIZED STATEMENT OF THE DAMAGES claimed, and of any  
11 other relief sought. This is one of the most critical aspects of the  
12 party's statement. Any statement which omits an itemized statement of  
13 damages will be considered a violation of this Order and may subject the  
14 party to sanctions.

15  
16 C. A summary of the proceedings to date, including any case  
17 management dates/deadlines already set by the District Judge.

18  
19 D. A history of past settlement discussions, offers and  
20 demands.

21  
22 10. Each party shall also prepare a Confidential Addendum to  
23 Settlement Conference Statement, which shall be delivered directly to  
24 Magistrate Judge Segal only, along with the Settlement Conference  
25 Statement. The Confidential Addendum shall not be filed with the Court  
26 or served upon the other parties. The Confidential Addendum shall  
27 contain:  
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1 A. A forthright evaluation of the party's likelihood of  
2 prevailing on each of its claims and/or defenses.

3  
4 B. The approximate amount of attorney's fees, time and costs  
5 expended to date, and an estimate of the fees, time and costs to be  
6 expended for (I) further discovery, (ii) pretrial and (iii) trial.

7  
8 C. The party's evaluation of the terms on which the case  
9 could be settled fairly, taking into account the litigation position and  
10 settlement position of the other side.

11  
12 11. In the event both parties agree that a settlement conference  
13 at this point in the litigation would not be meaningful, after the above  
14 described steps are completed, the parties are instructed to telephone  
15 Judge Segal's courtroom deputy clerk at (213) 894-0958 and inform her of  
16 this information. The Court will then hold the settlement conference  
17 telephonically on the date and time previously scheduled for the  
18 Settlement Conference.

19  
20 12. Any failure of the trial attorneys, parties or persons with  
21 authority to attend the conference will result in sanctions to include  
22 the fees and costs expended by the other parties in preparing for and  
23 attending the conference. Failure to timely deliver a Settlement  
24 Conference Statement and Confidential Addendum, or otherwise comply with  
25 this Order, will also result in sanctions being imposed.

26  
27 13. At the commencement of the conference, each party through  
28 counsel may be required to make an oral presentation (not to exceed 10

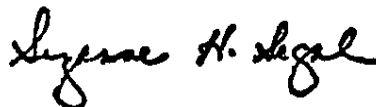
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1 minutes) of the relevant facts and law, in the presence of all parties  
2 and counsel. Counsel should have available for the Court's review  
3 copies of all critical documents (i.e., pleadings, declarations or  
4 witness statements, business records, personnel files, etc.) in the  
5 case, as well as copies of all important witnesses' deposition  
6 transcripts, if a party believes such documents will assist in the  
7 evaluation of the case. If a party's settlement position is predicated  
8 on the recoupment or recovery of attorney's fees and/or costs, then its  
9 counsel should have available for the Court's review copies of billing  
10 records substantiating both the time expended and the expenses incurred.

11  
12 14. If settlement between any or all parties is reached as a  
13 result of the Settlement Conference, it is the responsibility of all  
14 counsel to immediately report the settlement to the District Judge's  
15 courtroom deputy clerk, as well as to timely memorialize the settlement.  
16 See Local Rule 16-14.7.

17  
18 15. All papers submitted for the Settlement Conference will either  
19 be returned to the parties or destroyed by the Magistrate Judge, after  
20 the settlement proceedings are concluded, unless the parties agree  
21 otherwise.

22  
23 DATED: June 29, 2007



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SUZANNE H. SEGAL  
UNITED STATES MAGISTRATE JUDGE

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