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7 Attorneys for Defendants
LONDON N. BREED, in her official capacity as
8 Mayor of the City and County of San Francisco,
JOSÉ CISNEROS, in his official capacity as
9 Treasurer of the City and County of San Francisco, and
CARMEN CHU, in her official capacity as
10 City Administrator of the City and County of San Francisco

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SAN FRANCISCO - UNLIMITED JURISDICTION
13

14 MICHAEL PHILLIPS, PAUL WILDES, and
15 REED SANDBERG

16 Plaintiffs,

17 vs.

18 LONDON N. BREED, in her official Capacity as
Mayor of the City and County of San Francisco,

19 JOSÉ CISNEROS, in his official capacity as
20 Treasurer of the City and County of San
Francisco,

21 JOHN DOE, in his official capacity as Executive
22 Director of the Office of Transgender Initiatives
of the City and County of San Francisco,

23 and

24 CARMEN CHU, in her official capacity as City
25 Administrator of the City and County of San
Francisco,

26 Defendants.
27

Case No. CGC-24-611915

**SETTLEMENT AGREEMENT AND FULL
AND FINAL RELEASE**

Date Action Filed: January 29, 2024

1 1. This Settlement agreement is entered into by and between (1) Plaintiffs PAUL WILDES and
 2 REED SANDBERG, individually, and on behalf of their heirs, domestic partners, executors,
 3 administrators, and assigns, if any; and (2) Defendants LONDON BREED, in her official capacity as
 4 Mayor of the City and County of San Francisco, JOSE CISNEROS, in his official capacity as
 5 Treasurer of the City and County of San Francisco, and Carmen Chu, in her official capacity as City
 6 Administrator of the City and County of San Francisco (collectively with Plaintiffs, "PARTIES"). In
 7 summary, this settlement provides for the dismissal of this case with prejudice in exchange for the
 8 settlement amount of \$3,250 (Three Thousand Two Hundred Fifty and 00/100 Dollars) and certain
 9 injunctive relief provided by the City and County of San Francisco.

10 2. FOR GOOD AND VALUABLE CONSIDERATION, in the amount of \$3,250 (THREE
 11 THOUSAND TWO HUNDRED FIFTY and 00/100 Dollars) (the "SETTLEMENT AMOUNT"), the
 12 sufficiency of which is hereby admitted and acknowledged, Plaintiffs PAUL WILDES and REED
 13 SANDBERG, individually and on behalf of their heirs, domestic partners, executors, administrators,
 14 and assigns, if any (hereinafter referred to individually and collectively as "RELEASORS"), hereby
 15 agree to fully and forever release and discharge the City and County of San Francisco, together with
 16 its elective and/or appointive boards, agents, servants, employees, consultants, departments,
 17 commissioners, and officers (hereinafter referred to individually and collectively as "SAN
 18 FRANCISCO"), from any and all claims, actions, causes of action, liabilities, damages, demands,
 19 attorneys' fees, expenses and costs (including without limitation court costs) of any kind or nature
 20 whatsoever, whether known or unknown, suspected or unsuspected, which have existed or may have
 21 existed, or which do exist, or which hereafter shall or may exist, and which (1) are alleged or set forth
 22 or attempted to be set forth in the pleadings on file in that certain action entitled *Phillips et al. vs.*
 23 *Breed et al.*, being Action No. CGC-24-611915 on the records of the Superior Court for the City and
 24 County of San Francisco (hereinafter referred to as the "ACTION"), or (2) arise out of or are in any
 25 way related to any of the transactions, occurrences, acts or omissions set forth or alleged in any of the
 26 pleadings in the Action (hereinafter referred to collectively as the "CLAIMS").

27 3. In consideration for the promises provided herein, SAN FRANCISCO agrees to the following:
 28

- 1 a. RELEASORS challenged the Guaranteed Income for Transgender People guaranteed
2 income program (“GIFT Program”), alleging that to be eligible for the GIFT Program,
3 applicants needed to be: (1) transgender, non-binary, gender nonconforming, or intersex;
4 (2) 18 years or older; (3) a resident of San Francisco; (4) earning less than \$600 per month;
5 and (5) willing and able to complete a survey upon enrollment and every three months
6 thereafter; and that among eligible applicants, the GIFT Program prioritized enrollment
7 based on sex and race and/or ethnicity by giving (1) a preference to “[b]iological males
8 identifying as females” over “biological females identifying as male” and (2) a preference
9 to Black or Latino applicants over applicants of other races and/or ethnicities;
- 10 b. SAN FRANCISCO agrees that the GIFT Program is set to expire in September 2024; and
11 c. SAN FRANCISCO will not renew the GIFT Program and will not create a new guaranteed
12 income program that relies on the same eligibility and prioritization criteria described in
13 Paragraph 3a.

14 4. RELEASORS represent and warrant that they have not assigned or transferred, or agreed to
15 assign or transfer, or attempted to assign or transfer, to any third party or entity (including without
16 limitation any insurer) any interest in any of the CLAIMS. RELEASORS agree to defend, indemnify
17 and hold harmless SAN FRANCISCO against any loss, expense or liability, including without
18 limitation reasonable attorneys' fees, arising from any breach of the foregoing. Furthermore, in the
19 event that SAN FRANCISCO learns that RELEASORS have breached this warranty, SAN
20 FRANCISCO may, at its sole option, elect to rescind this Full and Final Release, in which case
21 RELEASORS shall immediately remit to SAN FRANCISCO the SETTLEMENT AMOUNT, plus
22 interest accruing thereon at a rate of ten percent per year, compounded monthly, from the date of
23 payment thereof.

24 5. RELEASORS represent and warrant that either (a) there are no liens, including without
25 limitation any medical reimbursement, unemployment or disability compensation liens, in existence
26 which may attach to the SETTLEMENT AMOUNT or to any recovery paid to RELEASORS pursuant
27 to the ACTION, or (b) to the extent there are any such liens, RELEASORS will pay and retire all such
28 liens out of the SETTLEMENT AMOUNT. RELEASORS agree to defend, indemnify and hold

1 harmless SAN FRANCISCO against any and all claims by any person or entity purporting to hold any
2 lien, interest, or other claim, whether for medical care, unemployment and/or disability compensation,
3 attorneys' fees, or otherwise, involving RELEASORS and arising in connection with any of the
4 CLAIMS.

5 6. In reaching a settlement of the CLAIMS resulting in the execution of this RELEASE,
6 RELEASOR and SAN FRANCISCO have considered and sought to protect the interests of the
7 Centers for Medicare and Medicaid Services ("CMS"), the federal agency that runs Medicare.
8 RELEASOR represents and warrants that either RELEASOR is not Medicare eligible pursuant to 42
9 U.S.C. 1395c and will not become Medicare eligible within thirty months from the date of this
10 RELEASE, or RELEASOR is Medicare eligible pursuant to 42 U.S.C. 1395c or will be Medicare
11 eligible within thirty months from the date of this RELEASE and further represents and warrants that
12 RELEASOR is not asserting and does not anticipate a need for future medical treatment arising out of
13 or related to the CLAIMS. RELEASOR agrees to defend, indemnify and hold harmless SAN
14 FRANCISCO against any and all claims arising out of or related to the terms of this paragraph,
15 including without limitation, any claims by CMS.

16 7. RELEASORS certify that they have read Section 1542 of the California Civil Code, which
17 provides:

18 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
19 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT
20 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
21 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
22 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
23 DEBTOR OR RELEASED PARTY.

24 RELEASORS hereby waive application of Section 1542 of the Civil Code. RELEASORS understand
25 and acknowledge that, as a consequence of this waiver of Section 1542, even if RELEASORS should
26 eventually suffer additional or further loss, damages or injury arising out of or in any way related to
27 any of the events which gave rise to the CLAIMS, or any of them, RELEASORS will not be permitted
28 to make any further claims against SAN FRANCISCO to recover for such loss, damages or injury.
RELEASORS acknowledge that they intend these consequences even as to claims for personal injury
or property damage that may exist as of the date of this Full and Final Release but which

1 RELEASORS do not know exist, and which, if known, would materially affect RELEASORS'
2 decision to execute this Full and Final Release, regardless of whether RELEASORS' lack of
3 knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

4 8. RELEASORS acknowledge that, in executing this Full and Final Release, they are acting on
5 their own, independent judgment informed by his/her/their legal counsel. RELEASORS acknowledge
6 having read this Full and Final Release and having been advised by his/her/their attorney as to its
7 meaning and effect. RELEASORS acknowledge and warrant that his/her/their execution of this Full
8 and Final Release is free and voluntary. RELEASORS further represent and warrant that, at the time
9 they executed this Full and Final Release, they were not in the period of first physical confinement,
10 whether as an inpatient or outpatient, in a clinic or health facility (as defined in Sections 1203 and
11 1250 of the Health and Safety Code) as a result of the injury alleged to have given rise to any of the
12 CLAIMS, and that as a result Business and Professions Code section 6152(b) cannot be used to
13 invalidate this Full and Final Release.

14 9. RELEASORS acknowledge that this Full and Final Release contains and constitutes the entire
15 agreement between RELEASORS and SAN FRANCISCO with respect to the CLAIMS. The terms of
16 this Full and Final Release are contractual and not a mere recital. RELEASORS acknowledge that
17 SAN FRANCISCO has made no representations, express or implied, to induce RELEASORS to enter
18 into this Full and Final Release, other than as expressly set forth herein.

19 10. No aspect of this Full and Final Release or the settlement which led to it is intended to be nor
20 at any time shall be construed, deemed, or treated in any respect as an admission by SAN
21 FRANCISCO of liability for any purpose. It is expressly understood by RELEASORS that this Full
22 and Final Release does not constitute an admission of the truth or accuracy of any of the allegations
23 made in the complaint on file in the ACTION or of liability for any of the CLAIMS, and that SAN
24 FRANCISCO expressly denies the allegations made in the complaint, as more fully set forth in the
25 answer or other responsive pleadings on file in the ACTION.

26 11. If any of the provisions of this Full and Final Release or the application thereof is held to be
27 invalid, its invalidity shall not affect any other provision or application of this Full and Final Release
28 to the extent that such other provision or application can be given effect without the invalid provision

1 or application, and to this end, the provisions of this Full and Final Release are declared and
2 understood to be severable; provided, however, that should a court of competent jurisdiction hold that
3 RELEASORS are entitled to sue SAN FRANCISCO upon any of the CLAIMS, and should
4 RELEASORS bring or join in such a suit, then RELEASORS shall immediately remit to SAN
5 FRANCISCO the SETTLEMENT AMOUNT, plus interest thereon accruing at a rate of ten percent
6 per year, compounded monthly, from the date of payment thereof.

7 12. RELEASORS understand and acknowledge that both RELEASORS and SAN FRANCISCO
8 shall bear their own legal expenses and costs incurred in connection with prosecuting or defending
9 against the ACTION and any of the CLAIMS.

10 13. RELEASORS will execute a request for dismissal of the action with prejudice to be filed after
11 all settlement documents have been signed.

12 14. This Full and Final Release and the settlement which led to it have been fully negotiated with
13 the assistance of counsel and should not be construed more strictly against one party than another.

14 15. This Settlement is subject to approval by the necessary City and County of San Francisco
15 entities. SAN FRANCISCO commits to using reasonable efforts to obtain the necessary approvals.
16 Subject to City approval, this Settlement Agreement is intended to be fully and formally binding and
17 enforceable and is effective as of the date of this Agreement. It contains the entire understanding and
18 agreement between the parties concerning the resolution of all disputes between them and has been
19 executed without reliance on any promise, representation or warranty not contained herein. A copy of
20 this agreement may be used in lieu of the original for all purposes.

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1 16. This Full and Final Release may be executed in two or more counterparts, all of which
2 counterparts shall be deemed originals.

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5 Date: 8/16/2024

DocuSigned by:
PAUL WILDES
06589619697840C...

Plaintiff Paul Wildes

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9 Date: 8/12/2024

DocuSigned by:
[Signature]
C470DEB1B1DD4BD...

Plaintiff Reed Sandberg

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12 Date: 8/9/2024

Signed by:
[Signature]
BBC35C17E8ED4AA...

Kathryn Blankenberg
Judicial Watch, Inc.
Counsel for Plaintiff

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16 APPROVED AS TO FORM:

17 Date: August 16, 2024

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Kaitlyn Murphy

KAITLYN MURPHY
Deputy City Attorney
Counsel for Defendants

1 [Settlement of Lawsuit - Paul Wildes and Reed Sandberg]

2
3 **Ordinance authorizing settlement of a lawsuit filed by Paul Wildes and Reed Sandberg**
4 **against London Breed, José Cisneros, and Carmen Chu, each sued in their official**
5 **capacities as employees of the City and County of San Francisco; the lawsuit was filed**
6 **on January 29, 2024, in San Francisco Superior Court, Case No. CGC-24-611915;**
7 **entitled Michael Phillips, et al., v. London Breed, et al.; the lawsuit involves alleged**
8 **violations of California Constitution, article I, Section 7 - Transgender Status**
9 **Discrimination; California Constitution, article I, Section 7 - Sex Discrimination;**
10 **California Constitution, article I, Section 7 - Race/Ethnicity Discrimination; the**
11 **proposed terms of settlement are a payment of \$3,250 in attorney's fees and costs and**
12 **injunctive relief.**

13
14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. The City Attorney is hereby authorized to settle the action entitled "Michael
16 Phillips, et al., v. London Breed, et al.," San Francisco Superior Court, Case No. CGC-24-
17 611915, on substantially the same terms as set forth in the Settlement Agreement and Full
18 and Final Release on file with the Clerk of the Board of Supervisors in File No. 241053, which
19 is incorporated by reference and declared to be a part of this ordinance as if set forth fully
20 herein. The Settlement Agreement provides: (1) payment of \$3,250 in attorney's fees and
21 costs; and (2) injunctive relief agreeing that the City will not continue the guaranteed income
22 program that Paul Wildes and Reed Sandberg alleged to be unlawful beyond September 2024
23 and an agreement that the City will not create a new guaranteed income program with the
24 same eligibility criteria.

1 Section 2. The above-named action was filed in San Francisco Superior Court, on
2 January 29, 2024 and the following parties were named in the lawsuit: Plaintiffs: Paul Wildes
3 and Reed Sandberg; Defendant: London Breed, José Cisneros, and Carmen Chu.
4

5 APPROVED AS TO FORM AND
6 RECOMMENDED:

7 DAVID CHIU
8 City Attorney

9 /s/
10 TARA M. STEELEY
11 Deputy City Attorney

RECOMMENDED:

MAYOR'S OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT

12 /s/
13 DANIEL ADAMS
14 Director

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City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 241053

Date Passed: December 10, 2024

Ordinance authorizing settlement of a lawsuit filed by Paul Wildes and Reed Sandberg against London Breed, José Cisneros, and Carmen Chu, each sued in their official capacities as employees of the City and County of San Francisco; the lawsuit was filed on January 29, 2024, in San Francisco Superior Court, Case No. CGC-24-611915; entitled Michael Phillips, et al., v. London Breed, et al.; the lawsuit involves alleged violations of California Constitution, article I, Section 7 - Transgender Status Discrimination; California Constitution, article I, Section 7 - Sex Discrimination; California Constitution, article I, Section 7 - Race/Ethnicity Discrimination; the proposed terms of settlement are a payment of \$3,250 in attorney's fees and costs and injunctive relief.

November 21, 2024 Government Audit and Oversight Committee - REFERRED WITHOUT RECOMMENDATION

December 03, 2024 Board of Supervisors - PASSED ON FIRST READING

Ayes: 7 - Chan, Dorsey, Engardio, Mandelman, Melgar, Ronen and Safai
Noes: 3 - Peskin, Preston and Walton

December 10, 2024 Board of Supervisors - FINALLY PASSED

Ayes: 7 - Chan, Dorsey, Engardio, Mandelman, Melgar, Ronen and Safai
Noes: 3 - Peskin, Preston and Walton

File No. 241053

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 12/10/2024 by the Board of Supervisors of the City and County of San Francisco.

f Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

12/19/24

Date Approved