

The Honorable Edward F. Shea

1 BYRNES & KELLER LLP
2 Peter D. Byrnes
3 Ralph E. Cromwell, Jr.
4 1000 Second Avenue, Suite 3800
5 Seattle, Washington 98104
6 Telephone: (206) 622-2000

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EASTERN DISTRICT OF WASHINGTON

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SPOKANE, WASHINGTON

7 UNITED STATES DISTRICT COURT
8 EASTERN DISTRICT OF WASHINGTON

9 NUVEEN QUALITY INCOME
10 MUNICIPAL FUND, INC., et al.,

11 Plaintiffs,

12 v.

13 PRUDENTIAL SECURITIES
14 INCORPORATED, a Delaware
15 corporation, et al.,

16 Defendants.

No. CS-01-0127-EFS

ANSWER AND AFFIRMATIVE
DEFENSES OF FOSTER PEPPER
& SHEFELMAN PLLC

17 CITY OF SPOKANE,

18 Third-Party
19 Plaintiff,

20 v.

21 ROY KOEGEN and ANNE KOEGEN, a
22 marital community, and PERKINS COIE,
23 LLP,

24 Third-Party
25 Defendants.

26 I. ANSWER

In answer to Plaintiffs' Complaint, Foster Pepper & Shefelman PLLC ("Foster Pepper") alleges as follows:

1 1-2. Denies the allegations of paragraphs 1 and 2 for lack of information or
2 knowledge sufficient to form a belief as to their truth or falsity.

3 3. Denies the allegations of paragraph 3 for lack of information or
4 knowledge sufficient to form a belief as to their truth or falsity, except denies said
5 allegations insofar as they pertain to Foster Pepper.

6 4. Denies the allegations of paragraph 4 for lack of information or
7 knowledge sufficient to form a belief as to their truth or falsity.

8 5. Denies the allegations of paragraph 5 for lack of information or
9 knowledge sufficient to form a belief as to their truth or falsity, except denies said
10 allegations insofar as they pertain to Foster Pepper.

11 6-17. Denies the allegations of paragraphs 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16
12 and 17 for lack of information or knowledge sufficient to form a belief as to their truth
13 or falsity.

14 18. Admits the allegations of paragraph 18 that Foster Pepper is a
15 Washington professional limited liability company engaged in the practice of law with
16 its principal offices in Seattle, admits that Foster Pepper was retained to provide legal
17 services to Prudential in connection with the sale of the Bonds, but denies any other
18 allegation of paragraph 18.

19 19. Denies the allegations of paragraph 19 for lack of information or
20 knowledge sufficient to form a belief as to their truth or falsity.

21 20. Denies the allegations of paragraph 20, except admits that in the course
22 of providing legal services to Prudential Foster Pepper had access to the Official
23 Statement or drafts thereof.

24 21. Admits the allegation that Foster Pepper issued an opinion to its client
25 Prudential the contents of which are as stated in the opinion but denies any other or
26 different allegation of paragraph 21.

1 22-37. Denies the allegations of paragraphs 22, 23, 24, 25, 26, 27, 28, 29,
2 30, 31, 32, 33, 34, 35, 36 and 37 for lack of information or knowledge sufficient to
3 form a belief as to their truth or falsity.

4 38. Denies the allegations of paragraph 38 for lack of information or
5 knowledge sufficient to form a belief as to their truth or falsity, except admits that the
6 City of Spokane enacted a valid and binding Ordinance to facilitate the renovation and
7 expansion of the Garage and admits that the City of Spokane and its agents gave
8 certain written representations regarding the Ordinance and the description of the
9 Ordinance in the Official Statement.

10 39-40. Denies the allegations of paragraphs 39 and 40 for lack of
11 information or knowledge sufficient to form a belief as to their truth or falsity.

12 41-43. Denies the allegations of paragraphs 41, 42 and 43 for lack of
13 information or knowledge sufficient to form a belief as to their truth or falsity, except
14 denies said allegations insofar as they pertain to Foster Pepper.

15 44-62. Denies the allegations of paragraphs 44, 45, 46, 47, 48, 49, 50, 51,
16 52, 53, 54, 55, 56, 57, 58, 59, 60, 61 and 62 for lack of information or knowledge
17 sufficient to form a belief as to their truth or falsity.

18 63-72. Denies the allegations of paragraphs 63, 64, 65, 66, 67, 68, 69, 70,
19 71 and 72 for lack of information or knowledge sufficient to form a belief as to their
20 truth or falsity, except admits that the City commissioned appraisals of the investment
21 value of the Garage by Auble and Barrett, both of whom produced written appraisals
22 the contents of which are as stated therein.

23 73. Denies the allegations of paragraph 73 for lack of information or
24 knowledge sufficient to form a belief as to their truth or falsity, except admits that the
25 City of Spokane passed certain Ordinances to facilitate the renovation and expansion
26 of the Garage the contents of which are as stated in said Ordinances.

1 74-79. Denies the allegations of paragraphs 74, 75, 76, 77, 78 and 79 for
2 lack of information or knowledge sufficient to form a belief as to their truth or falsity,
3 except admits the allegation of paragraph 79 that the City of Spokane adopted certain
4 Ordinances to facilitate the renovation and expansion of the Garage the contents of
5 which are as stated in said Ordinances.

6 80-85. Denies the allegations of paragraphs 80, 81, 82, 83, 84 and 85 for
7 lack of information or knowledge sufficient to form a belief as to their truth or falsity,
8 except admits that the City of Spokane retained Coopers & Lybrand to perform certain
9 services in connection with the renovation and expansion of the Garage, admits that
10 Coopers & Lybrand produced certain written documents in the course of performing
11 said services the contents of which are as stated in said written documents and denies
12 the allegations of paragraph 85 insofar as they pertain to Foster Pepper.

13 86-89. Denies the allegations of paragraphs 86, 87, 88 and 89 for lack of
14 information or knowledge sufficient to form a belief as to their truth or falsity, except
15 admits that the City of Spokane passed certain Ordinances to facilitate the renovation
16 and expansion of the Garage the contents of which are as stated in said Ordinances.

17 90-91. Denies the allegations of paragraphs 90 and 91 for lack of
18 information or knowledge sufficient to form a belief as to their truth or falsity, except
19 denies said allegations to the extent that they pertain to Foster Pepper.

20 92. Denies the allegations of paragraph 92 for lack of information or
21 knowledge sufficient to form a belief as to their truth or falsity.

22 93-94. Denies the allegations of paragraphs 93 and 94 for lack of
23 information or knowledge sufficient to form a belief as to their truth or falsity, except
24 denies said allegations to the extent they relate to Foster Pepper.

1 95-115. Denies the allegations of paragraphs 95, 96, 97, 98, 99, 100, 101,
2 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114 and 115 for lack of
3 information or knowledge sufficient to form a belief as to their truth or falsity.

4 116. Denies the allegations of paragraph 116 for lack of information or
5 knowledge sufficient to form a belief as to their truth or falsity, except denies said
6 allegations insofar as they pertain to Foster Pepper.

7 117. Denies the allegations of paragraph 117 for lack of information or
8 knowledge sufficient to form a belief as to their truth or falsity.

9 118. Realleges and incorporates by reference its answers to paragraphs 1-117,
10 supra, in answer to paragraph 118.

11 119. Denies the allegations of paragraph 119 for lack of information or
12 knowledge sufficient to form a belief as to their truth or falsity, except denies said
13 allegations insofar as they pertain to Foster Pepper.

14 120-126. Denies the allegations of paragraphs 120, 121, 122, 123, 124, 125
15 and 126 for lack of information or knowledge sufficient to form a belief as to their
16 truth or falsity.

17 127. Realleges and incorporates by reference its answers to paragraphs 1-126,
18 supra, in answer to the allegations of paragraph 127.

19 128-129. Denies the allegations of paragraphs 128 and 129 for lack of
20 information or knowledge sufficient to form a belief as to their truth or falsity, except
21 denies said allegations to the extent that they pertain to Foster Pepper.

22 130-131. Denies the allegations of paragraphs 130 and 131 for lack of
23 information or knowledge sufficient to form a belief as to their truth or falsity.

24 132-133. Denies the allegations of paragraphs 132 and 133 for lack of
25 information or knowledge sufficient to form a belief as to their truth or falsity, except
26 denies said allegations insofar as they pertain to Foster Pepper.

1 134. Denies the allegations of paragraph 134 for lack of information or
2 knowledge sufficient to form a belief as to their truth or falsity.

3 135. Realleges and incorporates by reference its answers to paragraphs 1-134,
4 supra, in answer to paragraph 135.

5 136-137. Denies the allegations of paragraphs 136 and 137 for lack of
6 information or knowledge sufficient to form a belief as to their truth or falsity, except
7 denies said allegations insofar as they pertain to Foster Pepper.

8 138-141. Denies the allegations of paragraphs 138, 139, 140 and 141 for
9 lack of information or knowledge sufficient to form a belief as to their truth or falsity.

10 142. Realleges and incorporates by reference its answers to paragraphs 1-141,
11 supra, in answer to the allegations of paragraph 142.

12 143-144. Denies the allegations of paragraphs 143 and 144 for lack of
13 information or knowledge sufficient to form a belief as to their truth or falsity, except
14 denies said allegations insofar as they pertain to Foster Pepper.

15 145-146. Denies the allegations of paragraphs 145 and 146 for lack of
16 information or knowledge sufficient to form a belief as to their truth or falsity.

17 **II. AFFIRMATIVE DEFENSES**

18 **BY WAY OF FURTHER ANSWER, AND AS AFFIRMATIVE DEFENSES**

19 Foster Pepper alleges as follows:

20 147. Failure to State a Claim. The allegations of Plaintiffs' Complaint fail to
21 state a claim against Foster Pepper.

22 148. Statute of Limitations/Laches. The claims asserted by plaintiffs against
23 Foster Pepper herein are barred by the applicable statutes of limitation and/or
24 corresponding equitable doctrines such as laches.

CERTIFICATE OF SERVICE

The undersigned attorney certifies that on the 12th day of December 2001, a true copy of the foregoing pleading was served upon the following individuals via facsimile and U.S. Mail:

Gary J. Ceriani
Michael P. Cillo
Davis & Ceriani, P.C.
1350 17th Street, Suite 400
Denver, Colorado 80202
Attorneys for Plaintiffs

James L. Robart
Rudy A. Englund
Christopher B. Wells
Christian N. Oldham
Lane Powell Spears Lubersky LLP
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101
Attorneys for Defendant Prudential
Securities Incorporated

John D. Munding
Crumb & Munding, P.S.
1950 Bank of America Financial Center
601 W. Riverside
Spokane, WA 99201-0611
Attorneys for Plaintiffs

William F. Cronin
Paul R. Raskin
Corr Cronin LLP
1001 Fourth Avenue, Suite 3900
Seattle, WA 98154-1135
Attorneys for Defendant Preston Gates &
Ellis LLP

Geoffrey P. Jarpe
Alain M. Baudry
Maslon Edelman Borman & Brand, LLP
3300 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attorneys for U.S. Bank Trust National
Association

James B. King
Keefe King & Bowman, P.S.
601 W. Main, Suite 1102
Spokane, WA 99201-0625
Attorneys for Defendant Spokane
Public Parking Development Authority

Randall Lee Stamper
Thomas Richard Luciani
Stamper Rubens Stocker & Smith, P.S.
W 720 Boone Avenue, Suite 200
Spokane, WA 99201
Attorneys for Intervenor Asset Guaranty
Insurance Company

Peter M. Vial
Cyrus R. Vance, Jr.
Robert D. Stewart
McNaul Ebel Nawrot Helgren & Vance
600 University Street, Suite 2700
Seattle, WA 98101-3143
Attorneys for Defendant RWR
Management, Inc., d/b/a R.W. Robideaux
and Company

John D. Lowery
James Rhett Brigman
Riddell Williams P.S.
1001 Fourth Avenue Plaza, Suite 4500
Seattle, WA 98154-1065
Attorneys for Intervenor Asset Guaranty
Insurance Company

William F. Etter
Etter McMahon Lamberson & Clary, P.C.
421 W. Riverside Avenue, Suite 1600
Spokane, WA 99201
Attorneys for Defendant Spokane
Downtown Foundation

1 Laurel Hobbs Siddoway
2 David J. Broesbeck
3 George M. Ahrend
4 Randall & Danskin
5 1500 Seafirst Financial Center
6 601 W. Riverside Avenue
7 Spokane, WA 99201-0653
8 Attorneys for Defendant
9 City of Spokane

6 Ladd B. Leavens
7 Davis Wright Tremaine LLP
8 1501 Fourth Avenue, Suite 2600
9 Seattle, WA 98101-1688
10 Attorneys for Defendants Lincoln
11 Investment Company and Citizens
12 Realty Co.

10 Leslie R. Weatherhead
11 Robert S. Magnuson
12 Witherspoon, Kelley, Davenport & Toole
13 422 W. Riverside Avenue
14 1100 U.S. Bank Building
15 Spokane, WA 99201-0302
16 Attorneys for Defendant RPS II, L.L.C.

Arthur W. Harrigan, Jr.
Karl F. Oles
Katherine See Kennedy
Danielson Harrigan & Tollefson LLP
999 Third Avenue, 44th Floor
Seattle, WA 98104
Attorneys for Third-Party Defendants
Roy J. Koegen, Anne Koegen and
Perkins Coie LLP

Patrick M. Risken
Evans Craven & Lackie
250 Lincoln Building
818 West Riverside Avenue
Spokane, WA 99201-0910
Attorneys for Walker Parking
Consultants/Engineers

16 Reaper E. Crumwell Jr.