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April 2, 2003

VIA EMAIL TO STSO@CLA.LACITY.ORG

Mr. Ronald F. Deaton
Chief Legislative Analyst
Chairman of the Burglar Alarm Task Force
City of Los Angeles
Room 255, City Hall
200 North Spring Street
Los Angeles, CA 90012

Re: Item 2 on the Agenda of the Burglar Alarm Task Force for April 3, 2003

Dear Mr. Chairman:

As the Chair of the Burglar Alarm Task Force ("BATF") and on behalf of BATF you inquired of the Greater Los Angeles Security Alarm Association ("GLASAA") whether GLASAA and/or its members would provide a legal defense to the City of Los Angeles ("City") related to the confidentiality of client lists. By way of background, GLASAA as part of its six-point program for reducing "false alarms" offered to have its members provide to the City their customer lists. GLASAA offered to do so despite the fact its members have no express contractual right under their customer contracts to provide their customer names to anyone, including to the City. GLASAA made that offer knowing that there was some exposure to its members that their customers might bring legal action against them for providing such customer lists. GLASAA did so without requesting of the City any indemnification, hold harmless, or agreement to defend its members by the City.

In consideration for providing the customer lists, GLASAA requested of the City that the customer lists be subject to a confidentiality agreement whereby the lists were to be used solely for billing and collecting alarm system permit fees, and that the lists would be recognized as being trade secret information that was not subject to disclosure under the Public Records Act. In response you made your inquiry. GLASAA understands your inquiry to mean would GLASAA and/or its members be willing to provide a legal defense to the City in the following circumstances: (a) the customer lists were turned over to the City, (b) a request was made for those lists under the Public Records Act, (c) the City pursuant to the confidentiality agreement

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with GLASAA and its members declined to turn over those lists, and (d) an action was brought against the City for a violation of the Public Records Act and to compel production.

The purpose of GLASAA's offer to have its members provide customer lists was to assist the City in collecting additional permit fees from those alarm system users who should have obtained an alarm system permit but had not obtained one. Given that purpose, and given that GLASAA offered to provide such customer lists without seeking an indemnification, hold harmless, or defense by the City, it does not seem appropriate for the City to be seeking a defense from GLASAA and/or its members. GLASAA has already had its legal counsel provide legal authority both for why the customer lists were trade secrets and why under the Public Records Act trade secrets were not required to be disclosed. If GLASAA and its members were prepared to take the risk of suit by their customers for providing the customer lists to the City in the first instance, the City should certainly be prepared to take the smaller risk of suit for non-disclosure of such trade secret customer lists. However, to the extent the City disagrees and believes it is taking a greater risk than GLASAA and its members, then GLASAA is prepared to return to its members to seek their consent to provide such a defense to the City, if the City is prepared to provide a defense to GLASAA and its members for providing the customer lists to the City in the first place.

Sincerely,

/s/

Arthur Fine

of

MITCHELL SILBERBERG & KNUPP LLP

Legal Counsel for GLASAA

AF:mt

cc: GLASAA
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