



dbrr DAILY BUSINESS REVIEW

Schneiderman, who brought a case in 2013. The rest is set to go to compensate about 7,000 former students, who alleged in two cases in California that Trump University falsely promised Trump himself had hand-picked the instructors and that the program was

SEE UNIVERSITY, PAGE A6

PUBLIC NOTICES & THE COURTS

Public notices, court information and business leads, including foreclosures, bid notices and court calendars. **B1**

Public notices from Miami-Dade, Broward and Palm Beach also available at DailyBusinessReview.com/public_notices.jsp. Public notices published in newspapers statewide available at FloridaPublicNotices.com.

Should you have delivery questions, call **1.877.256.2472**

Daily Business Review is published daily Monday through Friday, except legal holidays, by ALM Media, LLC, 105 S. Narcissus Ave., Suite 308, West Palm Beach, FL 33401, (561) 820-2060. © 2015 ALM, Daily Business Review (USPS #30-880) (ISSN: 0884-8785) Palm Beach. Subscription Rates: One year (253 issues - basic (individual and small firms) - \$67.58 plus tax; discounted group rates available. Single copies (M-F) - \$2; Back issues when available (M-F) - \$6. Periodicals postage paid at West Palm Beach, FL. POSTMASTER: Send address changes to Daily Business Review, 105 S. Narcissus Ave., Suite 308, West Palm Beach, FL 33401

FROM PAGE A1

OIG

"I'm very pleased, obviously, that this is the decision that the DCA came down with," West Palm Beach Mayor Jeri Muoio said. "It upholds cities' sovereign immunity and our ability to make decisions on how our tax dollars are spent. It's what we were hoping for."

West Palm Beach led a group of 14 municipalities that challenged the funding requirement in court. They argued the allocation of public resources is a discretionary policymaking decision and therefore shielded by sovereign immunity. Palm Beach Circuit Judge Catherine Brunson disagreed with that argument, finding sovereign immunity did not apply, and even if did, it was waived by the referendum.

Appellate Court Rules Palm Beach County Cannot Force Municipal Funding of Agency

by Celia Ampel

Palm Beach County cannot require its municipalities to help fund its Office of Inspector General, an appellate court ruled Wednesday in a reversal of the trial court's decision.

The county's requirement that all 38 municipalities pay for the voter-mandated program violated their sovereign immunity, a doctrine that protects governmental entities from being sued without their consent, the Fourth District Court of Appeal found.

The appellate court also disagreed with the trial judge's finding that the countywide referendum that led to the creation of the OIG program formed a contract between municipalities and the county that waived municipalities' sovereign immunity.

"It is the governing body of a municipality — not the electorate — that has the power to adopt a budget," the Fourth DCA ruled. "We have found no legal authority that would allow voters to form binding contracts on behalf of a municipality."

The appellate panel of Fourth DCA Judges Carole Taylor, Alan Forst and Mark Klingensmith reversed those rulings.

"The Fourth District Court of Appeal got it right," said Jupiter-based attorney Thomas Baird of Jones, Foster, Johnston & Stubbs, who represented the towns of Jupiter and Lake Park. "Had it affirmed the circuit court, it would have been the first time that municipalities were ever required to pay for a countywide program in Palm Beach County."

Assistant Palm Beach County Attorney Helene Hvizd, who represented the county along with her colleagues Leonard Berger and Philip Mugavero, said the county attorney's office is disappointed in Wednesday's opinion and is exploring its options.



Spanish Banks Lose Case on Mortgage Debt

by Stephanie Bodoni and Macarena Munoz Montijano Bloomberg News

Spanish banks, including Banco Popular Espanol SA and Banco Bilbao Vizcaya Argentaria SA, may have to give back billions of euros to mortgage customers after a final ruling by the European Union's top court. Bank shares tumbled by as much as 10 percent.

Borrowers who paid too much interest on home loans pre-dating a May 2013 Spanish ruling on so-called mortgage floors are entitled to a refund from their banks, judges at the EU Court of Justice ruled in Luxembourg Wednesday.

The court said that a proposed time limit on the refunds is illegal and customers shouldn't be bound by such unfair terms. Banco Sabadell SA fell as much as 7.5 percent, while Banco Popular slipped as much as 10.5 percent, the largest decliner in Spain's Ibx35 benchmark.

"We would have been required to pay the cost of the Office of Inspector General, which was well over \$1.5 million," said West Palm Beach Mayor Jeri Muoio.

The appellate panel also asked the Florida Supreme Court to consider the issue as a question of great public importance.

SEE OIG, PAGE A2

SEE BANKS, PAGE A2

The team of lawyers representing the municipalities in the appeal was led by Jane Kreuzler-Walsh of Kreuzler-Walsh, Compiani & Vargas in West Palm Beach. Kreuzler-Walsh, who represented West Palm Beach, referred a request for comment to the city.

The OIG program, an independent body with oversight and investigatory powers, was recommended in 2009 by a grand jury investigating public corruption in Palm Beach County. Voters approved the creation of the countywide program in 2010, amending the county charter to create an OIG by ordinances "applicable to Palm Beach County and all municipalities approving this amendment."

County commissioners adopted an ordinance in 2011 implementing the program and authorizing the Office of the Clerk and Comptroller to bill each

municipality on a quarterly basis, according to Wednesday's court decision. When invoices came around, many municipalities refused to pay.

"We would have been required to pay the cost of the Office of Inspector General, which was well over \$1.5 million," Muoio said. "For us, it's a large chunk of money every year."

Muoio said the municipalities challenged the invoices for one reason: A city should have the prerogative to decide how to allocate taxpayer money.

"It's not that we don't value the Office of Inspector General, because we do, and we think it's an important office to have," she said. "But we continue to believe that it's a municipality's decision whether or not to pay into it."

Contact Celia Ampel at campel@alm.com. On Twitter: @CeliaAmpel