

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between the City and County of San Francisco (“City”) and Wing Lok (“Walter”) Wong; W. Wong Construction, Co., Inc.; Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin International Ventures, LLC. The City and County of San Francisco are referred to herein collectively as the “City.” Walter Wong; W. Wong Construction; Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin International Ventures, LLC, are referred to herein collectively as the “Wong Parties.” The City and each of the Wong Parties are individually referred to herein as a “Party” or collectively as the “Parties.” This Agreement is effective on the date that this Agreement has been duly executed by all parties shown on the signature lines at the end of this Agreement, and the City has finally enacted the ordinance approving the Agreement (the “Effective Date”). Final enactment of the ordinance occurs following passage by the Board of Supervisors, when the Mayor signs the ordinance, when the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or when the Board of Supervisors overrides the Mayor’s veto of the ordinance.

RECITALS

WHEREAS, on or about June 23, 2020, the United States Attorney for the Northern District of California filed a two count Information in criminal case number CR 20-257 (the “Criminal Case”) charging Walter Wong with conspiracy to commit honest services fraud and conspiracy to commit money laundering;

WHEREAS, the Criminal Case alleged that Walter Wong knowingly and intentionally conspired with Mohammed Nuru and other public officials to defraud the City and its citizens of their right to the honest and faithful services of City officials through, among other things, bribery and kickbacks;

WHEREAS, on or about July 6, 2020, Walter Wong appeared in District Court and entered pleas of guilty to both counts in the Criminal Case;

WHEREAS, on or about March 18, 2021, Walter Wong and the United States entered into an amended plea agreement in the Criminal Case providing that \$1,000,000 paid in forfeiture from Walter Wong in the Criminal Case would be paid as restitution to the City upon entry of Judgment and Conviction in the Criminal Case;

WHEREAS, the City alleges and for purposes of settlement the Wong Parties do not contest that the Wong Parties received payments from the City of \$1,291,095.26 for goods and services provided through non-competitive contracts, purchase orders, and/or grants that were improperly approved by City officials, including:

1. \$168,854.16 for San Francisco Public Works (“Public Works”) Emergency Contract No. 1000006861 with W. Wong Construction;
2. \$94,937.50 for Public Works Emergency Contract No. 1000010865 with W. Wong Construction;
3. \$110,594.70 for Public Works Emergency Contract No. 1000010987 with W. Wong Construction;
4. \$743,720.90 for Public Works Emergency Contract No. 1000013068 with W. Wong Construction;
5. \$99,988.00 for W. Wong Construction Invoice No. J996-17-08009, dated August 30, 2017, for planters, plants, and supplies at Hallidie Plaza paid for by Public Works through a Community Challenge Grant to Clean City Coalition;

6. \$58,000.00 for San Francisco Public Utilities Commission (“SFPUC”) Purchase Order Nos. 0000353310, 0000372509, 0000376731, and 0000376731 with Alternate Choice, LLC; and
7. \$15,000.00 for SFPUC Power Enterprise Pilot Program, CS-264, with Alternate Choice, LLC;

WHEREAS, the City has outstanding and unpaid invoices from W. Wong Construction on Public Works Emergency Contract No. 1000013068 in the amount of \$163,526.38;

WHEREAS, the City alleges and for purposes of settlement the Wong Parties do not contest twelve violations of the Campaign and Governmental Conduct Code Sections 3.410(c)(2) and (3) for failing to report contacts with the Department of Building Inspection and for failing to report campaign contributions greater than \$100;

WHEREAS, the City alleges and for purposes of settlement the Wong Parties do not contest that the maximum penalties and late fees for violations of the Campaign and Governmental Conduct Code, described above and including treble penalties where authorized by Charter C3.699-13, total \$317,650.00;

WHEREAS, the Parties are interested in resolving the City’s claims for restitution, disgorgement, civil penalties and fees, and injunctive relief under State and local law without litigation;

WHEREAS, the City acknowledges that the Wong Parties have provided cooperation with its ongoing public integrity investigation;

WHEREAS, the Parties are entering into a settlement on the terms set forth in this Agreement to avoid the risks, burdens, distractions, expense, uncertainties, and diversion of resources from litigation; and

WHEREAS, through arm's length settlement negotiations, the matter between the Parties has been resolved on the terms set forth in this Agreement;

NOW, THEREFORE, the City and the Wong Parties agree as follows:

TERMS OF AGREEMENT

1. **Settlement Amount:** The Parties agree that the monetary value of this Agreement to the City is \$1,772,271.64 representing:

- (a) return by the Wong Parties of \$1,291,095.26 received by the Wong Parties from the City for non-competitive City purchases allegedly influenced by the improper action of City officials as set forth above and described in the Criminal Case;
- (b) non-payment by the City of \$163,526.38 for services rendered to but not paid for by the City on Public Works Emergency Contract No. 1000013068; and
- (c) payment by the Wong Parties of \$317,650.00 in administrative penalties and late fees for violations of the Campaign and Governmental Conduct Code.

2. **Cancellation of Invoices:** The Wong Parties agree not to seek payment for and to cancel two outstanding invoices to the City from W. Wong Construction totaling \$163,526.38 for work performed under Public Works Emergency Contract No. 1000013068.

3. **Credit for Goods Received by the City:** The Parties agree that the Settlement Amount above in Paragraph 1 of this Agreement is credited \$386,933.94 for goods received by the City under a lawfully issued contract with Alternate Choice, LLC, but not paid for by the

City. This credit for goods received will be used first to make payment of the administrative penalties and late fees described above in Paragraph 1(c).

4. Settlement Payment: The Wong Parties shall pay the City the amount of \$1,221,811.32 (“Settlement Payment”).

5. Bifurcated Deadlines for full payment of Settlement Payment: Within 120 days of the Effective Date, the Wong Parties shall pay the City \$221,811.32. Pursuant to the amended plea agreement between Walter Wong and the United States in the Criminal Case, the remaining \$1,000,000 of the Settlement Payment will be paid to the City upon entry of Judgment and Conviction against Walter Wong in the Criminal Case (the “United States Payment Event”). In the event that the U.S. Attorney does not release or provides a written refusal to release the \$1,000,000 or in the event that the criminal case is dismissed without Judgment and Conviction, then Walter Wong, his trust or estate, successor trustee or executor (collectively, the “Wong Estate”) agrees to pay \$1,000,000 to the City within 70 days of the United States Payment Event or within 70 days of dismissal of the Criminal Case, whichever event occurs first. In the event the Wong Estate does not timely pay \$1,000,000 to the City, the City will immediately draw on the letter of credit as described in paragraph 6, below, in which case the Wong Parties will not be in Default, as defined in paragraph 8, below.

6. Security: As security for the payment of the remaining \$1,000,000 owed to the City, Walter Wong and the Wong Estate will have a bank insured by the Federal Deposit Insurance Corporation issue a letter of credit for the benefit of the City in the form attached to this Agreement as Exhibit A within 120 days of the Effective Date. The original letter of credit shall be kept in the custody of the City, in the care of the San Francisco City Attorney’s Office. If payment of the \$1,000,000 is made by any of the Wong Parties or by the Wong Estate or upon release of the \$1,000,000 by the United States to the City, then the City shall return the original letter of credit to Walter Wong and the Wong Estate.

7. Method of Payment: The Settlement Payment shall be made by wire transfer pursuant to instructions to be provided by the City within one week of the Effective Date.

8. Default: In the event that the Wong Parties fail to make timely payment of \$221,811.32 within 120 days of the Effective Date and/or in the event that the City does not receive the remaining \$1,000,000 of the Settlement Payment within 70 days of the United States Payment Event or within 70 days of dismissal of the Criminal Case (either event being defined as a “Default”), the Wong Parties shall pay interest on all amounts due and unpaid at the legal rate of ten per cent per annum, as provided by Code of Civil Procedure Sections 685.010 and 685.020, which shall be immediately assessed on and added to the entire balance due as of the date of Default. Interest shall then continue to accrue until all sums due to the City are fully paid.

9. Debarment: For purposes of settlement, the Wong Parties do not contest that they are irresponsible bidders and that they engaged in willful misconduct as defined in San Francisco Administrative Code § 28.3. The Wong Parties further agree that, pursuant to Administrative Code §28.1, they shall be disqualified from participating in the competitive process for contracts with, or from entering into contracts with the City, directly or indirectly, for a period of five years from the Effective Date of this Agreement.

10. No Permit Expediting: The Wong Parties further agree that they will not apply for any permit or license from the City on behalf of any client or customer for a period of five years from the Effective Date of this Agreement.

11. Agreement to Cooperate: In consideration of the terms and conditions of this Agreement, including the City’s release of the Wong Parties, Walter Wong and the Wong Parties agree to fully and truthfully cooperate with the City’s investigation of public corruption related to the allegations in the Criminal Case for one year after the United States Payment Event or through December 31, 2023, whichever event occurs later. Subject to approval of the United

States Attorney's Office for the Northern District of California and consistent with any conditions in Walter Wong's amended plea agreement in the Criminal Case, "to cooperate" means: (1) providing documents to representatives of the City Attorney's Office, without necessity of a subpoena; (2) submitting to interviews by representatives of the City Attorney's Office, at a mutually convenient time and place; and (3) voluntarily testifying in any proceeding.

12. Release by the Wong Parties: The Wong Parties hereby release and forever discharge the City and its boards, departments, commissions, and all of its respective officers, agents, members, employees, authorized representatives, assignees, and transferees from any and all liability, claims, demands, actions, or causes of action of whatever kind or nature arising out of or in any way connected with the allegations in the Criminal Case.

13. Release by the City: Except as reserved below, the City hereby releases and forever discharges the Wong Parties and their respective officers, agents, members, employees, authorized representatives, assignees, and transferees from any and all liability, claims, demands, actions, or causes of action of whatever kind or nature arising out of or in any way connected with the allegations in the Criminal Case.

14. Waiver: Except for those obligations that are specifically reserved or are otherwise stated in this Agreement, and with respect to those matters specifically released herein, the Parties waive the provisions of California Civil Code Section 1542, which provides as follows:

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

15. Reserved: Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement releases or excuses any of the Wong Parties from:

- i. Any municipal or state tax liabilities or claims;
- ii. Any other state or municipal administrative, civil, or government claim or liability unrelated to the matters alleged in the Criminal Case;
- iii. Any criminal liability;
- iv. Any obligations under this Agreement; and
- v. Any violations of state or municipal law occurring after the Effective Date of this Agreement.

Additionally, this Agreement does not release or excuse any of the Wong Parties from administrative liability under Appendix C of the San Francisco Charter. In light of the payment of maximum penalties and late fees for the Ethics violations described above in paragraph 1(c), the Executive Director of the Ethics Commission is closing its investigation of the Campaign and Governmental Conduct Code violations covered in this Agreement, and the Ethics Commission's Enforcement Regulations provide that "[n]o further action will be taken by the Commission to review or investigate the allegations contained in the complaint."

16. Enforceability: The provisions of this Agreement are contractual in nature and not mere recitals and shall be considered independent and severable, and if any such provision or any part thereof shall be at any time held invalid in whole or in part under any federal, state, county, municipal or other law, ruling or regulations, then such provision, or part thereof, shall

remain in force and effect to the extent permitted by law, and the remaining provisions of this Agreement shall also remain in full force and effect, and shall be enforceable. This Agreement may be enforced pursuant to Code of Civil Procedure Section 664.6 by motion or by any other means available under applicable law.

ADDITIONAL PROVISIONS

17. Governing Law: The laws of the State of California shall govern the Parties' rights and obligations under this Agreement.
18. Advice of Counsel: The Parties acknowledge that they have had an opportunity to be advised by their own independently selected legal counsel and other advisors in connection with this Agreement and enter into the Agreement solely on the basis of that advice, if any, and on the basis of their own independent investigation of all the facts, law, and circumstances material to this Agreement or any provision thereof, and not in any manner or to any degree based upon any statement or omission by any other party or its legal counsel. By executing this Agreement, each of the Parties acknowledges that it has read the Agreement and understands its terms and provisions.
19. Authorization: Each of the Parties to the Agreement represents and warrants that (1) it is authorized to enter into this Agreement; (2) that the individual signing on behalf of such party is authorized to execute the Agreement on its behalf; and (3) that it is the lawful owner of all right, title, and interest to every claim and every other matter which it purports to release in this Agreement.
20. Counterparts: This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, with the same force and effect as if all signatures appeared on the same document. A photocopy will serve in place of an original. Likewise, a copy of this Agreement with a signature transmitted by facsimile or by email or other electronic means, shall be deemed to be and may be relied upon as an original, executed counterpart.
21. Binding: This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parents, subsidiaries, affiliated and related entities, officers, officials, directors, principals, agents, servants, employees, and representatives.
22. Modification: This Agreement may not be modified, amended, or supplemented except by written instrument specifically identifying this Agreement and signed by each of the Parties.
23. Headings: Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.
24. Fees and Costs: The Parties agree each to bear its own costs and fees associated with or arising from the matters covered in this Agreement.
25. No Presumption Against Drafting Party: This Agreement and its wording are the result of mutual arm's-length negotiation, and in the event of a dispute concerning the meaning of any term contained herein, no adverse inference or presumption shall be drawn against any Party as a result of that Party's role in drafting this agreement.

IT IS SO AGREED:

CITY AND COUNTY OF SAN FRANCISCO

Dated: _____

By: _____

Name: Dennis J. Herrera
Title: City Attorney

WING LOK (“WALTER”) WONG

Dated: _____

By: _____

Name: Wing Lok (“Walter”) Wong

W. WONG CONSTRUCTION, CO., INC.

Dated: _____

By: _____

Name: Wing Lok (“Walter”) Wong
Title: Authorized Representative

ALTERNATE CHOICE, LLC,
a California limited liability company

Dated: _____

By: _____

Name: Wing Lok (“Walter”) Wong
Title: Authorized Representative

JAIDIN CONSULTING GROUP, LLC
a California limited liability company

Dated: _____

By: _____

Name: Wing Lok (“Walter”) Wong
Title: Authorized Representative

JAIDIN INTERNATIONAL VENTURES, LLC
a California limited liability company

Dated: _____

By: _____

Name: Wing Lok (“Walter”) Wong
Title: Authorized Representative

Approved as to form:

CITY AND COUNTY OF SAN FRANCISCO

Dated: _____

By: _____

Name: Ronald P. Flynn
Title: Deputy Chief City Attorney

WING LOK (“WALTER”) WONG

Dated: _____

By: _____

Name: Edwin Prather
Title: Attorney

W. WONG CONSTRUCTION, CO., INC.

Dated: _____

By: _____

Name: Edwin Prather
Title: Attorney

**ALTERNATE CHOICE, LLC,
a California limited liability company**

Dated: _____

By: _____

Name: Edwin Prather
Title: Attorney

**JAIDIN CONSULTING GROUP, LLC
a California limited liability company**

Dated: _____

By: _____

Name: Edwin Prather
Title: Attorney

**JAIDIN INTERNATIONAL VENTURES, LLC
a California limited liability company**

Dated: _____

By: _____

Name: Edwin Prather
Title: Attorney

1 [Settlement of Unlitigated Claims - Wing Lok (“Walter”) Wong; W. Wong Construction;
2 Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin International Ventures, LLC -
3 City to Receive Settlement Payments and Credits Totaling \$1,772,271.64]

4 **Resolution approving settlement of unlitigated claims against Wing Lok “Walter”**
5 **Wong; W. Wong Construction; Alternate Choice, LLC; Jaidin Consulting Group, LLC;**
6 **and Jaidin International Ventures, LLC, (collectively “the Wong Parties”) for payments**
7 **and credits totaling \$1,772,271.64; the claims involve allegations that the Wong Parties**
8 **provided gifts to officials of the City and County of San Francisco (“the City”) in**
9 **exchange for the unlawful award of City contracts to the Wong Parties, failure to report**
10 **contacts with City officials, and failure to report contributions to political campaigns as**
11 **required under City law; other material terms of the settlement are that the Wong**
12 **Parties will not do business with the City, including as permit expeditors, for five years.**

13
14 WHEREAS, the City Attorney has investigated claims against Wing Lok “Walter” Wong;
15 W. Wong Construction; Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin
16 International Ventures, LLC (collectively “the Wong Parties”) under state and local law; and

17 WHEREAS, The claims of the City and County of San Francisco (“City”) against the
18 Wong Parties involve allegations that the Wong Parties provided gifts to City officials in
19 exchange for the unlawful award of City contracts to the Wong Parties, failure to report
20 contacts with City officials, and failure to report contributions to political campaigns as
21 required under City law; and

22 WHEREAS, San Francisco Public Works has recommended settlement of the claim by
23 a combination of payments and credits to the City by the Wong Parties of \$1,454,621.64 as a
24 result of the allegedly illegal contracts and by the payment of \$317,650.00 in administrative
25 penalties and late fees for violations of the Campaign and Governmental Conduct Code,

1 which total amount is offset by a credit of \$386,933.94 for goods and services already
2 received by the City from Alternate Choice, LLC; and barring the Wong Parties from doing
3 business with the City, including as permit expeditors, for five years; now, therefore, be it

4 RESOLVED, That pursuant to Administrative Code, Section 10.22, the Board of
5 Supervisors hereby authorizes the City Attorney to settle and compromise the unlitigated
6 claims by payments and credits from the Wong Parties to the City totaling \$1,772,271.64 and
7 by barring the Wong Parties from doing business with the City, including as permit expeditors,
8 for five years.

9
10 APPROVED AS TO FORM AND
11 RECOMMENDED:

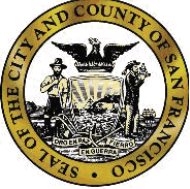
RECOMMENDED:

12 DENNIS J. HERRERA
13 City Attorney

SAN FRANCISCO PUBLIC WORKS

14 /s/ Keslie Stewart
15 KESLIE STEWART
16 Head of Public Integrity and Investigations

/s/ Alaric Degrafinried
17 ALARIC DEGRAFINRIED
18 Acting Director



City and County of San Francisco
Tails
Resolution

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

File Number: 210528

Date Passed: September 14, 2021

Resolution approving settlement of unlitigated claims against Wing Lok “Walter” Wong; W. Wong Construction; Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin International Ventures, LLC, (collectively “the Wong Parties”) for payments and credits totaling \$1,772,271.64; the claims involve allegations that the Wong Parties provided gifts to officials of the City and County of San Francisco (“the City”) in exchange for the unlawful award of City contracts to the Wong Parties, failure to report contacts with City officials, and failure to report contributions to political campaigns as required under City law; other material terms of the settlement are that the Wong Parties will not do business with the City, including as permit expeditors, for five years.

July 01, 2021 Government Audit and Oversight Committee - CONTINUED TO CALL OF THE CHAIR

July 15, 2021 Government Audit and Oversight Committee - REFERRED WITHOUT RECOMMENDATION

July 27, 2021 Board of Supervisors - CONTINUED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

September 14, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210528

I hereby certify that the foregoing
Resolution was ADOPTED on 9/14/2021 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

09/24/2021

Date Approved