

# Office of the City Attorney

## Interdepartmental Memo

To: Office of the City Clerk

From: Strefan Fauble, Deputy City Attorney  
Office of the City Attorney

CC: Daniel Whitley, Deputy City Attorney  
Alma Zavaleta, City Attorney Financial Manager

Date: 2/6/2021

**REQUEST THAT COUNCIL ACTION BE MADE PUBLIC**  
**COUNCIL FILE 20-0744 - Engquist v. City**  
**Los Angeles Superior Court Case No: BC 591331**

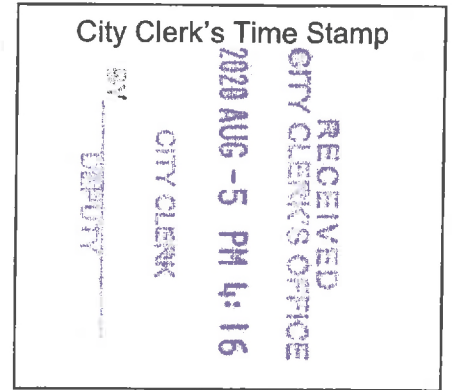
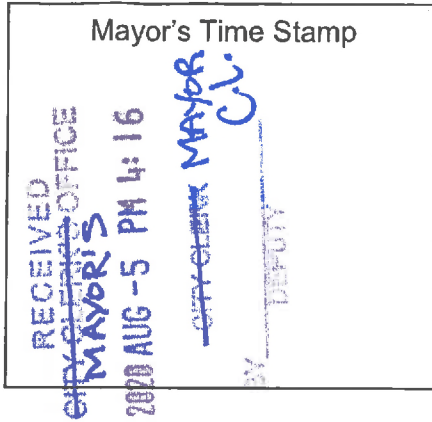
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Please be advised that the above-entitled matter has settled. Please make Council's action including the motion, closed session vote and Mayor's concurrence letter public on the Council File Management System.

Should you have any questions, please contact me at (213) 978-2068.

Thank you.

A handwritten signature in black ink, reading "Strefan Fauble". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.



FORTHWITH

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 20-0744

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE AUGUST 5, 2020

RE: THE CASE ENTITLED ENGQUIST, V. CITY OF LOS ANGELES, LOS ANGELES SUPERIOR COURT CASE NO. BC591331.

LAST DAY FOR MAYOR TO ACT AUGUST 17, 2020  
(10 Day Charter requirement as per Charter Section 341)

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DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

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APPROVED

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\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing  
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL 8/10/20

E.G. 12  
MAYOR

## ITEM NO. 16

08/05/20 Council – Regular Meeting Agenda  
Closed Session

### MOTION

I HEREBY MOVE that the Council ADOPT the following recommendations in order to effect settlement in the case entitled Engquist v. City of Los Angeles, Los Angeles Superior Court Case No. BC591331 (In this matter, the Plaintiffs seek a refund of utility taxes paid by the Plaintiff class), **SUBJECT TO THE APPROVAL OF THE MAYOR:**

1. AUTHORIZE the City Attorney to accept the following terms of settlement:
  - a. Beginning no earlier than July 1, 2021, the City will reimburse, as detailed below, \$31.5 million of the \$49.5 million in the City's Gas User Tax (GUT), including interest, collected on the Customer Charge and the Service Establishment Charge (SEC) between April 2, 2014, and February 29, 2020.
  - b. The City will refund approximately \$21.5 million over a six-year period through a lower GUT rate, set to start no earlier than July 1, 2021.
  - c. The City will directly pay attorney's fees, which will be capped at 25% of the \$31.5 million the City will refund, estimated to be \$7,875,000
  - d. The City will directly pay costs of litigation, estimated at \$2 million upon the court's appointment of the settlement fund administrator.
  - e. The City will directly fund a Cy Pres commitment of \$500,000, which can be directed, to the Los Angeles Zoo and the Los Angeles Public Library to improve conditions for the homeless, or other similar purposes.
  - f. The City will directly pay a representation award of \$20,000 to Lorin M. Engquist, and a representation award of \$10,000 to Angelica Dvinagarcia and Henry Bernstein.
  - g. The City will cease collecting GUT on the Customer Charge and the SEC as soon as possible once the settlement receives final approval by the Court.

- h. The City will not be required to refund any of the GUT collected on the Customer Charge and the SEC between March 1, 2020, and May 1, 2021 (an estimated \$7.5 million).
  - i. The City will refund 75% of the GUT collected on the Customer Charge and the SEC between May 1, 2021, and the date when the City stops such collections.
2. AUTHORIZE the City Attorney, or designee, to make necessary technical adjustments, subject to the approval of the City Administrative Officer; and, AUTHORIZE the Controller to implement the instructions.

(Budget and Finance Committee waived consideration of the above matter)

PRESENTED BY \_\_\_\_\_

PAUL KREKORIAN  
Councilmember, 2nd District

SECONDED BY \_\_\_\_\_

CURREN D. PRICE, JR  
Councilmember, 9th District

MM 08/05/20  
CF 20-0744\_mot\_08-05-20