

PRICE, ET AL. V. CITY OF SEATTLE
UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF WASHINGTON
CAUSE NO. CV03-1365L

SETTLEMENT AGREEMENT

This Agreement is entered between Marion Price, Rodrigue Paul, Harry Davis, David L. Williams and Allen R. Nunnery (hereafter “Class Representatives”) and the class they represent, collectively referred to in this Agreement as “Plaintiffs,” and the defendant City of Seattle (hereafter “City”) in the action currently pending in the United States District Court for the Western District of Washington, Cause No. CV03-1365L. The mutual consideration for this agreement evidences the parties’ desire to resolve the class’s claims and the claims of the individual class representatives fully with regard to the claims and causes of action that were actually or could have been raised in this action.

The City will establish a potential settlement fund of \$1,300,000 (ONE MILLION THREE HUNDRED THOUSAND DOLLARS) to be held in trust by the City specifically for purposes of this Agreement. Payments from this fund will be limited to verified claims and attorneys’ fees as described in this Agreement. No other payment is authorized by this Agreement nor will be honored by the City. The parties agree that under no circumstance will the City pay more than \$1,300,000 to resolve this action, whether the claim be for damages of any variety, attorneys’ fees or any other variety of claim.

The Class Representatives will be paid \$7,500 each in full satisfaction of all claims for attorneys’ fees and damages (including personal injury, property loss or damage, or any

other variety of general or special damage) under any possible theory of liability, payment or indemnification for all events described in the complaint or otherwise arising out of any interaction any Class Representative may have had with the Seattle Police Department or an affiliated or supporting agency, company or entity relating to a stop for suspended license violation or that resulted in the impound of the Class Representative's vehicle for suspend license reasons. The parties agree that this payment extinguishes all actual or potential claims raised in this action by the Class Representatives and any claims that could have been brought in this action. The Class Representatives will sign standard releases as individuals, and a general release on behalf of the class as consideration for the monetary payments described in this agreement.

Individual class members will have 150 days from the date of this Agreement to proffer claims pursuant to those areas of recovery that remain in the action. Any class member who fails to present a claim within this time frame is barred from recovery. Specifically, class members' claims shall be limited solely to towing charges, storage charges and/or administrative charges that individual class members actually paid as a result of their vehicles being impounded after the class member's vehicle was stopped and its driver cited for driving with a suspended license. Individuals whose vehicles were impounded and subsequently auctioned are not member of the class and are not entitled to any recovery under this agreement. The term "class member" is limited to those individuals whose vehicle impound forms recite driving while license suspended as the only reason the vehicle was impounded. In other words, in conformity with the court's earlier rulings, if an impound form recites some other basis for impound, e.g. driving under the

influence or some other impoundable offense, even if the alternative basis is listed together with driving while license suspended as a reason for impound, the owners of those vehicles will not be entitled to recovery in this action as a class member or in any other guise. The term “class member” does not include the Class Representatives, whose claims are resolved by this Agreement separately as set forth above. Plaintiffs’ attorneys will initially verify any claim presented including the amount the class member paid, the dates (or approximate dates) of impound and will support the claim with evidence of the impound status from the database information or other records gleaned from the tow operators. The city will then validate the claim through city records. If a claiming class member’s final storage, towing and administrative costs cannot be directly ascertained from the available data, but a qualified impound can be validated through city records, the validated claimant will be paid the average of the storage, towing and administrative fees applicable to the tow company and period of impound relevant to the claimant’s impound. All payments will be contingent upon the class member executing a standard release form.

The plaintiffs will be responsible for notifying class members of this settlement as required under Fed.R.Civ.P. 23, which notice shall be presented separately to the court for approval.

The parties agree that the Plaintiffs’ attorneys may seek an award of fees and costs from the court. Any award of costs and fees will be withdrawn from the agreed settlement amount of \$1,300,000. The parties agree that the award of fees and costs shall be at the

discretion of the court. The parties also agree, however, that the court's discretion to award attorneys' fees and costs pursuant to this Agreement is capped at \$325,000. The parties specifically agree that the attorneys' fees and costs award will not constitute a separate and distinct award outside of the settlement fund, such that if the court were to award the maximum amount for attorneys' fees, \$325,000, the remaining funds available for payment of the claims of Class Representatives and class members would be reduced to \$975,000. The parties also agree that the costs sought as part of this award shall be limited to those costs that are allowed under established precedent, statutes and court rules, as though the costs were sought pursuant to litigation that ended in a verdict and judgment. The parties further agree that no separate award of costs incurred as a result of this litigation, whether expert fees, access costs, copy fees, document or database costs, records production costs or any other costs of any variety may be separately sought from the court under any theory of recovery.

The parties agree to issue the following joint statement should any media or other inquiry be received in the aftermath of this agreement:

The plaintiffs brought this action to secure relief for individuals whom they believed were unconstitutionally deprived of their property rights through the City of Seattle's suspended license vehicle impound program.

While the City prevailed on the plaintiffs' Fourteenth Amendment due process claims, the plaintiffs prevailed on a conversion claim against the City. The City and the Plaintiffs disagree as to the validity of the

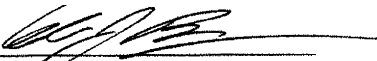
plaintiffs' claim, but agree that it is in the best interest of all involved to resolve the matter by compromise.

Upon the expiration of the claim period (150 days) and resolution of the claims presented, and upon the determination of costs and fees by the court as described in this Agreement, 15% of any amount remaining from the settlement fund of \$1,300,000 will be diverted to the Seattle Municipal Court to assist with the cost of the municipal court's DWLS diversion program, and specifically to help cover the cost of driving school tuition for drivers facing charges of driving with a suspended license under that program. That fund will be established under the jurisdiction of the municipal court for application by the appropriate municipal court personnel. The parties agree that the fund shall be applied only to the benefit of re-licensing efforts through the driving school, unless the parties agree otherwise should the fund not be necessary for the appointed purpose. The remaining 85% of the settlement fund that is left after the resolution of all claims and the determination of costs and fees shall revert to the city and will be released from any further obligation associated with the claims brought in this action. For example, if hypothetically the class member's claim payments total \$600,000, and the court awards \$200,000 in attorney fees, 15% of the \$500,000 remainder of the \$1,300,000 settlement fund (\$75,000) would go to the municipal court diversion program. The other 85% of that remainder (\$425,000) would revert to the city.

The parties agree that this agreement constitutes the full and complete agreement of the parties and no additional documents or terms are to be considered a part of the settlement of this action. The parties also note that this Agreement is subject to court approval, and

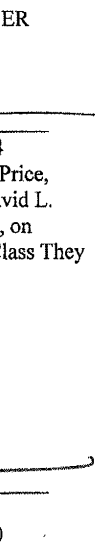
that upon said approval all claims of all plaintiffs, whether Class Representative or class members, shall be extinguished, and that a dismissal of all claims with prejudice shall be jointly presented to the court for entry.

SCHROETER GOLDMARK & BENDER

By: 
Adam J. Berger, WSBA #20714
Attorneys for Plaintiffs Marion Price,
Rodrigue Paul, Harry Davis, David L.
Williams and Allen R. Nunnery, on
Behalf of Themselves and the Class They
Represent

4/2/07
DATED

STAFFORD FREY COOPER

By: 
Ted Buck, WSBA #22029
Heather L. Carr, WSBA #29780
Karen L. Cobb, WSBA #34958
Attorneys for Defendant City of Seattle

4/3/07
DATED