

**APRIL 30, 2020**

**CLOSED SESSION REPORTED OUT FINAL DECISION**

Date of Meeting: *Thursday, April 30, 2020*

Litigation Negotiations

**NAME OF ACTION:**

**Progressive Solutions, Inc. v. City of Oakland, et al.**

Alameda County Superior Court Case No. RG15755874

**United States District Court Case No. 16-CV-04805-SK**

This matter is listed as **Item No. 1(a)** on the Closed Session Agenda:

The council authorized settlement in the amount of \$ **613,811.51**

This case arose out of incidents occurring in or prior to 2015

**FACTS/ISSUES:**

In 2015, PSI filed suit against the City alleging that the City breached a software-related contract with PSI and misappropriated PSI's trade secrets. The City won summary judgment on PSI's claims, entitling the City to an award of \$977,000 in attorney's fees and costs, plus interest. PSI then appealed the judgment to the Ninth Circuit Court of Appeal and is proceeding as a debtor in possession under the Small Business Reorganization Act of Chapter 11 of Title 11 of the United States Bankruptcy Code. The City holds an allowed general unsecured proof of claim in PSI's chapter 11 case based on the District Court's award of attorney's fees and costs.

Council authorized settlement of the City's claim for a dismissal of Plaintiff's appeal to the Ninth Circuit and payment to the City on its proof of claim in the amount of \$613,811.51 over five (5) years. These terms are part of the consensual reorganization plan submitted to the United States Bankruptcy Court.

**Present:**

Motion Made by: **Councilmember Noel Gallo**

Motion Seconded by: **Councilmember Larry Reid**

**AYES:** Fortunato Bas, Gallo, Gibson McElhaney, Kalb, Reid, Taylor, Thao and President Kaplan= **8 ayes**

**NOES:** Fortunato Bas, Gallo, Gibson McElhaney, Kalb, Reid, Taylor, Thao and President Kaplan=

**ABSENT:** Fortunato Bas, Gallo, Gibson McElhaney, Kalb, Reid, Taylor, Thao and President Kaplan=

**ABSTENTIONS:** Fortunato Bas, Gallo, Gibson McElhaney, Kalb, Reid, Taylor, Thao and President Kaplan=