Alan — Per the City's usual procedure, please consider this the City's workers' compensation defense counsel's recommendation of the tentative workers' compensation settlement reached in this claim on 10/29/18 with opposing counsel for \$24,500 inclusive of attorney's fees, costs and any child support contingent upon City Council approval. The current claim for provision of medical treatment for the work injury was denied on the ground it was not timely filed. It was set for trial on 11/6/18. Late developing facts, not previously known, led the City's litigation team to privately conclude we had no greater than a 50-50 chance to win at trial so we converted the situation into an opportunity to close out a troublesome case with a potentially large future exposure, involving a difficult, unpredictable and litigious former employee, with an economically advantageous settlement. Present litigation has been postponed pending City Council's consideration and approval of this tentative settlement.

The previous authorized treating doctor retired in January 2018, so had we gone to trial and lost, we would have been required to provide a new treating doctor and pay Mr. Williamson's attorney's fee which would likely range from \$15,000 to \$20,000 plus his court costs as well as defense expense and the case would still be open for payment of benefits and ongoing litigation. If the case was not settled, a new doctor may have reversed the opinions of the retired treater, which were favorable to the City, potentially leading to more and complicated, expensive medical treatment and possibly past and future lost wage/disability benefits to include a likely future claim alleging Mr. Williamson's work injury caused him to become permanently and totally disabled. We would have disputed that conclusion but the battle would involve additional future defense expense of around \$25,000 with no guaranteed outcome. Therefore, when you peel it back, the present claim, if successful, is more likely an expensive bridge to a much more costly larger future claim. We estimated past indemnity exposure of about \$100,000, starting with Mr. Williamson's 8/18/16 termination to the present, future medical exposure of approximately \$100,000 and a present value of future indemnity exposure of approximately \$300,000.

We agreed our legal arguments and defense efforts contributed to positioning this case to enable settlement at this time for this amount. Therefore, it is my legal opinion this settlement is a good business decision for the taxpayers and City Council and I endorse its approval. Please contact me with any additional questions. Thanks. YT, Mark 10/30/18

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