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October 1, 2024

HONORABLE CITY COUNCIL Oakland, California

Subject: <u>Jadadude, LLC v. City of Oakland</u>

Alameda County Superior Court Case No. 24CV066406

City Attorney File No. 35756

(Department of Public Works – Inverse Condemnation)

President Fortunato Bas and Members of the City Council:

Pursuant to Section 401 of the Charter, the City Attorney has prepared and requests your approval of a resolution authorizing compromise and settlement of the above-entitled lawsuit for the sum of Two Hundred and Seventy Thousand Dollars and Zero Cents (\$270,000.00), payable to Jadadude, LLC, through its attorneys at Utrecht & Lenvin, LLP, and its insurer State National Insurance Company (SNIC).

Plaintiff Jadadude, LLC ("Jadadude") claims that on December 30, 2022, during a period of heavy rain, sewage from a clogged sewer main backed up into three units of its apartment building located at 3764 Fruitvale Avenue. Jadadude's property was damaged and it suffered business losses from the incident. Jadadude seeks to recover those losses as well as attorneys' fees and costs under a theory of inverse condemnation relating to the City's operation, maintenance and control of the City's wastewater system. Jadadude's insurer, State National Insurance Company, filed a government claim against the City seeking to recover money it paid Jadadude under a policy of insurance covering losses related to the sewage backup.

The approved settlement in the amount of \$270,000.00 (\$235,000.00 to Jadadude and \$35,000.00 to State National Insurance Company), without admitting fault or liability, resolves all of Jadadude's and State National Insurance Company's claims, avoids further litigation, and is in the City's best interest.

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The City Council authorized settlement of this case in Closed Session on Thursday, September 19, 2024 (moved by Councilmember Noel Gallo and seconded by President Pro Tem Dan Kalb - 6 Ayes, 2 Excused – Councilmembers Janani Ramachandran and Treva Reid).

Respectfully submitted,

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BARBARA J. PARKER

City Attorney

Assigned Attorney:

Courtney O'Brien, Deputy City Attorney