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November 30, 2007

To the Honorable Common Council  
of the City of Milwaukee  
Room 205 – City Hall

Re: Resolution to approve the settlement agreement in the matter of *Ganos Company, Inc. v. City of Milwaukee, et al*, United States District Court for the Eastern District of Wisconsin, Case Number 07-CV-686.

Dear Council Members:

Enclosed please find Substitute One, to fill file number 071116. This matter is scheduled for the Judiciary and Legislation Committee on December 3, 2007 at 1:30 p.m. in room 301-B, City Hall in closed session for purposes of conferring with the City Attorney pursuant to §19.85(1)(g), followed by open session for the regular agenda.

Ganos Company, Inc. is a Wisconsin corporation engaged primarily in small scale demolition work. It filed suit against the City of Milwaukee in Milwaukee County Circuit Court, in October 2006, alleging the City had breached its contracts by withholding certain payments of approximately \$51,000. It also alleged that the city had wrongfully debarred it from bidding on City contracts, and had denied it the ability to obtain permits. The City admitted withholding those funds, but did so based on the belief that Ganos Company, Inc. had breached a demolition contract in 2001 by causing or allowing contaminated fill to be used at a demolition site. The City denied wrongdoing and filed a counterclaim for the remediation costs. Ganos Company filed an amended complaint, alleging that the City's conduct had amounted to a constitutional violation actionable under 42 U.S.C. §1983. The City denied the amended complaint, and removed the action to the United States District Court for the Eastern District of Wisconsin, Case Number 07-C-686.

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In addition to disputing its responsibility for, and the reasonableness of remediation costs (\$51,000), Ganos Company claims lost profits of approximately \$90,000 for the period of debarment and inability to pull permits. It also claims attorney fees and costs.

The settlement calls for the payment of \$20,000, for all damages, lost profits or other economic losses, attorney fees, costs, compensatory damages, punitive damages and any other claim for damages of any nature. There is no admission of liability.

Very truly yours,

GRANT F. LANGLEY

City Attorney

MIRIAM R. HORWITZ

Assistant City Attorney

Enc.

MRH/MRH

1053-2006-2851.001

c: Martin G. Collins, Commissioner