

A RESOLUTION BY PUBLIC SAFETY/LEGAL ADMINISTRATION COMMITTEE AS
AMENDED BY FULL COUNCIL

A RESOLUTION AUTHORIZING THE FINAL SETTLEMENT OF TWO LAWSUITS FILED BY INFORMATION SYSTEMS AND NETWORKS CORPORATION AGAINST THE CITY OF ATLANTA AND HERBERT MCCALL IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION; *AUTHORIZING THE CHIEF FINANCIAL OFFICER TO DISBURSE THE SETTLEMENT IN SCHEDULED PAYMENTS TOTALLING \$1,300,00; AUTHORIZING THE CITY ATTORNEY TO MAKE A REPORT TO THE PUBLIC SAFETY AND LEGAL ADMINISTRATION COMMITTEE ON THE POTENTIAL OF RESTITUTION AGAINST ANY CURRENT OR FORMER CITY EMPLOYEE OR ELECTED OR APPOINTED OFFICIAL, AND FOR OTHER PURPOSES.*

WHEREAS, Information Systems and Networks Corporation ("ISN") was engaged by the City of Atlanta ("City") in August, 1998 to perform Year 2000 ("Y2K") inventory and assessment of the City's computer systems for the Bureau of Management Information Systems and the Department of Administrative Services (the "Citywide/BMIS/Legacy Y2K Project"); and

WHEREAS, the City terminated ISN's work on or about March 5, 1999 under the Citywide/BMIS/Legacy Y2K Project on the grounds that ISN's performance was unsatisfactory; and

WHEREAS, ISN originally filed suit on or about March 18, 1999, *Information Systems and Networks Corporation v. City of Atlanta, Civil ISN, Civil Action File Number 1:99-CV-0719-CAP ("ISN I")*, alleging among other things, breach of contract, fraud, defamation and negligent misrepresentation against the City of Atlanta ("City") and Herbert L. McCall, Commissioner of Administrative Services; and

WHEREAS, *ISN I* sought a judgment in excess of \$50,000,000.00 in addition to attorney's fees, costs and litigation expenses; and

WHEREAS, ISN filed a second suit, *Information Systems and Networks Corporation v. City of Atlanta, Civil ISN, Civil Action File Number 1:99-CV-1710-CAP ("ISN II")*, alleging that the City and Commissioner McCall violated its civil rights by discriminating against its firm in violation of 42 U.S.C. § 1983, alleging discrimination on the basis of gender and national origin; and

WHEREAS, *ISN II* sought a judgment in excess of \$7,000,000.00 in addition to attorney's fees, costs and litigation expenses; and

WHEREAS, the City and McCall deny the allegations in the cases but recognize that it is in their best interest to resolve the cases for a sum less than what the defendants could potentially pay if the remaining claims in these cases are fully litigated adverse to the defendants on the merits; and

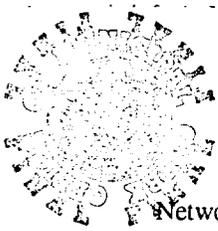
WHEREAS, ISN expressed its willingness to accept a full, complete and final settlement of all claims of both lawsuits against the City and McCall which have been brought, or which could have been brought, for the total sum of One Million Three Hundred Thousand (\$1,300,000.00) Dollars; and

WHEREAS, if approved by the City Council, ISN will execute a dismissal with prejudice and a release in favor of the defendants and their officers, agents, and employees; and

WHEREAS, the Law Department has concluded that the settlement of these lawsuits is reasonable and recommends that such settlement will be in the best interest of the defendants.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATLANTA AS FOLLOWS:

Section 1: That the City Attorney and her assistant City attorneys be and are hereby authorized to conclude the full, final and complete settlement of all claims and issues which have been brought or which could have been brought against the City and Herbert McCall and their officers, agents, and employees by Information Systems and



Networks Corporation, Inc. ("ISN") and that the City Attorney shall obtain a release and a dismissal with prejudice of the pending lawsuits, *Information Systems and Networks Corporation v. City of Atlanta*, United States District Court for the Northern District of Georgia, Atlanta Division, Civil Action Number 1:99-CV-0719-CAP, and *Information Systems and Networks Corporation v. City of Atlanta*, United States District Court for the Northern District of Georgia, Atlanta Division, Civil Action Number 1:00-CV-1710-CAP, together with a release and any other documents deemed necessary and appropriate by the City Attorney to protect the defendants' interests.

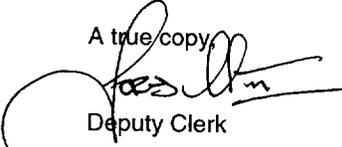
Section 2: That the City Attorney and her assistant City attorneys be and are hereby authorized to execute a Consent Settlement and Dismissal Order which is substantially in the form of that which is attached hereto; provided that the City Attorney and her assistants are authorized to make such further changes which may be necessary to protect the interests of the defendants.

Section 3: That the Chief Financial Officer is hereby authorized and directed to pay to Information Systems and Networks Corporation, Inc. and its attorneys, Singer and Associates, the total sum of One Million Three Hundred Thousand (\$1,300,000.00) Dollars in settlement of the above referenced lawsuits, and said amount is to be charged to and paid from Account Number 1A01 529017 T 31001 in installments according to the following payment schedule. The first installment in the amount of \$300,000.00 shall be paid before December 31, 2002; the second installment in the amount of \$200,000.00 shall be paid on or before March 31, 2003; the third installment in the amount of \$200,000.00 shall be paid on or before June 30, 2003; the fourth installment in the amount of \$200,000.00 shall be paid on or before September 30, 2003; the fifth installment in the amount of \$200,000.00 shall be paid on or before December 31, 2003; and the sixth and final installment in the amount of \$200,000.00 shall be paid on or before March 31, 2004.

Section 4: That the payment recited herein is not to be construed as an admission of liability or responsibility and liability and responsibility are denied by the defendants City and Herbert McCall.

Section 5: That the City Attorney is authorized to investigate and make a report to the Public Safety and Legal Administrative Committee on the potential of recovering restitution from any current or former employee, or elected or appointed official.

Section 6: That this Resolution shall not become binding upon the City and Herbert McCall and the City and Herbert McCall shall incur no obligation or liability upon the same unless and until this Resolution has been adopted by the Council, approved by the Mayor and the conditions established in this resolution have been met.

A true copy,

 Deputy Clerk

ADOPTED as amended by the Council
RETURNED WITHOUT SIGNATURE OF THE MAYOR
APPROVED as per City Charter Section 2-403

NOV 18, 2002

NOV 27, 2002

02-102-19882
 (Do Not Write Above This Line)

A RESOLUTION BY COMMITTEE ON PUBLIC SAFETY AND LEGAL ADMINISTRATION

A RESOLUTION AUTHORIZING THE FINAL SETTLEMENT OF TWO LAWSUITS FILED BY INFORMATION SYSTEMS AND NETWORKS CORPORATION AGAINST THE CITY OF ATLANTA AND HERBERT MCCALL IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION; AND FOR OTHER PURPOSES.

Linda K. Disantis

LINDA K. DISANTIS
 CITY ATTORNEY

as amended

- ADOPTED BY
- CONSENT REFER NOV 18 2002
 - REGULAR REPORT REFER
 - ADVERTISE & REFER COUNCIL
 - 1st ADOPT 2nd READ & REFER
 - PERSONAL PAPER REFER

Date Referred
 Referred To:
 Date Referred
 Referred To:
 Date Referred
 Referred To:
 Date Referred
 Referred To:

First Reading

Committee _____
 Date _____
 Chair _____
 Referred To _____

PSLA Committee

11/18/02
 Date

[Signature]
 Chair

Action

Fav. Adv. Hold (see rev. side)

Other

Members

[Signature]
[Signature]

Refer To

Committee

Date

Chair

Action

Fav. Adv. Hold (see rev. side)

Other

Members

Committee

Date

Chair

Action

Fav. Adv. Hold (see rev. side)

Other

Members

Refer To

Committee

Date

Chair

Action

Fav. Adv. Hold (see rev. side)

Other

Members

- FINAL COUNCIL ACTION
- 2nd
 - 1st & 2nd
 - 3rd
 - Consent
 - V Vote
 - RC Vote

CERTIFIED

NOV 18 2002

CERTIFIED
 NOV 18 2002
Rachel Dunlap
 MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED

NOV 27 2002

WITHOUT SIGNATURE
 BY OPERATION OF LAW