

## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Richard Doyle,  
City Attorney

**SUBJECT:** SETTLEMENT OF LAWSUIT  
FILED BY M SQUARED  
ENTERPRISES, INC. DBA  
TRIBLOOM, INC.

**DATE:** November 26, 2019

### **RECOMMENDATION**

Approve a settlement of a lawsuit brought by M Squared Enterprises, Inc. dba Tribloom, Inc. ("Tribloom") in the amount of \$275,000 and authorize the City Attorney to execute a settlement agreement.

### **OUTCOME**

Settlement of the breach of contract lawsuit brought by Plaintiff Tribloom. Each side will bear its own costs and attorney fees.

### **BACKGROUND**

Plaintiff is a Colorado corporation that entered into a contract with the City to provide an Electronic Content Management System. The contract contains a provision that allows the City to terminate for convenience, the City later terminated the contract, and a dispute arose concerning the compensation due to Tribloom, which led to the filing by Tribloom of the lawsuit.

### **ANALYSIS**

Under the proposed settlement, Plaintiff will receive \$275,000 from the City. This is a negotiated settlement between the parties to avoid the risks inherent in litigation.

### **PUBLIC OUTREACH/INTEREST**

This memorandum and the Settlement Agreement have been posted on the City's website for the December 10, 2019 agenda.

HONORABLE MAYOR AND CITY COUNCIL

November 26, 2019

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Page 2


**COST SUMMARY/IMPLICATIONS**

The settlement will be paid from the Planning, Building, and Code Enforcement Department's ECMS – Development Fee Program contract agreement encumbrance.

**CEQA**

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

RICHARD DOYLE, City Attorney

By \_\_\_\_\_  
Yue-Han Chow  
Senior Deputy City Attorney

cc: David Sykes, City Manager

For questions, please contact RICHARD DOYLE, City Attorney, at (408) 535-1900