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City settles impounding suit for \$5M

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The city of Chicago agreed to pay nearly \$5 million to resolve claims that police violated the due process rights of car owners whose vehicles were impounded for purported drug offenses.

Attorneys for the aggrieved owners filed an uncontested motion last week asking U.S. District Judge Joan B. Gottschall to give preliminary approval to a proposed settlement agreement reached with the city.

The attorneys also asked Gottschall to conditionally certify a settlement class of owners who lost their vehicles permanently or the use of their vehicles temporarily because of the city's purported mishandling of drug-related impoundments.

The plaintiffs allege police routinely pressured lienholders to repossess cars impounded for drug offenses so their owners

could not get the vehicles back.

Under the settlement agreement, the city would put \$4,950,000 in a common fund for members of the settlement class.

The money would be used to compensate the owners of about 356 vehicles that were impounded any time from March 28, 2013, to August 1, 2015, when police stopped contacting lienholders.

Class members would be required to submit a claim for compensation, a request to be excluded from the class or an objection to the settlement within 119 days of the entry of the preliminary approval order.

Class members who submit claims would be paid 32 days after the final approval order is entered.

Class counsel would be paid their fees and costs 31 days after the final approval order is entered. The money would come out of the common fund.

If any money remained in

the common fund, it would revert to the city 119 days after the claimants are paid.

The settlement agreement would not be final unless it is approved by Gottschall following a fairness hearing.

The Chicago City Council also will have to approve the agreement.

In an order, Gottschall wrote she will allow class members to appear at the fairness hearing by telephone or other electronic means because of the COVID-19 pandemic.

The plaintiffs and the city reached the settlement agreement following negotiations coordinated by U.S. Magistrate Judge Gabriel A. Fuentes.

The uncontested motion filed Thursday asks Gottschall to appoint JND Legal Administration as the claims administrator and the named plaintiffs as representatives of the proposed settlement class.

The motion also asks Gottschall to appoint the

plaintiffs' attorneys — Edward R. Moor of Moor Law Office P.C. and Paul J. Lytle of Lytle & Milan LLC — as counsel for the settlement class.

"We are glad that after five years of hard work we are at the position to seek City Council approval of the parties proposed settlement," Moor said in an email.

Michael P. Sheehan of Taft Stettinius & Hollister LLP is the lead attorney for the city.

"The city is pleased to have reached a settlement on this lawsuit, which dates back more than five years, over unauthorized vehicle impoundment practices that have long since been eliminated and which impacted only a small number of vehicles, roughly 350," Law Department spokeswoman Kathleen Fieweger said in a statement.

The case is *Manuel Barrios, et al. v. The City of Chicago, et al.*, No. 15 C 2648.