
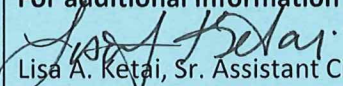


TO: Mayor via City Secretary

<b>SUBJECT:</b> Ordinance approving and authorizing a Settlement Agreement and Mutual Release related to litigation and claims by the City of Houston against WTW Delaware Holdings LLC f/k/a Towers Watson & Co. f/k/a Towers Perrin ("Towers"), for Forty Million Dollars (\$40,000,000.00); delegating authority to the City Attorney to approve distribution of a portion of the resulting settlement proceeds to Susman Godfrey L.L.P.		Page 1 of 1	Agenda Item
<b>FROM (Department or other point of origin):</b> Legal Department		<b>Origination Date:</b> March 7, 2018	<b>Agenda Date</b>
<b>DIRECTOR'S SIGNATURE:</b>  Ronald C. Lewis, City Attorney		<b>Council District(s) affected:</b>  All	
<b>For additional information contact:</b>  Lisa A. Ketaj, Sr. Assistant City Attorney (832) 393-6447		<b>Date and Identification of prior authorizing Council Action:</b>  None	
<b>RECOMMENDATION (Summary):</b> Approve Ordinance authorizing Settlement Agreement and Mutual Release related to litigation and claims asserted by the City of Houston against WTW Delaware Holdings LLC f/k/a Towers Watson & Co. f/k/a Towers Perrin, resulting from Towers' professional services as actuary for City pension funds for Forty Million Dollars (\$40,000,000.00) and delegating authority to the City Attorney to approve distribution of a portion of the resulting settlement proceeds to Susman Godfrey L.L.P.			
<b>Amount and Source of Funding:</b> N/A			
<b>SPECIFIC EXPLANATION:</b>  The City of Houston, represented by Susman Godfrey L.L.P. ("Special Counsel") sued WTW Delaware Holdings LLC f/k/a Towers Watson & Co. f/k/a Towers Perrin Towers collectively "Towers", in the case styled <i>City of Houston v. Towers Watson &amp; Co.: Civil Action No. 14-cv-02213</i> ("Lawsuit"). The City asserted claims for negligence, negligent misrepresentations, and professional malpractice.  The City and Towers mediated the case and agreed to enter into the Settlement Agreement and Mutual Release whereby in consideration for settlement of the Lawsuit, Towers will pay the City of Houston Forty Million Dollars (\$40,000,000.00) ("Settlement"), and the City will release all claims against Towers both in the Lawsuit and unasserted claims relating to work that Towers performed or may have performed with respect to or on behalf of the Houston Firefighter's Relief and Retirement Fund, the Houston Municipal Employees Pension System, and the Houston Police Officers' Pension System.  Pursuant to Professional Services Agreement (Contingent Fee Special Counsel for Lawsuit) between the City and Special Counsel, Contract No. 4600014652 (approved by Ordinance No. 2017-0991 and the Office of the Texas State Comptroller of Public Accounts), and Special Counsel's Release to the City, dated March 19, 2018, Special Counsel will receive a payment of Eleven Million Dollars (\$11,000,000.00) for representing the City. The ordinance specifically delegates authority to the City Attorney to approve distribution of the \$11,000,000.00 to Special Counsel.  The remainder of the Settlement in the amount of Twenty-Nine Million Dollars (\$29,000,000.00) will be paid into the City's General Fund.  <b>M/WBE Subcontracting:</b> Not applicable because this is a settlement of a lawsuit.  <b>Fiscal Note:</b> No Fiscal Note is required.			