File #: 260838, **Version:** 1

ORDINANCE NO. 260838

Sponsor: Director of Law Department

Approving the settlement of the City's affirmative claims against Hyundai Motor America, Inc. and Kia America, Inc. in the litigation styled *City of Kansas City v. Hyundai Motor America, Inc., et al.*, Case No. 4:23-CV-00399-HFS (W.D. Mo.), consolidated in *In re: Kia Hyundai Vehicle Theft Marketing, Sales Practices, and Products Liability Litigation*, Case No. 8:22-ML-3052-JVS-(KESx) (C.D. Cal.); authorizing the City Attorney to execute a Settlement and Release Agreement on behalf of the City; and providing that the settlement terms remain confidential until the agreement is fully executed by all parties; and directing the City Manager to deposit settlement proceeds to the Violence Prevention Fund.

LEGAL REVIEW COMMITTEE recommends "Advance and Do Pass, Consent".

WHEREAS, the City of Kansas City is a plaintiff in the litigation styled *City of Kansas City v. Hyundai Motor America, Inc., et al.*, Case No. 4:23-CV-00399-HFS (W.D. Mo.), which has been transferred and consolidated with related actions brought by other governmental entities in *In re: Kia Hyundai Vehicle Theft Marketing, Sales Practices, and Products Liability Litigation*, Case No. 8:22-ML-3052-JVS-(KESx), in the United States District Court for the Central District of California (the Litigation); and

WHEREAS, in the Litigation the City asserts affirmative claims against Hyundai Motor America, Inc. and Kia America, Inc. (the Defendants) arising from the alleged distribution and sale of vehicles unreasonably susceptible to theft, and the recovery sought by the City is a matter in which the City is concerned as a creditor rather than a payment owed by the City; and

WHEREAS, the City and the Defendants, together with the other governmental-entity plaintiffs, have negotiated a proposed nationwide Settlement and Release Agreement (the "Settlement Agreement") that would resolve the Litigation and provide for a monetary recovery to the City; and

WHEREAS, the existence of the proposed settlement is a matter of public record, having been referenced in the docket of the consolidated multidistrict litigation, and this ordinance is presented in open session so that the City may act on it through its ordinary public approval process; and

WHEREAS, the specific terms of the Settlement Agreement, including the amount of the City's recovery, are set forth in confidential addenda and remain a confidential settlement communication until the Settlement Agreement has been executed by all parties, and by its terms the Settlement Agreement does not become effective, and no party is bound, unless and until it has been executed by the Defendants and each governmental-entity plaintiff; and

WHEREAS, under Section 610.021(1) of the Revised Statutes of Missouri a public governmental body

is authorized to close records, meetings, and votes to the extent they relate to legal actions, causes of action, or litigation and to confidential or privileged communications between the body and its attorneys, and any settlement agreement relating to such litigation shall be made public upon the signing of the settlement agreement by the parties; and

WHEREAS, consistent with Section 610.011 of the Revised Statutes of Missouri and the City's obligations under the Missouri Sunshine Law, the Settlement Agreement will become a public record of the City upon its full execution by all parties; and

WHEREAS, the City Council has been briefed on the material terms of the Settlement Agreement and finds that its execution is in the best interest of the City; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the settlement of the City's affirmative claims against the Defendants in the Litigation, on the terms set forth in the Settlement and Release Agreement and the confidential addendum applicable to the City, is approved.

Section 2. That the City Attorney is authorized to execute the Settlement and Release Agreement, and the confidential addendum applicable to the City, on behalf of the City, and to take such further actions and execute such further documents as may be necessary or appropriate to effectuate the settlement and to obtain and receive the City's recovery under the Settlement Agreement. A copy of the Settlement and Release Agreement, approved in substantial form, is on file with the Law Department.

Section 3. That the City Manager is directed to deposit settlement proceeds to the Violence Prevention Fund (Fund No. 2000) in support of the Fiscal Year 2027-28 funding plan required by Resolution No. 260224.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

_____
Brenton Siverly
Director of Finance

Approved as to form:

_____
Matthew Gigliotti
City Attorney