



**Request for City Council Committee Action
From the City Attorney's Office**

Date: July 19, 2006
To: Ways and Means/Budget Committee
Referral to:

Subject: Ren Xin Qiu v. City of Minneapolis and Don Peddler and Linda Marie Monroe and Choice Auto Rental, Inc.

Recommendation: That the City Council approve the settlement of this case by payment of \$3,000.00 payable to Ren Xin Qiu and his attorney, Mark Stephenson, from Fund/Org. 6900 150 1500 6850 and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

Previous Directives:

Prepared by: Edward Backstrom Phone: (612) 673-2072

Approved by: _____
Jay M. Heffern
City Attorney

Presenter in Committee: Jay M. Heffern, City Attorney

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
 Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.
 Action provides increased revenue for appropriation increase.
 Action requires use of contingency or reserves.
 Business Plan: _____ Action is within the plan. _____ Action requires a change to plan.
 Other financial impact (Explain): Fund/Org 6900 150 1500 6850
 Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact

City Goal(s): Build Community
Comprehensive Plan
Zoning Code
Other

Background/Supporting Information

This matter involves a lawsuit seeking damages from the City for the illegal sale of the plaintiff's vehicle by the impound lot. On September 22, 2001, a vehicle owned by the plaintiff, Ren Xin Qiu, was stopped mid block between 41st Ave and 42nd Ave. behind a car waiting to make a left hand turn from northbound Lyndale Avenue N. While still stopped, a vehicle being driven by Linda Monroe rear ended the plaintiff's vehicle pushing the plaintiff's vehicle into the vehicle stopped in front of it. Plaintiff's vehicle was not drivable and was towed to the Minneapolis impound lot. However, before plaintiff could coordinate with his insurance company concerning how to proceed after the accident, the City sold the vehicle at auction for \$750.00.

The impound lot sent letter to the lien holder and to the plaintiff. However, this was not done by certified mail as required by state law. The impound lot did not perform the statutory requirements necessary to sell the vehicle at auction as an abandoned vehicle. No one with the City did an assessment which can definitively establish how much the damage from the accident reduced the value of the

July 19, 2006

Page 2

vehicle. The City has problems with liability in this matter. The impound lot is currently changing its procedure to insure that the correct notice will be sent in future cases.

Plaintiff's vehicle was a 1999 Honda Civic which was approximately two years old at the time of the accident. The accident caused damage to both the front and the rear of the vehicle. Since no one with the City documented the extent of damage to the vehicle when it was brought to the impound lot, the City cannot establish the condition of the vehicle when it was received by the impound lot. Part of the plaintiff's claim against the City is that the City prevented him from being able to have his insurance company view the vehicle and assess its value after the accident since the City illegally sold it before this could be arranged. This is significant because neither plaintiff's insurance company nor the company of the other driver will pay for the damage done to the car since they were unable to view the damage to plaintiff's vehicle. This leads to the claim by Plaintiff that the City wrongfully created the situation which has denied him recovery of his damages and is therefore responsible for compensating the plaintiff for his loss.

Plaintiff's attorney initially demanded \$17,000.00 to settle the case. Plaintiff initially filed suit only against the City and its agent Don Peddler. He has since amended his complaint to name the other driver as an additional defendant. This party has not settled and the matter is currently set for trial.

Based on the above considerations a settlement has been reached in this matter between the City and the plaintiff wherein Mr. Qiu has agreed to give the City a Pierringer release upon payment of \$3,000.00 to the plaintiff. This settlement has been reviewed and approved by the Minneapolis City Attorney's office litigation committee.

cc: Don Pedlar