

APPROVE SETTLEMENT RECOMMENDATION IN LITIGATION
WESTERN STATES INSURANCE CO. v. CHICAGO CONTRACT CLEANING AND
BOARD OF EDUCATION
CASE NO. 01 CH 20341

THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

DESCRIPTION: Law Department attorneys have reached a settlement, subject to Board approval, of the case captioned Western States Insurance Co. v. Chicago Contract Cleaning and Board of Education of the City of Chicago (Circuit Court of Cook County). The General Counsel recommends this settlement which provides for payment from Western States Insurance Co. to the Board of Education in the amount of \$125,000. The lawsuit relates to a declaratory judgment issue arising out of an underlying matter regarding a Chicago Public Schools employee's workers compensation case. The payment by Western States Insurance Co. represents the exhaustion of liability limits in the Western States Insurance Co.'s policy at issue. In return for the payment, the Board will release all claims against Western States Insurance Co. relating to this lawsuit.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: Payment to be applied to Budget Line 0963-215-000-6010-5650

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement, and all ancillary documents related thereto.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement is not legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their terms of office.

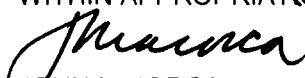
Indebtedness - The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, is hereby incorporated into and made part of this agreement.

Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0926-RU3), as amended from time to time, is hereby incorporated into and made part of this agreement.

Approved,


RUTH M. MOSCOVITCH
General Counsel

WITHIN APPROPRIATION:


JOHN MAIORCA
Chief Financial Officer