

September 28, 2005

**AUTHORIZE PAYMENT TO SETTLE THE MATTER OF SIEGEL & ASSOCIATES V. BOARD OF EDUCATION OF THE CITY OF CHICAGO (CASE NO. 04 CH 13055) & ATTORNEYS' FEE INVOICES FOR PRINCIPAL ARBITRATIONS AT AVONDALE, CUFFE, GALLISTEL, SONGHAI & SANDOVAL SCHOOLS**

**THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:** To authorize funds in the amount of \$110,000 to Elaine Siegel & Associates to settle all claims, fees and costs in the above-referenced, pending lawsuit, Case No. 04 CH 13055, and all fees and costs arising from the referenced principal arbitrations for Avondale, Cuffe, Gallistel, Songhai, and Sandoval schools. The agreement will provide for a full release of all such claims and for dismissal with prejudice of the pending action. In return, the Board will pay the total amount of \$110,000.

**DESCRIPTION:** Attorney Elaine Siegel seeks to recover from the Board fees and costs for legal representation provided to a number of local school counsels ("LSCs") in matters authorized under the Illinois School Code, including LSC election disputes and the arbitration of LSC decisions not to renew principals' contracts. The Board's obligation to pay reasonable attorneys fees arises from provisions in the School Code, specifically, 105 ILCS 5/34-2.3 (1.5), which requires the Board to pay the "reasonable costs incurred by a local school council for representation before a hearing officer," and 105 ILCS 5/34-18.1, which requires the Board to indemnify LSCs for, among other things, "reasonable legal fees."

Case No. 04 CH 13055 involves Attorney Siegel's invoices for legal fees and costs in connection with an LSC election dispute that arose at Canter school and in connection with principal arbitrations for Brown, Curtis and Spaulding schools. Though not formerly incorporated into the referenced lawsuit (04 CH 13055), similarly pending fee invoices from Attorney Siegel for principal arbitrations related to Avondale, Cuffe, Gallistel, Songhai, and Sandoval schools are resolved in this global settlement to which the parties have agreed, subject to Board approval. The General Counsel recommends a global settlement of the aforementioned matters with payment of \$110,000 to Attorney Siegel in full payment and satisfaction of all legal fees and costs which are the subject of, or otherwise related to, Case No. 04 CH 13055 and all fees and costs arising from the principal arbitrations for Avondale, Cuffe, Gallistel, Songhai, and Sandoval. The agreement will provide for a full release of all such claims and for dismissal with prejudice of the pending action.

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


**AFFIRMATIVE ACTION STATUS:** None.

**FINANCIAL:** Charge \$110,000 to Law Department -  
Budget Classification Fiscal year 2006.....0963-210-000-7072-5490

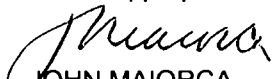
**GENERAL CONDITIONS:**

Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

Approved,

  
PATRICK J. ROCKS  
General Counsel

Within Appropriation:

  
JOHN MAIORCA  
Chief Financial Officer