

**CLARK COUNTY
STAFF REPORT**

DEPARTMENT: General Services, Risk Management Division
DATE: December 17, 2013
REQUEST: To approve settlement and payment of the court ordered judgment in the amount of \$300,000 plus compromised costs, fees, and interest of \$50,000.

CHECK ONE: X Consent CAO

BACKGROUND

In September of 2008, the Estate of Irwin P. Jessen made two deposits totaling \$976,775.55 with Clark County Clerk Parker in connection with Battle Ground Plaza LLC v. Douglas Ray, et al., Clark County Superior Court No. 02-2-00973-9. The two "Notice(s) of cash deposits as Supersedeas Bond" filed in connection with the deposits provided that Clerk Parker was to "place these funds in an interest-bearing trust account to be held as bond to supersede the Supplement Judgment entered in this case during the pendency of the appeal". The funds were to be held "pending return of the mandate in Court of Appeals Cause No. 37791-8-II and thereafter until disbursed pursuant to further order of court or by agreement of the parties."

In accord with these notices, the funds were deposited into an interest bearing account in the Bank of Clark County. The Bank of Clark County subsequently failed and the Federal Deposit Insurance Corporation (FDIC), as Receiver, took over. Clerk Parker was able to recover \$500,000 of the deposited funds with some additional amounts from asset sales.

On January 10th, 2012, the Estate filed a case in Clark County Superior Court to recover the remaining \$365,000 in lost funds. (Anderson v. Sherry Parker et al.,) Superior Court 12-2-00049-6. The Estate named Clerk Parker and Hartford (the Bonding Company) as Defendants. On July 27th, 2012 The Superior Court held that Clerk Parker was strictly liable for the funds. Hartford was ordered to pay the full sum of the bond, \$250,000, to the Estate. Hartford paid an additional \$50,000 to the Estate to settle any and all remaining claims against Hartford and we additionally owe interest costs and fees of \$50,000.

Attached is the Order Granting a Judgment against our former elected officer, Sherry Parker, her husband, and under Clark County Code 2.95 and 2.97, County Clerk Sherry W. Parker was within her course and scope, therefore we indemnify her for \$350,000.

COMMUNITY OUTREACH

Not Applicable.



*MSH
OK
y'*

BUDGET AND POLICY IMPLICATIONS

Fund 5040 currently has sufficient fund balance to pay this loss.

FISCAL IMPACTS

Yes (see attached form) No

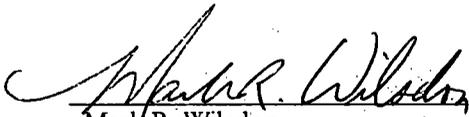
See attached form.

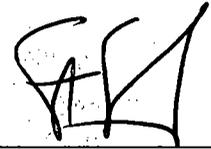
ACTION REQUESTED:

To approve settlement and payment of the court ordered judgment in the amount of \$300,000 plus \$50,000 in costs, fees and interest as compromised.

DISTRIBUTION

Bob Stevens, Budget Manager
Mark Gassaway, Deputy Auditor
Mark McCauley, County Administrator
Chris Horne Chief Civil Prosecutor


Mark R. Wilsdon
Risk Manager

Approved: 
CLARK COUNTY
BOARD OF COMMISSIONERS

DEC. 17, 2013 SR 269-13

FISCAL IMPACT ATTACHMENT

Part I: Narrative Explanation

I. A – This is being paid from the claims fund.

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
5040, Liability		350,000				
Total		350,000				

II. Received at the beginning of the Biennium.

Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
5040.000.309.518600.498			300,000				
Total			300,000				

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables.....498		350,000				
Capital Outlays						
Inter-fund Transfers						
Debt Service						
Total		350,000				

revision date: 10/26/2010