

MOTION

I HEREBY MOVE that the Council ADOPT the following recommendations of the City Attorney in order to effect settlement in the case entitled Canyon Capital Advisors, LLC and ICE Canyon, LLC v. City of Los Angeles, Los Angeles Superior Court Case Nos. BC561149 and BC627419 (this matter involves a proposed settlement regarding claims against the City for refund of business taxes), **SUBJECT TO THE APPROVAL OF THE MAYOR:**

1. APPROVE and AUTHORIZE the City Attorney to accept the proposed settlement offer:
 - a. Plaintiffs agree to be taxed under the business tax rate according to Los Angeles Municipal Code Section 21.49, and forfeit all their refund claims totaling over \$5.2 million for tax years 2009-2014 in exchange for significant tax credits.
 - b. Credits in the amount of \$5,890,000 to be applied towards Plaintiffs' future business tax liability according to the following schedule:

<u>Tax Year(s)</u>	<u>Amount</u>
2014 – 2016	\$2,650,000
2017	330,000
2018	330,000
2019	330,000
2020	330,000
2021	600,000
2022	330,000
2023	330,000
2024	330,000
2025	<u>330,000</u>
	\$5,890,000

- c. City agrees that in the event an unrelated comparable firm were to successfully challenge its classification under Section 21.49 and a court were to agree that it should be taxed under Section 21.108 (Money Lenders), Plaintiffs would be entitled to the benefit of such ruling.
2. AUTHORIZE the City Attorney to execute the necessary documents to carry out the settlement in accordance with the above terms.
3. AUTHORIZE the City Attorney, or designee, to make any necessary technical adjustments, subject to the approval of the City Administrative Officer; and, AUTHORIZE the Director of Finance (or the Controller, as appropriate) to implement the instructions.

(Budget and Finance Committee waived consideration of the above matter)

PRESENTED BY _____
PAUL KREKORIAN
Councilmember, 2nd District

SECONDED BY _____
MITCHELL ENGLANDER
Councilmember, 12th District

REW
CF No. 17-0153
February 15, 2017

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