



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1801
FACSIMILE
(213) 626-7446
TDD
(213) 633-0901

DAWYN R. HARRISON
County Counsel

January 23, 2024

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

60-H January 23, 2024

CELIA ZAVALA
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**SETTLEMENT OF LITIGATION ARISING OUT OF
ARREST AND PROSECUTION OF EUGENE YU
(ALL DISTRICTS AFFECTED)
(3 VOTES)**

SUBJECT

Recommendation to settle a lawsuit filed by Eugene Yu and Konnech Inc. against the District Attorney's Office ("DA") arising out of the October 4, 2022 arrest and prosecution of Eugene Yu.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve settlement in the amount of \$5,000,000 in Konnech Inc., et al. v. George Gascón, et al. U.S. District Court Case No. CV 23-09064.
2. Instruct the Auditor-Controller to draw a warrant to implement this settlement from the DA's budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Eugene Yu is Konnech's founder and CEO. Konnech Inc. is a Michigan-based company that provides election management software to municipal government clients, including Los Angeles County, to handle poll worker information. On October 4, 2022, members of the DA's Office executed an arrest warrant for Mr. Yu and search warrants for Konnech's offices in Michigan. The investigators seized many of Konnech's servers and dozens of other digital devices. The DA dismissed the charges on November 9, 2022.

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Plaintiffs alleged Mr. Yu's arrest and the seizure of Konnech's property was without probable cause and a violation of Mr. Yu's civil rights causing damage to Konnech's business and Mr. Yu's reputation.

A proposed settlement with plaintiffs has been reached. Your Board's authorization is now required to complete the proposed settlement with Mr. Yu and Konnech Inc. The settlement will result in payment of \$5,000,000 to the plaintiffs. Given the risks and uncertainties of litigation, a fair and reasonable settlement at this time will avoid further litigation costs; therefore, full and final settlement of this matter is warranted.

FISCAL IMPACT/FINANCING

The County is represented by the Pillsbury Winthrop Shaw Pittman, LLP, law firm. To date, fees and costs incurred amount to approximately \$673,372.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The parties have engaged in substantial settlement negotiations and reached the proposed settlement. Based on the agreements reached by the parties, we recommend settling this lawsuit for \$5,000,000. The settlement agreement is subject to your Board's approval.

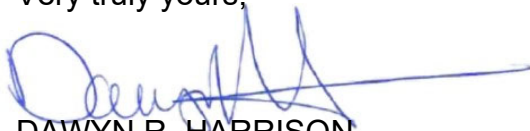
IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

CONCLUSION

County Counsel recommends that your Board approve settlement of this matter and instruct the Auditor-Controller to draw a warrant to implement the settlement from the DA budget.

Very truly yours,



DAWYN R. HARRISON
County Counsel

DRH:mag

- c: Honorable George Gascón, District Attorney
- Fesia A. Davenport, Chief Executive Officer
- Celia Zavala, Executive Officer, Board of Supervisors