

May 01, 2014

News Release

For Immediate Release

City reaches resolution in marijuana lawsuit

Although the settlement process is not complete, the City of Springfield confirms a resolution of a lawsuit filed last year by Maranda Reynolds, Show-Me Cannabis (based in St. Louis) and American Victory Coalition (based out of Oregon). The lawsuit was over legislation to lessen the penalties for marijuana possession. Neither party admitted fault and the matter was settled “with prejudice” meaning the plaintiff may not file a new complaint based on the same transactions and/or occurrences. The agreement is attached.

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During court-ordered mediation, both parties determined the expense of litigation would be minimized through the settlement. The City agreed to a settlement of \$225,000, based on the potential cost of defense. The City’s General Fund will cover \$50,000 and \$175,000 will be covered by insurance.

“Given the complexity of the litigation and the amount of time both parties have put into prosecuting and defending the claim, our insurance representatives felt it was in the best interest of all parties go end this costly endeavor,” said Dan Wichmer, City Attorney.

Facts of the lawsuit

The plaintiffs submitted an initiative petition with an ordinance that decriminalized marijuana possession of 35 grams or less of marijuana.

When it was presented to City Council, some members expressed concerns about the legality of the language. Council passed the ordinance, with the goal being to amend it to remove the infirmities, but could not agree on how to amend the bill, so the bill was repealed.

At issue: the plaintiffs claimed the matter should have been sent to a popular vote. Certain Council members disagreed, calling it an illegal ordinance and saying that it is their duty to avoid expending taxpayer funds on illegal legislation.

For more information, contact: Cora Scott, Director of Public Information & Civic Engagement, 417-864-1009 (office) | 417-380-3352 (cell), cscott@springfieldmo.gov

SETTLEMENT AGREEMENT
AND GLOBAL MUTUAL RELEASE

This Settlement Agreement and Global Mutual Release (the "Agreement") is made and entered into this 17th day of April, 2014, by and between Bob Stephens, Jeff Siefried, Cindy Rushefsky, Jerry Compton, John Rush, Doug Burlison, Jan Fisk, Tom Bieker, Mike Carroll, Craig Fishel and Craig Hosmer, in their individual capacities and as representatives of the City of Springfield and on behalf of their heirs and beneficiaries, successors and assigns (altogether herein referred to as the "Individual Defendants") and the City of Springfield, by and through its authorized representative, Dan Wichmer, City Attorney (the "City") and Maranda Reynolds ("Reynolds"), Show-Me Cannabis Regulation, Inc. and American Victory Coalition (altogether the "Plaintiffs").

WHEREAS, Plaintiffs claimed that the Defendants violated their free speech and equal protection rights guaranteed to them by the Missouri and United States Constitutions arising from an alleged improper application of the City Charter; and

WHEREAS, the Defendants denied those claims completely; and

WHEREAS, this Agreement, and compliance with this Agreement, *shall not be construed as an admission by any of the Parties hereto of any liability. Instead, this Agreement constitutes the good faith settlement of all matters between the Parties hereto arising or which may have arisen through the time of execution of this Agreement;* and

WHEREAS, ACE American Insurance Company will be providing payment on behalf of the City of Springfield in this matter;

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Release of Claims.

(a) General Release by Plaintiffs: Plaintiffs, on their own behalf and on behalf of Plaintiffs' heirs, legatees, legal and personal representatives, successors and assigns ("Releasers"), in exchange for the consideration listed herein, waive, release, acquit, and discharge Releasees (defined below) from any and all actions, liability, causes of action, complaints, demands, suits, obligations, claims, charges, promises, warranties, torts, injuries, losses, damages, other relief or any nature whatsoever, whether known or unknown, whether absolute, fixed or contingent, whether in law or in equity under the laws, statutes and Constitutions of the State of Missouri and/or the United States of

America, of whatever nature arising therefrom, whether legal or equitable, which Plaintiffs have, may have, or may have had against the Individual Defendants, the City, its divisions, subsidiaries, departments, affiliates, successors, assigns, officers, elected and appointed officials, City Council members, managers, attorneys, employees, agents and the City's insurance carrier, ACE American Insurance Company and all of its officers, agents, employees, and board members (altogether the "Releasees"), whether known or unknown, whether fixed, absolute or contingent, in law or in equity under the laws, statutes or Constitutions of the State of Missouri and/or the United States of America, that they ever had, now have or hereafter can, shall or may have against the Releasees at the time of execution of this Agreement by Plaintiffs by reason of, arising out of, or in connection with any matter, cause or event occurring from the beginning of the world through the date of this Agreement.

(b) General Release by Releasees: Releasees on their own behalf and on behalf of Releasees heirs' legatees, legal and personal representatives, successors and assigns, hereby waive, release, acquit and discharge Plaintiffs from any and all actions, liability, causes of action, complaints, demands, suits, obligations, claims, charges, promises, warranties, torts, injuries, losses, damages, other relief or any nature whatsoever, whether known or unknown, whether absolute, fixed or contingent, whether in law or in equity under the laws, statutes and Constitutions of the State of Missouri and/or the United States of America, of whatever nature arising therefrom, whether legal or equitable, which Releasees have, may have, or may have had against Plaintiffs, whether known or unknown at the time of the execution of this Agreement by Releasees.

(c) No Assignment of Rights: The parties further expressly promise each other that they have not assigned or transferred, or purported to assign or transfer, and will not assign or otherwise transfer: (a) any claims, or portions of claims, against each other or the third parties identified herein; (b) any rights that the parties may have had to assert claims on their own behalf or on behalf of others against the other parties hereto; and/or, (c) any right the parties have or may have.

2. Settlement Funds.

- (a) City shall pay to Plaintiffs in U.S. Dollars the sum of Two Hundred Twenty-Five Thousand Dollars and 00/100 (\$225,000.00) in settlement of all of Plaintiffs', Maranda Reynolds, Show-Me Cannabis Regulation, Inc. and American Victory Coalition's claims which were asserted and/or could be asserted in any lawsuit, including the claims that were asserted by American Victory Coalition and Show-Me Cannabis Regulation, Inc., but not the claims by Maranda Reynolds, (the "Cash Settlement Amount"). ACE American Insurance Company ("ACE") will be providing payment on behalf of the City. The Cash Settlement Amount shall be paid by check to the Carnahan Evans, Cantwell & Brown, P.C. trust account on or before May 31, 2014. In the event, for any reason whatsoever, ACE fails to timely

make this payment, the City shall do so within ten (10) days of ACE's failure. Any payment made after May 31, 2014 shall bear interest at 9% per annum from June 1, 2014 through the date of payment.

(b) Maranda Reynolds, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged including, without limitation, the benefit to American Victory Coalition and Show-Me Cannabis Regulation, Inc., dismisses her claims with prejudice and shall not share in the Cash Settlement Amount.

3. Dismissal. Show-Me Cannabis Regulation, Inc. and American Victory Coalition agree to dismiss with prejudice, within ten (10) days of the Cash Settlement Amount clearing into the C.E.C.B. trust account, all claims pending before the United States District Court for the Western District of Missouri Southern Division, Case No. 6:13-cv-03288-BP, *Reynolds, et al. v. City of Springfield, et al.*

4. Remedies for Violation. In the event that either party is required to institute a cause of action to enforce the provisions of this Agreement, in addition to any relief awarded by the court, the prevailing party shall recover its costs of litigation, including reasonable attorneys' fees.

5. Entire Agreement. The parties agree that this Agreement constitutes the sole and complete Agreement between the parties resolving all issues between them through the time of execution of this Agreement to the fullest extent of the law. The parties also agree that this Agreement is being entered into solely for the purpose of resolving all matters between them arising prior to the date of execution of this Agreement, and it shall not be construed as an admission by any of the parties or the third parties identified herein of any liability of wrongdoing, breach of any agreement or violation of any statute, law or regulation. The parties further agree that no promise or inducement has been offered for this Agreement other than as set forth herein. The parties agree that this Agreement is executed without reliance upon any other statement or representation of the other parties except as set forth herein. The parties are all legally competent to execute this Agreement and accept full responsibility therefore. City agrees that the City Attorney executing this Agreement for City has the legal authority to do so.

6. Prior Agreements. This Agreement supersedes any and all prior written or oral agreements between the parties hereto and this Agreement may not be changed except by writing executed by each party.

7. Binding Effect/Assignability. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and assigns after being executed by all parties and in the time frame set forth below. This Agreement shall not be assignable, in whole or in part, by either party. The parties through their signatures or in the case of the City, the signatures

of its City Attorney, acknowledge that this Agreement has been approved and is binding upon the parties.

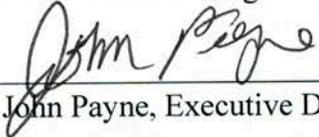
8. Paragraph Headings. The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

9. Acknowledgments. The parties hereby acknowledge that they are entering into this Agreement knowingly and voluntarily, and further acknowledges that: (a) this Agreement is written in a manner understood by them, and that each of them fully understands all of the provisions of this Agreement; (b) the parties have been advised to consult with an attorney prior to executing this Agreement; and (c) the parties agree that they had adequate time to consider whether to sign this Agreement.

10. Counterparts. This Agreement may be executed in one (1) or more counterparts, all of which together shall constitute one (1) fully executed Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date written below.

Show-Me Cannabis Regulation, Inc.

By: 
John Payne, Executive Director

City of Springfield, Missouri

By: _____
Its City Attorney: Dan Wichmer

American Victory Coalition, Inc.

By: _____
Anthony Johnson, President

By: _____
Bob Stephens

By: _____
Maranda Reynolds

By: _____
Jeff Siefried

By: _____
Cindy Rushefsky

By: _____
Jerry Compton

By: _____
John Rush

By: _____
Doug Burlison

By: _____
Jan Fisk

By: _____
Tom Bieker

By: _____
Mike Carroll

By: _____
Craig Fishel

By: _____
Craig Hosmer

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this _____ day of _____, 2014, before me, a Notary Public, personally appeared Maranda Reynolds, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF City of St. Louis)

On this 17 day of April, 2014, before me personally appeared John Payne, to me personally known who being duly sworn did say that he is the Executive Director of Show-Me Cannabis Regulation, Inc., and that the said instrument was signed on behalf of the said corporation aacknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)



[Signature]

Notary Public

Berenice Cordova

Print Name

My Commission expires: 4.11.16

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this _____ day of _____, 2014, before me personally appeared

Anthony Johnson, to me personally known who being duly sworn did say that he is the President of American Victory Coalition, Inc., and that the said instrument was signed on behalf of the said corporation acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF GREENE)

I, _____, a Notary Public, do hereby certify that on the ____ day of April, 2014, personally appeared before me Dan Wichmer, who declares that he is the City Attorney for the City of Springfield, executing the foregoing document, and being first duly sworn, acknowledged that he is authorized by Council to sign on behalf of the City and signed the foregoing document in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.



Notary Public

(Print Name)

My C o m m i s s i o n E x p i r e s :

Place notary stamp in box above in black ink and press firmly.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this ____ day of _____, 2014, before me, a Notary Public, personally appeared Jan Fisk, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this ____ day of _____, 2014, before me, a Notary Public, personally appeared Tom Bieker, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this ____ day of _____, 2014, before me, a Notary Public, personally appeared Mike Carroll, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this ____ day of _____, 2014, before me, a Notary Public, personally appeared Craig Fishel, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this ____ day of _____, 2014, before me, a Notary Public, personally appeared Craig Hosmer, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year first above written.

(Seal)

Notary Public

Print Name

My Commission expires:

