

## JOHNSON COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended September 30, 2014

#### NOTE 13 - LITIGATION

The County is involved in the following legal actions, and is represented by legal counsel. The stated probable outcome and the possible effect are the opinion of legal counsel based upon conditions existing as of March 27, 2015.

Cause No. 3-13-CV-04089, *Bonnie Allen-Pieroni, Brian Allen, Steve Gibbs and Mark Gibbs, Individually and as Heirs of Law to the Estate of Ivan Earl Allen, deceased vs. Southwestern Correctional, LLC d/b/a LaSalle Southwest Corrections, LaSalle Management, LLD, Johnson County, Sheriff Bob Alford, John Does 1-5 and Jane Does 1-5, in the United States District Court for the Northern District of Texas in the Dallas Division*. Plaintiffs claim wrongful death of Ivan Earl Allen while in the Johnson County jail. Mr. Allen was placed in the jail on or about October 9, 2011 for an infraction of a probation requirement. Plaintiffs claim Allen was denied medical attention and later died on or about October 30, 2011 at Harris Methodist Hospital. Plaintiffs are seeking compensatory, punitive, presumed and normal damages. An exact settlement figure is unknown at this time. Jail was privatized and Johnson County has been under contract with LaSalle Southwest Corrections since June 1, 2010. Pursuant to Section 11.1, Article XI, of the contract with LaSalle Southwest Corrections, Johnson County intends to and will assert its right to indemnification in this alleged wrongful death.

Cause No. 3-13-CV-00231, *Jared Fuller vs. Johnson County Sheriff Department et al, In the United States District Court for the Northern District of Texas Dallas Division*. Plaintiff alleges Johnson County Sheriff's Department violated the American Disabilities Act of 1990 by failing to provide Plaintiff with reasonable accommodations for Plaintiff's alleged disabilities and instead discharged plaintiff because of the disability. Plaintiff is seeking compensatory, monetary and punitive damages. An exact settlement figure is unknown at this time. Defendant's original answer denying all claims was filed on behalf of the Johnson County Sheriff's Department on February 13, 2013. On August 20, 2014, defendant's brief in support of its motion for judgment on the pleadings and, in the alternative, motion for summary judgment was filed with the U.S. District Court.

Cause No. 3-14-CV-03724, *Oliver Vaughn, Jr. vs. Southwestern Correctional, LLC d/b/a LaSalle Southwest Corrections, LaSalle Corrections Transport, LLC, Johnson County, Texas, Robert Alford, and Eddie Williams, in the United States District Court for the Northern District of Texas Dallas Division*. Plaintiff claims he was unlawfully detained without any legal authority for 22 days. Plaintiff claims said detainment violated the Fourth Amendment and the Due Process Clause of the Fourteenth Amendment to the United States Constitution. An exact settlement figure is unknown at this time. On December 22, 2014, the parties signed an agreed joint stipulation of dismissal with prejudice and compromise settlement agreement and release and payment in the amount of \$ 125,000.00 was paid to plaintiff by LaSalle Defendants. Defendants Johnson County and Sheriff Alford received a full release after LaSalle Defendants payment in full to plaintiff.

The County has been notified of potential claims for which liability is disputed, no suits have been filed and the County's insurance carrier has been notified.

#### NOTE 14 - RISK COVERAGE

The County is a participant in the Texas Association of Counties insurance pool for coverage of liability, property, and worker's compensation. The County pays annual premiums to the pool for the coverage stated. Property and liability insurance provide varying and appropriate coverage, with most claims subject to a \$ 5,000 deductible.