



## DEPARTMENTAL SUBMISSION

DEPARTMENT: Law  
FILE NUMBER: Law-3028

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**\* RE:**

Submitting reso. autho. Settlement Lawsuit of Motor City Law PLLC v City of Detroit

**\* SUMMARY:**

Case No. 24-015761-CK, File No. L25-00031, (EBG) Law Department, 1. The City shall sell the portfolio of judgments for unpaid property taxes previously obtained by Motor City Law (“MCL”) on the City of Detroit’s behalf between 2017 and 2024 to DAC Management LLC (“DAC”) for a total of \$30 million, according to the following terms:

- MCL shall turn over all of its files relating to litigation commenced on the City’s behalf to DAC;
  - DAC shall have 4 months (after receipt of files from DAC, not including holidays) to review the files and attempt to collect upon them (“the due diligence period”);
  - During the due diligence period, DAC will forward gross revenues (collections less its expenses) to the City, MCL and Floyd E. Allen & Associates, P.C., d/b/a the Allen Law Group (“ALG”) according to the following percentages: City of Detroit - 50%; MCL - 35%, but not to exceed \$5 million; and ALG -15%, but not to exceed \$5 million;
  - If, upon completion of the due diligence period, DAC elects to continue, it will hold a closing, at which time it will forward a total of \$10 million to the City, MCL and ALG, (after deducting any previous payments of gross revenues made during the due diligence period) according to the percentages described above;
  - Following the closing, DAC will continue to make additional payments of gross revenues up to \$20 million, but both MCL and ALG would not receive any payments, including those payments described above, beyond \$5 million. Once that figure is reached, all payments will be made to the City only. Once DAC makes total payments of gross collection revenues to all parties totalling \$30 million, DAC will retain any further sums collected.
2. MCL shall dismiss its complaint, and the City shall dismiss its counterclaim.
  3. The City, represented by its Corporation Counsel, is authorized to enter into a contract with DAC containing the basic terms described above, in a form approved by the Law Department;

4. The City, represented by its Corporation Counsel, is authorized to enter into an amendment to Contract 6006161 with ALG containing the basic terms described above, in a form approved by the Law Department.

**\* RECOMMENDATION:**

1. The City shall sell the portfolio of judgments for unpaid property taxes previously obtained by Motor City Law (“MCL”) on the City of Detroit’s behalf between 2017 and 2024 to DAC Management LLC (“DAC”) for a total of \$30 million, according to the following terms:
  - MCL shall turn over all of its files relating to litigation commenced on the City’s behalf to DAC;
  - DAC shall have 4 months (after receipt of files from DAC, not including holidays) to review the files and attempt to collect upon them (“the due diligence period”);
  - During the due diligence period, DAC will forward gross revenues (collections less its expenses) to the City, MCL and Floyd E. Allen & Associates, P.C., d/b/a the Allen Law Group (“ALG”) according to the following percentages: City of Detroit - 50%; MCL - 35%, but not to exceed \$5 million; and ALG -15%, but not to exceed \$5 million;
  - If, upon completion of the due diligence period, DAC elects to continue, it will hold a closing, at which time it will forward a total of \$10 million to the City, MCL and ALG, (after deducting any previous payments of gross revenues made during the due diligence period) according to the percentages described above;
  - Following the closing, DAC will continue to make additional payments of gross revenues up to \$20 million, but both MCL and ALG would not receive any payments, including those payments described above, beyond \$5 million. Once that figure is reached, all payments will be made to the City only. Once DAC makes total payments of gross collection revenues to all parties totalling \$30 million, DAC will retain any further sums collected.
2. MCL shall dismiss its complaint, and the City shall dismiss its counterclaim.
3. The City, represented by its Corporation Counsel, is authorized to enter into a contract with DAC containing the basic terms described above, in a form approved by the Law Department;
4. The City, represented by its Corporation Counsel, is authorized to enter into an amendment to Contract 6006161 with ALG containing the basic terms described above, in a form approved by the Law Department.

**RESOLVED**, that the terms and conditions set forth above shall be in full payment for any and all claims which Motor City Law may have against the City of Detroit and/or any other City of Detroit employees, including but not limited to those set forth in Wayne County Circuit Court Case No.: 24-015761-CK, conditioned on receipt of properly executed Releases, and a Stipulation and Order of Dismissal entered in Wayne County Circuit Court Case No.: 24-015761-CK, approved by the Law Department.

**\* DEPARTMENTAL CONTACT:**

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Position: Legal Assistant

**\*=REQUIRED**