

June 15, 2022

# ERRATUM NOTICE/SUPPLEMENTAL DISCLOSURE



**\$29,050,000**

**KENMORE-TOWN OF TONAWANDA  
UNION FREE SCHOOL DISTRICT**

**ERIE COUNTY, NEW YORK**

**GENERAL OBLIGATIONS**

**\$29,050,000 Bond Anticipation Notes, 2022**

(the "Notes")

**Dated: June 28, 2022**

**Due: June 28, 2023**

**The Preliminary Official Statement for the above referenced issue, which is selling via competitive bid on June 15, 2022 at 11:00 A.M., has been revised and restated in the section titled "LITIGATION" to list the amount of the settlement, which by the terms of the settlement was to remain confidential, but has recently been reported in the press:**

School districts and other organizations across the State, including the District, are currently responding to lawsuits enabled by the State's Child Victims Act (the "Act"). Signed into law in 2019, the Act initially opened a one-year window for survivors to file civil lawsuits seeking compensation for sexual abuse suffered as children. The deadline was later extended by one year due to the COVID-19 pandemic. Lawsuits filed pursuant to the Act present unique challenges for defendants, due to the often historical nature of the allegations, and the absence of insurance coverage for many of these cases. It has been the District's policy to work cooperatively with its legal representatives to respond appropriately to each individual case.

A total of 35 lawsuits filed against the District involved one individual whose employment with the District ended approximately 30 years ago. An extensive investigation into the District's past insurance policies was unable to identify any available insurance coverage for these lawsuits. As a result, the District is solely responsible for covering the cost of these 35 trials as well as any settlement(s) or jury award(s) that may result.

The District acknowledges that the misconduct alleged was and is reprehensible. District officials, both now and in the past, have/had no tolerance for this type of alleged misconduct. Administrators from the 70s, 80s, and 90s all testified that had they known about the alleged misconduct, they would have taken action. Recognizing the extreme costs associated with holding separate trials for each of these 35 cases in the upcoming months, the District's Board of Education has made a business decision to resolve these cases without litigating the merits at numerous individual trials. Accordingly, the District was able to come to terms on an agreement with attorneys representing these 35 plaintiffs in order to settle these cases and achieve the best possible outcome for the District. While the specific details of the settlement agreement must, by its terms, remain confidential, District officials do not believe that the settlement amount involved will in any way compromise the District's ability to make required principal and interest payments on the Notes (or any of its other outstanding obligations). The District intends to obtain bond/note financing to fund the settlement, in order to minimize the impact of these costs on programming for current students. **These 35 cases have been settled for a total amount of \$17,500,000.**

In addition to the 35 cases referred to above, the District is defending nine other suits that were brought under the Act, none of which are covered by insurance. At this time the scope of any potential damages arising out of such claims cannot be predicted. Any liability of the District would be a District charge and would be funded either through budgetary appropriations or through the issuance of notes or bonds.