

**SANITATION EQUIPMENT CHARGE (S.E.C.)  
REFUND CLAIM FORM**

NOTICE: Do not file a refund claim unless you lived in a multi-family apartment building on or after January 22, 1996 AND you paid a Sanitation Equipment Charge to the City of Los Angeles on your Department of Water and Power Bill, AND you have not already received a Sanitation Equipment Charge refund from the City.

All refund claims must be accompanied with proof of residence and be postmarked by December 29, 2000 and mailed to:

**Los Angeles Department of Public Works  
Bureau of Sanitation  
419 S. Spring Street  
Los Angeles, CA 90013**

**SANITATION EQUIPMENT CHARGE (S.E.C.)  
REFUND CLAIM FORM**

Name: \_\_\_\_\_

Current Address: \_\_\_\_\_

Claim Address: \_\_\_\_\_

Day time phone number: \_\_\_\_\_

I do wish to participate in the class settlement as described in the accompanying Notice of Class Action.

I do not wish to participate in the class settlement and wish to "opt out" of the class settlement as described in the accompanying Notice of Class.

Signed \_\_\_\_\_ Dated \_\_\_\_\_

**DO NOT RETURN THIS FORM WITH YOUR DWP PAYMENT.  
Detach and mail to address above.**

12. At the Settlement Hearing, any Settlement Class member may appear in person or by counsel and be heard to the extent allowed by the Court in support of, or in opposition to, the fairness, reasonableness and adequacy of the Settlements, provided however, that any such person intending to appear and be heard at the Settlement Hearing must, by December 29, 2000: (a) file with the Court papers setting forth the legal and factual grounds for any objections to the settlement and (b) serve such papers on the following counsel:

Attorneys for the City of Los Angeles  
James K. Hahn, City Attorney  
Ronald Tuller, Assistant City Attorney  
Miguel A. Dager, Deputy City Attorney  
1700 City Hall East, 200 North Main Street  
Los Angeles, CA 90012

**EXAMINATION OF PAPERS AND INQUIRES**

13. This Notice is not all inclusive. For full details of the matters discussed in this Notice, including the Settlements described above, and for further information concerning the Class Action, you may desire to refer to the pleading and other papers filed with the Court in this action, including the Settlement Agreement, all of which may be inspected at the Office of the Clerk, Los Angeles County Superior Court, Filing Room, 111 North Hill Street, Los Angeles, California 90012 during regular business hours of each business day. Any inquiries by Settlement Class members concerning this Notice or Settlement should be made in writing to the attorneys for Plaintiffs and the Settlement Class at the address above.

**DO NOT CONTACT THE COURT  
OF THE CLERK'S OFFICE FOR INFORMATION**

**Do not contact counsel by telephone. Instead, please call 1-800-773-CITY, for further information.**

Dated: 8-4-2000

By: Bruce E. Mitchell  
Commissioner for the  
Los Angeles Superior Court

**TO: ALL PERSONS OR ENTITIES WHO HAVE PAID THE CITY OF LOS ANGELES SANITATION EQUIPMENT CHARGE ("S.E.C.") AND HAVE LIVED IN A MULTI-UNIT FAMILY RESIDENCE THAT WAS PAYING THE S.E.C. YET NOT RECEIVING SANITATION SERVICES FROM THE CITY OF LOS ANGELES (I.E. THOSE WITH PRIVATE SANITATION REMOVAL SERVICE) ON OR AFTER JANUARY 22, 1996.**

**SPECIAL NOTICE**

**THIS NOTICE MAY AFFECT YOUR RIGHTS. YOU ARE URGED TO READ IT CAREFULLY AND IN ITS ENTIRETY. THIS IS A CLAIMS MADE CLASS - YOU MUST FILL OUT THE ENCLOSED CLAIM FORM AND MAIL IT TO THE ADDRESS NOTED ON THE FORM. THIS NOTICE IS BEING SENT TO YOU TO ADVISE YOU OF YOUR RIGHTS AS A CLASS MEMBER TO SUPPORT, TO OBJECT TO, TO PARTICIPATE IN THE BENEFITS OF THE SETTLEMENT, OR TO EXCLUDE YOURSELF ("OPT-OUT") FROM THE PROPOSED SETTLEMENT. THIS NOTICE APPLIES TO THOSE PERSONS WHO HAVE NOT RECEIVED REFUNDS AND WHO SUBMIT PROOF OF RESIDENCE IN A BUILDING RECEIVING PRIVATE SANITATION SERVICES. THE REFUND PROCEDURES SET FORTH HEREIN APPLY ONLY TO THOSE PERSONS WHO LIVE IN MULTIPLE UNIT DWELLINGS (E.G. APARTMENT BUILDINGS), AND NOT TO THOSE WHO LIVE IN SINGLE FAMILY RESIDENCES (E.G. HOUSES THAT HAVE ONLY ONE FAMILY LIVING THEREON).**

This Notice is given pursuant to an Order of the Los Angeles Superior Court (the "Court") to inform you of a pending lawsuit (the "Class Action"), which has been certified as a class action for purposes of a settlement hearing (the "Settlement Hearing"), and to advise you of global settlements with Defendant, the City of Los Angeles (the "City"), and to inform you of the Settlement Hearing, scheduled for January 19, 2001 at 10:00 a.m., in Department 59 of the Los Angeles Superior Court, located at 111 North Hill Street, Los Angeles, California 90012. This Notice is intended to describe the various rights which you have with respect thereto.

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#### DESCRIPTION OF THE LITIGATION

1. On January 22, 1998, Plaintiff Richard Villoria ("Villoria") filed an action against the City of Los Angeles in the Superior Court of the State of California for the County of Los Angeles entitled *Richard Villoria v. City of Los Angeles, et al.*, Case No. BC 184714. In his original complaint, Villoria (Plaintiff) alleged claims for damages and equitable relief for fraud and deceit, negligent misrepresentation, unfair business practices, consumer's legal remedies statutes and for equitable relief. These claims were all predicated on a single, central contention that the City of Los Angeles had been charging residents of multi-family apartment buildings ("Apartment Building") a Sanitation Equipment Charge ("S.E.C.") for sanitation equipment even though those residents received sanitation services from private services rather than from the City.

2. The Class in this Class Action ("Settlement Class") consists of all persons or entities who paid the S.E.C., on or after January 22, 1996 for sanitation equipment services or equipment for any unit of an Apartment Building that did not receive sanitation service from the City.

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#### PROPOSED SETTLEMENT

3. Plaintiffs, on behalf of themselves and all others similarly situated, have agreed to a proposed settlement of the Class Action (the "Settlement"), subject to approval by the Court, which are set forth in the Settlement Agreement in

this action which is on file with the Clerk of the Court. Under the terms of the Settlement Agreement, the City will issue full refunds of all S.E.C. charges paid by any resident that did not receive City sanitation service which the City identified in its completed audit as having paid the S.E.C. in error. Additionally, the City will continue to administer its existing refund claim procedure and will issue refunds of S.E.C., whereby it will refund all S.E.C. charges paid by any resident or entity which paid an S.E.C. upon any unit of an Apartment Building for which the City did not provide sanitation service. ***You must submit the completed claim form attached hereto, with proof of residence, to the address on the form. All claims must be postmarked by December 29, 2000.***

Refunds will be issued as a billing credit on current Department of Water and Power customers bill. Refund checks will be mailed to eligible claimants which are not current Department of Water and Power customers or to existing eligible customers that request a refund check in lieu of a credit.

4. This settlement provides for the release of all claims against the City, including claims of money damages and refunds by Plaintiff and the Settlement Class which arise from or relate to the subject matter of this action. The settlement also provides that Plaintiff and the Settlement Class covenant not to sue the City in the future regarding claims pertaining to this action or to any matters arising from or pertaining to this action. Upon the effective date of the settlement, the City will be discharged from any and all liability under each and every claim embraced within the scope of the pleadings and Plaintiffs and the Settlement Class will be deemed to have released and will be permanently enjoined and barred from prosecuting any claims, demands, damages, liabilities, actions, causes of action, or suits at law or in equity, of whatsoever kind, asserted in this action, and any matters arising from or related to the subject matter of this action against the City, its elected or appointed officials, its heirs, successors-in-interest, agents, assigns, employees, brokers, representatives, attorneys, insurers and affiliates.

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#### REASONS FOR THE SETTLEMENT

5. Plaintiffs' complaint was premised on the theory that the City had improperly imposed and collected the S.E.C. from City residents which did not receive sanitation removal service from the City. In Plaintiffs complaint, they alleged various legal theories of liability against the City.

6. Plaintiffs' counsel have conducted a thorough investigation and analysis of the law and the facts, circumstances and transactions relating to and surrounding the allegations set forth in the Complaint, including, but not limited to, extensive document discovery and inspection of publicly available records, including the City's ongoing efforts to identify and issue refunds to any individual or entity which improperly paid the S.E.C.

7. The City denies any legal liability arising out of the conduct alleged in this action and has asserted many challenges and defenses thereto. Plaintiffs disagree with the City's defenses to this action.

8. The City has concluded that it is desirable that it enter into this settlement and to put to rest the claims by Plaintiff and the members of the Settlement Class.

9. The parties believe that an accurate estimate of the economic benefit to the Settlement Class obtained by this settlement is difficult to obtain.

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#### APPLICATION FOR ATTORNEYS' FEES, COSTS AND EXPENSES

10. The City has agreed to pay Plaintiff's counsel fifty thousand dollars (\$50,000) for attorneys' fees and costs incurred by Plaintiffs in this action, subject to Court approval.

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#### SETTLEMENT HEARING

11. At the Settlement Hearing, the Court will consider whether it should approve the settlement and the award of attorneys' fees and reimbursements for expenses and costs. The Settlement Hearing may be adjourned from time to time by the Court without further notice.