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6 Attorneys for the Class

7  
 8 IN THE UNITED STATES DISTRICT COURT  
 9 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
 10 SAN FRANCISCO DIVISION

11  
 12 JERRY VAUGHN and THERESA  
 TRAVERS,

13 Plaintiffs,

14 v.

15 BAY ENVIRONMENTAL MANAGEMENT  
 16 INC., CAESAR NUTI, DENNIS VARNI,  
 MARIO AQUILINO, LOYD BONFANTE  
 17 SR., JOSEPH DELLA ZOPPA, ESTATE OF  
 RICHARD GRANZELLA SR., EDWARD  
 18 MENOSSE, PASQUALE PARENTI, FSC  
 SECURITIES CORPORATION, and  
 19 JERROLD N. WEINBERG,

20 Defendants.

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 22 FSC SECURITIES CORPORATION and  
 JERROLD N. WEINBERG,

23 Cross-Claimants,

24 v.

25 BAY ENVIRONMENTAL MANAGEMENT  
 26 INC., ESTATE OF PINA J. BARBIERI,  
 CAESAR NUTI, and DENNIS VARNI,

27 Cross-Defendants.

Case No. C03-5725 (SC)

[PROPOSED] ORDER APPROVING CLASS NOTICE AND REQUIRING DISTRIBUTION TO CLASS MEMBERS

1 Based on the Order Certifying Class Action entered by this Court on October 1, 2009,  
2 (Docket No. 134), and the Sua Sponte Order for Notice of Class Certification to Class Members  
3 entered by this Court on October 2, 2009, (Docket No. 135),

4 IT IS HEREBY ORDERED THAT:

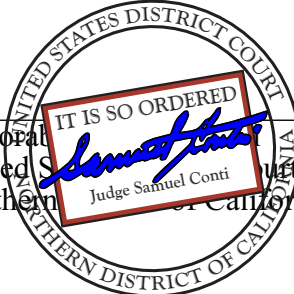
5 1. The Court approves Class Notice substantially conforming to the Class Notice  
6 prepared by Plaintiffs and filed as Exhibit A hereto, as the best notice that is practicable under  
7 the circumstances.

8 2. Within five (5) business days following the entry of this Order, Defendants will  
9 provide directly to Class Counsel a list (in electronic form) containing the names and last known  
10 addresses of all individuals who may potentially be Class Members.

11 3. Within fourteen (14) days after the receipt of such information, Class Counsel will  
12 ensure that notices substantially conforming to the Class Notice prepared by Plaintiffs and filed  
13 as Exhibit A hereto have been mailed to all potential Class Members.

14 4. The cost of preparing and mailing the Class Notice will be borne by the Named  
15 Plaintiffs.

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17 Dated: October 26, 2009

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Honorable  
United States District Judge  
Northern District of California



# EXHIBIT A

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

JERRY VAUGHN and THERESA TRAVERS, )

Plaintiffs, )

v. )

BAY ENVIRONMENTAL MANAGEMENT INC., )  
CAESAR NUTI, DENNIS VARNI, )  
MARIO AQUILINO, LOYD BONFANTE SR., )  
JOSEPH DELLA ZOPPA, ESTATE OF )  
RICHARD GRANZELLA SR., EDWARD )  
MENOSSE, PASQUALE PARENTI, FSC )  
SECURITIES CORPORATION, and JERROLD N. )  
WEINBERG, )

Defendants. )

Case No. C03-5725 (SC)

Honorable Samuel Conti

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**PLEASE READ THIS NOTICE CAREFULLY.  
IT MAY AFFECT YOUR LEGAL RIGHTS.**

TO: PARTICIPANTS IN AND BENEFICIARIES OF THE BAY ENVIRONMENTAL PENSION PLAN AND RETIREMENT PLAN FROM JANUARY 1, 2000, TO TERMINATION OF THE PLANS

RE: LAWSUIT ARISING FROM MANAGEMENT OF PENSION PLAN AND RETIREMENT PLAN ASSETS LEADING UP TO THE TERMINATION OF THE PLANS

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**A FEDERAL COURT HAS AUTHORIZED THIS NOTICE.  
THIS IS NOT A SOLICITATION FROM A LAWYER.  
YOU HAVE NOT BEEN SUED.**

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**I. INTRODUCTION**

This Notice is intended to inform you of a lawsuit involving the Bay Environmental Pension Plan and the Bay Environmental Retirement Plan (“the Plans”). It is a class action lawsuit, which means that two former Plan Participants, Jerry Vaughn and Theresa Travers, have sued the Plans on behalf of all individuals who participated in the Plans between January 1, 2000, to the final date on which the Plans’ assets were transferred entirely to interest bearing investments. **This suit may affect your legal rights.**

## **II. DESCRIPTION OF THE LAWSUIT**

On or about April 13, 2001, Bay Environmental, Inc., notified its employees that the Bay Environmental Pension Plan and the Bay Environmental Retirement Plan would be terminated effective April 30, 2001, as a result of Republic Services, Inc.'s purchase of Richmond Sanitary Services, Inc.

Plaintiffs allege that, as of approximately January 1, 2000, Bay Environmental, the Richmond Sanitary Services Board of Directors, including members of the Board of Directors's Investment Committee and the named Trustees of the Plans, and the Plans' investment advisors knew that the Plans would be terminated as a result of Republic Services, Inc.'s purchase of Richmond Sanitary Services. Plaintiffs further allege that Bay Environmental, the Richmond Sanitary Services Board of Directors, and the Plans' investment advisors breached their fiduciary duties to the Plans and their participants by failing to properly invest the Plans' assets in light of the Plans' future termination. Plaintiffs also allege that Bay Environmental and the Richmond Sanitary Services Board of Directors breached their fiduciary duties by failing to adequately investigate the Plan's investment advisors prior to hiring them, and failing to adequately monitor the performance of the Plans' investment advisors and the performance of the Plans' investments. Plaintiffs are asking the Court to compel the Defendants to make good losses to the Plans that Plaintiffs allege resulted from Defendants' breaches of fiduciary duty. If losses are restored to the Plans, the Plans' participants and beneficiaries may become entitled to additional benefits under the Plans.

On December 18, 2003, Plaintiffs filed their Complaint in the United States District Court for the Northern District of California. On September 26, 2005, the Court dismissed Plaintiffs' Complaint based on a lack of statutory standing to bring suit under ERISA § 502(a)(2). Plaintiffs appealed to the federal Court of Appeal for the Ninth Circuit. In a decision dated June 4, 2009, the Ninth Circuit reversed the decision of the District Court and held that Plaintiffs did have standing to bring suit under ERISA § 502(a)(2). The lawsuit has since resumed in the District Court for the Northern District of California before U.S. District Judge Samuel Conti.

Defendants deny any and all wrongdoing. The Court has not yet determined which side is correct.

## **III. HOW YOU MAY BE AFFECTED BY THIS LAWSUIT**

You have been sent this notice because you may be a member one or both of the classes described below. If so, the outcome of the case will affect your rights with respect to your benefits under the Plans. As a member of one or both of the classes, you are automatically included as a plaintiff in these claims and do not have the right to withdraw yourself from this litigation. You will be bound by any judgment made by the Court, whether favorable or unfavorable to you.

You do not need to do anything in order to be a plaintiff in this lawsuit. You do not need to affirmatively state your intent to participate, nor can you exclude yourself from the litigation.

#### **IV. WHO IS AFFECTED BY THIS LAWSUIT**

On October 1, 2009, the Court certified the following two classes (“the Classes”):

- All participants in and beneficiaries of the Bay Environmental Pension Plan from January 1, 2000, through the final date on which the Pension Plan’s assets were transferred entirely to interest bearing investments, excluding any participants, beneficiaries, and the estates of any deceased participants or beneficiaries, who are or have previously been named as Defendants in this action.
- All participants in and beneficiaries of the Bay Environmental Retirement Plan from January 1, 2000, through the final date on which the Retirement Plan’s assets were transferred entirely to interest bearing investments, excluding any participants, beneficiaries, and the estates of any deceased participants or beneficiaries, who are or have previously been named as Defendants in this action.

Any individual who is a member of one or both of the Classes will be affected by this lawsuit.

#### **V. LEGAL REPRESENTATION**

The Court has determined that the interests of the members of the Classes will be represented by Plaintiffs Vaughn and Travers through their attorneys, as counsel for those Classes. Because the Court has approved these attorneys as class counsel, and because these are mandatory classes, you do not have the right to change counsel for these classes.

Attorneys for Plaintiffs Vaughn and Travers are:

Teresa S. Renaker - California State Bar No. 187800  
Lindsay Nako - California State Bar No. 239090  
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Oakland, CA 94612  
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Class members may enter appearances in this lawsuit. However, class members are responsible for compensating any attorney that they hire for this

purpose and will not receive any reimbursement from Plaintiffs or the Class.

## **VI. PAYMENT OF ATTORNEYS' FEES**

The attorneys for Plaintiffs Vaughn and Travers are being paid for their time on a contingency basis, which means that if there is no recovery on Plaintiffs' claims, there will be no attorneys' fees awarded and the attorneys will not be paid for their time. If there is a recovery on one or both of the claims, the attorneys for Plaintiffs Vaughn and Travers will receive attorneys' fees as determined by the Court, which may be a part of any settlement obtained or money judgment in favor of the members of the Classes. You will not be charged directly by these attorneys. If you choose to be represented by your own lawyer, you may hire one at your own expense.

## **VII. FURTHER INFORMATION**

For further information about this notice or questions concerning this lawsuit, please contact the attorneys for Plaintiffs Vaughn and Travers at the address and phone number provided above.

## **VIII. COURT AUTHORIZATION OF NOTICE TO THE CLASS**

THIS NOTICE AND ITS CONTENT HAS BEEN AUTHORIZED BY THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, THE HONORABLE SAMUEL CONTI, UNITED STATES DISTRICT COURT JUDGE. THE COURT HAS MADE NO DECISION ABOUT THE MERITS OF THE CLAIMS, CROSS-CLAIMS, DEFENSES, OR CROSS-DEFENSES ASSERTED BY ANY PARTY IN THIS CASE.