

Notice of Class Action Settlement

If you are a public housing tenant of the Housing Authority of the County of Marin (“MHA”), this notice advises you of a settlement of a class action lawsuit regarding your rights as a tenant. If you are a present or former tenant of MHA who paid late fees, legal fees, or maintenance fees after September 20, 2010, the lawsuit sought restitution of fees that may have been collected from you.

This notice is required by a court. You are not being sued. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit against MHA alleging violations of the United States Housing Act of 1937 (“the Act”) and 42 U.S.C. § 1983, which sought to prohibit MHA from violating the Act and its enabling regulations relating to MHA’s collection, eviction, and grievance procedures and practices; rent payment allocations; and collection of late fees, legal fees, and maintenance fees.
- MHA has denied that it violated the Act or did anything wrong. Specifically, MHA denies that it enforced or took part in illegal collection and eviction procedures or practices, misallocated rent payments, failed to lower rent in a timely manner when tenants’ income decreased, and/or collected wrongful late fees, legal fees or maintenance fees. MHA claims that MHA changed policies, procedures, and practices that were challenged by the lawsuit, both before and after this case was filed, to assure compliance with the Act and HUD regulations, and that it did so voluntarily and not as a result of the lawsuit. Plaintiffs’ Counsel contend that MHA made these changes only after the lawsuit was filed and as a direct result of the lawsuit.
- MHA also denied that it owed any class members restitution for any fees / charges, but nonetheless made refunds to tenants and excused late fees, legal fees, and maintenance fees to tenants and former tenants. MHA provided 562 current and former tenants who were assessed legal fees, late fees and / or maintenance fees between September 20, 2010, and December 31, 2013, a refund and / or forgiveness of these fees. MHA claims that it did this voluntarily and not as a result of the lawsuit, while Plaintiffs’ Counsel contend that MHA made these refunds and excused fees as a direct result of the lawsuit. Plaintiffs’ Counsel has analyzed the refunds and

excused payments effected by MHA and believes that MHA has made a good faith effort to make materially all the payments and to excuse charges that members of the class would be entitled to as restitution pursuant to their Second Amended Complaint.

- In this settlement, MHA agrees to abide by all such changed policies and procedures. This court also retains jurisdiction over the parties to assure that the terms of the Settlement Agreement are enforced.

Your legal rights are affected by the proposed settlement whether or not you act. Therefore, please read this notice carefully.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS

Do Nothing	You need do nothing to get the benefits of the settlement: if it is approved by the Court, MHA will be bound by the Settlement Agreement. However, you will give up your right to pursue another lawsuit against MHA about the legal claims in this case, which deals with claims arising between 9/20/2010 and now.
Exclude Yourself ("Opt out")	You have the right to exclude yourself from the settlement. If you do, you will not get any benefits from the settlement. This is the only option that allows you to ever be a part of any other lawsuit against MHA about any legal claims you may have in this case concerning MHA policies and practices up until the Settlement is finalized. This is the only manner, as well, in which you can maintain any pending grievances against MHA actions which involve claims similar to those at issue in this case.
Object	You can write to the Court if you don't like the settlement and explain why.
Go to a Hearing	You can ask to speak in Court about the fairness of the settlement at a hearing to approve the settlement which is currently scheduled for ____.

BASIC INFORMATION

1. Why did I get this notice?

MHA records indicate that you are either a present tenant of MHA public housing or you are a present or former tenant to whom MHA has refunded fees and / or forgiven charges implicated under the lawsuit. You are entitled to consider the fairness of the settlement and exclude yourself or object if you believe it unfair.

2. What is the lawsuit about?

The United States Housing Act and its enabling regulations set forth in 24 C.F.R. § 900, *et seq.*, establish rules and regulations that public housing agencies must follow in dealing with their tenants. The suit claims that MHA failed to follow a number of these rules and regulations by the following alleged acts or omissions:

- Applying rent payments to other charges, then serving 14 day notices of termination for charges other than rent.
- Using 14 day notices which did not show that MHA applied rent payments to other charges and failed to explicitly advise tenants of certain rights.
- Serving 14 day notices and seeking to terminate tenants while the tenants had pending grievances about the amount of rent owed.
- Charging late fees for late payment of other charges, rather than only rent.
- Collecting legal fees when the tenant's public housing lease did not provide for fees to the prevailing party and no court judgment was obtained.
- Collecting maintenance charges when the tenant and his/her guest was not responsible for the damage requiring maintenance.
- Not timely decreasing a tenant's rent upon proof of a decrease in income.

MHA strongly denies Plaintiffs' claims and contends that it fully complied with the law and was not obligated to refund fees or excuse charges to current and former tenants.

3. What is a class action?

In a class action, one or more persons called Class Representatives (in this case, Jacqueline Hall, Ariana Martinez, Karla Fernandez, Chavon White, and Esther Williams), sue on behalf of a group of persons who have similar claims, as well as themselves. All these persons who are similarly situated comprise a Class or are "Class Members." In a class action, the same issues are resolved for all Class Members, except those who exclude themselves from the Class by opting out of the settlement. In this case, the Class Members consist of current and former MHA public housing residents from September 20, 2010, to the present.

4. Why is there a settlement?

The Court has not yet decided in favor of Plaintiffs or MHA. If this case had gone to trial, Plaintiffs could have won a declaratory judgment. This would have allowed a tenant who believed MHA was violating the law to seek a contempt decree against MHA for doing so.

Or, Plaintiffs could have lost the case and MHA would not be bound by an enforceable agreement.

But there was no trial. Instead, both sides agreed to a compromise.

THE SETTLEMENT BENEFITS – WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that MHA must abide by the policy and procedural changes it has made as discussed above which Plaintiffs believe were necessary for MHA to comply with the Act and HUD regulations. The Settlement also provides that this Court will maintain jurisdiction to enforce the terms of the settlement for two years. The changed procedures that are subject to these terms are as follows:

- MHA is not now authorized in its ACOP or its leases to assess or collect legal fees from tenants;
- Late fees are being assessed on late payment of rent and no other charges;
- Tenant monthly payments are being allocated to security deposits first, rent second and to other charges only after rent has been fully paid;
- Upon request, MHA will provide receipts to tenants for payments made in person at MHA offices;
- The only delinquency that can serve as a basis of summary eviction procedures is “rent” and collection of all other charges are subject only to the 30 day notice procedure;
- All MHA 14 day notices must show amounts MHA contends are due as rent and a complete set of all tenant transactions over the relevant time frame;
- Tenants who request it will be provided a printout of the tenants’ account ledger with MHA over the two year period preceding the 14 day notice, which must show how MHA has treated every financial transaction;
- All 14-day and 30-day notices must now include the following two statements of MHA policy governing grievances and evictions:
 - (a) “if you (the tenant) transmit a grievance to MHA concerning the claimed non-payment of rent or other charges, within fourteen (14) days of this notice, MHA cannot commence a state court proceeding to evict you from your apartment until the grievance process is completed and a final decision is issued pursuant to MHA’s grievance policy;”
 - (b) “you may request that MHA allow you to enter into a Repayment Agreement to pay what you owe over time, rather than face eviction, which MHA, at its sole discretion, may allow or disallow,” according to its ACOP.”

- Grievances must now be filed within 14 days of service of the notice of the MHA action that is the subject of the grievance, not ten (10) business days, as before;
- MHA must now schedule and participate in an informal grievance meeting within fourteen (14) days, instead of ten (10) business days, of receipt of a request for a grievance by a tenant, unless MHA and the tenant agrees to a postponement of such hearing;
- MHA must offer at least two possible dates and times for the initial grievance meeting during normal business hours, and make best efforts to communicate with the tenant and set up an alternative date for the meeting acceptable to the tenant, MHA and any counsel of the parties;
- MHA must transmit to the tenant a summary of the initial meeting discussion that explains the proposed disposition of the complaint and the specific reasons for that disposition within fourteen days, instead of ten (10) business days, of the initial meeting, and specify the procedures by which a Formal Hearing may be obtained if the complainant is not satisfied;
- MHA must provide the tenant with a Formal Hearing within fourteen days of the tenants request therefor, instead of ten (10) business days;
- A decrease in rent following interim reexaminations will be effective on the first day of the month following the month in which the change in income was reported.

6. What do I need to do to get the benefits of the lawsuit?

Nothing. Settlement Class Members will automatically receive the benefits of this settlement. If you do nothing, you will be part of the Settlement Class.

7. What claims are being released as part of the settlement?

Unless you exclude yourself by opting out (see below) you stay in the Settlement Class, and that means that you can't sue, continue to sue, or be a part of any other lawsuit against MHA about the legal issues in the case with regard to events that occur prior to Final Approval of the Settlement. It also means that you are bound by the terms of the Settlement. The Settlement terms include a release of all claims asserted in the suit, which include claims for restitution of allegedly wrongful legal fees, maintenance fees, late fees and for inaccurate rent calculations due to a failure to decrease rent in a timely manner or because MHA contended that you did not make a payment you in fact made.

Therefore, if you received a refund for legal fees, maintenance fees or late fees from MHA from October 2013 through March 2014 and you believe that these refunds were inadequate – or if you believe your rent or other charges was calculated incorrectly – you cannot bring a suit to collect such amounts if you do not opt out. Or if you believe you should have received such a refund but did not receive one, then by not excluding yourself, you cannot bring a suit to collect the refund to which you believe you are entitled. Finally, if you have an ongoing grievance similar to the claims set forth in this lawsuit, you must opt out in order to preserve and go forward with that grievance and/or the claims asserted therein.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue MHA on your own about the legal issues in this case, then you must take steps to “opt out” or exclude yourself. If you already have a pending lawsuit or grievance against MHA, you should speak to another lawyer before deciding what to do.

8. How do I request to be excluded from the settlement?

To exclude yourself from the settlement, you must send a written request for exclusion to Class Counsel, Legal Aid of Marin, at “MHA Settlement,” 30 North San Pedro Road, Suite 220, San Rafael CA 94903 within thirty days from the date of this Notice. Your request for exclusion must be in writing and contain all of the following: (1) your name; (2) your address and telephone number; (3) your request, stating that “I wish to exclude

myself from the Settlement in *Hall v. Housing Authority of the County of Marin*, which (4) you then have to sign, date and mail the letter. If you do not complete and mail a valid Request to Opt Out as just explained, you will automatically become a participating Class Member and will be bound by all the terms and conditions of the Settlement, including its release of claims, if the Settlement is approved by the Court.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

The Court has preliminarily approved the law firm of Sommers & Schwartz LLP and Legal Aid of Marin to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

10. How will Class Counsel be paid?

Plaintiff will ask the Court to approve payment of \$50,000 to Legal Aid of Marin and \$309,000 to Sommers and Schwartz in legal fees and \$41,000 in costs in order to reimburse Class Counsel for their time and expenses for investigating the facts, litigating the case and negotiating the Settlement. The Court may award less than this amount. The award will be paid by insurance carriers of MHA. Plaintiffs' counsel will provide documentation to the Court, in its application for attorney's fees and costs, showing that lawyers and paralegals for Legal Aid of Marin and Sommers & Schwartz expended 2248 hours prosecuting this case, which would equate to \$943,888 in fees at their normal billable rate. If you would like to review the fee application of Plaintiffs' counsel seeking the above award, please make such request by mail to Class Counsel, Sommers & Schwartz, One Embarcadero Center, San Francisco, CA, 94111.

OBJECTING TO THE SETTLEMENT

You have the right to tell the Court that you don't agree with the settlement or some part of it.

11. May I object to the settlement?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send your objection within thirty days from the date of this notice to **both** Counsel for MHA at "MHA Settlement," Cholakian & Associates, 400 Oyster Point Blvd., Suite 415, South San Francisco, CA 94080 **and** Class Counsel, Legal Aid of Marin, at "MHA Settlement," 30 North San Pedro Road, Suite 220, San Rafael CA 94903. Class Counsel will then file your objection with the Court in conjunction with any other objections received along with their motion for final approval of the settlement.

Your objections must include: (1) your name, (2) your address and telephone number, (3) a clear statement of the reason for your objection, (4) whether you intend to appear at the hearing, and (5) your signature and the date of your signature. Objectors are not required to attend the Final Approval Hearing.

If you do not comply with these procedures, or miss the deadline to file an objection, you lose the opportunity to have your objection considered by the Court or to appeal from any order or judgment entered by the Court regarding the Settlement.

THE COURT'S FAIRNESS HEARING

12. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at 10:00 a.m. on July 3, 2014 in Courtroom 3 on the 17th Floor of the federal courthouse located at 450 Golden Gate Ave., San Francisco, CA 94102. At this hearing, the Court will consider whether the settlement is fair reasonable and adequate. If there are objections, the Court will consider them. The Judge will listen to people who have asked to speak at the hearing. The Court will also decide how much to pay Class counsel. After the hearing, the court will decide whether to approve the settlement. We do not know how long these decisions will take.

13. Do I have to come to the hearing?

No. Class Counsel will answer the questions the Judge may have. But, you are welcome to come at your own expense. If you wish to comment at the Fairness Hearing, you must send a letter to the Court saying that it is your “Notice of Intention to Appear in *Hall, et. al v. Housing Authority of the Count of Marin*, Case No. C 12-04922 RS.” Be sure to include your name, address and telephone number and your signature. Your Notice of Intention to Appear must be postmarked no later than thirty (30) days after the date of this Notice), and be sent to Courtroom 3, 17th Floor of the United States District Court for the Northern District of California located at 450 Golden Gate Ave. San Francisco, CA 94102. You cannot speak at the hearing if you excluded yourself from this action.

GETTING MORE INFORMATION

14. How do I get more information?

You can call Class Counsel, Maura Prendiville, at Legal Aid of Marin, at 415-492-0230 or write them at “MHA Settlement,” 30 North San Pedro Road, Suite 220, San Rafael CA 94903. You can also view the entire file for the case in the Court Clerk’s Office, 16th Floor, 450 Golden Gate Ave., San Francisco, CA 94102, between 9:00 a.m. and 1:00 p.m. Monday through Friday.

DATE: _____, 2014

By Order of the United States District Court
for the Northern District of California

**PLEASE DO NOT TELEPHONE OR WRITE THE COURT, THE OFFICE
OF THE CLERK, THE HOUSING AUTHORITY OF THE COUNTY OF
MARIN (MHA) OR COUNSEL FOR MHA FOR INFORMATION
REGARDING THIS SETTLEMENT**