

NOTICE OF CLASS ACTION

Daneshmand, et al. v. City of San Juan Capistrano
Case No. 30-2016-00829167-CU-BC-CXC
Superior Court of California, County of Orange

**IF YOU WERE A WATER CUSTOMER OF THE CITY OF SAN JUAN CAPISTRANO AT ANY TIME
BETWEEN FEBRUARY 2010 AND JULY 2014,**

**YOU MAY BE A CLASS MEMBER
IN THE CASE NAMED ABOVE.**

A Superior Court of California authorized this notice. This is not a solicitation. This notice could affect your rights as a class member even if you do nothing, so please read it carefully.

A CLASS HAS BEEN CERTIFIED IN THIS CASE AGAINST THE CITY OF SAN JUAN CAPISTRANO. THE TERM “YOU” AS USED IN THIS NOTICE IS DIRECTED TO THE CITY OF SAN JUAN CAPISTRANO’S WATER RATEPAYERS.

1. ARE YOU A CLASS MEMBER?

You are a Class member if the following applies to you:

You were a water customer of the City of San Juan Capistrano, who was charged more than the base tier water rate between February 1, 2010 and June 30, 2014 and paid the higher rate.

Excluded from the Class are the following:

- (1) water accounts charged to the City; and,
- (2) water customers who received payment by filling out and returning San Juan Capistrano Water Refund Claim Form (“Refund Claim Form”).

Your membership in the Class is the result of a class action lawsuit filed in the Superior Court of California, County of Orange. The lawsuit is *Daneshmand et al. v. City of San Juan Capistrano*, Case No. 30-2016-00829167-CU-BC-CXC.

Please note that only the named account holder will be a Class member. If the Court finds merit to Plaintiffs’ claims and awards any damages, such benefit or payments will be made to the named account holder. If the name provided in any response to this notice does not match the City’s list of water account holders, you may receive a message from optout@waterlitigation.com requesting confirmation of the name of the account holder for whom the response was provided.

2. WHAT IS THE CLASS ACTION ABOUT?

Plaintiffs filed this lawsuit on behalf of themselves and the class of water ratepayers who paid more than the base tier rate between February 2010 and July 2014. The class action lawsuit alleges that the City collected overcharges from rate payers which exceeded the cost of providing water to those customers, in violation of Proposition 218. The class action lawsuit alleges that the City owed damages to class members who paid more than the cost of service. The Court has not yet determined the merits of these allegations or if any damages are owed to any ratepayers.

Previously, the City offered a refund / credit of water charges above a tier 1 rate for water used between August 28, 2013 and July 1, 2014 in exchange for a release of claims related to prior water charges. If you returned the City’s water refund claim form and received a payment or credit from the City, you are **not** a member of the class.

The City claims that ratepayers were not overcharged, and that the City did not collect amounts that exceed the cost of providing water to customers. The City also claims that Plaintiffs' claims are barred because the City's water services do not generate a profit for the City. Finally, the City claims that this lawsuit is legally barred because it was brought too late.

No money or benefits are available now because the Court has not yet decided whether the City did anything wrong or if any damages are owed to any water customer, and the two sides have not settled the case. There is no guarantee that money or benefits ever will be obtained. If they are, you will be notified about how to receive a share.

3. WHAT ARE YOUR OPTIONS?

If you meet the definition of a Class Member (see above: "Are you a Class Member?"), you can either:

1. Remain a Class member; or
2. Request to be excluded from the Class.

Remain a Class Member:

- If you want to remain a Class member, you do not need to take any further action at this time. You will automatically remain a Class member. (See below: "What Happens If I Do Not Exclude Myself?")
- If you remain a Class member, you will be bound by the Court's rulings in the lawsuit, including any potential settlement or judgment. However, you can object to or comment on any proposed settlement, and you also have the right to appear in court.
- The Court has appointed Class Counsel to represent all Class members. Class Counsel for the Class is obligated to protect and pursue the interests of all Class members. There is no cost to you to be represented by Class Counsel for the Class. You can also hire your own attorney at your own cost. For more information about Class Counsel, see below: "Who Represents the Class and Who Represents the City?"

Exclude Yourself From the Class:

- If you want to exclude yourself from the Class, you must take further action. If you remain in the class, you will be unable to bring your own lawsuit against the City over the 2010–2014 water rates.
- Any Class member who excludes himself or herself from the Class will not be eligible to share in any recovery or settlement of any kind in this action.
- Each Class member shall have the right to be excluded from the Class by returning a request for exclusion no later than March 23, 2019.
- To request exclusion from the Class, you must do one of the following: (1) complete and return the enclosed postcard, which has been pre-addressed; or (2) send an e-mail message to optout@waterlitigation.com with the word "EXCLUSION" in the subject line of the e-mail and a statement confirming that you request to be excluded from the lawsuit in the body of the email; or (3) go to www.waterlitigation.com to complete the Exclusion form online.

What Happens If I Do Not Exclude Myself?

- If you do not properly and timely request exclusion from the Class you shall, upon completion of the litigation, be bound by all the terms and provisions of any settlement or judgment, including but not limited to the releases, waivers, and covenants described in any settlement. If you do not exclude yourself, you will be represented by Class Counsel and have a right to make an appearance through Class Counsel.

- If you remain in this case, it could have legal implications, including tax implications, so you should consider seeking counsel before making a decision.

Summary of Your Options

YOUR LEGAL RIGHTS AND OPTIONS	
Do Nothing and Remain a Class Member	If you do nothing in response to receiving this notice, you <u>will</u> be considered a Class member in this case and <u>will</u> be entitled to recovery, if any, when a settlement is reached or when judgment is entered. You <u>will</u> be bound by any settlement or judgment in this case. You will be represented by Class Counsel.
Request to be Excluded from the Class	If you ask to be excluded from the Class, you <u>will not</u> be considered a Class member in this case and <u>will not</u> be entitled to recovery, if any, when a settlement is reached or when judgment is entered. You <u>will not</u> be bound by any settlement or judgment in this case. You <u>will not</u> be represented by Class Counsel. You will need to pursue claims against the City in a separate lawsuit, if you wish.

4. WHO REPRESENTS THE CLASS AND WHO REPRESENTS THE CITY?

The Court appointed as Class Counsel:

COTCHETT, PITRE & MCCARTHY, LLP

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The City is represented by:

Best Best & Krieger LLP

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5. ARE THERE ANY FEES OR COSTS INVOLVED?

Class Counsel represent the named plaintiffs and Class members on a contingency fee basis, which means that Class members may participate in any ultimate settlement or judgment without incurring any expenses. If there is a settlement or judgment in this case, Class Counsel are entitled make a request to the Court for reasonable attorneys' fees and costs, to be paid from any settlement or judgment. All applications for attorneys' fees and costs must be approved by the Court.

6. WHAT IF YOU NEED ADDITIONAL INFORMATION?

If you have any questions, you may call, email or mail Class Counsel or Counsel for the City listed above. Refer to the San Juan Capistrano Water Ratepayer case.

For inquiries specific to how to exclude yourself from the lawsuit, you may also submit your inquiries by email or mail (referring to the San Juan Capistrano Water Ratepayer case) to:

Daneshmand v. City of San Juan Capistrano
c/o Epiq
P.O. Box 9349
Dublin, OH 43017-4249

If the name you provided in your email or Exclusion form does not match the list of water account holders, you may receive an email or mail from optout@waterlitigation.com, requesting confirmation of the name of the account holders.

PLEASE DO NOT CALL THE COURT REGARDING THIS MATTER.

Dated: February 6, 2019

By Order of the Superior Court of California, County of Orange