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FILED
LOS ANGELES SUPERIOR COURT

JOHN A. CLARKE, CLERK
Richard Thompson
BY R. THOMPSON, DEPUTY

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES

11 RICHARD L. VILLORIA and RONALD)
SCHNEIDER, individually and on behalf of)
12 all others similarly situated,)

13 Plaintiff,)

14 vs.)

15 CITY OF LOS ANGELES, a municipal)
16 corporation; CITY OF LOS ANGELES)
MUNICIPAL SERVICES; LOS)
17 ANGELES DEPARTMENT OF WATER)
AND POWER; BUREAU OF)
18 SANITATION; BUREAU OF)
RECLAMATION; and DOES 1 through)
19 50, inclusive,)
20 Defendants.)

BC 184714
No. BC 202775

CLASS ACTION

SETTLEMENT AGREEMENT

21
22 SETTLEMENT AGREEMENT

23 This Settlement Agreement (the "Agreement") is made as of June 22, 2000, by and between the
24 City of Los Angeles, City of Los Angeles Municipal Services; Los Angeles Department of Water and
25 Power; Bureau of Sanitation; Bureau of Reclamation ("Defendants"), Representative Plaintiffs Richard
26 Villoria and Ronald Schneider ("Representative Plaintiffs"), and the Martin Louis Stanley, Esq. on behalf
27 of the putative plaintiff settlement class ("Class Counsel"). For purposes of this agreement, the plaintiff
28 settlement class is defined as follows:

1 All persons or entities who have paid the City of Los Angeles a Sanitation Equipment Charge
2 (S.E.C.) (Los Angeles Municipal Code §66.40 et seq.) on or after January 22, 1996, for sanitation
3 services and/or services for any unit of a multi-family apartment building which did not receive sanitation
4 removal service and/or equipment from the City of Los Angeles. Hereinafter referred to as the
5 ("Settlement Class").

6 I

7 RECITALS

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

16 On or about August 12, 1998, Villoria, joined by Plaintiff Ronald Schneider (Schneider)
17 (collectively, "Plaintiffs," filed a first amended complaint in this action. In this amended complaint, the
18 plaintiffs added allegations that the City had improperly imposed the S.E.C. upon low income residents
19 who either were elderly or disables even though those persons could potentially qualify for a low income
20 or "life line" exemption from the charge. There were no allegations that anyone who had applied for such
21 an exemption had been improperly denied the exemption, rather the allegations revolve around residents
22 who may qualify for the exemption but who have not applied to the City for the exemption.

23 *SETTLEMENT ANALYSIS*

24 This Agreement is the result of arms' length negotiations between the parties. During the period
25 from on or about June 1998 through August 1999, Class Counsel and counsel for Defendant exchanged
26 correspondence had numerous telephone calls and participated in court ordered mediation before the
27 Honorable Robert Thomas to discuss resolution of this Action. The settlement with Defendant was
28 entered into after significant relevant discovery and a preliminary determination by the Court that those

1 elderly and/or disabled plaintiffs encompassed in the Amended Complaint could not properly be certified
2 as a class for purposes of maintaining a class action lawsuit.

3 **PURPOSE**

4 The undersigned parties understand, acknowledge and agree that the execution of this Agreement
5 constitutes the settlement and compromise of disputed claims and is not to be construed as an admission
6 of liability on the part of any party to this Agreement. It is the parties' desire and intention to effect a
7 full, complete and final settlement and resolution of all existing disputes and claims which relate to or
8 arise out of the Action.

9 The settlement reflected by this Agreement is expressly conditioned on obtaining those court
10 orders set forth herein. In the event of failure of any conditions, this Agreement will become null and
11 void and all parties will return to their status in the Los Angeles Superior Court to litigate and try all of
12 their disputes which are at issue as of the date of this Agreement.

13 **NOW, THEREFORE**, in consideration of The terms, conditions, recitals, and mutual covenants
14 contained herein, and other good and valuable considerations, the parties agree as follows:

15 **II**

16 **TERMS OF SETTLEMENT**

17 1. **Settlement Terms**

18 In consideration of this settlement, and contingent upon the satisfaction of all terms and
19 conditions set forth herein, Defendant shall provide the Settlement Class as follows:

20 a. Full refunds of all Sanitation Equipment Charges paid on or after January 28, 1996 to any
21 person or entity which can establish that it paid the City a Sanitation Equipment Charge for sanitation
22 equipment and/or service on a unit of a multiple-family apartment building for which the City did not
23 provide sanitation service. An exemption from the S.E.C. for any person who applies for and qualifies
24 for exemption by virtue of being either elderly or disabled and being low income as that term is defined
25 in the Los Angeles Municipal Code.

26 b. Defendant agrees to pay fifty thousand dollars (\$50,000) in attorneys' fees and costs to
27 Class Counsel for their work in obtaining this benefit to the Settlement Class. The cash fund shall be paid
28 to Class Counsel upon Court approval of this settlement.

1 c. Defendant, City of Los Angeles, agrees to provide further notification of the exemptions
2 from the S.E.C. for customers which do not receive sanitation service from the City. Defendant further
3 agrees to provide notice to customers of the existence of low income life line exemptions from the S.E.C.
4 fees. Such notice to be provided for a continuous six month period and thereafter once a year for a
5 period of five years by printing or including with the DWP bills the following statement:

6 "IMPORTANT NOTICE: YOU MAY BE ENTITLED TO A REFUND OF SANITATION
7 EQUIPMENT CHARGES IF YOU HAVE PRIVATE SANITATION SERVICE OR QUALIFY FOR
8 A LOW INCOME EXEMPTION. PLEASE CALL 1-800-773-CITY FOR FURTHER
9 INFORMATION."

10 It is understood by all parties that DWP bills are issued to residential customers on a bimonthly
11 basis and that there bills are issued to commercial businesses either on a monthly or bimonthly basis.

12 d. Defendants agree to provide notice to the class members by inserting the notice in the
13 form provided to the court (Exhibit "A") in all DWP bills, with all mailings to be completed by October
14 31, 2000, by posting the notice and attached forms of the City of Los Angeles Bureau of Sanitation web
15 site, and by posting at all commercial DWP offices, Notice and posting to begin by August 1, 2000.

16 e. The terms on the notice of class settlement are hereby incorporated herein by this
17 reference, including the fact that this shall be a claims made class settlement with opt out rights as set
18 forth in the notice.

19 f. The class shall be administered by defendants at the Bureau of Sanitation, with monthly
20 reports relating to refunds, claims made, opt outs, claims paid and rejected to be sent to plaintiff's counsel
21 for review.

22 2. Conditions of Settlement

23 The Representative Plaintiffs, together with Class Counsel, on behalf of the Settlement Class,
24 must obtain the following court orders in this action:

25 (a) A Preliminary order and a final order defining and certifying the Settlement Class and a
26 final order approving the terms of this settlement consistent with this Agreement;

27 (b) An order directing that all Settlement Class members receive court approved notice of the
28 settlement. Class counsel will request that notice of the settlement be given via an insert in all Los

1 Angeles Department of Water and Power bills;

2 (c) An order confirming that the Representative Plaintiff and the entire Settlement Class shall
3 be deemed to have released all claims against Defendant relating to the Action;

4 (d) A finding that this Agreement is in the best interest of the Settlement Class and approving
5 the Agreement;

6 (e) After the foregoing orders and findings have been obtained, an order dismissing the Action
7 with prejudice; and

8 (f) An order that this dismissal shall be binding upon all Settlement class members, including
9 the two named Plaintiffs, Richard Villoria and Ronald Schneider.

10 **III**

11 **RELEASE OF ALL CLAIMS**

12 1. Releases by the Settlement Class

13 In the event each of the conditions set forth under "Terms of Settlement" is achieved, each
14 member of the Settlement Class, individually and on behalf of his/her/its respective heirs, successors-in-
15 interest, agents, employees, assigns, partners, officers, brokers, representatives, attorneys, subsidiaries,
16 affiliates and shareholders shall be deemed to have fully and forever released and discharged Defendant
17 and its elected and/or appointed officials, boards, commissions, departments and/or employees which
18 relate to or arise from this Action.

19 2. Mutual Waiver of Statutory Rights

20 In connection with the foregoing releases and discharges, as described above, the Settlement Class
21 and the individual Plaintiffs expressly waive the provisions of California Civil Code Section 1542, which
22 provides as follows:

23 A general release does not extend to claims which the creditor does not know
24 or suspect to exist in its favor at the time of executing the release, which if known by
him must have materially affected his settlement with the debtor.

25 **IV**

26 **MISCELLANEOUS PROVISIONS**

27 1. Further Assurance

28 Each of the parties shall execute such documents and perform such acts as may be reasonably

1 necessary to effect the provisions of this Agreement.

2 2. Successors

3 The provisions of this Agreement shall be deemed to obligate, extend to, and inure to the benefit
4 of the successors, assigns, transferees and grantees of each of the parties to this Agreement.

5 3. Costs

6 Except as otherwise provided herein, each party will bear its own costs and attorneys' fees
7 incurred in connection with the Action, the negotiation and implementation of this Agreement, and
8 obtaining the approvals required by this agreement.

9 4. Notices

10 All notices, requests, demands and/or other communications shall be served on the following
11 counsel:

12 Attorneys for Plaintiffs and Plaintiff Settlement Class:
13 Martin Louis Stanley
14 Martin Crumblish
15 1541 Ocean Avenue, Suite 200
16 Santa Monica, California, 90401

17 Attorneys for the City of Los Angeles
18 James K. Hahn, City Attorney
19 Ronald Tuller, Assistant City Attorney
20 Miguel A. Dager, Deputy City Attorney
21 1700 City Hall East, 200 North Main Street
22 Los Angeles, CA 90012

23 7. Consultation With Counsel

24 Each party acknowledges that he/it has consulted with legal counsel before effecting this
25 settlement and executing this Agreement and that he/it understands the meaning of the Agreement,
26 including the effect of waiving the benefits and protection of Section 1542 of the California Civil Code.
27 Each party also expressly acknowledges and confirms that this Agreement shall be given full force and
28 effect according to each and all of its express terms and provisions, including those relating to the release
of unknown and unsuspected claims, demands and causes of action.

8. Integration

This Agreement constitutes the final, complete and exclusive settlement agreement between the
parties and supersedes any prior or contemporaneous written or oral agreements between the parties.

1 There are no representations, warranties, agreements, arrangements or understanding, oral or written,
2 between the parties relating to the subject matter contained in this Agreement other than those which are
3 expressed in this Agreement. The terms of this Agreement are contractual and not a mere recital. This
4 agreement may not be altered, modified or changed in any respect or particular whatsoever except by a
5 writing duly executed by authorized representatives of the Settlement Class and Defendant, and subject
6 to court approval.

7 9. Rules of Construction

8 The attorneys for the parties hereto have reviewed and revised this Agreement. Accordingly, any
9 rule of construction to the effect that any ambiguity is to be construed against the drafting party shall not
10 apply to the interpretation of this Agreement.

11 10. No Admission of Liability

12 It is expressly understood and acknowledged that the settlement which may be effected hereunder
13 when all of the terms of this Agreement are met is a compromise of disputed claims, and that the payment
14 made hereunder is not to be construed as, and does not constitute, an admission of liability on the part
15 of Defendant.


16 11. Counterparts

17 This Agreement may be executed in counterparts, each of which shall be deemed to be an original,
18 but all of which, once the Agreement is fully executed, shall constitute on and the same instrument.

19 12. Signatory Authority


20 Each signatory to this Agreement hereby represents and warrant that he or she has full legal
21 authority to execute this Agreement of behalf of the party for whom he or she is signing.

22
23 Dated: 6/23/07

By: 

Martin Louis Stanley
On behalf of the Representative Plaintiffs and on
Behalf of the Settlement Class

24
25
26 Dated: 6/23/07

By: 

Miguel A. Dager, Deputy City Attorney
On behalf of City of Los Angeles and
other named Defendants