

NOTICE OF CLASS ACTION SETTLEMENT

Miller, et al. v. Willmark Communities, Inc., et al. Case No.: 37-2015-00017514-CU-FR-CTL

If you leased an apartment unit at a Willmark Property and moved out of your apartment unit between May 26, 2011 and June 30, 2016, this class action settlement may benefit you and affect your rights. The Willmark Properties covered by this Notice include Alpine Woods Apartments, Creekside Meadows Apartments, La Jolla Nobel Apartments, North Park Apartments, Rancho Hillside Apartments, Prominence Apartments, Shadowridge Apartments, and La Jolla Del Rey/ Town Park Villas.

This Notice provides you with a brief description of the lawsuit and proposed settlement. More information and key documents related to the settlement can be found at the case settlement website, www.willmarksettlement.com.

WHAT IS THIS LAWSUIT ABOUT?

In this class action lawsuit, Jill Miller and others bringing the lawsuit (called “Representative Plaintiffs”) allege that Willmark Communities, Inc. and other entities or persons (called “Defendants”) violated California Civil Code section 1950.5 and other laws by improperly administering tenant security deposits, imposing improper move-out charges and reporting alleged debts to credit agencies.

Defendants deny these allegations, deny any wrongdoing and maintain that they fully complied with the law. By entering into this settlement, Defendants in no way admit any violation of law or any liability whatsoever. The Court has not yet determined who is correct. The Parties reached a settlement to avoid the time, uncertainty, and expense of further litigation.

The Parties are settling this lawsuit as a class action. In a class action, one or more persons (such as the Representative Plaintiffs here), seek to assert claims on behalf of a group of people who have similar claims. These people are called the Class or the Class Members. If the Court decides the Class Members are similar enough, it resolves the claims for everyone in the Class, except those who choose to exclude themselves. The Court has not yet decided whether this case could proceed and be tried as a litigation class action, but the Parties have agreed after three years of litigation that the case may be settled as a class action.

On July 13, 2018, the Court preliminarily approved a proposed settlement of this lawsuit as set forth in the Settlement Agreement and Release (“Agreement”). In addition, the Court approved certification of the Settlement Class defined as follows:

All persons who were identified as a lessee, co-lessee or signer on a lease agreement or Final Account Statement at any Willmark Property and (i) moved out of his, her or their rental unit on any date from May 26, 2011 through and including June 30, 2016; or (ii) received a Final Account Statement pertaining to a tenancy at a Willmark Property that terminated on any date from May 26, 2011 through and including June 30, 2016. The following are excluded from the Settlement Class: (i) the judge assigned to this case and his staff; (ii) Defendants and their affiliates; and (iii) any person employed by any Defendant during the Class Period.

If you meet this definition, you are a Class Member. Minors or any other persons not listed as lessees, co-lessees or signers on a Willmark Property lease or Final Account Statement are not Class Members.

Unless you exclude yourself from the settlement, you will get relief from debts to Defendants related to your tenancy as provided in the Agreement. Also, if you timely submit a Claim Form (as explained below), you will be eligible to recover money. If you exclude yourself from the settlement, you will not recover money or get debt relief, but you may pursue whatever claims you may have against Defendants. Whether or not you submit a Claim Form, your right to sue Defendants will be affected by this settlement unless you exclude yourself, so please read this Notice carefully.

If the Court approves the settlement at the Final Approval Hearing on December 7, 2018 at 10:30 AM, it will bind all Class Members who have not excluded themselves. If the Court does not approve the Settlement, the litigation will continue.

THE SETTLEMENT

The settlement provides that Defendants will, subject to Court approval: (1) waive approximately \$2.4 million in claims against Class Members; (2) provide a fund of approximately \$550,000 which will go, after payment of certain administrative expenses, to Class Members who submit valid claims; and (3) provide approximately \$1,805,000 as payment of Class Counsel's attorneys' fees and litigation expenses.

Additionally, Defendants have already changed certain practices relating to tenant security deposits, and will make additional changes beneficial to current residents. Among other things, Defendants will provide vendor invoices to support repair and cleaning work done by third parties in excess of \$125.

In exchange for all of these benefits, Class Members who do not exclude themselves from the Class will waive all claims against Defendants relating to their tenancy except any claims for bodily injury caused by physical harm not otherwise encompassed by or related to the Released Claims.

All Class Members who do not exclude themselves will get the benefits of the waiver of debt. Only Class Members who submit a valid Claim Form (who are referred to herein as "Eligible Class Members") will be eligible to receive a cash payment.

HOW MUCH MONEY WILL I RECEIVE?

The specific amount of the Class Fund paid to Eligible Class Members will be proportional to the amount of their security deposit retained by Defendants. Precise amounts are unknown at this time, but our best estimate is that if every Class Member submitted a valid claim, Eligible Class Members would receive approximately 28.5% of their lost security deposit. However, it is very rare in class actions for all class members to file claims, so the amount is almost certain to be larger. No deduction will be made from these recoveries for attorneys' fees or litigation expenses because that is being paid separately by Defendants. If the Defendants did not retain any portion of your security deposit, you will not be eligible to receive a cash payment, but you would still get debt relief if you have debts to Defendants related to your tenancy.

If you lived in a Household with more than one Class Member, each lessee may choose to exclude himself or herself, and each lessee may claim separately and share the recovery. All such lessees will obtain the debt relief. Thus, if you lived with another person and both of you were lessees, a cash payment of \$500 owed for that unit would be divided equally between you and the other tenant at \$250 apiece. However, if you lived in the apartment, but were not listed as a lessee, co-lessee or signer on the lease or Final Account Statement, you are not a Class Member.

I AM ELIGIBLE. HOW DO I CLAIM MY MONEY?

To receive money from the settlement, you **must** submit a valid Claim Form by **November 12, 2018**. You may submit your signed claim (and any other materials required by the Settlement Administrator) by mail, postmarked by **November 12, 2018**, to the following address:

Miller v. Willmark Settlement Administrator
c/o Gilardi & Co. LLC
P.O. Box 404002
Louisville, KY 40233-4002

or by uploading and submitting a completed Claim Form (and other materials if required) online at the case settlement website, www.willmarksettlement.com by **November 12, 2018**.

WHAT HAPPENS IF I DO NOTHING?

If you do nothing, you will get the debt relief provided for by the settlement, if applicable to you, but will not be able to recover money and you will be bound by the Release described below.

HOW DOES THE SETTLEMENT RELEASE AFFECT MY RIGHTS?

The settlement will release any and all claims you may have relating to your tenancy against all Defendants other than claims for bodily injury caused by physical harm not otherwise encompassed by or related to the Released Claims. The precise terms of the Release are in the Agreement posted at www.willmarksettlement.com.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. To exclude yourself from the settlement, you must mail, postmarked by **November 12, 2018**, to the Settlement Administrator a statement requesting to be excluded. Requests for exclusion must be in writing and must include your full name and mailing address. If you exclude yourself, you will not receive any money or debt relief from the settlement, and both you and Defendants will retain any claims you may have against each other.

If you lived in a Household with other lessees, each lessee may decide whether to exclude himself or herself from the settlement and each must submit a written exclusion. If there are two lessees and only one excludes himself or herself, the other will be entitled to recover 50% of any settlement check available to that unit and will get debt relief, unless both lessees agree in writing that the money should be divided differently.

CAN I OBJECT TO THE SETTLEMENT?

Yes. To object to the settlement, no later than **November 12, 2018**, you must file a written statement of your objection with the Court and serve Class Counsel and Defense Counsel at the addresses listed on the case settlement website www.willmarksettlement.com. Objections should include your full name, mailing address, telephone number, unit you lived in, approximate date of move-out, and reason(s) for objecting to the settlement. You will still be a member of the Class, and will be treated like other Class Members if the settlement is approved. Thus, even if you object, you must file a timely Claim Form or you will not receive any money from the settlement if approved. Multiple Class Members for the same unit may make their own decision about objecting to the settlement. A Class Member who excludes himself or herself from the settlement cannot also object to the settlement.

WHAT ABOUT PAYMENT OF ATTORNEYS' FEES?

Several law firms have been pursuing this class action since 2015 and have devoted substantial resources to the case. The Court has appointed the Law Offices of Jimmie Davis Parker, the Law Offices of Leonard B. Simon P.C., Casey Gerry Schenk Francavilla Blatt and Penfield, LLP, Shaun Martin, and Phillips Erlewine and Given to serve as Class Counsel. Under the settlement, you will not pay any portion of their fees or litigation expenses out of your recovery, or otherwise. Rather, Defendants have agreed to pay up to \$1.805 million to Class Counsel for attorneys' fees and reimbursement of litigation expenses incurred in prosecuting the Action, provided the Court approves those amounts as reasonable. Class Counsel would have sought substantially more in attorneys' fees if the case went to trial.

WHAT ABOUT THE TENANTS WHO BROUGHT THE CASE?

Representative Plaintiffs Jill Miller, Paul Miller, Georgia Gephardt, and Benjamin Richter have served to represent the Class Members in this case for several years, and the Court has appointed them as Class Representatives. Because they have spent time and effort on this matter, and have had their depositions taken, Class Counsel will ask the Court to approve a service award of up to \$5,000 each (one combined award for Mr. and Mrs. Miller), at the discretion of the Court, to compensate them for their efforts, subject to Court approval.

WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on **December 7, 2018 at 10:30 AM**, at the San Diego Superior Court, Department C-66, 330 West Broadway, San Diego, CA 92101. At that time, the Court will determine: whether the settlement, including the attorneys' fees, expenses and service awards, is fair, reasonable, and adequate, and should be approved. The hearing date and time may change, so you should check the case settlement website www.willmarksettlement.com, or contact the Settlement Administrator if you plan to attend.

The Final Approval Hearing is a public hearing and you are entitled to attend if you wish, but there is no requirement that you attend. You do not need to attend if you want to get a settlement check or debt relief. Nor do you need to attend if you wish to exclude yourself or to object. However, if you do object to any part of the settlement, including the attorneys' fees and expenses, you must file a timely written objection, and if you do so, you may also address the Court at the Final Approval Hearing.

ARE MORE DETAILS AVAILABLE?

Yes. You can find more information and key documents related to the case and the settlement at www.willmarksettlement.com. You may also contact Class Counsel at the number or email listed below to obtain additional information. But if you wish to file a claim, object, or exclude yourself from the settlement, you must do so in writing prior to the deadline above.

You may contact Class Counsel via email at Jimmie@JDParkerLegal.com or by phone at 1-619-800-6344, or call the Settlement Administrator at 1-866-801-6523, if you have any questions or concerns.

PLEASE DO NOT CALL OR CONTACT THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT OR THE SETTLEMENT PROCESS.