

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

DIANE TRASOVAN, an individual, as a representative of similarly situated employees, and on behalf of the general public,

Plaintiff,

v.

LAWRENCE RUBENSTEIN & ASSOCIATES, INC., a California corporation, dba LRA PROPERTY MANAGEMENT, and DOES 1 through 50, inclusive,

Defendant.

CASE NO. BC322960

NOTICE OF PENDENCY OF CLASS ACTION
SETTLEMENT AND SETTLEMENT
HEARING

La siguiente información puede afectar su derecho legal a recibir compensación monetaria por parte de LAWRENCE RUBENSTEIN & ASSOCIATES, INC./LRA PROPERTY MANAGEMENT, INC., y duenos de propiedad por quien LAWRENCE RUBENSTEIN & ASSOCIATES, INC./LRA PROPERTY MANAGEMENT, INC. acto como agente (collectivo "LRA") en concepto de su trabajo como manejador de apartamentos. Usted no recibirá nada como resultado del acuerdo de conciliación, a mends que complete y presente un formulario de reclamo válido. Le recomendamos que pida que le traduzcan la siguiente información.

다음 정보는 아파트 관리인으로서 귀하를 고용하는데 있어서 중개인(총칭하여 "LRA")으로서 역할을 하는 LAWRENCE RUBENSTEIN & ASSOCIATES, INC./LRA PROPERTY MANAGEMENT, INC.와 LAWRENCE RUBENSTEIN & ASSOCIATES, INC. /LRA PROPERTY MANAGEMENT, INC. 자산 소유자로부터 금전적 보상을 받을 수 있는 법적권리에 영향을 줄 수 있습니다. 귀하가 유효한 청구서식을 작성하여 제출하지 않으면, 어떠한 것도 받지 않을 것입니다. 다음의 번역된 정보를 권장합니다.

1. **To: Individuals employed as resident apartment managers (a) for properties managed by Lawrence Rubenstein & Associates, Inc./LRA Property Management, Inc. and/or (b) by property owners for whom Lawrence Rubenstein & Associates, Inc./LRA Property Management, Inc. acted as agent (collectively, "LRA" or "LRA Defendants") between October 13, 2000 and December 16, 2005.** This Notice is to inform you that a proposed settlement of the above-captioned action ("Action") filed in the Superior Court of California for the County of Los Angeles has been reached (the "Proposed Settlement"). You received this Notice because Plaintiff alleged that you were employed by one or more LRA Defendants as a resident apartment manager in California during the dates set forth above ("the Settlement Class Period"). Only those individuals who were employed by one or more LRA Defendants as resident apartment managers and received lodging credit as compensation during the Settlement Class Period are eligible to submit claims. For the Administrator to determine if you are a member of the Settlement Class, you must submit a valid Claim Form and Release ("Claim Form") stating that you suffered an actual injury. If you were not employed by one or more LRA Defendants as a resident apartment manager in California during that time period, you are not required to take any action.

2. The Proposed Settlement has been granted preliminary approval by the Court supervising the Action and will resolve all claims in the Action. On March 27, 2006 at 8:30 a.m., or as soon thereafter as the matter may be heard, a Settlement Hearing will be held by the Court to determine whether the Proposed Settlement should be granted Final Approval. You are not required to appear at the Settlement Hearing unless you are filing a written objection stating the reasons you object to the Proposed Settlement.

Summary of Litigation

3. On October 13, 2004, Plaintiff Diane Trasovan ("Plaintiff") filed a lawsuit against LRA in the Superior Court of the State of California, County of Los Angeles, Central District, Los Angeles Superior Court Case Number BC322960. Plaintiff was a former resident apartment manager employed by one or more LRA Defendants. The lawsuit alleged Plaintiff was damaged because the LRA Defendants allegedly failed to pay her a minimum wage and for overtime she allegedly worked, allegedly failed to provide her with meal and rest periods, and allegedly failed to provide her with adequate paystubs. Plaintiff alleged these were unfair business practices and alleged she sued on behalf of a class of current and former resident apartment managers employed by one or more LRA Defendants that allegedly were damaged. A class action is a lawsuit in which the rights of many people are decided in a single court proceeding. A representative plaintiff, known as the "Class Representative," alleges claims on behalf of the Class. In this case Plaintiff is the "Class Representative." Plaintiff is represented by the law firm of Law Offices of Michael S. Duberchin and the Law Offices of Robert L. Starr ("Class Counsel").

4. LRA denies Plaintiff's allegations. LRA denies any liability or any wrongdoing of any kind associated with the claims alleged in the Action, including but not limited to violations of California's wage and hour laws. LRA denies that Plaintiff or any other potential class member has been damaged as alleged or damaged at all. LRA contends it has complied at all times with the law, including California's wage and hour laws, the California Labor Code, and the California Business and Professions Code. LRA contends that it paid Plaintiff and other resident apartment managers at least the minimum wage, paid overtime when it was earned, and provided adequate payroll information. LRA further contends that for any purpose other than this Settlement, this Action is not appropriate for class treatment or certification.

5. The parties have engaged in extensive arms-length negotiations concerning the possible settlement and have reached a conditional settlement of the lawsuit. They have agreed to settle the Action on the terms set forth herein.

6. LRA denies and continues to deny each of the claims asserted in the Action, denies all allegations of wrongdoing and liability, and denies that Plaintiff or anyone else was harmed by the conduct alleged or any conduct by LRA. LRA has asserted various factual and legal defenses to the claims alleged in the Action. LRA contends it has complied at all times with the law, including California's wage and hour laws, the California Labor Code, and the California Business and Professions Code. LRA contends that it paid Plaintiff and other resident apartment managers at least the minimum wage, paid overtime when it was earned, and provided adequate payroll information. LRA further contends that for any purpose other than this Settlement, this Action is not appropriate for class treatment or certification. LRA agreed to settle the Action and the claims only to avoid the burden, expense, risk, and uncertainty of continuing litigation, and for the purpose of putting to rest the controversies engendered by the Action. LRA does not admit any wrongdoing or liability.

7. On January 30, 2006, the Court gave preliminary approval to a settlement of the Action. This does not mean the Court has made any determination on the merits of the claim. The Court ordered that this Notice be sent to you to advise you of your choices. You will not receive anything under the settlement unless you complete and file a claim form.

Your Choices

8. If you are a member of the Settlement Class, you may choose to do one of the following:
- Do not file a claim, or
 - Submit a claim, or
 - Request exclusion from the Proposed Settlement, or
 - Object to the Proposed Settlement.

These options are explained below.

9. Do not file a claim. If you were employed by one or more LRA Defendants but were not a resident apartment manager, do not submit a claim. If you do not wish to submit a claim against the LRA Defendants, do not do anything in response to this Notice. If you do nothing, you will be bound by the terms of the settlement, including the release, and you will not have the right to pursue claims against the LRA Defendants or other related entities or persons.

10. Submit a claim against LRA. If you wish to submit a claim against LRA, you must complete the Claim Form and Release under penalty of perjury (every person who testifies, declares, deposes, or certifies under penalty of perjury and willfully states as true any material matter which he or she knows to be false is guilty of the crime of perjury. *California Penal Code* § 118, *et seq.*). Mail the completed, signed and dated Claim Form and any supporting documentation as described in the Claim Form by United States mail, postage pre-paid, postmarked **not later than March 3, 2006** to the Settlement Administrator at the following address:

Trasovan v. LRA Property Management
c/o Desmond Marcello & Amster
6060 Center Drive, Suite 825
Los Angeles, CA 90045
(310) 216-1400

If you are a member of the Settlement Class and you choose to submit a claim, you will be bound by all of the provisions of the Settlement Agreement between the Parties, including a full release of claims against LRA, its employees, officers, directors, agents, principals, subsidiaries, affiliated entities, and any other related persons or entities for the matter being settled in this case. In other words, you will not be able to sue LRA or any LRA Defendants in the future. If you received a second mailing of settlement documents because the initial mailing was returned as undeliverable, you must submit your claim form on or before March 9, 2006.

11. Request exclusion from the settlement. You may opt-out of the Class by mailing to the Settlement Administrator, address listed above, by February 17, 2006, a written statement that you wish to be excluded from the Settlement Class. Your written statement must include

- a. your name (and former names, if any),
- b. the dates of your employment as a resident apartment manager for one or more LRA

Defendants,

- c. your current address, and telephone number.

Your notification that you wish to be excluded from the settlement must be mailed by United States mail, postage pre-paid. SEND YOUR EXCLUSION NOTIFICATION TO THE CLAIMS ADMINISTRATOR ONLY. DO NOT SEND YOUR EXCLUSION NOTIFICATION TO THE COURT. Requests to opt-out that do not include all required information, or that are not submitted on a timely basis, will be deemed null, void and ineffective. Persons who are eligible to and submit valid and timely requests to opt-out of the Settlement Class will not participate in the settlement, nor will they be bound by the terms of the proposed Settlement, if it is approved, or the Final Judgment in this action. In the event that the number of opt-outs exceeds ten percent (10%) of the total potential class members, LRA will have the option to cancel the settlement. If you received a second mailing of settlement documents because the initial mailing was returned as undeliverable, you must request exclusion from the settlement on or before February 23, 2006.

12. Object to the Settlement. If you are a member of the Settlement Class, you may object to the Settlement on your own or through an attorney, at your own expense. Your objection must state:

- a. your name (and former name, if any),
- b. your current address and telephone number,
- c. the name of the case (Trasovan v. LRA Property Management, Inc.),
- d. the case number (BC322960),
- e. the dates LRA Defendant(s) employed you as a resident apartment manager, and
- f. the legal or factual grounds on which you object to the settlement.

You must mail your written objections to all of the following:

Trasovan v. LRA Property Management, Inc., et al.
c/o Desmond, Marcello & Amster
6060 Center Drive, Suite 825
Los Angeles, CA 90045
(310) 216-1400

AND

Law Offices of Michael S. Duberchin

4768 Park Granada, Suite 212
Calabasas, California 91302
(818) 222-7484

AND

Law Office of Robert L. Starr
4768 Park Granada, Suite 212
Calabasas, CA 91302
(818) 225-9040

AND

Jeffer Mangels Butler & Marmaro, LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, California 90067
Attn: Travis M. Gemoets
(310) 203-8080

No Proposed Settlement Class member, however, shall be heard or entitled to object, and no papers or briefs submitted by any such person shall be received or considered by the Court, unless written notice of intention to appear at the Settlement Hearing together with copies of all papers and briefs proposed to be submitted to the Court at the Settlement Hearing, shall have been postmarked on or before Friday, February 17, 2006, or on or before February 23, 2006, for those objectors who received a second mailing of settlement documents because the initial mailing was returned as undeliverable (the "Objection/Exclusion Deadline Date"), and mailed to each addressee listed above. If you submit an objection, you may appear personally or through an attorney, at your own expense, at the Settlement Hearing to present your objection directly to the Court. Your objection should clearly explain why you object to the Settlement and must state whether you (or someone on your behalf) intend to appear at the Settlement Hearing. If you object to the Settlement, you will remain a member of the Class and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make and serve his or her written objections in the manner provided above shall be deemed to have waived such objections and shall be foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

Summary Of Terms Of The Settlement Agreement

13. On January 25, 2006, the parties entered into a proposed Joint Stipulation of Settlement ("Settlement Agreement" or "Settlement"). On January 30, 2006, the Court granted preliminary approval to the Settlement Agreement. On March 27, 2006, the Court will hold a Settlement Hearing on the Settlement Agreement in Department 52 of the Los Angeles County Superior Court, Central District, located at 111 N. Hill Street, Los Angeles, California 90012, at 8:30 a.m., at which time the Court will determine whether to finally approve the Settlement. The principal terms of the Settlement are summarized in this Notice.

14. If approved by the Court, the proposed Settlement Agreement will be binding on all members of the Class and will bar any Class Member who does not timely "opt out" of the Settlement from bringing any released claims against Defendants Lawrence Rubenstein & Associates, Inc./LRA Property Management, Inc. ("LRA") and the LRA Defendants and their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys and each of their company-sponsored employee benefit plans and all of their respective officers, directors, employees administrators, fiduciaries, trustees and agents (the "Released Parties"), from the "Released Claims." For purposes of this Agreement, the "Released Claims" are defined as: all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal constitution, statute, rule, regulation, including the California Wage Orders and the wage and hour law, of any state or district within the United States, whether for economic damages, non-economic damages, restitution, penalties, liquidated damages, or interest, arising out of, relating to, or in connection with: (1) any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, which are or could be

the basis of claims that Released Parties did not comply with all wage and hour laws in compensating Plaintiffs during the Class Period, including claims: (a) that Released Parties did not pay the Plaintiffs all overtime they were owed for work performed by Plaintiffs for Released Parties; (b) that Released Parties failed to provide unpaid meal periods and paid rest breaks to the Plaintiffs; (c) that Released Parties did not pay the Plaintiffs minimum wage; and/or (d) that Released Parties owes wages, penalties, interest, attorneys' fees or other damages of any kind based on a failure to fully compensate the Plaintiffs for all hours worked at any time on or before the last day of the Class Period while working for Released Parties (whether based on contract, the California Wage Orders, the wage and hour laws of any state or Superior within the United States in which any Class Member resided during the Class Period or which would be applicable to any Class Member's employment with Released Parties during the Class Period, or otherwise); and/or (2) the causes of action asserted in the Class Action, including any and all claims for alleged failure to pay minimum wage or overtime to Plaintiffs while employed by Released Parties, for alleged failure to provide unpaid meal periods and paid rest breaks to Plaintiffs, for alleged failure to provide itemized wage statements to Plaintiffs while employed by Released Parties, and/or and, as related to the foregoing, for alleged unlawful, unfair and/or fraudulent business practices under California and Business and Professions Code 17200 et seq. for alleged wage and hour violations while employed by Released Parties. The Released Claims include any unknown claims relating to the subject matter of the Released Claims that the Class Members do not know or suspect to exist in their favor at the time of the release, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision to object to this Settlement. With respect to the Released Claims, the Class Members stipulate and agree that, upon the Effective Date, or for Settlement Class Members, as of or her Payment Date, whichever comes first, the Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which Section provides: **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.** The Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, or for Settlement Class Members, as of his or her Payment Date, whichever comes first, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or no contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

15. This Settlement is conditioned upon the Court entering an order at or following the Settlement Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class.

16. The Settlement Agreement provides that to fully resolve the claims in this case, LRA will pay only those timely valid claims submitted by members of the Settlement Class who were employed by one or more Released Parties as resident apartment managers in California. Settlement Class Members will receive payment within 14 days of entry of the final approval order by the Court.

17. LRA will withhold applicable taxes and report the payments to the United States Internal Revenue Service and the California Franchise Tax Board. The total amount of the settlement to be paid by LRA will depend upon the number of valid claims submitted and the number of months worked during the Class Period by those submitting valid claims, not to exceed \$375,000, including attorneys fees, costs, and enhancement payment to named class representative. IRS Form W-2 (and the equivalent California forms) will be distributed to Class Members reflecting the payments they received under the Settlement. Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments that they received under the Settlement.

18. Class Counsel will apply to the Court for approval of its attorneys' fees and costs in an amount of \$140,000 (one hundred forty thousand dollars), to be approved by the Court. These amounts constitute full

and complete compensation for all legal fees, costs and expenses of Class Counsel, including approximately \$15,000 in costs and expenses by Class Counsel in connection with the litigation and all work done through the completion of the litigation, whatever date that maybe. Class Representative will apply to the Court for approval of the enhancement payment in the amount of \$15,000 (fifteen thousand dollars), to be approved by the Court. Class Members are not liable for the attorneys' fees, class representative enhancement payment or costs to administer the class. Class Members will not be required to pay Class Counsel for any other attorneys' fees, costs or expenses out of their own pockets if the Settlement Agreement and the fee request are finally approved by the Court.

19. The Court has also awarded costs and fees of approximately Ten Thousand Dollars (\$10,000.00) to be paid to the Settlement Administrator, Desmond, Marcello & Amster, to notify the Class and process claims.

20. After all signed and timely submitted Claims Forms are received and all disputes regarding the validity of the claims and dates worked by the claimants are resolved, the Claims Administrator will notify the Parties and Defendant will make the appropriate distributions to Class Members that are entitled to receive such a distribution. All required state and federal income taxes will be withheld from the payments. Settlement payments will be subject to any applicable wage garnishments, liens, or other legal mandates. Unless you request to be excluded from the settlement as described below, whether or not you sign and file a Claims Form, the Settlement will be binding on you. If a Class Member entitled to receive a distribution does not cash a check within 120 days following the issuance of the check, the check will be void. Even if a Class Member entitled to receive a distribution does not cash the check, the Class Member will be deemed to have waived any right in or claim to a settlement share.

Hearing On Proposed Settlement

21. You are not required to attend the Settlement Hearing or file an objection. The Settlement Hearing on the adequacy, reasonableness and fairness of the Settlement Agreement will be held on March 27, 2006 at 8:30 a.m. in Department 52 of the Los Angeles Superior Court, Central District, located at 111 N. Hill Street, Los Angeles, California, 90012 or as soon thereafter as the matter may be heard by the Court.

22. Any Class Member who does not object in the manner provided above shall be deemed to have approved the Settlement and to have waived such objections and shall be forever foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

23. The foregoing is a summary of the Action and the proposed Settlement and does not purport to be comprehensive. For a more detailed statement of the matters involved in the Action and the proposed Settlement, you may refer to the pleadings, the Stipulation and Settlement, and other papers filed in the Action, which may be inspected at the Office of the Clerk of the Superior Court of California, County of Los Angeles, located at 111 N. Hill Street in Los Angeles, California 90012, during regular business hours of each court day.

PLEASE DO NOT CONTACT THE COURT OR THE JUDGE WITH INQUIRIES.

Dated: _____, 2006

By: _____
ORDER OF THE COURT
JUDGE SUSAN BRYANT-DEASON
SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES