

IMPORTANT: This is an updated Notice. Please disregard any prior notice you received and review this Notice along with Attachment A on the last page.

UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF VIRGINIA

Miles et al. v. Richmond Redevelopment and Housing Auth., Case No. 3:17-cv-00160

Notice of Proposed Class Action Settlement

Did you live in a RRHA unit and receive a bill for electric surcharges at any time after November 1, 2012? The settlement of this class action lawsuit will affect your rights. You may be able to get money in a class action settlement.

A FEDERAL COURT ORDERED THIS NOTICE. IT IS NOT A SOLICITATION FROM A LAWYER.

1. Why did I get this Notice?

Richmond Redevelopment & Housing Authority's (RRHA's) records show you are a Class Member in this case. You received this Notice of Proposed Class Action Settlement (Notice) because settlement of this case will affect you.

2. What is this Notice about?

This Notice describes a proposed settlement in this class action lawsuit. This Notice gives you information so you can decide whether to accept the Settlement, object to the Settlement, or opt out of the lawsuit. This Notice summarizes the lawsuit, your legal rights, and the benefits available to you. The Settlement is not final until approved by the Court.

3. What is a class action lawsuit?

In a class action, one or more persons, called "class representatives," sue on behalf of a group who have similar claims. This group is called the "class." Each person in the group who does not opt out of the lawsuit is called a "Class Member." The proposed class representatives in this case are: Shanta Miles, Jacqueline Turner, Kathy and Joseph Allen, Cenquetta Harris, and Cora Hayes.

4. What is the lawsuit about?

Six tenants filed this lawsuit claiming RRHA violated federal and state law. The lawsuit claims RRHA failed to properly set and apply its electric allowances and surcharges. The lawsuit also claims RRHA overcharged tenants and assessed improper late fees.

5. How do I know if I am part of the settlement?

You must be a Class Member. Class Members include persons who:

- a. are a current or former tenant of RRHA;
- b. lived in a RRHA unit at any time after November 1, 2012; and
- c. were subject to RRHA's utility allowance and surcharge procedures.

6. What does the settlement provide?

To settle this case, RRHA has agreed to provide Class Members total relief of \$ 1,064,672.77:

- \$596,681.76 will be split among tenants billed surcharges for usage between November 1, 2012, and October 31, 2016.
- \$109,984.38 will be split among tenants charged late fees triggered by non-payment of surcharges.
- \$248,336.87 will be credited to tenants who were overcharged due to billing errors.
- \$5,000 will be split among the Class Representatives.
- \$104,669.76 will be credited to tenants as a result of new allowances adopted retroactively.

RRHA has started using new, higher allowances. RRHA will make the changes discussed in Section 8 below. Also, as part of the settlement, Class Counsel will receive \$100,000 for attorneys' fees and costs.

7. How much money may I get in this settlement?

If the Court approves the settlement, RRHA will refund each Class Member household no less than **22%** of the total amount charged. Some tenants will also receive credit for billing error overcharges or adoption of the new allowances. Current tenants will receive a refund in the form of a credit on their tenant account. Former tenants may receive a refund check for the credit due, after any debts to RRHA are deducted.

Attachment A lists the specific amounts due to you. If you think this amount is wrong, please bring any information you have about what you were charged to the Legal Aid Justice Center. If

you think this amount seems right, you need do nothing and you will get a credit and/or a check from RRHA.

8. What else does this settlement give me?

If you are now a tenant in public housing, RRHA has agreed to make the following changes:

- a. **New allowances.** RRHA has set new, higher allowances for electricity based on the average electric usage for RRHA units. These allowances will stay in place for at least 3 years unless HUD mandates otherwise.
- b. **Improved process for requests for relief from surcharges.** RRHA has created new notices, policies, and procedures for elderly or disabled tenants who use more electricity due to their conditions. RRHA will notify tenants about the relief procedure and the contact staff person by posting the information in the management office, publishing it in the ACOP, and by providing notice at each lease reading.
- c. **New billing statements.** RRHA will give tenants more information about their surcharges. RRHA will list the meter readings, the dates of the meter readings, the tenant's allowance, usage, overage, and the surcharge.
- d. **Reduced time between usage and billing.** RRHA will work to shorten the time between receipt of the electric bill from Dominion and notice to tenants of the amount of any surcharge as much as reasonably practicable.
- e. **Remove customer charge.** For tenants whose meters are read by Dominion, RRHA will not bill tenants the Dominion "customer charge" unless HUD fails to reimburse RRHA for these charges at the same rate it reimburses RRHA for other operating costs.
- f. **Change to late fee collection.** RRHA will change its lease so that late fees and other non-rent charges are not treated as rent.
- g. **Training.** RRHA will ensure its staff is trained on surcharge procedures, tenant requests for relief from surcharges, and the grievance procedure for tenants to contest charges.
- h. **Lease changes.** RRHA will change its lease to state whether a tenant has submetered utilities and list each tenant's allowance.
- i. **Energy efficiency fund.** All unclaimed refunds will be used to create an energy efficiency fund. The fund will benefit RRHA public housing tenants. Former tenants will be given 90 days to cash their refund checks. If they don't, those funds will still be available for them to claim from RRHA for seven years. After seven years, any unclaimed funds will be placed in the fund.

9. What are my legal rights and options?

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| You can: | |
| Do nothing..... | You will get a credit and/or a check as stated above. If your address changes, let RRHA know. Legal claims you may have against RRHA regarding the surcharges will be fully resolved. |
| Exclude yourself..... | You will get no credit and/or check. This is the only option that allows you to file your own lawsuit against RRHA about the legal claims in this case. |
| Object..... | You can write to the Court saying you do not like the settlement. You must tell the court why you object. |
| Get a lawyer..... | You have the right to get your own lawyer to represent you if you want. |

10. How may I exclude myself from this settlement?

You must “opt out” by **May 15, 2018**, to exclude yourself from the lawsuit. If you opt out, the Settlement will not bind you, and you will NOT get any settlement money. Your legal rights to bring a claim against RRHA regarding surcharges will not be eliminated. You may have the right to bring your own lawsuit against RRHA within the time allowed by law for the claims in the lawsuit.

If you do not opt out by May 15, 2018, the Settlement binds you and you cannot bring a separate lawsuit covering the same claims as this lawsuit.

To opt out from the class action, you must send a letter stating clearly you want to opt out of this case. You should send this letter to:

Legal Aid Justice Center
123 East Broad Street
Richmond, VA 23219

Include in your letter the name of this lawsuit (*Miles et al. v. RRHA*, Case No. 3:17-cv-00160). Before you choose to opt out of the class action, you should consult a lawyer as to your rights. Please do not phone the Court about your decision.

11. What if I think the settlement is unfair?

If you want to object to the settlement, you must file an objection with the Clerk of the Court by **June 1, 2018**. As a Class Member, you may object to the settlement if you think any part is unfair, unreasonable, and/or inadequate. Federal Judge John A. Gibney, Jr., will hold an in-person hearing at 10:00 am on **July 10, 2018**, at the United States Courthouse, 701 East Broad Street, Richmond, VA 23219. He will decide if the settlement is fair, reasonable, and adequate.

To object, you must send a letter stating you object to the settlement in the *Miles* case. Be sure to include (1) the name of this lawsuit (*Miles et al. v. RRHA*, Case No. 3:17-cv-00160); (2) your full name, current address and telephone number; (3) the reasons you object to the settlement; and (4) your signature. Mail or deliver the objection to these three different places so they get it no later than June 1, 2018. You must also file a statement with the Court listing the date you mailed or delivered your objection to Class Counsel and Defense Counsel.

| COURT | CLASS COUNSEL | DEFENSE COUNSEL |
|---|---|---|
| Clerk of the Court United States District Court 701 East Broad Street Richmond, VA 23219 | Legal Aid Justice Center 123 East Broad Street Richmond, VA 23219 | James M. Bowling, IV St. John, Bowling, Lawrence and Quagliana, LLP 416 Park Street Charlottesville, VA 22902 |

You do not have to be present at the hearing to get your share of the settlement money. If you do nothing, you will receive your class share, if the Court approves the settlement.

12. How do I find out more?

If you want more information or don't understand this notice, you can go to the following website, www.justice4all.org, or **contact:**

Legal Aid Justice Center **1-804-521-7305**
By email at RRHAClassAction@justice4all.org or
at 123 East Broad Street, Richmond, VA 23219

13. Who are the lawyers and how are they paid?

For purposes of the Settlement, the Court has appointed the following lawyers as Class Counsel:

Sylvia Cosby Jones, VSB # 35870
Brenda Castañeda, VSB # 72809

Mary E. DeVries, VSB # 88186
Marcellinus L.M.B. Slag, VSB # 29833
LEGAL AID JUSTICE CENTER (LAJC)
123 East Broad Street
Richmond, VA 23219

Thomas D. Domonoske, VSB # 35434
CONSUMER LITIGATION ASSOCIATES, P.C.
763 J. Clyde Morris Blvd., Suite 1-A
Newport News, Virginia 23601

Class Counsel represent all Class Members. Class Counsel has spent several years working on this case. Class Counsel has already spent over 1,000 hours on this case. Class Counsel will spend more hours as part of the settlement process. The Settlement provides Class Counsel will receive \$100,000 in legal fees. Consumer Litigation Associates will receive \$20,000.00. LAJC will receive \$80,000.00. These amounts cover only a portion of their fees. The law firms agreed to reduce their fees because of their goal to provide legal services to people unable to afford them.