# THE DISTRICT COURT OF ARAPAHOE COUNTY, COLORADO

# If You Paid Late Fees, Notice Posting Fees, or Eviction Legal Fees While a Tenant of Echelon Property Group You Could Get a Payment or Other Relief from a Class Action Settlement.

A State Court in Colorado authorized this notice. This is <u>not</u> a solicitation from a lawyer. Para ver este aviso en español, visite www.rg2claims.com/salandysettlement.html

- A Settlement has been reached in a putative class action lawsuit about whether Echelon Property Group, LLC ("Echelon") charged its tenants unlawful Late Fees, Notice Posting Fees, and Eviction Legal Fees. Echelon denies that it charged any unlawful amounts and asserts certain defenses. The Court has not determined who is right. Echelon is referred to as the "Defendant."
- Those included in the Settlement may be eligible to receive a payment or debt forgiveness from the Settlement Fund, which is \$3,450,000 total. The actual amount of the payments will be based on whether you qualify for debt forgiveness, after administrative costs, and any incentive award or attorneys' fees and expenses approved by the Court.
- Please read this notice carefully. Your legal rights are affected whether you act or don't act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
EXCLUDE YOURSELF	You may receive no benefits, but you will retain any rights you currently have to sue the Defendant about the claims in this case.
ОВЈЕСТ	Write to the Court explaining why you don't like the Settlement.
PARTICIPATE IN THE HEARING	You can speak in Court about your opinion of the Settlement, but you are not required to do so.
DO NOTHING	You will receive either a payment from the Settlement Fund or debt forgiveness and will give up your right to sue the Defendant for about the claims released under the Settlement Agreement.

These rights and options – and the deadlines to exercise them – are explained in this Notice. For complete details, view the Settlement Agreement, available here, or call 1-866-742-4955

# **BASIC INFORMATION**

# 1. Why was this Notice issued?

A state court seated in Arapahoe County, Colorado authorized this notice because you have a right to know about this Settlement and all of your options. This Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Michaelson of the District Court of Arapahoe County, Colorado is overseeing this case (the "Lawsuit"). The Lawsuit is known as *Echelon Property Group*, *LLC v. Bobby Salandy*, Case No. 2019-cv-112. Bobby Salandy, the tenant who sued Echelon, is called the Class Representative. The Defendant (called the Counterclaim Defendant in the Lawsuit) is Echelon Property Group, LLC.

#### 2. What is a Class Action?

In a class action, one or more people called Class Representatives (in this case, Bobby Salandy) sues on behalf of a group or a "class" of people who have similar claims. In a class action, the court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

#### 3. What is this Lawsuit about?

This Lawsuit alleges that Echelon unlawfully charged Class Members Late Fees, Notice Posting Fees, and Eviction Legal Fees when it acted as their property manager. Echelon denies that it charged any unlawful sums and maintains that it has several defenses. If the Class Representative had moved forward with the suit and prevailed in showing that the Late Fees, Notice Posting Fees, and Eviction Legal Fees violated Colorado law, Class Members could be entitled to a return of amounts paid in addition to potential other relief, including a declaration that the Fees were unlawful and an order barring Echelon from collecting or charging them in the future.

The Court has not determined who is right. Rather, the Parties have agreed to settle the Lawsuit to avoid the uncertainties and expenses associated with ongoing litigation.

# 4. Why is there a Settlement?

The Court has not decided whether the Plaintiff or the Defendant should win this case. Instead, both sides agreed to a Settlement. That way, they avoid the uncertainties and expenses associated with ongoing litigation, and Class Members will get compensation now rather than, if at all, months or years from now.

#### Who's Included in the Settlement?

#### 5. How do I know if I am in the Settlement Class?

You are in the Settlement Class if you fall into the Class Definition. The Court defined the Class as:

All tenants who from April 25, 2016 to August 5, 2019 were charged the Fees and who had actions filed against them by Echelon for forcible entry and detainer.

As such, you're a Member of the Settlement Class if you were charged any of the Late Fees, Notice Posting Fees, or Eviction Legal Fees and had an eviction case filed against you by Echelon. The Order certifying the Class is available by contacting the Settlement Administrator or Class Counsel, clicking <a href="here">here</a>, or by clicking the "Class Certification Order" link under the "Important Documents" Tab on the Settlement Website, located at <a href="hwww.rg2claims.com/salandysettlement.html">www.rg2claims.com/salandysettlement.html</a>

#### THE SETTLEMENT BENEFITS

#### 6. What does the Settlement provide?

The Settlement provides for a settlement of \$3,450,000.00 (the "Settlement Fund") to settle the case. The Settlement Fund consists of \$1,200,000.00 in cash (the "Cash Component") and another \$2,250,000.00 in debt forgiveness (the "Debt Forgiveness Component"). The cost to send notice to the Class and administer the Settlement, as well as the court approved attorneys' fees and expenses, and a court-approved payment to the Class Representative will come out of the Cash Component (*see* Question 13). The amount remaining after deducting these sums (the "Net Settlement Fund") will be used to pay cash payments to Settlement Class Members who do not qualify for debt forgiveness.

Class members who qualify for debt forgiveness consist of current and former tenants who have balances with Echelon's third-party debt collection firm, RD Fuller. Such Class Members will receive forgiveness of their outstanding balances in the collective sum of \$2,250,000.00.

In addition to cash payments and debt forgiveness, Echelon has agreed, for one year, to not oppose any motions to suppress the eviction actions it filed against Class Members who have no remaining debt after the Debt Forgiveness Component is distributed. Echelon has also agreed, for one year, to not submit credit reporting to the major credit reporting agencies as to the class members with no remaining debt, and to make certain changes to its form lease agreements in the event it seeks to impose any Late Fees, Notice Posting Fees, or Eviction Legal Fees in the future, as it moves to an NAA Lease.

# 7. How much will my payment be?

If you are member of the Settlement Class who is not entitled to debt forgiveness and the Court gives final approval to the Settlement, you may be entitled to receive a check for an amount equal to your pro-rata share of the Cash Component of the Settlement Fund after deducting the cost of the Notice to Class Members and administration of the Settlement, and any incentive award to the Class Representative and award of attorneys' fees to Class Counsel. There are approximately 2690 Settlement Class Members who may qualify for a cash payment. Any amounts remaining in the Settlement Fund after disbursement of these amounts, due, for example, to uncashed checks, will be paid to a *cy pres* recipient approved by the Court.

You may receive only one payment per tenancy as a Class Member, regardless of how many non-Class Member members of your family or roommates resided at the premises. It is your responsibility to provide any portion due to roommates or others who may have resided with you or who may otherwise be owed such sums.

If you are a member of the Settlement Class who is entitled to debt forgiveness and the Court gives final approval to the Settlement, you will receive the maximum debt forgiveness allowable until the entire \$2,250,000 in debt forgiveness is exhausted. There are approximately 885 Settlement Class Members who qualify for debt forgiveness.

#### 8. When will I get my payment?

You should receive a check from the settlement administrator, or have your account balance with RD Fuller reduced, within 60-90 days after the Settlement has been finally approved and/or after any appeals have been resolved in favor of the Settlement. The final hearing to consider the fairness of the Settlement will be held before the Honorable Judge Peter Michaelson of the District Court of Arapahoe County, Colorado, 7325 S. Potomac Street Centennial, Colorado 80112, scheduled for May 12, 2022. The hearing will be held via WebEx (see link to instructions in Section 20, below). All checks will expire and become void 90 days after they are issued.

#### **How to GET BENEFITS**

#### 9. How do I get benefits?

If you are a Settlement Class Member and you want to participate in the Settlement, you don't need to do anything. If you are part of the Class who does not qualify for debt forgiveness, please make sure your address and contact information are up to date. If you move, please contact the Settlement Administrator to provide an updated address.

#### REMAINING IN THE SETTLEMENT

#### 10. What am I giving up if I stay in the Class?

If the Settlement becomes final, you will give up your right to sue Echelon for the claims being resolved by this Settlement. The specific claims you are giving up against Echelon are described in Section V of the Settlement Agreement. You will be "releasing" the Defendant and all related people and entities as described in Section II.34 of the Settlement Agreement. Unless you exclude yourself (*see* Question 15), you are "releasing" the claims. The Settlement Agreement is available <a href="here">here</a> and at <a href="hwww.rg2claims.com/salandysettlement.html">www.rg2claims.com/salandysettlement.html</a>.

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions you can talk to Class Counsel listed in Questions 12 for free or you can, of course, talk to your own lawyer if you have questions about what this means.

#### 11. What happens if I do nothing at all?

If you do nothing, you will get the benefits from this Settlement and give up your right to sue Echelon over the Late Fees, Notice Posting Fees, and Eviction Legal Fees. Unless you exclude yourself, you won't be able to start a lawsuit or be part of any other lawsuit against the Defendant for the claims being resolved by this Settlement.

#### THE LAWYERS REPRESENTING YOU

#### 12. Do I have a lawyer in the case?

The Court has appointed Steven Woodrow of Woodrow & Peluso, LLC and Jason Legg of Cadiz Law, LLC to be the attorneys representing the Settlement Class. They are called "Class Counsel." They believe, after litigating the case and conducting an extensive investigation, that the Settlement is fair, reasonable, and in the best interests of the Settlement Class. You will not be charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your expense. You may also enter an appearance though an attorney if you so desire.

#### 13. How will the lawyers, Class Representative and Settlement Administrator be paid?

The Settlement Agreement allows Class Counsel to submit a request for reasonable attorneys' fees and costs of up to thirty percent of the \$3,450,000.00 Settlement Fund as fees and expenses for investigating the facts, litigating the case, and negotiating the Settlement in this matter. Class Counsel may seek, and

the Court may award, less than this amount. Class Counsel also will apply to the Court for an Incentive Award in the amount of up to \$10,000.00 for the Class Representative for his efforts in bringing the action and assisting throughout the litigation. If approved by the Court, these amounts will be deducted and paid from the Cash Component of the Settlement Fund before making payments to Settlement Class Members. The Settlement also requires that all as costs and expenses associated with giving notice of and administering the Settlement will be paid from the Cash Component of the Settlement Fund before making payments to Settlement Class Members.

# **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want to participate in this Settlement, or you want to keep the right to sue or continue to sue Defendant on your own, then you must take steps to get out of the Settlement. This is called "excluding yourself" from or "opting out" of the Settlement. If you exclude yourself from the Settlement, you will not be entitled to any relief the Settlement provides.

# 14. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must send a letter (or request for exclusion) by mail stating that <u>you want to be excluded</u> from the Settlement of *Echelon Property Group*, *LLC v. Bobby Salandy*, Case No. 2019-cv-112. Your letter or request for exclusion must also include your name, address, and phone number. You must mail your exclusion request so that it is postmarked no later than April 21, 2022, to:

RG/2 Claims Administration LLC
Echelon Property Group, LLC v. Bobby Salandy
Case No. 2019-cv-112
P.O. Box 59479
Philadelphia, PA 19102-9479

You cannot exclude yourself on the phone or by email.

The Court will exclude from the Settlement Class any Class Member who timely requests exclusion.

#### 15. If I don't exclude myself, can I sue the Defendant for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Echelon for the claims being resolved by this Settlement.

#### 16. If I exclude myself, can I get anything from this Settlement?

No. If you exclude yourself, you will no longer be eligible to receive a benefit from the Settlement.

#### **OBJECTING TO THE SETTLEMENT**

#### 17. How do I tell the Court I do not like the Settlement?

If you're a Class Member and you do not exclude yourself, you can object to the Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views before deciding whether to approve the Settlement. To object, you must send a letter stating that you object to the Settlement in *Echelon Property Group*, *LLC v. Bobby Salandy*, Case No. 2019-cv-112 and identify all your reasons for your objections (including citations and supporting evidence) and attach any materials you rely on for your objections. Your letter or brief must also include your name, address, phone number, and your signature. You must mail or deliver the objection to the Clerk of the

Court at the address below, postmarked no later than April 21, 2022. If you are represented by a lawyer, your lawyer must file your objection or comment with the Court together with the lawyer's appearance. Include your lawyer's contact information in the objection or comment.

Clerk of the Court
Division 21, District Court, Arapahoe County, Colorado
7325 S. Potomac Street
Centennial, CO 80112

Class Counsel will file with the Court and post on the Settlement Website under the "Important Documents" tab, its request for attorneys' fees two weeks prior to the objection deadline.

#### 18. May I speak to the Court about my objection?

Yes, you may ask the Court for permission to speak. If you want to appear and speak at the Final Approval Hearing to object to the Settlement, with or without a lawyer, you must either say so in your objection, designating it as an "Objection and Notice of Intention to Appear at Final Fairness Hearing," or you must send a letter stating your intent to speak and the final fairness hearing to the Clerk of the Court at the address listed above. If submitted separately from your objection, your Notice of Intention to Appear at Final Fairness Hearing must include your name, address, telephone number, and your signature. Mail the objection so that it is postmarked no later than **April 21, 2022**.

#### 19. What's the difference between objecting and excluding myself from the Settlement?

Objecting simply means telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you are excluding yourself from the entire Settlement, so you have no basis to object because the case no longer affects you.

#### THE COURT'S FINAL APPROVAL HEARING

#### 20. When and where will the Court decide whether to approve the Settlement?

The Court will hold the Fairness Hearing at 10 am on May 12, 2022 via Cisco Webex Meetings pursuant to the Court's Webex Procedural Order available <u>here</u>. The purpose of the hearing will be for the Court to consider whether to approve the Settlement as fair, reasonable, adequate, and in the best interests of the Class; to consider the Class Counsel's request for an award of attorneys' fees and expenses; and to consider the request for an incentive award to Class Representative. If anyone has asked to speak at the hearing (see Question 18), the Court will listen to them at that time. The Court will issue its decision after the hearing. We do not know how long it will take for the Court to decide.

The hearing may be postponed to a different date or time without notice, so if you plan to attend it is a good idea to check with Class Counsel by calling 720.213.0676. If, however, you timely object to the Settlement and advise the Court that you intend to appear and speak at the Fairness Hearing, you will receive notice of any change in the date of such Fairness Hearing.

#### 21. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have that are directed to the Class. But you are welcome to come at your own expense. If you send an objection or comment, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay another lawyer to attend, but it's not required.

#### **GETTING MORE INFORMATION**

#### 22. Where do I get more information about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the full Settlement Agreement, which can be viewed or downloaded <u>here</u>. You also can get a copy of the Settlement Agreement by writing the Settlement Administrator at P.O. Box 59479, Philadelphia, PA 19102 or by visiting www.rg2claims.com/SalandySettlement.html. You can call the Settlement Administrator at 1-866-742-4955 or Class Counsel at 1-720-213-0676, if you have any questions. Before doing so, however, please read this full Notice carefully.

Many of the Court papers, including this Notice, the Settlement Agreement, and the Order for Settlement Website Approval are posted on the www.rg2claims.com/ salandysettlement.html. You also can obtain a copy of the Settlement Agreement or review any other public papers relating to the lawsuit by examining the records of this case, *Echelon Property Group*, LLC v. Bobby Salandy, Case No. 2019-cv-112 at the Clerk's office at 7325 S. Potomac Street has the ability to make copies of any such public documents for a fee. Also, all filed documents in the case, including the Settlement document, are available for viewing online for a fee through the Court's online filing system, (https://www.jbits.courts.state.co.us/). Any questions that you may have about this Notice should not be directed to the Court but should be directed to the Settlement Administrator or Class Counsel.

## 23. What am I giving up in exchange for the Settlement benefits?

Unless you exclude yourself, you will give up the ability to sue Echelon and all of its acquired entities, predecessors, successors, affiliates, parent companies and subsidiaries, and any and all of Echelon's and its affiliates' past or present predecessors, successors, heirs, executors, estates, administrators, direct or indirect parents, subsidiaries, associates, affiliates, assigns, employers, employees, principals, agents, consultants, independent contractors, insurers, directors, managing directors, officers, partners, attorneys, accountants, financial and other advisors, investment bankers, underwriters, shareholders, lenders, auditors, investment advisors, legal representatives, successors in interest, assigns, franchisees and persons, firms, trusts, corporations, debt collectors, and any other individuals or entities in which Echelon has or had a controlling interest, to which it is related, or with which it is affiliated and any other representatives of any of these individuals or entities from any and all claims (including Unknown Claims), causes of action, suits, obligations, debts, demands, agreements, promises, rights, extracontractual claims, liabilities, damages, losses, controversies, costs, expenses, and attorneys' fees of any nature whatsoever, whether based on any federal law, state law, common law, territorial law, foreign law, contract, rule, regulation, any regulatory promulgation (including, but not limited to, any opinion or declaratory ruling), common law or equity, whether known or unknown, suspected or unsuspected, potential or filed, accrued or unaccrued, claimed or unclaimed, individual or representative, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, direct or punitive, multiplied or compensatory of every nature and description whatsoever arising out of Echelon's charging of any of the Challenged Fees.

#### 24. What are the released claims?

The "Released Claims" consist of any and any and all claims (including Unknown Claims), causes of action, suits, obligations, debts, demands, agreements, promises, rights, extra-contractual claims, liabilities, damages, losses, controversies, costs, expenses, and attorneys' fees of any nature whatsoever, whether based on any federal law, state law, common law, territorial law, foreign law, contract, rule, regulation, any regulatory promulgation (including, but not limited to, any opinion or declaratory ruling),

common law or equity, whether known or unknown, suspected or unsuspected, potential or filed, accrued or unaccrued, claimed or unclaimed, individual or representative, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, direct or punitive, multiplied or compensatory of every nature and description whatsoever arising out of Echelon's charging of any of the Challenged Fees.

The full terms of the Release are set forth in Section V. of the Settlement Agreement available at www.rg2claims.com/salandysettlement.html.