

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: Any individual who was, at any time from February 27, 2013 through January 18, 2018, but is no longer, a rent-stabilized residential tenant in one of the buildings listed in the attached Schedule.

DATED: November 20, 2019

PLEASE READ THIS NOTICE CAREFULLY

This notice relates to a proposed settlement of a class action litigation. It has been authorized by a New York State court. It contains information about your right to participate in the settlement, make a claim for payment, or elect not to be included in the class.

INTRODUCTION

Stacey Sanchez, a former tenant at Defendants building at 3604 Olinville Ave, Bronx, New York, with other plaintiffs who are current tenants of Defendants, filed this case in the New York State Supreme Court, New York County. The lawsuit is known *Luna, et al. v. SKYC Management LLC, et al.* Ms. Sanchez is called the plaintiff and the real estate companies that, collectively, own and operate the buildings listed in the attached Schedule, are called the defendants. Plaintiff alleges that, among other things, defendants failed to return former tenant's security deposits when they vacated their apartments.

The plaintiff and defendants have agreed to settle the action, subject to the approval of the Court and certain conditions set forth in the settlement agreement between the parties that gives rise to this settlement. The defendants have defended and vigorously contested the claims in this action. The defendants deny all material allegations in this action, have asserted numerous defenses and further maintain that it has consistently acted in accordance with governing law at all times. The defendants, while denying wrongdoing of any kind whatsoever, and without admitting liability, nevertheless have elected to settle the action to avoid the expense, inconvenience and distraction of litigation. The Court has not decided who is right and who is wrong or even whether this case could, in the absence of this settlement, proceed as a class action.

Your legal rights may be affected by this settlement. Those rights are summarized below.

YOUR LEGAL RIGHTS IN THIS SETTLEMENT

YOU MAY PARTICIPATE IN THE SETTLEMENT	As described more fully in Section 6, to participate in the settlement, you must send a properly completed Claim Form to the settlement administrator, post-marked by January 21, 2020. If you fail to submit a proper and timely Claim Form, you will receive no monetary distribution in settlement. (The settlement administrator is a third-party company that has been retained by counsel to assist with the administration of this settlement).
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YOU MAY OBJECT TO THE SETTLEMENT	You may object to the settlement if you believe any part of it is unfair or unreasonable. To object, you must (i) participate in the settlement and (ii) submit a written statement to the settlement administrator, following the direction outlined in Section 8. Regardless of whether the Court accepts or rejects your objection, objectors will still be bound by the terms of the settlement and will receive a settlement payment if they have submitted a valid claim form.
YOU MAY EXCLUDE YOURSELF FROM THE SETTLEMENT	If you wish to exclude yourself from the lawsuit (called “opting out”) you must follow the directions outlined in Section 10. You will not receive any payment in this settlement if you exclude yourself.

ADDITIONAL DETAILS ABOUT THIS NOTICE AND THE SETTLEMENT

1. Why did I receive this Notice?

You received this notice because Defendants’ records show that, at any time from February 27, 2013 January 18, 2018 you were, but are no longer, a rent-stabilized residential tenant in one of Defendants’ buildings listed in the attached Schedule.

2. What is a Class Action?

A class action is a lawsuit where one or more persons sue not only for themselves, but also for other people who have similar claims. These other people are known as Class Members. In a class action, one court resolves the issues for all Class Members, except for those who exclude themselves (opt out) from the settlement. Justice Sherry Klein Heitler, New York State Supreme Court, New York County, is the Judge presiding over this class action.

3. Why is there a Settlement?

Two separate counsel for the class have extensively analyzed and evaluated the merits of the claims made against the defendants in this action. Class counsel and the defendants also exchanged documents of both plaintiff and defendants.

Based upon this analysis and exchange of information, and the substantial risks of continued litigation, including the possibility that the litigation, if not settled now, might not result in any recovery whatsoever, or might result in a recovery that is less favorable and that would not occur for several years, both class counsel are satisfied that the terms and conditions of the settlement are fair, reasonable and adequate and that the settlement is in the best interest of the plaintiff and the other Class Members, such as yourself.

4. How Much Will I Receive if I Participate in the Settlement?

If you fill out a valid claim form, as determined by the settlement administrator, the defendants may pay up to the amount of unreturned your security deposit, plus 9%. The

defendants have established a settlement fund equal to One Hundred Thousand Dollars (\$100,000) out of which to make these payments to Class Members that participate in the settlement.

5. Payment to the Class Representative.

The terms of the settlement propose that Ms. Sanchez may receive a service payment, not to exceed \$4,000.00, for taking a leading role in this litigation and for the time and effort she devoted to the litigation on behalf of Class Members. The Court must approve this payment in advance. If approved, the payment will not be paid out of the settlement fund, but would be a payment made to Ms. Sanchez in addition to any of the proceeds she receives from the settlement fund.

6. How Do I Participate in the Settlement?

You must complete the enclosed Claim Form and submit it to the settlement administrator, following the instructions provided on the form, to participate in the settlement and receive a distribution from the settlement fund. The Claim Form must be personally filled out by the individual who seeks to participate in the settlement or someone with a legal right to act on his or her behalf and must be signed before a notary public.

The Claim Form must be mailed to the settlement administrator, post-marked on or before January 21, 2020 (the "Deadline"). The address for the settlement administrator is given in Section 15.

You will not be eligible to receive any payment in this settlement if you do not submit a signed and timely Claim Form to the settlement administrator.

You should keep in mind that if you do not exclude yourself from the settlement but also do not submit a proper and timely Claim Form, you will not receive a distribution from the settlement fund, but you will still be bound by the terms of the settlement, including the release of Defendants. The release is described in Section 7 below.

Payments from the settlement fund will be made by the settlement administrator if and when the settlement is finally approved by the Court and any appeals are fully resolved.

7. The Release.

This action will be dismissed with prejudice if the Court grants final approval to the settlement. Class Members who do not exclude themselves from the settlement will be deemed to release and discharge any affirmative claims that concern or relate to payment of more than one month's legally chargeable rent as a security deposit for rent stabilized tenants, commingling of security deposits and failure to return security deposits in violation of the New York Rent Stabilization Code and Regulations. However, the settlement does not release and discharge any Class Member's defensive claims or claims for setoff which concern or relate to failure to return a security deposit, payment of more than one month's rent as a security deposit and/or commingling of security deposits in violation of the New York Rent Stabilization Code. If you

do not exclude yourself from this settlement, the release and all of the Court's orders regarding this settlement will apply to you and legally bind you.

8. How Do I Object to the Settlement?

You may object to the settlement if you don't like any part of it. If you object, you must give your reasons why you think the Court should not approve the settlement. If the Court rejects your objection, you will still be bound by the terms of the settlement, including the release, and will receive a payment from the settlement fund. (If you want to preserve your claims against the defendants, you must exclude yourself from the settlement).

To object, you must send the settlement administrator, postmarked by the Deadline, both (i) a Claim Form, properly and fully filled out, signed, and notarized, and (ii) a separate written, signed and notarized statement that you will object to the settlement. Your statement of objection must include (a) all reasons for the objection, (b) documentation supporting your objection, and (c) your name, address, email address, and telephone number. Your objection may not be heard if it is late or incomplete.

As a supplement to your written objection, you may present your objection in person at the Court's final hearing on the settlement. You must state your intention to speak at the hearing in your written objection to do so. You may not be permitted to speak at the final hearing if you do not submit both a complete and timely Claim Form and complete a timely written objection that includes a statement that you intend to speak at the hearing.

Your written objection should be as detailed as possible. The Court may preclude you from presenting any reasons for your objection that you did not describe in your written objection.

You may not object to the settlement if you exclude yourself from the settlement. You also may not object if you fail to submit a proper and timely Claim Form.

9. When and Where Will the Court Hold the Final Hearing?

The Court will hold a final hearing on February 24, 2020, at 10:00 a.m. in courtroom 408, 60 Centre Street, New York, New York 10007. You do not have to come to the hearing, but you are welcome to do so at your own expense.

The Court at the final hearing will consider whether the terms of the settlement are fair, reasonable, and adequate. The Court also will hear objections, listen to people who have asked to speak at the hearing, decide how much to pay class counsel and the settlement administrator, and decide whether to award a service payment to the plaintiff.

It is not necessary for you to come to the final hearing, even if you have submitted any objection, although you may do so at your own expense or pay your own lawyer to attend. As long as you submit a proper and timely written objection, the Court will consider it.

Even if you attend the final hearing, it is possible that you will not be permitted to speak unless you submit a proper and timely objection that includes a statement that you intend to appear at the hearing.

The Court will decide whether to approve the settlement at some point after the hearing is over. We do not know how long that decision will take.

10. How Do I Exclude Myself from the Settlement?

You must exclude yourself from the settlement if you wish to keep the right to sue the defendants on your own for the claims released by this settlement.

To exclude yourself, you must mail a written, signed and notarized statement to the settlement administrator, postmarked by the Deadline, that includes (i) your name, (ii) your address, (iii) your email address and telephone number, (iv) a statement that you exclude yourself from the settlement, such as “I opt out of the Luna wage and hour settlement.”

Do not submit a Claim Form if you intend to exclude yourself.

You will not be allowed to object to the settlement if you exclude yourself.

If you have a pending lawsuit against Defendants, speak to your lawyer in that case immediately to see if this settlement will affect your other case. Remember, the exclusion Deadline is January 21, 2020.

11. Can I Get Money from this Settlement if I Exclude Myself?

No. You will not receive any money from this settlement if you exclude yourself.

12. What if I Do Nothing?

If you do nothing, you will be bound by the settlement, including the release, but will not receive any money in the settlement.

13. Do I Have a Lawyer in this Case?

The law firms of Rapaport Law Firm, PLLC, One Penn Plaza, 250 West 34th Street, Suite 2430, New York, New York 10119, (212) 382-1600 and Miller Law, PLLC, 167 Madison Avenue, Suite 503, New York, New York 10016, (347) 878-2587, are legal counsel to you and the other Class Members in this case. These lawyers are called class counsel. You will not be charged separately for these lawyers. Pursuant to the settlement, their fees will be paid by Defendants, and must be approved by the Court in advance. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How Will the Lawyers be Paid?

The class counsel will ask the Court to approve a payment of attorneys’ fees and out-of-pocket litigation expenses, up to \$100,000. This amount would pay class counsel for all of the

work they have performed in this action, including filing briefs, engaging in settlement negotiations, attending court conferences, case research, investigating facts, and drafting and overseeing this settlement. Class counsel have worked on this lawsuit for over two years but have not yet received any payment for that work.

Any payment to class counsel approved by the Court would not be made out of the settlement fund for Class Members and would not affect the availability of funds for distribution to Class Members who submit proper and timely Claim Forms.

15. What is the Address and Telephone of the Settlement Administrator?

The address for the settlement administrator is:

Luna v. Skyc Management, LLC.
c/o CPT Group Inc.
50 Corporate Park
Irvine, CA 92606

The telephone number for the settlement administrator is:

1 (888) 404-0148

16. How Can I Learn More about the Details of this Settlement?

This notice summarizes the settlement. More details are contained in the settlement agreement signed by the plaintiff and the defendants. You can obtain a copy of the settlement agreement by writing or calling Marc A. Rapaport of Rapaport Law Firm, PLLC. Mr Rapaport is one of the class counsel. Mr. Rapaport's telephone number is (212) 382-1600 and his address is:

Marc A. Rapaport
Rapaport Law Firm, PLLC
One Penn Plaza
250 West 34th Street, Suite 2430
New York, New York 10119
Website: www.rapaportlaw.com

SCHEDULE OF BUILDINGS

71 Post Avenue, Manhattan, New York
157 W 228th Street, Manhattan, New York
163 East 178th Street, Bronx, New York
321 Edgecombe Avenue, Manhattan, New York
381 Edgecombe Avenue, Manhattan, New York
385 Edgecombe Avenue, Manhattan, New York
393 Edgecombe Avenue, Manhattan, New York
346 East 9th Street, Manhattan, New York
544-50 Academy Street, Manhattan, New York
601 W. 192nd Street, Manhattan, New York
657 W. 161st Street, Manhattan, New York
667 W. 161st Street, Manhattan, New York
671 W. 162nd Street, Manhattan, New York
674 W. 161st Street, Manhattan, New York
666 East 224th Street, Bronx, New York
901 East 217th Street, Bronx, New York
955 Walton Avenue, Bronx, New York
1152 Sheridan Avenue, Bronx, New York
1153-55 Grand Concourse Bronx, New York
1174 Sheridan Avenue, Bronx, New York
1204 Shakespeare Avenue, Bronx, New York
1214 Shakespeare Avenue, Bronx, New York
1551 Sheridan Avenue, Bronx New York
1820 Morris Avenue, Bronx, New York
2003-05-09 Gleason Avenue, Bronx, New York
2005 Grand Avenue, Bronx, New York
2188 Creston Avenue, Bronx, New York
2246 Grand Concourse, Bronx, New York
2815 Grand Concourse, Bronx, New York
3604 Olinville Avenue, Bronx, New York