

EXHIBIT

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TO THIS HONORABLE COURT:

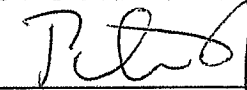
The parties to this action have agreed to a proposed settlement subject to court approval. The terms and conditions of the proposed settlement are these:

Defendant, City of Ontario, California, will pay to plaintiffs and their attorneys the full and true sum of \$2,750,000.00 (the total settlement amount) in consideration for which the entire action will be dismissed with prejudice as to all defendants, their agents, employees and attorneys with each plaintiff (individually named and class members) executing a standard form release and agreement, defendants costs and fees to be paid by defendants. The Court, upon motion by plaintiffs and after hearing as contemplated by F.R.C.P. Rule 23 (e), will allocate the attorneys fees and costs from the total settlement amount and shall be awarded on a lode star basis and also allocate the settlement proceeds amongst the plaintiffs, that is, the individually named plaintiffs and class members.

Any undistributed funds shall revert to a *sy pres* fund as approved by the court.

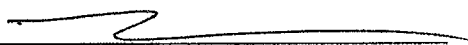
Dated: February 18 2009

ACLU FOUNDATION

By: 
Peter Eliasberg, Esq.
Attorneys for Plaintiffs

Dated: February 18 2009

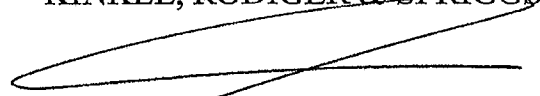
HADSELL STORMER, et al., LLP

By: 
Dan Stormer, Esq.
Anne Richardson, Esq.
Attorneys for Plaintiffs

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Dated: February 19 2009

KINKLE, RODIGER & SPRIGGS

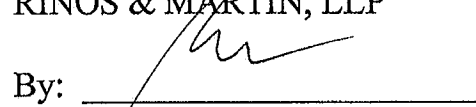


By: _____

Bruce Disenhouse, Esq.
Attorney for Defendant,
Brad Schneider

Dated: February 18 2009

RINOS & MARTIN, LLP



By: _____

Dimitrios C. Rinos, Esq.
Celeste Brustowicz, Esq.
Attorneys for Defendants,
City of Ontario Police Department,
Lloyd Scharf, Tony Del Rio and
Michael Thompson

EXHIBIT

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA- EASTERN DIVISION

STEVEN TRUJILLO, *et al.*,
Plaintiffs,
v.
CITY OF ONTARIO, *et al.*,
Defendants.

Case No. ED CV 04-01015 VAP (SGLx)

NOTICE OF SETTLEMENT OF CLASS ACTION LITIGATION

To: All Persons Who Were Employed by or Volunteered with the City of Ontario Police Department, Used the Department's Men's Locker Room During the Period from January 1, 1996 to June 30, 1997, When Surveillance Equipment Was Installed, and Were Recorded by the Surveillance Equipment.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS LITIGATION.

Your rights may be affected by a lawsuit pending in this Court, *Trujillo, et al., v. City of Ontario, et al.*, Case No. ED CV 04-1015 VAP (SGLx).

Pursuant to the order dated _____ of the United States District Court for the Central District of California, **YOU ARE HEREBY NOTIFIED AS FOLLOWS:**

A proposed settlement (the "Settlement") has been reached between the parties in this class action pending in United States District Court for the Central District of California (the "Court"), brought on behalf of certain individuals who were employed by or volunteered with the City of Ontario Police Department, used the Department's men's locker room during the period from January 1, 1996 to June 30, 1997, when surveillance equipment was installed, and were recorded by the surveillance equipment.

This class action brings claims under the United States and California constitutions, and essentially contends that the privacy rights of class members were violated when they were videotaped by a hidden video camera installed in the men's locker room. The Court has certified the case to proceed as a class action and has determined that the installation and operation of a hidden video camera without a warrant violated the Fourth Amendment to the United States Constitution, Article I, § 1 of the California Constitution, and the common law invasion of privacy tort.

You have received this notice because review of the videotape indicates that you are a member of the Settling Class. This notice is designed to inform you of how you can make a claim under the Settlement, comment in favor of the Settlement or object to the Settlement.

Depending on the actions you take (or don't take), one of two things will happen: (i) if you do not timely submit a Claim Form, and if the Settlement receives final approval from the Court, you will not receive a payment, claims covered by the Settlement will be extinguished, and you will forfeit your right to bring or participate in a similar action against the City of Ontario and other Defendants; or (ii) if you timely submit a Claim Form, and the Settlement receives final approval from the Court, you will receive a payment and all claims covered by this Settlement will be extinguished and you will forfeit your right to bring or participate in a similar action against the City of Ontario and other Defendants.

I. BACKGROUND OF THE CASE

Plaintiffs, officers with the City of Ontario Police Department, charge that in or about 1996, defendants the City of Ontario Police Department, Chief of Ontario Police Lloyd Scharf, and other individuals (collectively "Defendants") secretly installed a video camera in the men's locker room in the

Ontario Police Department and captured Plaintiffs and other police officers and individuals who used the locker room on videotape in various states of undress. Plaintiffs asked this Court to rule that this conduct violates the right to privacy guaranteed by the United States Constitution, the California Constitution, and California common law and to award damages for harm caused by the video taping as well as exemplary and punitive damages. Plaintiffs have brought suit on behalf of all persons who were employed by the Ontario Police Department or who volunteered for the Department and used the Department's men's locker room during the period in which the surveillance equipment was operated, and were recorded by the surveillance equipment (the "Class" or "Settlement Class").

During legal proceedings, the Court determined that a surveillance camera was installed in the Ontario Police Department's men's locker room, that the surveillance that occurred violated plaintiff's Fourth Amendment rights, the right to privacy under the California Constitution, and the common law protection against invasion of privacy. The Court also ruled that the defendants employed by the City of Ontario were immune from liability for violations of state law, but were not immune from liability for federal constitutional violations, and that Defendant Michael Thompson, who was not employed by the City of Ontario, was liable under state law.

Defendants deny that any policymaker for the City of Ontario knew about the camera at the time it was installed.

In April 2005, the Court certified the case to proceed as a class action and, on June 21, 2005 ordered that potential class members be notified and given the opportunity to opt out of the class action litigation by so mailing a request post-marked by August 6, 2005 (the "Opt-Out Period"). Those individuals who opted out of the class action litigation are not eligible to participate in the Settlement. Those members of the Settlement Class who did not opt out agreed to be bound by the result reached in this litigation, including by a Settlement Agreement.

After litigating and mediating the case, exchanging large amounts of information, and obtaining rulings from both trial and appellate courts on the privacy rights in question, Plaintiffs and Defendants have agreed to a stipulated settlement for which they have obtained preliminary Court approval and intend to seek final Court approval pursuant to Federal Rule of Civil Procedure Rule 23. This Settlement represents a compromise and settlement of highly disputed claims. Plaintiffs and Defendants, and their counsel, have concluded that the Settlement is advantageous, considering the risks, uncertainties, and cost to each side of continued litigation. Plaintiffs' counsel has determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class. As a member of the Settling Class, you will be bound by the terms of the settlement. Only if you submit a valid and timely Claim Form will you share in the proceeds to be paid under the Settlement, assuming it is approved by the Court.

II. SUMMARY OF THE SETTLEMENT

The Settlement provides for the following:

A. Who is included in the Settlement?

You are included in the Settlement if you meet all of the conditions set forth in the beginning of this notice. It is estimated that there are approximately one hundred twenty-five (125) members of the Settling Class.

B. Who is representing the Settling Class?

The attorneys for the Class ("Class Counsel" or "Plaintiffs' Counsel") are:

Dan Stormer & Anne Richardson
Hadsell Stormer Keeny Richardson & Renick, LLP
128 North Fair Oaks Avenue
Pasadena, California 91103-3645
Tel.: 626-585-9600
Fax: 626-577-7079

Peter Eliasberg & Peter Bibring
ACLU of Southern California
1313 W. 8th Street
Los Angeles, CA 90017
Tel.: (213) 977-9500
Fax: (213) 977-5297

C. What will I receive from the Settlement?

Assuming the Settlement receives final approval from the Court, the City of Ontario shall make available a total amount of two million seven hundred fifty thousand dollars and no cents (\$2,750,000.00) (the "Gross Settlement Value" or "GSV"). The following amounts shall be deducted from the Gross Settlement Value: (i) Class Counsel's fees and expenses, including expenses in administering the settlement, to the extent approved by the Court; and (ii) the enhanced payments to plaintiffs in this litigation, Steven Trujillo, Craig Anzman, Will Rivera, Robert Bernhard, Scott Anderson, Craig Pefferle, Salvador Garcia, Steven Hurst, Jim Renstrom, Ron Dupuis, Keith Henderson, Nicko Carcich, Rick Carroll, Christopher Alvarez, Fred Ruiz, Steve Guderian, Mike Kelley, and Mike Bors, as described below, to the extent approved by the Court. The Gross Settlement Value, less these items, will be referred to as the "Net Distributable Amount" or "NDA"). The Net Distributable Amount will be divided equally between all members of the Settling Class. The parties estimate that each member of the Settling Class who submits a timely and valid Claim Form will receive approximately \$10,000. Plaintiffs' Counsel shall distribute a settlement payment to each member of the Settling Class who submits an approved Claim Form.

D. When will I receive my Settlement Payment?

The Settlement Payments will be paid after final court approval of the Settlement and after all rights to appeal or review are exhausted or any appeal or review has been resolved in favor of the Settlement (the "Effective Date").

E. What if I do not want to participate in the Settlement?

Through notice of this litigation distributed by order of the Court on June 21, 2005, members of the Class were given an opportunity to opt out of the class action during the Opt-Out Period between June 21, 2005 and August 6, 2005. Class members who did not opt out at that time will be bound by the Settlement Agreement if it is approved by the Court. Subject to approval by the Court, the unclaimed portion of the settlement fund will be distributed to the Electronic Frontier Foundation, a nonprofit organization specializing among other things in issues of privacy.

F. What if I do not submit a Claim Form?

TO RECEIVE YOUR SHARE OF THE SETTLEMENT YOU MUST SUBMIT A VALID AND TIMELY CLAIM FORM. IF YOU DO NOTHING, YOU WILL STILL BE BOUND BY THE TERMS OF THE SETTLEMENT, INCLUDING THE RELEASE OF CLAIMS, EVEN THOUGH YOU WILL NOT RECEIVE A SETTLEMENT PAYMENT.

G. Who is Administering this Settlement?

Plaintiffs' Counsel and Defendants' counsel will share responsibilities of administration. Plaintiffs' Counsel listed above will calculate payments due to class members, will receive claim forms, and will answer questions about the Settlement. Defendants' counsel will mail claim forms and distribute checks.

H. Release of Claims.

Members of the Settling Class will release the City of Ontario, the City of Ontario Police Department, Lloyd Scharf, Tony Del Rio, Brad Schneider, and Michael Thompson, and all of its and their respective past and present employees, officials, officers, attorneys, representatives, agents, and assigns (individually and collectively "the City of Ontario Releasees"), from and with respect to any and all actions, causes of action, suits, liabilities, claims, and demands whatsoever, and each of them, whether known or unknown, from the beginning of time to January 31, 2008, which the Settling Class, or individual members thereof, has, had, or hereafter may claim to have, against the City of Ontario or the City of Ontario Police Department, or any of them, which are based on, or in any way related to, violations of the Fourth Amendment to the United States Constitution, Article I, section 1 of the California Constitution, the common law claim of invasion of privacy, as pertains to the secret videotaping in the Ontario Police Department men's locker room from January 1, 1996 to June 30, 1997, or any other allegation contained in, related to, or subsumed by, the Lawsuit (the "Released Claims"). The parties intend the Settling Class' release to be general and comprehensive in nature and to release all

claims and potential claims against the City of Ontario Releasees which were or could have been brought by the Lawsuit to the maximum extent permitted at law. The Released Claims include specifically, by way of further description, but not by way of limitation, any and all claims arising out of or in any way related to: (a) any and all allegations set forth in the pleadings in Case No. 04-CV-01015 VAP, on file with the United States District Court for the Central District of California, Eastern Division; (b) any and all alleged violations arising out of video surveillance of the inside of the men's locker room at the City of Ontario Police Department and/or (c) claims for attorneys' fees, attorneys' costs/expenses, and/or any and all claims based on calculations, distributions or payments made in accordance with this Agreement. The members of the Settling Class acknowledge and/or are deemed to acknowledge that they may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of this Agreement and/or this release, and which, if known or suspected at the time of executing this Agreement, may have materially affected this release. Nevertheless, the members of the Settling Class will waive any right, claim, or cause of action that might arise as a result of such different or additional claims or facts. In addition, all members of the Settling Class intend and/or are deemed to intend that the Settlement should be effective as a bar to any and all of the claims released by the Settling Class. In furtherance of this intention, all members of the Settling Class expressly waive any and all rights or benefits conferred on them by the provisions of Section 1542 of the California Civil Code, which provides as follows: "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."

I. What Does that Mean?

The language above means, basically, that if you are a member of the Settlement Class, and the Court approves the Settlement, you will release all claims you may have against the City of Ontario which pertain or relate to the types of claims that were brought in the Lawsuit, and you will accordingly forfeit the right to bring or participate in any such claim. If you submit a valid and timely Claim Form, then you will receive a Settlement Payment in exchange for this release.

J. Class Representatives.

In addition to their share as participating members of the Settling Class, and subject to the Court's approval, plaintiffs Steven Trujillo, Craig Ansman, Will Rivera, Robert Bernhard, Scott Anderson, and Craig Pefferle shall each receive a thirty thousand dollar and no cent (\$30,000.00) enhancement for their services as named plaintiffs through the duration of this litigation. In addition, plaintiffs Steven Hurst, Jim Renstrom, Ron Dupuis, Keith Henderson, Nicko Carcich, Rick Carroll, Christopher Alvarez, Salvador Garcia, Fred Ruiz, Steve Guderian, Mike Kelley, and Mike Bors shall each receive a ten thousand dollar and no cent (\$10,000.00) enhancement for their services as named plaintiffs in the original complaint, prior to the filing of the first amended complaint. As explained above, this payment will be deducted from the Gross Settlement Value pursuant to the Settlement prior to arriving at the Net Distributable Amount.

K. Attorneys' Fees.

Class Counsel will seek approval from the Court for payment of attorneys' fees and costs and expenses incurred, based on the time Class Counsel spent and prevailing billing rates, in the amount of up to one-half (50%) of the Gross Settlement Value, or one million three hundred seventy-five thousand dollars and no cents (\$1,375,000.00). If approved by the Court, these fees will be deducted from the Gross Settlement Value pursuant to the Settlement prior to arriving at the Net Distributable Amount. Class Counsel believes the amount for costs and attorneys' fees requested is fair and reasonable, and Defendants have agreed not to oppose their request for that amount.

III. PLAINTIFF AND CLASS COUNSEL SUPPORT THE SETTLEMENT.

Steven Trujillo, Craig Ansman, Will Rivera, Robert Bernhard, Scott Anderson, and Craig Pefferle, as Class Representatives and Class Counsel support this Settlement. Their reasons include the

inherent risk of a trial on the merits and the inherent delays and uncertainties associated with litigation. Based on their experience litigating similar cases, Class Counsel believe that further proceedings in this case, including a trial and probable appeals, would be expensive and protracted. No one can confidently predict how the various legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Plaintiffs Steven Trujillo, Craig Ansman, Will Rivera, Robert Bernhard, Scott Anderson, and Craig Pefferle, and Class Counsel believe that the Settlement is fair, reasonable, and adequate.

IV. WHAT ARE YOUR RIGHTS AS A MEMBER OF THE SETTLING CLASS?

Plaintiffs Steven Trujillo, Craig Ansman, Will Rivera, Robert Bernhard, Scott Anderson, and Craig Pefferle, as Class Representatives and Class Counsel represent your interests as a member of the Settling Class. If you did not file an opt-out during the Opt-Out Period, you are a part of the Settling Class, and you will be bound by the terms of the Settlement as described above and as more fully discussed in the Settlement Agreement on file with the Court. As a member of the Settling Class, any final judgment that may be entered by the Court pursuant to the Settlement will effectuate a release of your claims against the City of Ontario and the other released parties as described above. As a member of the Settling Class, you will not be responsible for the payment of attorneys' fees or reimbursement of litigation expenses unless you retain your own counsel, in which event you will be responsible for your own attorneys' fees and costs.

A. Claiming Your Share of the Settlement

To receive a share of the Settlement proceeds, you must complete and sign the enclosed Claim Form and mail it via first class mail to the Class Counsel at the following address:

Anne Richardson
ATTN: *Trujillo v. Ontario* Claims
Hadsell Stormer Keeny Richardson & Renick, LLP
128 North Fair Oaks Avenue
Pasadena, California 91103

To be valid, the Claim Form must be completed in full, signed by you under penalty of perjury. The Claim Form must be received no later than _____.

A member of the Settling Class who does not mail a Claim Form in the manner and by the deadlines specified above will not receive a share of the Settlement proceeds but will still be bound by the release.

B. Commenting in Favor of the Settlement

You may, but are not required to, comment in favor of the Settlement. If you wish to comment in favor of the Settlement, your comments must be in writing and mailed via first class mail, on or before _____, to all of the following:

Celeste Brustowicz
Rinos & Martin LLP
17862 17th Street, Suite 104
Tustin, CA 92780

Bruce E. Disenhouse
Kinkle Rodiger & Spriggs
3333 Fourteenth Street
Riverside, CA 92501

Anne Richardson
Hadsell Stormer Keeny
Richardson & Renick, LLP
128 North Fair Oaks Avenue
Pasadena, California 91103

Your written comments must include your full name, address, and dates of your employment at the Ontario Police Department and must reference this case, *Trujillo, et al., v. City of Ontario, et al.*, Case

No. ED CV 04-1015 VAP (SGLx). In addition, your written comments must indicate whether you intend to appear at the Final Approval Hearing scheduled for _____ at 8:30 a.m. PLEASE DO NOT TELEPHONE THE COURT, COUNSEL, OR THE CITY OF ONTARIO.

C. Objecting to the Settlement.

If you are dissatisfied with any of the terms of the Settlement, you may object to the Settlement. Any objection to the Settlement must be in writing and must explain, in clear and concise terms, the basis for your objection. In addition, in order to be considered, your objection must be mailed via first class mail on or before _____ to the following:

Celeste Brustowicz
Rinos & Martin LLP
17862 17th Street, Suite 104
Tustin, CA 92780

Anne Richardson
Hadsell Stormer Keeny
Richardson & Renick, LLP
128 North Fair Oaks Avenue
Pasadena, California 91103

Bruce E. Disenhouse
Kinkle Rodiger & Spriggs
3333 Fourteenth Street
Riverside, CA 92501

Your written comments must include your full name, address, and dates of your employment at the Ontario Police Department and must reference this case, *Trujillo, et al., v. City of Ontario, et al.*, Case No. ED CV 04-1015 VAP (SGLx). In addition, your written comments must indicate whether you intend to appear at the Final Approval Hearing scheduled for _____ at 8:30 a.m. PLEASE DO NOT TELEPHONE THE COURT, COUNSEL, OR THE CITY OF ONTARIO.

Any member of the Settling Class who does not object to the Settlement in the manner described above will be deemed to have waived any objections and will be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. If the Court rejects your objection, you will still be bound by the terms of the Settlement with respect to covered claims.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a final approval hearing in the United States District Court for the Central District of California, Eastern Division, 3470 Twelfth Street, Riverside, California, before the Honorable Virginia A. Phillips, on _____ at ___ a.m./p.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for costs and attorneys' fees and the enhancements paid to the Class Representatives. The hearing may be postponed without further notice to the Class. It is not necessary for you to appear at this hearing.

VI. GETTING MORE INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the Joint Settlement Agreement, which will be on file with the Court. The pleadings and other records in this litigation including the Settlement Agreement, may be examined at any time during regular business hours in the Central District of California, Eastern Division, 3470 Twelfth Street, Riverside, California, or you may contact the Plaintiffs' Counsel.

PLEASE DO NOT TELEPHONE THE COURT, DEFENDANT'S COUNSEL, OR THE CITY OF ONTARIO FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

BY ORDER OF THE COURT.

Dated:

HON. VIRGINIA A. PHILLIPS
UNITED STATES DISTRICT JUDGE