

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEPHANIE LOUTAS and CARA TURCHIE, on behalf of themselves and all others similarly situated,)	Case No. C 96-0024 CAL
)	
Plaintiffs,)	NOTICE OF PENDENCY OF CLASS
)	ACTION AND PROPOSED SETTLEMENT
v.)	AND HEARING THEREON
)	
MARIN MUNICIPAL WATER DISTRICT,)	
)	
Defendant.)	
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IMPORTANT NOTICE

**TO:ALL CURRENT AND FORMER FEMALE EMPLOYEES OF MARIN MUNICIPAL WATER DISTRICT IN
CALIFORNIA, EMPLOYED AT ANY TIME DURING THE PERIOD APRIL 20, 1994 TO JUNE 17, 1997**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure, and an order of the United States District Court for the Northern District of California ("Court"), of the following:

1. **Definition of Class:** A class action lawsuit is pending in the United States District Court for the Northern District of California. On June 17, 1997, the Court issued an order conditionally certifying this lawsuit as a class action, and defining the class as consisting of "all female employees of the Marin Municipal Water District ("MMWD") in California, employed from April 20, 1994 to the present, who are or have been adversely affected by MMWD's alleged tolerance of and/or alleged continuing practice of sexual harassment, sexual discrimination, retaliation and unequal pay." The lawsuit seeks damages, injunctive relief, attorneys' fees and costs from MMWD.

2. **Proposed Settlement:** A proposed settlement has been reached in the above-captioned class action litigation ("Class Action") between plaintiffs Stephanie Loutas, Cara Turchie, and the class they represent ("Plaintiffs," "Class" and/or "Class Members") and defendant MMWD. This proposed settlement is subject to approval by the Court and, if approved by the Court, will result in the following: (a) extensive non-economic relief including training, policy revisions, new policies, and salary surveys, as more fully set forth in Paragraph 4 of the attached Stipulated Settlement and General Release ("Stipulation"), and (b) payment to each class member as follows:

(1) Plaintiff Class: \$95,000 to be distributed as follows¹:

(a) Current Employees: \$1,500 each

In addition to the \$1,500, any moneys not claimed by class members will be equally distributed among all current female employees who have not requested exclusion from the class. Current employees are defined as all women (other than summer help) employed by MMWD on June 17, 1997, when the Amended Class Order was entered.

(b) Former Employees: \$600 each

Former employees are defined as all women (other than summer help) employed by MMWD between April 20, 1994 and June 16, 1997, but no longer employed as of June 17, 1997.

(c) Summer Helpers: \$225 each

Summer helpers are defined as all women employed by MMWD between April 20, 1994 and June 17, 1997, to perform summer help.

The complete terms of the settlement reached between Plaintiffs and MMWD are memorialized in the attached Stipulation (without exhibits).

(2) Plaintiff and Class Representative Stephanie Loutas (for separate and individual claims): \$340,000

¹ Named plaintiffs Cara Turchie and Stephanie Loutas are not entitled to any portion of the \$95,000 allocated to the Plaintiff Class.

(3) Plaintiff and Class Representative Cara Turchie (for separate and individual claims): \$200,000

3. This Notice of Pendency and Proposed Settlement and Hearing Thereon ("Notice") is being sent to you in the belief that you may be a member of the above class whose rights may be affected by this lawsuit. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court concerning the truth of Plaintiffs' allegations in the Class Action or the merits of the claims or defenses asserted therein by Plaintiffs and MMWD. The notice is intended to advise you of the pendency of the Class Action and the proposed settlement thereof and of your rights in connection thereto.

4. The Court's Notice Order: By order dated August 13, 1997, the Court directed that this Notice be given to all potential Class Members.

5. Summary of Litigation: The complaint in this Class Action was filed in the United States District Court for the Northern District of California on January 2, 1996. The Class Action alleges, in substance, that MMWD engaged in a pattern and practice of subjecting women to a hostile and offensive work environment; discriminating against women in recruitment, training, promotion and pay; and retaliating against women who complain about sexual harassment and discrimination. After a preliminary motion to dismiss, Plaintiffs filed a Third Amended Complaint on or about June 17, 1996. On July 1, 1996, MMWD answered the complaint, denying its material allegations.

6. Thereafter, the parties conducted extensive discovery, and on October 8, 1996, Class Counsel filed a motion to certify the case as a class action. MMWD opposed the motion. On December 6, 1996, the Court granted the Plaintiffs' motion, and conditionally certified the class. On June 17, 1997, the court entered an amended order limiting the scope of the class, as set forth in paragraph 1, above.

7. In its June 17, 1997 order, the Court also designated Cara Turchie and Stephanie Loutas as class representatives, and Paula H. Bennett of Bennett & Welch, 44 Montgomery Street, Suite 1660, San Francisco, CA 94104, and Mary J. Shea of Shea Law Offices, 2100 Lakeshore Avenue, Suite A, Oakland, CA 94606, as lead counsel for the Class ("Class Counsel"). Counsel for defendant MMWD is Dawn M. Ross of Marron, Reid & Sheehy, LLP, 100 B Street, Suite 400, Santa Rosa, CA 95401-6376.

8. Settlement Negotiations: In April, 1997, Class Counsel and MMWD's counsel agreed to discuss settlement with the assistance of a neutral mediator, and selected retired California Supreme Court Justice Edward Panelli. On July 8, 1997, a full-day (11 hour) mediation conference was held before Justice Panelli. The mediation was attended by both Class representatives, Class Counsel, MMWD's General Manager, General Counsel, a Board Member, and their counsel. At the conclusion of the conference, the parties with the assistance of Justice Panelli reached an agreement as to the non-economic terms memorialized in the attached Stipulation, subject to approval by the MMWD Board, and subject to the resolution of several non-economic issues. On July 24, 1997, a second full-day (10 hour) mediation conference was held before Justice Panelli. The mediation was attended by Stephanie Loutas, the Class representative for current employees, Cara Turchie was also present and available by telephone, Class Counsel, MMWD's General Manager, General Counsel, Personnel Manager, a Board Member, and their counsel. At the conclusion of the conference, the parties with the assistance of Justice Panelli reached an agreement as to the non-economic terms memorialized in the attached Stipulation, subject to approval by the MMWD Board. The MMWD Board approved the attached Stipulation in closed session on August 1, 1997.

9. Settlement Hearing: The parties have jointly applied to the Court for approval of the proposed settlement, and the Court has scheduled a hearing on the proposed settlement ["Settlement Hearing"] on October 17, 1997, at 9:30 a.m., in Courtroom 10 of the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, California. If the settlement is approved, it is anticipated that the Court will enter Judgment confirming such approval and dismissing the case with prejudice. Any Class Member who has not requested exclusion from the Class (as discussed in paragraph 16, below), may appear at the Settlement Hearing and may be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless her objections or opposition is made in writing and is filed, together with copies of all other papers and briefs to be submitted in connection with the Settlement Hearing, with the Court no later than October 3, 1997. All filed papers must show that proof of service was made on the following counsel: (a) Mary J. Shea of Shea Law Offices, 2100 Lakeshore Avenue, Suite A, Oakland, CA 94606; (b) Paula H. Bennett of Bennett & Welch, 44 Montgomery Street, Suite 1660, San Francisco, CA 94104; and (c) Dawn M. Ross of Marron, Reid & Sheehy, LLP, 100 B Street, Suite 400, Santa Rosa, CA 95401-6376. Any Class Member who does not make her objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed Settlement and to the Judgments and Orders entered by the Court.

10. General Release: Upon the Effective Date of the Judgment [the date upon which the Judgment shall no longer be subject to review by any appellate court], the dismissal of the Class Action with prejudice shall become final and the claims encompassed by the Stipulation shall be deemed to have been released and discharged by Plaintiffs and all Class Members (with the exception of those Class Members who have chosen to be excluded from the Class and have timely and validly complied with the provision of paragraph 16, below), and by their heirs, successors, assigns, and subrogees, who further shall be permanently enjoined from prosecuting the claims covered by the Stipulation in any court, administrative agency or other tribunal.

11. Upon the Effective Date of the Judgment, each Plaintiff and Class Member will be deemed to have stipulated and agreed that she shall, and by operation of the Judgment shall, have expressly released, waived and relinquished the Released Claims (as defined in the Stipulation) and further released, waived and relinquished, to the fullest extent permitted by law, (a) the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his [her] favor at the time of executing the release, which if known by him [her] must have materially affected his [her] settlement with the debtor;" and (b) any and all provisions, rights, and benefits conferred by any law of the United States, or principle of common law that is similar, comparable or equivalent to Section 1542.

12. Distribution of Settlement Funds: Within 30 days after the Effective Date of the Judgment, MMWD will deliver the settlement funds to the class administrators, Gilardi & Co. LLC. Gilardi & Co. LLC will distribute the funds, by mail within 30 days of receipt of the funds, to each Class Member who has not requested exclusion from the class.

13. It is not necessary to respond to this Notice in order to be eligible to receive your share of the settlement funds. If your address has changed, however, or if you expect it to change in the next six months, please provide your new address and the expected date of any future address change to Gilardi & Co. LLC at the address set forth in paragraph 16, below.

14. Option to Withdraw: MMWD has the option to withdraw from the Stipulation, and to render the settlement null and void, in the event that more than 20 percent of those persons eligible to participate in the settlement as Class Members elect to exclude themselves from the Class, as provided in paragraph 16, below.² In the event that MMWD exercises its option to withdraw from this Stipulation, or if the Stipulation is not approved by the Court or otherwise fails to become effective, the Stipulation and all negotiations and proceedings relating to it shall be without prejudice to the rights of Plaintiffs and MMWD, who shall be restored to their respective positions in and regarding the Class Action as of July 8, 1997.

15. Rights of Potential Class Members: If you are a current or former female employee of MMWD employed at any time during the period April 20, 1994 to June 17, 1997, you will be included in the class unless you request to be excluded from such class in the manner set forth below. If you remain a member from the class you will receive the benefits and be bound by the judgment upon approval by the Court, whether favorable or unfavorable.

16. If you do not wish to be included in the Class and do not wish to participate in the proposed settlement described in this Notice, you may request to be excluded. If you elect to be excluded from the settlement Class, you will not be bound by any judgment, disposition or settlement of the class action, nor may you participate in the settlement. To elect exclusion, you must send a written request to be excluded postmarked no later than September 17, 1997 and addressed to the class administrators, Gilardi & Co. LLC, at the following address:

Gilardi & Co. LLC
Attn: MMWD Class Action
P.O. Box 5100
Larkspur, CA 94977-5100

The request must contain your name, name when employed at MMWD if different, address, telephone number, and a sentence stating that you wish to be excluded from the Class. NO REQUEST FOR EXCLUSION WILL BE CONSIDERED UNLESS IT IS TIMELY AND ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

17. If you validly request exclusion from the Class (a) you will be excluded from the Class, (b) you will not receive any of the monetary benefits set forth in paragraph 2, above, (c) you will not be bound by the terms of the settlement or any judgment entered in the Class Action, and (d) you will not be precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely and not otherwise barred, against MMWD based on the matters that were or could have been complained of in the Class Action.

18. If you do not request exclusion from the Class, you may enter an appearance in the action personally or through your own counsel at your own expense. If you do not appear personally or through your own counsel, you will be represented by Plaintiffs' Class Counsel. You will not incur liability for plaintiffs' attorneys fees or expenses if you remain a member of the class.

19. Further information: The pleadings and other papers filed in this lawsuit are available for inspection and review at the office of the Clerk of the Court.

20. Any inquiry you or your counsel may wish to make concerning this notice should be addressed to:

² While the potential class consists of 97 women, 18 women have been excluded from this opt-out formula. In other words, if any of these 18 women ask to be excluded from the class, they will not be counted for the purposes of determining whether 20% of the potential class members have opted out of the Stipulated Settlement. A list of the 18 women not included in the opt-out formula is attached to the Stipulation as Exhibit F.

Mary J. Shea
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Phone: (510) 208-4422

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Bennett & Welch
44 Montgomery St., Suite 1660
San Francisco, CA 94104
Phone: (415) 398-1900

Do not contact the Court regarding this Notice.

Dated: August 13
, 1997

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA