

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Willard B. Shapira, Karen Loibl, and Ulric C.
Scott III, on behalf of themselves and all others
similarly situated,

Plaintiffs,

v.

The City of Minneapolis

Defendant.

Case No. 06-CV-02190-MJD-SRN

NOTICE OF CLASS ACTION SETTLEMENT

Authorized by the U.S. District Court of Minnesota

To: All persons who received citations under the City of Minneapolis’ “Stop on Red” ordinance, Minneapolis Code of Ordinances 474.620—474.670 (the “Ordinance”), and who, by reason thereof, suffered or experienced an adverse legal consequence, including payment of a fine, surcharge, prosecution cost or fee in legal resolution of the citation and/or whose convictions under the Ordinance have been or may at a future date be counted and considered against them for purposes of restricting, suspending or revoking their driver’s licenses pursuant to Minn. Stat. §§ 169.92, 171.16, 171.18, and Minn. R. 7409.220, and/or enhancing future petty misdemeanor traffic violations to misdemeanor offenses pursuant to Minn. Stat. § 169.89, subd. 1(2).

Read this notice carefully. You may be entitled to share in the settlement proceeds of a class action lawsuit. Your rights to a monetary award and other benefits may be affected.

THIS IS NOT A LAWSUIT AGAINST YOU. YOU ARE NOT BEING SUED. THIS IS A NOTICE OF A PROPOSED CLASS ACTION SETTLEMENT. IN THE FOLLOWING NOTICE, YOU ARE BEING ASKED TO DECIDE WHETHER YOU WOULD LIKE TO PARTICIPATE IN THIS CLASS ACTION.

Why did you receive this notice?

This notice has been sent to you because you may be a member of a group of individuals (a class) for whom a proposed settlement with the City of Minneapolis, the State of Minnesota and the County of Hennepin has been reached. If the proposed settlement is approved by the court, you may be eligible for money and other benefits pursuant to the settlement, unless you decide to exclude yourself from the class. This notice will help you answer the following questions:

	Page No.
1. What is a class action?	3
2. Who are the parties in this class action?	3
3. Are you a member of this class?	3
4. What is this lawsuit about?	3
5. What does the proposed settlement provide?	4
a. What is the settlement fund?	4
b. What fees and expenses will be deducted from the settlement fund?	4
c. What can you expect to receive under the proposed settlement?	5
d. What if you were previously reimbursed?	5
e. What if you received more than one Stop on Red citation?	5
6. What are your options?	6
a. What happens if you do nothing?	6
b. What happens if you object to the proposed settlement?	6
c. How do you object to or comment on the proposed settlement?	6
d. What happens if you exclude yourself from the class?	7
e. How do you exclude yourself from the class?	7
7. Do you need to hire your own attorney?	7
8. How do you or your attorney enter an appearance in this lawsuit?	7
9. Will there be a hearing in court about this proposed settlement? Should you attend the hearing?	7
10. How will the settlement fund be distributed?	8
11. Where can you get additional information?	8

1. What is a class action?

A class action is a lawsuit in which one or more persons sue on behalf of other persons who have similar claims. The members of this group are called the class. The settlement of a class action lawsuit determines the rights of the entire class except for those who choose to exclude themselves from the class (see Subsection 6d below). For this reason, the settlement of a class action must be approved by the judge. Those class members who do not exclude themselves from the class may receive payment of money and other benefits from the settlement. They may also object to the terms of the settlement and still remain in the class (see Subsection 6b below).

WARNING: If you are a member of the class and you exclude yourself and file your own claim, you will not share in the settlement proceeds and must pursue your own lawsuit or motion against the City of Minneapolis, the State of Minnesota and/or the County of Hennepin if you are interested in obtaining relief for the claims that are the subject of this lawsuit.

2. Who are the parties in this class action?

The plaintiffs in this class action lawsuit are Willard B. Shapira, Karen Loibl and Ulric C. Scott III (collectively “Plaintiffs”). Each of the three Plaintiffs received a traffic citation issued by the City of Minneapolis Police Department that was processed and disposed of in the Fourth Judicial District Court, Hennepin County, Minnesota, by pleading guilty or by other legal disposition and resolution of the charges, thereby resulting in the Plaintiffs each paying fines and fees that were distributed to the City of Minneapolis, the State of Minnesota and the County of Hennepin.

3. Are you a member of the class?

By order of December 30, 2008, United States District Court Judge Michael J. Davis preliminarily decided that the lawsuit can proceed as a class action for settlement purposes only on behalf of a class consisting of:

All persons who received citations under the City of Minneapolis’ “Stop on Red” ordinance, Minneapolis Code of Ordinances 474.620—474.670 (the “Ordinance”), and who, by reason thereof, suffered or experienced an adverse legal consequence, including payment of a fine, surcharge, prosecution cost or fee in legal resolution of the citation and/or whose convictions under the Ordinance have been or may at a future date be counted and considered against them for purposes of restricting, suspending or revoking their driver’s licenses pursuant to Minn. Stat. §§ 169.92, 171.16, 171.18, and Minn. R. 7409.220, and/or enhancing future petty misdemeanor traffic violations to misdemeanor offenses pursuant to Minn. Stat. § 169.89, subd. 1(2).

If you fall into the above description, you will be entitled to monetary and/or other legal and equitable relief, as specified below, following court approval of this settlement.

4. What is this lawsuit about?

In July 2005, the City of Minneapolis began enforcement of the Automated Traffic Law Enforcement System, also known as the “Stop on Red Program.” The program consisted of video and still cameras installed at various city intersections that were programmed to automatically take pictures of the license plates of vehicles moving through the intersection against a red light. The videos were reviewed by city employees who identified license plate numbers and checked them against vehicle registration records. The City of Minneapolis concedes that the video technology used in the program did not allow for a visual identification of the drivers of the vehicles in question and in no case did the cameras identify the actual driver of the vehicles. Plaintiffs and class members cited under the Ordinance claim and contend, among other things, that the Stop on Red Program improperly placed the burden of proof upon the vehicle’s registered owner or lessor charged with a red light violation to prove that he or she did not own the vehicle at the time of the alleged violation, was not driving the vehicle, or that the vehicle was stolen and a timely report of the theft was filed by the owner.

Subsequent to its enactment, the city ordinance establishing the program was legally challenged and judicially determined to be invalid and unenforceable. *State v. Kuhlman*, 729 N.W. 2d 577 (Minn. 2007). As a result of the court ruling, the City of Minneapolis permanently discontinued the program. Between the time the program was established and discontinued, however, over 14,000 persons had received Stop on Red tickets and paid fines, surcharges, prosecution costs and fees totaling approximately \$2,600,000, which sum was divided approximately evenly between the City of Minneapolis and the State of Minnesota, with a three dollar per conviction “library fee” being distributed to the County of Hennepin. It is estimated that over 300 persons suffered an adverse legal consequence when their drivers licenses were revoked, suspended or cancelled as a result of convictions under the invalid ordinance and several thousand others received convictions that have been or may be counted against them for purposes of suspending their driver’s licenses or enhancing future penalties as repeat offenders.

This Federal Court class action is pending in the United States District Court for the District of Minnesota before Judge Michael J. Davis. In it, the Plaintiffs seek legal and equitable relief against the City of Minneapolis under the Fifth and Fourteenth Amendments to the United States Constitution, Article 1 § 7 of the Minnesota State Constitution, 42 U.S.C. § 1983 and Minnesota common law. Plaintiffs challenge the City of Minneapolis' retention of fines, surcharges, prosecution costs and fees paid by the Plaintiffs and class members, and seek the refund of those payments to class members, as well as various forms of injunctive relief to, among other things, clear driving records and restore driving privileges for Stop on Red ticket recipients.

A separate action by the same Plaintiffs against the State of Minnesota is pending in state court, *Shapira et al. v. State of Minnesota*, Hennepin County District Court file no. 27-CV-06-9522 ("State Court Action"), and seeks similar relief against the State. The purpose of the settlement described in this Notice is to resolve both this Action and the State Court Action.

5. What does the proposed settlement provide?

The parties in the lawsuit have arrived at a proposed settlement, as summarized in this notice. The settlement requires Judge Davis' approval in order to be final. The full terms of the settlement are contained in an agreement between Plaintiffs and the City of Minneapolis dated September 11, 2008 ("Settlement Agreement"). You may obtain a copy of the Settlement Agreement and ask any questions you may have about it by calling (866) 308-7607 or writing to the Stop on Red/Photocop Settlement, c/o Analytics, Inc., P.O. Box 2006, Chanhassen, MN 55317-2006.

This settlement, if approved, will result in the resolution and dismissal of this action and the State Court Action, based upon the State's contribution of funds towards this settlement and agreement to certain relief as described below. Under the terms of this settlement and the resolution of the State Court Action, except as to persons who exclude themselves from the settlement, the City of Minneapolis, the State of Minnesota and the County of Hennepin, and all of their respective agencies and present and former employees and elected or appointed officials would be released from any liability relating in any way to the Stop on Red program.

5a. What is the Settlement Fund?

Under the proposed settlement, a fund ("Settlement Fund") will be established consisting of proceeds received by the City of Minneapolis, the State of Minnesota and the County of Hennepin as a result of Stop on Red citations (currently approximately \$2.6 million), minus any refund payments that have been made or that are pending, minus the amounts paid by persons who choose to opt out of this class action settlement (see Section 6d below). The Settlement Fund will be placed in an interest bearing account that is maintained by the City of Minneapolis. If this settlement is approved by the court, a portion of the Settlement Fund will be used to pay attorney fees and expenses and special payments to the class representatives (see Subsection 5b below). After these amounts are deducted, the money remaining in the Settlement Fund will be distributed to class members in proportion to amounts they paid as fines, prosecution costs, delinquency fees, late fees, library fees, surcharges, and/or collection fees. If any interest accrues on the Settlement Fund after it is created, this interest will be distributed proportionally in the same way as the fund will be distributed.

5b. What fees and expenses will be deducted from the Settlement Fund?

The attorneys for the class intend to ask the judge to award them fees for their legal services in representing the class in this lawsuit, to be paid from the Settlement Fund. The attorneys for the class will request a fee award of no more than 21% of the Settlement Fund.

The attorneys for the class also intend to ask the judge to award the sum of \$2,418.05 as reimbursement for expenses they incurred and advanced while pursuing the Plaintiffs legal claims in this lawsuit. This amount will be paid from the Settlement Fund.

The Settlement Agreement provides that the individual Plaintiffs should receive special payment for their services as class representatives of \$1,500 apiece, for a combined total of \$4,500, which will be paid from the Settlement Fund. The Settlement Agreement also provides that the costs of administering the settlement, including the cost of this notice to class members and the general cost of administering the Settlement Fund, would be paid by the City of Minneapolis. The estimated cost of administering the settlement is \$50,000. This money will not be deducted from the Settlement Fund.

5c. What can you expect to receive under the proposed settlement?

5c(1). Benefits based on payments. Your entitlement to payment from the Settlement Fund described in Subsection 5a above will be based on the proportion that the amount paid by you in connection with Stop on Red citation(s) issued to you bears to the net proceeds in the Settlement Fund. To qualify for a payment, you need do nothing.

If, however, you wish to seek more than your proportional payment described above, you must exclude yourself from (“opt out of”) this class action in the manner described in paragraph 6e and either file a motion to reopen your case in Hennepin County District Court or separately commence your own civil action against the City of Minneapolis, State of Minnesota and/or County of Hennepin.

Cashing any check drawn on the Settlement Fund as described above is an acceptance of payment. This must be done within one hundred and eighty (180) days of the postmark on the envelope containing the check, after which time the check will be cancelled. If you accept payment from the Settlement Fund as described above, then your settlement payment is fixed at that amount.

If you would like to participate in this settlement but disagree with the amount of the award sent to you, due to a computational or other error, you may refuse to cash the check and request that the Claims Administrator evaluate your claim of entitlement to a greater or different amount. The Claims Administrator will decide your request based upon, among other things, the written information and documentation that you provide. The decision of the Claims Administrator regarding your request shall be final and unappealable. Your written request must be submitted within forty-five (45) days of the postmark on the envelope containing your check to the following address:

Stop on Red/Photocop Settlement
c/o Analytics, Inc.
P.O. Box 2006
Chanhassen, MN 55317-2006

Although class members will receive payments we cannot know in advance exactly how many claims will be paid from the Settlement Fund or the precise amount of each payment.

5c(2). Other relief. The City of Minneapolis requested that the Hennepin County District Court vacate the Stop on Red convictions, and the Court granted this request. The City then provided to the State of Minnesota Department of Public Safety a list of people whose Stop on Red convictions have been vacated. Accordingly, for the list of people it received from the City, the Minnesota Department of Public Safety has expunged those driver’s license records that evidenced a Stop on Red conviction, has rescinded driver’s license revocations, suspensions and cancellations resulting from the Stop on Red convictions, and reinstated driver’s licenses that were suspended, revoked or cancelled as a result of the Stop on Red convictions. The Minnesota Department of Public Safety in addition has directly refunded driver’s license re-instatement fees paid by persons convicted under the Stop on Red ordinance. The State will not, however, expunge any convictions or rescind any driver’s license suspensions, revocations or cancellations or refund any reinstatement fees resulting from a conviction of driving after revocation or suspension that was caused by a Stop on Red conviction.

If any class member or other Stop on Red convicted defendant believes that the City and/or State has failed to take the corrective action described above, such individual may pursue an administrative remedy by contacting the Hennepin County District Court and/or the State of Minnesota Department of Public Safety to request a correction. If the Minnesota Department of Public Safety does not make the requested correction, such person may file a motion in Hennepin County District Court to request and obtain the same relief, without having to pay a filing or motion fee.

As part of this Settlement, class members also will be provided with a letter explaining that their conviction(s) have been expunged, that they may provide to their motor vehicle insurance company in support of any attempt by a class member to receive an insurance premium refund, adjustment or a reduction in future premiums.

5d. What if you were previously reimbursed?

Class members who have received full reimbursement for Stop on Red fines, surcharges, prosecution costs and fees as the result of any prior legal action, motion or otherwise are not entitled to any payments under this settlement. However, such persons will be entitled to the relief described in Subsection 5c(2) above.

5e. What if you received more than one Stop on Red citation?

Provided you meet the eligibility requirements stated above, there is no limit on the number of refunds you may receive. For instance, if you received two Stop on Red citations and made payments to resolve both citations, the

payment you receive as a result of this settlement will be based upon the combined total of payments that you made, less the deductions as described in Subsection 5b above.

6. What are your options?

If you are a member of the class (see Section 3 above), you have several options. You may:

- do nothing, in which case you will (a) receive a share of the Settlement Fund (see Subsection 6a below), unless you have already been reimbursed; and (b) be entitled to any other relief that is granted to the class;
- object to or comment on the proposed settlement (see Subsection 6b below); or
- exclude yourself from (“opt out” of) the class (see Subsection 6c below).

For any of the above options, you may, but do not need to, hire an attorney to represent you. The sections that follow generally explain the consequences of pursuing each option.

WARNING: Excluding yourself is not the same as doing nothing in response to this notice. For further explanation see Subsections 6c and 6d below.

6a. What happens if you do nothing?

If you are a class member and you do nothing by February 24, 2009, and if Judge Davis approves the proposed settlement, you will receive the benefits of that settlement as described in this notice (see Section 5 above). In exchange for receiving the benefits of the settlement, you will be prohibited from bringing a lawsuit against the City of Minneapolis, the State of Minnesota, or Hennepin County or their respective agencies or present or former employees or elected or appointed officials based on the Stop on Red Program.

6b. What happens if you object to the proposed settlement?

If you are a class member and do not exclude yourself by February 24, 2009 (see Subsection 6d below), you may (but are not required to) object to, or comment on, the proposed settlement, by mailing a written statement in the manner described below. The written statement should explain any reasons for your objections or comments. For example, you may wish to discuss any of the following subjects:

- whether the proposed settlement is fair, reasonable, and adequate;
- whether the proposed settlement should receive court approval;
- whether the class should be certified or redefined;
- whether the named Plaintiffs and their attorneys adequately represent the class;
- whether the applications for attorney fees and expenses are reasonable;
- whether such applications should receive court approval;
- any other aspect of the proposed settlement or the payment and distribution process for the proposed settlement.

Judge Davis will consider your objections or comments in deciding whether to approve the proposed settlement. He may agree with you but, even if he does not, your claim will not be affected because you made an objection or comment.

6c. How do you object to or comment on the proposed settlement?

If you want to object to or comment on the proposed settlement, regardless of whether you exclude yourself from the settlement as per Subsection 6d, you must complete and submit an Objection/Appearance Form (enclosed as Form 1) along with a written statement in the manner described in this Subsection. If your materials are timely submitted and filed, you may appear at the hearing described below and make a brief presentation of your comments and objections. You do not have to attend the hearing, even if you submit comments and objections. Your written statement (if filed on time) will be considered whether or not you appear at the hearing.

Attorneys for the class and attorneys for the City of Minneapolis will have an opportunity to file a response to any objections or comments that are filed and to ask you questions if you decide to appear at the hearing.

In order to object to the settlement, you must submit and file your objection in writing with the Clerk of the United States District Court at U.S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55415. The objection must be received by the Clerk of United States District Court in Minneapolis, Minnesota on or before February 23, 2009. You

must also serve copies on the parties' attorneys, Mansfield, Tanick & Cohen, P.A. and Cullen Law Firm, Ltd., 1700 US Bank Plaza South, 220 South Sixth Street, Minneapolis, MN, 55402 (attorneys for the class) and James A. Moore, Assistant City Attorney, 333 South Seventh, Street Suite 300, Minneapolis, Minnesota 55402 (attorney for the City of Minneapolis) by the same date. Any objection filed by you must include the name and number of this case and its file number and a statement of the reasons why you believe that the Court should find that the proposed settlement is not in the best interest of the class. If you do file an objection and wish to personally address the Court, you must also appear at the hearing before Judge Davis on February 27, 2009. Please note that it is not sufficient to simply state that you object. You must state reasons why the settlement should not be approved.

6d. What happens if you exclude yourself from the class?

You also have the right to exclude yourself from both the class action and the settlement by completing and mailing a Request for Exclusion (Form 2) to Mansfield, Tanick & Cohen, P.A. and Cullen Law Firm, Ltd., 1700 US Bank Plaza South, 220 South Sixth Street, Minneapolis, MN, 55402 (attorneys for the class). The request for exclusion must be mailed to the attorneys for the class, postmarked on or before February 24, 2009, and refer to the name and number of this case.

If you exclude yourself from the Class by completing and mailing an exclusion form, you will not share in the proposed settlement as described in this notice. Unless you plan to bring your legal claim on an individual basis, including making a request for a full refund of the fine you paid by filing a motion to reopen your case in Hennepin County District Court, there is no benefit to excluding yourself. If you choose to exclude yourself, you may bring a claim on an individual basis by filing a legally appropriate action and/or make a request for a full refund from Hennepin County District Court, Downtown Violations Bureau Criminal District Court, 300 South Sixth Street, Minneapolis, MN. Further information as to how to file a motion to reopen is available from the Hennepin County District Court website at <http://www.mncourts.gov/district/4/?page=424>. If you do not wish to exclude yourself, and have no objection to the settlement, it is not necessary for you to take any action, and you will obtain the benefits of the settlement if it is approved by Judge Davis.

NOTE: If you bring or participate in another lawsuit, you will have to do so at your own expense and prove your claim in that lawsuit.

IMPORTANT: THE COURT REQUIRES THAT ANY REQUEST FOR EXCLUSION BE POSTMARKED NO LATER THAN FEBRUARY 24, 2009 AND ANY OBJECTIONS BE RECEIVED BY THE CLERK OF COURT NO LATER THAN FEBRUARY 23, 2009. IF YOU MAIL A REQUEST FOR EXCLUSION OR OBJECTION, YOU BEAR THE RISK OF ANY PROBLEM WITH THE MAIL.

6e. How do you exclude yourself from the class?

To exclude yourself from the class, you must complete, sign, and mail the enclosed Form 2 postmarked by February 24, 2009.

7. Do you need to hire your own attorney?

With respect to hiring an attorney, your options are:

- not to hire your own attorney, in which case the judge may consider you to be represented by the attorneys for the class;
- hire an attorney to represent you, at your own expense; or
- represent yourself.

8. How do you or your attorney enter an appearance in this lawsuit?

If you choose to hire your own attorney to appear at the hearing or if you plan to appear at the hearing and choose to represent yourself, you or your attorney must complete and mail the enclosed Form 1 to be received by the Clerk of Court no later than February 23, 2009.

9. Will there be a hearing in court about this proposed settlement? Should you attend the hearing?

On February 27, 2009 at 10:00 a.m., Judge Michael J. Davis will hold a hearing on the proposed settlement at the U.S. Courthouse, Devitt Courtroom, 316 North Robert Street, 100 Federal Building, St. Paul, MN 55101. The purpose of the hearing will be to determine whether the proposed settlement is fair, reasonable, and adequate, and deserves court approval.

Judge Davis will also consider the requests by attorneys for the class for payment of attorney fees and reimbursement for expenses. You may attend the hearing but you are not required to attend. Instead of attending the hearing, you may send the court a written statement of objections or comments as described in Subsection 6b above.

If you attend the hearing and if you have filed a written statement before February 23, 2009 as described above, you or your attorney will be entitled to briefly state your objections to, or comments on, the proposed settlement. Your written statement (if filed on time) will be considered whether or not you appear at the hearing. You may be asked questions at the hearing.

10. How will the settlement fund be distributed?

Judge Davis will authorize and approve the City's retainer of a Claims Administrator who will administer and distribute the settlement fund. You will be eligible to receive a part of the net settlement fund only if you are a class member who has not been fully reimbursed (see Section 3 above).

Each eligible class member will receive a payment in the form of a check determined according to the process described in Subsection 5c(2) above. The Claims Administrator expects to distribute fund checks within sixty to ninety days of Judge Davis' final approval of the proposed settlement.

11. Where can you get additional information?

This notice provides only a summary of matters regarding the lawsuit. The documents and orders in the lawsuit provide greater detail and may clarify matters that are described only in general or summary terms in this notice. The Settlement Agreement may be of special interest. If there is any difference between this notice and the Settlement Agreement, the language of the Settlement Agreement controls. You may also obtain a copy of the Settlement Agreement and other information at your personal expense by contacting the Claims Administrator at the address below.

You also may examine the Settlement Agreement, the court orders and the other papers filed in the lawsuit at the Office of the Clerk of the U.S. District Court at U.S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55415 during regular business hours. If you wish, you may seek the advice and guidance of your own attorney, at your own expense.

If you wish to communicate with or obtain information from attorneys for the class, you may do so by letter, telephone or e-mail at the addresses listed below. You should direct any such inquiries concerning a claim or other matters described in this notice to either:

Stop on Red/Photocop Settlement
c/o Analytics, Inc.
P.O. Box 2006
Chanhassen, MN 55317-2006
Phone: (866) 308-7607
www.stoponredsettlement.com

or

Attorneys for the class
Marshall H. Tanick and
James P. Cullen
c/o Mansfield Tanick Cohen, P.A.
1700 US Bank Plaza South
220 South 6th Street
Minneapolis, MN 55402
Phone: (612) 436-9089

E-mail: stoponredsettlement@mansfieldtanick.com

The parties created the above sources specifically to provide information about this case. They welcome your calls, e mails, or letters. Please do not call the judge or the clerk of the court.

Dated: December 30, 2008

By order of the District Court
the Honorable Michael J. Davis
Chief Judge, United States District Court