

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

In Re:) LEAD CASE NO. BC 130375
PARADISE MEMORIAL PARK)
LITIGATION) CLASS ACTION
_____)

NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED PARTIAL SETTLEMENT

THIS NOTICE MAY AFFECT YOUR RIGHTS -- PLEASE READ IT CAREFULLY

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IF YOUR DECEDENT WAS BURIED AT PARADISE MEMORIAL PARK, AND THE SERVICES OF ONE OF THE MORTUARIES LISTED BELOW WAS USED BY YOUR DECEDENT'S FAMILY, YOU MAY BE A MEMBER OF THE IN RE: PARADISE MEMORIAL PARK LITIGATION SETTLEMENT CLASS. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.

A. INTRODUCTION

THE FOLLOWING PERSONS MAY HAVE A CLAIM AGAINST VARIOUS MORTUARY DEFENDANTS:

Persons who are or were vested with the right, pursuant to California Health & Safety Code §7100, to control the disposition of the remains of any decedent who was buried at Paradise Memorial Park Cemetery ("Paradise"), located at 11541 East Florence Avenue, Santa Fe Springs, California;

or

Persons who contracted with one or more of the settling Mortuary Defendants for funeral or burial services of any decedent interred at Paradise;

or

Persons who are close family members of any decedent interred at Paradise; are relatives who lived in the household of the decedent at the time of death; or are qualified individuals with "exceptional circumstances," and who: (a) were aware of the death of the decedent; (b) were aware that funeral or burial services were being performed for the decedent; and (c) were among those on whose behalf or for whose benefit the funeral or burial services were performed.

THIS NOTICE IS NOT AN EXPRESSION BY THE COURT OF AN OPINION CONCERNING THE MERITS OF ANY CLAIM OR DEFENSE OR THE TRUTH OR FALSITY OF ANY OF THE ALLEGATIONS OF THE PARTIES.

The purpose of this Notice is to advise you that:

➤ Your rights may be affected by the proposed settlement pending in this Court.

➤ By Order dated December 4, 1998, the Court has conditionally certified this as a mandatory non-opt-out class action for settlement purposes and determined that the proposed settlement deserves consideration as a fair, reasonable and adequate resolution of the pending claims against Mortuary Defendants Adams Funeral Home, Angelus, Angelus Funeral Home, Armstrong Family Corporation, Armstrong Family, a California corporation dba Armstrong Family Malloy Mitten Mortuary; Armstrong Family, dba Armstrong Family Malloy Mitten Mortuary, Ashley-Grigsby Mortuary, Inc., Bagues & Sons Mortuary, Inc., Boyd Funeral Home, Brown Colonial Mortuary, Castaneda-Crollet Mortuary, Inc., Cunningham & O'Connor Mortuary, Custer Christiansen Mortuaries, Dilday-Mottell's Mortuary, Douglass Family Mortuaries, Inc., Douglass & Zook Mortuaries, Inc., Elba Lee Hobbs, Jr. Corp. dba Hobbs-J.S. Williams-Albert J. Cooper Mortuary, Gates, Kingsley & Gates, Guerra-Gutierrez Mortuary, Inc., Hamrock Mortuary, Harrison-Ross Funeral Homes, Inc., Hobbs-J.S. Williams-Albert Cooper Mortuary, House of Winston, House of Winston, Inc., Hyde Park Mortuary, Hyde Park Mortuary, Inc., J.S. Williams-Albert J. Cooper-Hobbs, Lafayette Company dba Utter McKinley, Long Beach Colonial, Long Beach Colonial Mortuary, Long Beach Colonial Mortuary, Inc., Long Beach Colonial Mortuary, Inc. aka Harris Colonial Mortuary, McCormick-McMillan Mortuary, Mirabal Mortuary, Norwalk Artesia Mortuary, Paradise Chapel, Inc., Paramount Mortuary, Pierce Brothers Mortuaries, Rachal's Mortuary, Rachal's Mortuary, Inc., Risher, Inc., Risher Montebello Funeral Home, Riverside Mortuary, Inc., Rosecrans Mortuary, Rosecrans Mortuary, Inc., Ruckers Mortuary, SCI California Funeral Services, Inc., Snyders Southwest Mortuary, Solomon's Mortuary, Inc., South Los Angeles Mortuary, Spaulding Mortuary, Steel Mortuary, Inc., Stewart Enterprises, Inc., Stricklin-Snively Mortuary, Stricklyn-Snively, Tillman Riverside Mortuary, Inc., Turner & Stevens, White-Emerson Mortuary, White-Emerson Mortuary, Inc., Willie F. Houston dba Houston's Mortuary, Willie F. Houston dba Peoples Funeral Home, Willie F. Houston dba Houston and Peoples Funeral Home, Woods-Valentine Funeral Home, Woods-Valentine Mortuary, Zeferino-Ramirez and Latino Americana Mortuary (hereinafter "Mortuary Defendants"). This is the second of two settlements reached with various defendants named in various actions filed as a result of the conduct which occurred at Paradise Memorial Park Cemetery. Once final approval of this settlement is granted this litigation and all claims asserted therein will come to an end.

➤ **The distribution of settlement proceeds to individual claimants, from this and the previous settlement, will begin once all settlements are approved and final. You will be advised in the future when you will be required to file a completed Proof of Claim Form.**

➤ If you wish to object to this settlement you must follow the procedures described in paragraphs 11 through 16, below, by the objection postmark deadline.

B. DESCRIPTION OF THE ACTION

1. In June, 1995, shortly after allegations of improper handling of human remains at Paradise Memorial Cemetery were made, lawsuits were filed against the Cemetery and various mortuaries by a number of surviving relatives and persons who contracted for funeral services, on behalf of themselves and others similarly situated. The lawsuits were consolidated by the Los Angeles County Superior Court and are referred to as In Re: Paradise Memorial Park Litigation. From 1995 through the present time, Commissioner Bruce E. Mitchell (the "Court") has presided over pre-trial proceedings and motions in these cases.

2. The Consolidated actions against the Mortuary Defendants alleged that Mortuary Defendants, among other things, knew or should have known of the actions by the Cemetery Defendants who allegedly mishandled, improperly buried, and otherwise improperly handled remains of the decedents entrusted to them, in a manner offensive to human sensibilities and/or expressly prohibited by law. On December 4, 1998, the Court granted preliminary approval of a settlement with the Mortuary Defendants only. Following final approval of this settlement, and final resolution of all Class claims, proceeds will be distributed to certain qualified claimants.

3. Mortuary Defendants have denied, and continue to deny, any wrongdoing and deny any liability whatsoever.

C. CLASS CERTIFICATION

4. On December 4, 1998, the Court certified a mandatory non-opt-out Settlement Class to include persons who:

(a) Pursuant to California Health & Safety Code §7100, are or were vested with the right to control the disposition of the remains of any decedent who were buried at Paradise Memorial Park Cemetery ("Paradise"), located at 11541 East Florence Avenue, Santa Fe Springs, California; or

(b) Contracted with one or more of the Defendants for funeral or burial services of any decedent interred at Paradise; or

(c) Are close family members of any decedent interred at Paradise and who:

(1) were aware of the death of the decedent;

(2) were aware that funeral or burial services were being performed for the decedent; and

(3) were among those on whose behalf or for whose benefit the funeral or burial services were performed.

D. CLASS COUNSEL AND CLASS REPRESENTATIVES

5. The Court has appointed the following Plaintiff Class Counsel: Mike Arias, Esq., Arias & Ozzello, P.C., 11766 Wilshire Boulevard, Suite 720, Los Angeles, California 90025; J. Paul Gignac, Esq., Cappello & McCann, 831 State Street, Santa Barbara, California 93101; and Bruce C. Fishelman, Esq., Stanbury & Fishelman, 9200 Sunset Boulevard, Penthouse 30, Los Angeles, California 90069; and has certified the following Class Representatives to represent the Settlement Class: Cheryl Ann Allison; Mary Guidry; Donna G. Brown; Patsy Fleming; Gloria Duran; Regina Brown; Curtis McGowan; Samuel Segarra; Francis Ramirez; Daisy M. Glover; John M. Harris, Jr.; Patricia Hennessee; Jessie Henry, Jr.; Lillie Williams; Anna Phelps;

Mary Sawyers; Michelle Miller; Barbara Bealey; Margaret Duron; Deborah Carter; Elaine Young; Gloria Scott; Bobbie Brooks; Kathy Orozco; Evelyn Brinson; Adela Anaya-Ramos; Zora Smith; Preston Andres, Sr.; Delores Pardner; Renell Woodard; Guadalupe Rodgirues; Arnecia Harris; Betty Hampton; Priscilla Carr and Albert Campbell and/or such other and further class representatives as may be designated by the court.

E. TERMS OF THE SETTLEMENT

6. Class Counsel and counsel for Mortuary Defendants have reached a proposed settlement which has obtained the preliminary approval of the Court. The proposed settlement provides for injunctive relief against the settling Mortuary Defendants and generates, under certain terms and conditions, a fund with a value of \$3,795,000 to be allocated and distributed, under Court supervision, to members of the Settlement Class. The injunctive relief includes Mortuary Defendants' agreement:

(a) to refrain from the business of buying, selling, leasing or exchanging cemetery property or interment services unless properly licensed to do so;

(b) to refrain from offering to buy, sell, lease or exchange cemetery property or interment services unless properly licensed to do so;

(c) not to receive any compensation for the performance of any activity in connection with buying, selling, leasing or exchanging cemetery property or interment services unless properly licensed to do so; (d)

not to act as a cemetery broker or salesperson without the appropriate license;

(e) not to advertise themselves as cemetery brokers or salespersons without the appropriate license;

(f) to provide their customers who state or indicate an intent to bury an individual at Paradise Memorial Park with information concerning allegations of problems at Paradise Memorial Park and the fact that litigation was brought concerning the same;

(g) to provide Paradise Memorial Park with an edited version of their computerized data base in order to assist in creating a swift and effective method for the future operators of that cemetery to determine the burial location of Decedents and for use by plaintiffs' counsel to assist with class notice; and

(h) to waive their equitable right to receive the return of funds paid voluntarily to support operation of the cemetery during the pending litigation.

The proposed settlement is subject to certain conditions. In exchange for the injunctive relief and the payment of the settlement fund, all members of the class will release all claims which have been or could have been asserted in the In Re: Paradise Memorial Park Litigation cases against Mortuary Defendants. This release includes a waiver of the rights set forth in **Civil Code** Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THIS RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

This settlement is the result of extensive Court-supervised and approved negotiations by counsel conducted after Class Counsel engaged in

substantial investigation, document review and discovery into the allegations against Mortuary Defendants.

7. The amount each class-member claimant will receive is not known at this time but will depend on the type of damage suffered by claimant, relationship to the decedent and number of qualified timely filed claims.

F. RECOMMENDATION OF CLASS COUNSEL

8. Plaintiffs' Counsel believe that class members are best served by participating in the proposed settlement. Plaintiffs' Counsels' extensive investigation, document review, discovery and insurance-issues evaluation has lead them to the conclusion that the Preliminary Approval Settlement is in the best interests of all class members.

G. ATTORNEYS' FEES AND COSTS

9. All petitions for attorneys' fees and expenses are subject to Court approval. To date, Class Counsel have incurred out-of-pocket costs and have invested substantial time, on a priority basis, to protect and prosecute the Class claims, without receiving compensation of any kind. In class actions, counsel who generate a monetary recovery for the benefit of the class are entitled to an award of attorneys' fees and costs representing a reasonable percentage of the recovery in recognition of their efforts, expenses, risks, and performance. This percentage generally ranges from 25% to 40% of the class action Settlement Fund. In this case, Class Counsel will apply to the Court for reimbursement of their actual out-of-pocket costs, and an award of attorneys' fees in an aggregate amount which represents thirty-three and one-third percent (33 1/3%) of the class action Settlement Fund. The Settlement Fund, less Court-approved attorneys' fees and costs, (the "Net Settlement Fund") will be available for distribution to the Class.

10. In addition, it is anticipated that the Court-appointed Receiver (who has been operating the cemetery under Court supervision) and his Counsel will also apply to the Court for payment of unreimbursed out-of-pocket costs and fees, incurred by the Receiver and his counsel in this case. Any amounts approved for payment will be reimbursed from the class-action Settlement Fund.

11. Class members have the right to comment in support of, or in opposition to, the above-referenced applications for attorneys' fees and costs. In order to do so, you must follow the procedure described below.

H. THE SETTLEMENT APPROVAL PROCESS

12. A final Settlement-Approval Hearing will be held on March 25, 1999, at the hour of 9:00 a.m., before Commissioner Bruce E. Mitchell, Department 1, of the Los Angeles County Superior Court, 111 North Hill Street, Los Angeles, California 90012, to hear evidence and argument regarding the fairness, adequacy and reasonableness of the proposed settlement, so that the Court may determine whether it should be granted final approval, whether the action should be dismissed on the merits with prejudice as to Settling Defendants pursuant to the settlement agreement and the amount of any award of attorneys' fees and costs to plaintiffs' counsel.

13. Class members are entitled, but not required, to attend. If you wish to comment in support of or opposition to any aspect of the settlement or applications described in this Notice, you are entitled to do so. You must submit any written comments postmarked no later than March 4, 1999. Written comments must be mailed to each of the following:

Commissioner Bruce C. Mitchell
Los Angeles County Superior Court
Department 59
111 North Hill Street
Los Angeles, California 90012

Plaintiffs' Liaison Counsel and
Co-Lead Counsel for Class Plaintiffs
Mike Arias, Esq.
Arias & Ozzello, P.C.
11766 Wilshire Boulevard, Suite 720
Los Angeles, California 90025

Mortuary Defendants' Liaison Counsel
Louis M. Marlin, Esq.
Marlin & Saltzman
203 N. Golden Circle, Suite 310
Santa Ana, California 92705

14. In order to be considered by the Court, all written comments must be postmarked by the March 4, 1999, deadline. If you wish to appear and be heard in person at the final-approval hearing, you must mail a letter stating your intention to appear to the Court, Plaintiffs' Liaison Counsel, and Counsel for Mortuary Defendants as listed above, by the March 4, 1999, deadline. The Court may, in its discretion, limit the number of persons and time permitted for comments at the hearing.

15. Any member of the Class may comment in writing or in person on whether: (1) the terms of the settlement are fair, reasonable and adequate; (2) the action should be dismissed as to Mortuary Defendants; or (3) an award should be made to Plaintiffs' Counsel of their reasonable fees and costs.

16. Whether or not you submit any written comments, appear at the hearing, or submit a timely Claim Form, as a class member you will be bound by the determination, order and judgment of the Court on final settlement approval.

17. If you come within the Class definition, you are bound by all orders of the Court regarding the final approval of the settlement, and the release of claims, described in this Notice, whether or not you make a claim.

18. Any member of the Class will be able to file a Claim Form and share in the Net Settlement Fund whether or not they have objected to the proposed settlement. ANY MEMBER OF THE CLASS WHO DOES NOT TIMELY RETURN A COMPLETED CLAIM FORM (ONCE THE CLAIMS PROCESS BEGINS) WILL NOT BE PERMITTED TO SHARE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND BUT WILL NEVERTHELESS BE BOUND BY THE PROPOSED SETTLEMENT AND JUDGMENT ENTERED IN THIS LITIGATION. YOU WILL BE NOTIFIED BY A SEPARATE FUTURE MAILING OF THE SCHEDULE FOR SUBMITTING A CLAIM.

19. Additional Notices can be obtained by writing to the following address:

Paradise Memorial Park Litigation
2801 Ocean Park Boulevard, PMB #10
Santa Monica, California 90405
website: www.usexchange.com/classaction

I. REPRESENTATION BY COUNSEL AND FURTHER PROCEEDINGS

20. As a member of the Class, you may communicate with, seek the advice of, or enter an appearance through counsel of your own choice. Any member of the Class who does not enter an appearance either individually or through his or her own counsel will be represented by counsel for the Class Plaintiffs, who are proponents of the settlement, and will have no individual liability for attorneys' fees and costs, both of which will be payable from the Settlement Fund.

21. If the settlement does not receive final approval by the Court, the case will continue to be prepared for trial. In any event, this case will continue to be prosecuted against all other non-settling defendants.

J. FOR MORE INFORMATION

22. This Notice summarizes the basic terms of the settlement. For more detailed information you may review and copy the pleadings, records and other papers on file in this litigation during regular business hours at the office of the Clerk, Los Angeles County Superior Court, 111 North Hill Street, Room 111, Los Angeles, California, 90012, or you may contact Plaintiffs' Liaison Counsel:

Mike Arias, Esq.
ARIAS & OZZELLO, P.C.
11766 Wilshire Boulevard, Suite 720
Los Angeles, California 90025
Telephone: (310) 478-1212
e-mail: aolaw@ariasozzello.com

PLEASE DO NOT ADDRESS QUESTIONS OR REQUESTS FOR INFORMATION TO THE COURT.

DATED: December 4, 1998

BRUCE E. MITCHELL
Commissioner of the Superior Court