

IF YOU HAVE BEEN IN RECEIPT OF BENEFITS FROM THE CORAL GABLES RETIREMENT SYSTEM FOR A FULL YEAR PRECEDING JANUARY 1, 2014, OR ARE A BENEFICIARY OF SOMEONE WHO HAS, YOU COULD RECEIVE BENEFITS FROM A CLASS ACTION SETTLEMENT.

THIS IS A COURT-APPROVED NOTICE, NOT A SOLICITATION FROM AN ATTORNEY.

I. WHAT IS THIS ABOUT?

A Settlement has been reached with the City of Coral Gables in a class action lawsuit styled as *Murrhee v. City of Coral Gables*, Case No. 13-20731 CA (13), in the Eleventh Judicial Circuit in and for Miami-Dade County, Florida.¹ The Subject Lawsuit, filed by Plaintiffs Robert Murrhee and Daryl Blakely, two retired City employees, on behalf of themselves and similarly situated Class Members, alleges, among other things, that a cost-of-living adjustment (COLA) should have been paid on January 1, 2013 to eligible recipients, pursuant to Section 50-230(c), Coral Gables Code. The lawsuit also seeks clarification regarding what conditions will trigger future COLAs. The City maintains that it did nothing wrong and alleges, among other things, that a COLA is prohibited by Florida law when the Retirement System does not have a surplus to fund the COLA (i.e., positive net Actuarial Experience). The Plaintiffs dispute this position. The Court has not decided who is correct.

A copy of the Settlement Agreement and other important documents related to the Settlement are available on the Settlement website at <http://coralgables.com/retirement>. The Court has not approved the Settlement. It will consider whether to approve the Settlement at a Final Approval Hearing scheduled on February 26, 2018 at 9 a.m. at the Miami-Dade Circuit Court, 73 West Flagler Street, Courtroom TBD, Miami, Florida 33131.

You are receiving this Notice because you have been identified as a possible Class Member. If you are a Class Member, and the Court approves the Settlement, you will be bound by the Settlement unless you exclude yourself from the Class. Therefore, you should carefully review this Notice. Your options are discussed in Section VI.

II. WHO IS COVERED?

If you fit within the following definition of the Class, the Settlement will affect your rights unless you affirmatively exclude yourself from the Settlement:

All persons who have been in receipt of benefits from the Coral Gables Retirement System, pursuant to Chapter 50, Article II, Coral Gables Code, for a full year preceding January 1, 2014, or their Designated Beneficiaries.

¹ All capitalized terms in this Notice are defined in ¶ 2 of the Agreement.

Pursuant to ¶ 2.21 of the Agreement, “Designated Beneficiaries” means any individual or estate that will receive benefits from the Coral Gables Retirement System, pursuant to Section 50-235, Coral Gables Code, upon the death of a plan participant that has been in receipt of benefits from the Coral Gables Retirement System, pursuant to Chapter 50, Article II, Coral Gables Code, for a full year preceding January 1, 2014.

If you received this notice by mail, your name probably is on the Class List, which identifies Class Members included in the Settlement. However, you are strongly encouraged to confirm whether you are a Class Member by visiting the Settlement website at <http://coralgables.com/retirement> and reviewing the Class List.

The Class will exclude anyone who requests to be excluded from the Settlement by following the procedures outlined below in Section VI of this Notice. If you request to be excluded, you will retain whatever individual rights you have, if any, regarding your benefits, but you will not receive the benefits of the Settlement, including the 2.975% and 0.25% COLAs, or be bound by its terms.

You should have received a notice about this lawsuit in March 2016, but the Class has been redefined since then. Therefore, if you submitted an exclusion request form after receiving the March 2016 notice, and you do not wish to participate in the Settlement, you must again request to be excluded by following the procedures outlined in Section VI.

III. WHAT DOES THE SETTLEMENT PROVIDE?

The Settlement Agreement, available at <http://coralgables.com/retirement>, explains the exact terms of the Settlement. Below is a summary of some of those terms.

A. 2013 and 2014 COLAs

Class Members who do not exclude themselves from the Settlement will be entitled to receive a permanent COLA of 2.975%, retroactive to January 1, 2013, and/or a permanent COLA of 0.25%, retroactive to January 1, 2014, depending on the date on which the Class Member began receiving retirement benefits. Class Members who began receiving retirement benefits on or before January 1, 2012 will be entitled to both the 2.975% COLA and the 0.25% COLA. Class Members who began receiving retirement benefits after January 1, 2012 but on or before January 1, 2013 will be entitled to only the 0.25% COLA. The COLA benefits, which are payable pursuant to the Settlement, will be paid both as a lump sum—as to those benefits which accrued from January 1, 2013 and January 1, 2014 to the date on which lump-sum benefits are paid or to the date on which a Class Member’s retirement benefits terminated (whichever is sooner)—and as monthly benefits thereafter until a Class Member’s retirement benefits terminate.

By illustration and example only, assume that a Class Member receives \$3,000.00 per month in retirement benefits, and that he or she will be entitled to both the permanent COLA of 2.975%, retroactive to January 1, 2013, and the permanent COLA of 0.25%, retroactive to January 1, 2014. If the Settlement is approved and the approval becomes final, the Class Member in the above example will receive a retroactive lump-sum payment in the amount of \$89.25 per month

(\$3,000.00/month x 2.975%) for the time period from January 1, 2013 to December 31, 2013, and a lump-sum payment of \$96.97 per month (\$89.25 + \$3,089.25 x 0.25%) for the time period from January 1, 2014 to the date on which lump-sum benefits are paid. If, for instance, the lump-sum benefits are paid on April 30, 2018, the Class Member's lump-sum retroactive payment of COLA benefits (before taxes) will be \$6,113.44. In addition to the lump-sum payment, the Class Member in our example will begin receiving monthly retirement benefits of \$3,096.97, instead of \$3,000.00, starting on the first day after the lump-sum benefits are paid and continuing until the Class Member's retirement benefits terminate. Please note that the above example is only a representative illustration and is not intended to set forth what any Class Member actually will receive. As a mere illustration, it is not legally enforceable. Please review the Settlement Agreement to determine how the Settlement will affect you.

The 2.975% COLA and the 0.25% COLA represent half of the full COLAs which otherwise would be payable to Class Members if Plaintiffs prevailed in the lawsuit and were awarded all of the relief sought. Without the Settlement, if the City prevailed in the lawsuit, the COLAs would not be payable at all. In addition, even if Plaintiffs did prevail, the City probably would file an appeal, which would delay payment of the relief awarded by several years.

B. Alternative Dispute Resolution Mechanism for Future COLAs

For the fiscal year ending September 30, 2017, and each year thereafter, special procedures will apply to the determination of whether a COLA will be provided to Class Members. The Retirement Board will make an initial COLA determination based solely on the factors identified in the 2013 version of Section 50-230(c), Coral Gables Code, without regard to net Actuarial Experience. If the Retirement Board determines that Class Members should receive a COLA, and net Actuarial Experience is negative, the City Attorney may invoke a new procedure, referred to as the Alternative Dispute Resolution Mechanism, by requesting a hearing before the City Commission within 60 days of the Retirement Board's determination. Within 60 days of the City Attorney's request, the City Commission must hold a hearing. At the hearing, the City Commission in its sole discretion may, by a supermajority 4/5 vote, reject the Retirement Board's determination or reduce the amount of the proposed COLA. The City Commission will consider various factors, including whether the Retirement System has a surplus to fund the COLA, and can reject or reduce the COLA based on that factor alone. If the City Commission rejects or reduces the COLA, that decision will not be overturned unless it is arbitrary and capricious, and it will not be arbitrary and capricious if, for example, the Retirement System does not have a surplus to fund the COLA. These procedures will apply to Class Members only.

C. Release and Covenant Not to Sue

In exchange for the settlement benefits, the Subject Lawsuit will be dismissed and Class Members who do not exclude themselves from the Settlement will be deemed to provide to the City, the Retirement Board, and related parties a release and covenant not to sue. The release and covenant not to sue will preclude Class Members from asserting the released claims against the City, Retirement Board, and related parties in the future. The released claims include all claims, including unknown claims, that a Class Member may possess against the City, Retirement Board, and related parties that relate directly or indirectly to: (a) any claims or issues raised or which could

have been raised in the lawsuit related to the COLA; (b) any claims or issues related to the facts alleged in the lawsuit related to the COLA; (c) any claims that the Class is entitled to any additional funds for COLAs with effective dates of January 1, 2012 through January 1, 2017; and (d) any claims against the City related to future COLAs once they have been granted, rejected, or reduced pursuant to the Alternative Dispute Mechanism set forth in ¶ 8.3 of the Agreement. However, if the Alternative Dispute Resolution Mechanism is terminated or is otherwise not complied with to determine future COLAs, claims related to entitlement to COLAs not yet finally determined pursuant to the Alternative Dispute Resolution Mechanism will not be released; and if any of the permanent 2.975% or 0.25% COLAs is not paid, claims related to the unpaid portion of such COLAs will not be released. In other words, by accepting and receiving the benefits of the Settlement, Class Members agree not to assert new claims against the City, Retirement Board, and related parties pertaining to the past and future COLA benefits that are being resolved by the Settlement.

The release and covenant not to sue, however, will not preclude a Class Member from contending that the calculation of his or her specific COLA benefits is incorrect, but it will preclude a Class Member from arguing that the formula is incorrect or unlawful and from contesting entitlement to COLA benefits. In addition, the City's obligations under the Settlement Agreement are not being released, which means that if the City does not comply with the Settlement Agreement, the Court could force the City to comply.

D. Attorneys' Fees and Costs

As part of the Settlement, the City has agreed to pay \$125,000.00 in full satisfaction of any obligation of the City and the Class Representatives for attorneys' fees and costs incurred by all counsel representing the Class in connection with the lawsuit. The payment of attorneys' fees and costs will not reduce the Class Members' settlement benefits.

IV. WHEN AND HOW WILL COLA BENEFITS BE PAID?

The COLA benefits will be paid thirty days after the Settlement Agreement becomes effective. If there are no challenges to the Settlement Agreement, it will become effective after the Court approves the Settlement and the deadline for challenging the Settlement expires. The Settlement Agreement requires the Plaintiffs and the City to seek final approval of the Settlement as quickly as possible. But the COLA benefits probably will not be paid until at least several months from now because of the many procedures that must be followed to obtain approval of a class action settlement under Florida law.

The lump-sum part of the COLA benefits and the permanent adjustment to monthly retirement benefits will be paid in the same manner as retirement benefits are customarily paid or accrued to each Class Member (which may include direct deposit). The 0.25% COLA will be applied to monthly retirement benefits after application of the 2.975% COLA. Additional details regarding the Effective Date of the Settlement Agreement, and payment of the COLA benefits, can be found in the Settlement Agreement at <http://coralgables.com/retirement>.

V. CAN THE SETTLEMENT BE TERMINATED?

The Settlement Agreement provides that under certain circumstances, the Settlement or certain provisions can be terminated by the Plaintiffs or the City. While it is neither the Plaintiffs' nor the City's intention to terminate the Settlement, the Agreement explains exactly when and how the Settlement or certain provisions can be terminated. Below is a summary of some of those termination rights and what happens if those rights are exercised.

A. Termination of Settlement

The Plaintiffs or the City may terminate the Settlement: (1) if a court enters an order in the Subject Lawsuit altering the Settlement Agreement in a way that materially and adversely affects its interest; or (2) if the lump-sum or permanent COLA benefits, or the release or covenant not to sue, are found by a court or agency to violate state or federal law and the Parties cannot agree on a replacement provision; and the City may terminate the Settlement (3) if more than three percent of Class Members exclude themselves from the Settlement.

If the Settlement is terminated for any of these reasons before any of the 2.975% and 0.25% COLAs have been paid, then the litigation will continue and the Parties will return to their respective positions immediately prior to negotiation and execution of the Settlement.

If the Settlement is terminated after any of the 2.975% and 0.25% COLAs have been paid, the COLAs will not be subject to repayment or disgorgement, and they will continue to be paid unless prohibited by state or federal law. The release and covenant not to sue will survive termination, except that claims related to COLAs not yet finally determined pursuant to the Alternative Dispute Resolution Mechanism and claims related to any part of the COLAs that will not be paid are not released. The Plaintiffs will be able to litigate those claims.

B. Termination of Alternative Dispute Resolution Mechanism

The Alternative Dispute Resolution Mechanism also is subject to termination. The City may terminate the Alternative Dispute Resolution Mechanism: (1) if a court or agency finds that a plan assumption relating to Future COLAs is required or that the Alternative Dispute Resolution Mechanism or Future COLAs do not comply with state or federal law; or (2) if a federal agency determines, as to a different retirement plan, that a benefit similar to the Future COLAs does not comply with federal law, and an expert in government pension law, hired by the Retirement System or the Parties, renders an opinion that the Future COLAs violate federal law.

If the Alternative Dispute Resolution Mechanism is terminated, it will no longer be subject to enforcement. The 2.975% and 0.25% COLAs will not be subject to repayment or disgorgement, and they will continue to be paid. The release and covenant not to sue will survive termination, except that claims related to COLAs not yet finally determined pursuant to the Alternative Dispute Resolution Mechanism are not released. The Plaintiffs will be able to litigate those claims.

The Parties designed the termination provisions so that Class Members keep any settlement payments they receive and retain the right to sue for any unpaid settlement benefits. In addition,

the release and covenant not to sue remain effective, except as to any portion of the Agreement that is terminated so that a final resolution may be sought from the Court. Additional details regarding the Parties' termination rights can be found in the Settlement Agreement at <http://coralgables.com/retirement>.

VI. WHAT ARE MY OPTIONS?

Do Nothing. If you do nothing, and you are included on the Class List, you automatically will remain in the Class and will be legally bound by the Settlement Agreement. That means, among other things, that you will be entitled to receive the Settlement's COLA benefits and that you will release any claims against the City for additional funds for COLAs with effective dates of January 1, 2012 through January 1, 2017. This will not affect your possible entitlement to future COLA benefits pursuant to the Alternative Dispute Resolution Mechanism for fiscal year ending September 1, 2016 and each year thereafter, although you are not assured of any future COLA benefits.

Dispute Your Class Membership. If you are not included on the Class List but believe you should be, you must send a letter by First Class U.S. Mail to the following individuals on or before [DATE] (determined by postmark) explaining why you should be included in the Class:

CLASS COUNSEL
Ronald J. Cohen
Rice Pugatch Robinson Storfer & Cohen, PLLC
101 NE Third Avenue, Suite 1800
Ft. Lauderdale, Florida 33301

COUNSEL FOR THE CITY OF CORAL GABLES
Raoul G. Cantero
White & Case LLP
200 South Biscayne Boulevard, Suite 4900
Miami, Florida 33131

Failure to do so will constitute a waiver of your right to dispute your membership in the Class.

Exclude Yourself. If you decide not to participate in the Settlement, you must affirmatively exclude yourself by following the procedures specified below. You must follow these procedures even if you submitted an exclusion request form in March or April 2016. But do not follow these procedures if you want to remain in the Class. If you exclude yourself, you will not be legally bound by the Settlement Agreement. That means, among other things, that you *will not* be entitled to receive the Settlement's COLA benefits and you *will not* release any claims against the City. You will have until the statute of limitations expires to file your own claims, if any, with regard to your COLA benefits. This notice is not intended to provide you with legal advice regarding excluding yourself from the Class. You may wish to consult your own legal counsel as to your rights if you decide to exclude yourself.

If you want to be excluded from the Class, you must:

- (A) Complete the enclosed Exclusion Request Form (Exhibit 1).
- (B) Send the form by First Class U.S. Mail, postage paid, to the Settlement Administrator at the following address:

SETTLEMENT ADMINISTRATOR
Kimberly Groome
Coral Gables Retirement System
405 Biltmore Way
Coral Gables, FL 33134

- (C) Mail the form no later than January 2, 2018 (determined by postmark). If you do not mail your exclusion form so it is postmarked by January 2, 2018, your request to exclude yourself from the Settlement will be deemed untimely, you will be deemed to have waived any request for exclusion, and you will be bound by all proceedings, orders, and judgments subsequently entered in the Subject Lawsuit.

Object to the Settlement. If you do not exclude yourself from the Class, you may object to any aspect of the Settlement by following the procedures specified below. Objections must be made in writing and follow these procedures or they will not be considered by the Court.

- (A) Draft your objection, which must include the following:
 - i. The full name and current address of the person or entity objecting;
 - ii. The title of the Subject Lawsuit (*Murrhee v. City of Coral Gables*, No. 13-20731 CA (13), Eleventh Judicial Circuit in and for Miami-Dade County, Florida);
 - iii. The reason(s) for the objection;
 - iv. Any evidence, briefs, motions, or other materials that the objector intends to offer in support of the objection; and
 - v. The signature of the objector.
- (B) File your objection and all supporting evidence, briefs, motions, and other materials with the Miami Dade Clerk of the Courts on or before January 2, 2018 at 73 West Flagler Street Miami, Florida 33130.
- (C) Send your objection and all supporting evidence, briefs, motions, and other materials by First Class U.S. Mail to the following individuals on or before January 2, 2018 (determined by postmark):

CLASS COUNSEL
Ronald J. Cohen

Rice Pugatch Robinson Storfer & Cohen, PLLC
101 NE Third Avenue, Suite 1800
Ft. Lauderdale, Florida 33301

COUNSEL FOR THE CITY OF CORAL GABLES
Raoul G. Cantero
White & Case LLP
200 South Biscayne Boulevard, Suite 4900
Miami, Florida 33131

Any Class Member who does not file an objection in the time and manner described above is forever barred from raising objections in the event that the Settlement is approved.

- (D) If you file an objection to the Settlement pursuant to the procedures set forth above, you may appear at the Final Approval Hearing described in Section VII and explain why the proposed Settlement is not fair, reasonable and adequate. If you elect to appear through your own attorney for the purpose of asserting an objection, you must do so at your own expense. You will not be heard at the Final Approval Hearing and no papers or briefs will be considered by the Court unless you comply with the procedures above.

VII. OTHER INFORMATION.

The Court will hold a Final Approval Hearing on February 26, 2018 at 9 a.m. at the Miami-Dade Circuit Court, 73 West Flagler Street, Courtroom TBD, Miami, Florida 33131. At the Final Approval Hearing, the Court will consider, among other things, whether the Settlement and the benefits it provides to Class Members in exchange for dismissal of the lawsuit and for the release and covenant not to sue provided to the City, Retirement Board, and related parties, is reasonable, adequate, and fair and whether to finally approve the Settlement and enter a Final Judgment. You or your attorney, if you have one, may ask to appear and speak at the hearing at your own cost, but that is not required. The date, time, and location of the Final Approval Hearing also will be posted on the Settlement website at <http://coralgables.com/retirement>.

This Notice is a summary of the Settlement's terms. It does not discuss every term and may not even completely summarize the terms that it discusses. In addition, this Notice is not legally binding on the Parties. Please review the Settlement Agreement to determine how it will affect your rights. For more information, or to obtain a copy of the legally binding Settlement Agreement, visit the Settlement website at <http://coralgables.com/retirement> or write Class Counsel at:

CLASS COUNSEL
Ronald J. Cohen

Rice Pugatch Robinson Storfer & Cohen, PLLC
101 NE Third Avenue, Suite 1800
Ft. Lauderdale, Florida 33301

In the event that there is a conflict between this Notice and the Settlement Agreement, the Settlement Agreement controls.

EXHIBIT 1

EXCLUSION REQUEST FORM

If you want to exclude yourself from the Class, you must complete this form and send it by First Class U.S. Mail, postage paid, to the following address by **January 2, 2018** (determined by postmark):

SETTLEMENT ADMINISTRATOR
Kimberly Groome
Coral Gables Retirement System
405 Biltmore Way
Coral Gables, FL 33134

* * *

I have received the Notice of Class Action Settlement, dated [DATE], and do not wish to remain a member of the redefined Class, certified in the case of *Murhee v. City of Coral Gables*, No. 13-20731 CA (13), pending in the Eleventh Judicial Circuit in and for Miami-Dade County, Florida.

I understand that by signing and mailing this form:

- I will not be entitled to any of the Settlement benefits, including the 2.975% and 0.25% COLAs;
- I will not be represented in this action as a member of the Class;
- I will not be bound by the Settlement or any judgment entered in this action; and
- I will retain my right to sue the City for the claims at issue in this case.

Please print:

Your name: _____

Address: _____

City, State, Zip Code: _____

Telephone: _____

E-mail address (if any): _____

Your signature: _____

Date: _____