

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

QUANISHA SMITH and ANTHONY COLAVECCHIO,
individually and on behalf of all others similarly situated,

Plaintiffs,

- against -

KRISTIN M. PROUD, as Commissioner of the New York
State Office of Temporary and Disability Assistance, and
ROBERT DOAR, as Commissioner of the New York City
Human Resources Administration,

Defendants.

**STIPULATION
AND ORDER
OF SETTLEMENT**

Index No. 400903/2010

WHEREAS, prior to December 6, 2010, the New York City Human Resources Administration ("NYC HRA" or "City Defendant") implemented and employed a certain NYC Local Form Equivalent Notice of Conciliation¹ as part of its Conciliation/Sanction process in circumstances where the Public Assistance Recipient allegedly failed or refused to comply or cooperate with Public Assistance Employment Requirements; and

WHEREAS, for all periods relevant hereto, the New York State Office of Temporary and Disability Assistance ("OTDA" or "State Defendant") and NYC HRA employed a standardized form notice to inform Public Assistance Recipients that they or a member of their household was going to have their Benefits reduced (i.e., be "sanctioned") as a result of an alleged failure to comply with Employment Requirements; and

WHEREAS, plaintiff Quanisha Smith ("Plaintiff Smith") commenced this proceeding/action (the "Action") pursuant to Article 78 and Section 3001 of the New York Civil Practice Law & Rules ("CPLR") on or about April 6, 2010, against Elizabeth Berlin, as then

¹ Unless otherwise defined, the capitalized terms used herein are defined in Section I below.

Executive Deputy Commissioner of OTDA, Robert Doar, as then Commissioner of NYC HRA, and BQNY Properties, LLC ("BQNY Properties"); and

WHEREAS, State Defendant submitted a Verified Answer dated April 23, 2010; and

WHEREAS, City Defendant cross-moved to dismiss the Verified Petition on June 4, 2010, and

WHEREAS, Plaintiff Smith filed a Verified Reply to State Defendant's Verified Answer dated May 21, 2010; and

WHEREAS, Plaintiff Smith and plaintiff Lakeisha Seabrook ("Plaintiff Seabrook") filed motions to intervene and to amend the Petition/Complaint on July 8, 2010; and

WHEREAS, Plaintiff Seabrook subsequently became gainfully employed and came off of PA, and her claims were ultimately withdrawn on July 16, 2010; and

WHEREAS, State Defendant cross-moved to dismiss the Petition/Complaint on July 14, 2010; and

WHEREAS, Plaintiff Anthony Colavecchio ("Plaintiff Colavecchio") thereafter moved to intervene, and thereupon Plaintiff Smith and Plaintiff Colavecchio (together, "Named Plaintiffs") moved for leave to file a Second Amended Verified Class Action Petition/Complaint and for class certification on or about October 25, 2010; and

WHEREAS, effective December 6, 2010, NYC HRA implemented a revised Local Form Equivalent Notice of Conciliation; and

WHEREAS, BQNY Properties was dismissed as a defendant by stipulation executed November 6 and 8, 2013; and

WHEREAS, by Decision and Order dated July 22, 2013 (the “July 22, 2013 Order”), the Court granted Named Plaintiffs’ motions for intervention, amendment of the pleadings, and class certification, and denied State and City Defendants’ cross-motions to dismiss; and

WHEREAS, by Notice of Appeal dated September 16, 2013, the City Defendant appealed the July 22, 2013 Order to the Appellate Division, First Department, which appeal is still pending; and

WHEREAS, Named Plaintiffs filed a Second Amended Verified Class Action Complaint dated August 16, 2013 (the “Second Amended Complaint”); and

WHEREAS, City Defendant filed an Answer to the Second Amended Complaint dated October 11, 2013; and

WHEREAS, State Defendant moved to dismiss the Second Amended Complaint and, in the alternative, moved to amend the class definition; and

WHEREAS, by Decision and Order dated April 13, 2015 (the “April 13, 2015 Order”), the Court granted, in part, State Defendant’s motion to amend the class definition and denied State Defendant’s motion to dismiss the Second Amended Complaint; and

WHEREAS, by Notice of Appeal dated July 9, 2015, the City Defendant appealed the April 13, 2015 Order to the Appellate Division, First Department, which appeal is still pending; and

WHEREAS, by Notice of Appeal dated December 3, 2015, the State Defendant appealed the April 13, 2015 Order to the Appellate Division, First Department, which appeal is still pending; and

WHEREAS, on or about June 2015, Samuel Roberts became Commissioner of OTDA, and in his official capacity is automatically substituted as the State Defendant; and

WHEREAS, on February 28, 2014, Steven Banks was appointed as Commissioner of NYC HRA, and in his official capacity is automatically substituted as the City Defendant; and

WHEREAS, on December 18, 2015, the Social Services Law was amended by adding Sections 341-a and 342-a thereto, which sections modify the procedures by which employment-related Sanctions may be imposed on Public Assistance Recipients in cities with a population over one million, and consequently require modifications of the predicate Notice of Conciliation for Public Assistance Recipients residing in New York City; and

WHEREAS, the parties have engaged in extensive formal and informal disclosure, and have had extensive discussions and negotiations leading the parties to settle all claims raised in this Action; and are entering into this Stipulation of Settlement (the "Stipulation") solely for the purpose of settling the disputes between them and so as to avoid further litigation, and without Defendants admitting any fault or liability, and to settle this Action on terms and conditions just and fair to all the parties;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the undersigned counsel, that this Action is settled, subject to the approval of the Court pursuant to CPLR Rule 908, as follows:

SECTION I: DEFINITIONS

1. "Benefits" means cash assistance received through either the Family Assistance Program or the Safety Net Assistance Program by Public Assistance Recipients residing in New York City.

2. "City Defendant" or "NYC HRA" means the New York City Human Resources Administration.

3. “Class” for purposes of this Stipulation, has the following definition, as set forth in the Court’s Decision and Order entered on April 28, 2015 and as modified herein:

All past, current, and future recipients of public assistance or food stamps (Supplemental Nutrition Assistance [Program]) in New York City since July 8, 2007, who have received City [D]efendant’s Conciliation Notification or Notice of Decision (Notice of Intent to Sanction) between July 8, 2007 and December 22, 2015, and whose public assistance or food stamps have been reduced or discontinued for violation of a work requirement.

4. “Class Member” means a person who is a member of the Class.

5. “Closed Case Sweep Date” means the dates on which City Defendant shall review its computer records and determine which Class Members, whose cases were closed as of the Open Case Determination Date, are subsequently determined to be eligible to receive Retroactive Relief pursuant to Paragraph 27 of this Stipulation.

6. “Conciliation” refers to the opportunity afforded to PA Recipients residing in New York State pursuant to Social Services Law § 341, who are alleged to have failed or refused to cooperate or comply with an Employment Requirement, to resolve the reasons for such alleged failure or refusal so as to avoid a pro-rata reduction in Benefits for such period of time as set forth in Social Services Law § 342.

7. “Effective Date” refers to the date on which this Stipulation shall become final and unappealable. The Stipulation shall be “final and unappealable”: (i) if no notice of appeal is timely filed, on the thirty-first day after the order or judgment approving the Stipulation has been served on or by counsel for all parties with written notice of entry; or (ii) if a notice of appeal is timely filed, on the first day on which the order or judgment approving the Settlement is not subject to further judicial review of appeal, either by reason of affirmance by a court of last resort or by reason of lapse of time, provided that the Stipulation or order or judgment approving the Stipulation is not reversed or modified upon such judicial review or appeal.

8. "Employment Requirements" means mandatory requirements under Social Services Law §§ 331 through 336 and 18 N.Y.C.R.R. § 385.2(a) that adult PA Recipients in New York State seek and maintain employment in order to continue receiving PA Benefits.

9. "Family Assistance Program" means New York State's Public Assistance program pursuant to Social Services Law §§ 343-360.

10. "Local Form Equivalent Notice of Conciliation" (also "Notice of Conciliation" or "Conciliation Notice") refers to the Notice of Conciliation, implemented by the City Defendant and approved by the State Defendant, that was used to apprise PA Recipients residing in New York City who allegedly failed to comply or cooperate with Employment Requirements of the opportunity to resolve the reasons for such alleged failure or refusal so as to avoid a pro-rata reduction in Benefits for such period of time as set forth in Social Services Law § 342 by explaining the reason(s) for their alleged infraction with a Conciliation Worker.

11. "Open Case" means a case in which, as of the Open Case Determination Date, PA Benefits are being received by the Class Member.

12. "Open Case Determination Date" means the date (which in no case shall be more than ten (10) business days prior to the Open Case Payment Date) on which Defendants will conduct a review of their computer records to determine which Class Members are to be issued Retroactive Relief pursuant to Paragraph 25 herein because they have Open Cases.

13. "Open Case Payment Date" means the date to be set by Defendants, no later than thirty (30) days after the Effective Date, at which time Defendants will issue Retroactive Relief to all Class Members who are eligible therefor pursuant to Paragraph 25 of this Stipulation.

14. "Public Assistance" (also "PA") refers to the Family Assistance Program and Safety Net Assistance Program.

15. “Public Assistance Recipient” (also “PA Recipient”) means an individual who has been determined eligible and has received or is receiving cash assistance Benefits through the Family Assistance Program or Safety Net Assistance Program while residing in New York City.

16. “Remedied” as used in Paragraphs 24-32 herein means deletion or withdrawal of the relevant Sanction from the Class Member’s Client Infraction History in WMS, and/or issuance to the Class Member of Retroactive Relief if required by the terms of this stipulation.

17. “Retroactive Relief” means the restored PA Benefits relief specified in Sections III and IV of this Stipulation.

18. “Safety Net Assistance Program” means New York State’s PA program pursuant to Social Services Law §§ 157-165.

19. “Sanction” means a penalty that results in a pro-rata reduction or discontinuance of Benefits for a certain period of time as set forth in Social Services Law §§ 342(2)(b)-(c) and 342(3)(a)-(c), as those sections existed prior to December 18, 2015, as a result of a determination by NYC HRA that a PA Recipient failed to comply with Employment Requirements.

20. “Sanction Notice” (also known as “Notice Of Decision” or “Notice Of Intent”) means a notice sent by Defendants to a Public Assistance Recipient’s household in New York City notifying such household of the imposition of a Sanction on a Class Member’s Public Assistance case.

21. “Standardized Monthly Lost Benefits” means the agreed-upon approximation of the monthly reduction of Benefits to a Class Member as a result of a Sanction imposed for failing or refusing to cooperate or comply with an Employment Requirement as set forth in the below table, dependent upon the particular Local Form Equivalent Notice of Conciliation received

(defined by “Tier” as set forth in Section IV below); whether or not the Class Member attended a Conciliation (again, defined by “Tier” as set forth in Section IV below), and the Class Member’s PA household size at the time that such Sanction was imposed.

<u>PA Household Size</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>
1	\$117.00	\$93.75	\$41.25	\$33.75
2-5	\$63.75	\$51.75	\$33.75	\$26.25
6-8	\$48.75	\$39.00	\$26.25	\$18.75
9 and over	\$43.50	\$33.00	\$18.75	\$11.25

22. “State Defendant” or “OTDA” means the New York State Office of Temporary and Disability Assistance.

SECTION II: MODIFICATION OF CLASS DEFINITION

23. The Court’s Order of April 28, 2015 in this Action is modified so as to amend the definition of the Class, as follows:

All past, current, and future recipients of Public Assistance or food stamps (Supplemental Nutrition Assistance [Program]) in New York City since July 8, 2007, who have received City [D]efendant’s Conciliation Notification or Notice of Decision (Notice of Intent to Sanction) between July 8, 2007 and December 22, 2015, and whose Public Assistance or food stamps have been reduced or discontinued for violation of an Employment Requirement.

SECTION III: RELIEF TO THE CLASS

24. Within thirty (30) days of the Effective Date, Defendants shall correct the Client Infraction History for all Class Members by amending the appropriate data in State Defendant’s Welfare Management System (“WMS”) to reduce each Class Member’s cumulative Sanction count by the number of Sanctions imposed from July 8, 2007 to December 22, 2015. Within thirty (30) days after making such corrections, Defendants shall provide Class Counsel with a report including the name, Client Identification Number, and sanction code for each Sanction deleted from Class Members’ Client Infraction History in WMS.

25. For each Class Member who has an Open Case:

- a. Within thirty (30) days of the Effective Date, Defendants shall authorize Retroactive Relief pursuant to the methodology set forth in Section IV, by issuing the appropriate amount to the Electronic Benefits Transfer ("EBT") card of the payee of the Class Member's PA case at the time of the relevant Sanction if such case is active on the Open Case Determination Date; otherwise, to the payee of the Class Member's new PA case.
- b. Within ten (10) business days prior to or following the Defendants authorizing Retroactive Relief pursuant to Paragraph 25(a), above, Defendants shall issue a written notice to the payee of the Class Member's PA case at the time of the relevant Sanction if such case is active on the Open Case Determination Date; otherwise, to the payee of the Class Member's PA case as of the Open Case Determination Date. A sample of such a notice is attached as **Exhibit A** hereto.

26. Within fourteen (14) days of authorizing Retroactive Relief pursuant to Paragraph 25(a), above, Defendants shall provide Class Counsel a report, in writing, that sets forth any Retroactive Relief authorized on behalf of a Class Member pursuant to Section IV herein, including the name, address, Client Identification Number, sanction code, household size, months, tier, tier amount, case number (to which the Retroactive Relief was authorized), and amount of such Retroactive Relief.

27. For all Class Members who do not have an Open Case:

- a. Defendants shall conduct a review of the applicable computer records on the 90th day after the Open Case Payment Date and every 90 days thereafter (each a

“Closed Case Sweep Date”), for a period of two (2) years from the Open Case Payment Date, to identify whether these Class Members are active as a member of a PA household on the Closed Case Sweep Date, and, if so, for each such Class Member, Defendants shall, within ten (10) business days after the Closed Case Sweep Date, authorize the Retroactive Relief set forth in Section IV by issuing the appropriate amount to the EBT card of the payee of the Class Member’s PA case at the time of the Sanction if such case is active as of the Closed Case Sweep Date, otherwise to the payee of the Class Member’s new PA case.

- b. Within ten (10) business days prior to or following the Defendants authorizing Retroactive Relief pursuant to Paragraph 27(a), above, Defendants shall issue a written notice to the payee of the Class Member’s PA case at the time of the relevant Sanction if such case is active on the Closed Sweep Date; otherwise, to the payee of the Class Member’s PA case as of the Closed Sweep Date. A sample of such a notice is attached as **Exhibit A** hereto.

28. Within fourteen (14) days of each Closed Case Sweep Date, Defendants shall provide to Class Counsel, a report in writing that sets forth any Retroactive Relief authorized on behalf of a Class Member pursuant to Section IV herein, including the name, address, Client Identification Number, sanction code, household size, months, tier, tier amount, case number (to which the Retroactive Relief was authorized), and amount of such Retroactive Relief pursuant to Paragraph 27 above (a “Closed Case Sweep Date Report”).

SECTION IV: CALCULATION OF RETROACTIVE RELIEF

29. Defendants will authorize Retroactive Relief on behalf of each Class Member who has an Open Case and who received a Local Form Equivalent Notice of Conciliation that

did not reflect revisions made to that notice on or after December 6, 2010, and who attended Conciliation, and who had a durational Sanction imposed which was not thereafter Remedied by reason of agency action, litigation, or administrative relief, as follows:

- a. For each Class Member who had a minimum 90 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 1 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by three.
- b. For each Class Member who had a minimum 150 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 1 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by five.
- c. For each Class Member who had a minimum 180 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 1 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by six.

30. Defendants will authorize Retroactive Relief on behalf of each Class Member who has an Open Case and who received a Local Form Equivalent Notice of Conciliation that did not reflect revisions made to that notice on or after December 6, 2010, and who did not attend Conciliation, and who had a durational Sanction imposed which was not thereafter Remedied by reason of agency action, litigation, or administrative relief, as follows:

- a. For each Class Member who had a minimum 90 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 2 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by three.
- b. For each Class Member who had a minimum 150 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 2 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by five.
- c. For each Class Member who had a minimum 180 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 2 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by six.

31. Defendants will authorize Retroactive Relief on behalf of each Class Member who has an Open Case and who received a Local Form Equivalent Notice of Conciliation that reflected revisions made to that notice on or after December 6, 2010, and up to December 22, 2015 and who attended Conciliation, and who had a durational Sanction imposed which was not thereafter Remedied by reason of agency action, litigation, or administrative relief, as follows:

- a. For each Class Member who had a minimum 90 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 3 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by three.

- b. For each Class Member who had a minimum 150 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 3 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by five.
- c. For each Class Member who had a minimum 180 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 3 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by six.

32. Defendants will authorize Retroactive Relief on behalf of each Class Member who has an Open Case and who received a Local Form Equivalent Notice of Conciliation that reflected revisions made to that notice on or after December 6, 2010, and up to December 22, 2015, and who did not attend Conciliation, and who had a durational Sanction imposed which was not thereafter Remedied by reason of agency action, litigation, or administrative relief, as follows:

- a. For each Class Member who had a minimum 90 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 4 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by three.
- b. For each Class Member who had a minimum 150 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 4 of the schedule above depending upon

the size of the PA household at the time that such Sanction was imposed multiplied by five.

- c. For each Class Member who had a minimum 180 day durational Sanction imposed, the Retroactive Relief amount is equal to the appropriate Standardized Monthly Lost Benefit indicated in Tier 4 of the schedule above depending upon the size of the PA household at the time that such Sanction was imposed multiplied by six.

SECTION V: NOTICE TO THE CLASS OF THE PROPOSED SETTLEMENT

33. No later than forty-five (45) days prior to the date of any scheduled fairness hearing established by the Court, Defendants shall mail to the most current address known to NYC WMS a fairness notice, a sample of which is annexed hereto as **Exhibit B** (the “Fairness Notice”), to individuals listed in the Mailing File, which will include:

- a. Class Members who are found to be active as part of a household receiving Public Assistance on the date that the Mailing File is generated;
- b. Class Members who are found not to be active as part of a household receiving Public Assistance, but who are found to either be active for Medical Assistance (“MA”) or to be active as a part of a household receiving Supplemental Nutritional Assistance Program (“SNAP”) benefits on the date that the Mailing File is generated; and
- c. Class Members who are not found to be active as part of a household receiving Public Assistance or SNAP benefits nor active for MA, but who were active as part of a household receiving Public Assistance or SNAP benefits or

who were active for MA at some point within the 90 days prior to the date on which the Mailing File is generated.

34. No later than forty-five (45) days prior to the date of any scheduled fairness hearing established by the Court:

- a. Plaintiffs will cause the Fairness Notice to be posted (i) on the website for The Legal Aid Society of New York, and (ii) in the waiting rooms or reception areas of each main borough office of the Civil Practice of The Legal Aid Society of New York, as well as The Legal Aid Society's central office.
- b. State Defendant will cause the Fairness Notice to be posted (i) on its website, and (ii) in the first floor reception area and in the waiting area near the car fare windows on each hearing floor at OTDA's Office of Administrative Hearings located at 14 Boerum Place, First Floor, Brooklyn, New York 11201.
- c. City Defendant will cause the Fairness Notice to be posted (i) on its website, and (ii) in the waiting rooms or main reception areas of NYC HRA's Family Independence Administration Job Centers.

SECTION VI: RELEASE AND WITHDRAWAL OF CLAIMS AND APPEALS

35. Within ten (10) business days following the Effective Date, Defendants shall take all necessary steps to withdraw any and all appeals in this Action pending before the New York State Supreme Court, Appellate Division, First Department.

36. As of the Effective Date, any and all claims asserted by the Named Plaintiffs, on their own behalf and on behalf of the Class Members, in the Second Amended Complaint herein are dismissed with prejudice.

37. The claims raised or that could have been raised based upon the facts alleged in the Second Amended Complaint are dismissed with prejudice, including but not limited to: (1) claims that any version of the Local Form Equivalent Notice of Conciliation as used by the City Defendant from July 8, 2007 until the Effective Date are inadequate, insufficient or violate Social Services Law § 341(1)(a) and/or the Due Process Clause of the Fourteenth Amendment to the U.S. Constitution because the version of the Notice of Conciliation allegedly failed to state in plain language the specific instance or instances (i) of willful refusal to comply without good cause with the Employment Requirements, (ii) the necessary actions that must be taken to avoid a pro-rata reduction in Benefits, (iii) information on what would constitute good cause for non-compliance, and/or (iv) examples of acceptable forms of evidence that may warrant exemption from Employment Requirements, including evidence of domestic violence and physical or mental health limitations that may be provided at Conciliation to demonstrate good cause for failure to comply with the Employment Requirements, and; (2) claims that the State's Sanction Notices as used by the City Defendant from July 8, 2007 until the Effective Date are inadequate, insufficient or violate Social Services Law § 22, Social Services Law § 341(1)(b), 18 N.Y.C.R.R. § 358-2.2, 7 U.S.C. § 2015, 7 C.F.R. §§ 273.7 and 273.13, and/or the Due Process Clause of the Fourteenth Amendment because the Sanction Notices allegedly failed to state in plain language the specific instance or instances (i) of willful refusal or failure to comply without good cause with the Employment Requirements, (ii) the necessary actions that must be taken to avoid a pro-rata reduction in Public Assistance Benefits, and/or (iii) the reason that the refusal or failure to comply was determined to be willful and without good cause. Provided however that the dismissal of claims pursuant to this Paragraph is without prejudice as to all claims that were raised or that could have been raised based upon the facts alleged in the Second Amended

Complaint with respect to Conciliation Notices and/or Sanction Notices issued on or after December 22, 2015.

38. As of the Effective Date, the remedies enforceable in this Action are limited to the provisions of this Stipulation.

39. As of the Effective Date, Named Plaintiffs, individually and on behalf of each Class Member, and on behalf of the respective heirs, executors, administrators, personal representatives, successors, and assigns of each of themselves and each Class Member, hereby jointly and severally release and forever discharge, on the merits with prejudice, (a) City Defendant, its past and present officials, employees, departments, agencies, representatives, directors, commissioners and agents, their successors and assigns, and their respective heirs, executors, administrators, personal representatives, and transferees, and (b) State Defendant, its past and present officials, employees, departments, agencies, representatives, directors, and agents, their successors and assigns, and their respective heirs, executors, administrators, personal representatives, and transferees (collectively the "Releasees") and each of them, of and from any and all claims, whether known or unknown, foreseen or unforeseen, matured or unmatured, accrued or not accrued, direct or indirect, from the beginning of time through the Effective Date that the Named Plaintiffs and the Class Members and each of them, ever had, now has or have, or can, shall or may hereafter have against the Releasees or any of them, with respect to any claims raised or that could have been raised based upon the facts alleged in the Second Amended Complaint, including but not limited to (i) any claim that any version of the Local Form Equivalent Notice of Conciliation as used by the City Defendant from July 8, 2007 until the Effective Date was inadequate, insufficient or violated Social Services Law § 341(1)(a) and/or the Due Process Clause of the Fourteenth Amendment to the U.S. Constitution because

the Notice of Conciliation allegedly failed to state in plain language the specific instance or instances (A) of willful refusal to comply without good cause with the Employment Requirements, (B) the necessary actions that must be taken to avoid a pro-rata reduction in Benefits, (C) information on what would constitute good cause for non-compliance, and/or (D) examples of acceptable forms of evidence that may warrant exemption from Employment Requirements including evidence of domestic violence, and physical or mental health limitations that may be provided at Conciliation to demonstrate such good cause for failure to comply with the Employment Requirements, and; (ii) that the State's Sanction Notices as used by the City Defendant from July 8, 2007 until the Effective Date are inadequate, insufficient or violate Social Services Law § 22, Social Services Law § 341(1)(b), 18 N.Y.C.R.R. § 358-2.2, 7 U.S.C. § 2015, 7 C.F.R. §§ 273.7 and 273.13, and/or the Due Process Clause of the Fourteenth Amendment because the Sanction Notice allegedly failed to state in plain language the specific instance or instances (A) of willful refusal or failure to comply without good cause with the Employment Requirements, (B) the necessary actions that must be taken to avoid a pro-rata reduction in Benefits and/or (C) the reason that the refusal or failure to comply was determined to be willful and without good cause. Provided however that said release shall not be construed so as to preclude any person or group of persons from raising claims that were raised or that could have been raised based upon the facts alleged in the Second Amended Complaint with respect to Conciliation Notices and/or Sanction Notices issued by Defendants on or after December 22, 2015.

40. No provision in this Stipulation shall infringe upon or restrict any Class Member's ability to obtain individual relief through an administrative hearing or a judicial proceeding, including but not limited to a proceeding brought pursuant to CPLR Article 78, so long as the

Class Member is not seeking to challenge the form or sufficiency of a Sanction Notice or any version of the Local Form Equivalent Notice of Conciliation that was revised prior to the Effective Date, on any of the grounds raised in the Second Amended Complaint.

SECTION VII: PAYMENT OF ATTORNEYS' FEES TO CLASS COUNSEL

Payments on Behalf of State Defendant

41. The State of New York, on behalf of OTDA, agrees to pay the gross sum of \$300,950.00, for which I.R.S. Form 1099s shall be issued, to Class Counsel in full satisfaction of any and all claims, allegations or causes of action for attorney's fees, costs, disbursements and expenses incurred in or arising from this Action (the "State Fee Payments") as follows:

<u>Organization</u>	<u>Amount</u>
The Legal Aid Society 199 Water Street, 3 rd Floor New York, New York 10038	\$200,950.00
Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas New York, New York 10036	\$100,000.00

42. The State Fee Payments are subject to the approval of all appropriate officials of the State of New York in accordance with N.Y. Pub. Off. Law § 17. Class Counsel agrees to execute and deliver all necessary or appropriate vouchers and other requested documentation with respect to obtaining such approval and effectuating payment. In the event such approval is not obtained, then the portions of this Stipulation and Order that pertain to the payment of attorney's fees, costs, disbursements and expenses on behalf of State Defendant shall be null, void, and of no further force and effect, and the Class shall have the right to move for said attorney's fees, costs, disbursements and expenses. If approval is denied, State Defendant's counsel shall notify Class Counsel in writing within ten (10) business days of the denial, and

Class Counsel shall have ninety (90) days from such notice within which to make a motion seeking payment of reasonable attorney's fees, costs, disbursements and expenses from the State Defendant.

43. The State Fee Payments shall be made in accordance with the provisions of CPLR § 5003-a(c) after receipt by State Defendant's counsel of a copy of this Stipulation and Order, that has become final and unappealable as defined in Paragraph 7, together with all other documentation required under Paragraph 42, and shall be made by checks issued to the appropriate entities, at the addresses specified in Paragraph 41 of this Stipulation and Order. Interest shall accrue on the amounts payable to Class Counsel pursuant to Paragraph 41 at the rate set forth in CPLR § 5004 beginning on the ninety-first (91st) day after the State Comptroller has, in accordance with CPLR § 5003-a(c), determined that all documents and information required to effectuate the State Fee Payments have been received by him.

44. Named Plaintiffs, Class Members and Class Counsel agree that any taxes, or interest or penalties on taxes, on the State Fee Payments shall be the sole and complete responsibility of Class Counsel, and that Class Counsel shall have no claim, right or cause of action against the State Defendant, the State of New York (including, but not limited to, any and all agencies, departments, and subdivisions thereof), or any of their officials, employees, or agents, whether in their individual or official capacities, on account of any and all such taxes, interest or penalties.

45. Named Plaintiffs, Class Members and Class Counsel agree that neither the State Defendant, the State of New York (including, but not limited to, any and all agencies, departments, and subdivisions thereof), nor any of their officials, employees, or agents, whether in their individual or official capacities, shall be responsible for any liens of any kind (including,

but not limited to, any and all workers' compensation, tax, or child support liens) which may attach to the State Fee Payments. Named Plaintiffs, Class Members and Class Counsel shall have no claim, right, or cause of action against the State Defendant, the State of New York (including, but not limited to, any and all agencies, departments, and subdivisions thereof), or any of their officials, employees, or agents, whether in their individual or official capacities, on account of any and all such liens.

46. In consideration of the State Fee Payments and other good and valuable consideration, Named Plaintiffs, Class Members, and Class Counsel, on their own behalf and on behalf of the respective heirs, executors, administrators, personal representatives, successors, and assigns of each of themselves and on behalf of any future Class Members (collectively, the "Releasing Parties"), hereby jointly and severally release the State Defendant, the State of New York, and any present or former employees, agents, officials, departments, agencies, representatives, and directors, their successors and assigns and their respective heirs, executors, administrators, personal representatives, and transferees, and each of them (collectively, the "Released State Parties"), from any and all liability, claims, or rights of action for attorneys' fees, costs, disbursements and expenses in or arising from this Action that the Named Plaintiffs, Class Members, or Class Counsel had, have, or may in the future have related to the claims in this Action or arising from any activities of Class Counsel in connection with the Action or this Stipulation, and this Stipulation and Order shall be deemed a release to that effect. This limitation shall not apply to work done solely on a successful enforcement motion under Section VIII of this Stipulation provided that Class Counsel have complied, as a condition precedent to such a motion, with the requirements of Section VIII of this Stipulation.

47. The undersigned attorneys for Plaintiffs further represent that to the best of their knowledge there are no other attorneys having a lien for services rendered to Plaintiffs pursuant to the provisions of Section 475 of the New York Judiciary Law or otherwise in this Action, or in any other action or proceeding alleging any of the acts, transactions, occurrences, or omissions asserted in this Action.

48. Nothing contained in this Stipulation and Order shall be deemed to be an agreement or an admission by the State Defendant as to the reasonableness of the number of hours spent or the particular hourly rates claimed by Class Counsel, or the entitlement of Named Plaintiffs, Class Members or Class Counsel to any attorney's fees, costs, disbursements or expenses in connection with this Action, and the State Defendant does not waive any defenses to any and all future application by Named Plaintiffs, Class Members or Class Counsel therefor.

Payments on Behalf of City Defendant

49. The City of New York agrees to pay the gross sum of \$300,950.00, for which I.R.S. Form 1099s shall be issued, to Class Counsel in full satisfaction of any and all claims, allegations or causes of action for attorney's fees, costs, disbursements and expenses incurred in or arising from this Action (the "City Fee Payments") as follows:

<u>Organization</u>	<u>Amount</u>
The Legal Aid Society 199 Water Street, 3 rd Floor New York, New York 10038	\$200,950.00
Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas New York, New York 10036	\$100,000.00

50. Class Counsel agrees to execute and deliver all necessary or appropriate documentation with respect to effectuating payment, which shall include releases from Class Counsel, The Legal Aid Society and Kramer Levin Naftalis & Frankel LLP, based on the terms

of Paragraph 54 below, together with the tax identification number and substitute W-9 forms for Class Counsel. Payment of the amount described in Paragraph 49 is conditioned upon delivery of these documents to City Defendant's counsel.

51. The City Fee Payments shall be made in accordance with the provisions of CPLR § 5003-a(b) after receipt by City Comptroller of a "so-ordered" copy of this Stipulation and Order that has become final and unappealable as defined in Paragraph 7, together with all other documentation required under Paragraph 50, and shall be made by checks issued to the appropriate entities, at the addresses specified in Paragraph 49 of this Stipulation and Order. Service of a "so ordered" copy of this Stipulation and Order on the Corporation Counsel of the City of New York shall be deemed good and sufficient service under this paragraph. Interest shall accrue on the amounts payable to Class Counsel pursuant to Paragraph 49 at the rate set forth in CPLR § 5004 beginning on the ninety-first (91st) day after the City Comptroller has, in accordance with CPLR § 5003-a(b), received all documents and information required to effectuate the City Fee Payments.

52. Named Plaintiffs, Class Members and Class Counsel agree that any taxes, or interest or penalties on taxes, on the City Fee Payments shall be the sole and complete responsibility of Class Counsel, and that Class Counsel shall have no claim, right or cause of action against the City Defendant, the City of New York (including, but not limited to, any and all agencies, departments, and subdivisions thereof), or any of their officials, employees, or agents, whether in their individual or official capacities, on account of any and all such taxes, interest or penalties.

53. Named Plaintiffs, Class Members and Class Counsel agree that neither the City Defendant, the City of New York (including, but not limited to, any and all agencies,

departments, and subdivisions thereof), nor any of their officials, employees, or agents, whether in their individual or official capacities, shall be responsible for any liens of any kind (including, but not limited to, any and all workers' compensation, tax, or child support liens) which may attach to the City Fee Payments. Named Plaintiffs, Class Members and Class Counsel shall have no claim, right, or cause of action against the City Defendant, the City of New York (including, but not limited to, any and all agencies, departments, and subdivisions thereof), or any of their officials, employees, or agents, whether in their individual or official capacities, on account of any and all such liens.

54. In consideration of the City Fee Payments and other good and valuable consideration, Named Plaintiffs, Class Members, and Class Counsel, on their own behalf and on behalf of the respective heirs, executors, administrators, personal representatives, successors, and assigns of each of themselves and on behalf of any future Class Members (collectively, the "Releasing Parties"), hereby jointly and severally release the City Defendant, the City of New York, and any present or former employees, agents, officials, departments, agencies, representatives, and directors, their successors and assigns and their respective heirs, executors, administrators, personal representatives, and transferees, and each of them (collectively, the "Released City Parties"), from any and all liability, claims, or rights of action for attorneys' fees, costs, disbursements and expenses in or arising from this Action, that the Named Plaintiffs, Class Members, or Class Counsel had, have, or may in the future have related to the claims in this Action or arising from any activities of Class Counsel in connection with the Action or this Stipulation, and this Stipulation and Order shall be deemed a release to that effect. This limitation shall not apply to work done solely on a successful enforcement motion under Section

VIII of this Stipulation provided that Class Counsel have complied, as a condition precedent to such a motion, with the requirements of Section VIII of this Stipulation.

55. The undersigned attorneys for Plaintiffs further represent that to the best of their knowledge there are no other attorneys having a lien for services rendered to Plaintiffs pursuant to the provisions of Section 475 of the New York Judiciary Law or otherwise in this Action, or in any other action or proceeding alleging any of the acts, transactions, occurrences, or omissions asserted in this Action.

56. Nothing contained in this Stipulation and Order shall be deemed to be an agreement or an admission by the City Defendant as to the reasonableness of the number of hours spent or the particular hourly rates claimed by Class Counsel, or the entitlement of Named Plaintiffs, Class Members or Class Counsel to any attorney's fees, costs, disbursements or expenses in connection with this Action, and the City Defendant does not waive any defenses to any and all future application by Named Plaintiffs, Class Members or Class Counsel therefor.

SECTION VIII: CONTINUING JURISDICTION

57. As of the Effective Date, the jurisdiction of this Court shall terminate for all purposes except that the Court shall maintain continuing jurisdiction over this Action for the purpose of enforcing the terms of this Stipulation, subject to Paragraphs 58, 59, 60, and 61 of this Stipulation.

58. The jurisdiction of this Court shall terminate at the conclusion of thirty (30) days after Defendants provide to Class Counsel a final Closed Case Sweep Date Report pursuant to the terms set forth in Paragraph 28, except that if Plaintiffs move pursuant to Paragraphs 59 or 60 to enforce the terms of this Stipulation, jurisdiction shall continue until: (a) such motion is

decided; (b) such time as directed by the Court, if the motion is decided favorably for Plaintiffs; or (c) such time as may be extended by the parties by modification of this Stipulation.

59. During the time prior to the termination of the Court's jurisdiction pursuant to the terms set forth in Paragraph 58, if Class Counsel believes that one or more Defendants have failed to comply with the terms of this Stipulation, Class Counsel shall notify all Defendants' counsel in writing of the nature and specifics of the alleged failure to comply at least thirty (30) days before any motion is made for enforcement of this Stipulation or for contempt against the noncompliant Defendant. Unless otherwise resolved, the parties' counsel shall meet within the 30-day period following notice to Defendants' counsel in an attempt to arrive at a resolution of the claims. If no resolution is reached within thirty (30) days from the date of notice, Named Plaintiffs may move this Court for an order for all appropriate relief against the noncompliant Defendant.

60. During the twenty-four (24) months following the Effective Date, if Class Counsel disagrees with Defendants' determination of whether an individual is a Class Member under Paragraph 23 of this Stipulation or whether a Class Member has been afforded the correct relief under Paragraphs 24, 25, or 27 of this Stipulation, Class Counsel shall notify Defendants' counsel in writing of the nature and specifics of the disagreement. Defendants' counsel will respond to any such communication within seven (7) business days. If Defendants agree that a Class Member has not received full relief under this Stipulation, they shall issue Retroactive Relief to such Class Member within ten (10) business days of such determination. If Defendants advise Class Counsel that they believe an individual identified by Class Counsel pursuant to this Paragraph is not a Class Member or has received all Retroactive Relief to which he or she is eligible under this Stipulation, Defendants' response shall include the specific basis for their

conclusion. If Defendants fail to respond to a notification from Class Counsel pursuant to this Paragraph within thirty (30) days, or if, after Defendants respond to Class Counsel's notification, there remains a dispute as to whether an individual is a Class Member under Paragraph 23 of this Stipulation or the whether a Class Member has been afforded the correct relief under Paragraphs 24, 25, or 27 of this Stipulation, Named Plaintiffs may move this Court for an order resolving such dispute.

61. Notwithstanding the provisions of Paragraph 59, Named Plaintiffs may move this Court for an order for all appropriate relief against a noncompliant Defendant without waiting thirty (30) days if Named Plaintiffs' motion is based in whole or in part on information received by Class Counsel less than thirty (30) days before the date that the jurisdiction of this Court is due to lapse pursuant to Paragraph 58 of this Stipulation.

SECTION IX: GENERAL PROVISIONS

62. If the Court disapproves the Stipulation or any material part thereof, or if the Stipulation is modified or reversed in any material respect by an order or decision that is final and unappealable, then this Stipulation shall be canceled and deemed null and void, and the parties shall revert to their respective positions in the Action as of the date prior to their signing this Stipulation.

63. Nothing contained herein shall be deemed to be an admission by the Defendants or any officer or employee thereof, of any of Named Plaintiffs' or Class Members' allegations or of Named Plaintiffs' or Class Members' standing to pursue any relief, nor an admission by the Defendants that they have in any manner or way violated a Named Plaintiffs' or a Class Members' rights, or the rights of any other person or entity, as defined in the constitutions, statutes, ordinances, rules, or regulations of the United States, the State of New York, or the City

of New York or any other rules, regulations, or bylaws of any department, agency, or subdivision of the State of New York or the City of New York, including but not limited to OTDA and/or HRA.

64. This Stipulation constitutes the parties' entire agreement with respect to the matters set forth in this Stipulation, and no oral agreement entered into at any time nor any written agreement entered into prior to the execution of this Stipulation regarding the subject matter of the instant Action shall be deemed to exist, or to bind the parties hereto, or to vary the terms and conditions contained herein.

65. This Stipulation shall not be admissible in any other litigation or settlement negotiation, except for enforcement of the provisions contained herein as set forth in Section VIII of this Stipulation.

66. Nothing contained in this Stipulation shall be deemed to constitute a policy or practice of the Defendants, including OTDA and HRA.

67. All parties to this Stipulation have participated in its drafting; consequently, any ambiguity shall not be construed for or against any party.

68. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it shall be governed by the laws of the State of New York without regard to conflicts of law, except to the extent that federal law may govern.

69. In computing any time period specified by this Stipulation, the following rules apply: (i) exclude the day of the event that triggers the period; (ii) count every day, including intermediate Saturdays, Sundays, and New York State or New York City legal holidays; and (iii) include the last day of the period, but if the last day is a Saturday, Sunday, or New York State or

New York City legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or such legal holiday.

70. This Stipulation is final and binding upon the parties, their successors, and their assigns.

71. Any notice, report, or communication required by or made pursuant to the terms of this Stipulation, other than notices sent to individual Class Members, shall be sent by electronic mail and, upon request, by first class mail, postage prepaid, to all of the people below:

To Plaintiffs: Lester Helfman
lohelfman@legal-aid.org
The Legal Aid Society
111 Livingston Street – 7th Floor
Brooklyn, New York 11201

Susan Jacquemot
sjacquemot@kramerlevin.com
Kramer Levin Naftalis & Frankel
1177 Avenue of the Americas
New York, New York 10036

To City Defendant: Thomas B. Roberts
throbert@law.nyc.gov
Assistant Corporation Counsel
New York City Law Department
100 Church Street, Room 2-110
New York, New York 10007

To State Defendant: Roderick L. Arz
Roderick.Arz@ag.ny.gov
Assistant Attorney General
New York State Office of the Attorney General
28 Liberty Street
New York, New York 10005


72. Any party may change the above-designated addressee or address by written notice to the other parties. A copy of such notice shall be filed with the Clerk of the Court.

73. This Stipulation may be executed in one or more counterparts, including by signature transmitted by .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

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Dated: New York, New York
Nov. 8, 2018

THE LEGAL AID SOCIETY
Attorneys for Plaintiffs


By: Lester Helfman
The Legal Aid Society
111 Livingston Street - 7th Floor
Brooklyn, New York 11201

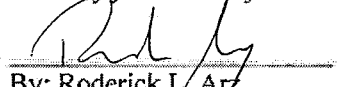
Dated: New York, New York
Nov. 8, 2018

KRAMER LEVIN NAFTALIS & FRANKEL
Attorneys for Plaintiffs


By: Susan Jacquemot
1177 Avenue of the Americas
New York, New York 10036


Dated: New York, New York
Nov. 21, 2018

BARBARA D. UNDERWOOD
Attorney General of the State of New York
Attorney for State Defendant


By: Roderick L. Arz
Assistant Attorney General
28 Liberty Street
New York, New York 10005

Dated: New York, New York
Nov 13, 2018

ZACHARY W. CARTER
Corporation Counsel for the City of New York
Attorney for the City of New York


By: Thomas B. Roberts
Assistant Corporation Counsel
New York City Law Department
100 Church Street
New York, New York 10007

[THIS SPACE INTENTIONALLY LEFT BLANK]

Dated: Albany, New York
November 16, 2018

THE NEW YORK STATE OFFICE OF
TEMPORARY AND DISABILITY
ASSISTANCE

Barbara C. Guinn
By: Barbara C. Guinn
Executive Deputy Commissioner
40 North Pearl Street
Albany, New York 12243

SO ORDERED,

this _____ day of _____ 20____.

Honorable Lucy Billings
Justice of the Supreme Court

SAMPLE

The special payment has, or will be made, as follows:

Payment of **\$191.25** This was based on the monthly amount of **\$63.75** X (**3 month sanction duration**), for a relevant **Tier 1** PA employment sanction.

Payment of **\$382.50** This was based on the monthly amount of **\$63.75** X (**6 month sanction duration**), for a relevant **Tier 1** PA employment sanction.

Payment of **\$157.50** This was based on the monthly amount of **\$26.25** X (**6 month sanction duration**), for a relevant **Tier 3** PA employment sanction.

Total payment \$731.25

This/these amount(s) was/were calculated by taking the appropriate amount shown in the chart below multiplied by the minimum required duration of each sanction.

PA Household Size	<u>Tier 1</u> HRA sent a Conciliation Notice form before 12/6/10 and you attended conciliation	<u>Tier 2</u> HRA sent a Conciliation Notice form before 12/6/10 and you did not attend conciliation	<u>Tier 3</u> HRA sent a Conciliation Notice form revised on or after 12/6/10 and you attended conciliation	<u>Tier 4</u> HRA sent a Conciliation Notice form revised on or after 12/6/10 and you did not attend conciliation
1	\$117.00	\$93.75	\$41.25	\$33.75
2-5	\$63.75	\$51.75	\$33.75	\$26.25
6-8	\$48.75	\$39.00	\$26.25	\$18.75
9 and over	\$43.50	\$33.00	\$18.75	\$11.25

IMPORTANT

You must access this money within 90 days from the date on this notice – or else it won't be available anymore. If you access other money in your EBT account in those 90 days, then you will have more time to use your Smith special payment – 180 days from the date on this notice.

Questions?

If you have a question about the special payment or how the sanction history for members in your household was changed, you can call Class Counsel at (XXX) XXX-XXXX and say you have a question about your Smith notice.

EXHIBIT A

SAMPLE

INFORMATION ABOUT SPECIAL "SMITH SETTLEMENT" PAYMENT

Due to a settlement in the lawsuit Smith, et. al. v. Proud, et. al., Sup. Ct. N.Y. County No. 400903/2010, (1) a special payment described below will be made through the Electronic Benefit Transfer (EBT) card for your household; and (2) the New York State Office of Temporary and Disability Assistance (OTDA) is adjusting, or has adjusted, the sanction history for each household member that was affected by the circumstances of the lawsuit.

The lawsuit alleged that two notices — the "Conciliation Notice" and the "Notice of Decision" (also called the "Notice of Intent to Change Benefits") — that you, or someone in your household, received prior to sanctioning did not comply with New York Social Services Law § 341(1)(a)-(b). The Smith settlement concerns all such notices that were sent to you, or someone in your household, between July 8, 2007 and December 22, 2015.

New York City Human Resource Administration (HRA)'s records show that you, or someone in your household, received one or more of these notices prior to being sanctioned for failing or refusing to comply with a public assistance work requirement. As a result, your household is receiving this special payment.

The special payment is based on the following factors:

- What form of the Notice of Conciliation you, or someone in your household, received (i.e. the relevant Tier);
- Whether the sanctions against you, or a household member, were for a first, second, or third violation;
- The minimum durational time for each relevant sanction;
- Whether you or the sanctioned member of your household attended your/his/her conciliation appointment; and
- The size of the relevant individual's household at the time of each sanction.

Further, pursuant to the Smith settlement, OTDA has adjusted, or will adjust, the sanction history for each affected member of your household by reducing your/his/her cumulative sanction count by the number of relevant Public Assistance (PA) employment sanctions imposed from July 8, 2007 to December 22, 2015.

EXHIBIT B

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION CONCERNING SANCTIONS IMPOSED ON CASH ASSISTANCE RECIPIENTS IN NEW YORK CITY

Are you a New York City resident whose household, from July 8, 2007 to December 22, 2015, had its Public Assistance (PA) benefits reduced or stopped by the New York City Human Resources Administration (HRA) because you did not comply with work rules? If so, you should read this notice, which provides information about the settlement of a lawsuit involving the alleged failure of HRA to issue a proper Notice of Conciliation and/or Notice of Intent to Change Benefits.

Background

Lawyers for PA recipients filed this lawsuit in 2010 against HRA and the New York State Office of Temporary and Disability Assistance (OTDA). The lawsuit alleges that two notices — “Conciliation Notice” and “Notice of Decision” (also referred to as Notice of Intent to Change Benefits) — that PA recipients received from July 8, 2007 through December 22, 2015, did not comply with New York Social Services Law § 341(1)(a)-(b). These notices were sent to PA recipients prior to the imposition of a sanction for allegedly violating work requirements. The parties have agreed to a settlement of the class action, which must be approved by the Court. This notice sets forth the terms of the proposed settlement and your rights as a potential class member.

What is the Proposed Settlement?

You can see the entire proposed settlement at the websites for HRA (<http://nyc.gov/hra>), OTDA (<http://otda.ny.gov>), and the Legal Aid Society (<http://www.legal-aid.org>). The lawyers believe that the proposed settlement is fair and in the best interests of the class members. Lawyers for the class further believe that continuing the court case would not guarantee a better result, and could take a long time.

The basic terms of the settlement are:

- **Correct Sanction History:** HRA and OTDA will take steps to revise every class member’s sanction history to reduce the number of public assistance sanctions that have not already been removed for another reason by the number of work related sanctions that were imposed from July 8, 2007 through December 22, 2015.
- **Restoration of PA Benefits:** HRA and OTDA have agreed to issue a one-time special payment of restored PA benefits on behalf of class members who had their PA benefits reduced or stopped for allegedly violating work requirements between July 8, 2007 and December 22, 2015, and who meet other criteria.

Will I get a special payment?

- If you are currently receiving cash assistance as a part of a PA household, a one-time restored PA benefit will be made. This one-time special payment will be made to the original household's Electronic Benefit Transaction (EBT) card whose PA benefit was reduced or discontinued as a result of the work sanction. If the original household is not currently PA active, the payment will be made to the EBT card of the active PA case that you are currently part of. The case name of that PA household will get a special mailing telling you how much the one-time restored PA benefit will be.

How much will I get?

- The amount you will receive is based on a calculation which takes into account: the number of times you were sanctioned between July 8, 2007 and December 22, 2015, your household size; whether there were dependent children in the household; the length of the minimum durational sanction period; whether the conciliation appointment was attended; and when the sanction was imposed.
- For further details regarding how the calculation of the special payments will be made, you are encouraged to review a copy of the proposed settlement, which is available in its entirety on the websites for HRA (<http://nyc.gov/hra>), OTDA (<http://otda.ny.gov>), and the Legal Aid Society, (<http://www.legal-aid.org>).

Do I Have to Do Anything?

If you agree with the settlement, you do not need to do anything further. If the Court approves the settlement, the original or current PA household as described above will receive any restored PA benefits that are due automatically.

Can I Object to the Settlement?

Class members have the right to object to the proposed settlement as not being fair, reasonable, and adequate by appearing and stating your objection, in person or by counsel. The Court has set a hearing for this purpose on _____, 2018 at __: __.m. at the following address:

**Honorable Lucy Billings, Justice of the Supreme Court
Supreme Court of the State of New York, County of New York
71 Thomas Street, Room 203
New York, NY 10013**

Class members may also object to the settlement by sending a letter marked "Smith v. Proud, Index No. 400903/2010, Class Action Settlement" and post-marked by [XXX] to the Court at the address listed above.

Class members may contact attorney Lester Helfman at the Legal Aid Society who has represented the plaintiffs in this lawsuit with any questions at (212) [XXX-XXXX] or via email at [XXXXXX]@legal-aid.org. **DO NOT CALL THE COURT.**