

**IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT
IN AND FOR FLAGLER COUNTY, FLORIDA**

WILLIAM G. MAYFIELD, on behalf of himself and all
other persons similarly situated,

Plaintiff,

v.

CASE NO. 2009-CA-002245

CITY OF PALM COAST, AMERICAN TRAFFIC
SOLUTIONS, LLC, and ATS AMERICAN TRAFFIC
SOLUTIONS, INC.,

Defendants.

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED PARTIAL
SETTLEMENT, AND HEARING DATE FOR COURT APPROVAL**

ATTENTION: ALL PERSONS WHO RECEIVED A NOTICE OF VIOLATION (“NOTICE OF VIOLATION”) ISSUED BY OR ON BEHALF OF THE CITY OF PALM COAST (“CITY”), PURSUANT TO THE CITY OF PALM COAST’S CODE OF ORDINANCES, ARTICLE III, SECTIONS 38-81 THROUGH 38-95 (ORD. NO. 07-585, SECTION 70-81 THROUGH 70-95, 1-8-2008, TITLED “TRAFFIC LIGHT SAFETY” (THE “ORDINANCE”), ALLEGING A VIOLATION OF THE ORDINANCE THAT OCCURRED ON OR BEFORE JUNE 30, 2010, AND WHO PAID THE FEE OR FINE IMPOSED THEREBY.

This notice informs you of a proposed settlement (“Partial Settlement”) of class action claims against American Traffic Solutions, LLC, and ATS American Traffic Solutions, Inc. **The City of Palm Coast did not participate in the Partial Settlement.** For the sake of brevity and clarity, the City of Palm Coast will be referred to simply as the City, and American Traffic Solutions, LLC, and ATS American Traffic Solutions, Inc. will be collectively referred to simply as ATS. ATS has agreed, under the terms of the Partial Settlement, to provide you with an opportunity to submit a valid and timely Proof of Claim through which you may be eligible to receive monetary compensation as further discussed below.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS PARTIAL SETTLEMENT:	
Submit a Proof of Claim	If you are an eligible Settlement Class Member and you wish to receive a one-time payment of up to \$8.50 for each Notice of Violation you received and paid, you need to complete and submit a Proof of Claim in a timely manner. The Proof of Claim is necessary to ensure that only eligible Settlement Class Members receive a monetary benefit. A Proof of Claim form is available at the Settlement Web site at www.floridaredlightcamerasettlement.com or by calling the Claims Administrator toll free at (866) 933-8161 or writing the Claims Administrator at PO Box 2801, Faribault, MN 55021-8606.
Do Nothing	By doing nothing, you forfeit the opportunity to receive any monetary compensation and you give up any rights to sue ATS, and certain parties related to it, separately about the claims that have been or could have been asserted in this lawsuit.
Ask to be Excluded	By asking to be excluded, you will not share in this Partial Settlement. This is the only option that allows you to keep any rights to sue ATS about the same legal claims in this lawsuit.
Object	You may write to the Court about why you do not like the Partial Settlement.
Go To A Hearing	You may ask to speak in Court about the fairness of the Partial Settlement.

Your rights and options – and the deadlines to exercise them – are explained in detail below.

The Court in charge of this case still has to decide whether to approve the Partial Settlement. Payments will be made if the Court approves the Partial Settlement and after appeals are resolved. Please be patient.

QUESTIONS? VISIT WWW.FLORIDAREDLIGHTCAMERASETTLEMENT.COM OR CALL TOLL FREE (866) 933-8161

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BASIC INFORMATION

1. Why did I receive notice of this lawsuit?

This lawsuit involves the City's enforcement of red light violations through the use of unmanned cameras. The City issued Notices of Violations imposing civil fees or fines for red light violations detected in this manner. **The records of ATS indicate that you received a Notice of Violation issued by or on behalf of the City pursuant to the Ordinance alleging a violation of the Ordinance that occurred on or before June 30, 2010, and paid the fee or fine imposed thereby.**

You previously received a postcard notice because you have a right to know about the proposed partial settlement of this class action lawsuit, and about your options, before the Court decides whether to approve the Partial Settlement. If the Court approves it and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Partial Settlement allows.

This package explains the lawsuit, the Partial Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Circuit Court for the Seventh Judicial Circuit, in and for Flagler County, Florida, and the case is pending in front of the Honorable Dennis Craig, Circuit Judge. The lawsuit is known as *William G. Mayfield v. City of Palm Coast, American Traffic Solutions, LLC, and ATS American Traffic Solutions, Inc.*, Case No.: 2009-CA-002245. The person who sued is called Plaintiff, and the parties sued are called the Defendants.

2. What is this lawsuit about?

On or about January 8, 2008, the City adopted the Ordinance. The Ordinance made it a violation of the City of Palm Coast's Code of Ordinances to violate a red light. The Ordinance provided that red light violations could be detected by unmanned cameras, and that Notices of Violation imposing fees or fines would be issued to the registered owner of the vehicle so detected.

This lawsuit alleges that the Ordinance is invalid under Chapter 316 and 318 of the Florida Statutes and Article V and VIII, Section 2(b), of the Florida Constitution. In particular, the Complaint alleges that the Ordinance is invalid because (1) Chapters 316 and 318 of the Florida Statutes preempt all regulation and enforcement of red light violations to the State of Florida, and thereby prohibited the City from adopting the Ordinance and (2) the Ordinance violates provisions relating to the establishment of a court system in Article V of the Florida constitution.

3. Why is this lawsuit a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" or "Lead Plaintiffs" (in this case William Mayfield) sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members" (in this case the Settlement Class). The man who sued—and all of the Settlement Class Members like him—are called the Plaintiffs. The individual, government entity and/or company they sued (in this case the City and ATS) is/are called the Defendant(s). One court resolves the issues for everyone in the Settlement Class—except for those people who choose to exclude themselves from the Settlement Class. Circuit Judge Dennis Craig is in charge of this case and certified the lawsuit as a class action for settlement purposes only.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or ATS. Instead, Lead Plaintiff and ATS agreed to enter into the Partial Settlement after an extensive exchange of information and vigorous arms-length negotiation. That way, they avoid litigation costs, and the people affected will get compensation. The Lead Plaintiff, and counsel for the Lead Plaintiff and the Settlement Class Members ("Lead Counsel"), think the Partial Settlement is best for the Settlement Class Members. This is a partial settlement because the City did not settle with Lead Plaintiff and will continue to litigate this matter.

WHO IS COVERED BY THE PARTIAL SETTLEMENT

5. Am I a Class Member?

Your receipt of the postcard notice indicates that you have been identified as a potential Settlement Class Member because, according to Defendants' records, you received a Notice of Violation issued by or on behalf of the City pursuant to the Ordinance alleging violation of the Ordinance that occurred on or before June 30, 2010, and paid the fee or fine imposed thereby.

THE SETTLEMENT BENEFITS-WHAT YOU GET

6. What does the Settlement provide?

If approved by the Court, the Partial Settlement will result in dismissal of ATS from this case and final resolution of all claims raised against ATS. Such dismissal will release ATS from liability for the claims in this lawsuit. The City is not participating in the Partial Settlement. The terms of the Partial Settlement are described in full in a document known as the Stipulation and Agreement of Settlement ("Settlement Agreement"). The Settlement Agreement is available for your inspection at the office of the Flagler County Clerk of the Court, 1769 E. Moody Blvd., Bldg 1, Bunnell, FL 32110. The capitalized terms as used in this notice have the same meaning as the terms set forth in the Settlement Agreement.

7. What can I get from the Settlement?

Under the Partial Settlement, ATS is making a Settlement Fund of \$168,684.00 available to pay the claims of eligible Settlement Class Members and certain other fees and expenses. The Settlement Fund will be applied first to any applicable Taxes and to pay any award to Lead Counsel and the Lead Plaintiff, as described in the Settlement Agreement. After those payments, the Settlement Fund will be applied to valid and timely claims submitted by Settlement Class Members. It is anticipated that the Settlement Fund will enable a payment of up to \$8.50 for each Notice of Violation received and paid by a Settlement Class Member. *Please note that if you have previously received a refund from the City for a Notice of Violation, you are NOT entitled to a payment from the Settlement Fund for that Notice of Violation.* In the event that the Settlement Fund, net of the payments described herein, is not sufficient to enable a payment of \$8.50 for each claim, the per-claim payment will be decreased in proportion to the total number of claims made. If you are an eligible Settlement Class Member and wish to receive this benefit, you must timely submit a Proof of Claim to the Claims Administrator as described below.

HOW YOU GET COVERAGE - SUBMITTING A CLAIM

8. How can I make a claim?

If you are an eligible Settlement Class Member and you wish to receive a one-time payment of up to \$8.50 for each Notice of Violation that you received and paid, you need to complete and submit a Proof of Claim in a timely manner. This form is necessary to ensure that only eligible Settlement Class Members receive a monetary benefit. The Proof of Claim is available at the Settlement Web site at www.floridaredlightcamerasettlement.com or by calling the Claims Administrator toll free at (866) 933-8161 or writing the Claims Administrator at PO Box 2801, Faribault MN 55021-8606.

The fully completed Proof of Claim must be submitted via U.S. mail to the Claims Administrator at Florida Red Light Camera Litigation – Palm Coast Settlement at PO Box 2801, Faribault, MN 55021-8606. The deadline for submission of the Proof of Claim is November 1, 2012. Accordingly, to be valid, Proofs of Claim must be postmarked no later than November 1, 2012, and accurately addressed to the Claims Administrator. You may attend the court hearing described below if you wish, but your attendance or non-attendance will not affect your eligibility to submit the Proof of Claim. You do not need to appear in court, and you do not need to hire an attorney in this case.

9. When would I get my payment?

The Court will hold a hearing on December 19, 2012, to decide whether to approve the Partial Settlement. If Judge Dennis Craig approves the Partial Settlement, and after that, no appeal is taken, then you will be receiving your payment promptly. If an appeal is taken, then resolving it may take some time, perhaps up to, or more than, a year. Please be patient.

10. What am I giving up to get a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against ATS regarding the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you. In addition, as a result, as further detailed in the Settlement Agreement, Settlement Class Members who have not timely requested exclusion from this Settlement Class shall be deemed to have, and by operation of the Final Order shall have fully, finally and forever released, relinquished, and discharged all Released Claims, including Unknown Claims, against certain Released Persons.

The Settlement Agreement defines "Released Claims" – that is, the claims that you will give up against ATS – as any and all claims, rights, demands, obligations, controversies, debts, damages, losses, actions, causes of action, and liabilities of any kind or nature whatsoever (collectively, "Claims") whether in law or equity, whether based on federal, state, local, constitutional, statutory, or common law (including, but not limited to, claims sounding in tort (including fraud or fraud in the inducement) or contract) or any other law, whether accrued or unaccrued, fixed or contingent, or matured or unmatured, including both known and Unknown Claims, that have been or could have been asserted by the Lead Plaintiff or the Settlement Class Members, or any of them, or the heirs, executors, successors, or assigns of any of them, directly, derivatively, or in any representative or other capacity against ATS, in the Litigation or any other forum at any point from the beginning of time to the date of the Settlement Agreement's execution arising out of the allegations, transactions, facts, events, matters, occurrences, acts, representations, or omissions involved in, set forth in, or referred to in the Complaint or that could have been asserted in the Complaint, including, without limitation, (1) Claims against ATS alleging that the Ordinance violates any state or federal constitutional or statutory provisions; (2) Claims against ATS alleging an entitlement or right to the return or restitution of any sums paid or expended in connection with an actual or alleged violation of the Ordinance; and (3) Claims against ATS challenging in any way the City's enforcement of actual or alleged red light infractions.

"Unknown Claims," which are among the Claims you will release, are defined as any and all Released Claims that any Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons from the Released Claims which, if known by him, her or it, might have affected his, her or its decisions with respect to the Partial Settlement and release of the Released Persons, or might have affected his, her or its decision not to object to this Partial Settlement. With respect to any and all Released Claims, each of the Settlement Class Members shall be deemed to have expressly waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits, conferred by any law, rules, or regulations of any state or territory of the United States or any other country, or principle of common or civil law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

Lead Plaintiff and Settlement Class Members may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, but Lead Plaintiffs shall expressly fully, finally and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, which expressly include Unknown Claims against ATS. The Parties acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver and inclusion of Unknown Claims in the definition of Released Claims was separately bargained for and a key element of the Partial Settlement of which this release is a part.

The Released Persons – that is, those individuals and entities who you will not be able to sue on any Released Claim – are what the Settlement Agreement defines as the Settling Defendants and the Related Parties. The Settling Defendants are the two defendants referred to as ATS. The Related Parties means (i) ATS's successors, assigns, employees, officers, directors, attorneys, legal representatives, insurers, reinsurers, accountants or auditors, banks, investment banks, underwriters, consultants, and agents, (ii) any Person or entity which is or has been related to or affiliated with ATS, including, but not limited to, any direct or indirect predecessor, successor, parent, subsidiary, or sister corporation or business organization of ATS, and (iii) any Person or entity in which ATS has or had a controlling interest and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, accountants or auditors, banks, investment banks, underwriters, consultants, and agents of any such Person or entity.

EXCLUDING YOURSELF FROM THE PARTIAL SETTLEMENT

If you do not want a payment from the Partial Settlement, but you want to keep the right to sue or continue to sue ATS, on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class.

11. How do I get out of the Partial Settlement?

To exclude yourself from the Partial Settlement, you must send a letter by mail saying that you want to be excluded from the Florida Red Light Camera Litigation – Palm Coast Settlement. Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request letter postmarked by **November 1, 2012**, to Florida Red Light Camera Litigation – Palm Coast Settlement - Exclusions, at PO Box 2801, Faribault, MN 55021-8606.

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the Partial Settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) ATS about the legal issues in this case in the future.

12. If I do not exclude myself, can I sue the City and/or ATS for the same thing later?

No. Unless you exclude yourself, you give up the right to sue ATS for the claims that the Partial Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from this Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **November 1, 2012**. Any exclusion request postmarked after that date will not be valid, and the sender will be a Settlement Class Member and bound by the Partial Settlement and Release.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court decided that the law firms of Schuler, Halvorson & Weisser, P.A. of West Palm Beach, Florida, and Burlington & Rockenbach, P.A. of West Palm Beach, Florida, are qualified to represent you and all Settlement Class Members. Together the law firms are called “Lead Counsel.” They are experienced in handling similar cases. More information can be obtained about these law firms, their practices, and their lawyers’ experience by contacting the following Lead Counsel:

Jason D. Weisser, Esq.
SCHULER, HALVORSON & WEISSER, P.A.
1615 Forum Place, Suite 4-D
Barristers Building
West Palm Beach, FL 33401
(561) 689-8180
(561) 684-9683 (Facsimile)
Email: jweisser@shw-law.com
Website: www.shw-law.com

14. How will the lawyers be paid?

Lead Counsel has pursued this lawsuit on a contingent basis and has paid all costs of the lawsuit. These attorneys have not yet been paid or recovered any of their costs associated with the lawsuit. As part of the Partial Settlement, Lead Counsel will request that the Court award them attorneys’ fees and costs. Lead Counsel’s petition for fees and costs (“Fee and Costs Application”) will be filed with the Court no later than December 12, 2012, and may be reviewed by any interested party. The Court will determine a final reasonable fee and costs award at the Fairness Hearing based on Lead Counsel’s Fee and Costs Application and responses thereto, if any. Any money the Court awards Lead Counsel will be paid out of the Settlement Fund created by ATS.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Partial Settlement or some part of it.

15. How do I tell the Court that I do not like the Partial Settlement?

You can object to the Partial Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must (a) have served on the following counsel, such that they are received by such counsel on or before fourteen (14) calendar days before the Settlement Hearing, (i) a written notice of objection, including a written notice of your intention to appear if you intend to do so, (ii) a written statement of the position you will assert, (iii) the reasons for your position, and (iv) copies of any papers, briefs or other matter you wish the Court to consider:

Jason D. Weisser, Esq.
SCHULER, HALVORSON & WEISSER, P.A.
1615 Forum Place, Suite 4-D
Barristers Building
West Palm Beach, FL 33401
Telephone: 561/689-8180
Facsimile: 561/684-9683

and

Sam J. Salario, Esq.
CARLTON FIELDS, P.A.
4221 West Boy Scout Blvd.
Suite 1000
Tampa, FL 33607
Telephone: 813/223-7000
Facsimile: 813/229-4133

Counsel for Plaintiff

**Counsel for Defendants American Traffic Solutions,
LLC, and ATS American Traffic Solutions, Inc.**

and (b) filed said objections, papers and briefs, and proof of service on the above-listed counsel, and with the Flagler County Clerk of the Court, 1769 E. Moody Blvd., Bldg 1, Bunnell, FL 32110, on or before the same date. Any Settlement Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection (including any right of appeal) and shall forever be foreclosed from making any such objection, including any objection to the fairness or adequacy of the proposed Partial Settlement as incorporated in the Settlement Agreement, unless otherwise ordered by the Court.

16. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Partial Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class or the Partial Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

17. When and where will the Court decide whether to approve the Partial Settlement?

The Court will hold a Fairness Hearing on December 19, 2012, at 10:00 a.m., at the Flagler County Courthouse, at 1769 E. Moody Blvd., Bunnell, FL 32110, in Courtroom 402. At this hearing, the Court will consider whether the Partial Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Dennis Craig will listen to people who have asked to speak at the hearing. At or after the hearing, the Court will also decide whether to approve the Partial Settlement and how much to pay Lead Counsel. We do not know how long these decisions will take.

18. Do I have to come to the hearing?

No. Lead Counsel will answer any questions Judge Dennis Craig may have. But, you are welcome to come at your own expense. If you send an objection, you may come in person to the Court for the Fairness Hearing, retain your own attorney to appear for you at the Fairness Hearing, or not come at all, and the Court will consider your objection.

19. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Mayfield v. City of Palm Coast and ATS*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than December 5, 2012, and be sent to Florida Red Light Camera Litigation – Palm Coast Settlement, at PO Box 2801, Faribault MN 55021-8606. You cannot speak at the hearing if you excluded yourself from the Settlement Class.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing, you forfeit the opportunity to receive any monetary compensation and you give up any rights to sue ATS separately about the claims that have been or could have been asserted in this lawsuit.

GETTING MORE INFORMATION

21. Are there more details available?

The Pleadings, the Settlement Agreement, and other papers filed in this lawsuit are available for inspection in the offices of the Flagler County Clerk of the Court, 1769 E. Moody Blvd., Bldg 1, Bunnell, FL, 32110.

Additional information may be obtained at the Settlement Web site at www.floridaredlightcamerasettlement.com. You may also contact the Claims Administrator toll free at (866) 933-8161 or in writing at PO Box 2801, Faribault, MN 55021-8606. Additionally, you may contact Lead Counsel, whose contact information is listed above.

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK OF THE COURT.

DATE: AUGUST 3, 2012.