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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN DIEGO

FIRM SOLUTIONS, APC.)	CASE NO. GIC831065
Plaintiff,)	
)	
v.)	
)	
LYON FINANCIAL SERVICES, INC.; U.S.)	Dept: 69
BANCORP BUSINESS EQUIPMENT)	Judge: Hon. Jeffrey B. Barton
FINANCE GROUP and DOES 1 through 100,)	
inclusive,)	Complaint Filed: June 7, 2004
)	
Defendants.)	
)	
)	

NOTICE OF CLASS ACTION

TO: California Lessees of Lyon Financial Services, Inc. now d/b/a U.S. Bancorp Business Equipment Finance Group (“Lyon”) who are described below and who paid a property damage surcharge, an origination charge, and/or a UCC filing charge.

PLEASE NOTE: You may have entered into a Lease with another company, which was then assigned to Lyon. You may or may not have received notice of the assignment. If you have received this notice, this indicates that your mailing address comports with the last known mailing address for the lessee under the following lease with Lyon:

Lease No. _____

Lessee: _____

Lessor Whose Name Appears on the Bill: _____

For additional information, see “Additional Information” below.

You have not been sued. This Notice informs you about litigation that affects your rights. Please read this entire notice carefully.

If you do not request to be excluded from the Class by _____, as described below, you will be bound by the decisions and outcome of this lawsuit.

1 I. CLASS ACTION CLAIMS.

2 This Notice is to inform you of a class action lawsuit that is pending in the Superior
3 Court of California, County of San Diego (“the Court”). The Class certified by Order of the
4 Court is identified below at Section II (“the Class”).

5 In this lawsuit (“the Action”), Plaintiff Firm Solutions, APC, alleges that Lyon Financial
6 Services, Inc., now d/b/a U.S. Bancorp Business Equipment Finance Group (“Lyon”) imposed
7 certain charges in breach of the lease between Plaintiff and Lyon and in violation of California
8 Business and Professions Code Section 17200. Lyon owns leases covering various types of
9 office equipment or other kinds of personal property. Certain provisions in the Lyon leases
10 require lessees to provide property damage insurance, but if the lessees do not do so, give Lyon
11 the right to charge its lessees a property damage surcharge (PDS) for enrollment in a “property
12 damage coverage program.” Other provisions require the lessee to pay a Uniform Commercial
13 Code filing charge and an origination charge. Plaintiff alleges that the charges imposed by Lyon
14 under these lease provisions are in breach of the terms of the lease and the implied duty of good
15 faith and in violation of California Business and Professions Code Section 17200. On behalf of
16 itself and the Class, Plaintiff seeks to recover compensatory damages, restitution, injunctive and
17 declaratory relief, interest, attorney’s fees and costs. Lyon has denied all allegations of
18 wrongdoing and has asserted affirmative defenses. At this stage of the litigation, the Court has
19 not yet ruled on whether any of Plaintiff’s allegations have merit.

20 II. CLASS CERTIFIED.

21 On February 9, 2006, the Court entered an Order certifying the Action as a class action
22 pursuant to California Code of Civil Procedure Section 382. The following persons or entities
23 are in the certified class (“Class Members”):

24 All California lessees of Lyon or its predecessors-in-interest:

- 25 (a) who paid a property damage surcharge since June 7, 2000, and who have or had a
26 lease that contains the following language:

27 You agree to provide us certificates or other evidence of insurance
28 acceptable to us, before this Agreement begins or, we will enroll you in

1 our property damage coverage program and bill you a property damage
2 surcharge as a result of our increased administrative costs and credit risk.

3 and/or

4 (b) who paid a UCC filing charge since June 7, 2000 and who have or had a lease that
5 contains the following language:

6 You also agree to pay us any filing fees prescribed by the Uniform
7 Commercial Code or other law and reimburse us for all costs involved in
8 completing this transaction.

9 and/or

10 (c) who paid an origination charge since June 7, 2000 and who have or had a lease
11 that contains the following language:

12 You further agree to pay us [an amount] on the date the first rental
13 payment is due to cover the expense of originating the Agreement.

14 The Court certified this Action to proceed on behalf of Class Members on claims for breach of
15 contract and violation of California Business and Profession Code ¶17200 (“Class Action
16 Claims”).

17 III. LOCATION OF THE ACTION:

18 The Action is pending in the Superior Court of California, County of San Diego. The
19 case file can be reviewed, during normal business hours, at the office of the Clerk of the Court,
20 Superior Court of California – County of San Diego, 330 West Broadway, San Diego, California
21 92101.

22 While the Court has ordered that the Action proceed as a class action, the Court has not
23 ruled on the merits of Plaintiff’s claims or the denials and other defenses raised by Lyon. This
24 Notice is not to be understood as an expression of an opinion by the Court as to the merits of any
25 of the claims or defenses asserted by either side in the Action, but the Notice is for the sole
26 purpose of informing you of the pendency of this litigation so that you may make appropriate
27 decisions as to steps you may wish to take in relation to the Action.

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1 IV. DISCOVERY.

2 The Action has been litigated actively since it was filed on June 7, 2004. The following
3 schedule has been approved, but the schedule is subject to revision by the Court:

4	First Expert Exchange	November 17, 2006
5	Second Expert Exchange	December 18, 2006
6	Motion and Discovery Cut Off	January 19, 2007
7	Mediation Deadline	January 19, 2007
8	Motions for Summary Judgment/Adjudication	January 19, 2007
9	Trial Readiness Conference	_____
10	<u>Trial Date.</u>	

11 The trial in this Action is scheduled to begin on March 2, 2007.

12 V. ATTORNEY'S FEES AND COSTS.

13 If Plaintiff achieves a recovery for the Class, the Court will be asked to approve payment
14 of litigation expenses and attorney's fees to Class Counsel, which may be deducted from the total
15 amount of recovery. If Lyon prevails in the litigation, Class Members will not be responsible for
16 payment of costs or attorney's fees.

17 VI. CLASS REPRESENTATIVES AND ATTORNEYS.

18 The Court has approved Firm Solutions, APC as Class Representative. The Court has
19 approved as Class Counsel Miles D. Scully of Gordon & Rees LLP, 101 West Broadway, Suite
20 1600, San Diego, California 92101, and Edward A. Dean of Armbrecht Jackson LLP, 1300
21 Riverview Plaza, 63 S. Royal Street, Mobile, Alabama 36602.

22 VII. ELECTION BY CLASS MEMBERS.

23 If you come within the Class of persons or entities described in Paragraph II, you have a
24 choice whether to remain a Class Member and have the Class Representative and attorneys
25 identified in Paragraph VI represent you. The choice you make will have consequences that you
26 should understand before making your decision.

27 A. If you come within the Class of persons or entities described in Paragraph
28 II, you automatically become a Class Member unless you request to be excluded from the Class

1 in the manner indicated below. **If you wish to remain a Class Member, you are not required**
2 **to do anything at this time.** By remaining a Class Member, any claims you may have against
3 Lyon relating to the Property Damage Surcharge, the Uniform Commercial Code filing charge
4 and the origination charge will be determined in this case and cannot be presented in any other
5 lawsuit. As a Class Member, you will be bound by any result attained by the Class
6 Representative on the Class Action Claims, whether favorable or unfavorable.

7 B. **If you choose to be excluded from the Action, you must exclude**
8 **yourself by returning a request for exclusion with the Notice Administrator, Tilghman &**
9 **Company, 3415 Independence Drive, Suite 102, Birmingham, Alabama 35209. The**
10 **request for exclusion must be received by the Notice Administrator no later than**
11 _____, **2006.** By making the election to be excluded, you will not be bound by
12 any decision in the Action and you may present any claims you have against Lyon by filing your
13 own lawsuit. A request for exclusion must state the case name and number, “Firm Solutions,
14 APC v. U.S. Bancorp Business Equipment Finance Group, Superior Court of California –
15 County of San Diego Case No. GIC 831065, state “I elect to be excluded as a member of the
16 Class” and state the name and address of the lessee and the lease (account) number. See form
17 below.

18 VIII. RIGHTS AND OBLIGATIONS OF CLASS MEMBERS.

19 If you remain a Class Member:

20 A. Plaintiff will act as your representative and Miles D. Scully of Gordon &
21 Rees LLP and Edward A. Dean of Armbrecht Jackson LLP will act as your counsel for the
22 presentation of the Class Action Claims. If you desire, you may appear at any proceeding in
23 person or by an attorney you have selected provided that your counsel enters an appearance on
24 your behalf.

25 B. Your participation in any recovery which might be obtained from Lyon
26 through trial or settlement will depend on the results of the Action. Even if you do not like the
27 settlement or judgment, you will still be bound unless you exclude yourself from the Action by
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1 the exclusion deadline. If no recovery is obtained for the Class you will be bound by that result
2 also.

3 C. The Action will not be dismissed, settled or compromised without
4 approval of the Court, and notice of the proposed dismissal, settlement or compromise will be
5 given to each Class Member who does not request exclusion in the manner the Court directs.

6 D. You may be required as a condition to participating in any recovery to
7 provide evidence of your membership in the Class. You should therefore preserve documents
8 concerning your lease, the lease account, invoices and evidence of payment.

9 E. You may communicate with Class Counsel at the addresses below.

10 IX. ADDITIONAL INFORMATION.

11 Any questions you have concerning the matters contained in this Notice and any
12 corrections or changes of name or address should be directed in writing to Notice Administrator.

13 DO NOT CALL OR WRITE THE COURT OR THE CLERK OF COURT WITH QUESTIONS.

14 If you wish to communicate with Class Counsel in this litigation, you may do so by
15 writing Miles D. Scully, 101 West Broadway, Suite 1600, San Diego, California 92101, and/or
16 Edward A. Dean, 1300 Riverview Plaza, 63 S. Royal Street, Mobile, Alabama 36602.

17 X. REMINDER AS TO TIME LIMIT.

18 If you wish to be excluded from the Class, you must file a request for exclusion meeting
19 the requirements described in Paragraph VII.B. with the Notice Administrator to be received by
20 him on or before _____. See form below.

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22
23 Dated this _____ day of _____, 2006.

24
25 _____
26 SUPERIOR COURT JUDGE
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