



What's New?



Edition #14

March 22, 2018

Judge Awards \$162.5M Summary Judgment in Favor of Lot Owner Class

A Refresher on our Class-Action Lawsuit:

The Class-Action lawsuit was filed on behalf of Woodlake property owners in the Moore County Superior Court on October 23rd, 2017. The defendants (WLCCC) failed to respond to the lawsuit within the required time period.

January Court Hearing Outcome:

On January 19th, our lawyers presented a motion to the Moore County Superior Court. The motion was heard by the Honorable Judge James M. Webb, who was asked to certify a Class consisting of all property owners within Woodlake. No one representing WLCCC appeared at the hearing.

Judge Webb "preliminarily" certified the Property Owner Class, and ordered that a Class "Opt-Out" Notice be distributed per the Court's direction. The Notices were sent via USPS to **ALL** current Woodlake property owners, less the defendants (WLCCC). That Notice explained who was in the Class, the potential outcome of a judgment, and how to opt-out of the Class.

What if Someone Opted-Out?:

First, **only 36** of 1900+ owners opted out of the class. We consider that to be a resounding endorsement of this lawsuit. Those opt-outs will not be entitled to a share of any money or property that may be collected from WLCCC in connection with this lawsuit. They will not be bound by any decisions that the Court makes in the lawsuit. If someone opted out, they retain the right to sue WLCCC on their own as individuals.

Today's Court Hearing Outcome:

A court hearing was held today, March 22nd, in the Moore County Superior Court, with the Honorable Judge James M. Webb presiding. The law firm of Jordan Price, which has represented us since the beginning of the lawsuit, represented the plaintiffs' (Class members), with Hope Derby Carmichael as the lead attorney. At this hearing, Hope presented the final designation of the class (i.e. who was a member of the class), as well as material justifying the claimed damages to the members of the Lot Owner Class.

In preparation for the case, our lawyers filed for a subpoena of WLCCC VP Julie Watson. The Moore County Sheriff served her the subpoena, and Hope Carmichael (our lead lawyer) deposed her **under oath** for three hours on March 14th. Useful information was gained in the deposition.

Judge Webb issued a Summary Judgment in favor of the Plaintiffs (Lot owner class) for **\$162,520,636** which is made up of compensatory damages of **\$40,630,159** and punitive damages of **\$121,890,477**. The judgment now serves as a lien against WLCCC assets.

Path Forward:

We must wait 30 days to allow for any objections to the judgment. Once the 30 days have passed, we will then begin the process of executing our judgment. There are a number of options we can take in executing the judgment so we will be developing our strategy in the next 30 days. It is not prudent for us to present the options or potential strategy at this time, but we will share this information once our attorney advises it is safe to do so.

ONE MORE TIME: Is there a financial obligation for Class members?

Being a member of the Class does **not** require any financial contribution. Anyone who is a Woodlake property owner that has not "opted out" of the lawsuit is considered part of the Class, regardless of whether they have made any financial contribution to the costs associated with the lawsuit. The legal fees and other associated costs of bringing this class-action lawsuit will continue to be paid by **voluntary** contributions to the Restore Woodlake Committee. These contributions are greatly appreciated and encouraged, since without them we would not be able to pursue this lawsuit, and other efforts aimed at restoring the lake—but they are entirely **voluntary**.

Questions:

For more detailed information, a FAQ document is attached.

If you have any questions not addressed in the FAQ, please go to the following link, and fill out the form <http://www.restorewoodlake.com/contact/>. We will do our best to respond in less than 24 hours. Additionally, there is a section on the website labeled Q&A that will list all questions and answers.

FAQ's

Q. How was the value of the judgment calculated?

A. The property tax valuations provided by the Moore County Tax Department were used for waterfront properties. The data provided by the MC Tax Dept (WL property tax valuations on 8/16/17 - **before** the Woodlake dam breach construction; and, 8/17/17 - **after** the breach construction was completed) was used to determine the property value reduction and consequent damages.

A licensed real estate broker was used to do a market analysis to determine the diminution of property value for non-waterfront properties using the same dates as described above.

All WLCCC properties were excluded in the damage calculation, as were all properties of WL property owners that opted-out of the Class-Action lawsuit.

Q. Will the deposition of the WLCCC VP and accompanying documents be made public?

A. Yes. The deposition has already been posted on the website at <http://www.restorewoodlake.com/>.

Q. Can WLCCC appeal or counter the judgment?

A. WLCCC has 30 days to appeal the judgment. Our attorney has a strategy ready to execute if they decide to take such an action.

Q. Was a specific point-in-time/date used as the baseline for the value of properties? What was it and why?

A. 8/16/17 was used because that was the date the breach construction was completed, thus making the breach permanent until a complete dam rebuild project is initiated. See first question for additional details.

Q. Now that we have a judgment, what does that mean to me?

A. No action is required at this time by Lot Owner Class members. As stated in Newsletter Edition #14, we are developing a strategy for execution of the judgment so the outcome for the community and class members is a work in progress and will be shared once completed and our attorney advises it is safe to divulge.