



**CITY OF SEDALIA
SPECIAL COUNCIL MEETING
CITY COUNCIL WORK SESSION**

**Monday, October 27, 2014
6:00 P.M.**

**Mayor's Conference Room
Municipal Building
200 S. Osage Avenue**

Special Council Meeting – 6:00 p.m.

ROLL CALL

NEW BUSINESS

A. ORDINANCES AND RESOLUTIONS

- Approving a Settlement Agreement with CenturyLink and assigning a percentage of the Settlement Proceeds to the Missouri Municipal League**

LIQUOR LICENSES

Renewal:

- *Kimberly M Howard dba Little General, 1515 Thompson Blvd, Packaged Liquor with Sunday Sales, \$450 – Business is in process of being sold; application from new owners pending.**

ADJOURN

Work Session – Immediately following special council meeting

1. Presentation – Private I & I (Bill Beck, Presenter). Continued presentation from October 6, 2014 Pre-Council; Staff is anticipating direction from City Council regarding issue.

The City Council reserves the right to discuss any other topics that are broached during the course of this meeting.

Posted October 23, 2014

**IF YOU HAVE SPECIAL NEEDS, WHICH REQUIRE ACCOMMODATION,
PLEASE NOTIFY THE CITY CLERK'S OFFICE. ACCOMMODATIONS WILL
BE MADE FOR YOUR NEEDS.**

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A SETTLEMENT AGREEMENT WITH CENTURYLINK AND ASSIGNING A PERCENTAGE OF THE SETTLEMENT PROCEEDS TO THE MISSOURI MUNICIPAL LEAGUE.

WHEREAS, the City of Sedalia, Missouri (the "Plaintiff") is either a named plaintiff or a putative class member in a lawsuit to recover unpaid Business License Taxes (as defined in the Settlement Agreement described below), which lawsuit is styled *City of O'Fallon, Missouri, et al. v. Centurylink, Inc., et al.*, Case No. 12SL-CC01723, and is pending in the Circuit Court of St. Louis County, Missouri (the "Lawsuit"); and

WHEREAS, the Plaintiff and Defendants (as defined in the Settlement Agreement) wish to avoid the expense and uncertainty of continued litigation and desire to settle their dispute(s) without further litigation; and

WHEREAS, a settlement agreement settling the Lawsuit was signed by the named plaintiffs (as class representatives) and Defendants, and was filed with and preliminarily approved by the Circuit Court of St. Louis County on August 22, 2014 (the "Settlement Agreement"); and

WHEREAS, the Plaintiff and CenturyLink have conducted an investigation and evaluation of the facts and the law relating to the claims in the Lawsuit and believe that the Settlement Agreement is fair, reasonable, adequate and in the best interest of all of the parties; and

WHEREAS, pursuant to the Settlement Agreement, the Plaintiff has received a Notice of CenturyLink Class Action Settlement and Approval Hearing, incorporated herein by reference, and a CenturyLink Landline Municipal Tax Settlement Claim Form, incorporated herein by reference, which identify the estimated Back Tax Payment (as defined in the Settlement Agreement) that will be paid and released to the Plaintiff pursuant to the Settlement Agreement after the Settlement Agreement become Final (as defined in the Settlement Agreement); and

WHEREAS, the Plaintiff desires to approve and accept the Settlement Agreement and the estimated Back Tax Payment and further desires to assign a portion of the proceeds to the Missouri Municipal League as provided therein.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SEDALIA, MISSOURI, AS FOLLOWS:

Section 1. The Council of the City of Sedalia, Missouri hereby approves, accepts, and adopts all terms and provisions of the Settlement Agreement as a binding and enforceable agreement between the City of Sedalia, Missouri and Defendants, as if the City of Sedalia, Missouri was an original signatory thereto.

Section 2. The City of Sedalia, Missouri further approves the estimated Back Tax Payment of \$2,797.02 as shown on the CenturyLink Landline Municipal Tax Settlement Claim Form (subject to adjustment as provided by the Settlement Agreement), along with the other relief provided in the Settlement Agreement, as adequate consideration for the release of claims by the City of Sedalia, Missouri against Defendants.

Section 3. The City of Sedalia, Missouri further assigns to the Missouri Municipal League \$_____ of its Back Tax Payment, which amount shall be used for the public purpose of reimbursing the League for revenues expended in its legislative and settlement efforts relating to the Lawsuit and/or to fund future services performed on behalf of the League's member municipalities.

Section 4. The City Administrator of the City of Sedalia, Missouri, on behalf of the Plaintiff, is hereby authorized and directed to execute the CenturyLink Landline Municipal Tax Settlement Claim Form and any other documents necessary under the Settlement Agreement.

Section 5. This Ordinance shall be in full force and effect after passage and approval as required by law.

Read two times by title, copies of the proposed ordinance having been made available for public inspection prior to the time the bill is under consideration by the Council and passed by the Council of the City of Sedalia, Missouri this 27th day of October 2014.

Presiding Officer of the Council

Approved by the Mayor of said City this 27th day of October 2014.

Stephen J. Galliher, Mayor

ATTEST:

Arlene Silvey, MPCC
City Clerk

CenturyLink Landline Municipal Tax Settlement Claim Form

City of Sedalia
Attn: Mayor
200 S Osage Avenue
Sedalia, MO 65301

If you want to participate in the Settlement, you must complete this form and submit it along with the necessary claim information to the address below, postmarked by November 4, 2014, after first reading the attached NOTICE.

PAYMENT OF BACK TAX LIABILITY

The Back Tax Payment that is estimated would be payable to you was calculated using the following formula:

A	B	C	TR	D	E	F	G	H	I	J	K	L	Est Protest and Interim
\$8.49M	Amt. of attorneys' fees approved by the Court	A - B	BLT or franchise fee rate	Class member's non-Qwest underpayment from 2010 through 2012 (calculated as the greater of (i) gross receipts as stated on sales tax returns times 1.08 to correct for understated bundled interstate long distance times the class member's tax rate or (ii) 1.3 times actual BLT payments). Both (i) and (ii) are adjusted to assess taxes on BLT collections from customers.	Class member's non-Qwest BLT payments	Class member's estimated non-Qwest underpayments for 2013 and half of 2014, extrapolated from 2010-2012 sales tax figures times 1.08 to correct for understated bundled interstate long distance times the class member's tax rate, net of any non-Qwest BLT payments.	Class member's Qwest underpayment from 2010 through 2012 (calculated as the greater of (i) gross receipts as reported on sales tax returns (or as recalculated from adjusted sales tax returns) times the class member's tax rate or (ii) actual BLT payments). Both (i) and (ii) are adjusted to assess taxes on BLT collections from customers.	Class member's Qwest BLT payments.	Class member's estimated Qwest underpayments for 2013 and half of 2014, extrapolated from 2013 sales tax figures times the class member's tax rate, net of any Qwest BLT payments.	D minus E (but not less than zero) plus F minus H (but not less than zero) plus I. This is the estimated total back taxes owed.	J divided by the total of all class member's Js. This is each class member's percentage share of the total of all estimated back taxes owed.	C times K. This is the Back Tax Payment. As provided in the Settlement Agreement, this amount is subject to adjustment depending on approved claims.	An estimate of the sum that will be released/paid to each city. The amounts from January 1, 2013 through June 30, 2014 are derived from protest payments reported by Defendants. The amount from July 1 until the end of 2014 is estimated based on the reported protest payments.

The Back Tax Payment that is estimated would be payable to you is: \$2,797.02. Because the formula for calculating the Back Tax Payment depends on the calculations of each Class Member's Business License Tax payment, it is possible that a municipality's share of the amount to be distributed pursuant to the Settlement may change if Defendants approve an adjustment to the calculations pursuant to a Class Member's appeal to Defendants under Section IV.H. of the Settlement Agreement, or otherwise. Also, if a Municipality is not paid its Back Tax Payment because the Municipality fails to submit a valid required

Claim Form, or a Municipality's claim is rejected, pursuant to the Settlement, the amount of that Municipality's Back Tax Payment shall be redistributed pro rata among Class Members that have timely and validly submitted a Claim Form.

If you disagree with the amount of the Back Tax Payment, you must submit a detailed explanation as to why you believe the amount was incorrectly calculated. If you are unable to agree with CenturyLink on the amount of the Back Tax Payment, you may either opt out of the settlement or accept the amount of the Back Tax Payment as calculated by CenturyLink.

Please indicate where your Back Tax Payment should be sent by checking **one** of the following three options:

OPTION 1:

Pay the Back Tax Payment in the same manner in which CenturyLink currently remits its gross receipts license tax payment, including via wire transfer, if applicable; OR

OPTION 2:

Make the check payable in the name of the Municipality listed above and mail it to the duly authorized representative listed below; OR

OPTION 3:

Make the Back Tax Payment as follows:

Make Check Payable To: _____

Mail Check to the Attention of: _____

Street Address: _____

City, State, Zip Code: _____

ASSIGNMENT TO MISSOURI MUNICIPAL LEAGUE OR ST. LOUIS COUNTY MUNICIPAL LEAGUE:

If you wish to assign part of your Back Tax Payment to the Missouri Municipal League or the St. Louis County Municipal League (if you are located within St. Louis County), please mark this box and enter the amount here: \$ _____ (the amount may not exceed 5% of the Back Tax Payment). **Please Note: the amount of the Back Tax Payment you receive will be directly reduced by the amount assigned to the Missouri Municipal League or St. Louis County Municipal League.**

CLAIM INFORMATION

In order to obtain the Back Tax Payment under the Settlement, you must attach the following to this Claim Form:

- Either (a) certified copy of an ordinance enacted by the Municipality accepting all terms and provisions of the Settlement Agreement **or** (b) other acknowledgment that the Municipality agrees to be bound by the terms of the Settlement Agreement if approved by the Court as well as an opinion of counsel, addressed to CenturyLink, that the Settlement Agreement, if approved by the Court, is a binding obligation of the Municipality; **and**:
- If you have elected to make an assignment to the Missouri Municipal League or St. Louis County Municipal League, the ordinance or other acknowledgement must expressly authorize the assignment; **and**:
- A certified copy (or, if the Municipality's Back Tax Payment is \$499.99 or less, a legible copy) of the ordinances or municipal code provisions imposing the Business License Tax pursuant to which the Municipality believes it is entitled to a Back Tax Payment.

Class Members whose Back Tax Payment is \$499.99 or less on Exhibit E agree, in the event of a dispute with any Defendant involving the ordinances or municipal code provisions imposing the Business License Tax pursuant to which Class Member believes it is entitled to a Back Tax Payment, or the payment or collection of taxes under such ordinances or municipal code provisions, to provide Defendants certified copies of such ordinances or municipal code provisions upon written request.

The Municipality's duly authorized representative, to whom all inquiries regarding this Claim Form may be directed, is:

Name: _____
Address: _____

Email: _____
Telephone number: _____

The Municipality's duly authorized representative, to whom all inquiries regarding its Business License Tax may be directed, is:

- Same as above
- Other:
Name: _____
Address: _____

Email: _____
Telephone number: _____

Please note that if you file this Claim Form, you agree to retain Class Counsel to act as your attorneys, at no additional cost to you other than as provided for in the Settlement Agreement, to resolve any dispute that arises in connection with the litigation and Settlement, until 30 days after the Effective Date of Settlement.

I certify that:

1. I am authorized to submit the Claim Form on behalf of the Municipality identified above and to make the representations set forth in this Claim Form on behalf of the Municipality;
2. After due inquiry, the information contained in and submitted with this Claim Form, including without limitation the ordinance or municipal code provisions attached, is valid, effective, complete and accurate to the best of my knowledge and that of the Municipality, after due inquiry;
3. The Municipality agrees to be bound by the terms of the Settlement Agreement if approved by the Court and that the Settlement Agreement, if approved by the Court, is a binding obligation of the Municipality; and
4. Prior to submitting the Claim Form, the Municipality has taken all actions necessary for the Settlement Agreement to be enforceable against the Municipality.

Signature of Duly Authorized Representative

Date

Printed Name

Title

MAIL YOUR COMPLETED CLAIM FORM TO:

**Clark & Sauer, LLC
Attn: O'Fallon Settlement Administrator
7733 Forsyth Blvd., Suite 625
St. Louis, MO 63105**

IN THE CIRCUIT COURT OF THE COUNTY OF ST. LOUIS
STATE OF MISSOURI

Case No. 12SL-CC01723

NOTICE OF CLASS ACTION SETTLEMENT AND APPROVAL HEARING

TO: City of Sedalia
Attn: Mayor
200 S Osage Avenue
Sedalia, MO 65301

CITY OF O'FALLON, MISSOURI;
CITY OF TROY, MISSOURI; and
CITY OF ORRICK, MISSOURI;

On behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

CENTURYLINK, INC.; CENTURYTEL
OF MISSOURI, LLC d/b/a
CENTURYLINK; CENTURYTEL LONG
DISTANCE, LLC
d/b/a CENTURYLINK LONG
DISTANCE; EMBARQ MISSOURI,
INC.; et al.,

Defendants.

This notice explains the settlement of a class action lawsuit concerning revenues subject to business license taxes that municipalities impose on CenturyLink, Inc., CenturyTel of Missouri, LLC, CenturyTel Long Distance, LLC, Embarq Missouri, Inc., Spectra Communications Group, LLC, Embarq Communications, Inc., and CenturyLink Communications, LLC (f/k/a Qwest Communications Corporation, and f/k/a Qwest Communications Company, LLC), and related entities ("Defendants" or "CenturyLink"). The settlement has been preliminarily approved by the Court and provides for the payment of back taxes and future taxes to these municipalities.

PLEASE TAKE NOTICE THAT on December 12, 2014 in Division 43 of the Circuit Court of the County of St. Louis, at 1:30 p.m., a hearing shall be conducted to determine whether to grant final approval to the settlement, consider any timely objections to the settlement, and rule on the fee and expense application submitted by attorneys for the plaintiffs.

No payment of back taxes by Defendants will be made available to municipalities under the settlement agreement until after the settlement has become final and non-appealable.

Read this notice carefully. You may be entitled to share in the settlement proceeds of this lawsuit. Your rights to a monetary award may be affected.

1. What is this lawsuit about?

Plaintiffs contend that CenturyLink did not pay taxes on certain gross receipts derived from Carrier Access (whether alleged to be interstate or intrastate), End User Common Line surcharges ("EUCL"), private line services (whether alleged to be interstate or intrastate), long-distance toll services (whether alleged to be interstate or intrastate), federal and state universal service fee

surcharges (“FUSF” and “SUSF”), and other revenues upon which Business License Taxes have not been paid by Defendants at various times, and for interest and/or penalties thereon. Defendants have denied and continue to deny any and all liability with respect to the allegations raised against them in the various lawsuits involving the applicability of Plaintiffs’ and other Municipalities’ respective Business License Tax ordinances to Defendants’ products and services.

Based on the information available to both sides, and the risks involved in trial, attorneys for the class have concluded that the proposed settlement is fair, reasonable, adequate, and that it serves the best interests of class members.

2. Who are the parties in this class action?

The named Plaintiffs in this class action are the City of O’Fallon, Missouri, City of Troy, Missouri and City of Orrick, Missouri. Plaintiffs filed this lawsuit as a class action to assert their own individual claims and to represent a class of municipalities with similar claims.

The Defendants, subsidiaries, and affiliates included in the settlement include CenturyLink, Inc., CenturyTel of Missouri, LLC, CenturyTel Long Distance, LLC, Embarq Missouri, Inc., Spectra Communications Group, LLC, Embarq Communications, Inc., and CenturyLink Communications, LLC (f/k/a Qwest Communications Corporation, and f/k/a Qwest Communications Company, LLC).

3. What compensation or benefits will the settlement provide?

The settlement, if it is finally approved by the Court, provides for the payment of back taxes and future taxes as described in more detail below. In addition, to the extent Defendants have paid any taxes under protest and have initiated any tax protest actions against you, those protest actions will be dismissed and the protested taxes released unconditionally to you.

- a. Payment of Back Taxes. The Settlement specifies a back tax payment with respect to each municipality, and your back tax payment is shown below. The payment was determined as follows:

A	B	C	D	E	F	G	H	I	J	K	L	M	N
\$8.49M	Amt. of attorneys' fees approved by the Court	A - B	BLT or franchise fee rate	Class member's non-Qwest underpayment from 2010 through 2012 (calculated as the greater of (i) gross receipts as stated on sales tax returns times 1.08 to correct for understated bundled interstate long distance times the class member's tax rate or (ii) 1.3 times actual BLT payments). Both (i) and (ii) are adjusted to assess taxes on BLT collections from customers.	Class member's non-Qwest BLT payments	Class member's estimated non-Qwest underpayments for 2013 and half of 2014, extrapolated from 2010-2012 sales tax figures times 1.08 to correct for understated bundled interstate long distance times the class member's tax rate, net of any non-Qwest BLT payments.	Class member's Qwest underpayment from 2010 through 2012 (calculated as the greater of (i) gross receipts as reported on sales tax returns (or as recalculated from adjusted sales tax returns) times the class member's tax rate or (ii) actual BLT payments). Both (i) and (ii) are adjusted to assess taxes on BLT collections from customers.	Class member's Qwest BLT payments.	Class member's estimated Qwest underpayments for 2013 and half of 2014, extrapolated from 2013 sales tax figures times the class member's tax rate, net of any Qwest BLT payments.	D minus E (but not less than zero) plus F plus G minus H (but not less than zero) plus I. This is the estimated total back taxes owed.	J divided by the total of all class member's Ks. This is each class member's percentage share of the total of all estimated back taxes owed.	C times K. This is the Back Tax Payment. As provided in the Settlement Agreement, this amount is subject to adjustment depending on approved claims.	An estimate of the sum that will be released/paid to each city. The amounts from January 1, 2013 through June 30, 2014 are derived from protest payments reported by Defendants. The amount from July 1 until the end of 2014 is estimated based on the reported protest payments.

The amount of the Back Tax Payment for you pursuant to the Settlement is estimated to be: **\$2,797.02**. Because the formula for calculating the Back Tax Payment depends on the calculation of each Class Member's Business License Tax payment and other factors, it is possible that a municipality's share of the amount to be distributed pursuant to the Settlement may change if, *inter alia*, Defendants approve an adjustment to the calculations pursuant to a Class Member's appeal to Defendants under Section IV.H. of the Settlement Agreement, or otherwise. Also, if a municipality is not paid its Back Tax Payment because the municipality fails to submit a valid required claim form, or a municipality's claim is rejected, pursuant to the Settlement, the amount of that municipality's Back Tax Payment shall be redistributed pro rata among Class Members that have timely and validly submitted a claim form.

b. Payment of Future Taxes.

Defendants Providing Local Service

With respect to Defendants providing local or other non-long distance services, the Business License Tax code or ordinance of each Class Member shall be interpreted to apply to: (i)

revenues upon which such Defendant already pays a Business License Tax to that Class Member without protest; **PLUS** (ii) revenues from any additional services that are subject to Missouri's state sales tax on "telecommunications service" as that term is used in § 144.010.1(14), as restricted by § 144.030.1 RSMo; **PLUS** (iii) revenues as described in section (ii) above from any retail customer which would otherwise be subject to the Missouri state sales tax but for an exemption for such customer from the state sales tax (e.g., not-for-profits under § 144.030.2(19) RSMo). Services subject to the Business License Tax shall include, but not be limited to, FUSF, SUSF, intraLATA toll service, EUCL, and intrastate private line. Services subject to the Business License Tax shall not include, inter alia, Carrier Access, Revenues Derived From Interstate Services (although such Defendants agree to pay the Business License Tax on revenues from intraLATA interstate telephone service), voice messaging services, and Customer Premises Equipment. Defendants acknowledge that each will include receipts from Business License Tax surcharges in the Business License Tax base.

Defendants Providing Long Distance Service

With respect to Defendants providing long distance service, the Business License Tax code or ordinance of each Class Member shall be interpreted to apply to: (i) revenues upon which such Defendant already pays a Business License Tax to that Class Member without protest; **PLUS** (ii) revenues from services that are subject to Missouri's state sales tax on "telecommunications service" as that term is used in § 144.010.1(14) as restricted by § 144.030.1 RSMo; **PLUS** (iii) revenues as described in section (i) above from any retail customer which would otherwise be subject to the Missouri state sales tax but for an exemption for such customer from the state sales tax (e.g., not-for-profits under § 144.030.2(20) RSMo). Services subject to the Business License Tax shall include, but not be limited to, intrastate long-distance telephone services. Services subject to the Business License Tax shall not include, inter alia, interstate long-distance telephone services. Defendants acknowledge that, henceforth, each will include receipts from Business License Tax surcharges in the Business License Tax base.

Bundled and Packaged Telephone Services

In the event Defendants, individually or collectively, receive revenues from bundled or packaged telephone services, whether intrastate or interstate, and such telephone services are not separately accounted for on an end-user's bill, Defendant(s) shall pay future Business License Taxes on such bundled and packaged telephone services consistent with 12 Mo. CSR 10-3.188(7) or any successor regulation.

IF YOU ARE A MEMBER OF THE CLASS RECEIVING THIS NOTICE AND DO NOT FILE A CLAIM FORM, YOU WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT FOR BACK TAXES THAT ARE THE SUBJECT OF THIS LAWSUIT.

4. Are you a member of this class?

This notice has been sent to you because you may be a member of a group of municipalities (a class) for whom a settlement with CenturyLink has been reached. The class consists of all Municipalities in the State of Missouri that, on or before August 22, 2014, have imposed a Business License Tax and in which Defendants or any of them derived gross receipts from the provision of telephone, exchange telephone, public utility, or telecommunications services, or related services. Excluded from the class are the City of Aurora, Missouri, the City of Cameron, Missouri, the City of Harrisonville, Missouri, the City of Oak

Grove, Missouri, and the City of Wentzville, Missouri (collectively, the "Aurora Plaintiffs") and the City of Jefferson, Missouri.

If the Back Tax Payment amount for you shown in Section 3 above is zero (0), it signifies that according to records available to CenturyLink and Class Counsel you either do not have a gross receipts Business License Tax or CenturyLink has not done business with your municipality during the time period indicated in Exhibit E to the Settlement Agreement. If you disagree with this, you can submit an explanation for the basis of your disagreement along with your claim form as described in Section 6(b) below.

5. What do you have to do to receive payment for Back Taxes from the Settlement?

In order to receive payment for back taxes from the Settlement, your duly authorized representative must timely submit the attached claim form, duly executed, providing:

(1) the name, address and telephone number of your duly authorized representative(s), to whom all inquiries regarding the claim form and your Business License Tax may be directed;

(2) a certified copy of an ordinance enacted by you accepting and binding you to all terms and provisions of the Settlement Agreement, or (i) if you can bind yourself to the Settlement Agreement without enacting an ordinance and choose to do so instead of enacting an ordinance, some other acknowledgement binding you to the terms of the Settlement Agreement if the agreement is approved by the Court, or (ii) if your Back Tax Payment is \$499.99 or less, the attached claim form;

(3) a certified copy (or, if your Back Tax Payment is \$499.99 or less, a legible copy) of the ordinances or municipal code provisions imposing the Business License Tax pursuant to which you believe you are entitled to a Back Tax Payment; and

(4) the name and address to which your back tax payment shall be made and mailed by CenturyLink. If you choose to acknowledge that you are bound by the Settlement Agreement without enacting an ordinance, then you will need to provide an opinion of counsel, addressed to CenturyLink, that you are bound by the Settlement Agreement.

The deadline for filing a claim is 60 days from the date of this Notice. Any claim that is postmarked after this date will be rejected and you will not be entitled to back tax class relief.

6. What are your options?

If you are a member of the class and have received this notice, you will have the following options:

- File a claim if you meet the criteria set out in Section 5 above.
- Do nothing, thereby foregoing the possibility of receiving any back tax relief.
- Stay in the class and file an objection if you disagree with any part of the settlement or the request for attorneys' fees or expenses.
- Exclude yourself from the class, which means you will not participate in any of the financial benefits from the proposed settlement will not be bound by the release made or judgment

entered in connection with the settlement, and will not be permitted to object to any part of the settlement.

The following sections explain the consequences of pursuing each option:

a. What happens if you file a claim?

If you are a class member and you complete and mail the enclosed claim form, and if the form is approved by CenturyLink, you will receive the payments described above once the settlement has become final. Additionally, if your claim form is approved, any tax protest actions brought by CenturyLink against you shall, upon final approval of the settlement, be dismissed and such protested amounts released to you. **Please note:** because the formula for calculating your back tax payment depends on the calculation of each class member's Business License Tax payment and other factors, it is possible that your share of the amount to be distributed pursuant to the settlement may change if, *inter alia*, the Defendants approve an adjustment to the calculations pursuant to a class member's appeal to Defendants.

Any Business License Tax payments made by CenturyLink between August 22, 2014 and the entry of the Order and Judgment of Dismissal approving this settlement, to the extent identified by CenturyLink with such payment as an interim payment, shall be deemed to be made under protest and each class member must hold any such payments in a segregated account until final approval of this settlement at which point, if you have filed an approved claim form, all of these payments will be released to you. CenturyLink will also dismiss any protest actions filed with respect to these payments.

Unless you file a Request for Exclusion (see Section 6(e) below), you will be prohibited from bringing a lawsuit against Defendants based on or related to any of the claims asserted by the Plaintiffs.

If you file a claim form, you agree to retain Class Counsel to act as your attorneys, at no additional cost to you other than as provided for in the Settlement Agreement, to resolve any dispute that arises in connection with the litigation and settlement, until 30 days after the Effective Date of Settlement.

b. What happens if you disagree with the amount of the Back Tax Payment?

Under the terms of the settlement, a municipality that disagrees with the Back Tax Payment amount may submit a detailed explanation as to why it believes the Back Tax Payment was incorrectly calculated with its claim form. In the event CenturyLink disagrees with the municipality's contention, CenturyLink is obligated to meet and confer in good faith with Class Counsel and representatives of the municipality in question in an effort to resolve the issue. If after such consultation, the municipality and CenturyLink cannot agree on the Back Tax Payment, the Back Tax Payment specified in this Notice shall be the amount the municipality is entitled to receive pursuant to the Settlement. If the municipality does not agree with the amount of the Back Tax Payment, it may either opt out of the Settlement as set forth in Section 6(e) of this Notice, or nonetheless accept the amount of the Back Tax Payment as calculated by CenturyLink. The opt-out deadline shall be extended for such municipality for a period of 30 days to resolve disputes related solely to the amount of the Back Tax Payment. If the parties are unable to resolve a disagreement as to the amount of the Back Tax Payment after the consultation set forth above, such disagreement shall not be subject to other challenge or appeal.

c. What happens if you do not file a claim?

Under the terms of the settlement, if you do not file a claim form, you will not receive any payment of back taxes. Assuming the Court approves the settlement, and you do not file a claim or submit a request for exclusion, you nevertheless will be prohibited from bringing or joining any lawsuit against Defendants based on or related to any of the claims asserted by the Plaintiffs.

d. How do I file an objection?

You must state your objection in writing and file it with the Court postmarked no later than October 27, 2014. The objection should be addressed to the Honorable Joseph S. Dueker, St. Louis County Circuit Court, Division 43, 7900 Carondelet, Clayton, Missouri 63105, and marked to indicate "objections to proposed settlement in *City of O'Fallon, Missouri v. CenturyLink*, Case No. 12SL-CC01723.

You must simultaneously mail your objection to Class Counsel:

John W. Hoffman
Douglas R. Sprong
Korein Tillery, LLC
505 N. 7th Street, Suite 3600
St. Louis, MO 63101

John F. Mulligan, Jr.
101 South Hanley, Suite 1280
Clayton, MO 63105

Howard Paperner
9322 Manchester Road
St. Louis, MO 63119

and to CenturyLink's attorneys:

Steven J. Perfrement
Bryan Cave, LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203

Mark B. Leadlove
Bryan Cave, LLP
211 N. Broadway, Suite 3600
St. Louis, MO 63102

Stephen R. Clark
Adam S. Hochschild
Clark & Sauer, LLC
7733 Forsyth Blvd., Suite 625
St. Louis, MO 63105

Included in any such objection must be a statement of the basis of your objection and a declaration stating that you are a member of the class described in Section 4 above. If you do not properly file and serve an objection by the required date, any objection you have to the settlement will be waived and you forever shall be foreclosed from making any objection to the fairness or adequacy of the proposed settlement, the payment of attorneys' fees and expenses, or the Order and Judgment of Dismissal.

e. How do I exclude myself from the settlement class?

You can exclude yourself from the class, which means you will not participate in any aspect of the settlement and you may pursue your own claims, if any, at your own expense against the Defendants. Any Municipality that desires to be excluded from the Settlement Class, and therefore not be bound by the terms of the Settlement Agreement, must mail a timely and valid written Request for Exclusion bearing a United States postmark no later than October 20, 2014 to:

Clark & Sauer, LLC
Attn: **O'Fallon Settlement Administrator**
7733 Forsyth Blvd., Suite 625
St. Louis, MO 63105

You must simultaneously mail your objection to Class Counsel:

John W. Hoffman
Douglas R. Sprong
Korein Tillery, LLC
505 N. 7th Street, Suite 3600
St. Louis, MO 63101

John F. Mulligan, Jr.
101 South Hanley, Suite 1280
Clayton, MO 63105

Howard Paperner
9322 Manchester Road
St. Louis, MO 63119

and to CenturyLink's attorneys:

Steven J. Perfrement
Bryan Cave, LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203

Mark B. Leadlove
Bryan Cave, LLP
211 N. Broadway, Suite 3600
St. Louis, MO 63102

Stephen R. Clark
Adam S. Hochschild

Clark & Sauer, LLC
7733 Forsyth Blvd., Suite 625
St. Louis, MO 63105

In order to be valid, a Request for Exclusion must: (1) be signed personally by the duly authorized representative of the Municipality; (2) be timely mailed to the designated address; (3) clearly request exclusion from the Settlement Class; and (4) contain the name, address, and telephone number of the duly authorized representative of the Municipality.

Any Municipality that elects to be excluded shall not be entitled to receive any of the benefits of the Settlement, shall not be bound by the release of any claims pursuant to the Settlement Agreement, and shall not be entitled to object to the Settlement or appear at the Final Fairness Hearing.

7. When will the Court conduct the Final Fairness Hearing?

A Final Fairness Hearing shall be held before this Court at 1:30 p.m. on December 12, 2014, in Division 43 of the Circuit Court for St. Louis County, State of Missouri, to address: (a) whether the proposed Settlement should be finally approved as fair, reasonable and adequate; (b) whether a final Order and Judgment of Dismissal should be entered; (c) whether Class Counsel's attorneys' fees and expense application should be approved; (d) objections, if any, to the Settlement; and (e) any other matters the Court deems appropriate.

Although the hearing will be open to the public, you will not be permitted to speak in opposition to the issues above at the hearing unless you have filed a timely objection to the settlement, or to the attorneys' fees and expenses in the manner described above. If you have filed a timely objection, you may appear personally or with your own counsel and be heard at the hearing.

8. How much money will the attorneys be paid and who will pay it?

The attorneys for the plaintiffs and the class will submit to the Court for approval a request for attorneys' fees and expenses estimated to be \$2,826,083, to be paid by Defendants.

CenturyLink has agreed not to oppose an award of fees and expenses in the amount set forth in this Notice. The Court will determine the amount of any fees and expenses awarded to Class Counsel. The amount of back tax money that any individual class member may receive will not be reduced by the amount of any fees or expenses awarded to counsel or the number of claim forms submitted.

9. Assignment to the Missouri Municipal League or St. Louis County Municipal League

The settlement allows you to assign a portion of your Back Tax Payment, not to exceed five percent (5%) of the "subtotal" amount shown in Section 3 above, to the Missouri Municipal League or the St. Louis County Municipal League (if you are located within St. Louis County). If you wish to make such an assignment, you may check the applicable box on the Claim Form. Additionally, the ordinance or other action that you take making the settlement enforceable against you must specifically authorize the making of the assignment. **The amount of Back Tax Payment that you receive will be reduced by the amount of the assignment.**

10. Where can you get additional information?

This notice provides only a summary of matters regarding the lawsuit. The documents, settlement agreement, and orders in the lawsuit provide greater detail and may clarify matters that are described only in general or summary terms in this Notice. Copies of the settlement agreement, other documents, court orders and other information related to the lawsuit may be examined at <http://www.mocities.com>.

You may also examine the settlement agreement, court orders and other papers filed in the lawsuit at the Office of the Clerk of the Circuit Court of St. Louis County, 7900 Carondelet Ave., Clayton, Missouri 63105, during regular business hours. If you wish, you may seek the advice and guidance of outside attorneys, at your own expense.

If you wish to communicate with or obtain information from attorneys for the class, you may do so by letter to the addresses listed below. You should direct such inquiries concerning a claim or other matter described in this Notice to Class Counsel:

John W. Hoffman
Douglas R. Sprong
Korein Tillery, LLC
505 N. 7th Street, Suite 3600
St. Louis, MO 63101

John F. Mulligan, Jr.
101 South Hanley, Suite 1280
Clayton, MO 63105

Howard Paperner
9322 Manchester Road
St. Louis, MO 63119

Please do not contact the Court, Counsel for CenturyLink, or any CenturyLink representative for information.

Dated: September 5, 2014

By order of the Circuit Court of St. Louis County,
State of Missouri, Honorable Judge Joseph S. Dueker