

• **OFFICIAL COURT NOTICE OF CLASS ACTION SETTLEMENT**

Carmen Huerta Amezcua, et al.,

Plaintiffs,

v.

East West Bancorp, et al.,

Defendants.

Superior Court of the State of California  
County of Los Angeles

Hon. Elihu M. Berle

Case No. BC412981  
Civil Action

**PLEASE READ THIS NOTICE CAREFULLY  
IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS AND BENEFITS UNDER THE  
PROPOSED CLASS ACTION SETTLEMENT**

*The Los Angeles County Superior Court authorized this Notice. This is not a solicitation from a lawyer.*

**IMPORTANT DATES**

June 10, 2014:	Last day for notice to Class Members
July 10, 2014:	Last day to object to the Settlement
July 1, 2014:	Last day for parties to file motion final approval of Settlement and for attorneys' fees and costs.
August 13, 2014:	Hearing on final approval of the Settlement

## **1. Why Should I Read this Notice?**

A proposed settlement has been reached in a class action lawsuit now pending in the Los Angeles County Superior Court, entitled *Carmen Huerta Amezcua, et al., v. East West Bancorp, et al.*, bearing Case No. BC412981 (“Lawsuit”). This Notice explains the nature of the Lawsuit and the terms of the proposed settlement (“Settlement”) and informs you of your legal rights and obligations. You should read this Notice to learn how much and what type of payment you can receive in the Settlement, what you need to do to receive that payment, how the Settlement will affect your legal rights, and what you need to do if you wish to object to the Settlement.

## **2. What is this Lawsuit About?**

Bruce Paul, Dean Pellegrini, and Carlos Umana, on behalf of themselves and all others similarly situated, and Carmen Huerta Amezcua, Maria Smith Barragan, Guillermo Pozo, and Lily Pozo, on behalf of themselves (collectively, “Plaintiffs”), filed this Lawsuit against East West Bancorp (“East West”) alleging that East West and a former East West employee, Lai Chi Chu (“Chu”), aided an alleged Ponzi scheme run by Terchi “Nelson” Liao and AOB Commerce, Inc. (Chu and East West are collectively referred to as “Defendants”). Specifically, it was alleged that Defendants aided and abetted a breach of fiduciary duty, aided and abetted a fraud, violated Section 17200 of the Business & Professions Code, and were unjustly enriched. The Lawsuit was certified as a class action and plaintiff Bruce Paul (“Paul”) was appointed as the class representative.

Defendants deny the allegations against them in the Lawsuit and deny violating any applicable statute, ordinance, rule, regulation, policy, order or other law. Defendants assert that they are not in any way liable for any damages claimed in the Lawsuit. However, Defendants are aware of the cost and expense of engaging in protracted litigation. Accordingly, to resolve this matter without the expense and uncertainties of further litigation, Paul and Defendants have agreed to settle the Lawsuit. By settling this Lawsuit, Defendants are not admitting that they are liable to Paul, Plaintiffs, or the class members, but rather, expressly deny any such liability.

## **3. Why is this a Class Action?**

Believing that others were victimized by the alleged AOB Commerce, Inc. Ponzi scheme, Plaintiffs filed the Lawsuit as a class action. A class action is a type of lawsuit in which one or a few individuals represent a group of people who were also allegedly harmed by a defendant’s conduct. This group of people is referred to as the “Class” or as the “Class Members.”

## **4. Who is a Class Member for this Lawsuit?**

You are a Class Member for this Lawsuit and your rights are affected if you lost money by investing in the alleged Ponzi scheme perpetrated by Terchi Liao aka Nelson Liao and entities he controlled, including but not limited to AOB Commerce, Inc., AOB Asia Fund I, LLC, AOB Asia Fund II, LLC, AOB Asia Fund, AOB Management, Inc., AOB Capital, AOB Media, Inc., AOB Transportation, Inc., and AOB Vacations, Inc., and your money was transferred, delivered deposited, wired, mailed or routed to accounts in East West Bank, controlled by Terchi Liao aka Nelson Liao or entities he controlled at any time during the four year period prior to April 30, 2009.

You are also a Class Member if you lost money by investing in an alleged Ponzi scheme perpetrated by Terchi Liao aka Nelson Liao and entities he controlled, including but not limited to AOB Commerce, Inc., AOB Asia Fund I, LLC, AOB Asia Fund II, LLC, AOB Asia Fund, AOB Management, Inc., AOB Capital, AOB Media, Inc., AOB Transportation, Inc., and AOB Vacations, Inc., and you received money from those entities through and drawn from accounts at East West Bank, controlled by Terchi Liao aka Nelson Liao or entities he controlled, that purported to be returns, principal or commissions on investments at any time during the four year period prior to April 30, 2009.

## **5. What Relief is Provided to Class Members Under the Settlement?**

Defendants shall establish a settlement fund in the amount of \$10,000,000.00 within 30 days after a final judgment is entered (“Settlement Fund”). Each Class Member shall share, pro rata in the Settlement Fund in accordance with the losses established by the Receiver in an action entitled *Securities and Exchange Commission v. AOB Commerce, Inc., et al.*, United States District Court for the Central District of California Case Number CV-07-04507 CAS (JCx)(“SEC ACTION”). Each Class Member’s pro rata share will be determined after reasonable attorney’s fees and costs (as determined by the Court), the costs of claims administration, and Paul’s incentive award are deducted from the Settlement Fund.

Although the Parties do not know the exact amount of each Class Member’s pro rata share of the Settlement Fund, the Parties estimate that each Class Member will receive approximately 25% of their remaining loss based on the calculations and prior payments made by the Receiver in the SEC ACTION. For example, assuming a Receiver calculated loss of \$100,000.00, and a Receiver prior payment of \$12,500, you would approximately receive \$21,875.00, arising from this settlement. Please see the Identity Verification Form, which accompanies this Notice for an estimate of your specific award

Each Class Member shall also receive a release. East West Bancorp and Chu for themselves, their spouses, beneficiaries, executors, conservators, personal representatives, wards, heirs, assigns, insurers, attorneys, predecessors, successors, and affiliates in consideration of the benefit set forth in the Stipulation of Settlement shall forever release every Class Member for any and all actions,

claims, demands, rights, suits, and causes of action of whatever kind or nature against the Class Members, including damages, costs, expenses, penalties, and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity arising out of or relating to the Action and/or the allegations in the Complaint and Cross-Complaint.

**6. Who Represents Me?**

The Court has approved the following attorneys to represent you and the Class. They are called "Class Counsel."

<u>Class Counsel</u> Julio J. Ramos Law Offices of Julio J. Ramos 35 Grove Street, Suite 107 San Francisco, CA 94102 Phone: 415-948-3015	<u>Class Counsel</u> Steven M. Nuñez Ward & Hagen LLP 440 Stevens Ave., Suite 350 Solana Beach, CA 92075 Phone: 858-847-0505
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**7. How Will Class Counsel's Fees and Costs be Paid?**

Class Counsel will seek an award of reasonable attorneys' fees not to exceed \$4,000,000 and costs not to exceed \$350,000.00. Any amount of attorneys' fees and costs awarded to Class Counsel must be approved by the Court and will be paid from the Settlement Fund. Class Counsel seeks an approximate allocation of attorneys' fees based on hours worked and costs as follows: Law Offices of Julio J. Ramos, 44% in fees and \$138,000, costs; Steven M. Nuñez, 35% in fees and \$12,000 costs; Ward & Hagen, LLP, 21% in fees and \$200,000 costs.

Class Counsel's motion for attorneys' fees and costs will be filed on or before July 1, 2014, and will be posted on Class Counsel's website at WardHagen.com. If you wish to review the motion for final approval (or other documents relating to the proposed settlement), you may do so by visiting the website after July 1, 2014.

**8. How Will the Costs Associated With Claims Administration be Paid?**

The costs associated with claims administration will be paid from the Settlement Fund. The Parties estimate that this cost will be approximately \$25,000.

**9. What Is the Incentive Award to the Class Representatives?**

The Court has appointed plaintiff Bruce Paul the class representative. Bruce Paul will request from the court to be paid \$50,000 for his services as class representative. If approved by the Court, the incentive payment to Bruce Paul will be paid from the Settlement Fund. The motion for the incentive award will be filed with the Court on or before July 1, 2014, and will be posted on Class Counsel's website at WardHagen.com. If you wish to review it, you may do so by visiting the website after July 1, 2014.

**10. How Do I Make a Claim in the Settlement?**

The Receiver's records reflect that you may be a Class Member. Notice of class certification and an opportunity for you to exclude yourself from this lawsuit occurred in December of 2012. If you are a Class Member and wish to receive payment, you must make sure that your mailing address and tax identification number are known to the Administrator. An Identity Verification Form that verifies your identity and your tax identification number is being provided to you simultaneously with this Notice. If the information on it is correct you need not do anything further. If incorrect, or missing, you need to return the form with the correct information. Once you verify your identity, and if the Settlement is approved by the Court, you will receive your settlement payment as a check upon final approval of the Settlement.

**11. If I Do Not Like the Settlement, How Do I Object?**

If you are a Class Member, you have the right to object to the Settlement. However, your objection will only be considered by the Court if you mail the Objection to the Claims Administrator, CPT Group, Inc. (contact information below) by first-class mail, post marked by July 10, 2014. Objections post marked to the Claims Administrator after July 10, 2014, will not be effective. You must provide in your Objection (1) the name and number of this case (*Amezcuca v. East West*, Case Number BC412981); (2) your name and address and your counsel's name and address (if you intend to appear in this Lawsuit through counsel); (3) a statement of the basis for each objection asserted; (4) an affirmation or other proof that you are a Class Member; (5) legal authority you wish the Court to consider, if any; and (6) a list of documents and things you wish the Court to consider, if any.

**12. When Will the Court Decide Whether the Settlement Should be Approved?**

The Court will hold the Final Settlement Approval Hearing on August 13, 2014, at 10:00 a.m. in Dept. 323 of the Los Angeles Superior Court, located at 600 S. Commonwealth Ave., Los Angeles, CA, 90005. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate to the Class Members. If there are any Objections the Court will consider them at this hearing. If you submitted a timely Objection, the Court will consider the Objection even if you do not attend the hearing. The Court

may also decide how much to pay Class Counsel as reasonable attorneys' fees and costs and how much to pay Plaintiff Bruce Paul as an incentive award for his services as the class representative. At or after the hearing, the Court will decide whether to approve the Settlement. The hearing can be continued at any time by the Court without further notice to you.

**13. Do I Have to Attend the Final Approval Hearing?**

You are not required to attend the Final Approval Hearing in order to participate in the Settlement. Class Counsel will answer any questions the Court may have at the Final Approval Hearing. If you mailed an Objection, you do not have to attend the Final Approval Hearing to discuss the Objection. As long as you mailed your Objection on time, the Court will consider it. However, you or your attorney may attend the Final Approval Hearing at your own expense if you would like.

**14. What Claims Will I Release if the Settlement is Approved by the Court?**

As a Class Member all of the Court's orders will apply to you. If the Settlement is approved by the Court, Class Members, who did not previously exclude themselves, for themselves, their spouses, beneficiaries, executors, conservators, personal representative, wards, heirs, assigns, insurers, attorneys, predecessors, successors, and affiliates, in consideration of the benefits set forth in the Stipulation of Settlement, fully and finally, and forever release East West, Chu and their direct and indirect corporate parents, subsidiaries, affiliates, officers, directors, employees, shareholders, agents, insurers, attorneys, spokespersons, public relations firms, advertising and production agencies and assigns of all such persons or entities (the "Released Parties") from any and all actions, claims, demands, rights, suits, and causes of action of whatever kind or nature against the Released Parties, including damages, costs, expenses, penalties, and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity arising out of or relating to the Action and/or the allegations in the Complaint.

**18. Where Can I Obtain More Information About the Settlement?**

This Notice is only a summary of the proceedings in the Lawsuit. If you need additional information about the Lawsuit or the terms of the Settlement, complete copies of case-related documents are available on the website for the Los Angeles Superior Court at [www.lasuperiorcourt.org](http://www.lasuperiorcourt.org). This Notice may be viewed at [www.wardhagen.com](http://www.wardhagen.com). You may review the file in this case at the Office of the Court Clerk, located at 600 S Commonwealth Ave, Los Angeles, CA 90005. If you have further questions, you may call the toll free number 1-855-666-8979, or write to the Claims Administrator:

CPT Group, Inc.  
16630 Aston  
Irvine, CA 92606  
Fax: 1-(949) 419-3446

If you wish to contact Class Counsel, you may contact them directly as follows:

Julio J. Ramos  
Law Offices of Julio J. Ramos  
35 Grove Street, Suite 107  
San Francisco, CA 94102  
Phone: 415-948-3015  
Fax: 415-269-9787  
Email: [ramoslawgroup@yahoo.com](mailto:ramoslawgroup@yahoo.com)

Please include the case name and number, and your name and your current return address on any letters, not just the envelopes.

**PLEASE DO NOT CALL THE COURT OR EAST WEST BANCORP OR LAI CHI CHU'S ATTORNEYS**