

Superior Court of Arizona  
Maricopa County

# **If you consigned property to Gaige & Company in 2007, you could get a payment from a class action settlement.**

*An Arizona Court authorized this Notice. This is not a solicitation from a lawyer.*

- A settlement has been proposed in a class action lawsuit to pay claims from certain persons who consigned personal property to Gaige & Company in 2007.
- The settlement will provide \$130,000 to pay claims by persons who (1) on or after June 1, 2007, dealt with Robbi (Cleo) Kelldorf in connection with the solicitation or administration of their consignment of property to Gaige & Company and (2) either were not paid their sales proceeds for their consigned property sold at auction or did not have returned to them all of their consigned property that did not sell at auction.
- The settlement resolves a portion of the lawsuit alleging that Gaige & Company and its owners, operators, and agents conducted an enterprise to defraud consignors of their property; it avoids the costs and risks to you from continuing the lawsuit against Robbi (Cleo) and Mitchell Kelldorf; pays money to consignors who dealt with Ms. Kelldorf; and releases the Kelldorfs from liability.
- The lawsuit is continuing against other Defendants.
- If you qualify, you may send in a Claim Form to get benefits, or you may object to the Settlement.
- Your legal rights are affected whether you act, or don't act. **READ THIS NOTICE CAREFULLY.**

## **YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Robbi (Cleo) or Mitchell Kelldorf about the legal claims in this case.
<b>OBJECT</b>	Write to the Court about why you don't like the settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement.
<b>DO NOTHING</b>	Get no payment. Give up your rights.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

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**QUESTIONS? CALL CLASS COUNSEL AT (800) 847-9094 OR (602) 274-1100**

# BASIC INFORMATION

## 1. WHY DID I GET THIS NOTICE PACKAGE?

You may have consigned property to Gaige & Company during 2007 and dealt with Robbi (Cleo) Kelldorf in doing so.

The Court sent you this notice because you have a right to know about a proposed settlement of a portion of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, Class Counsel will make the payments that the settlement allows. You will be informed of the progress of the settlement.

This package explains the lawsuit, the 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 Superior Court of Arizona, Maricopa County, and the case is known as *Chapman, et al. v. Gaige & Company LLC, et al.*, Case No. CV2008-009238. The people who sued are called Plaintiffs. The company and the people they sued, Gaige & Company LLC, Robert Huillier, Robin Huillier, Tom Huillier, Rhonda Huillier, Robbi (Cleo) Kelldorf, Mitchell Kelldorf, and Becker Auctions LLC f/k/a Gaige Antique Auctions, are called the Defendants.

## 2. WHAT IS THIS LAWSUIT ABOUT?

This lawsuit claims that Gaige & Company and its owners, operators and agents defrauded consignors by taking their property under the guise that it would be sold at a legitimate auction and that they would be paid the sales price minus a commission and that any property not sold would be returned to them upon request. The lawsuit also claims that the auctions conducted by Gaige & Company were not legitimate, that it failed to pay consignors for their property that supposedly sold at auction and return the unsold property. The lawsuit further claims that Defendant Robbi (Cleo) Kelldorf acted as an agent of Gaige & Company by soliciting some of the consignors to consign with Gaige & Company or administered some of the consignors' consignments at Gaige & Company. Ms. Kelldorf denies that she was Gaige & Company's agent and that she did anything wrong. The Court did not decide which side was right, but both sides agreed to the settlement to resolve the case against the Kelldorfs and avoid further legal expenses.

## 3. WHY IS THIS A CLASS ACTION?

In a class action, one or more people called Class Representatives (in this case Debra Chapman, Jim DeVaney and Darryl and Jody Canady), sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Arizona Superior Court Judge John A. Buttrick is in charge of this class action.

## 4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or Defendants. The Plaintiffs think they could have proven their case against Ms. Kelldorf at trial. The Kelldorfs do not think the Plaintiffs could have proven anything against Ms. Kelldorf at trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected by Ms. Kelldorf's referrals to Gaige & Company will get compensation. The Class Representative and the attorneys think the settlement is best for all Class Members.

## WHO IS IN THE SETTLEMENT

### 5. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

Judge Buttrick decided that everyone who fits the following description is a Class Member:

All persons who since June 1, 2007, dealt with Robbi (Cleo) Kelldorf in connection with the solicitation and/or administration of their consignment of personal property to Gaige & Company and who were not paid their sales proceeds and/or did not have returned to them all of their property that did not sell at auction.

### 6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you are or were an owner, operator, officer, director, employee or agent of Gaige & Company or are a Defendant in this lawsuit. Also, immediate family members of Defendants and immediate family members of Gaige & Company's owners, operators, officers, directors, employees, or agents are not in the Class.

### 7. I'M STILL NOT SURE IF I AM INCLUDED.

If you are still not sure if you are included, you can ask for free help. You can call Class Counsel at (800) 847-9094 or (602) 274-1100 for more information. Or you can fill out and return the claim form described in Question 10 to see if you qualify.

## The Settlement Benefits – What You Get

### 8. WHAT DOES THE SETTLEMENT PROVIDE?

The Kelldorfs have agreed to create a \$130,000 fund. The fund will be divided among all Class Members who send in a valid claim form and used to pay a portion of the attorneys' fees and expenses incurred in this lawsuit and incentive payments of up to \$2,500 to each of the three Class Representatives. Robbi (Cleo) Kelldorf has also agreed to provide reasonable assistance to Plaintiffs in locating the assets of the other Defendants in this lawsuit.

### 9. HOW MUCH WILL MY PAYMENT BE?

Your share of the settlement fund will depend on the number of valid claim forms that Class Members send in, the value of the property you consigned and for which you were not paid or returned, and your supporting documentation. Here is how it works:

To participate in the Claim Process, you must mail your completed claim form before **July 8, 2009**. Your claim form and supporting documents will be used to calculate your loss. The Class is estimated to consist of no less than 7 people but may consist of as many as 70 people, if not more. We will not know exactly how many people are in the Class until we receive the claim forms. The settlement fund will not be divided equally between the Class Members, but will instead be divided on a *pro rata* basis, which means any payment you get will reflect your loss in relation to everyone's loss. For example, if your loss represents 10% of the total amount of loss by all Class Members combined, you would receive 10% of the settlement fund after attorneys' fees, expenses and incentive payments are deducted. So, those who have greater losses will receive a larger

share of the fund, and those who have lesser losses will receive a smaller share of the fund. It is unlikely that you will get a payment for all of your losses.

After all of the claim forms are reviewed and each Class Member's loss is calculated, you will be provided with an estimate of how much money you may receive from the settlement fund if the settlement is approved by the Court.

## How You Get a Payment – Submitting a Claim Form

### 10. HOW CAN I GET A PAYMENT?

To qualify for a payment, you must send in a claim form. A claim form is attached to this notice. You may also get a claim form by calling Class Counsel at (800) 847-9094 or (602) 274-1100. Read the instructions carefully, fill out the form, include all of the documents the form asks for, sign it, and mail it postmarked no later than **July 8, 2009**.

### 11. WHEN WOULD I GET MY PAYMENT?

The Court will hold a hearing on **October 19, 2009**, to decide whether to approve the settlement. If Judge Buttrick approves the settlement, after that there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Everyone who sends in a claim for will be informed of the progress of the settlement. Please be patient.

### 12. WHAT AM I GIVING UP TO GET A PAYMENT OR STAY IN THE CLASS?

Unless you exclude yourself, you are staying in the Class and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Robbi (Cleo) or Mitchell Kelldorf about the legal issues in *this* case. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you will agree to a "Release of Claims," attached to the claim form, which describes exactly the legal claims that you give up if you get settlement benefits.

## Excluding Yourself from the Settlement

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue Robbi (Cleo) or Mitchell Kelldorf, 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.

### 13. HOW DO I GET OUT OF THE SETTLEMENT?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from the settlement Class in *Chapman v. Gaige & Company*. Be sure to include your name, address, telephone number and your signature. You must mail your exclusion request postmarked no later than **September 8, 2009** to:

Gaige & Company Exclusions  
c/o Bonnett, Fairbourn, Friedman & Balint, PC  
2901 N. Central Avenue, Suite 1000  
Phoenix, AZ 85012

If you ask to be excluded, you will not get any money from the settlement and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Robbi (Cleo) or Mitchell Kelldorf in the future.

#### 14. CAN I DECIDE WHETHER TO EXCLUDE MYSELF AFTER I GET MY ESTIMATE?

Yes. The deadline for excluding yourself from the settlement is approximately 30 days after you will be provided with an estimate of how much money you would receive from the settlement fund if the settlement is approved by the Court. So, you can wait to see your estimate before deciding whether to stay in the Class or exclude yourself from the Class. If after you see your estimate you decide that you do not want the money and want to exclude yourself from the settlement, you must mail your exclusion request postmarked no later than **September 8, 2009** to the address listed above.

#### 15. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this settlement.

## The People Representing You

#### 16. WHO REPRESENTS MY INTERESTS IN THIS SETTLEMENT?

The Court has designated the Plaintiffs who brought this lawsuit as Class Representatives. The law firm of BONNETT, FAIRBOURN, FRIEDMAN & BALINT, PC, represents the Class Representatives and the Class. These lawyers are called Class Counsel and if you are a member of the Class, these Class Representatives and these lawyers will act as your representatives and lawyers for this Settlement against this Defendant.

#### 17. HOW WILL THE LAWYERS BE PAID?

You will not be personally responsible for any costs or attorneys' fees incurred in this lawsuit. If the Court approves the proposed settlement, Class Counsel will ask the Court to award them their expenses in bringing this lawsuit plus 25% of the settlement fund to cover a portion of their attorneys' fees incurred, both of which would be paid from the settlement fund recovered by them on behalf of the Class. The Kelldorfs have agreed not to oppose Class Counsel's request for payment of fees and expenses from the fund.

## Objecting to the Settlement

You can tell the Court that you don't agree with the settlement or some part of it.

### 18. HOW DO I TELL THE COURT THAT I DON'T LIKE THE SETTLEMENT?

If you're a Class Member, you can object to the settlement if you don't 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 send a letter saying that you object to *Chapman v. Gaige & Company*, Case No. CV2008-009238. Be sure to also include your name, address, telephone number, your signature, and the reasons you object to the settlement. Mail the objection to these three different places postmarked no later than **September 15, 2009**.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court Superior Court of Arizona 201 W. Jefferson St. Phoenix, AZ 85003	Kathryn Jann Bonnett, Fairbourn, Friedman & Balint, PC 2901 N. Central Ave. Suite 1000 Phoenix, AZ 85012	John Politan Politan & Associates 6909 E. Greenway Pkwy Suite 245 Scottsdale, AZ 85254

### 19. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?

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

## The Court's Fairness Hearing

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

### 20. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Fairness Hearing at **2:00 PM on October 19, 2009** at the Superior Court of Arizona, 201 West Jefferson Street, Phoenix, Arizona, in Courtroom 704. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. Judge Buttrick will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

### 21. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions Judge Buttrick may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

## 22. 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 *Chapman v. Gaike & Company*." Be sure to include your name, address, telephone number and your signature. Your Notice of Intention to Appear must be postmarked no later than **October 8, 2009**, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the three addresses in Question 18. You cannot speak at the hearing if you excluded yourself.

## IF YOU DO NOTHING

### 23. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing, you will get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Robbi (Cleo) or Mitchell Kelldorf about the legal issues in this case, ever again.

## GETTING MORE INFORMATION

### 24. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement by writing to Class Counsel at the address in Question 18.

### 25. HOW DO I GET MORE INFORMATION?

You can write to Class Counsel at the address in Question 18 or call (800) 847-9094 or (602) 274-1100 for more information.

**PLEASE DO NOT CALL OR WRITE TO THE COURT FOR INFORMATION OR ADVICE.**

DATED: JUNE 9, 2009

BY ORDER OF THE SUPERIOR COURT

OF THE STATE OF ARIZONA

COUNTY OF MARICOPA

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Gaige & Company Settlement  
c/o Bonnett, Fairbourn, Friedman & Balint, PC  
2901 N. Central Avenue, Suite 1000  
Phoenix, AZ 85012

**CORRECTED Notice to Gaige & Company Consignors**