

If You Paid the County's 1.5% Hospitality Fee for Accommodations, Prepared Food and Beverage, or Admissions to Amusements or its 2.5% Fee on Rental Cars Within Any Municipality in Horry County, South Carolina between January 1, 2017 and August 10, 2019

You May Receive Benefits from a Class Action Settlement

There is a Proposed Settlement with Horry County ("County") in a class action lawsuit challenging the County's 1.5% uniform service charge on accommodations, prepared food and beverage, and admissions to amusements, and a 2.5% uniform service charge on rental cars ("Covered Purchases"), within the corporate limits of any Horry County municipality except the Town of Briarcliffe Acres ("Hospitality Fee") on and after January 1, 2017. The case, *City of Myrtle Beach v. Horry County*, No. 2019-CP-26-01732, is pending in the Court of Common Pleas for the State of South Carolina, Fifteenth Judicial Circuit. This is only a summary of the Proposed Settlement. You should get detailed information using the contact information below to make a decision about your legal rights.

Who is Included?

Anyone who paid the Hospitality Fee between January 1, 2017 and August 10, 2019, within Horry County municipalities, or will pay the Hospitality Fee in the future.

What is the Class Action About?

Plaintiff City of Myrtle Beach ("City") claims that the County needed the consent of all Horry County municipalities to impose the Hospitality Fee beginning January 1, 2017. The County denies that it needed municipal consent. Nevertheless, the parties have agreed to settle this case.

The Proposed Settlement

The County will pay \$19 Million to the City for the establishment of a Common Fund that will be used to reimburse Class Members for the Hospitality Fee they paid between January 1, 2017 and when the Court preliminarily enjoined the County from continuing to collect it. The City also is entitled to obtain reimbursement for the costs of giving notice to the class of this settlement and a class representative fee of 0.25% of the Common Fund to be used to offset other administrative expenses.

The remaining balance of the Common Fund after paying Class Member claims and these fees expenses will be distributed as follows: (1) 50% to the City and the other municipalities in which the Hospitality Fee was imposed ("Participating Municipalities") for use on tourism-related projects; (2) 25% to the South Carolina Bar Foundation for access to justice programs; and (3) 25% to be held in escrow for three years for the payment of any claims, costs, and related Class Counsel and Class Representative litigation expenses, and funds remaining after three years

will be distributed to the City and Participating Municipalities for use on tourism-related projects.

The Proposed Settlement does not allow the City's attorneys to receive payment of any other attorneys' fees or costs from the Common Fund.

The City and Participating Municipalities will consent to the Hospitality Fee being collected within their corporate limits. The City and Participating Municipalities will also agree to return their local hospitality and accommodations fees and taxes to the levels that existed as of January 1, 2019. In exchange for this, the County will return the Hospitality Fee collected within the City and Participating Municipalities to these local governments for use on tourism-related projects.

What Can I Do?

First, obtain a copy of the comprehensive notice to class members, Settlement Agreement, and all required forms using the contact information below. After you have read and reviewed these documents, you may pursue the following options if you are a member of the class:

- Exclude yourself from receiving payment from the Common Fund by **April 15, 2021**, using the available form. You cannot exclude yourself from future payment of the Hospitality Fee on Covered Purchases.
- Object to the Settlement Agreement by **April 15, 2021**, using the available form.
- Submit, by **May 15, 2021**, a claim for reimbursement of the Hospitality Fee paid between January 1, 2017, and the date the Court stopped its imposition using the available form. The Settlement Agreement provides additional information for what you can do if you disagree with a determination regarding your claim and when you must do it.

The Court will hold a Final Fairness Hearing to consider giving final approval to the Settlement Agreement on **April 16, 2021, at 10:00 A.M.** Unless otherwise ordered, the hearing will be virtual via WebEx due to coronavirus restrictions. The Court will consider any timely objections at that time. You may, but are not required to, hire an attorney to represent you with respect to any exclusion from or objections to the Proposed Settlement you may wish to make. To attend the virtual hearing, visit www.sccourts.org, select "Calendar" and then "Monthly View," click the link for "Circuit" on April 16, 2021, and click "Virtual Courtroom" under "Judge: Seals, William H." near the bottom of the page. You will then be given

instructions to sign into the virtual courtroom. Visual instructions for accessing the virtual courtroom, any changes to the date and time of the hearing, and any instructions for attending in-person, if permitted, will be

posted on the website below. If the Court approves the Settlement Agreement, you will be bound by it and will give up your right to sue the County on your own unless you exclude yourself.

To Obtain Additional Information and Documents:

Visit: www.horryhospitalityfeesettlement.com

Write: Hospitality Fee Settlement Administrator, P.O. Box 2468, Myrtle Beach, SC 29578