

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
Oakland Division**

ELETTRA MEEKS, *et al.*

Plaintiffs,

v.

Civil Action No.: 4:21-cv-3266

CONSUMER ADJUSTMENT COMPANY, INC.,

Defendant.

SETTLEMENT AGREEMENT AND RELEASE

I. PRELIMINARY STATEMENT

On May 3, 2021, the Named Plaintiffs filed this action against Consumer Adjustment Company, Inc. alleging violations of several federal and state laws arising from the attempted collection of certain debts, which the Named Plaintiffs allege are usurious and violate almost every state's lending laws. To resolve these claims, the Parties have reached an agreement that provides injunctive relief to a Rule 23(b)(2) Settlement Class and additional monetary relief to a second Rule 23(b)(3) Settlement Class. Accordingly, the Parties enter into this Settlement Agreement and Release ("Settlement Agreement").

This Settlement Agreement is made and entered into by the Named Plaintiffs, their counsel, and Defendant Consumer Adjustment Company, Inc. ("CACi" or "Defendant"), as of April 20, 2023, in the case captioned *Meeks v. Consumer Adjustment Company, Inc.*, No. 4:21-cv-3266 (N.D. Cal.), and is submitted to the Court for approval pursuant to Fed. R. Civ. P. 23(e).

1. RECITALS

1.1 The Settled Action

This Agreement, by two settlement classes described herein, resolves the putative class action against Defendant alleging Defendant violated the Fair Debt Collection Practices Act, 15 U.S.C. § 1692, *et seq.* ("FDCPA"), the Rosenthal Fair Debt Collection Practices Act, and California's Consumer Credit Reporting Agencies Act, arising from Defendant's practices concerning the collection of defaulted Great Plains, Plain Green, and MobiLoan debts.

The case was filed on May 3, 2021, in the United States District Court for the Northern District of California by the Named Plaintiffs.

1.2 Defendant's Denial of Liability

Defendant vigorously denies each and every one of Named Plaintiffs' allegations of wrongful conduct and damages. Defendant has asserted numerous defenses to Named

Plaintiffs' claims and disclaims any wrongdoing or liability whatsoever. Defendant further denies this matter satisfies the requirements to be certified or tried as a class action under Fed. R. Civ. P. 23. Defendant nevertheless desires to settle all claims that are asserted, or which could have been asserted, in this Litigation, on the terms and conditions set forth herein, solely for the purpose of avoiding the burden, expense, and uncertainty of continuing litigation and for the purpose of putting to rest the controversies raised in or implicated by this Litigation. Nothing in this Agreement or any other document shall be construed as an admission or evidence of any violation of any federal or state statute, rule, or regulation, or principle of common law or equity, or of any liability or wrongdoing whatsoever, or of the truth of any of the claims or facts asserted or to be asserted in the Litigation, or of the lack of merit of any defenses Defendant raised or could have raised against the operative complaint or any other pleading or document filed in the Litigation or any other proceeding related to this Litigation. Further, Defendant is not estopped from challenging any such claim asserted in the Litigation or motion for class certification in any further proceedings in the Litigation or in any other action if the Settlement is not finally approved.

1.3 Settlement Through Mediation

This Settlement Agreement has been reached after the Parties completed extensive discovery of documents and data relevant, or claimed to be relevant, to the claims of Named Plaintiffs and those of the classes they purport to represent. The Named Plaintiffs and Defendant recognize the outcome of this matter is uncertain, and a final resolution through the litigation process would require several more years of protracted adversarial litigation and appeals; substantial risk and expense; the distraction and diversion of the Defendant's personnel and resources and the expense of any possible future litigation raising similar or duplicative claims; and the Named Plaintiffs, their counsel, Defendant have agreed to resolve this matter as a settlement class action according to the terms of this Settlement Agreement. The

Settlement Agreement is a product of sustained, arms' length settlement negotiations and an extensive mediation session supervised by a retired federal Magistrate Judge. Those negotiations and mediation sessions resulted in an agreement on the principal terms of a settlement.

NOW, THEREFORE, without (a) any admission or concession on the part of Named Plaintiffs of the lack of merit of the Litigation whatsoever, or (b) any admission or concession of liability or wrongdoing or the lack of merit of any defense whatsoever by Defendant, it is hereby stipulated and agreed by the undersigned, on behalf of the Named Plaintiffs, the Fed. R. Civ. P. 23(b)(2) and Fed. R. Civ. P. 23(b)(3) Settlement Classes, and Defendant, that this matter and all Released Claims of the Fed. R. Civ. P. 23(b)(2) and Fed. R. Civ. P. 23(b)(3) Settlement Classes be settled, compromised, and dismissed on the merits and with prejudice as to the Released Parties, subject to Court approval as required by Fed. R. Civ. P. 23, on such terms and conditions as set forth herein.

The recitals stated above are true and accurate and are hereby made a part of this Settlement Agreement.

2. DEFINITIONS

For the purposes of this Settlement Agreement, including the recitals stated above, the following terms will have the following meanings:

2.1 "Litigation" means the above-captioned civil action.

2.2 "Named Plaintiffs" means Elettra Meeks, Joseph Delacruz, Stephanie Laguna, and Amber Leonard.

2.3 "Defendant" means Consumer Adjustment Company, Inc.

2.4 "Party" and "Parties" mean the Named Plaintiffs, the Rule 23(b)(2) Settlement Class, the Rule 23(b)(3) Settlement Class, and Defendant.

2.5 “CAFA Notice” means notice of the Settlement to the appropriate federal and state officials, as provided by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, and as further described in Section 4.2.8.

2.6 “Claim” and “Claims” mean all claims, counterclaims, demands (including, without limitation, demands for arbitration), actions, suits, causes of action, allegations of wrongdoing, and liabilities that were actually asserted or that could have been asserted based on the allegations in the operative complaint and/or the Covered Conduct in this Litigation.

2.7 “Class Counsel” means the attorneys and law firms listed on the signature pages of this Settlement Agreement representing the Named Plaintiffs and the Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes.

2.8 “Court” means the United States District Court for the Northern District of California where the Litigation is pending.

2.9 “Covered Conduct” means CACi’s collection attempts regarding the defaulted Great Plains, Plain Green, and MobiLoan debts, including the reporting of those debts to consumer reporting agencies.

2.10 “Effective Date” means fifteen (15) business days after the later of the date of the Rule 23(b)(2) Judgment or the date of the Rule 23(b)(3) Judgment becomes Final.

2.11 “FDCPA” means the federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692, *et seq.*

2.12 “FDCPA State Equivalents” means any statute or regulation of any State, the District of Columbia, or Puerto Rico, that has the purpose or effect of regulating debt collectors (as that term is defined by the FDCPA) for abusive or improper collection conduct.

2.13 “Final” means the date on which a judgment for the Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes becomes final for all purposes because either (a) no objection has been made to the Settlement and no party has sought to intervene, or (b) if any objection or

motion to intervene was made, no appeal has been filed and thirty (30) days have lapsed since entry of the judgment, and if a timely appeal has been filed, the appeal is finally resolved, with no possibility of further appellate or other review, resulting in final judicial approval of the Settlement.

2.14 “Final Judgment” or “Final Judgment and Order” means a final judgment and order of dismissal entered by the Court in this Litigation granting final approval of the Settlement, finding the benefits provided to and releases and other consideration provided by such Classes to be fair, reasonable, and adequate, and entering a judgment according to the terms set forth in this Settlement Agreement. Such Order shall be substantially in the form attached hereto as Exhibit D.

2.15 “Injunctive Relief” means the injunctive relief programs to which the Defendant has agreed in the Rule 23(b)(2) Settlement and which benefits the Rule 23(b)(2) Settlement Class, as further described in Section 4.3.

2.16 “Injunctive Relief Order” means the consent order attached as Exhibit E to this Settlement Agreement and proposed by the Parties with respect to the Rule 23(b)(2) Settlement for entry by the Court intended to require and accomplish the Injunctive Relief that in no way imposes any obligation, duty, or responsibility on the Defendant or creates a right on behalf of the Rule 23(b)(2) Settlement Class beyond what is described in the Injunctive Relief.

2.17 “Notice Date” means the date the Settlement Administrator first mailed the Mail Notice.

2.18 “Preliminary Approval” and “Preliminary Approval Order” mean the Court’s order tentatively certifying for settlement purposes the Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes, preliminarily approving the proposed Settlements, approving and directing the Notice Plan, appointing a Settlement Administrator, and appointing Class Counsel, in a form substantially similar to that attached hereto as Exhibit C.

2.19 “Released Parties” means CACi and each of its members, owners, shareholders, unitholders, predecessors, successors (including, without limitation, acquirers of all or substantially all of CACi’s assets, stock, units, or other ownership interests) and assigns; the past, present, and future, direct and indirect, parents (including, without limitation, holding companies), subsidiaries and affiliates of any of the above; and the past, present, and future principals, trustees, partners, insurers, officers, directors, employees, agents, advisors, attorneys, members, owners, shareholders, unitholders, predecessors, successors, assigns, representatives, heirs, executors, and administrators of any of the above. Notwithstanding any of the foregoing, this release does not include any claims that the Rule 23(b)(2) Class Members have against Midwest Recovery Systems, LLC, Reel Time Capital, LLC, Global Trust Management, LLC or any future or previous owner of the Great Plain, Plain Green, or MobiLoan debts.

2.20 “Email Notice” means the notice (in a form substantially similar to that attached as Exhibits A and B and approved by the Court) that will be e-mailed to the Settlement Classes pursuant to the Notice Plan, further described in Section 4.2.

2.21 “Mail Notice” means the notice (in a form substantially similar to that attached as Exhibit A and B and approved by the Court) that will be mailed to the Settlement Classes pursuant to the Notice Plan, further described in Section 4.2.

2.22 “Rule 23(b)(2) Class Settlement” means the settlement and terms included herein by which the Rule 23(b)(2) Settlement Class settles and releases the Rule 23(b)(2) Settlement Class Released Claims.

2.23 “Settlement Website” means the website maintained by the Settlement Administrator, which shall provide notice of the Settlement to the Settlement Classes as part of the Notice Plan as set forth in Section 4.2.5.

2.24 “Notice Plan” means the plan for providing notice of the Settlement to the Settlement Classes under Fed. R. Civ. P. 23, as set forth in Section 4.2.

2.25 “Rule 23(b)(2) Settlement Class” or “Rule 23(b)(2) Settlement Class Members” mean all persons located in the United States (1) for whom CACI contacted in an attempt to collect a debt or communicated credit information about to Experian, Equifax, or Trans Union; (2) arising from a debt where the original creditor of the loan was either Plain Green, Great Plains, or MobiLoans; (3) within one year prior to the filing of this action.

2.26 “Rule 23(b)(2) Class List” means a list, to be prepared by CACi, which includes the Rule 23(b)(2) Class Members’ most recent name, social security number, and address information, the class members’ loan level details, including the amount paid by consumer to CACI or Midwest, date paid, and balance, , and any other information required by the Settlement Administrator, as available, to be provided within five (5) days after Preliminary Approval. CACi, to the extent available, shall also provide class members’ email addresses. As to class membership, the Rule 23(b)(2) Class List is determinative. No individual shall be bound by the Rule 23(b)(2) Settlement Class Release or entitled to the benefits of membership in the Rule 23(b)(2) Settlement Class unless such individual appears on the Rule 23(b)(2) Class List.

2.27 “Rule 23(b)(2) Settlement Class Released Claims” are the claims of each member of the Rule 23(b)(2) Settlement Class that (a) have been alleged in this Litigation, relating to the Covered Conduct and (b) are asserted on behalf of a purported class of individuals. Rule 23(b)(2) Settlement Class Released Claims do not include claims separate and unrelated to the Covered Conduct or claims brought under 15 U.S.C. § 1681s-2(b) or collection action for accounts other than the Great Plains, Plain Green, or MobiLoan accounts. Each member of the Rule 23(b)(2) Settlement Class will acknowledge full satisfaction of, and shall be conclusively deemed to have fully, finally, and forever settled, released, and

discharged, subject to the limitation herein below. Notwithstanding the foregoing, the Rule 23(b)(2) Settlement Class Members do not release any claims asserted on a non-representative, individual basis.

2.28 “Rule 23(b)(3) Settlement Class” or “Rule 23(b)(3) Settlement Class Members” mean all persons located in the United States (1) for whom CACI collected payment from a consumer; (2) in connection with an account where the original creditor of the loan was either Plain Green, Great Plains, or MobiLoans; (3) within one year prior to the filing of this action. Excluded from the class are all persons who have signed a written release of their claim, counsel in this case, and the Court and its employees.

2.29 “Rule 23(b)(3) Class List” means a list, to be prepared by CACi, which includes the Rule 23(b)(3) Class Members’ most recent name, social security number, and address information, the class members’ loan level details, including the amount paid by consumer to CACI or Midwest, date paid, and balance, and any other information required by the Settlement Administrator, as available, to be provided within five (5) days after Preliminary Approval. CACi, to the extent available, shall also provide class members’ email addresses. As to class membership, the Rule 23(b)(3) Class List is determinative. No individual shall be bound by the Rule 23(b)(3) Settlement Class Release or entitled to the benefits of membership in the Rule 23(b)(3) Settlement Class unless such individual appears on the Rule 23(b)(3) Class List.

2.30 “Rule 23(b)(3) Settlement Class Released Claims” means claims of each member of the Rule 23(b)(3) Settlement Class that were actually asserted in the operative complaint and/or the Covered Conduct in this Litigation against CACi. Rule 23(b)(3) Settlement Class Released Claims do not include claims separate and unrelated to the Covered Conduct, claims alleged against other entities other than CACi, or claims brought under 15 U.S.C. § 1681s-2(b) or for collection conduct for accounts other than Great Plains, Plain Green, or MobiLoan accounts. Notwithstanding any of the foregoing, this release does not include any

claims that the Rule 23(b)(3) Class Members have against any consumer reporting agency, Midwest Recovery Systems, LLC, Reel Time Capital, LLC, Global Trust Management, LLC or any future owner of the Great Plain, Plain Green, or MobiLoan debts.

2.31 “Service Payment” means the one-time payment to the Named Plaintiffs, for the time and resources they have put into representing the Rule 23(b)(3) Settlement Class, as set forth in Section 5.4, subject to approval by the Court.

2.32 “Settlement” means the exchange of consideration among the Rule 23(b)(2) Settlement Class, the Rule 23(b)(3) Settlement Class, Defendant, and Class Counsel reflected in and contemplated by this Settlement Agreement and constituting the Rule 23(b)(2) Class Settlement and the Rule 23(b)(3) Class Settlement.

2.33 “Settlement Administrator” means, Continental DataLogix, LLC or such other person or entities agreed to by the Parties, subject to Court approval.

2.34 “Settlement Agreement” means this Settlement Agreement and Release, including its Exhibits.

2.35 “Rule 23(b)(3) Settlement Fund” means the amount of \$436,041 that Defendant has agreed to pay for the benefit of the Settlement Classes, as further described in Section 5.1.

2.36 “Rule 23(b)(3) Net Settlement Fund” means the Rule 23(b)(3) Settlement Fund less court approved reductions for Rule 23(b)(3) Attorneys’ Fees, Expenses, the Class Representative Service Payments, and a payment to the Settlement Administrator for the costs of notice and administration.

3. MOTION FOR PRELIMINARY APPROVAL

As soon as reasonably practicable after the signing of this Settlement Agreement and no later than April 21, 2023, the Named Plaintiffs shall file with the Court a Motion for Preliminary Approval of the Proposed Rule 23(b)(2) Class Settlement and the Rule 23(b)(3) Class Settlement, Conditional Certification of the Rule 23(b)(2) and Rule 23(b)(3) Settlement

Classes, Appointment of Class Counsel, Approval and Direction of the Notice Plans, and Appointment of the Settlement Administrator that seeks entry of an order that would, for settlement purposes only:

- a) preliminarily approve this Settlement Agreement;
- b) certify a conditional settlement class under Fed. R. Civ. P. 23(b)(2) composed of the Rule 23(b)(2) Settlement Class Members;
- c) certify a conditional settlement class under Fed. R. Civ. P. 23(b)(3) composed of the Rule 23(b)(3) Settlement Class Members;
- d) appoint Class Counsel;
- e) approve the proposed Rule 23(b)(2) and Rule 23(b)(3) Notice Plans, including the forms of notice substantially similarly to those attached as Exhibits A and B; and
- f) appoint the Settlement Administrator.

4. SETTLEMENT PROVISIONS

4.1 Certification of the Settlement Classes

4.1.1 Class Certification

For purposes of settlement only, and upon the express terms and conditions set forth in this Settlement Agreement, Named Plaintiffs and Defendant agree to seek certification as a mandatory class of the Rule 23(b)(2) Settlement Class and the Rule 23(b)(3) Settlement Class..

4.1.2 Class Certified for Settlement Purposes Only

CACi disputes that the elements of Federal Rule of Civil Procedure 23 are satisfied for purposes of a litigation class, disputes that a litigation class would be manageable, and denies that any litigation class may be certified in this Litigation. However, solely for purposes of avoiding the expense and inconvenience of further litigation, CACi does not oppose certification of the Rule 23(b)(2) Settlement Class and Rule 23(b)(3) Settlement Class for

settlement purposes only. No statements, representations, or agreements made by CACi in connection with the Settlement may be used to establish any of the elements of class certification, other than for settlement purposes. Further, nothing in this Settlement Agreement shall prevent Defendant from opposing class certification or seeking de-certification of the conditionally certified tentative Rule 23(b)(2) Settlement Class and Rule 23(b)(2) Settlement Class if any court concludes that this settlement may not be approved.

4.2 Notice Plan

4.2.1 Preparation and Production of Class List

CACi shall prepare the Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Lists within the parameters defined above. CACi shall provide the Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Lists to Class Counsel and the Settlement Administrator within fifteen (15) business days of an entry of an order Preliminary Approval Order.

4.2.2 Settlement Class Notices

After consultation with the Settlement Administrator, Named Plaintiffs and Defendant will jointly recommend the following Notice Plan. For all Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members for whom CACi has email addresses or for whom the Settlement Administrator is able to locate email addresses, all notices shall be sent by email. Email notices shall include a link to the Settlement Class Website. For all other Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members, and for any Rule 23(b)(2) and Rule 23(b)(3) Class Members whose email notices are returned as undeliverable, notices will be delivered by U.S. Mail.

The Mail Notice, substantially in the form attached as Exhibit A for Rule 23(b)(2) Settlement Class Members and Exhibit B for Rule 23(b)(3) Settlement Class Members, shall be a four page double-spaced letter. Thirty (30) days after the Court enters Preliminary Approval, the Settlement Administrator will send the Mail Notice in both Spanish and English

via U.S. Mail, postage prepaid requesting either forwarding service or change service to each Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Member identified on the Class Lists. The Mail Notice will be sent to the last known physical address reflected in the Class Lists, unless the Settlement Administrator locates a more recent address for the Class Member by cross-checking the Class List against the National Change of Address Database and other publicly available databases for obtaining up to date mailing addresses. For up to forty-five (45) days following the mailing of the Mail Notice, the Settlement Administrator will re-mail the Mail Notice via U.S. Mail, postage prepaid, to updated addresses of Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members to the extent that it receives address change notifications from the U.S. Postal Service.

No later than seven days before the final fairness hearing in this Litigation, the Settlement Administrator will file proof of the mailing of the Mail and Email Notices with the Court. Neither the Parties nor the Settlement Administrator will have any further obligation to send notice of the Settlement to the Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members.

The Settlement Administrator also will create and maintain the Settlement Website to be activated no later than fifteen (15) business days after Preliminary Approval of the Settlement. The Settlement Website will include important settlement documents, such as the Settlement Agreement, the Mail Notice, the Internet Notice, and the Preliminary Approval Order as mutually approved by the Parties and/or as may be ordered by the Court. In addition, the Settlement Website will include a description of the injunctive relief terms, a section for frequently asked questions, and procedural information regarding the status of the Court-approval process, such as an announcement when the final approval hearing is scheduled, when the Final Judgment and Order has been entered, and when the Effective Date is expected or has been reached. The Settlement Website will be in both Spanish and English.

The Settlement Administrator will create and maintain a toll-free telephone number to be activated no later than fifteen (15) business days after Preliminary Approval which number will be available 24 hours per day through the Effective Date. The toll-free number will provide Settlement Class Members with access to recorded information, in both English and Spanish, related to the settlement. The Toll-Free Number will also provide class members whose questions are unanswered by the recorded information the ability to request a call back. The Settlement Administrator shall respond to such inquiries promptly, with an average return-call time of the same or next business day.

In accordance with the dates established in the Preliminary Approval Order, the Settlement Administrator shall implement the Notice Plan and other actions described in this Section.

4.2.3 Court Appointment and Retention of Settlement Administrator

At the Preliminary Approval hearing, the Parties will propose that the Court appoint Continental DataLogix, LLC as the Settlement Administrator for the Class Settlement. The Settlement Administrator will facilitate the notice and administration process by assisting the Parties and providing professional guidance in the implementation of the Notice Plan.

4.2.4 Initial Payment for Notice and Administration

Within fifteen (15) business days of an entry of an order Preliminary Approval Order, CACi shall deposit \$25,348 in an account designated by the Settlement Administrator to provide Notice to the Settlement Classes. \$14,307 of this amount will be used to provide notice to Rule 23(b)(2) Class Members. \$11,041 will be used to provide notice to the Rule 23(b)(3) Class Members. The \$11,041 shall be deducted from the Rule 23(b)(3) Settlement Fund..

4.2.5 Class Settlement Website

The Settlement Administrator will create and conform the Class Settlement Website as described herein no later than fifteen (15) business days after Preliminary Approval.

The Settlement Administrator will post important settlement documents such as the Settlement Agreement, the Class Notices (in both English and Spanish), and the Preliminary Approval Order as mutually approved by the Parties. In addition, the Class Settlement Website will include a section for frequently asked questions, and procedural information regarding the status of the Court-approval process, such as an announcement when the final approval hearing is scheduled, when the Final Judgment and Order has been entered, and when the Effective Date is expected or has been reached.

The Settlement Administrator will maintain the Settlement Website for one year from either (1) the Effective Date of both the Rule 23(b)(2) and Rule 23(b)(3) Class Settlements, or (2) the date on which either settlement is finally terminated or otherwise not approved by the Court.

4.2.6 Toll-Free Telephone Number

The Settlement Administrator will create and maintain a toll-free telephone number to be activated no later than fifteen (15) business days after Preliminary Approval which number will be available 24 hours per day. The toll-free number will provide Settlement Class Members with access to recorded information, in both English and Spanish, related to the settlement. The Toll-Free Number will also provide class members whose questions are unanswered by the recorded information the ability to request a call back. The Settlement Administrator shall respond to such inquiries promptly, with an average return-call time of the same or next business day. The Settlement Administrator will terminate the toll-free telephone number either (1) 60 days after the Effective Date, or (2) the date on which the settlement is terminated or otherwise not approved by any court.

4.2.7 Class Counsel Contact Information

Class Counsel shall maintain an e-mail address to receive class member communications and a reference to that e-mail address shall be included on the Class Settlement

Website. The Parties shall confer and cooperate to ensure that the Class Settlement Website continues to include substantive information explaining the settlement and how it may be effectively used by class members to obtain the benefits intended.

4.2.8 CAFA Notice

The Parties agree Defendant shall serve notice of the Settlement that meets the requirements of the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715, on the appropriate federal and state officials not later than ten days after the filing of this Settlement Agreement with the Court. Defendant must accomplish such service at their own expense and may use a third party to do so, except as otherwise provided for in this Settlement Agreement.

Defendant shall file with the Court a certification of the date upon which the CAFA Notice was served.

4.3 Injunctive Relief

4.3.1 Agreed Injunctive Relief

Subject to the terms and conditions of this Settlement Agreement, the Named Plaintiffs and Defendant have agreed to move jointly for the Court to enter an injunction applicable to Defendant by consent, which will contain only the terms of the Injunctive Relief as described in Section 4.3.1, and as set forth in the Injunctive Relief Order. The Named Plaintiffs pursued this Litigation to address certain practices relating to Defendant’s collection of default Plain Green, Great Plan, and MobiLoan loans. The Named Plaintiffs argued Defendant’s practices violated the FDCPA and California state law. Defendant contests Named Plaintiffs’ allegations and otherwise denies Defendant violated any applicable laws. Nevertheless, in order to resolve this dispute, Defendant has agreed to an injunction requiring the implementation of the following business changes that represent a substantial shift from Defendant’s current business practices.

The Parties will move the Court for entry of the Injunctive Relief Order attached as Exhibit E to this Settlement Agreement, which if approved would enjoin the Defendant as follows:

- **4.3.1.a** CACi will agree to provide Class Counsel with a full class list for all Rule 23(b)(2) Class Members and Rule 23(b)(3) Class Members that contains the following fields: personal identifying information (name, address, social security number, email address), amount paid by consumer to CACi or Midwest, date paid, and balance information. This class list shall be accompanied by an authentication affidavit sufficient under the Federal Rules of Evidence to have the information admitted into evidence at trial against other parties, and in the event that the evidence is challenged, CACi shall cooperate in assisting the Plaintiffs in authenticating the data.
- **4.3.1.b** CACi will stop all collection, including credit reporting, for any MobiLoan, Great Plains, or Plain Green loans. CACi has or will implement this change before the Effective Date.
- **4.3.1.c** CACi will screen all of its current debt portfolios to ensure that it does not currently have any other Great Plains, Plain Green, or MobiLoan debts.
- **4.3.1.d** If a consumer notifies CACi that the debt it is seeking to collect from them arises from a Great Plains, Plain Green, or MobiLoan debt, CACi will, after a reasonable investigation and conclusion that the debt is in fact a Great Plains, Plain Green, or MobiLoan debt, cease all collection efforts for that account.

4.3.2 Timetable for Implementation of Injunctive Relief

Unless otherwise specifically indicated above, Defendant agrees to implement the injunctive relief set forth in 4.3.1 within five (5) days from the Effective Date of the Rule

23(b)(2) Class Settlement.

4.4 Opt Outs

4.4.1 Rule 23(b)(2) Settlement Class Opt Outs

Because the Rule 23(b)(2) Settlement Class is being certified as a mandatory class under Fed. R. Civ. P. 23(b)(2), and because the agreed-upon changes to CACi's business practices will benefit all Rule 23(b)(2) Settlement Class Members, Rule 23(b)(2) Settlement Class Members shall not be permitted to opt out of the Rule 23(b)(2) Settlement Class.

4.4.2 Rule 23(b)(3) Settlement Class Opt Out Process

The Mail Notice will contain information about how a Rule 23(b)(3) Settlement Class Member may opt out of the Rule 23(b)(3) Settlement, including the potential implications of doing so. A proposed Rule 23(b)(3) Settlement Class Member may request to be excluded from the Rule 23(b)(3) Settlement Class by sending and not revoking a written request for exclusion to the Settlement Administrator, at the address listed in the Rule 23(b)(3) Class Notice . To be valid, the proposed Rule 23(b)(3) Settlement Class Member's opt-out request must contain the proposed Rule 23(b)(3) Settlement Class Member's name, original signature, current postal address, and current telephone number, and a statement that the proposed Rule 23(b)(3) Settlement Class Member wants to be excluded from the class of Rule 23(b)(3) Settlement Class Members. To be valid, opt-out requests must be postmarked no later than ninety days after the Notice Date. To be valid, a request must not purport to opt out of the class of the Rule 23(b)(3) Settlement Class Members for a group, aggregate, or class involving more than one consumer. Requests for exclusions that do not substantially comply with the requirements in this Section are invalid.

4.4.3 List of Opt-Outs

No later than five business days after the deadline for submission of opt-out requests, the Settlement Administrator must provide to Class Counsel and Defendant's Counsel a

complete list of all persons who have validly opted out of the Rule 23(b)(3) Settlement together with copies of the opt-out requests. Class Counsel and Defendant's Counsel shall not disclose or use the list except for the purpose of carrying out their responsibilities under this Agreement, and for purposes of memorializing the list of opt-outs in connection with proceedings seeking entry of the Final Judgment.

4.5 Objections from Settlement Class Members

Any Settlement Class Member who wants to object to this Agreement may do so only as follows.

4.5.1 Notice of Intent to Object

To be effective, an objection must be made by an individual Settlement Class Member, not as a member of a group or subclass and, except in the case of a deceased or incapacitated Settlement Class Member, not by the act of another person acting or purporting to act in a representative capacity. For an objection to be effective, any such objection must be filed with the Clerk of the United States District Court, Northern District of California, Ronald V. Dellums Federal Building & United States Courthouse, 1301 Clay Street, Suite 400 S, Oakland, CA 94612, not later than thirty (30) days before the Final Fairness Hearing.

The Settlement Administrator shall notify the Parties of any objection within three business days of the objection's receipt.

4.5.2 Contents of Objection

To be effective, an objection must substantially contain: (a) the objecting Rule 23(b)(2) or Rule 23(b)(3) Settlement Class Member's name, address, e-mail address, and telephone number; (b) the name of this Litigation and the case number; and (c) a written statement detailing the specific basis for each the objection.

4.5.3 Additional Contents for Represented Members

To be effective, an objection submitted through an attorney must contain, in addition to the information set forth in Section 4.5.2: (a) the identity, mailing address, email address, and phone number for the counsel by whom the Settlement Class Member is represented; (b) a statement of whether the objecting Settlement Class Member or counsel intends to appear at the Final Fairness Hearing; and (c) a written statement detailing the specific basis for each objection, including any legal and factual support that the objecting Settlement Class Member wishes to bring to the Court's attention and any evidence the objecting Settlement Class Member wishes to introduce in support of the objection.

4.5.4 Responses to Objections

Either Party may respond to an objection.

4.5.5 No Payments to Objectors or Objectors' Counsel

The Parties, Class Counsel, and Defendant's Counsel shall not make any payments to any person or counsel who files an objection in exchange for the withdrawal, dismissal or release of the objection, except with approval of the Court. This provision applies throughout the Litigation, including during the pendency of any appeal, and also operates to bar such payments in exchange for the withdrawal or dismissal of the appeal, unless such payment is approved by the Court or the applicable appellate court.

4.6 Settlement Class Releases

4.6.1 Rule 23(b)(2) Scope of Release

Each Rule 23(b)(2) Settlement Class Member shall be conclusively deemed to have fully, finally, and forever settled, released and discharged all of the Released Parties from the Rule 23(b)(2) Released Claims.

After entering into this Settlement Agreement, Named Plaintiffs or the Rule 23(b)(2) Settlement Class Members may discover facts other than, different from, or in addition to, those that they know or believe to be true with respect to the Rule 23(b)(2) Settlement Class Released

Claims. Named Plaintiffs and the Rule 23(b)(2) Settlement Class Members expressly waive and fully, finally, and forever settle and release any known or unknown, suspected or unsuspected, contingent or non-contingent legal or equitable Released Claims, whether or not concealed or hidden, and without regard to the subsequent discovery or existence of such other, different, or additional facts.

4.6.2 Rule23(b)(3) Scope of Release

Each member of the Rule 23(b)(3) Settlement Class who does not submit a valid request for exclusion shall be conclusively deemed to have fully, finally, and forever settled, released and discharged all of the Released Parties, of and from all Released Claims whether known or unknown, matured or unmatured, foreseen or unforeseen, suspected or unsuspected, accrued or unaccrued which the Rule 23(b)(3) Settlement Class Members ever had or now has.

The Rule 23(b)(3) Settlement Class Members shall be bound by the Settlement Agreement and their claims shall be dismissed with prejudice and released against the Released Parties, even if they never received actual notice of the settlement prior to the hearing for final approval of the settlement, provided notice approved pursuant to Fed. R. Civ. P. 23(c) and 23(e)(1)(B) was made.

4.6.3 State-Specific Waivers

The Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members acknowledge that they are aware that they may hereafter discover facts in addition to or different from those that they or Class Counsel now know or believe to be true with respect to the subject matter of this Litigation and the Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Released Claims, but it is their intention to, and they do upon the Effective Date of this Settlement, fully, finally, and forever settle and release any and all Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Released Claims, without regard to the subsequent discovery or existence of such different additional

facts. Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members waive any and all rights and benefits afforded by California Civil Code § 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members further waive any and all rights and benefits afforded by South Dakota Code § 20-7-11, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Rule 23(b)(2) and Rule 23(b)(3) Settlement Class Members and Class Counsel understand and acknowledge the significance of this waiver of California Civil Code Section 1542, South Dakota Code Section 20-7-11, and/or any other applicable federal or state law relating to limitations on releases.

5. SETTLEMENT FUND

5.1 Rule 23(b)(3) Settlement Fund

Within fifteen (15) days after the Effective Date, Defendant shall deposit the remaining amount of the Rule 23(b)(3) Settlement Fund in the amount of \$436,041 (less the cost of the class notice to Rule 23(b)(3) Settlement Class Members into an account maintained and managed by the Settlement Administrator.

5.2 Settlement Fund Tax Status

5.2.1 The Parties agree to treat the Rule 23(b)(3) Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. In addition, the Settlement Administrator shall timely make such elections as necessary or advisable to carry out the provisions of this Subsection, including the “relation back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in

compliance with the procedures and requirements contained in such regulations. The Parties agree that the Rule 23(b)(3) Settlement Fund shall not earn income. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary tax returns, if any, and thereafter to cause the appropriate filing to occur.

5.2.2 For the purpose of Treasury Regulation § 1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Settlement Administrator. The Settlement Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Rule 23(b)(3) Settlement Fund (including, without limitation, the returns described in Treas. Reg. § 1.468B-2(k)). Such returns (as well as the election described in Subsection 5.2.1 above) shall be consistent with this Subsection.

5.3 Rule 23(b)(3) Settlement Attorneys’ Fees, Costs, and Other Expenses

At least thirty-five (35) days before the Court’s deadline for submission of objections, Class Counsel shall make an application to the Court for an award of attorneys’ fees, Class Counsel’s costs and out-of-pocket expenses, and a payment to the Settlement Administrator for the costs of notice and administration. The requested attorneys’ fee shall be in an amount not to exceed twenty-five percent (25%) of the Settlement Fund.

This agreement with respect to the amount of attorneys’ fees, and reimbursement for out-of-pocket costs, and other expenses of Class Counsel was not negotiated until after the amount of the Settlement Fund to the Rule 23(b)(3) Settlement Class had been negotiated and agreed upon during the mediation.

5.4 Service Payment to the Named Plaintiffs

At least thirty-five (35) days before the Court’s deadline for submission of objections, Plaintiffs shall make an application to the Court for the Court’s approval of a Service Payment

to the Named Plaintiffs in the amount of \$5,000 each to be paid from the Rule 23(b)(3) Settlement Fund.

The Parties' negotiation of, and agreement to, the foregoing Service Payment did not occur until after the substantive terms of the Settlement Agreement had been negotiated and agreed upon during the mediation.

5.5 Payment Schedule

The Settlement Administrator shall disburse the amount of an award of attorneys' fees, reimbursement of Class Counsel's out-of-pocket expenses, costs, and other expenses and the Service Payments made under Sections 5.3 and 5.4 in the amounts ordered by the Court within fifteen (15) days after the Effective Date, but only after its receipt of payment instructions from Class Counsel and receipt of W9 forms completed by Class Counsel and the Named Plaintiffs. The Settlement Administrator may also deduct from the Settlement Fund, at that same time, and upon the approval of Class Counsel, any amounts approved by the Court as payments to the Settlement Administrator.

The Rule 23(b)(3) Net Settlement Fund shall be distributed to the Rule 23(b)(3) Settlement Class by the Settlement Administrator as follows: The distribution to the Rule 23(b)(3) Settlement Class Members will be made in an amount equal to the payments that they made to CACi on the subject Plain Green, Great Plains, and MobiLoan accounts. If the Settlement Fund is not sufficient to cover full amount of these payments, then the deficiency shall be divided on a pro rata basis based on the amount paid by the Rule 23(b)(3) Class Members. Such distribution shall be made within fourteen (14) days of Defendant tendering the Settlement Fund to the Settlement Administrator. Any checks remaining uncashed after ninety (90) days from mailing will be re-distributed on a pro rata basis to those Rule 23(b)(3) class members who cashed their first check. Any remaining funds after the second distribution will be distributed to Public Justice *cy pres* award for the purpose of supporting the protection

of consumers relating to the claims alleged in the Litigation. Such distributions shall be conditioned on the agreement of Public Justice that such funds be segregated and not used for any litigation purpose.

6. ENTRY OF FINAL JUDGMENT AND ORDER

The Parties shall jointly seek entry by the Court of both the Rule 23(b)(2) and Rule 23(b)(3) Final Judgment and Order substantially in the form attached hereto as Exhibit D.

7. TERMINATION

The failure of the Court or any appellate court to approve in full the request by Class Counsel for attorneys' fees, costs, and other expenses specific to the Rule 23(b)(3) Settlement Class shall not be grounds for the Named Plaintiffs, the Rule 23(b)(3) Settlement Class, or Class Counsel to cancel or terminate this Settlement Agreement.

If the Settlement Agreement is not finally approved, is not upheld on appeal, or is otherwise terminated, in whole or in part, for any reason before the Effective Date, then any Settlement Class as to which the Effective Date has not been achieved shall be decertified; the portions of the of the Settlement Agreement that did not become final and all negotiations, proceedings, and documents prepared, and statements made in connection therewith, shall be without prejudice to any Party and shall not be deemed or construed to be an admission or confession by any Party of any fact, matter, or proposition of law; all Parties shall stand in the same procedural position as if the portions of the Settlement Agreement that did not become final had not been negotiated, made, or filed with the Court.

8. MISCELLANEOUS PROVISIONS

8.1 Best Efforts to Obtain Court Approval

Named Plaintiffs and Defendant, and Class Counsel, agree to use their best efforts to obtain Court approval of this Settlement Agreement, subject, however, to each Party's rights to terminate the Settlement Agreement, as provided herein.

8.2 Court's Jurisdiction and Choice of Law

The United States District Court for the Northern District of California, Oakland Division, shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement Agreement. This Settlement Agreement will be governed by and construed under California law.

8.3 Settlement Notices

Except for the Notice Plan, as provided for in Section 4.2 above, all other notices or formal communications under this Settlement Agreement shall be in writing and shall be given (i) by hand delivery; (ii) by registered or certified mail, return receipt requested, postage pre-paid; or (iii) by overnight courier to counsel for the Party to whom notice is directed at the following addresses:

For the Named Plaintiffs and Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes:

Kristi C. Kelly
Kelly Guzzo PLC
3925 Chain Bridge Road, Suite 202
Fairfax, VA 22030

For Defendant:

Richard J. Perr
Kaufman Dolowich Voluck
One Liberty Place, 1650 Market Street
Suite 4800
Philadelphia, PA 19103

Counsel may designate a change of the person to receive notice or a change of address, from time to time, by giving notice to all Parties in the manner described in this Section.

8.4 Taxes

The Settlement Administrator shall be responsible for handling any and all required tax forms or returns required to be submitted to the Internal Revenue Service for any payments made to Rule 23(b)(3) Settlement Class Members under the terms of this Agreement including, but not limited to, Form 1099-MISC.

8.5 Complete Agreement

This Settlement Agreement is the entire, complete agreement of each and every term agreed to by and among Named Plaintiffs, the Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes, Defendant, and their counsel. In entering into this Settlement Agreement, no Party has made or relied on any warranty or representation not specifically set forth herein. This Settlement Agreement shall not be modified except by a writing executed by all the Parties.

8.6 Headings for Convenience Only

The headings in this Settlement Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

8.7 Severability

In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision.

8.8 No Party Is the Drafter

Notwithstanding the choice of law provision in Section 8.2, none of the Parties to this Settlement Agreement shall be considered to be the primary drafter of this Settlement Agreement or any provision hereof for the purpose of any rule of interpretation or construction that might cause any provision to be construed against the drafter.

8.9 Binding Effect

This Settlement Agreement shall be binding according to its terms upon, and inure to the benefit of, the Named Plaintiffs, the Rule 23(b)(2) or Rule 23(b)(3) Settlement Classes, Class Counsel, the Defendant, the Released Parties, and their respective successors and assigns.

8.10 Authorization to Enter Settlement Agreement

The individuals signing this Settlement Agreement on behalf of the Defendant represent that they are fully authorized by the Defendant to enter into, and to execute, this Settlement

Agreement on their behalf. Class Counsel represent that they are fully authorized to conduct settlement negotiations with counsel for Defendant on behalf of Named Plaintiffs, and to enter into, and to execute, this Settlement Agreement on behalf of the Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes, subject to Court approval pursuant to Fed. R. Civ. P. 23(e). Named Plaintiffs enter into and execute this Settlement Agreement on their own behalf, and as representatives of and on behalf of the Rule 23(b)(2) and Rule 23(b)(3) Settlement Classes, subject to Court approval pursuant to Fed. R. Civ. P. 23(e).

8.11 Execution in Counterparts

Named Plaintiffs, Class Counsel, Defendant, and Defendant's counsel may execute this Settlement Agreement in counterparts, and the execution of counterparts shall have the same effect as if all Parties had signed the same instrument. Electronic, including DocuSign, and scanned signatures shall be considered as valid signatures as of the date signed. This Settlement Agreement shall not be deemed executed until signed by all Named Plaintiffs, by all Class Counsel, and by counsel for and representatives of Defendant.

[Signatures on following page]

Named Plaintiffs:

Elettra Meeks

Joseph Delacruz

Stephanie Laguna

Amber Leonard

Counsel for Named Plaintiffs and

Settlement Classes:

Leonard Anthony Bennett
Consumer Litigation Associates, P.C.
763 J Clyde Morris Boulevard
Suite IA
Newport News, VA 23601

Kristi C. Kelly
Kelly Guzzo PLC
3925 Chain Bridge Road, Suite 202
Fairfax, VA 22030

Matthew Wessler
Gupta Wessler, PLLC
1035 Cambridge Street, Suite One
Cambridge MA 02141

Defendant

Consumer Adjustment Company, Inc.

Name: _____

Title: _____

**Approved as to form only by Counsel for Defendant Consumer
Adjustment Company, Inc.:**

Name: _____

Title: _____

