

NOTICE OF CLASS ACTION SETTLEMENT

**Please give this to a person who makes legal decisions for your home.
You may benefit from this. Please read it carefully. You are not being sued.**

**IN THE CIRCUIT COURT FOR THE TWENTIETH JUDICIAL CIRCUIT
ST. CLAIR COUNTY, ILLINOIS**

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|-------------------------------------|----------------------------|
| PORTFOLIO RECOVERY ASSOCIATES, LLC, |) |
| Plaintiff/Counter-Defendant, |) |
| |) No. 16-SC-468 |
| v. |) <i>Consolidated With</i> |
| |) No. 16-SC-2745 |
| SHIRLEY DARNELL and LATOYA LEE, |) No. 16-SC-1201 |
| Defendants/Counter-Plaintiffs. |) |

NOTICE OF CLASS ACTION SETTLEMENT

TO: All persons against whom Portfolio Recovery Associates (“PRA”) filed a collection lawsuit in Illinois between March 11, 2013 and September 30, 2018, subject to the following exclusions: (1) persons who paid or settled their accounts in full without PRA obtaining a judgment; (2) persons whose accounts were discharged in bankruptcy; and (3) persons who passed away since PRA filed the collection lawsuit.

These persons are the “Settlement Class” or “Class” discussed below.

A. WHY HAVE YOU RECEIVED THIS NOTICE? This is a Court-authorized Notice of a proposed Settlement in a class action lawsuit. If you received this Notice by mail, you have been identified as an individual who was named in a collection lawsuit filed by PRA in an Illinois court between March 11, 2013 and September 30, 2018, and, therefore, you might be a member of the Settlement Class.

B. WHAT IS THIS LAWSUIT ABOUT? In 2016, PRA filed collection lawsuits against Latoya Lee and Shirley Darnell in the Circuit Court for St. Clair County, Illinois alleging that Lee and Darnell owed an outstanding balance on their credit card accounts. Lee and Darnell responded to the collection lawsuits by asserting class action counterclaims against PRA. Lee and Darnell alleged that PRA did not have the requisite documentation to prove that Lee and Darnell owed the alleged balances. Lee and Darnell further alleged that PRA did not attach to its complaints the requisite documentation to establish that Lee and Darnell owed the alleged balances. Lee and Darnell alleged that PRA violated the Illinois Collection Agency Act (225 ILCS 425/1, *et seq.*); the Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/1, *et seq.*); and the Federal Fair Debt Collection Practices Act (15 U.S.C. 1692, *et seq.*).

PRA denied Lee and Darnell’s allegations and raised various defenses. The Court did not rule for or against any party on the merits of the claims, but the parties have reached the proposed Settlement announced here.

C. WHAT IS THE PROPOSED SETTLEMENT? Without admitting any fault or liability, and in exchange for a release of all claims against PRA regarding the collection lawsuits at issue, PRA has agreed to provide a credit in the amount of \$75 against the outstanding account balance to Class

Members whose accounts are collectible and have an outstanding balance of more than \$75. You have received this Notice because you have been identified as a Class Member whose account with PRA is collectible and has an outstanding balance of more than \$75, and therefore you might be entitled to the \$75 credit.

In addition to providing the credits described above to Class Members whose account with PRA is collectible and has an outstanding balance of more than \$75, PRA has also agreed to issue checks for an equal amount of a Settlement Fund to those Class Members whose accounts are either uncollectible or have an outstanding balance of \$75 or less, and who also submit a claim form that is approved by the Settlement Administrator. If you qualify for the \$75 credit because your account is collectible and has an outstanding balance of more than \$75, then you do not need to submit any Claim Form to receive the \$75 credit.

PRA has also agreed to pay a Service Award to Lee and Darnell for serving as the “Class Representatives,” to dismiss its collection lawsuits against Lee and Darnell, to pay attorneys’ fees and costs to Lee and Darnell’s attorneys, and to pay Settlement Administration Expenses.

The Court has preliminarily approved this Settlement, subject to a Final Approval Hearing that will occur on December 3, 2020, at 1:30 pm, in Room 402 in the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220. If the Court grants Final Approval of the Settlement, then each Class Member who meets the requirements in the first paragraph of this section will receive the \$75 credit on their account.

D. WHAT CAN CLASS MEMBERS DO NOW? YOU HAVE THREE OPTIONS.

1. Do nothing and be part of the Settlement Class. If you do nothing, you will be a part of the Settlement Class. If the Court grants Final Approval of the Settlement, then you will receive the \$75 credit on your account automatically without having to take any action in response to this Notice. By being part of the Settlement Class and receiving the \$75 credit on your account, you will also be bound by any judgment entered by the Court, and you will release your claims against PRA about the collection lawsuits at issue.

2. Exclude yourself from the Settlement Class and the Settlement. You can exclude yourself from the class action and the Settlement (or “opt out”) by filing a written request with the Clerk of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220. That request must be postmarked on or before November 20, 2020, and it must list your name, street address, and the name and number of this case. You must sign your request for exclusion and mail copies, postmarked by the same date, to:

For the Settlement Class:

Sean K. Cronin
Brendan M. Nester
Donovan Rose Nester, PC
15 North 1st Street
Belleville, Illinois 62220
T: (618) 212-6500
scronin@drnpc.com
bnester@drnpc.com

For PRA:

Avanti D. Bakane
Brian H. Myers
Gordon Rees Scully Mansukhani,
LLP
One North Franklin, Suite 800
Chicago, IL 60606
T: (312) 565-1400
abakane@grsm.com
bmyers@grsm.com

David Cates
Chad Mooney
Cates Mahoney, LLC
216 West Pointe Drive, Suite A
Swansea, Illinois 62226
T: (618) 277-3644
dcates@cateslaw.com
cmooney@cateslaw.com

Grey Chatham, Jr.
Chatham & Baricevic
107 West Main Street
Belleville, Illinois 62220
T: (618) 233-2200
greyjr@chathamlaw.org

3. Object to the settlement in writing. If you object to the Settlement, and wish to file an objection rather than excluding yourself, you must submit your objection in writing to the Clerk of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220. Your objection must be postmarked by November 20, 2020. You must also serve copies of your objection and any supporting memoranda or materials on each of the attorneys for the Settlement Class and for PRA listed above, postmarked by the same date. Your objection must be signed under penalty of perjury and must identify (1) your name, address, and telephone number, (2) all attorneys who assisted you in the preparation or filing of your objection, (3) a list of all other class action cases in which you or your attorneys have submitted an objection to a settlement, including case name, court, case number, and how much, if any amount, was paid in connection with the objection, and (4) a statement of the reasons why you believe the Court should find that the proposed Settlement is not fair, reasonable, adequate, and in the best interests of the Class. If your objection does not comply with these requirements, the Court may strike and disregard your objection. If you file an objection and wish to present it to the Court in person, then you must appear at the Final Approval Hearing before Judge Hoerner in Courtroom 402 of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220 on December 3, 2020 at 1:30 pm. You are not required to attend this hearing in order for your objection to be considered by the Judge. If you submit an objection in writing by the postmark date, then the Judge will review and consider your objection.

E. WHEN WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? The Court will hold a hearing to decide whether the proposed Settlement is fair and reasonable and should be approved. At that Final Approval Hearing, the Court will hear any objections and arguments about the proposed Settlement, including the amount of the award of costs and attorneys' fees to Class Counsel. The Fairness Hearing will take place on December 3, 2020, at 1:30 pm, in Courtroom 402 of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220. **You do not need to attend this hearing.** The Final Approval Hearing may be continued to a future date without further notice. If the Court does not approve the Settlement, the case will proceed as if no settlement has been attempted. If the Settlement is not approved, there is no assurance that the Settlement Class will recover more than is provided in the Settlement, or anything at all.

F. WHO REPRESENTS THE CLASS? The Court appointed Latoya Lee and Shirley Darnell to be the "Class Representatives" and appointed Sean Cronin of Donovan Rose Nester, PC, and David Cates and Cates Mahoney, LLC as "Class Counsel." At the Final Approval Hearing, Class Counsel will request that the Court approve an Service Award of \$5,000 to each of the Class Representatives. Additionally, Class Counsel will request that the Court award attorneys' fees of up to \$1,047,316.67 or one third (33%) of the total Benefit to the Settlement Class, including the Settlement Fund and the account credits whichever is less in addition to out-of-pocket litigation expenses up to \$20,000 to Class Counsel, and an estimated \$40,000 to pay the Settlement Administrator's expenses.

G. HOW DO I OBTAIN MORE INFORMATION ABOUT THE LAWSUIT OR THE SETTLEMENT?

This description of the litigation is general and does not cover all of the issues and proceedings. To see a copy of the Class Action Complaint or the Settlement Agreement, you may visit the office of the Clerk of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220. The Clerk will make them available to you for inspection and copying at your own expense. These documents are also available on the Settlement Website, www.prasettlement.com.

You may contact the Settlement Administrator—Heffler Claims Group—on the settlement website: www.prasettlement.com or by mail:

Lee v Portfolio Recovery Associates
c/o Settlement Administrator
PO Box 170
Warminster, PA 18974-0170

If you have specific questions for Class Counsel, the address and telephone numbers are set forth above. Include the case number, your name, your fax number, and your telephone number.

Do not contact the Clerk of the Court, the Judge, or the Judge's staff, because they cannot answer your questions or give you advice about this Settlement.

**BY ORDER OF THE COURT
HONORABLE KEVIN T. HOERNER**