

You Can Get Benefits from this Class Action Settlement

In re LVNV Funding LLC Fair Debt Practices Act Litigation, 2:16-cv-01117-SDW-SCM

The United States District Court of New Jersey authorized this notice to inform you of your rights under a proposed Settlement with First National Collection Bureau, Inc., Allied Interstate LLC, Capital Management Services, L.P., Dynamic Recovery Solutions, LLC, Stenger & Stenger, P.C., Frontline Asset Strategies, LLC, Nations Recovery, Inc., LVNV Funding LLC; Resurgent Capital Services, L.P.; Alegis Group, LLC; Credit Control, LLC; Pinnacle Credit Services, LLC; J.C. Christensen & Associates, Inc.; and Alltran Financial, LP (“Defendants”). You are a member of the Class Action Settlement.

As a member of the Settlement Class, you have three options:

- 1) Do nothing: This means you remain in the Settlement Class and will receive the settlement benefits described in this notice in exchange for releasing your claims against the Defendants.
- 2) Remove yourself from the Settlement Class by January 21, 2020: This means you will not receive the settlement benefits and will not give up any claims against Defendants.
- 3) Remain in the Settlement Class and file an objection with the Court by January 21, 2020.

What This Case Is About

Defendants attempted to collect consumer debts on behalf of LVNV Funding LLC (“LVNV”) or Pinnacle Credit Services, LLC (“Pinnacle”), from Plaintiffs and other New Jersey consumers. Plaintiffs claim that those collection efforts on behalf of LVNV and Pinnacle violated the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692 *et seq.*, a federal law, because neither LVNV nor Pinnacle was licensed under the New Jersey Consumer Finance Licensing Act (“NJCFLA”), N.J.S.A. 17:11C 1 *et seq.* Defendants deny any wrongdoing.

The following pages describe in greater detail your rights, the Settlement, and the Class Action. If you have questions, you may contact the attorneys who have been appointed by the Court to represent you and the other members of the Settlement Class. See answer to Question #7 on Page #5 for their contact information.

WHAT THIS NOTICE CONTAINS

You Can Get Benefits from this Class Action Settlement	1
BASIC INFORMATION	2
1. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?	2
2. WHAT IS THIS LAWSUIT ABOUT?	3
3. WHY DID I GET THIS NOTICE?	3
4. WHY IS THERE A SETTLEMENT?	3
5. WHO IS IN THE CLASS?	3
6. HAS THE COURT DECIDED WHO IS RIGHT?	5
7. WHO REPRESENTS THE CLASS IN THIS CASE?	5
THE TERMS OF THE SETTLEMENT	5
8. WHAT IS THE SETTLEMENT?	5
9. WHAT CLAIMS AM I RELEASING IF I REMAIN IN THE CLASS?	7
YOUR RIGHTS REGARDING THE SETTLEMENT	8
10. HOW DO I PARTICIPATE IN THE SETTLEMENT?	8
11. HOW CAN I REMOVE MYSELF FROM (OPT OUT OF) THE CLASS?	8
12. WHAT IF I OBJECT TO THE TERMS OF THE SETTLEMENT?	8
13. WHAT IS THE DIFFERENCE BETWEEN OBJECTING TO AND REMOVING MYSELF FROM (OPTING OUT OF) THE SETTLEMENT?	9
14. WHAT WILL HAPPEN AT THE FINAL FAIRNESS HEARING?	9
ADDITIONAL INFORMATION	10
15. WHERE CAN I GET MORE DETAILS ABOUT THE CASE?	10
16. WHAT IF MY ADDRESS OR PHONE NUMBER CHANGES?	10

BASIC INFORMATION

1. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit, a person or persons (the “Class Representatives” or Plaintiffs) sue on behalf of others who have the same claims. People with the same claims are called “Class Members”, or collectively, a “Class”. Because everyone in the Class has the same claims against the party being sued, one court can resolve the issues for everyone in the Class, except those who choose to remove themselves from the Class.

In this case, Victoria Lopez, Irina Chernyakhovskaya, Rubier Betancourt, Gladys Espinal, Luisa A. Martinez, Luis A. Rodriguez-Ocasio, Sammy Burgos, Joseph Henriquez, Wendy Lugo, Yensy Orbea, David Uriarte, Jader Ferreira, Francisco Gomez, Robert Little, Yolanda Jackson, and Melizza B. Delgado are the Class Representatives.

2. WHAT IS THIS LAWSUIT ABOUT?

Plaintiffs' lawsuits have been consolidated and is now captioned *In re LVNV Funding LLC Fair Debt Collection Practices Act Litigation*, Case No. 2:16-cv-01117-SDW-SCM. Plaintiffs allege that Defendants, debt collectors, committed violations of the Fair Debt Collection Practices Act. The FDCPA is a federal law that regulates debt collection practices by debt collectors.

The Class Representatives claim that Defendants violated the FDCPA by attempting to collect debts on behalf of LVNV or Pinnacle when neither LVNV nor Pinnacle was licensed under the NJCFLA. Defendants deny any wrongdoing.

The proposed Settlement would resolve all claims in the following class action lawsuits which have been consolidated *Lopez v. Faloni & Associates, L.L.C.*, 2:16-cv-01117-SDW-SCM (D.N.J.); *Chernyakhovskaya v. Resurgent Capital Services L.P.*, 2:16-cv-01235-JLL-JAD (D.N.J.); *Betancourt v. LVNV Funding LLC*, 2:17-cv-00390-JMV-JBC (D.N.J.); *Espinal v. First National Collection Bureau Inc.*, 2:17-cv-02833-WJM-MF (D.N.J.); *Martinez v. LVNV Funding LLC*, BER-L-003515-17 (N.J. Super. Ct. Law Div.); *Rodriguez-Ocasio v. LVNV Funding LLC*, 2:17-cv-04567-MCA-LDW (D.N.J.); *Burgos v. Resurgent Capital Services, L.P.*, 3:17-cv-06121-PGS-TJB (D.N.J.); *Henriquez v. Allied Interstate LLC*, 2:17-cv-06122-JMV-JBC (D.N.J.); *Lugo v. Capital Management Services, L.P.*, 2:17-cv-06204-SDW-LDW (D.N.J.); *Orbea v. Dynamic Recovery Solutions, LLC*, 2:17-cv-06250-SDW-LDW (D.N.J.); *Uriarte v. Stenger & Stenger, P.C.*, 3:17-cv-06251-MAS-TJB (D.N.J.); *Ferreira v. Frontline Asset Strategies, LLC*, 2:17-cv-06278-JLL-JAD (D.N.J.); *Gomez v. Nations Recovery Center, Inc.*, 2:17-cv-06279-JLL-JAD (D.N.J.); *Little v. LVNV Funding LLC*, 2:17-cv-07842-JMV-SCM (D.N.J.); *Jackson v. First National Collection Bureau, Inc.*, 2:17-cv-07891-MCA-SCM (D.N.J.); and *Delgado v. LVNV Funding, LLC*, 2:18-cv-01521-KM-JBC (D.N.J.).

3. WHY DID I GET THIS NOTICE?

You received this Notice because Defendants' records show that during the relevant time period, one or more Defendants attempted to collect a debt from you on behalf of LVNV or Pinnacle.

4. WHY IS THERE A SETTLEMENT?

The Class Representatives and Defendants agreed to this Settlement to avoid the expense of a trial and possible appeals. The Class Representatives and the attorneys appointed by the Court to serve as "Class Counsel" believe that the Settlement is in the best interest of all Class Members. By settling this lawsuit, Defendants do not admit any wrongdoing.

5. WHO IS IN THE CLASS?

You are a member of the Class if you meet one or more of the following definitions:

Class One. All natural persons with addresses in the State of New Jersey against whom, beginning February 26, 2015 through April 5, 2017, Faloni & Associates, L.L.C. attempted to collect on behalf of LVNV Funding LLC.

Class Two. All natural persons with addresses in the State of New Jersey to whom, beginning March 3, 2015 through April 5, 2017, Resurgent Capital Services, L.P. sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to Citibank (South Dakota), N.A.

Class Three. All natural persons with addresses in the State of New Jersey against whom, beginning January 19, 2016 through April 5, 2017, J.C. Christensen & Associates, Inc. sent one or more letters in an attempt to collect a debt on behalf of LVNV Funding LLC.

Class Four. All natural persons with addresses in the State of New Jersey to whom, beginning April 16, 2016 through April 5, 2017, First National Collection Bureau, Inc. sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to Credit One Bank, N.A.

Class Five. All natural persons with addresses in the State of New Jersey against whom, beginning May 12, 2016 through April 5, 2017, First National Collection Bureau, Inc. attempted to collect a consumer debt on behalf of LVNV Funding LLC.

Class Six. All natural persons with addresses in the State of New Jersey against whom, beginning June 21, 2016 through April 5, 2017, Global Credit & Collection Corp. attempted to collect a consumer debt on behalf of LVNV Funding LLC.

Class Seven. All natural persons with addresses in the State of New Jersey to whom, beginning August 14, 2016 through April 5, 2017, Resurgent Capital Services, L.P. sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to Chase Bank USA, N.A.

Class Eight. All natural persons with addresses in the State of New Jersey to whom, beginning August 14, 2016 through April 5, 2017, Allied Interstate LLC sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to Sears National Bank.

Class Nine. All natural persons with addresses in the State of New Jersey to whom, beginning August 16, 2016 through April 5, 2017, Capital Management Services, LP sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to First Premier Bank.

Class Ten. All natural persons with addresses in the State of New Jersey to whom, beginning August 18, 2016 through April 5, 2017, Dynamic Recovery Solutions, LLC sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to World Financial Network National Bank.

Class Eleven. All natural persons with addresses in New Jersey to whom, beginning August 18, 2016 through April 5, 2017, Stenger & Stenger, P.C. sent one or more letters on behalf of LVNV Funding LLC concerning a debt.

Class Twelve. All natural persons with addresses in the State of New Jersey to whom, beginning August 20, 2016 through April 5, 2017, Frontline Asset Strategies, LLC sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to Credit One Bank, N.A.

Class Thirteen. All natural persons with addresses in the State of New Jersey to whom, beginning August 21, 2016 through April 5, 2017, Nations Recovery Center, Inc. sent one or more letters on behalf of LVNV Funding LLC concerning a debt originally owed to Citibank (South Dakota), N.A.

Class Fourteen. All natural persons with addresses in the State of New Jersey against whom, beginning October 3, 2016 through April 5, 2017, Alltran Financial, LP attempted to collect a consumer debt on behalf of LVNV Funding LLC.

Class Fifteen. All natural persons with addresses in the State of New Jersey to whom, beginning October 4, 2016 through April 5, 2017, First National Collection Bureau, Inc. sent one or more letters on behalf of Pinnacle Credit Services, LLC, concerning a debt originally owed to Verizon Wireless.

Class Sixteen. All natural persons with addresses in the State of New Jersey against whom, beginning February 2, 2017 through April 5, 2017, Credit Control, LLC attempted to collect a consumer debt on behalf of LVNV Funding, LLC.

Defendants have identified approximately 427,726 persons as meeting definition the Class.

6. HAS THE COURT DECIDED WHO IS RIGHT?

No. The Court has not yet made any determination as to which party is right.

7. WHO REPRESENTS THE CLASS IN THIS CASE?

The Court appointed the following attorneys to represent you and other Settlement Class Members:

Lead Class Counsel:

Yongmoon Kim, Esq.
Kim Law Firm LLC
411 Hackensack Avenue, Suite 701
Hackensack, NJ 07601
(718) 838-9854 - phone
(201) 273-7117 – fax

Additional counsel:

Joseph K. Jones of Jones, Wolf & Kapasi, LLC;
Lawrence C. Hersh;
Eileen L. Linarducci of the Law Office of Ronald I. LeVine; and
Ryan Gentile of the Law Offices of Gus Michael Farinella, PC

These lawyers are called Class Counsel. You will not be charged for these lawyers' services. If you want to be represented by your own lawyer, you may hire one at your own expense.

THE TERMS OF THE SETTLEMENT

8. WHAT IS THE SETTLEMENT?

In exchange for releasing certain claims against the Defendants (see Question 9 below for a description of the released claims), all the Class Members will receive the benefits described below.

Account Credits and Payments to Settlement Class Members

To resolve claims of all Settlement Class Members, Defendants have agreed to provide account credits totaling \$2,401,255.80; which will be divided into equal portions amongst all Class Members who do not opt-out. Thus, each Class Member will receive an account credit of approximately \$6.34. However, if you do not have an account balance, then you will receive a cash payment of \$6.34. Further, if you have an account balance but do not have a sufficient balance for the credit to be applied in full, you will receive the remaining amount of the \$6.34 credit in cash. The credit/payment amount can change depending on how many persons are ultimately determined to be members of the Class. If you are a member of the Class and you do not timely exclude yourself, this will automatically apply to you.

Under the FDCPA, the maximum amount that a defendant would have to pay the settlement class is 1% of its net worth or \$500,000, whichever is less.

Assuming the Court approves the proposed settlement at the Final Fairness Hearing, within 14 days after that final approval, Defendants will provide the account credits, and deposit the funds into an escrow account established and maintained by the Settlement Administrator (the "Settlement Fund"), from which payments will be issued to Settlement Class Members.

Relief checks will expire 125 days after the date that they are mailed.

The money from any uncashed checks will be paid as a charitable contribution to the National Consumer Law Center with no restrictions on its use.

The Defendants Will Pay the Class Representatives

The Defendants will pay each of the Class Representatives Service Payments in the following amounts in recognition of his/her efforts on behalf of the Class and to resolve his/her individual claims.

- \$4,500.00 to Victoria Lopez;
- \$4,500.00 to Irina Chernyakhovskaya;
- \$3,000.00 to Rubier Betancourt;
- \$3,000.00 to Gladys Espinal;
- \$3,000.00 to Luisa A. Martinez;
- \$3,000.00 to Luis A. Rodriguez-Ocasio;
- \$3,000.00 to Sammy Burgos;
- \$3,000.00 to Joseph Henriquez;
- \$3,000.00 to Wendy Lugo;
- \$3,000.00 to Yensy Orbea;
- \$3,000.00 to David Uriarte;
- \$3,000.00 to Jader Ferreira;
- \$3,000.00 to Francisco Gomez;
- \$3,000.00 to Robert Little;
- \$3,000.00 to Yolanda Jackson; and
- \$3,000.00 to Melizza B. Delgado.

The Defendant Will Pay Class Counsel's Fees and Expenses

The Defendant has agreed to pay attorney's fees and costs in an amount awarded by the Court. Class Counsel will file a fee application prior to the date scheduled for the Fairness Hearing seeking reasonable attorney's fees and costs in the amount of approximately \$250,000 for the time spent and costs incurred by Class Counsel through the date of the Fairness Hearing.

The amounts that Class Counsel will seek will include all costs and expenses, time already spent and time to be spent, including finalizing the Settlement, preparing Settlement documents, drafting briefs, attending hearings, responding to and defending against any objections to the settlement and monitoring of the settlement and settlement administration. The amount of the attorney's fees and costs award is not part of the substantive terms of the proposed settlement and will be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the proposed settlement. Payment by the Defendant of any attorney's fees and costs will not reduce the benefits to the Class.

9. WHAT CLAIMS AM I RELEASING IF I REMAIN IN THE CLASS?

Persons who remain in the Settlement Class will not be able to sue, or continue to sue, Defendants about the same legal claims that are the subject of this lawsuit. If you remain in the Settlement Class, you will be legally bound by all of the Orders that the Court issues and the judgments that the Court makes in the proposed Settlement. Under the Settlement Agreement, each person who remains in the Settlement Class will be bound by the following release of claims:

"As a result of the settlement that has been approved in this matter, when this judgment becomes effective upon the final approval date, Plaintiffs and each Settlement Class Member, for themselves, their heirs, successors and assigns shall have jointly and severally remised, released, acquitted and forever discharged the Released Parties from the Released Claims.

'Released Claims' shall mean any and all actions, causes of action, suits, claims, defenses, covenants, controversies, agreements, promises, damages, judgments, demands, liabilities and obligations in law or in equity relating solely to claims of statutory damages under the federal Fair Debt Collection Practices Act ("FDCPA"), that Plaintiffs and the Settlement Class Members, as defined herein, asserted or could have asserted as a result of, arising out of, or in connection with the collection of a debt on behalf of LVNV Funding LLC and on behalf of Pinnacle Credit Services, LLC when they were not licensed under New Jersey Consumer Finance Licensing Act ("NJCFLA"), N.J.S.A. 17:11C 1 et seq., from the beginning of time to the date of this Agreement.

Notwithstanding the foregoing, the Plaintiffs and Settlement Class Members specifically reserve the right to sue for actual damages and to dispute the amount of the alleged debts that they may owe to LVNV Funding LLC or Pinnacle Credit Services, LLC. Additionally, The Released Claims specifically do not include any claims that Plaintiffs and Settlement Class Members may have against any of the Released Parties for any causes of action other than arising from LVNV Funding LLC's or Pinnacle Credit Services LLC's failure to be licensed under the NJCLFA.

'Released Parties' shall mean LVNV Funding LLC, Resurgent Capital Services, L.P.; Pinnacle Credit Services, LLC; First National Collection Bureau, Inc.; Allied Interstate LLC, Capital Management Services, L.P.; Dynamic Recovery Solutions, LLC; Stenger & Stenger, P.C.; Frontline Asset Strategies, LLC; Nations Recovery, Inc.; Alegis Group, LLC; Credit Control, LLC; J.C. Christensen & Associates, Inc.; and Alltran Financial, LP and their past or present partners, members, officers, directors, shareholders, employees, successors and assigns."

You will remain in the Settlement Class and be bound by the above release unless you remove yourself from the Settlement Class, as described below. If you do not remain in the Settlement Class, you will not be releasing any claims.

YOUR RIGHTS REGARDING THE SETTLEMENT

10. HOW DO I PARTICIPATE IN THE SETTLEMENT?

You will be automatically included in the proposed Settlement unless you remove yourself from the Settlement. If you do not remove yourself, and the Settlement is approved by the Court, you will receive an Account Credit and/or be mailed a check as described above and you will be bound by the above Release.

11. HOW CAN I REMOVE MYSELF FROM (OPT OUT OF) THE CLASS?

If you want to be excluded (opt out), you must notify the Settlement Administrator in writing. Your written request must include: (1) Your name and address, and (2) the statement "I request to be removed from the Settlement Class in the *In re LVNV Funding LLC Fair Debt Practices Act Litigation* Class Action Settlement." Your request **must be received by** the Settlement Administrator at the following address on or before **January 21, 2020**:

Settlement Administrator
In re LVNV Funding LLC Fair Debt Practices Act Litigation
Requests for Removal
P.O. Box 58757
Philadelphia, PA 19102-8757

If the Settlement Administrator receives your request after January 21, 2020, your request shall be considered untimely and you may continue to be a member of the Settlement Class.

12. WHAT IF I OBJECT TO THE TERMS OF THE SETTLEMENT?

Any Class Member may appear in person or through an attorney at the Final Fairness Hearing in order to oppose the fairness, reasonableness and/or adequacy of the Settlement to the extent allowed by the Court, including the payment of Class Counsel's fees, reimbursement of expenses and costs and the Class Representative's Service Payments.

In order to oppose any of the Settlement terms, you must send **written** notice to the Court that includes: (1) a statement whether your objection applies only to you, a part of a class or classes, or an entire class or classes; (2) a statement of each objection being made; (3) a description of the facts and legal basis for each objection; (4) a statement of whether you intend to appear at the Final Fairness Hearing; (5) a list of witnesses whom you may call by live testimony, oral deposition testimony or affidavit during

the Final Fairness Hearing; (6) and a list of exhibits that you may offer during the Final Fairness Hearing, along with copies of all of the exhibits. **You must also provide a copy of that notice to Class Counsel as well as to Defendant.** All documents must contain a reference to *In re LVNV Funding LLC Fair Debt Practices Act Litigation*, 2:16-cv-01117-SDW-SCM.

Any Class Member who does not object in the manner provided above shall be deemed to have waived his/her objection and shall be foreclosed from opposing the fairness, reasonableness, or adequacy of the settlement or payment of Class Counsel’s fees and expenses or payment of the Class Representative’s Service Payments.

Any written objection made by a Class Member **must** be sent to:

<u>The Court</u>	<u>Class Counsel</u>	<u>Defendant</u>
Clerk of the United States District Court of New Jersey Martin Luther King Building & U.S. Courthouse 50 Walnut Street Room 4015 Newark, NJ 07101	Kim Law Firm LLC <i>In re LVNV Funding LLC Fair Debt Practices Act Litigation</i> 411 Hackensack Avenue, Suite 701 Hackensack, NJ 07601	Blank Rome LLP <i>In re LVNV Funding LLC Fair Debt Practices Act Litigation</i> 405 Lexington Avenue New York, New York 10174

Your written objection and supporting documentation must be received by the Court, Class Counsel and Defendant by **January 21, 2020.**

13. WHAT IS THE DIFFERENCE BETWEEN OBJECTING TO AND REMOVING MYSELF FROM (OPTING OUT OF) THE SETTLEMENT?

By objecting, you tell the Court that you want to remain in the Class, but that you disagree with the Settlement. **You can object only if you remain in the Class. You may not object first and remove yourself (opt out) later.**

Removing yourself (opting out) is telling the Court that you do not want to be part of the Class and do not wish to participate in the Settlement. **If you remove yourself (opt out), you cannot object.** Once you remove yourself from (opt out of) the Class, the case no longer affects you.

14. WHAT WILL HAPPEN AT THE FINAL FAIRNESS HEARING?

At the Final Fairness Hearing, the Court will decide whether or not the Settlement is fair, reasonable and adequate, and also whether or not payment of the Class Representative’s Service Payments should be approved. If there are objections, the Court may consider them. The Court will also decide, either at the Final Fairness Hearing or at a subsequent hearing, whether or not payment of Class Counsel’s fees and reimbursement of Class Counsel’s expenses and costs should be approved.

The Final Fairness Hearing is presently scheduled for March 25, 2020 11:00 a.m. ET, at the United States District Court of New Jersey Courthouse, which is located at 50 Walnut Street, Newark, New Jersey, 07101.

Unless you wish to object to the proposed Settlement, you are not required to attend the Final Fairness Hearing. You are welcome to attend at your own expense. The Court may adjourn the Final Fairness Hearing without further written notice to Settlement Class Members.

ADDITIONAL INFORMATION

15. WHERE CAN I GET MORE DETAILS ABOUT THE CASE?

Do not contact the Court for legal questions or advice.

You may obtain copies of the Complaint and other documents filed in this lawsuit during regular business hours from the United States District Court of New Jersey. You will need to provide the name of the lawsuit and the docket number: *In re LVNV Funding LLC Fair Debt Practices Act Litigation*, Docket No. 2:16-cv-01117-SDW-SCM. You may also obtain documents related to the case from the Court's Public Access to Court Electronic Records (PACER) system: www.pacer.gov.

You may also obtain information by contacting Class Counsel or the Settlement Administrator using the contact information identified in sections 7 and 11.

16. WHAT IF MY ADDRESS OR PHONE NUMBER CHANGES?

If your address or phone number has changed, or changes in the future, you should send your new address and telephone number to the Settlement Administrator at the address listed in the answer to Question 11 above. You may also contact the Settlement Administrator by calling 1-833-927-0820 or sending an e-mail to: info@lvnvclassactionsettlementnj.com

SO ORDERED by the United States District Court of New Jersey.
