

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

MELISSA DEVIN MAGNESS v. WALLED LAKE CREDIT BUREAU, et al.

OFFICIAL COURT NOTICE IMPORTANT – PLEASE READ CAREFULLY

YOU MAY GET MONEY FROM THIS CLASS ACTION SETTLEMENT AND YOUR RIGHTS ARE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS SETTLEMENT.

A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER.

1. Why is this notice being sent?

This notice is to inform you of a Class Action Settlement in the case *Magness v. Walled Lake Credit Bureau, et al.*, Case No. 12-cv-06586-LDD, pending in the United States District Court for the Eastern District of Pennsylvania (the "Lawsuit").

The Plaintiff in the Lawsuit filed suit against Bank of America, N.A. and Walled Lake Credit Bureau LLC, alleging violations of the Fair Debt Collections Act 15 U.S.C. § 1692, *et seq.* ("FDCPA"). The Plaintiff seeks to represent a class of individuals who reside and/or resided in the Commonwealth of Pennsylvania and received a "Borrower Response Package" ("BRP") from Bank of America ("BANA") and/or Walled Lake Credit Bureau ("WLCB") (BANA and WLCB together shall be referred to as "Defendants") between March 22, 2012 and November 19, 2012. According to BANA's records, you were a recipient of the BRP. The Plaintiff alleged that the BRP contained false and misleading information. Specifically, while the BRP references BANA's loan modification programs, the Plaintiff asserted it was a communication attempting to collect a debt that violated the FDCPA. Both BANA and WLCB have denied Plaintiff's allegations in their entirety and continue to assert that the BRP was offering loan modification services and complied with all legal requirements.

After extensive negotiations, the Parties (Plaintiff and Defendants) have reached a settlement of the Lawsuit (the "Settlement Agreement"). The Court has granted preliminary approval of the Settlement and has scheduled a hearing on Thursday, February 5, 2015, at 10:00 a.m. in Courtroom 6A to determine whether to grant final approval.

IF YOU ARE ONE OF THE INDIVIDUALS DESCRIBED IN THIS NOTICE WHO IS AFFECTED BY THE PROPOSED SETTLEMENT, YOU MAY GET MONEY FROM THIS SETTLEMENT. TO RECEIVE THE FULL AMOUNT TO WHICH YOU MAY BE ENTITLED, YOU MUST COMPLETE AND SUBMIT THE ENCLOSED "CLAIM FORM" TO THE CLAIMS ADMINISTRATOR, THE GARDEN CITY GROUP, INC. (THE "CLAIMS ADMINISTRATOR") BY JANUARY 12, 2015. PLEASE SEE THE ATTACHED FORM FOR ADDITIONAL INFORMATION.

2. Who is affected by the proposed Settlement?

The Lawsuit was filed as a class action. In a class action, one or more people called "class representatives" (here, Plaintiff Melissa Magness) sue on behalf of people who allegedly have similar claims. This group is called a "class" and the persons included are called "class members." One court resolves the issues for all of the class members, except for those who exclude themselves from the class. Here, the Court has certified a class action for settlement purposes only.

The Plaintiff is serving as the Class Representative for a class of approximately 12,582 individuals from the Commonwealth of Pennsylvania who received the BRP between the dates of March 22, 2012 and November 19, 2012.

3. What is this case about?

Plaintiff brought the Lawsuit against BANA and WLCB claiming the BRP contained false and misleading information in violation of the FDCPA. Specifically, Plaintiff alleged that the BRP was a communication from a debt collector that did not meet the requirements of the FDCPA, and that it misled borrowers by stating it was only a communication concerning BANA's loan modification programs.

The parties in this Litigation disagree as to the probable outcome of the Lawsuit with respect to liability and damages if it were not settled. While the Plaintiff was prepared to proceed with litigating the case described above, the Plaintiff recognizes that litigating is a risky proposition and that she may not have prevailed on any or all of her claims. BANA and WLCB expressly deny any wrongdoing or legal liability arising out of any of the claims alleged in the Lawsuit. BANA continues to assert that the BRP was a communication designed to offer assistance to borrowers and provide information regarding certain loan modification programs. BANA and WLCB have asserted strong defenses to the Plaintiff's claims.

This Settlement is the result of good-faith, arms-length negotiations between the Plaintiff and Defendants, through their respective attorneys. Both sides agree that, in light of the risks and an expense associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Settlement Class.

4. What are my options?

You have four options with regard to this Settlement. You can: 1) participate in the Settlement in full by filing the enclosed Claim Form; 2) object to the Settlement; 3) exclude yourself from the Settlement by mailing a request to opt out; or 4) do nothing. Details about each option and how each option will affect your rights under the law are explained below.

5. What are the terms of the proposed Settlement?

Under the Settlement Agreement, BANA and WLCB will pay Five Hundred Fifty Thousand Dollars (\$550,000) into a settlement fund (the "Gross Settlement Fund") to settle the Lawsuit. The Gross Settlement Fund will be deposited into a qualified settlement fund to cover all payments to class members, as well as attorneys' fees and litigation costs; settlement administration costs; and an Enhancement to the Plaintiff for bringing and prosecuting the Lawsuit. After attorneys' fees and costs, settlement administration costs, and Enhancement Award (if awarded by the Court) are deducted from the Gross Settlement Fund, the remainder will be the Net Settlement Fund.

The Net Settlement Fund will be divided amongst the Settlement Class Members who elect to participate in the Settlement by timely submitting valid Claim Forms ("Participating Class Members"). The exact amount to be received by each Participating Class Member cannot be determined until the final number of Participating Class Members has been identified. The Fund will be divided pro rata among all Participating Class Members, after attorneys' fees and costs and an Enhancement Award to the Plaintiff have been deducted. You do not need to do anything to qualify for a payment.

The maximum amount any Participating Class Member can receive is \$1,000, which is the statutory damages cap for an individual under the FDCPA. In the event that all Settlement Class Members become Participating Class Members, and the Court awards the Plaintiff the requested Enhancement Award and the attorneys' fees requested, the minimum a Participating Class Member shall receive is approximately \$20.74, and the maximum is \$1,000. The exact amount each Participating Class Member will receive can only be determined after the Court determines how many individuals submitted completed valid and timely Claim Forms.

In addition to the amount paid to the Gross Settlement Fund, Defendants have agreed to pay Plaintiff Magness Fifteen Thousand Dollars (\$15,000), which represents her actual damages in this case, as an Individual Settlement of her claims. Plaintiff Magness, who took the risk of bringing this Lawsuit, took a lead role in prosecuting the litigation and assisted in its resolution by, among other things, sitting for a deposition and attending a full-day mediation, will request from the Court to receive an Enhancement Award of \$5,000 in recognition of these risks and the benefit she helped obtain for Settlement Class Members.

6. Who represents the Parties?

Plaintiff and Settlement Class Members:

Arkady Eric Rayz
Kalikhman & Rayz, LLC
1051 County Line Road
Suite A
Huntingdon Valley, PA 19006
Phone: (215) 364-5030
Fax: (215) 364-5029

Gerald D. Wells, III
Connolly Wells & Gray, LLP
2200 Renaissance Blvd., Suite 308
King Of Prussia, PA 19406
Phone: (610) 822-3700
Fax: (610) 822-3800

Bank of America:

Andrew J. Soven
Reed Smith LLP
Three Logan Square
1717 Arch St., Suite 3100
Philadelphia, PA 19103
Phone: (215) 851-8288
Fax: (215) 851-1420

Walled Lake Credit Bureau:

Martin C. Bryce, Jr.
Ballard Spahr Andrews and Ingersoll, LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
Phone: (215) 864-8238
Fax: (215) 864-9511

7. How will the attorneys for the class be paid?

Settlement Class Counsel, as defined in the Settlement Agreement, will request an award of (i) fees that do not exceed 40% of the Gross Settlement Amount; and (ii) reasonable out-of-pocket expenses. Any attorneys' fees and costs awarded in conjunction with the Settlement shall be paid from the Gross Settlement Fund. Any fees and costs awarded by the Court in connection with this Settlement shall include and constitute satisfaction of the entire amount of attorneys' fees and costs awarded by the Court, and shall be distributed by the Claims Administrator after the Court makes a determination regarding the amount of any fees and costs to be awarded. Class Counsel's Motion for Attorneys' Fees and Costs will be a public document filed with the Court. Once filed, Class Counsel's Motion will be available on the website maintained by the Claims Administrator, www.gcginc.com/cases-info/WLC. The actual amount awarded will be determined by the Court to ensure that the amount of attorneys' fees and costs are reasonable.

8. How do I participate in the Settlement and what happens if I do participate?

To receive a distribution from the Settlement Fund, you must complete, sign and return the enclosed Claim Form by mailing it to the Claims Administrator, postmarked no later than January 12, 2015. If the Court approves the Settlement, you will receive a distribution amount calculated as described in Section 5. The Claim Form is enclosed with this Notice and may also be obtained by contacting the Claims Administrator at the address or phone number that appears at the end of this notice.

Should you choose to return your Claim Form and participate in the Settlement, and if the Court grants final approval of the Settlement, you will be deemed by the Court to have fully and irrevocably released and waived any and all FDCPA and debt collection related claims you may have against BANA and WLCB through the date the Court grants final approval to the Settlement. You will be unable to bring any claim against BANA or WLCB that is included in the Release of Claims listed on the Claim Form. The full release and covenant not to sue is contained in the Claim Form.

If you submit a valid Claim Form, you will receive your Settlement check for your distribution from the Net Settlement Fund after final approval and after the Settlement becomes effective.

9. How quickly must I act to participate in the Settlement?

To join the Lawsuits and receive a distribution from the Settlement Fund, you must properly complete and timely submit the enclosed Claim Form to the Claims Administrator.

THE CLAIM FORM MUST BE POSTMARKED OR RECEIVED BY THE CLAIMS ADMINISTRATOR AT THE ADDRESS SET FORTH BELOW ON OR BEFORE JANUARY 12, 2015.

10. What if I choose to object to the Settlement?

You can object to the terms of the settlement before final approval. However, if the Court approves the settlement, you may still be bound by the terms of the settlement. You may both object to the settlement and participate in it, but you must timely file a Claim Form to receive your distribution from the Settlement Fund.

To object, you must submit a written objection, along with any supporting documents or materials by **JANUARY 12, 2015** to the Court and you must serve a copy on the counsel for both Parties at the addresses listed above. Any Settlement Class member who does not object in the manner described above shall be deemed to have waived any objections, and shall forever be foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the payment of attorneys' fees, litigation costs, the Enhancement Award to the Plaintiff, the claims process, and any and all other aspects of the Settlement.

IF YOU INTEND TO OBJECT TO THE SETTLEMENT, BUT WISH TO RECEIVE YOUR FULL SHARE OF THE SETTLEMENT FUNDS, YOU MUST STILL TIMELY FILE YOUR CLAIM FORM AS STATED ABOVE. IF THE COURT APPROVES THE SETTLEMENT DESPITE YOUR OR ANY OTHER OBJECTION AND YOU HAVE NOT SUBMITTED A CLAIM FORM, YOU WILL NOT RECEIVE ANY PROCEEDS AND YOU WILL STILL BE BOUND BY THE RELEASE OF CLAIMS.

11. What if I choose to exclude myself from or "opt out" of the Settlement?

You may exclude yourself from the Settlement by submitting a request to opt out of the Settlement. Class Members who wish to exercise this option must send a letter by mail to the Claims Administrator that (a) is signed by the Class Member; (b) includes their full name, address and phone number; and (c) includes the following statement: "I/we request to be excluded from the settlement in the Magness action." No request for exclusion will be valid unless all of the information described above is included. If a fully completed and properly executed Opt Out is not received by the Claims Administrator from a Class Member and postmarked on or before Thursday, January 22, 2015, 14 days prior to the Final Approval Hearing. If you submit a request to opt out but also submit a valid Claim Form, you will receive a Cure letter seeking clarification. Absent a response to the contrary, you will be deemed to have opted out of the Settlement. If you timely complete and submit an opt-out request, you will not participate in these proceedings, or receive any money from the Settlement. If you opt out, you will not be subject to the Release of Claims set forth in the Settlement Agreement and Claim Form.

12. What if I do nothing?

If you do nothing, you will not receive any distribution from the Settlement Fund and you will still be bound by the Release of Claims.

You are strongly encouraged to make a decision as to whether you wish to participate in the Settlement and receive a distribution from the Settlement Fund and to return the appropriate form within the allotted time period.

13. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing at 10:00 a.m. on Thursday, February 5, 2015, at the United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Philadelphia, PA 19106, in Courtroom 6A. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are valid objections that comply with the requirements in Question 10 above, the Court also will consider them and will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel and Plaintiff.

14. Do I have to attend the Final Approval Hearing?

No. Class Counsel will appear on behalf of the Settlement Class. But, you are welcome to come, or have your own lawyer appear at your own expense.

15. Who can answer questions regarding the Settlement?

This Notice only summarizes the Settlement terms for the Lawsuit. For more information about the settlement or if you have any questions regarding the settlement, you may contact the Claims Administrator at:

Magness v. Walled Lake Credit Bureau, et al.
c/o GCG
PO Box 10131
Dublin, OH 43017-3131
(844) 322-8247

The Claims Administrator will also have the information contained in this Notice posted on a website: www.gcginc.com/cases-info/WLC.

You also may contact any of the Settlement Class Counsel at the telephone numbers listed above.

Do not contact the Court directly about this matter. The Court cannot provide you with legal advice or any opinion regarding the Lawsuits or proposed settlement.