

NOTICE AND FREQUENTLY ASKED QUESTIONS (“FAQ”)

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AGREEMENT

IN RE PORTFOLIO RECOVERY ASSOCIATES, LLC, TELEPHONE CONSUMER PROTECTION ACT LITIGATION

United States District Court for the Southern District of California
Case No. 11-MD-2295-JAH-BGS

READ THIS NOTICE CAREFULLY YOUR LEGAL RIGHTS MAY BE AFFECTED

A court authorized this Notice. This is not a solicitation from a lawyer.

If you were called on a cellular telephone in the United States by Portfolio Recovery Associates, LLC and/or PRA Group, Inc. f/k/a Portfolio Recovery Associates, Inc. (collectively “PRA” or “Defendants”) using an autodialer or other predictive dialer without prior express consent between December 23, 2006 and July 1, 2013, inclusive (the “Class Period”), you are a class member and your rights may be affected by a class action settlement (the “Agreement”). Please read the rest of this Notice to find out more.

SUMMARY OF THE AGREEMENT, CLAIMS PROCESS, EXCLUDING YOURSELF FROM OR OBJECTING TO THE SETTLEMENT

- The Plaintiffs sued Defendants in a class action lawsuit for allegedly calling Plaintiffs and other persons (the “Class Members,” as defined below) on their cellphones without their prior consent, in violation of the Telephone Consumer Protection Act (“TCPA”), using an automatic telephone dialing system (“Autodialer”). Defendants, who made the calls for the purpose of debt collection, deny that they violated the TCPA.
- The Parties have agreed to settle this class action for \$18,000,000 (the “Settlement Fund”) which (after deduction of attorneys’ fees, expenses, administration costs, and incentive awards to the Plaintiffs) will be divided proportionately among all Class Members who submit valid and timely claims. Defendants will also be prohibited from using their Avaya Proactive Contact Dialer to place calls to any cellular telephone numbers without prior express consent.
- The Court in charge of this case has not decided whether to finally approve the settlement; however, the Court has preliminarily approved the settlement as fair, adequate and reasonable. Payments will take place if the Court approves the settlement and after any appeals are resolved.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Participate in the Settlement	If you wish to receive money from the Settlement Fund, you must file a claim form by <u>October 26, 2016</u> .
Exclude Yourself from the Settlement	If you do not want to receive money from the Settlement Fund, but you want to keep your rights to sue the Defendants separately, you must send a letter requesting exclusion postmarked no later than <u>November 4, 2016</u> .
Object to the Settlement	If you wish to object to the settlement, you must file a written objection with the Court, and mail a copy to Class Counsel, and Defendant’s Counsel stating your objections which must be received by the Court no later than <u>November 4, 2016</u> .
Participate in the Hearing	If you submit a timely objection to the settlement, you may also indicate in the objection whether you wish to appear in court and be heard at the time of the final fairness hearing.
Do Nothing	If you do nothing with respect to this Notice, you will not receive a payment from the Settlement Fund but you will still be bound by the terms of the settlement including the release of claims described below.

THESE RIGHTS AND OPTIONS, INCLUDING THE DEADLINES BY WHICH TO EXERCISE THEM, ARE EXPLAINED IN THIS NOTICE BELOW

Frequently Asked Questions

1. *What is this lawsuit about?* Page 2

2. *Why did I get a postcard?* Page 3

3. *What if I did not get a postcard?* Page 3

4. *Are you included in the Class?* Page 3

5. *What are the terms of the Agreement?* Page 3

6. *How can I make a claim for compensation?* Page 3

7. *What is the deadline to submit a claim?* Page 4

8. *When would I get my compensation?* Page 4

9. *What am I giving up in return for the Agreement’s benefits?* Page 4

10. *How do I get out of the Agreement?* Page 4

11. *If I do not exclude myself, can I sue Defendants for the same thing later?* Page 5

12. *Do I have a lawyer in this case?* Page 5

13. *How will the lawyers, plaintiffs, and settlement administrator be paid?* Page 5

14. *How do I tell the Court that I do not like the Agreement?* Page 5

15. *What is the difference between “objecting” and “excluding” yourself?* Page 6

16. *When and where is the fairness hearing?* Page 6

17. *Do I have to attend the hearing?* Page 6

18. *What if I do nothing at all?* Page 6

19. *Are there more details about the Agreement?* Page 6

1. What is this lawsuit about?

A class action is where one or more persons, called class representatives, sue on behalf of people who have similar claims. All of these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

In this case, Jeremy Frydman, John Howard, Sam Marin, Jesse Meyer, Fred Jury, and Danny Allen were the class representatives (collectively, “Plaintiffs”), and they allege on behalf of themselves and the Class, that Defendants violated the Telephone Consumer Protection Act (“TCPA”) by calling persons on their cell phones using an automatic telephone dialing system (“Autodialer”) without prior express consent. The initial lawsuit has been pending since 2010 and was consolidated into a multidistrict litigation proceeding titled *In re Portfolio Recovery Associates, LLC. Telephone Consumer Protection Act Litigation*, No. 11-MD-2295-JAH-BGS, before the United States District Court for the Southern District of California (the “Lawsuit”). The TCPA provides, among other relief, that a plaintiff may seek statutory damages of up to \$500 per violation, and that this amount may be tripled for willful violations. Defendants deny that they violated the TCPA and specifically deny that they used an Autodialer to call any Class Members without prior express consent. The Court in charge of this case has not decided whether to finally approve the settlement; however, the Court has preliminarily approved the settlement as fair, adequate and reasonable. Payments from the settlement fund will only be made after the Court approves the settlement and after any appeals are resolved.

2. *Why did I get a postcard?*

If you received a postcard, Defendants' records indicate you were called on your cellphone. You are eligible to submit a claim to share in the Settlement Fund. Payment amounts will depend on the number of valid claims received.

3. *What if I did not get a postcard?*

You may still be a Class Member even if you did not receive a postcard. You will need to provide your full name and mailing address and you may need to provide the telephone number on which Defendants called you to the Settlement Administrator to submit a valid claim. The Settlement Administrator will need to verify that you appear in Defendants' records to determine whether you are a Class Member and eligible to receive payment from the Settlement Fund.

4. *Are you included in the Class?*

Only Class Members are eligible to submit a claim on the Settlement Fund. The Agreement defines the Class as:

all natural persons residing in the United States who received one or more telephone calls from an autodialer or a predictive dialer operated by Defendants to such person's cellular telephone number between December 23, 2006 and July 1, 2013, inclusive, and who are listed in the csv data file titled pra_outbound_dial_list_20140304.zip produced to Plaintiffs' counsel.

Defendant's records indicate there are approximately 7.4 million Class Members. How much you will receive from the Settlement Fund depends in part on how many Class Members submit claims. In similar cases, the number of class members who have submitted claims have typically ranged from one percent (1%) to ten percent (10%) of the entire Class. However, claims rates are unpredictable, and those rates only reflect past claims rates in prior cases. Class Counsel make no guarantee or representation about the claims rate in this case or the amount of money you will actually receive from the Settlement Fund.

5. *What are the terms of the Agreement?*

The Court did not decide in favor of either side. Instead, both sides have voluntarily agreed to a settlement. The settlement provides several benefits:

- a. Defendants will establish an \$18 million Settlement Fund which (after deducting the costs of Settlement Notice and Administration, incentive awards to the Plaintiffs, and the fees and litigation expenses incurred by attorneys representing the Class in pursuing this Lawsuit on behalf of the Class) will be used to make payments to Class Members who submit valid claims. Class Members' payments will depend on the number of valid claims submitted. Claims will be paid proportionally after making the deductions listed above.

If any portion of the Settlement Fund is not distributed or any Class Members' checks are not cashed or deposited 180 days after issuance, the funds will be distributed to Class Members who cashed or deposited their checks, as long as the amount is at least \$5. Within ten days after the last check containing a payment becomes invalid under the Settlement Agreement, the Settlement Administrator will pay all funds representing uncashed checks to the *Cy Pres* Recipient.

- b. In addition, Defendants will be subject to a consent decree that will prevent them from using their Avaya Proactive Contact Dialer to place calls to any person's cellular telephone numbers without prior express consent.

6. *How can I make a claim for compensation?*

KCC, LLC will act as the third-party Settlement Administrator and will be administering the claims process. Under the terms of the Agreement, the updated contact information you provide to the Settlement Administrator will **not** be provided to Defendants.

You may make a claim for compensation in one of three ways:

- (1) Submitting a claim online at the Settlement Administrator's settlement website: www.PRATCPASettlement.com; or
- (2) Submitting a claim by telephone by calling the Settlement Administrator at 1-888-301-8552; or
- (3) Submitting a claim by mail by downloading a claim form from the settlement website, completing that paper claim form, and mailing the completed claim form to the Settlement Administrator postmarked no later than October 26, 2016. Claim forms which are handwritten and are not legible *may*, but are not entitled, to receive payment from the Settlement Fund (unless the Court orders otherwise).

After your claim is submitted, if the Settlement Administrator determines that your claim is valid, your claim will be processed. Only one claim may be submitted per person.

Written requests for claim forms must be submitted to the following address:

In re Portfolio Recovery MDL TCPA Settlement
P.O. Box 43421
Providence, RI 02940-3421

7. *What is the deadline to submit a claim?*

All online claims or telephone claims must be made on or before close of business on October 26, 2016. If you submit your claim by mail, your claim must be postmarked on or before October 26, 2016.

8. *When would I get my compensation?*

The Court will hold a Final Hearing on December 5, 2016 at 2:30 p.m., to decide whether to grant final approval to the Agreement. If the Court finally approves the Agreement, and there are no appeals, the Final Approval Order will become final thirty days after the date of entry. The Settlement Administrator will mail out all cash claims within 30 days after the Final Approval Order becomes final. Someone may appeal the Final Approval Order. If so, the Final Approval Order will not take effect until those appeals are resolved. It is always uncertain whether and when appeals would be resolved, and payment under this Settlement cannot be made until the Final Approval Order becomes final. Please check the settlement website for updates.

9. *What am I giving up in return for the Agreement's benefits?*

The full terms of this Release are contained in Section 7.1 of the Agreement (available [here](#) on the settlement website), or in the public court records on file in this Lawsuit. In summary, Plaintiffs and Class Members release Defendants and related persons and entities from any liability related to Defendants' use of an autodialer or other predictive dialer between December 23, 2006 and April 24, 2016.

More specifically, Class Members, and their assigns, heirs, executors, successors, and predecessors, and each of them, fully, finally and forever release Defendants and their past, present and future officers, directors, principals, shareholders, employees, servants, agents, representatives, parents, affiliates, subsidiaries, predecessors, successors, partners (including any entities that provided Defendants with the cellular telephone numbers used to call the Class Members), contractors, vendors, clients (including those on whose behalf PRA called the members of the Settlement Class), insurers, reinsurers, accountants, and attorneys (collectively, the "Released Parties") from all actions, causes of action, claims, demands, obligations, damages, expenses, costs, attorneys' fees, of whatever character, known or unknown, fixed or contingent, claimed or unclaimed, suspected or unsuspected, whether in law or in equity, arising out of or relating to Defendants' alleged use of an automatic telephone dialing system as defined by the TCPA or similar state laws (e.g., Tex. Bus. & Comm. Code § 44.103), or related federal or state regulations, between December 23, 2006 and April 24, 2016 (hereafter, collectively, the "Released Claims").

The release waives rights for unknown claims under California Civil Code Section 1542 and similar statutes. This means that all of the Court's orders will apply to you and legally bind you. By staying in the Class, you are deemed to agree to this release—even if you do not file a claim or receive compensation from the Settlement Fund.

10. *How do I get out of the Agreement?*

If you do not want to participate in this Settlement, or you want to keep the right to sue or continue to sue Defendants on your own, then you must take steps to get out of the Settlement. This is called "excluding yourself" from or "opting out" of the Class.

To exclude yourself, you must mail a letter to the Settlement Administrator postmarked no later than November 4, 2016. Your request for exclusion must include your full name, address, telephone number, email address (if available), as well as a statement indicating that you wish to be excluded from the Agreement in *In re Portfolio Recovery Associates, LLC. Telephone Consumer Protection Act Litigation*, No. 11-MD-2295-JAH-BGS, before the United States District Court for the Southern District of California. Mail your exclusion request postmarked no later than November 4, 2016 to:

In re Portfolio Recovery MDL TCPA Settlement
P.O. Box 43421
Providence, RI 02940-3421

You cannot exclude yourself on the phone or by email. If you ask to be excluded, you will not receive a payment from the Settlement Fund, and you cannot object to the Settlement. However, you will not be legally bound by anything that happens in this Lawsuit or by any of the Court’s orders.

11. *If I do not exclude myself, can I sue Defendants for the same thing later?*

No. Unless you exclude yourself, you will be bound by all of the Court’s orders in this Lawsuit and you will release the Defendants for all of the claims listed in Question 9.

12. *Do I have a lawyer in this case?*

Yes, the Court appointed Ethan Preston and Preston Law Offices and James O. Lattuner and Edelman, Combs, Lattuner & Goodwin, LLC to represent you and other settlement Class Members as “Class Counsel”. Their contact information is below. If you want your own lawyer, you may hire one at your own expense and enter an appearance through your own counsel, but it is not necessary.

James O. Lattuner
 EDELMAN, COMBS, LATTURNER & GOODWIN, LLC
 20 South Clark Street, Suite 1500
 Chicago, Illinois 60603
 (312) 419-0379 (facsimile)

Ethan Preston
 PRESTON LAW OFFICES
 4054 McKinney Avenue, Suite 310
 Dallas, Texas 75204
 (866) 509-1197 (facsimile)

13. *How will the lawyers, plaintiffs, and settlement administrator be paid?*

Class Counsel, Plaintiffs, and the Settlement Administrator will be paid from the Settlement Fund before making payments to those Class Members who submit valid claim forms. Specifically, Class Counsel will ask the Court for an award of attorneys’ fees (up to 30% of the Settlement Fund (\$5,400,000), subject to the Court’s approval), litigation costs and expenses, incentive awards of up to \$6,250 each for each of the six plaintiffs, and all reasonable costs and expenses associated with giving notice to the Class Members and administering the Settlement. Class Counsel will submit a separate fee petition that sets forth the basis for their requested fees and litigation expenses.

14. *How do I tell the Court that I do not like the Agreement?*

If you are a Class Member and want to object to the Agreement, you must file a written objection saying that you object to the settlement of *In re Portfolio Recovery Associates, LLC. Telephone Consumer Protection Act Litigation*, No. 11-MD-2295-JAH-BGS, before the United States District Court for the Southern District of California. The objection must include your name, address, telephone number, and email address (if available), the reason you object to the Settlement, any supporting documents or evidence supporting your objection, whether you intend to appear at the fairness hearing (described below) on your own or through a lawyer, and list all cases in which you have made any objection to a class action settlement in the last five years. Mail the objection to **each** of the following addresses at the same time. Your letter must be received by the Court no later than **November 4, 2016**.

<u>Clerk of the Court</u>	<u>Class Counsel</u>	<u>Defendants’ Counsel</u>
United States District Court Southern District of California 333 West Broadway, Suite 420 San Diego, California 92101	James O. Lattuner EDELMAN, COMBS, LATTURNER & GOODWIN, LLC 20 South Clark Street, Suite 1500 Chicago, Illinois 60603 Ethan Preston PRESTON LAW OFFICES 4054 McKinney Avenue, Suite 310 Dallas, Texas 75204 (866) 509-1197 (facsimile)	Christopher W. Madel ROBINS KAPLAN LLP 800 LaSalle Avenue 2800 LaSalle Plaza Minneapolis, Minnesota 55402

15. What is the difference between “objecting” and “excluding” yourself?

Objecting is simply telling the Court that you do not like some aspect of the Agreement. You can only object if you stay in the Class (that is, do not exclude yourself). Excluding yourself is telling the Court that you do not want to be part of the Class, which you must do if you want to file your own lawsuit against Defendants. If you exclude yourself, you have no basis to object because the Lawsuit no longer affects you.

16. When and where is the fairness hearing?

The Court is presently scheduled to hold the final fairness hearing at 2:30 p.m. on December 5, 2016 at the U.S. District Court, Southern District of California, in Courtroom 13B (13th Floor – Carter/Keep), 333 West Broadway, San Diego, California, 92101, before the Honorable John A. Houston. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will decide whether to approve: the Settlement as fair and reasonable; Class Counsel’s request for attorneys’ fees and litigation expenses; the costs of notice and claims administration; and the incentive payments for the Plaintiffs. We do not know how long these decisions will take.

17. Do I have to attend the hearing?

No. Class Counsel will answer questions Judge Houston may have that are directed to the Class. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

18. What if I do nothing at all?

If you do nothing, you are choosing to stay in the Class. You will not receive a payment from the Settlement Fund and you will release the claims as explained above. You will give up your rights to be part of any other lawsuit against Defendants or any other Released Party relating to the Released Claims in this case. All of the Court’s orders will apply to you and legally bind you. **You must submit a claim to receive compensation from the Settlement Fund. If you do not submit a valid claim, you will not receive anything from the Settlement Fund.**

19. Are there more details about the Agreement?

This Notice summarizes the proposed Settlement, and more details are in a Settlement Agreement, which can be downloaded [here](#) and is part of the Court’s file, a public record. Many of the court papers, including this Notice, the Settlement Agreement and the Order for Preliminary Approval are also posted on the settlement website www.PRATCPASettlement.com. You can obtain a copy of the Settlement Agreement or review any other part of the papers relating to the Lawsuit by examining the records of this case, *In re Portfolio Recovery Associates, LLC. Telephone Consumer Protection Act Litigation*, United States District Court for the Southern District of California Case No. 11-MD-2295-JAH-BGS, at the Clerk’s office at Clerk for the United States District Court for the Southern District of California, 333 West Broadway, Suite 420, San Diego, California 92101. The Clerk’s office has the ability to make copies of any such public documents for you. Also, all filed documents in the case, including the Agreement and all related documents, are available for viewing online for a fee through the Court’s PACER document review system (www.pacer.gov).

YOU MAY CONTACT THE SETTLEMENT ADMINISTRATOR WITH ANY QUESTIONS AT 1-888-301-8552 OR GO TO WWW.PRATCPASETTLEMENT.COM.

PLEASE DO NOT CONTACT THE COURT OR DEFENSE COUNSEL WITH ANY QUESTIONS

Important Dates

Date:	Deadline:
Deadline to submit claim	October 26, 2016
Deadline to opt out	November 4, 2016
Deadline to object	November 4, 2016
Final Fairness Hearing	December 5, 2016