

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement” or “Settlement Agreement”) is entered into by and between Counter-Plaintiffs Vittorio Blaylock and Casey Davis, as Independent Administrator of the Estate of Guillermo Macia (collectively, “Counter-Plaintiffs”) and Counter-Defendant LVNV Funding LLC and Third-Party Defendants Resurgent Capital Services LP, Alegis Group LLC, and Sherman Financial Group LLC (“Defendants”) in the consolidated cases of *LVNV Funding LLC v Vittorio Blaylock* and *LVNV Funding LLC v Casey Davis, as Independent Administrator of the Estate of Guillermo Macia*, Case Nos. 13 L 562 Consolidated with 12 SC 2568, currently pending in the Circuit Court of the Twentieth Judicial Circuit, St. Clair County (collectively, the “Consolidated Actions”). Counter-Plaintiffs and Defendants are each referred to as a “Party” and are collectively referred to herein as the “Parties.”

I. FACTUAL BACKGROUND AND RECITALS

1. LVNV Funding LLC (sometimes referred to as “LVNV”) filed a collection action against Guillermo Macia in the Circuit Court of the Twentieth Judicial Circuit, St. Clair County, in which it alleged that it was the assignee of a certain credit card account in Macia’s name and LVNV sought to recover the alleged outstanding balance on that account (the “Macia Action”). Macia filed a class action counterclaim and third-party complaint against the Defendants, asserting the following causes of action: (1) violations of the Illinois Collection Agency Act (225 ILCS 425/1, et seq.); (2) violations of the Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/1, et seq.); and (3) violations of the Federal Fair Debt Collection Practices Act (15 U.S.C. § 1692, et seq.). The pleading was subsequently amended.

2. LVNV filed a collection action against Vittorio Blaylock in the Circuit Court of the Twentieth Judicial Circuit, St. Clair County, in which it alleged that it was the assignee of a certain credit card account in Blaylock’s and it sought to recover the alleged outstanding balance on that account (the “Blaylock Action”). Blaylock filed a class action counterclaim and third-party complaint against the Defendants, asserting the following causes of action: (1) violations of the Illinois Collection Agency Act (225 ILCS 425/1, et seq.); (2) violations of the Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/1, et seq.); and (3) violations of the Federal Fair Debt Collection Practices Act (15 U.S.C. § 1692, et seq.). The pleading was subsequently amended.

3. The Consolidated Actions were extensively litigated. Numerous motions were filed and defenses presented. Written discovery was conducted. There was production of records. Depositions were taken. There were discovery sanctions entered against the Defendants. A class was certified but that ruling was reversed on appeal. There were unsuccessful attempts to reach settlement through mediation.

4. However, on June 20, 2022, the Parties participated in a formal, full-day mediation session with Hon. Judge Lloyd Cueto (Ret.) in Belleville, Illinois. This time the Parties were able to negotiate a settlement, with the assistance of Judge Cueto in which the Parties agreed to resolve all matters between them, including the allegations contained in the Consolidated Actions and as set forth herein. That process culminated in this settlement agreement, which the Parties have

EXHIBIT A

reached after multiple mediations and arm's length negotiations following those mediations. This matter is not, and cannot be, fully resolved until a Final Approval Order is entered by the Court approving of the proposed settlement as described herein.

5. The Parties have agreed to settle the Consolidated Actions on the terms and conditions set forth herein in recognition that the outcome of the Consolidated Actions is uncertain and that achieving a final result through litigation would require substantial additional risk, discovery, time, and expense.

6. Defendants denied and continue to deny all charges of wrongdoing or liability. Despite Defendants' beliefs that they are not liable for and have good defenses to the claims alleged in the Consolidated Actions, they desire to settle the Consolidated Actions and thus avoid the expense, risk, exposure, inconvenience, and distraction of continued litigation of any action or proceeding relating to the matters being fully settled and finally resolved in this Settlement Agreement. Neither this Settlement Agreement, nor any settlement negotiation or discussion thereof, is or may be deemed to be or may be used as an admission of or evidence of any wrongdoing or liability.

7. Following arms-length negotiations, including mediation with an experienced mediator, the Parties now seek to enter into this Settlement Agreement. Blaylock and Casey Davis and Class Counsel have conducted an investigation into the facts and the law regarding the Consolidated Actions and have concluded that a settlement according to the terms set forth below is fair, reasonable, adequate, and beneficial to and in the best interests of Blaylock and Davis and the Settlement Class, recognizing (a) the existence of complex and contested issues of law and fact; (b) the risks inherent in litigation; (c) the likelihood that future proceedings will be unduly protracted and expensive if the proceeding is not settled by voluntary agreement; (d) the magnitude of the benefits derived from the contemplated settlement in light of both the maximum potential and likely range of recovery to be obtained through further litigation and the expense thereof, as well as the potential of no recovery whatsoever; (e) Defendants' financial condition and ability to fund this settlement; and (f) Blaylock and Davis and Class Counsel's determination that the Settlement is fair, reasonable, adequate, and will substantially benefit the Settlement Class Members.

8. Considering the risks and uncertainties of continued litigation and all factors bearing on the merits of settlement, the Parties are satisfied that the terms and conditions of this Settlement Agreement are fair, reasonable, adequate, and in their best respective interests.

9. In consideration of the covenants, agreements, and releases set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and among the undersigned that the Consolidated Actions be settled and compromised, and that the Releasors release the Releasees of the Released Claims, without costs as to the Parties, Releasees, Class Counsel, or the Settlement Class, except as explicitly provided for in this Agreement, subject to the approval of the Court, on the following terms and conditions.

II. DEFINITIONS

The following terms, as used in this Agreement, have the following meanings:

10. “Consolidated Actions” shall mean the consolidated actions pending in the Circuit Court of the Twentieth Judicial Circuit, St. Clair County, Illinois, Case No. 13 L 562, consolidated with 12 SC 2568, inclusive of LVNV’s collection actions against Blaylock and Macia and the counterclaims and third-party actions of Blaylock and Casey Davis, as Independent Administrator of Macia.

11. “Administrative Expenses” shall mean expenses associated with the Settlement Administrator, including but not limited to costs in providing notice, communicating with the Settlement Class Members, preparing a list of accepted and rejected claims, and disbursing payments to the proposed Settlement Class Members. Any Administrative Expenses shall be paid by Defendants.

12. “Approved Claims” shall mean complete and timely claims submitted by the Low-Balance Settlement Subclass Members that have been approved for payment by the Settlement Administrator pursuant to the procedures in Paragraph 56 of this Agreement.

13. “Class,” “Settlement Class,” “Class Member,” or “Settlement Class Member” shall mean each member of the Settlement Class, as defined in Section III of this Agreement, inclusive of each member of the Low-Balance Settlement Subclass, the High-Balance Settlement Subclass, and the Ownership subclass, as each is defined in Section III of this Agreement, who does not timely elect to be excluded from the Settlement Class and includes, but is not limited to, Counter-Plaintiffs.

14. “Class Counsel” or “Counter-Plaintiffs’ Counsel” shall mean Donovan, Rose, Nester, PC, and The Cates Law Firm, LLC.

15. “Counsel” or “Counsel for the Parties” means both Class Counsel and Defendants’ Counsel, collectively.

16. “Counter-Defendant” shall mean LVNV, and/or any or all past or present, direct or indirect, parents, subsidiaries, divisions, predecessors, successors, assigns, insurers, reinsurers, directors, officers, partners, shareholders, principals, owners, members, trustees, administrators, executors, managers, representatives, attorneys, accountants, financial and other advisors, investment bankers, underwriters, legal representatives, and successors in interest.

17. “Third-Party Defendants” shall mean Resurgent Capital Services LP, Alegis Group LLC and Sherman Financial Group LLC, and/or any or all of their past or present, direct or indirect, parents, subsidiaries, divisions, predecessors, successors, assigns, insurers, reinsurers, directors, officers, partners, shareholders, principals, owners, members, trustees, administrators, executors, managers, representatives, attorneys, accountants, financial and other advisors, investment bankers, underwriters, legal representatives, and successors in interest.

18. Counter-Defendant and Third-Party Defendants collectively are referred to as “Defendants,”

19. “Defendants’ Counsel” shall mean Barron & Newburger PC and Hinshaw & Culbertson LLP, who has appeared as settlement counsel for the Defendants.

20. “Counter-Plaintiffs” or “Class Representatives” shall mean the named class representatives, Vittorio Blaylock and Casey Davis, as Independent Administrator of the Estate of Guillermo Macia.

21. “Court” shall mean the Circuit Court of the Twentieth Judicial Circuit, St. Clair County, Illinois, and the Hon. Judge Christopher Kolker, or any judge sitting in his stead.

22. “Day” or “Days” means calendar days.

23. “Effective Date” shall mean the date when the Settlement Agreement becomes Final as that term is defined in Paragraph 26.

24. “Fee and Expense Petition” shall mean the motion to be filed by Class Counsel, in which they seek approval of an award of attorneys’ fees, costs, and expenses.

25. “Fee Award” means the amount of attorneys’ fees and reimbursement of costs and expenses awarded by the Court to Class Counsel.

26. “Final” means the Final Approval Order has been entered on the docket, and if a timely objection has been submitted (a) the time to appeal from such order has expired and no appeal has been timely filed; (b) if such an appeal has been filed, it has been finally resolved and has resulted in an affirmation of the Final Approval Order; or (c) the Court, following the resolution of the appeal, enters a further order or orders approving the settlement on the material terms set forth herein, and either no further appeal is taken from such order(s) or any such appeal results in affirmation of such order(s).

27. “Final Approval Hearing” means the hearing before the Court where the Counter-Plaintiffs will request a judgment to be entered by the Court approving the Settlement Agreement, approving the Fee Award, and approving a Service Award to the Class Representatives.

28. “Final Approval Order” shall mean an order entered by the Court that:

- a. Certifies the Settlement Class pursuant to 735 ILCS §§ 5/2-801;
- b. Finds that the Settlement Agreement is fair, reasonable, and adequate, was entered into in good faith and without collusion, and approves and directs consummation of this Agreement;
- c. Dismisses the Counter-Plaintiffs’ and Class Members’ claims pending before it with prejudice and without costs, except as explicitly provided for

in this Agreement;

- d. Approves the Release provided in Section VII and orders that, as of the Effective Date, the Released Claims will be released as to the Releasees; and
- e. Finds that, pursuant to 735 ILCS 5/2-1301, there is no just reason for delay of entry of final judgment with respect to the foregoing.

29. “Service Award” shall have the meaning ascribed to it as set forth in Section XV of this Agreement.

30. “Notice” means the Long-form notice of this proposed Settlement, which is to be provided substantially in the manner set forth in this Agreement and Exhibit A for the Low-Balance Settlement Subclass and Exhibit B for the High-Balance Settlement Subclass and the Ownership Settlement Subclass, as well as the direct Postcard Notice, and is consistent with the requirements of due process.

31. “Objection/Exclusion Deadline” means the date by which a written objection to this Settlement Agreement or a request for exclusion submitted by a person within the Settlement Class must be postmarked and/or filed with the Court, which shall be designated as a date approximately sixty (60) days after the entry of the Preliminary Approval Order, or such other date as ordered by the Court.

32. “Parties” shall mean Counter-Plaintiffs and the Defendants, collectively.

33. “Preliminary Approval Order” shall mean the Court’s Order preliminarily approving the Settlement Agreement, certifying the Settlement Class for settlement purposes, and directing Notice of the Settlement to the Settlement Class substantially in the form of the Notices set forth in this Agreement.

34. “Released Claims” shall mean any and all claims, suits, actions, controversies, demands, and/or causes of action arising under 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.), the Federal Fair Debt Collection Practices Act (15 U.S.C. § 1692, et seq.), civil conspiracy, or any other law or cause of action relating to Defendants’ activity that were or could have been asserted in the action against the Releasees.

35. “Releasees” shall refer, jointly and severally, and individually and collectively, to Defendants, and/or any or all of their past or present, direct or indirect, parents, subsidiaries, divisions, predecessors, successors, assigns, board members, agents, insurers, reinsurers, directors, officers, partners, shareholders, principals, owners, managers, representatives, attorneys, accountants, underwriters, legal representatives and successors in interest.

36. “Releasers” shall refer, jointly and severally, and individually and collectively, to Counter-Plaintiffs, the Settlement Class Members, and to each of their predecessors, successors,

heirs, executors, administrators, and assigns of each of the foregoing, and anyone claiming by, through or on behalf of them.

37. “Settlement Administrator” means the entity selected and supervised by Class Counsel to administer the Settlement.

38. “Settlement Fund” means the settlement fund as defined in Section V of this Agreement.

III. SETTLEMENT CLASS CERTIFICATION

39. For the purposes of the Settlement only, the Parties stipulate and agree that (a) the Class shall be certified in accordance with the definition contained in Paragraphs 41 and 42, below; (b) Counter-Plaintiffs shall represent the Class for settlement purposes and shall be the Class Representatives; and (c) Counter-Plaintiffs’ Counsel shall be appointed as Class Counsel.

40. Defendants do not consent to certification of the Class for any purpose other than to effectuate the Settlement. If the Court does not enter Final Approval of the Settlement Agreement, or if for any other reason Final Approval of the Settlement Agreement does not occur, is successfully objected to, or challenged on appeal, any certification of any Class will be vacated and the Parties will be returned to their positions with respect to the Consolidated Actions as if the Agreement had not been entered into.

41. Subject to Court approval, the following Settlement Class shall be certified for settlement purposes generally, with settlement benefits to be paid out in sub-classes as defined below:

All individuals who were named as a Defendant in a collection lawsuit filed in an Illinois state court between September 19, 2010 and September 30, 2018 where LVNV and/or Resurgent was the Plaintiff, subject to the Exclusions detailed below.

42. Excluded from the Settlement Class are: (1) all Settlement Class members who paid or settled their accounts in full without LVNV or Resurgent obtaining a judgment as of the date of Preliminary Approval except for those in the Ownership Subclass; (2) all Settlement Class members whose accounts have been discharged in bankruptcy as of the date of Preliminary Approval; (3) all Settlement Class members who are deceased as of the date of Preliminary Approval; (4) all persons who elect to exclude themselves from the Settlement Class; and (5) the Court and staff to whom this case is assigned, and any member of the Court’s or staff’s immediate family (collectively, the “Exclusions”).

43. The Settlement Class shall consist of three mutually-exclusive subclasses: (1) the Low-Balance Settlement Subclass, (2) the High-Balance Settlement Subclass and the (3) Ownership Settlement Subclass.

44. The Low-Balance Settlement Subclass consists of all Settlement Class Members, subject to the Exclusions, whose accounts as of the date of Preliminary Approval are either: (i) Uncollectible (as that term is defined in Paragraph 47(a) below); or (ii) have an outstanding balance

of \$75 or less.

- a. Uncollectible accounts for purposes of the Low Balance Settlement Subclass include the following categories of accounts:
 - i. Accounts that were paid or settled in full after LVNV or Resurgent obtained a judgment in a collection action;
 - ii. Accounts that LVNV or Resurgent no longer owns because they were returned to the seller from whom it was purchased;

45. The High-Balance Settlement Subclass consists of all Settlement Class Members, subject to the Exclusions, whose accounts as of the date of Preliminary Approval have an outstanding balance of more than \$75.

46. The Ownership subclass consists of all Settlement Class Members, subject to the Exclusions, for which Class Counsel has alleged that Defendants did not have a complete chain of assignment at the time of the filing of the collection regarding said account in Illinois, as noted in the records of Resurgent and identified during the settlement negotiations as 2,819 accounts.

47. The Defendants represent that, as of June 20, 2022: (i) the total number of Settlement Class Members, subject to the Exclusions, is 29,707; (ii) the total number of the Low-Balance Settlement Subclass Members is 7,215; (iii) the total number of the High-Balance Settlement Subclass Members is 19,673, and (iv) the total number of the Ownership Settlement Subclass Members is 2,819. The Parties hereby acknowledge that these numbers are subject to change over time, and that the foregoing numbers are provided for informational purposes only. As detailed in Paragraph 56 below, Defendants will create a Class List within twenty eight (28) days after the entry of the Preliminary Approval Order that will include updated numbers for the total number of Settlement Class Members, the total number of High-Balance Settlement Subclass Members, and the total number of Low-Balance Settlement Subclass members as of the date of the entry of the Preliminary Approval Order. Administration of this settlement will be based on the numbers of class members as of the date of the entry of the Preliminary Approval Order as updated in the Class List, and not on the numbers provided in this paragraph.

48. If for any reason the Settlement Agreement is not approved, the Court does not enter a Preliminary Approval Order and/or Final Approval Order, or a Final settlement and resolution of the Consolidated Actions as provided for in this Agreement is not reached, Defendants' agreement to certification of the Settlement Class shall not be used for any purpose, including but not limited to in any request for class certification in the Consolidated Actions or any other proceeding.

IV. SETTLEMENT OF THE CONSOLIDATED ACTIONS AND CLAIMS AGAINST RELEASEES

49. Final Approval of this Settlement Agreement will settle and resolve with finality on behalf of the Counter-Plaintiffs and the Settlement Class, the Consolidated Actions and the

Released Claims against the Releasees by the Releasers in the Consolidated Actions.

50. Class counsel agrees to join in Defendant's request for the Court to vacate its Order of March 25, 2022. If needed, Class counsel also would agree to withdraw the motions, advise the Court that doing so moots the sanction Order, and express that they have no objection to an order formerly vacating the Order. Class Counsel agrees to this Order being vacated, if the Court approves, as of the date of Final Approval. If the Court is agreeable to same, said vacation order will be entered on the same date as the Final Approval Order.

V. SETTLEMENT FUND

51. Establishment of Settlement Fund.

- a. Conditional upon advance receipt of instructions and a Form W-9 from the Settlement Administrator, Defendants shall pay to the Settlement Administrator a total sum not to exceed approximately \$5,934,055 to create a Settlement Fund at the following intervals:
 - i. The first \$40,000 within fourteen (14) days of the entry of the Preliminary Approval Order for Administrative Expenses; and
 - ii. The remaining balance within fourteen (14) days after the Effective Date. The amount to be paid at this interval will depend on the calculation of the Fee Award as detailed in Paragraph 77 below. The amount to be paid at this interval may be increased only to the extent necessary to pay any Administrative Expenses in excess of \$40,000.
 - iii. The amount of the Settlement Fund may be reduced for those Class Members that cannot be located, as detailed in para 57(e).
- b. Provided that Final Approval of this Agreement is granted by the Court without material change, material amendment, or material modification, the Settlement Fund and the Credits will be provided in exchange for a comprehensive release and the covenants set forth in this Agreement, including, without limitation, a full, fair, and complete release of all Releasees from Released Claims, and dismissal of the Consolidated Actions with prejudice.
- c. The funds provided by or on behalf of Defendants to the Settlement Administrator will be maintained by an escrow agent as a Court-approved Qualified Settlement Fund pursuant to Section 1.468B-1, *et seq.*, of the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code of 1986, as amended, and shall be deposited in an interest-bearing account.

- d. If the Settlement Agreement is not finally approved, the Settlement Fund belongs to Defendants, less any Administrative Expenses paid to date. Counter-Plaintiffs shall have no financial responsibility for any Administrative Expenses paid out of the Settlement Fund in the event that the Settlement Agreement is not finally approved.
- e. The Settlement Fund shall be used to pay, subject to any reductions as provided in Paragraph 57(e): (i) Low-Balance Settlement Subclass Members' Approved Claims (\$100,000); (ii) Ownership Settlement Subclass Member (\$1,784,055), (iii) a Service Award to Vittorio Blaylock (\$5,000.00); (iv) a Service Award to Casey Davis, as Independent Administrator of the Estate of Guillermo Macia (\$5,000.00); (v) the Fee Award detailed in Paragraph 77 below; and (vi) payment of Administrative Expenses to the Settlement Administrator.
- f. The Settlement Fund and the Credits represents the total extent of the Defendants' monetary obligations under the Settlement Agreement. Defendants' contributions to the Settlement Fund shall be fixed under this Section and final. Defendants and the other Releasees shall have no obligation to make further payments into the Settlement Fund and shall have no financial responsibility or obligation relating to the Settlement beyond the Settlement Fund.

52. Provided that Final Approval of this Agreement is granted by the Court without material change, material amendment, or material modification, each Low-Balance Settlement Subclass Member who submits an Approved Claim shall be entitled to a payment of an equal *pro rata* share of \$100,000 of the Settlement Fund.

53. Provided that Final Approval of this Agreement is granted by the Court without material change, material amendment, or material modification, each High-Balance Settlement Subclass Member who does not request exclusion from the Settlement Class will receive an irrevocable credit from Defendant in the amount of \$75 against the outstanding balance on that person's account (the "Credit(s)"). Unless they request exclusion from the Settlement Class, each High-Balance Settlement Subclass Member shall receive the Credit without having to submit a claim form or otherwise "opt in" to the Settlement Class.

54. Provided that Final Approval of this Agreement is granted by the Court without material change, material amendment, or material modification, each Ownership Settlement Subclass Member who does not request exclusion from the Settlement Class will receive a refund of the any and all amounts collected from each Ownership Settlement Subclass Member, whether collected as interest, penalties, fees or principal, and whether collected by Defendants, or any individual acting for or on behalf of Defendants, either prior to or subsequent to the filing of the collection suit against that particular Subclass Member. Unless they request exclusion from the Settlement Class, each Ownership Settlement Subclass Member shall receive the payment without having to submit a claim form or otherwise "opt in" to the Settlement Class. Further, the

Defendants agree to fully and permanently discharge, charge-off, waive, close, and not sell or assign, the full value, including principal, interest, penalties, costs or fees, of each and every alleged debt or account which is still on the books of Defendant as an asset or an Account Receivable regarding each and every Ownership Settlement Subclass Member. These remaining account balances at the time of settlement, including principal, interest, penalties, costs or fees, total approximately \$14,385,501.

55. Any uncashed amounts from the Settlement Fund (including checks disbursed to Low-Balance and Ownership Settlement Subclass Members that are uncashed for any reason within 120 days of issuance of the check) will be distributed as a *cy pres*. The Parties agree to recommend to the Court that *cy pres* recipients be Illinois Legal Aid Online, Land of Lincoln Legal Aid, and Chicago Bar Foundation. If approved, they will share equally in any payments.

56. Procedure for Approving Settlement.

- a. Counter-Plaintiffs will file the Parties' joint motion for an order conditionally certifying the Class, giving Preliminary Approval to the Settlement, setting a date for the Final Approval Hearing, request the March 25, 2022 Order be vacated as of the date of Final Approval and approving the Class Notice and Claim Form (the "Unopposed Motion for Preliminary Approval").
- b. At the hearing on the Joint Motion for Preliminary Approval, the Parties will jointly appear, support the granting of the Unopposed Motion for Preliminary Approval, and submit a proposed order(s) granting conditional certification of the Class and preliminary approval of the Settlement Agreement; appointing the Class Representatives and Class Counsel; approving the forms of Notice to the Class of the Settlement; request that the Order of March 25, 2022 be vacated as of the date of the Final Approval Order; and setting the Final Approval Hearing.
- c. For the purposes of the Settlement and the proceedings contemplated herein only, the Parties stipulate and agree that the Class shall be conditionally certified in accordance with the definition and on the terms contained above, that Counter-Plaintiffs shall be conditionally appointed Class Representatives, and that Counter-Plaintiffs' Counsel shall be conditionally appointed as Class Counsel. Should the Court decline to preliminarily approve any aspect of the Settlement Agreement, the Parties will attempt to renegotiate those aspects of the Settlement Agreement in good faith, with the mutual goal of attempting to reach an agreement as close to this Settlement Agreement as possible, and will then submit the renegotiated settlement agreement to the Court for preliminary approval. If and only if the Parties are unable to obtain preliminary approval of a settlement agreement after submitting at least two renegotiated settlements to the Court, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it, and the Parties will revert to their prior

positions in the Consolidated Actions as if the Settlement had not occurred.

57. Procedure for Administering Settlement.

- a. Class List. Within twenty eight (28) days after entry of the Preliminary Approval Order, Defendants shall create a Class List, based on readily available information already within its possession (the “Class List”) and provide the Class List to Counter-Plaintiffs’ Counsel and the Settlement Administrator. The Class List shall include, the following, if available: (1) last known name and address, for each Settlement Class member; (2) identification of the Settlement Class Members that are part of the High-Balance Settlement Subclass as of the date of the Preliminary Approval Order; (3) identification of the Settlement Class Members that are part of the Low-Balance Settlement Subclass as of the date of the Preliminary Approval Order and (4) identification of the Settlement Class Members that are part of the Ownership Settlement Subclass as of the date of the Preliminary Approval Order. The Settlement Administrator will update the mailing addresses on the Class List using the U.S. Postal Service’s database of verifiable mailing addresses and the National Change-of-Address database.
- b. Type of Notice Required.
 - i. The Notice shall be used for the purpose of informing proposed Settlement Class Members, prior to the Final Approval Hearing, that there is a pending settlement, and to further inform Settlement Class Members how they may: (i) protect their rights regarding the settlement, including the process for submitting claims for the Low-Balance Settlement Subclass Members; (ii) request exclusion from the Settlement Class and the proposed settlement, if desired; (iii) object to any aspect of the proposed settlement, if desired; and (iv) participate in the Final Approval Hearing, if desired. The Notice shall make clear the binding effect of the settlement on all persons who do not timely request exclusion from the Settlement Class.
 - ii. Dissemination of the Notice shall be the responsibility of the Settlement Administrator. The text of the Notice shall be agreed upon by the Parties and shall be substantially in the form attached as Exhibit A.
 - iii. Within seven (7) days after the Settlement Administrator receives the Class List, individual notice shall be sent via US Mail to the Settlement Class Members in the form of a Postcard Notice, the text of which shall be agreed upon the Parties. The Postcard Notice shall direct the Settlement Class Members to the website described in subparagraph 57(b)(iv) below, where the Settlement Class Members

can access the Long-form Notice (substantially in the form of Exhibit A for the Low-Balance Settlement Subclass Members and substantially in the form of Exhibit B for the High-Balance Settlement Subclass Members and the Ownership Settlement Subclass Members). For all Postcard Notice mailings returned as undeliverable, the Settlement Administrator shall perform one reverse look-up to find updated addresses and will cause the Postcard Notice mailing to be re-mailed once to those members of the Settlement Class.

iv. Within seven (7) days after the Settlement Administrator receives the Class List, the Settlement Administrator will establish a settlement website containing pertinent case documentation, including a copy of the Complaint, the Settlement Agreement, Preliminary Approval Order, and the Long-form Notice.

c. Settlement Administrator's Review of Claims. The Settlement Administrator will track claim forms with unique security identifiers or control numbers issued to the Low-Balance Settlement Subclass Members and, among other things, check that each claim has a valid security code or control number. The Settlement Administrator shall examine each claim form and determine whether the claim form constitutes an Approved Claim, which is a claim form that: (a) is submitted in accordance with the directions accompanying the claim form and the provisions of this Agreement; (b) is submitted to the Settlement Administrator by the Claim Deadline as established by the Court's preliminary approval order; (c) contains all of the information requested in the Claim Form; (d) appears to be accurately, fully, and truthfully completed based on the information reasonably available to the Settlement Administrator; (e) is not duplicative of another claim regarding the same account, and (f) is executed by a Low-Balance Settlement Subclass Member, with either a physical signature or electronic signature, subject to the penalty of perjury. If competing claims are submitted for any given account, the Settlement Administrator shall seek further evidence from those claimants and decide which one should receive the settlement check. The Settlement Administrator has the authority to allocate a settlement check among such claimants as it deems appropriate under the facts and circumstances. If any discrepancy or issue is noted by The Settlement Administrator that would trigger a refusal to issue a check, The Settlement Administrator shall notify the claimant and attempt to cure. The Settlement Administrator will use adequate and customary procedures and standards to prevent the payment of fraudulent or invalid claims. Such procedures will include, without limitation: (a) screening for duplicate claims; (b) reviewing claims for evidence of fraud or deficiency; and (c) reviewing claims that appear to be incomplete, untruthful, or inaccurate. The Settlement Administrator shall have the right to audit claims and may request additional information from claimants. The Settlement

Administrator will reject any claim where there is evidence of fraud and will advise the Parties. Provided that the Settlement Administrator complies with its obligations to review in good faith any objections raised by the Parties pursuant to Paragraph 57(d) below, the decision of the Settlement Administrator as to the validity of claims is final and binding.

- d. Parties' Review of Claims. Within seven (7) days after the Claim Deadline as established by the Court's preliminary approval order, the Settlement Administrator shall provide the Parties' counsel a list of claims and claim forms for the purposes of objection. Each Party shall have seven (7) days thereafter to object to any claims, and each Party shall have a further seven (7) days thereafter to respond to any objections raised by another Party. The Settlement Administrator shall review in good faith any objections raised by the Parties following the criteria set forth in this Paragraph 57 above and make a determination thereon.
- e. If a Class Member cannot be located, he/she will not be considered part of the class and will not receive the benefit that otherwise would have been provided to him/her.

58. Allocation.

- a. Within twenty one (21) days after the Effective Date, the Settlement Administrator shall send a check by First Class U.S. Mail to each Low-Balance Settlement Subclass Member who submits an Approved Claim, equal to each such Settlement Class member's *pro rata* share of \$100,000.00.
- b. Within twenty one (21) days after the Effective Date, the Defendants shall cause the Credits to become effective for each High-Balance Settlement Subclass Member's account who was located and did not request exclusion from the Settlement Class.
- c. Within twenty one (21) days after the Effective Date, the Settlement Administrator shall send a check by First Class U.S. Mail to each Ownership Settlement Subclass Member who was located and did not request exclusion from the Settlement Class.
- d. Within twenty one (21) days after the Effective Date, Defendants shall fully and permanently discharge, charge-off, waive, close and not sell or assign, the full value, including principal, interest, cost or fees, of each and every alleged debt or account which is still on the books of Defendant as an asset or an Account Receivable regarding each and every Ownership Settlement Subclass Member.
- e. Within twenty one (21) days after the Effective Date, the Settlement

Administrator shall send to Vittorio Blaylock a check in the amount of \$5,000.00. This amount will be paid to Blaylock as 1099 income.

- f. Within twenty one (21) days after the Effective Date, the Settlement Administrator shall send to Casey Davis, as Independent Administrator of the Estate of Guillermo Macia, a check in the amount of \$5,000.00. This amount will be paid to as 1099 income.
- g. The Settlement Administrator shall notify the Parties that all payments have been made within seven (7) days of the last such payment. The Settlement Administrator will provide Counsel for the Parties with weekly reports regarding the status of administration of this Settlement.
- h. Checks issued to the Low-Balance Settlement Subclass Members and the Ownership Settlement Subclass Members shall remain valid and negotiable for one hundred twenty (120) days from the date of their issuance and may thereafter automatically be cancelled if not cashed within that time period. Within seventy-five (75) days of issuance of settlement checks, the Claims Administrator shall provide a list of any settlement checks that are not cashed/negotiated within sixty (60) days of issuance to Counsel for the Parties. Within ten (10) days thereafter, the Claims Administrator shall attempt to obtain valid mailing addresses and send a reminder post-card to affected class members. Additionally, at the conclusion of the 120-day period, the Claims Administrator shall provide a list of any settlement checks that are not then cashed/negotiated to counsel for the Parties. Within ten (10) days of the expiration of the 120-day period, the Claims Administrator shall transfer such uncashed funds to the *cy pres* recipient(s) as identified above.
- i. The Settlement Administrator will include language on all settlement checks stating that such checks are void one hundred twenty (120) days following the date such check was originally issued. The Settlement Administrator will provide Counsel for the Parties with weekly reports regarding the status of administration of this Settlement Agreement, including, without limitation, the portion of the Settlement Fund that has not been cashed within one hundred twenty (120) days following the date such check was originally issued.

VI. PROSPECTIVE RELIEF

59. Defendants have, since October 1, 2018, filed all collection actions in Illinois in compliance with Illinois Supreme Court Rule 280 and will continue to file all collection actions in Illinois in compliance with Illinois law and Illinois Supreme Court Rules.

VII. RELEASE

60. In addition to the effect of any Final judgment entered in accordance with this Agreement, upon Final Approval of this Agreement, and for other valuable consideration as described herein, Releasees shall be completely released, acquitted, and forever discharged from any and all Released Claims.

61. As of the Effective Date, and with the approval of the Court, all Releasers hereby fully, finally, and forever release, waive, discharge, surrender, forego, give up, abandon, and cancel any and all Released Claims against Releasees. As of the Effective Date, all Releasers will be forever barred and enjoined from prosecuting any action against the Releasees asserting any and/or all Released Claims.

VIII. PRELIMINARY APPROVAL ORDER AND FINAL APPROVAL ORDER

62. This Settlement Agreement shall be subject to approval of the Court. As set forth in Section XIV, Defendants shall have the right to withdraw from the Settlement Agreement if the Court does not approve the material aspects of the Agreement.

63. Counter-Plaintiffs, through Class Counsel, shall submit this Agreement, together with its exhibits, to the Court and shall move the Court for Preliminary Approval of the settlement set forth in this Agreement, certification of the Settlement Class, appointment of Class Counsel and the Class Representatives, and entry of the Preliminary Approval Order, which order shall seek a Final Approval Hearing date and approve the Notice for dissemination in accordance with the Notice plan.

64. At the time of the submission of this Settlement Agreement to the Court as described above, the Parties shall request that, after Notice is given, the Court hold a Final Approval Hearing approximately ninety (90) days after entry of the Preliminary Approval Order and approve the settlement of the Consolidated Actions as set forth herein.

65. At least five (5) days prior to the Final Approval Hearing, or by some other date if so directed by the Court, Counter-Plaintiffs, through Class Counsel, will move for: (a) Final Approval of the Settlement Agreement; (b) Final appointment of the Class Representatives and Class Counsel; and (c) Final certification of the Settlement Class, including for the entry of a Final Order and Judgment, and file a memorandum in support of the motion for Final Approval.

IX. EXCLUSIONS

66. Exclusion Period.

- a. Settlement Class Members will have until the end of the Objection/Exclusion Deadline to exclude themselves from the Settlement in accordance with this Section. If the Settlement Agreement is finally approved by the Court, all Settlement Class Members who received Notice and have not excluded themselves by the end of the Objection/Exclusion

Deadline will be bound by the Agreement and will be deemed a Releasor as defined herein, and the relief provided by the Agreement will be their sole and exclusive remedy for the claims alleged by the Settlement Class.

67. Exclusion Process.

- a. A member of the Settlement Class may request to be excluded from the Settlement Class in writing by a request postmarked on or before the Objection/Exclusion Deadline.
- b. In order to exercise the right to be excluded, a member of the Settlement Class must timely send a written request for exclusion to the Settlement Administrator providing his/her name, address, and telephone number; the name and number of this case; a statement that he/she wishes to be excluded from the Settlement Class; and a signature. A request to be excluded that is sent to an address other than that designated in the Class Notice, or that is not postmarked within the time specified, shall be invalid and the person serving such a request shall be considered a member of the Settlement Class and shall be bound as Settlement Class Members by the Agreement, if approved.
- c. Any member of the Settlement Class who elects to be excluded shall not: (i) be bound by any order or the Judgment; (ii) be entitled to relief under this Settlement Agreement; (iii) gain any rights by virtue of this Settlement Agreement; or (iv) be entitled to object to any aspect of this Settlement Agreement. A member of the Settlement Class who requests to be excluded from the Settlement Class cannot also object to the Settlement Agreement.
- d. The request for exclusion must be personally signed by the person requesting exclusion. So-called “mass” or “class” exclusion requests shall not be allowed.
- e. Within three (3) business days after the Objection/Exclusion Deadline, the Settlement Administrator shall provide Class Counsel and Defendants’ Counsel a written list reflecting all timely and valid exclusions from the Settlement Class.

68. A list reflecting all individuals who timely and validly excluded themselves from the settlement shall also be filed with the Court at the time of the motion for Final Approval of the Settlement.

X. OBJECTIONS

69. The Notices shall advise Settlement Class Members of their rights, including the right to be excluded from or object to the Settlement Agreement and its terms. The Notices shall specify that any objection to this Settlement Agreement, and any papers submitted in support of

said objection, shall be received by the Court at the Final Approval Hearing, only if, on or before the Objection/Exclusion Deadline approved by the Court, the person making an objection shall file notice of his/her intention to do so and at the same time: (a) file copies of such papers he/she proposed to submit at the Final Approval Hearing with the Clerk of the Court; and (b) send copies of such papers via US Mail, hand delivery, or overnight delivery to both Class Counsel and the Defendants' Counsel. A copy of the objection must also be mailed to the Settlement Administrator at the address that the Settlement Administrator will establish to receive requests for exclusion or objections and any other communication relating to this settlement.

70. Any Settlement Class Member who intends to object to this Settlement Agreement must include in any such objection: (a) his/her full name, address, and current telephone number; (b) the case names and numbers of these Consolidated Actions; (c) the date range during which he/she was sued by LVNV and/or Resurgent; (d) all grounds for the objection, with factual and legal support for the stated objection, including any supporting materials; (e) the identification of any other objections he/she has filed, or has had filed on his/her behalf, in any other class action cases in the last five years; and (f) the objector's signature. If represented by counsel, the objecting Settlement Class Member must also provide the name, address and telephone number of his/her counsel. If the objecting Settlement Class Member intends to appear at the Final Approval Hearing, either with or without counsel, he/she must state as such in the written objection, and must also identify any witnesses he/she may seek to call to testify at the Final Approval Hearing and all exhibits he/she intends to seek to introduce into evidence at the Final Approval Hearing, which must also be attached to, or included with, the written objection.

71. Any Settlement Class Member who fails to timely file and serve a written objection and notice of intent to appear at the Final Approval Hearing on or before the Objection/Exclusion Deadline pursuant to this Settlement Agreement, shall not be permitted to object to the approval of the Agreement at the Final Approval Hearing and shall be foreclosed from seeking any review of the Agreement or its terms by appeal or other means.

XI. FINAL APPROVAL HEARING

72. The Parties will jointly request that the Court hold a Final Approval Hearing approximately One Hundred Fifteen (115) days after entry of the Preliminary Approval Order. At the Final Approval Hearing, the Parties will request that the Court consider whether the Settlement Class should be certified as a class pursuant to 735 ILCS 2-801 for settlement and, if so, (a) consider any properly-filed objections; (b) determine whether the Settlement Agreement is fair, reasonable and adequate, was entered into in good faith and without collusion, and should be approved, and shall provide findings in connection therewith; and (c) enter the Final Approval Order, including final approval of the Settlement Class and the Settlement Agreement, and a Fee Award.

XII. FINAL APPROVAL ORDER

73. The Parties shall jointly seek entry of a Final Approval Order, the text of which the Parties shall agree upon. The dismissal orders, motions, or stipulation to implement this Section shall, among other things, seek or provide for a dismissal with prejudice and waiver of any rights

of appeal.

74. The Parties shall jointly submit to the Court a proposed order that without limitation:

- a. Approves finally this Agreement and its terms as being a fair, reasonable, and adequate settlement as to the Settlement Class Members within the meaning of 735 ILCS 2-801 and directing its consummation according to its terms; and
- b. Dismisses, with prejudice, all claims of the Parties and the Settlement Class in the Consolidated Actions, without costs and fees except as explicitly provided for in this Agreement, and vacates the March 25, 2022 Order.

XIII. TERMINATION OF THE SETTLEMENT

75. The Settlement is conditioned upon Preliminary and Final Approval of the Parties' written Settlement Agreement, and all terms and conditions thereof without material change, material amendments, or material modifications by the Court (except to the extent such changes, amendments, or modifications are agreed to in writing between the Parties). All Exhibits attached hereto are incorporated into this Settlement Agreement. Accordingly, any Party may elect to terminate and cancel this Settlement Agreement within fourteen (14) days of any of the following events:

- a. The number of Settlement Class Members who request exclusion from the Settlement Class exceeds 2% of the total number of Settlement Class Members;
- b. This Settlement Agreement is changed in any material respect to which the Parties have not agreed in writing;
- c. The Court refuses to grant Preliminary Approval of this Agreement even after the renegotiation process described in Paragraph 56(c) of this Agreement;
- d. The Court refuses to grant Final Approval of this Agreement in any material respect; or
- e. The Court refuses to enter a Final judgment in the Consolidated Actions in any material respect

76. In the event the Settlement Agreement is not approved or does not become Final, or is terminated consistent with this Settlement Agreement, the Parties, pleadings, and proceedings will return to the *status quo ante* as if no settlement had been negotiated or entered into, and the Parties will negotiate in good faith to establish a new schedule for the Consolidated Actions.

XIV. ATTORNEYS' FEES, COSTS, AND EXPENSES AND SERVICE AWARD

77. Defendants agree to pay Class Counsel a Fee Award of Four Million Dollars (\$4,000,000) provided Final Approval of this Agreement is granted by the Court and the Court awards that amount. In no event will Defendants pay more than Four Million Dollars for a Fee Award.

78. Notwithstanding any contrary provision of this Agreement, and subject to Paragraph 81 of this Agreement, the Court's consideration of the Fee Award is to be conducted separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement Agreement, and any award made by the Court with respect to Class Counsel's attorneys' fees or expenses, or any proceedings incident thereto, including any appeal thereof, shall not operate to terminate or cancel this Agreement or be deemed material thereto.

79. Class Counsel shall provide the Settlement Administrator with its completed W-9 before the payment of the Fee Award is due. Within seven (7) days after the Defendants transfer the remaining balance of the Settlement Fund to the Settlement Administrator pursuant to paragraph 51(a)(ii), the Settlement Administrator shall pay to Class Counsel from the Settlement Fund the amount awarded by the Court in the Fee Award, subject to the limitations on the amount of the Fee Award detailed in this Section XIV. Any payment of the Fee Award shall be paid via electronic wire transfer to an account designated by Class Counsel.

80. Prior to or at the same time as Counter-Plaintiffs seek final approval of the Settlement Agreement, Class Counsel shall move the Court for Service Awards for the Class Representatives in an amount not to exceed Five Thousand Dollars (\$5,000.00) each, and Defendants agree that they will not oppose such requests. The Service Awards shall be paid solely from the Settlement Fund by check written by the Settlement Administrator within seven (7) days after the Defendants transfer the remaining balance of the Settlement Fund to the Settlement Administrator pursuant to paragraph 51(a)(ii).

81. In no event will Defendants' liability for attorneys' fees, expenses, and costs, Administrative Expenses, and/or a Service Award exceed the funding obligations set out in this Agreement. Defendants shall have no financial responsibility for this Settlement Agreement outside of the Settlement Fund and the Credits. Defendants shall have no further obligation for attorneys' fees or expenses to any counsel representing or working on behalf of either one or more individual Settlement Class Members or the Settlement Class. Defendants will have no responsibility, obligation, or liability for allocation of fees and expenses among Class Counsel.

XV. MISCELLANEOUS

82. The Parties agree that the Settlement Agreement provides fair, equitable, and just compensation, and a fair, equitable, and just process for determining eligibility for compensation for any given Settlement Class Member related to the Released Claims.

83. The Parties (a) acknowledge that it is their intent to consummate this Settlement Agreement, and (b) agree, subject to their fiduciary and other legal obligations, to cooperate in

good faith to the extent reasonably necessary to effectuate and implement all terms and conditions of this Agreement and to exercise their reasonable best efforts to accomplish the foregoing terms and conditions of this Agreement. Class Counsel and Defendants' Counsel agree to cooperate with each other in seeking Court approval of the Preliminary Approval Order, the Settlement Agreement, and the Final Approval Order, and promptly to agree upon and execute all such other documentation as may be reasonably required to obtain final approval of the Settlement Agreement.

84. The Parties intend this Settlement Agreement to be a final and complete resolution of all disputes between them with respect to the Released Claims by Counter-Plaintiffs and the Settlement Class, and each or any of them, on the one hand, against the Releasees, on the other hand. Accordingly, the Parties agree not to assert in any forum that the Consolidated Actions were brought by Counter-Plaintiffs or defended by Defendants, or each or any of them, in bad faith or without a reasonable basis.

85. The Parties have relied upon the advice and representation of counsel, selected by them, concerning their respective legal liability for the claims hereby released. The Parties have read and understand fully this Settlement Agreement, including its Exhibits, and have been fully advised as to the legal effect thereof by counsel of their own selection and intend to be legally bound by the same.

86. Any headings used herein are used for the purpose of convenience only and are not meant to have legal effect.

87. The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed as a waiver of any prior or subsequent breach of this Agreement.

88. This Agreement and its Exhibits set forth the entire Agreement and understanding of the Parties with respect to the matters set forth herein, and supersede all prior negotiations, agreements, arrangements, and undertakings with respect to the matters set forth herein. No representations, warranties, or inducements have been made to any Party concerning this Agreement or its Exhibit other than the representations, warranties, and covenants contained and memorialized in such documents.

89. This Agreement may not be amended, modified, altered, or otherwise changed in any material manner except by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

90. The Parties agree that Exhibit A, and Exhibit B to this Settlement Agreement are material and integral parts thereof and are fully incorporated herein by this reference.

91. The Parties may agree, subject to the approval of the Court where required, to reasonable extensions of time to carry out the provisions of the Agreement.

92. Except as otherwise provided herein, each Party shall bear its own costs.

93. Counter-Plaintiffs represent and warrant that they have not assigned any claim or right or interest therein as against the Releasees to any other person or party.

94. The Parties represent that they have obtained the requisite authority to enter this Settlement Agreement in a manner that binds all Parties to its terms.

95. The Parties specifically acknowledge, agree, and admit that this Settlement Agreement and its Exhibits, along with all related drafts, motions, pleadings, conversations, negotiations, correspondence, orders, or other documents shall be considered a compromise within the meaning of Illinois Rule of Evidence 408, and any other equivalent or similar rule of evidence, and shall not, except in accordance with Paragraph 98 of this Agreement, (a) constitute, be construed, be offered, or received into evidence as an admission of the validity of any claim or defense, or the truth of any fact alleged or other allegation in the Consolidated Actions or in any other pending or subsequently filed action, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of any Party, or (b) be used to establish a waiver of any defense or right, or to establish or contest jurisdiction or venue. This Agreement is not a concession or admission and shall not be used as an admission or indication with respect to any claim of any fault, concession, or omission against any of the Releasees regardless of whether the Settlement Agreement is finally approved.

96. The Parties also agree that this Settlement Agreement and its Exhibits, along with all related drafts, motions, pleadings, conversations, negotiations, correspondence, orders or other documents entered in furtherance of this Settlement Agreement, and any acts in the performance of this Settlement Agreement, are not intended to establish grounds for certification of any class involving any Settlement Class Member other than for certification of the Settlement Class for settlement purposes.

97. Except in accordance with Paragraph 98 of this Agreement, this Settlement Agreement, whether approved or not approved, revoked, or made ineffective for any reason, and any proceedings related to this Settlement Agreement and any discussions relating thereto shall be inadmissible as evidence of any liability or wrongdoing whatsoever and shall not be offered as evidence of any liability or wrongdoing in any court or other tribunal in any state, territory, or jurisdiction, or in any manner whatsoever. Further, neither this Settlement Agreement, the settlement contemplated by it, nor any proceedings taken under it, will be construed or offered or received into evidence as an admission, concession, or presumption that class certification is appropriate, except to the extent necessary to consummate this Agreement and the binding effect of the Final Order and Judgment.

98. The provisions of this Settlement Agreement, and any orders, pleadings, or other documents entered in furtherance of this Settlement Agreement, may be offered or received in evidence solely (a) to enforce the terms and provisions hereof or thereof, (b) as may be specifically authorized by a court of competent jurisdiction after an adversary hearing upon application of a Party hereto, (c) in order to establish payment, or an affirmative defense of preclusion or bar in a subsequent case, (d) in connection with any motion to enjoin, stay, or dismiss any other action, or (e) to obtain Court approval of the Settlement Agreement.

99. This Agreement may be executed in one or more counterparts exchanged by hand, messenger, or PDF as an electronic mail attachment, and any such signature exchanged shall be deemed an original signature for purposes of this Settlement Agreement. All executed counterparts and each of them shall be deemed to be one and the same instrument, provided that counsel for the Parties to this Agreement all exchange signed counterparts.

100. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto and the Releasees.

101. This Agreement shall be governed by and construed in accordance with the laws of the state of Illinois.

102. This Agreement is deemed to have been prepared by counsel for all Parties as a result of arms-length negotiations among the Parties. Whereas all Parties have contributed substantially and materially to the preparation of this Agreement and its Exhibits, it shall not be construed more strictly against one Party than another.

103. Unless otherwise stated herein, any notice required or provided for under this Agreement shall be in writing and shall be sent by electronic mail or hand delivery, postage prepaid, as follows:

If to Class Counsel:

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

David Cates
THE CATES LAW FIRM, LLC
216 West Pointe Drive, Suite A
Swansea, Illinois 62226
T: (618) 277-3644
dcates@cateslaw.com
cmooney@cateslaw.com

If to Defendants' Counsel:

Nabil Foster
BARRON & NEWBURGER, PC
53 West Jackson, Suite 1205
Chicago, Illinois 60604
T: (312) 767-5750
nfoster@bn-lawyers.com

Mark Bauman
HINSHAW & CULBERTSON LLP
521 West Main Street, Suite 300
Belleville, Illinois 62220
T: (618) 277-2400
mbauman@hinshawlaw.com

104. The Parties agree that any written press releases, website disclosures, or statements to the media about this settlement (collectively, “public statements”) must be approved by all counsel for all Parties, except that a Party may make a public statement of “no comment” or “the Parties have agreed to resolve this matter to avoid the expense and uncertainty of continued

Counsel to Settlement Class members regarding the settlement prior to the Final Approval hearing. Notwithstanding the foregoing, Class Counsel may answer any inquiries initiated by Settlement Class members so long as Class Counsel does not assert that the settlement indicates that the lawsuit had merit or that the settlement is an admission or indication of liability.

105. This Agreement shall be deemed executed as of the date that the last party signatory signs the Agreement.

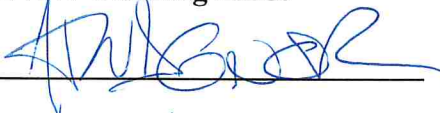
In witness hereof, the undersigned have caused this Settlement Agreement to be executed as of the dates set forth below.

Vittorio Blaylock

Vittorio Blaylock, Counter-Plaintiff

Date: _____

LVNV Funding LLC.



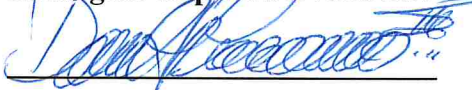
Date: 7/28/22

Casey Davis

Casey Davis, As Administrator of the Estate of
Guillermo Macia, Counter-Plaintiff

Date: _____

Resurgent Capital Services LP.



Date: 8/2/22

Alegis Group LLC.



Date: 8/2/22

CLASS COUNSEL

Date: _____

Sean K. Cronin
Brendan M. Nester
DONOVAN ROSE NESTER, P.C.
15 North 1st Street
Belleville, Illinois 62220

Date: _____

Sherman Financial Group LLC.

Date: _____

DEFENDANTS' COUNSEL



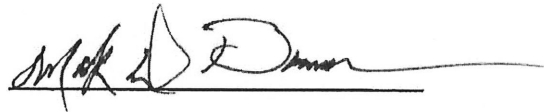
Date: 7/19/22

David Cates
THE CATES LAW FIRM, LLC
216 West Pointe Drive, Suite A
Swansea, Illinois 62226

DEFENDANTS' COUNSEL

Date: _____

Nabil Foster
BARON & NEWBURGER, PC
53 West Jackson, Suite 1205
Chicago, Illinois 60604



Date: 7/19/22

Mark Bauman
HINSHAW & CULBERTSON LLP
521 West Main Street, Suite 300
Belleville, Illinois 62220

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. You may need to submit a Proof of Claim (attached) to receive a settlement check.

NOTICE OF CLASS ACTION SETTLEMENT WITH ATTACHED CLAIM FORM

TO: All persons against whom LVNV Funding LLC (“LVNV”) or Resurgent Capital Service LP (“Resurgent”) filed a collection lawsuit in Illinois between September 19, 2010 and September 30, 2018, subject to the following exclusions: (1) persons who paid or settled their accounts in full without LVNV or Resurgent obtaining a judgment; (2) persons whose accounts were discharged in bankruptcy; and (3) persons who passed away since LVNV or Resurgent 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 LVNV or Resurgent in an Illinois court between September 19, 2010 and September 30, 2018, and, therefore, you might be a member of the Settlement Class.

B. WHAT IS THIS LAWSUIT ABOUT? LVNV filed separate collection lawsuits against Vittorio Blaylock Lee and Guillermo Macia in the Circuit Court for St. Clair County, Illinois alleging that Blaylock and Macia owed an outstanding balance on their credit card accounts. Blaylock and Macia responded to the collection lawsuits by asserting class action counterclaims against LVNV and third-party complaints against Resurgent, Alegis Group LLC and Sherman Financial Group LLC (all four are collectively referred to as “Defendants”). Blaylock and Macia alleged, amongst other things, that Defendants did not have the requisite documentation to prove that Blaylock and Macia owed the alleged balances. Blaylock and Macia further alleged that Defendants did not attach to the collection complaints the requisite documentation to establish that Blaylock and Macia owed the alleged balances. Blaylock and Macia alleged that Defendants 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.*); the federal Fair Debt Collection Practices Act (15 U.S.C. 1692, *et seq.*); and common law civil conspiracy.

Defendants denied Blaylock and Macia’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.

EXHIBIT A

C. WHAT IS THE PROPOSED SETTLEMENT? Without admitting any fault or liability, and in exchange for a release of all claims against Defendants regarding the collection lawsuits at issue, Defendants have agreed to make \$100,000 (the “Settlement Fund”) available to pay those class members whose accounts are either uncollectible or have an outstanding balance of \$75 or less **and** who submit the attached claim form. You have received this notice because you have been identified as a class member whose account is either uncollectible or has an outstanding balance of \$75 or less, and therefore you might be entitled to a payment from the Settlement Fund.

In addition to the Settlement Fund, Defendants have agreed to give credits to those class members whose accounts are collectible and have an outstanding balance of more than \$75. There is also a group of “Ownership” accounts for which a refund will be paid and the accounts permanently closed.

Defendants also agreed to pay an incentive award to Blaylock and Casey Davis, As Independent Administrator for the Estate of Guillermo Macia, for serving as the “class representatives,” to dismiss its collection lawsuits against Blaylock and Macia, to pay attorneys’ fees and costs to Blaylock and Macia’s attorneys, and to pay settlement administration costs.

The Court has preliminarily approved this settlement, subject to a fairness hearing that will occur on _____, at _____, in Room ___ 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 and whose claim is approved by the settlement administrator will receive a check in the mail for an equal portion of the Settlement Fund.

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

- 1. Return a completed Claim Form.** To receive a share of the Settlement Fund, you must complete and return a signed Claim Form, postmarked, faxed, or uploaded to the settlement website (www.xxxxxxx.com) on or before _____. The Claim Form is attached as the last page of this Notice. If the Court grants final approval of the settlement and if your claim is approved, you will be mailed a check for your equal share of the Settlement Fund once the settlement becomes final and either the time for appeal is over or, in the event of an appeal, the appeal is finally resolved with the court affirming the settlement and the time for further appeal has concluded. Please be patient.
- 2. Do nothing.** If you do nothing, you will stay in the Settlement Class, be bound by any judgment entered by the Court, and release your claims against Defendants about the collection lawsuits at issue, but you will receive no payment.
- 3. 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 _____, 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

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

For Defendants:

Nabil Foster
Barron and Newburger, PC
53 West Jackson, Suite 1205
Chicago, IL 60604
T: (312) 767-5750
nfoster@bn-lawyers.com
bmyers@grsm.com

Mark Bauman
Hinshaw & Culbertson LLP
521 West Main Street, Suite 300
Belleville, Illinois 62220
T: (618) 277-2400
mbauman@hinshawlaw.com

4. 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 _____. 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 Defendants 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 ___ in Courtroom ___ of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220 on _____, at _____. 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 fairness 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 _____, at _____, in Courtroom __ of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220. **You do not need to attend this hearing.** The fairness 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 Vittorio Blaylock and Casey Davis, As Independent Administrator of the Estate of Guillermo Macia to be the "Class Representatives" and appointed Sean Cronin of Donovan Rose Nester, PC, and David Cates and The CatesLaw Firm, LLC as "Class Counsel." At the fairness hearing, Class Counsel will request that the Court approve an incentive award of \$5,000 to each of the Class Representatives. Additionally, Class Counsel will request that the Court award attorneys' fees and costs of up to \$4,000,000.00 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.xxxxxxxx.com.

You may contact the Settlement Administrator—_____—by calling [number].

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 _____**

CLAIM FORM – LVNV v. Vittorio Blalock and Guillermo Macia

Account: <populated by administrator>

You Must Complete All *THREE* Steps to Claim a Share of the Settlement Fund:

1. You Must Provide Your Contact Information.

Name:

Address:

City/State/Zip Code:

Telephone Number: _____ Email Address:

2. You must Verify that you were Sued by LVNV or Resurgent.

To the best of my knowledge, I was sued by LVNV or Resurgent in an Illinois court between September 19, 2010 and September 30, 2018.

Verified as true under penalty of perjury:

(Sign your name here)

3. You must return this Claim Form by _____, 2022 by either:

(a) Fax this Claim Form to: <fax number for claims>

OR

(b) Mail this Claim Form to: <address for claims>

OR

(c) Submit this Claim Form electronically at: www.xxxxxxx.com

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.

NOTICE OF CLASS ACTION SETTLEMENT

TO: All persons against whom LVNV Funding LLC (“LVNV”) or Resurgent Capital Service LP (“Resurgent”) filed a collection lawsuit in Illinois between September 19, 2010 and September 30, 2018, subject to the following exclusions: (1) persons who paid or settled their accounts in full without LVNV or Resurgent obtaining a judgment; (2) persons whose accounts were discharged in bankruptcy; and (3) persons who passed away since LVNV or Resurgent 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 LVNV or Resurgent in an Illinois court between September 19, 2010 and September 30, 2018, and, therefore, you might be a member of the Settlement Class.

B. WHAT IS THIS LAWSUIT ABOUT? LVNV filed separate collection lawsuits against Vittorio Blaylock Lee and Guillermo Macia in the Circuit Court for St. Clair County, Illinois alleging that Blaylock and Macia owed an outstanding balance on their credit card accounts. Blaylock and Macia responded to the collection lawsuits by asserting class action counterclaims against LVNV and third-party complaints against Resurgent, Alegis Group LLC and Sherman Financial Group LLC (all four are collectively referred to as “Defendants”). Blaylock and Macia alleged, amongst other things, that Defendants did not have the requisite documentation to prove that Blaylock and Macia owed the alleged balances. Blaylock and Macia further alleged that Defendants did not attach to the collection complaints the requisite documentation to establish that Blaylock and Macia owed the alleged balances. Blaylock and Macia alleged that Defendants 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.*); the federal Fair Debt Collection Practices Act (15 U.S.C. 1692, *et seq.*); and common law civil conspiracy.

Defendants denied Blaylock and Macia’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 Defendants regarding the collection lawsuits at issue, Defendants have agreed to provide benefits to three

EXHIBIT B

Subclasses. Defendants will 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. Defendants have also agreed to pay a refund to and permanently close the accounts of class members whose accounts were designated "Ownership" and noted as such in their records. You have received this notice because you have been identified as a class member in one of these two Subclasses. You therefore might be entitled to the \$75 credit or a refund payment.

In addition to the above two Subclasses, there is a third Subclass but you are not in it. As to the third Subclass, Defendants have also agreed to issue checks for an equal amount out of a \$100,000 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.

Defendants also agreed to pay an incentive award to Blaylock and Casey Davis, As Independent Administrator for the Estate of Guillermo Macia, for serving as the "class representatives," to dismiss its collection lawsuits against Blaylock and Macia, to pay attorneys' fees and costs to Blaylock and Macia's attorneys, and to pay settlement administration costs.

The Court has preliminarily approved this settlement, subject to a fairness hearing that will occur on _____, at _____, in Room ___ 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 either the \$75 credit on their account or a refund payments as described above. There will also be the additional payment of valid claim forms for the third Subclass.

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 stay in the Settlement Class. If the Court grants final approval of the settlement, then you will receive either the \$75 account credit or a refund payment automatically without having to take any action in response to this Notice. By being part of the Settlement Class and receiving the account credit or refund payment, you will also be bound by any judgment entered by the Court, and you will release your claims against Defendants 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 _____, 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

David Cates
The Cates Law Firm, LLC
216 West
Pointe Drive, Suite A
Swansea, Illinois 62226
T: (618) 277-3644
dcates@cateslaw.com

For Defendants:

Nabil Foster
Barron and Newburger, PC
53 West Jackson, Suite 1205
Chicago, IL 60604
T: (312) 767-5750
nfoster@bn-lawyers.com
bmyers@grsm.com

Mark Bauman
Hinshaw & Culbertson LLP
521 West Main Street, Suite 300
Belleville, Illinois 62220
T: (618) 277-2400
mbauman@hinshawlaw.com

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 _____. 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 Defendants 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 ___ in Courtroom ___ of the Circuit Court of St. Clair County, 10 Public Square, Belleville, Illinois 62220 on _____, at _____. 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.

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HONORABLE _____**