

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

ATTN: «FullName»

If you were a California resident who paid money to Midwest Recovery Systems collection agency after certain payday loan debt was reported, a class action lawsuit may affect your rights.

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

- The settlement resolves a lawsuit over whether Defendants (collection agency and certain principals) violated certain laws by reporting payday loan debt to credit bureaus and then taking payments from the persons whose debt was reported.
- If the settlement is approved, you will automatically receive the payment amount specified in paragraph 7, which is 100% reimbursement of what you paid.
- In all \$208,743 will be paid out to affected consumers and for court and legal fees.
- The Court will also be asked to approve payments for legal fees, service awards, and settlement administration out of the foregoing sum.
- The two sides disagree whether Defendants' practices were legal and, if they were not, how much money they should have to pay to affected consumers.
- Your legal rights will be affected whether you act or not. Read this Notice carefully. You have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS	
Do Nothing	You will: <ul style="list-style-type: none"> • Stay in the lawsuit. • Receive the amount specified in paragraph 7. • Give up certain rights.
Exclude Yourself	You will: <ul style="list-style-type: none"> • Get out of this lawsuit. • Receive no compensation. • Keep any rights to sue individually.
Object to the Settlement	You will: <ul style="list-style-type: none"> • Stay in the lawsuit. • Receive the amount specified in paragraph 7. • Be allowed to file court papers and appear before the Judge explaining why you do not like the settlement.

- Your rights and options are explained in this Notice. To object you must act before **August 20, 2021**.
- The Court must still decide whether to approve this settlement. Please be patient.
- This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at www.cptgroupcaseinfo.com/paydayclassaction, contact class counsel identified in paragraph 17, or access the Court docket online through PACER (see paragraph 22).

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BASIC INFORMATION

1. WHY DID I GET THIS NOTICE?

Certain records indicate that Midwest Recovery Systems reported certain payday loan debt belonging to you to credit bureaus between September 2017 and April 2020. In response, you made a payment to it in exchange for their removing the debt from your credit reports.

The payday loan debt in question was based on loans made several years ago by one or more of the

following companies: VIP PDL Services, LLC a/k/a VIP Loan Shop; SCS Processing, LLC, a/k/a Everest Cash Advance; Action PDL Services, LLC, a/k/a Action Payday; BD PDL Services, LLC, a/k/a Bottom Dollar Payday, Integrity PDL Services, LLC, a/k/a Integrity Payday Loans, a/k/a IPL Today; My Quick Funds d/b/a Sierra Financial, LLC; Fast EFunds a/k/a FastEFunds.com.

You have been sent this Notice because you have a right to know about a proposed settlement of the class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, you will receive certain compensation if you do not exclude yourself. You can receive updates about the progress of the settlement from the website listed at the bottom of this Notice.

This packet explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

This Notice explains the Court has allowed or “certified” a class action that may affect you. You have legal rights and options that you may exercise before the Court approves a proposed settlement.

The Court in charge of the case is the United States District Court, Central District of California. Judge Stanley Blumenfeld Jr. is overseeing this class action. The lawsuit is known as *Michell T. Franklin, et. al. v. Midwest Recovery Services, LLC. et. al.*, Case No. 8:18-cv-02085-SB-DFMx. The persons who sued are the Plaintiffs and the various companies and individuals being sued are the Defendants.

2. WHAT IS THIS LAWSUIT ABOUT?

The lawsuit contends that the Defendants were hired to collect money on old payday loan debt. Plaintiffs allege that in doing so, they reported to the credit bureaus that the debt was currently owed. Plaintiffs allege that when debtors contacted them about the credit reporting, Defendants offered to remove the debt from the credit reports if the debtor made an acceptable payment.

However, Plaintiffs contend the payday loan debt itself was illegal, because it was made by unlicensed lenders. Plaintiffs further contend that Defendants knew the debt was illegal but still tried to extort payments.

This lawsuit is about whether Defendants violated state law by reporting the payday loan debt in question and then extracting payments from the debtors.

The Defendants dispute the allegations and deny they did anything wrong or that any damages or restitution should be awarded to the class.

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

In a class action lawsuit, one or more people called “Class Representatives” (in this case Kara Sampson and Cybele A. Munson) sue on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” The companies or persons they sue (in this case Midwest Recovery Systems, LLC, Kenny Conway, Brandon Tumber, and Joseph Smith) are called the Defendants. One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

4. WHY IS THIS LAWSUIT A CLASS ACTION?

The Court previously ruled on February 5, 2021 that a class of approximately 189 persons should be

certified. The Court has ruled that all of the class members in this smaller group have similar claims and Defendants have similar defenses that apply in general to all of the class members. Later discovery revealed there were approximately 209 class members.

The revised class definition and this proposed settlement were presented to the Court and it granted preliminary approval and ordered that this notice be sent to the approximately 209 class members. The Court also ruled that attorneys Jeffrey Wilens and Jeffrey Spencer are qualified to represent the class.

WHO IS IN THE SETTLEMENT

5. AM I PART OF THIS CLASS?

Judge Blumenfeld decided that all California residents with certain debt which was reported to credit bureaus by Midwest Recovery and who subsequently paid money to Midwest Recovery are members of the class. As noted above, that is approximately 209 persons including you.

If this Notice is addressed to you, it has been determined you are a class member. If you do not receive this Notice, it is possible it was mailed to an old address or your name might not be on the class list at all.

6. DO I NEED PROOF IN ORDER TO GET COMPENSATION?

Proof is not required to be a member of the Class as Defendants' records contain that information. However, if you believe you should be a Class Member, but have not received this Notice, you should contact Class Counsel before **August 20, 2021**, at the address listed in paragraph 17 below and present proof that you are a Class Member.

THE SETTLEMENT BENEFITS

7. WHAT DOES THE SETTLEMENT PROVIDE?

The settlement provides for a cash payment equal to 100% restitution for each class member. According to business records provided by Midwest Recovery, you paid «estAmount». If this settlement is granted final approval, you will receive at least that much. If you dispute that amount, then you should contact Class Counsel before **August 20, 2021**, at the address listed in paragraph 17 below and present proof of payment.

8. HOW DO I GET MY COMPENSATION?

The amount specified in paragraph 7 will be mailed to you within 15 days of the Effective Date of this settlement. That might not be for 120 days or longer, so please be patient.

For an update on the status of the case, you can go to this website: www.cptgroupcaseinfo.com/paydayclassaction.

Your payment will be mailed to the same address as this Class Notice was mailed. If you need to change your mailing address, contact CPT Group, Inc., the Settlement Administrator, by calling 1-888-975-2322. For more information, check the website identified above.

9. WHAT AM I GIVING UP IN ACCEPTING THE SETTLEMENT?

You will be unable to bring your own lawsuit against Defendants raising the same claims. However, you are not giving up any claims you might be able to bring against the payday lenders themselves.

10. WHAT IF I DO NOTHING AT ALL?

You will be automatically included in this settlement and will receive the monetary payment specified in paragraph 7.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you don't want the benefit from this settlement, but you want keep the right to sue or continue to sue Midwest Recovery and the other Defendants on your own, about the legal issues in this case, then you must take steps to remove yourself from the class. This is called excluding yourself—or is sometimes referred to as opting out of the settlement Class. If you exclude yourself, you will not be legally bound by the Court's judgments in this class action, nor will you receive any compensation.

To ask to be excluded, you must send a "Request for Exclusion" in the form of a letter sent by mail, stating that you want to be excluded from the Midwest Recovery Systems class action. You must include your name and address, telephone number, state you wish to exclude yourself from the settlement, and personally sign the letter. You must mail your Request for Exclusion to Midwest Recovery Systems Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606. The Request for Exclusion must be postmarked by **August 20, 2021** or it will not be valid and you will be included in the settlement. Do not send the Request for Exclusion Form if you want to be paid money.

12. IF I DO NOT EXCLUDE MYSELF, CAN I STILL SUE MIDWEST RECOVERY SYSTEMS OR THE OTHER DEFENDANTS FOR THE SAME THINGS?

No. But you would be able to sue for any other claims you may have.

13. IF I EXCLUDE MYSELF, CAN I STILL GET THE SETTLEMENT PAYMENT?

No.

THE LAWYERS REPRESENTING YOU

14. DO I HAVE A LAWYER IN THIS CASE?

Yes. The Court has appointed the law firms of Lakeshore Law Center and The Spencer Law Firm to represent you and all Class Members. Together, the law firms are called "Class Counsel." They are experienced in handling similar consumer rights cases. More information about these law firms, their practices and their experiences is available at www.lakeshorelaw.org and www.spencerlaw.net.

15. SHOULD I GET MY OWN LAWYER?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want you can retain your own lawyer at your own expense.

16. HOW WILL THE LAWYERS AND PLAINTIFFS BE PAID?

Class Counsel will ask the Court for attorneys' fees of \$75,000 and reimbursement of court costs of up to \$11,000.²¹ These figures are based on the actual time they have spent prosecuting this lawsuit. They have been working on this case since July 2018.

In addition, Plaintiffs have requested the Court award an "incentive award." This is additional compensation to them for the hours of extra work and the personal risks they assumed in bringing the lawsuit, which the rest of the class members did not have to do. For example, it is possible they could have been liable for the legal fees of the Defendants. The total amount sought for incentive awards is \$5,000 for Plaintiff Sampson and \$5,000 for Plaintiff Munson, which combined is less than 5% of the total amount of money being paid out by Defendants.

The Court may award less than the above amounts for fees, costs and incentive awards. If it does, any extra money will be divided among the class members.

OBJECTING TO THE SETTLEMENT

17. HOW DO I TELL THE COURT I DO NOT LIKE THE SETTLEMENT?

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.

All written objections and supporting papers must

- (a) clearly identify the case name and number (Franklin v. Midwest Recovery Systems, et. al., Case No. 8:18-cv-02085-SB-DFMx.)
- (b) State in writing that the objector is a member of the class.
- (c) State in writing all grounds for the objection.
- (d) Provide a detailed list of any other objections submitted by the Settlement Class Member, and/or his/her counsel, to any class actions in any court, whether state or otherwise, in the United States in the previous five (5) years. If the Settlement Class Member or his/her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he/she shall affirmatively state so in the written materials in connection with the objection to this Settlement.
- (e) be submitted to the Court either by mailing them to the Class Action Clerk, United States District Court for the Central District of California, Western Division, 350 W. 1st Street, Los Angeles, CA 90012, or by filing them in person or electronically at any location of the United States District Court for the Central District of California, and
- (f) be filed or postmarked on or before **August 20, 2021**.

To file the objection or other papers directly with the Court electronically, follow the instructions for eFiling on this website: <https://www.cacd.uscourts.gov/e-filing>

Alternatively, you may deliver the objection papers by the above deadline to the Settlement Administrator: Midwest Recovery Systems Class Settlement, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606.

Finally, even if you have not done any of the above, you may still appear personally or through counsel and be heard at the Final Approval Hearing at the Court's discretion.

You should (but are not required to) serve by the above deadline copies of the Objection or other papers by United States Mail to the following:

Plaintiffs' Attorneys and Class Counsel:

Jeffrey Wilens, Esq.
LAKESHORE LAW CENTER
18340 Yorba Linda Blvd. Suite 107-610
Yorba Linda, CA 92886
Telephone: 714-854-7205
Facsimile: 714-854-7206
Email: jeff@lakeshorelaw.org

Jeffrey Spencer, Esq.
SPENCER LAW FIRM
2 Venture, Suite 220
Irvine, CA 92618
949-240-8595
949-377-3272
Email: jps@spencerlaw.net

Defendants' Attorneys:

F Brenden Collier, Esq.
Cozen O'Connor
1650 Market Street, Suite 2800
Philadelphia, PA 19103
Telephone: 215-665-5518
Facsimile: 215-701-2302
Email: bcollier@cozen.com

18. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of that Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Fairness Hearing on **September 24, 2021 at 8:30 a.m.** in Department 6C of the United States District Court, Central District of California, 350 W. 1st Street, Los Angeles, CA 90012. The date and time of this hearing may change without further notice to the class. Class members should check the settlement website www.cptgroupcaseinfo.com/paydayclassaction or see paragraph 22 for instructions how to view the Court's docket online.

At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Blumenfeld will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel and Plaintiffs. After the hearing, the Court will decide whether to approve the settlement. We do not know when the Judge will issue his decision.

20. DO I HAVE TO COME TO THE FAIRNESS HEARING?

No. Class Counsel will answer questions Judge Blumenfeld may have. But, you are welcome to come at your own expense. If you send an Objection, you don't have to come to Court to talk about it. As long as you filed or delivered your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. MAY I SPEAK AT THE HEARING?

If you appear personally or through counsel at the Final Approval Hearing, you or your counsel may be allowed to speak at the Court's discretion.

GETTING MORE INFORMATION**22. ARE MORE DETAILS AVAILABLE?**

Visit the website www.cptgroupcaseinfo.com/paydayclassaction to find more information and copies of important court documents. You may also write to, email or call the Class Counsel Jeffrey Wilens or Jeffrey Spencer at the contact information listed under item 17. Your communications with Class Counsel regarding this action will be confidential.

The pleadings and other records in this litigation may be examined online through the Court's Public Access to Court Electronic Records (PACER) system. Review the information at <https://www.cacd.uscourts.gov/e-filing>. You can also visit the office of the Clerk of the Court for the United States District Court for the Central District of California, 350 W. 1st Street, Los Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m.

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

BY ORDER OF THE COURT:

Dated: May 20, 2021

by Stanley Blumenfeld Jr.
Judge of the District Court