

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION LAWSUIT

If you had an account from King County District Court or Tacoma Municipal Court assigned to Transworld Systems Inc. (TSI) for collection between June 15, 2012 and November 1, 2016 you could be entitled to benefits under a class action settlement.

The Superior Court in and for King County, State of Washington authorized this Notice.

This is not a solicitation from a lawyer.

READ THIS NOTICE AND INSTRUCTIONS CAREFULLY

This notice is to inform you about a proposed settlement that would resolve the claims against TSI in the class action lawsuit *Dana Syria v. Transworld Systems Inc.*, No. 18-2-57761-6 SEA (King Co. Super. Ct.) (the “Lawsuit”). The Lawsuit alleges that TSI violated Washington’s Collection Agency Act and Consumer Protection Act by compounding interest on accounts referred for collection by the King County District Court (“KCDC”) and by assessing collection fees that were not specifically authorized on certain accounts referred for collection by KCDC and the Tacoma Municipal Court. TSI denies all liability in the case. The settlement, which must be approved by the Court, would resolve the claims against TSI in the Lawsuit.

1. WHAT IS A CLASS ACTION?

A class action is a lawsuit in which a class representative is empowered to bring claims on behalf of a group of similarly situated “Class Members”. In a class action, the final outcome of the lawsuit (whether positive or negative) will apply equally to all individuals who fall within the class definition, unless they exclude themselves from the class by the Court-established deadline.

2. WHO IS IN THE SETTLEMENT CLASSES IN THIS CASE?

Solely for purposes of effectuating this settlement, King County Superior Court Judge John McHale has certified the following Settlement Classes (the “Classes”) including:

(a) Paid in Full Class: All individuals who had a monetary obligation imposed by King County District Court or Tacoma Municipal Court that was subsequently placed with TSI for collection, who were assessed interest on a compounding basis and/or assessed a collection fee allegedly not specifically authorized from June 15, 2012 to November 1, 2016, and who have paid their underlying debt to the court in full.

(b) No Pay or Partial Pay Class: All individuals who had a monetary obligation imposed by King County District Court or Tacoma Municipal Court that was subsequently placed with TSI for collection, who were assessed interest on a compounding basis and/or allegedly assessed a collection fee not specifically authorized from June 15, 2012 to November 1, 2016, and who have not paid any part of, or only some but not all of, their underlying debt.

3. WHO REPRESENTS THE CLASSES?

The Court has approved Dana Syria to serve as the class representative of the Settlement Classes, and appointed the following attorneys as Counsel for the Class: Adam Berger and Lindsay Halm of the law firm Schroeter Goldmark & Bender in Seattle, Washington; and Jason Anderson and Tyler Santiago of Anderson Santiago in Seattle, Washington.

4. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

The proposed settlement provides both monetary and equitable relief.

Paid in Full Class Members may submit a claim form to receive compensation for compounded interest or allegedly unauthorized collection fees. These claims will be paid out of a \$1.7 million Settlement Fund established by TSI to pay all claims, attorneys’ fees and costs, class representative fee, and settlement administration costs under the Settlement. The awards to Paid in Full Class Members who submit claim forms vary depending on the origin of their debt and the charges they were assessed:

- Paid in Full Class Members whose claims arise from debts owed to KCDC and who were assessed interest on a compounding basis or assessed a collection fee allegedly not specifically authorized will receive up to \$90.
- Paid in Full Class Members whose claims arise from debts owed to KCDC and who were assessed interest on a compounding basis and allegedly assessed a collection fee not specifically authorized will receive up to \$180.
- Paid in Full Class Members whose claims arise from debts owed to Tacoma Municipal Court who were assessed a collection fee allegedly not specifically authorized will receive up to \$15.
- These amounts are roughly three times the average damages that each Class Member allegedly suffered from the compounded interest and allegedly unauthorized collection fees.
- The amounts paid to Class Members will be reduced on a pro rata basis from the amounts stated above if the number of claims submitted, plus the fees and costs approved by the Court for Class Counsel, the named Plaintiff, and the Settlement Administrator, exceed the \$1.7 million Settlement Fund.
- Class Members who had two or more affected accounts will receive double the final award amounts.

The settlement also provides relief for No Pay and Partial Pay Class Members. To the extent possible, TSI will adjust the balances of the accounts for the No Pay and Partial Pay Class Members to remove any alleged overcharges. TSI also will apply an aggregate credit of \$1.25 million to the unpaid collection fees on their accounts.

Subject to the Court's approval, the settlement provides for a payment of up to \$20,000 to the named Plaintiff Dana Syria as a Class Representative incentive fee. Class Counsel will request to be paid 30% of the Settlement Fund, or \$510,000, for all attorney fees and allowable litigation costs and expenses. The fees would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement, and monitoring compliance. The costs of administering the settlement, including the costs of any third-party Settlement Administrator, also shall be paid from the Settlement Fund.

If any funds remain in the Settlement Fund after all claims, settlement administration expenses, Class Counsel fee award, and incentive award to the Class Representative are paid, then 50% of the residual will be disbursed to the Legal Foundation of Washington to support activities that promote access to the civil justice system for low income residents of Washington State; and the other 50% of the residual shall be returned to TSI.

5. WHAT IS THE EFFECT OF THE PROPOSED SETTLEMENT?

If the Court approves the Settlement, the Court will enter a Final Judgment dismissing the claims against TSI in the Lawsuit "with prejudice." This means that any claims that were or could have been asserted against TSI in the Lawsuit will be permanently dismissed – i.e., the effect of such a Final Judgment will be to release and discharge TSI from all consumer-related claims under any federal, state or other law that were or could have been asserted based on the facts and circumstances alleged in the Lawsuit. When claims are "released," that means that a person covered by the release cannot later sue or recover from TSI or the other released parties (such as its parents, owners, subsidiaries, affiliates and employees) for any of the claims that are covered by the Release.

6. WHAT OPTIONS DO I HAVE WITH RESPECT TO THE CASE AND THE SETTLEMENT?

a. Option to Remain in Class Action:

If you are a member of the Paid in Full Class and wish to receive payment under the Settlement, you must submit a claim form to the Settlement Administrator by October 7, 2019. Claim forms may be obtained at www.cptgroup.com/TransworldSettlement or by contacting Class Counsel.

Unless you specifically ask to be excluded from the Class, you will automatically be included as a member of the Class. As a member of the Class, you will be bound by all terms of the Settlement if it is approved by the Court even if you do not submit a claim form.

If you remain in the Class, you will be represented by Class Counsel and the Class Representative. You also may hire an attorney of your own choosing to represent you in the case, but at your own expense.

If the Court grants final approval of the Settlement, you will receive any payments due you under the Settlement approximately 60 days after the date that the Court's approval becomes final and not subject to any appeal.

b. Option to Request Exclusion from the Class:

If you do not want to be included in the Class or participate in the proposed Settlement, you must submit a request to be excluded from the Class on the form provided at www.cptgroup.com/TransworldSettlement. If you want to be excluded you must mail the form to the Settlement Administrator at the following address, and include your name, current address, telephone number, signature, and email address, and mark the box indicating your request to be excluded. **Your request for exclusion must be postmarked no later than October 7, 2019:**

Syria v. Transworld Systems Inc.
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606

If you submit a valid and timely request for exclusion from the Class, you will not be entitled to receive any benefits under the proposed Settlement, nor will you be bound by its terms or any other rulings made in the case by the Court. You may pursue any claims you may have against TSI by filing your own lawsuit, subject to all applicable defenses.

c. To Object to the Settlement:

If you wish to remain in the Class but object to any aspect of the Settlement, you must file a written objection with the Court by October 7, 2019. You also must serve copies of your written objection upon Class Counsel and TSI's counsel at the addresses listed below and postmarked no later than **October 7, 2019:**

TSI Class Action
Attn.: Sheila Cronan, paralegal
Schroeter Goldmark & Bender
810 Third Avenue, Suite 500
Seattle, WA 98104

James K. Schultz
Sessions, Fishman, Nathan & Israel, LLP
1545 Hotel Circle South, Suite 150
San Diego, CA 92108

Any written objection to the Settlement must contain your name, current address, telephone number, signature, and email address, as well as the substance of your objection(s). You may also appear in person at the final hearing to be held as stated below in order to explain your objection(s). You may hire an attorney at your own expense to represent you at this hearing and to make objections to the Settlement.

Only Class Members who object to the proposed Settlement in accordance with these procedures will be permitted to appeal or otherwise seek review of any decision by the Court approving the proposed Settlement. Class Members who fail to present objections to the proposed Settlement Agreement in the manner provided above shall be deemed to have waived any such objections and shall be forever foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

10. WHEN WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

On November 4, 2019, at 9:00 a.m., at the King County Courthouse, 516 Third Avenue, Seattle, WA 98104, the Court will conduct a Final Settlement Approval Hearing to determine whether the proposed Settlement is fair, adequate and reasonable, and should be granted final approval. The date and time of the Final Settlement

Approval Hearing is subject to change without further notice.

11. HOW CAN I OBTAIN FURTHER INFORMATION?

This notice summarizes the proposed settlement. You may seek the advice and guidance of your own private attorney, at your own expense, if you desire. For the precise terms and conditions of the settlement, please see the settlement agreement available at www.cptgroup.com/TransworldSettlement or contact Class Counsel using the information below. You also may examine and copy pleadings and other records in this litigation at any time during regular office hours at the Office of the Clerk, King County Courthouse, 516 Third Avenue, Seattle, WA 98104.

12. CONTACT INFORMATION

Please do not contact the Court, the Court Clerk's office, or TSI's Counsel with questions about this settlement. Any questions must be directed to the Settlement Administrator:

Syria v. Transworld Systems Inc
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Toll-Free: 1-888-223-2895
Website: www.cptgroup.com/TransworldSettlement
Email: TransworldSettlement@cptgroup.com

Or Class Counsel:

TSI Class Action
Attn.: Sheila Cronan, Paralegal
Schroeter Goldmark & Bender
810 Third Avenue, Suite 500
Seattle, WA 98104
(206) 622-8000