

SETTLEMENT AGREEMENT & RELEASE

This Settlement Agreement and Release dated April 10, 2008 (the "Settlement Agreement") is submitted pursuant to Practice Book § 9-9 and incorporates the definitions set forth below. Subject to the approval of the Court, this Settlement Agreement is entered into between the Plaintiff, Titus Moore ("Plaintiff"), on his own behalf and on behalf of the Class Members (the "Class"— as defined below and in the Class Action Complaint), and Midland Credit Management, Inc. ("Midland"), by and through their respective counsel.

WHEREAS:

A. This consumer class action was commenced on January 27, 2003 and the operative complaint is the second revised complaint dated November 24, 2003. Moore alleged in the Complaint that Midland commenced Collection Actions against him and the other Class Members in which it falsely alleged that it was the owner of defaulted credit card accounts. Moore further alleged that this conduct was in violation of the Fair Debt Collection Practices Act ("FDCPA") and the Connecticut Unfair Trade Practices Act ("CUTPA") and sought statutory damages, actual damages in the form of repayment of all amounts paid by Class Members towards the satisfaction of judgments on the Collection Actions, and an order vacating all judgments entered in favor of Midland on the Collection Actions.

B. Class Counsel conducted an investigation relating to Plaintiff's and Class Members' claims and the underlying events and transactions alleged in the Complaint and engaged in substantial discovery into the allegations.

C. On November 5, 2007, the Court entered an order certifying the class with regard to the claim for statutory damages but not for purposes of pursuing the actual damages claims.

D. Plaintiff, by and through Class Counsel, has engaged in discussions and arm's length negotiations with Midland's counsel with respect to a compromise and settlement of the action with a view to settling all issues in dispute and achieving the best relief possible consistent with the interests of the Class. The parties also participated in settlement conferences presided over by Hon. Salvatore Agati on February 25, 2008 and on March 3, 2008.

E. Class Counsel, while maintaining that Plaintiff and Class Members would ultimately prevail on all issues in this lawsuit, have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable, and adequate to Plaintiff and to Class Members and in their best interests, based on the representations by Defendant's Counsel that there are 374 members of the class and that it has collected \$123,633 from Class Members against whom Midland had secured judgments. Plaintiff has agreed to settle the claims raised in the action, subject to the approval of this Court, pursuant to the terms and provisions of this Settlement Agreement, after considering (a) the benefits that Plaintiff and Class Members will receive from settlement of the action, (b) the attendant risks of litigation, and (c) the desirability of permitting a settlement to be consummated as provided by the terms of this Settlement Agreement.

F. Midland denies any wrongdoing or liability whatsoever with respect to any allegation or claim in the Complaint, and this Settlement Agreement shall in no event be construed or

deemed to be evidence of an admission or concession on the part of Midland with respect to any allegation or claim, or of any wrongdoing or liability whatsoever, or any infirmity in any of the defenses that Midland may have asserted in the action. Nor shall this Settlement Agreement be construed or deemed to be a concession by Plaintiff of any infirmity in the claims asserted in the action.

G. Midland, while continuing to deny all allegations of liability, also desires to settle, compromise and terminate Plaintiff's and Class Members' claims against it, including those claims that were not certified by the Court, in order to avoid the further substantial expense, inconvenience, and distraction of burdensome and protracted litigation, including an anticipated appeal of the Court's denial of certification with respect to the actual damages claims, and to put to rest forever all claims which have or could have been asserted against Midland in this Action or which arise from or are in any way related to the acts, transactions or occurrences alleged in the Complaint.

NOW THEREFORE, without any admission or concession whatsoever on the part of Plaintiff of any lack of merit of the action, and without any admission or concession whatsoever of any liability or wrongdoing or lack of merit in the defenses by Midland, it is hereby STIPULATED AND AGREED, by and among the parties to this Settlement Agreement, through their respective attorneys, subject to approval of the Court pursuant to Practice Book § 9-8, in consideration of the benefits flowing to the parties hereto from the Settlement (as defined below), that all Settled Claims (as defined below) shall be FULLY

AND FINALLY COMPROMISED, SETTLED, RELEASED AND DISMISSED WITH PREJUDICE, upon and subject to the terms and conditions set forth below:

CERTAIN DEFINITIONS

1. As used in this Settlement Agreement, the following terms shall have the following meanings:

a. "Class" means all those individuals who are natural persons and who are residents of the State of Connecticut who, on or after January 27, 2002, were named as a defendant in a Collection Action by Midland as the plaintiff.

b. "Class Member" means each person who is in the Class, who is listed on Exhibit A attached hereto, and who has not submitted a Request for Exclusion as provided in Paragraph 8.

c. "Class Period" means the period of time after January 27, 2002.

d. "Collection Action" means a lawsuit that was brought by Midland against a Class Member during the Class Period in order to collect a debt.

e. "Court" means the Superior Court for the State of Connecticut, Complex Litigation Docket, in Hartford, Connecticut.

f. "Defendant" means Midland Credit Management, Inc. ("Midland").

g. "Defendant's Counsel" means Thomas Leghorn and Stephen P. Brown of Wilson Elser Moskowitz Edelman & Dicker, LLP.

h. "Plaintiff's Counsel" and/or "Class Counsel" means Daniel S. Blinn of

Consumer Law Group, LLC. and Joanne S. Faulkner.

- i. "Settlement Fund" means the payment that is made by Midland pursuant to this Settlement Agreement.
- j. "Effective Date" means the date upon which the Settlement contemplated by this Settlement Agreement shall become effective, as set forth in Paragraph 13 below.
- k. "Order Concerning Class Certification, Notice and Scheduling" means the proposed order in the form attached hereto as Exhibit B.
- l. "Mailed Notice" means the "Notice of Pendency of Class Action, Proposed Settlement and Hearing", which is to be sent by mail to Class Members in the form attached hereto as Exhibit C.
- m. "Claim Form" means the "Claim for Benefits" attached hereto as Exhibit D.
- n. "Order and Final Judgment of Dismissal" means the proposed order in the form attached hereto as Exhibit E.
- o. "Released Parties" means Midland and any entities and persons who acted or who may have been alleged to have acted in concert with Midland, together with each of their respective present, former or future directors, officers, partners, associates, employees, agents, servants, accountants, auditors, insurers, reinsurers, appraisers, investment advisers, underwriters, attorneys, brokers, subsidiaries, affiliates, parents, predecessors in interest, successors, assigns (whether express or by implication or operation of law), heirs, executors,

personal representatives, estates, administrators, and legal representatives.

p. "Settled Claims" means any and all direct, representative, individual or class rights, claims, and causes of action, of any nature whatsoever, whether known or unknown, pled or unpled, for compensatory damages, punitive damages, or any other relief, monetary or injunctive, which were or might have been brought by any Class Member, individually or on behalf of others, whether brought under state or federal law of the United States, against the Released Parties, based upon, arising out of, or in any way related to acts, omissions, misrepresentations, facts, events, matters, transactions, or occurrences before or during the Class Period relating to or arising out of the Defendant's debt collection practices and procedures, including any and all claims which were or which could have been brought in any of the complaints that were filed in this Action, including, without limitation, any allegation or claim in the Complaint.

q. "Settlement" means the settlement contemplated by this Settlement Agreement.

2. Midland shall make a payment of \$100,000 into a Settlement Fund that is to be maintained and administered by Class Counsel for the benefit of the Class Members. Each Class Member who wishes to make a claim for a portion of the Settlement Fund shall submit the Claim Form to Class Counsel in the manner directed on the Class Form, which Claim Form must be post-marked no later than the date approved by the Court in the Order Concerning Class Certification, Notice and Scheduling. Class Counsel shall make payment to those Class

Members who timely submit Claim Forms as follows:

a. Those Class Members who made payments to Midland and against whom a judgment was entered in one of the Collection Actions who submit Claim Forms shall receive reimbursement of the amounts so paid. The total distributions made pursuant to this subparagraph 2(a) shall be limited to \$25,000, unless this limit is increased pursuant to subparagraph 2(c). If the total claims exceed the amount available for such payments, then each Class Member who submits such a claim for reimbursement shall receive a pro rata share of the total amount available for distribution. All claims made pursuant to this subparagraph 2(c) shall be verified by Defendant's Counsel based upon Midland's records, and each Class Member's distribution will be calculated in accordance with the amount paid to Midland according to Midland's records.

b. Each Class Member who submits a Claim Form, including those Class Members who are receiving distributions pursuant to subparagraph 2(a), will receive a pro rata share of \$75,000, unless this limit is increased pursuant to subparagraph 2(c). In no event shall the distributions made under this subparagraph 2(b) exceed \$1,000 per class member.

c. In the event that the total claims under subparagraph 2(a) are less than \$25,000, then the remaining balance will be available to satisfy the claims under subparagraph 2(b). In the event that the total claims under subparagraph 2(b) are less than \$75,000, then up to \$10,000 of the remaining balance will be available to satisfy the claims under subparagraph 2(a).

d. In the event that all claims under subparagraphs 2(a) and 2(b) have been

fully satisfied and there are still funds remaining in the Settlement Fund, then all remaining funds shall be distributed in equal amounts as *cy pres* payments to the National Association of Consumer Advocates and to the National Consumer Law Center. These two non-profit agencies work for the benefit of low income consumers and debtors, and this *cy pres* payment is calculated by the Settling Parties to indirectly benefit all of the Class Members.

3. Midland shall file a satisfaction of judgment in each of the Collection Actions in which it has obtained a judgment, and it will withdraw all pending Collection Actions in which it is the plaintiff that have not been fully adjudicated. Midland shall file a release of all judgment liens, garnishments, or other attachments that it has obtained against the Class Members or their interests as a consequence of the Collection Actions.

4. Midland shall pay, subject to Court approval and in addition to and not out of the Settlement Fund described in paragraph 2 above:

- a. to Class Counsel, reasonable attorneys' fees, in the amount of \$70,000
- b. to Plaintiff, a class representative fee of \$5,000.

5. As soon as is reasonably practicable, the Settling Parties shall apply jointly to the Court for an Order Concerning Class Certification, Notice and Scheduling substantially in the form of Exhibit B and which addresses, among other things:

a. Approving, as to form and content, the proposed Mailed Notice attached hereto as Exhibit C and the mailing of the Mailed Notice by first class mail to all Class Members.

b. Approving, as to form and content, the proposed Claim form attached hereto as Exhibit D and prescribing a period of time by which Class Members may submit a claim form and a process for the handling of claims.

c. Prescribing a period of time during which Class Members may submit a request to be excluded from the Class or object to the Settlement of this lawsuit; and

d. Scheduling a final Hearing to consider the approval of the Settlement and dismissal of this lawsuit.

6. Subject to approval by the Court, the Settling Parties stipulate and agree that notice will be provided according to the following procedures:

a. Defendant shall deliver by first-class mail the Mailed Notice to all Class Members identified on the Class List at their addresses appearing thereon in an envelope containing Class Counsel's return address. Any notices returned to Class Counsel:

i. with a forwarding address on them shall be forwarded by Class Counsel;

ii. without a forwarding address on them, shall be examined by Class Counsel, who will undertake additional efforts to locate these Class Members, including utilization of skip-tracing tools and resources that it regularly utilizes in its business and shall forward the notices to those class members, for whom more recent addresses are obtained.

b. All parties shall have a continuing obligation to inform the other parties of any additions, changes, updates or corrections to the Class List.

7. The Mailed Notice shall be substantially in the form attached hereto as Exhibit C.

Defendant shall submit proof of mailing of Mailed Notices and Class Counsel shall submit proof of the forwarding of undelivered Mailed Notices to the Court as part of the application for final approval of the Settlement.

8. Any Class Member may elect to be excluded from this Settlement and from the forwarding by opting out of the Class. Any such Class Member must give written notice of the election to be excluded to Class Counsel. The opt-out request must be substantially in the form of the Opt-Out Form contained in the Mailed Notice attached hereto as Exhibit C postmarked on or before the date specified in the Mailed Notice.

9. At least ten (10) days prior to the Hearing, Class Counsel shall apply to the Court for (i) an award of reasonable attorneys' fees and costs, not greater than \$70,000, and (ii) a class representative fee in an amount not greater than \$5,000 to Plaintiff. These fees are to be paid by Midland in addition to, and not out of, payments Midland makes to the Settlement Fund and shall be paid to Class Counsel within ten days of the Effective Date, notwithstanding the existence of any timely-filed objections thereto, or potential for appeal therefrom, or such collateral attack as may be permitted by law on the Settlement or any part thereof, subject to Class Counsel's obligation to make appropriate refunds or repayments to Midland if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or cost award is reduced or reversed. It is specifically understood and agreed that the award of reasonable attorneys' fees and costs and the class representative fee shall constitute the exclusive award of

fees, expenses and costs pursuant to this Settlement Agreement. The Settling Parties affirm that these fees were negotiated under the auspices of Hon. Salvatore Agati only after the Settlement Fund was negotiated, and Defendant agrees that it will not object to an award of these fees.

10. At the time of the Hearing to approve this Settlement Agreement, the Settling Parties shall jointly move the Court for an Order and Final Judgment of Dismissal, substantially in the form annexed hereto as Exhibit E, dismissing the claims asserted in this lawsuit with prejudice and on the merits. The dismissal shall not be asserted or construed to extinguish or bar the assertion of any Class Members' claims, if any, which are not otherwise extinguished or barred by the release provided for in paragraph 13 below.

11. Any Class Member who does not opt out of the Settlement shall be bound by all of the terms of this Settlement Agreement, including the terms of the Judgment to be entered in this lawsuit and the releases provided for in this Settlement Agreement, and shall be barred from bringing any lawsuit against the Released Parties concerning any of the Settled Claims.

12. The Settlement Agreement shall become effective (the "Effective Date") only upon satisfaction of each and all of the following conditions, unless otherwise specified herein or unless one or more of such conditions is waived or modified by Class Counsel and the Defendant's Counsel:

- a. full execution of the Settlement Agreement by the Class Counsel and the Defendant's Counsel;
- b. entry of the Order Concerning Class Certification, Notice and Scheduling,

substantially in the form of Exhibit B;

c. entry of the Order of Final Judgment, substantially in the form of Exhibit E; and

d. the Order of Final Judgment becoming final, that is:

i. if an appeal is not taken and review is not sought by any person from the Order of Final Judgment in the action, the 31st day after the entry of the Order of Final Judgment; or

ii. if any person moves for an extension of the date for taking an appeal or seeking review in the Action, the fifth day after the date of entry of an order denying such motion (if such motion is denied and such day is later than the 31st day after entry of such Order of Final Judgment); or

iii. the fifth day after the date of expiration of the extension if an appeal is not taken or review is not sought (if such motion is granted); or

iv. if an appeal is taken or review is sought from the Order of Final Judgment in the action, the fifth day after the date on which the right of subsequent appeal expires.

e. For purposes of subparagraph (d)(iv), the term “right of subsequent appeal” shall mean not only any such right as established by law but also any application addressed to the discretion of a court, including, but not limited to an application for rehearing or

reargument.

f. The Effective Date shall not be delayed if an appeal is taken from or review is sought of the Order of Final Judgment or any other order in the action if such appeal or petition for review solely challenges the amount of attorneys fees and expenses allowed by the Court or the allocation of the Common Fund as between the Identified Class Members.

13. Upon the Effective Date, and subject to the contingencies contained herein, Plaintiff and each Class Member, as well as their heirs, successors, assigns, agents, attorneys, officers, directors, employees, shareholders, partners, and any other person acting on their behalf, shall be deemed (i) to have fully released and forever discharged each of the Released Parties from and against the Settled Claims; and (ii) to have covenanted not to sue any Released Party in any court in respect to any Settled Claims.

14. With the exception of such action as may be necessary to enforce this Settlement Agreement, the Plaintiff and all Class Members shall not voluntarily institute, promote, participate in, submit, file, or permit to be filed on their behalf, any lawsuit, charge, claim, complaint, or other proceeding relating to the Settled Claims identified in this Settlement Agreement.

15. If more than 20 persons eligible for Class Membership elect to opt out of the Class, Midland may elect to withdraw from this Settlement Agreement by providing written notice to Class Counsel of such election not later than five days before the final Hearing, in which case this Settlement Agreement shall be of no force and effect.

16. In the event this Settlement Agreement is terminated, this lawsuit shall thereupon revert forthwith to its status prior to the date of the execution of the Settlement Agreement and shall proceed as if the Settlement Agreement and related Orders and papers had not been executed. In that event, the Settlement Agreement and any amendment thereof shall be null and void and without further force and effect and shall not be used or referred to for any purpose whatsoever. Upon such termination, each party shall be restored to his, her, or its respective position as it existed prior to the execution of the Settlement Agreement.

17. This Settlement Agreement, whether or not consummated, and any proceedings taken pursuant to it, shall not be:

a. Offered or received against the Defendant as evidence of:

i. Any presumption, concession, or admission by the Defendant of the truth of any fact alleged by the Plaintiff or the validity of any claim that has been or could have been asserted in this lawsuit or in any litigation, or the deficiency of any defense that has been or could have been asserted in this lawsuit in any litigation, or of any liability, negligence, fault, or wrongdoing of Defendant; or

ii. A presumption, concession or admission of any:

(1) fault, misrepresentation or omission with respect to any statement or written document approved or made by Defendant, or any other conduct of the Defendant, or as evidence of any infirmity in the claims of the Plaintiff and the Class; or

(2) liability, negligence, fault or wrongdoing, or in any way referred to

for any other reason as against any of the parties to this Settlement Agreement, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Settlement Agreement; provided, however, that if this Settlement Agreement is approved by the Court, Defendant may refer to it to effectuate the liability protection granted to it hereunder; nor

b. Construed against Defendant or the Plaintiff or the Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after further proceedings in this lawsuit, summary judgment and trial.

18. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

19. All notices required to be given to Class Counsel in this Settlement shall be directed to: Daniel S. Blinn, Consumer Law Group, LLC, 35 Cold Spring Road, Suite 512, Rocky Hill, CT 06067. All notices required to be given to Midland shall be directed to: Thomas Leghorn, Wilson Elser Moskowitz Edelman & Dicker LLP, 150 East 42nd Street, New York, NY 10017-5639

20. The parties to this Settlement Agreement intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Class Members against the Released Parties with respect to the Settled Claims. Defendant agrees that this lawsuit is being voluntarily settled and that the terms of the Settlement are fair, adequate and

reasonable. The parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's length in good faith by the parties hereto and reflect a Settlement that was reached voluntarily after consultation with experienced legal counsel.

21. The administration and consummation of the Settlement as embodied in this Settlement Agreement shall be under the authority of the Court and the Court shall retain jurisdiction for the purpose of entering orders, providing for awards of attorneys' fees and costs to Class Counsel, a class representative fee to the Plaintiff, and enforcing the terms of this Settlement Agreement. The reservation of jurisdiction by the Court over these matters will not affect the finality of the Order and Final Judgment of Dismissal in any way.

22. The Court has made no finding that Defendant engaged in any wrongdoing or wrongful conduct or otherwise acted improperly or in violation of any law, regulation, or duty in any respect.

23. The fairness, reasonableness, and adequacy of the Settlement may be considered and ruled upon by the Court independently of any award of fees or disbursements requested by Class Counsel or Plaintiff.

24. The waiver by one party of any breach of this Settlement Agreement by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.

25. This Settlement Agreement and its exhibits constitute the entire agreement among the parties hereto concerning the Settlement of this lawsuit, and no representations, warranties, or

inducements have been made by any party hereto concerning this Settlement Agreement and its exhibits other than those contained and memorialized in such documents.

26. The parties may request that the Court allow reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.

27. Subsequent to the conclusion of all actions contemplated under this Agreement, should Class Counsel or any member of the class believe that the Defendant has failed to or not fully performed any obligation called for under the Agreement, the Defendant is to be so advised and afforded ninety (90) days in which to cure its performance under this Agreement.

28. This Settlement Agreement may be executed in one or more counterparts, each of which shall be effective as an original, and may be executed by facsimile transmission of the parties' respective signatures. All executed counterparts shall be deemed to be one and the same instrument, provided that counsel for the parties to this Settlement Agreement shall exchange among themselves original signed counterparts. An original Settlement Agreement shall be filed with the Court.

29. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

30. The construction, interpretation, operation, effect and validity of this Settlement Agreement, and all documents necessary to effectuate it, shall be governed by the substantive law of the State of Connecticut.

31. All persons executing this Settlement Agreement and any of the exhibits hereto,

or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Settlement Agreement to effectuate its terms.

32. The parties, Class Counsel, and the Defendant's Counsel agree to cooperate fully with one another in seeking Court entry of the Order Concerning Notice and Scheduling and approval of the Settlement, and to promptly agree upon and execute all such other documentation containing such terms and conditions as to which they reasonably can agree, as may reasonably be required to effect final Approval of the Settlement.

PLAINTIFF, TITUS MOORE

By: 

Daniel S. Blinn,
dblinn@consumerlawgroup.com
Consumer Law Group, LLC
35 Cold Spring Rd. Suite 512
Rocky Hill, Connecticut 06067
Tel. (860) 571-0408 Fax (860) 571-7457

DEFENDANT, Midland Credit Management, Inc.

By: 

Thomas A. Leghorn
thomas.leghorn@wilsonelser.com
Wilson Elser Moskowitz Edelman & Dicker, LLP
150 East 42nd Street
New York, NY 10017
Tel. 212-490-3000 Fax. 212-599-5882

EXHIBIT A

TO BE PROVIDED

EXHIBIT B

(X04) HHD-CV-03-4034668-S

TITUS MOORE, Individually and on behalf
of all others similarly situated,
Plaintiff,

*
*
*
*
*
*
*
*
*
*

SUPERIOR COURT
COMPLEX LITIGATION DOCKET
AT HARTFORD

VS.

MIDLAND CREDIT MANAGEMENT, INC.
Defendant

APRIL __, 2008

ORDER CONCERNING CLASS CERTIFICATION, NOTICE AND SCHEDULING

Plaintiff, Titus Moore, and defendant, Midland Credit Management, Inc. ("Midland") have reached a settlement of this matter. Plaintiff and Midland (the "Settling Parties") having made application pursuant to Practice Book § 9-9 for an order approving the settlement of this case, in accordance with the *Settlement Agreement and Release* dated April 10, 2008 (the "*Settlement Agreement*"), which together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed settlement of this case and for the dismissal of this case upon the terms and conditions set forth therein; and the Court having read and considered the *Settlement Agreement* and the exhibits annexed thereto; and the Settling Parties having been heard,

IT IS HEREBY ORDERED:

1. This case shall proceed as a class action for purposes of determining whether the proposed settlement is fair, reasonable, and adequate.
2. The class shall consist of all individuals who were named as defendants in legal

actions that were filed in Connecticut with Midland Credit Management, Inc., as the plaintiff on or after January 27, 2002.

3. Pending resolution of the settlement proceedings, the Court hereby asserts jurisdiction over the members of the class for purposes of effectuating the Settlement and releasing their claims.

4. The Court approves, as to form and content, the "*Notice of Pendency of Class Action, Proposed Settlement and Hearing*" annexed as *Exhibit C* to the *Settlement Agreement*, and finds that the mailing of the notice to class members substantially in the manner and form set forth in the *Settlement Agreement* meets the requirements of Practice Book 9-10, due process and the Rules of this Court, is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto. The notice shall be mailed to class members on or before Jun 3 2008. Class Counsel shall post the *Settlement Agreement* on its website as contemplated in Exhibit C and shall keep it on the website at least until the final disposition of this matter. At or before the fairness hearing provided for by this Order, Defendant's Counsel shall serve on Class Counsel and file with the Court, proof by affidavit of the aforesaid mailings. At or before the fairness hearing provided for by this Order, Class Counsel shall serve on Defendant's Counsel and file with the Court, proof by affidavit of the forwarding of mail that was returned, as provided for in the *Settlement Agreement*.

5. Class members shall be bound by all determinations and judgments in this case

relating to the proposed settlement, whether favorable or unfavorable, unless such persons shall submit a written request for exclusion ("Request for Exclusion") from the class, to be postmarked no later than Sept. 12, 2008, addressed to: Consumer Law Group, LLC, 35 Cold Spring Rd. Suite 512, Rocky Hill, CT 06067. The Request for Exclusion shall identify the name and current address of the person seeking exclusion and clearly indicate that the sender requests to be excluded from the Class. A member of the Class who duly requests to be excluded in accordance with the provisions hereof shall be excluded from the Class, will not be bound by any orders or judgments entered in this case relating to this settlement and shall not receive any benefits provided for in the Settlement Agreement in the event it is approved by the Court.

6. Class Counsel may contact any person who has requested to opt out, or such person's counsel if the person is represented, to discuss that person's reason for requesting exclusion. If any person who has requested to opt out of the Class elects to rescind the request and so notifies Class Counsel, that person's request for exclusion shall be deemed null and void.

7. All members of the Class who do not request exclusion therefrom may enter an appearance in this case, personally or through counsel of their own choice and at their own expense. If they do not enter an appearance, they will be represented by Class Counsel.

8. Any member of the Class who has not requested exclusion therefrom in the manner provided for in this Order may appear and show cause, if he or she has any, why the proposed settlement of this case should or should not be approved as fair, reasonable and adequate, or why

a judgment should or should not be entered thereon or why the requested fees should or should not be awarded to Class Counsel; provided, however, that no class member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the judgment to be entered thereon approving the same, or the amount of attorneys' fees to be awarded to Class Counsel, unless that person has filed the original and one copy of a written statement containing his or her name and address, the reasons for objections, an indication that he or she wishes to appear and be heard at the hearing and, if desired, a memorandum of supporting authorities, and any other papers to be submitted, on or before Sept. 12²⁰⁰⁸. In addition, Class Counsel is ordered to promptly forward copies of these papers to counsel for Defendant. Any member of the Class who does not make the objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed settlement as incorporated in the Settlement Agreement and to the award of attorneys' fees to Class Counsel or a class representative fee to the Class Representative.

9. A final hearing (the "Hearing") shall be held before this Court on Oct. 2, at 10:00 am at the Hartford Judicial District Courthouse, 95 Washington Street, Hartford, Connecticut, Courtroom ____, ____ floor, to determine (i) whether the proposed settlement of this case on the terms and conditions provided for in the Settlement Agreement is fair, reasonable and adequate to members of the classes and should be approved finally by the Court, and (ii) the

reasonableness of the plaintiff's requests for attorneys fees and costs.

10. No later than ten (10) calendar days prior to the Hearing, Class Counsel shall file with this Court and serve on opposing counsel copies of (a) submissions in support of the proposed Settlement; and (b) applications for a class representative fee and for attorneys' fees and costs. Additionally, counsel shall be permitted (but are not obligated) to file additional submissions responsive to issues raised by any Class member's objection. Counsel shall serve a copy of any such responsive submissions on opposing counsel and also on the person (or his or her counsel) who made the objection to which the submission is responsive.

11. In the event the *Settlement Agreement* terminates pursuant to its terms for any reason, upon motion by any party, the certification of the Settlement Class pursuant to this order shall be vacated automatically and this action shall revert to its status immediately prior to the execution of the *Settlement Agreement*.

12. The Court reserves the right finally to approve the *Settlement Agreement* with modifications and without further notice to members of the Class, to adjourn the date of the hearing and any adjournment thereof without further notice to the members of the Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement.

SO ORDERED this ____ day of _____, 2008

Robert B Shapiro, Judge

EXHIBIT C

If you are a Class Member and you do not mail or hand-deliver the signed Opt-Out Form by the September 12, 2008 deadline, you will remain a Class Member. This means you will receive any benefits from any settlement or from any judgment in this Lawsuit, but you will lose the right to pursue any FDCPA claims against Midland on your own, and you will be bound by any judgment of the Court. If you remain a Class Member, you have the right to hire your own attorney (at your own expense) to represent you in this lawsuit or to enter an appearance in this lawsuit yourself and represent yourself. If you do not hire your own attorney or choose to represent yourself, you will be represented in this lawsuit, at no cost to you, by Class Counsel: Attorney Daniel S. Blinn, Consumer Law Group, LLC, 35 Cold Spring Road, Suite 512, Rocky Hill, CT 06067 and Attorney Joanne Faulkner, 123 Avon St New Haven, CT 06511.

If you do nothing, you will remain a Class Member. You may attend the hearing. If the Settlement is approved, you and the other Class Members will receive the benefits described in this notice. If the Settlement is not approved, you will still be considered a Class Member and this Lawsuit will go on. There still will be no guarantee that Class Members will recover any benefits or that they will recover more than the amounts provided in the Settlement.

Class Members Right to Object:

If you want to remain a Class Member but you object to the proposed Settlement (or any of the terms of the proposed Settlement), you must put your objection in writing. You must then send your objection to Class Counsel: Daniel S. Blinn, Consumer Law Group, LLC, 35 Cold Spring Road, Suite 512, Rocky Hill, CT 06067. You must include copies of any documents you plan to present to the Court at the hearing. Your objection and supporting documents must be postmarked or hand-delivered on or before September 12, 2008. Any person who fails to object to the proposed Settlement as described above will lose the right to object to it later in this or any other legal action. If the proposed Settlement is approved despite your objection, you will still receive the benefits of the Settlement and will be bound by its terms. You may object to the settlement even if you submit a claim form.

If you have any questions, you may contact Attorney Daniel S. Blinn at 860 571-0408.

EXAMINATION OF PAPERS AND INQUIRIES

This Notice does not purport to be a comprehensive description of the Action or the Settlement Agreement. For a more detailed statement of the matters involved in this litigation, reference is made to the pleadings, the orders entered by the Court, and other papers filed in this litigation, which, unless sealed, may be inspected by contacting the Court Officer for Complex Litigation Docket, Hartford Judicial District Courthouse, 95 Washington Street, Hartford, CT 06106, during regular business hours of each business day. Additionally, the full settlement agreement is available on-line at www.consumerlawgroup.com/classactions/MidlandCreditManagement

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE ADDRESSED TO CLASS COUNSEL. PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE OR THE DEFENDANT'S COUNSEL FOR INFORMATION.

BY ORDER OF THE UNITED STATES DISTRICT COURT DISTRICT OF CONNECTICUT,

Hon. Robert B. Shapiro

DATED: May 13, 2008

SETTLEMENT HEARING

There will be a hearing (the "Settlement Hearing") on October 2, 2008 at 10:00 AM, at the Hartford Judicial District Courthouse, 95 Washington Street, Hartford, Connecticut, Room 111, first floor. You are not required to attend this hearing, but you are permitted to do so. At the Settlement Hearing, the Court will determine: (i) whether the Settlement Agreement and the terms and conditions of the Settlement are fair, reasonable, and adequate, and in the best interests of the Class Members; (ii) whether final judgment should be entered dismissing the action as to the Defendant, with prejudice and on the merits as against Plaintiff and all the Class Members; and (iii) whether, if the court approves this Settlement Agreement and the Settlement and enters such final judgment, it should approve of the amount of attorney's fees Defendant has agreed to pay to Class Counsel, as well as a class representative fee to Plaintiff. At the Settlement Hearing, the Court will also hear any objections and arguments about the Settlement.

The Court has reserved the right to adjourn the Settlement Hearing, including consideration of the application for attorney's fees and expenses, by oral announcement at such hearing, and without further notice of any kind. The Court also has reserved the right to approve the Settlement Agreement and the Settlement, with or without modifications, to enter its final judgment dismissing the action as to the Defendant with prejudice as against Plaintiff and Class Members, and to order the payment of attorney's fees and expenses, without further notice of any kind.

RIGHTS OF CLASS MEMBERS

Class Members have three options with respect to this lawsuit:

- *Remain a Class Member and do nothing; or*
- *Remain a Class Member and file a claim form;*
- *Exclude yourself from the Class.*

Option 1

Remain a Class Member and do nothing. If you do not exclude yourself, do not mail back a claim form, and you have no objection to the proposed Settlement, you will remain a Class Member. If a judgment was entered against you, then Midland will file a satisfaction of judgment with the Court and will release any liens that it has on your property. **You will not receive any money unless you submit a claim form.**

Option 2

Remain a Class Member and file a claim form. If you want to remain a Class Member and also want to receive compensation, then you must complete and mail the enclosed Claim Form to Class Counsel: Daniel S. Blinn, Consumer Law Group, LLC, 35 Cold Spring Road, Suite 512, Rocky Hill, CT 06067. The claim form must be postmarked or hand-delivered by September 12, 2008.

Option 3

Exclude yourself from the class. You have a right to exclude yourself from the class (which is called "opting out"). If you exclude yourself from the class, you will not receive any benefits from the Settlement or from a judgment in this Lawsuit, but you will have the right to file your own lawsuit and to pursue your claims against Midland separately. If you want to exclude yourself from the class, you must complete and mail the attached Opt-Out Form to Class Counsel: Daniel S. Blinn, Consumer Law Group, LLC, 35 Cold Spring Road, Suite 512, Rocky Hill, CT 06067. Your envelope must be postmarked or hand-delivered on or before September 12, 2008.

SUMMARY AND VALUE OF THE PROPOSED SETTLEMENT

The proposed Settlement provides several valuable benefits to Class Members. Midland will file satisfactions of judgments in each of the collection lawsuits in which it obtained a judgment. If Midland put a lien on class members' property, then it will release the lien. It will withdraw all pending lawsuits in which Midland is the plaintiff.

Additionally, Midland will pay one hundred thousand (\$100,000) dollars into a Settlement Fund to satisfy the claims of the approximately 400 Class Members. Twenty-five thousand (\$25,000) dollars of the Settlement Fund will be available to reimburse those Class Members who have paid money to Midland and against whom Midland has obtained a judgment ("Reimbursement Claims"). If the total Reimbursement Claims exceed the amount available to distribute to the Class Members who make claims, then each Class Member will receive a pro rata share of the amounts available.

Additionally, seventy-five thousand (\$75,000) dollars of the Settlement Fund will be available to pay to the approximately 374 Class Members as damages ("Damages Claims"), including those who receive reimbursement of the amounts paid in judgment. The amount that each Class Member receives will depend upon the number of claims. If each Class Member makes a claim, then the amount distributed will be about \$200 per Class Member. The maximum that may be received by each Class Member out of the \$75,000 portion of the Settlement Fund is \$1,000.

If the total amount of Reimbursement Claims is less than \$25,000, then the remaining balance will be added to the amounts available to pay Damages Claims. And, if the total amount of Damages Claims is less than \$75,000, then up to \$10,000 of the remaining balance will be added to the amounts available to pay Reimbursement Claims. If the total claims are less than the \$100,000 Settlement Fund, then the balance will be paid to the National Consumer Law Center and the National Association of Consumer Advocates.

Midland will also pay a reasonable attorney's fee in the amount of up to \$70,000 and will pay a class representative fee of up to \$5,000 to the Plaintiff, subject to court approval.

Although an individual prevailing in an action under the Fair Debt Collection Practices Act may collect up to \$1,000 as statutory damages plus any actual damages, Midland has raised potentially meritorious defenses to the lawsuit, and it is possible that there would be no recovery if the case is not settled. This settlement is the result of serious negotiations and was reached after settlement conferences with a Judge to assist the parties in resolving the controversy. Class Counsel believes that the settlement is fair, reasonable, and adequate and recommends that the class members participate in the settlement.

In order to obtain the benefits of the Settlement, you will need to mail a claim form, which is enclosed with this notice, no later than September 12, 2008.

OPT-OUT FORM

(X04) HHD-CV-03-4034668-S
TITUS MOORE
VS.
MIDLAND CREDIT MANAGEMENT, INC.

SUPERIOR COURT OF CONNECTICUT

DO NOT SUBMIT THIS FORM IF YOU WANT TO BE INCLUDED IN THE CLASS ACTION.

**IF YOU WISH TO MAKE A CLAIM,
THEN YOU NEED TO SUBMIT A DIFFERENT FORM**

PLEASE EXCLUDE ME FROM THE CLASS. I DO NOT WANT TO PARTICIPATE IN THE CLASS ACTION LAWSUIT AGAINST MIDLAND, CREDIT MANAGEMENT, INC.

NAME: _____

ADDRESS: _____

PHONE: _____

Instructions: If you wish to *exclude* yourself from the class you must complete this Opt-Out Form and mail or hand-deliver this form to: Consumer Law Group, LLC, 35 Cold Spring Rd. Suite 512, Rocky Hill, CT 06067 by September 12, 2008. If you exclude yourself, you will no longer be a Class Member, will not be bound by any judgment in this lawsuit, and will not participate in any recovery obtained on behalf of the Class Members, but you will retain the right to bring your own lawsuit. If you wish to be *included* in the class action, do *not* return this form.

If you wish to remain in the class **and** you also wish to pursue a claim to recover amounts paid to Midland as a result of a collection action, then you should **not** return this form but should instead return the Claim Form as described in the notice.

EXHIBIT D

CLAIM FORM

(X04) HHD-CV-03-4034668-S

TITUS MOORE

VS.

MIDLAND CREDIT MANAGEMENT, INC.

SUPERIOR COURT OF CONNECTICUT

Instructions: In order to receive any money from the settlement, you must complete this Claim Form and deliver it to Class Counsel: Daniel S. Blinn, Consumer Law Group, 35 Cold Spring Road, Suite 512, Rocky Hill, CT 06067, ATTN: Midland Class Action, on or before September 12, 2008. If you mail this form, be sure it is postmarked on or before the deadline of September 12, 2008.



PART A

Check this box if you did not make payments to Midland Credit Management or if Midland Credit Management never obtained a judgment against you. If you check this box, do not complete Part B of this form but instead proceed to Part C.

I am making a claim of up to \$1,000, which amount may be reduced depending upon the number of Class Members who submit claims.

PART B

Check this box if Midland Credit Management obtained a judgment against you and if you paid money to Midland Credit Management. Please attach copies of any cancelled checks or other documentation evidencing the payment that you made. You may make this claim even if you no longer have documentation.

By checking this box, I hereby claim, in addition to my claim of up to \$1,000, reimbursement of payments made to Midland Credit Management after it obtained a judgment against me in a lawsuit.

The amount that I paid to Midland directly or through its attorneys: _____

PART C

I certify that I am the individual to whom this notice is addressed, and, if I am claiming under Part B of this form, that I did make payments to Midland Credit Management and that it obtained a judgment against me. I understand that I may be subject to civil liability for fraud and may be found in contempt of court if I submit this certification falsely.

SIGNED: _____

PRINTED NAME: _____

ADDRESS: _____

Check this box if this is a new address

PHONE: _____

SOCIAL SECURITY #: _____

EXHIBIT E

(X04) HHD-CV-03-4034668-S

TITUS MOORE, Individually and on behalf
of all others similarly situated,
Plaintiff,

*
*
*
*
*
*
*
*
*
*
*

SUPERIOR COURT
COMPLEX LITIGATION DOCKET
AT HARTFORD

VS.

MIDLAND CREDIT MANAGEMENT, INC.
Defendant

_____, 2008

ORDER AND FINAL JUDGMENT OF DISMISSAL

THIS MATTER has come before this Court seeking approval of the proposed settlement (the "Settlement") set forth in the *Settlement Agreement And Release* (the "*Settlement Agreement*") dated April 10, 2008 and filed with the Court. This Court has considered all papers filed and proceedings had herein, and otherwise is fully informed in the matter, and has determined that the proposed Settlement set forth in the *Settlement Agreement* should be approved as fair, reasonable, and adequate. The total number of Class Members (as that term is defined in the *Settlement Agreement*) is approximately _____. Actual notice was sent by first-class mail to all Class Members at their last known mailing addresses in Defendant's records. Additionally, Class Counsel attempted to obtain more recent addresses as to Class Members whose initial notices were returned as undeliverable, and then re-mailed the notices to the newer addresses. There were ___ objections to the Settlement and _____ Class Members opted-out of this lawsuit.

The Court hereby enters this Final Judgment and Order of Dismissal with Prejudice (the “Final Judgment”), which constitutes a final adjudication of this matter on the merits. Good cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. This Court has jurisdiction over the subject matter of this lawsuit with respect to all claims asserted, and personal jurisdiction over all parties to this lawsuit.
2. The definitions of terms set forth in the *Settlement Agreement* and in the *Order Concerning Notice and Scheduling* entered by this Court on _____ are incorporated herein as though fully set forth in this Final Judgment.
3. The Court hereby approves the Settlement set forth in the *Settlement Agreement* and finds that said Settlement is, in all respects, fair, reasonable, and adequate to the Class Members.
4. Plaintiff, individually and on behalf of the Class Members, sought relief, *inter alia*, from Defendant’s conduct allegedly undertaken in violation of the Fair Debt Collection Practices Act. This Court reaffirms that the action satisfies the requirements of Practice Book § 9-9 with respect to the Settled Claims, as more fully described in the *Settlement Agreement*.
5. Due notice was provided to all potential Class Members. Such notice advised potential Class Members that they would be treated as Class Members unless they opted out by

procedures set forth in the notice. No Class Member has exercised the right to opt out of the class and therefore all Class Members are bound by this Final Judgment.

6. The parties are ordered promptly to carry out their respective obligations under the *Settlement Agreement*.

7. Neither this Final Judgment nor the *Settlement Agreement* or the fact that this case has been settled (a) is an admission, concession, or indication by Defendant of the validity of any claims in this case or of any liability, wrongdoing, or violation of law by Defendant; (b) shall be used as an admission of any fault, liability or wrongdoing by Defendant; or (c) shall be offered or received in evidence as an admission, concession, presumption or inference against Defendant in any proceeding other than such proceedings as may be necessary to consummate or enforce this Stipulation or the provisions of any related order, notice, agreement or release, or to support a defense of res judicata, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense.

8. This Court hereby dismisses this lawsuit on the merits and with prejudice against all persons who are Class Members as to all Settled Claims against Defendant, as those terms are defined in the *Settlement Agreement*.

9. All Class Members are hereby conclusively deemed to have released and discharged Defendant as to all Settled Claims. Notwithstanding the above, Plaintiff and the other

Class Members have not released or discharged Defendant from performing their obligations under the *Settlement Agreement*.

10. All Class Members are hereby barred and permanently enjoined from prosecuting, commencing, or continuing any of the Settled Claims against Defendant.

11. The “*Notice of Pendency of Class Action, Proposed Settlement and Hearing*” annexed as *Exhibit C* to the *Settlement Agreement* which sets forth the principal terms of the *Settlement Agreement*, together with the manner of distribution of said notice by first-class mail to all Class Members who could be identified through reasonable efforts as entitled to compensation under the *Settlement Agreement*, constituted the best notice practicable under the circumstances. Said notice fully satisfied the requirements of Practice Book § 9-10 and the requirements of state and federal constitutional due process.

12. For good cause shown, Class Counsel is collectively awarded fees of \$70,000, inclusive of costs and expenses, payable by Defendant to Class Counsel within ten days following the Effective Date.

13. Plaintiff is awarded \$5,000 as compensation related to his additional time, efforts, and initiative in assisting prosecution of this lawsuit as class representative, payable by Defendant within ten days following the Effective Date.

14. Class Counsel is hereby ordered to submit a report to the Court, with a copy to Defendant’s counsel, within 30 days following the deadline for the submission of claims,

detailing the number of claims that were made by Class Members and providing an accounting of the distribution of the Settlement Fund.

15. Without affecting the finality of this judgment in any way, the Court hereby retains continuing jurisdiction over (a) implementation of this Settlement and distributions to Class Members and others; (b) disposition of Settlement funds; (c) this lawsuit until this Final Judgment becomes effective and each and every act agreed to be performed pursuant to the *Settlement Agreement* has been performed; and (d) all parties to this lawsuit and the Class Members for the purpose of enforcing and administering the *Settlement Agreement*.

16. This Order constitutes a final judgment.

DONE IN OPEN COURT this ____ day of _____, 2008.

Robert B Shapiro, Judge