

**IF YOU WERE SUED BY PORTFOLIO RECOVERY ASSOCIATES, LLC,
OR IF PORTFOLIO RECOVERY ASSOCIATES, LLC SENT YOU
A “NOTICE OF INTENT TO FILE LEGAL ACTION”**

Please Read This Legal Notice—It May Affect Your Rights

A North Carolina Court has authorized this Notice. It is not a solicitation from a lawyer. It is not a debt collection letter. This Notice is a summary only. For more information, go to www.PRAClassActionNC.com.

A North Carolina Court has taken the first step in approving the Settlement of a class action lawsuit described below. The lawsuit involves certain debt collection activity in North Carolina by Portfolio Recovery Associates, LLC at any time after October 1, 2009, through January 11, 2018.

The case is named *Portfolio Recovery Associates, LLC v. Houston*, and is Case No. 12-CVS-642, pending in the Superior Court of Iredell County, in Statesville, North Carolina. The judge in charge of the case is North Carolina Superior Court Judge Richard Doughton.

What Is a Class Action?

In a class action, one or more people, called “class representatives,” sue on behalf of a group of people who have similar claims. All the people in the group are called “Class Members” and are part of the “Class.” In a class action, one court decides the issues for all Class Members in one single case, except for those persons who choose to exclude themselves (by “opting out”) from the class. As a result, a large group of people can all get relief in one case without having to hire their own attorneys and without having to go to court.

What Is This Lawsuit About?

The Class Representative in this case alleges that Portfolio Recovery Associates, LLC (“PRA”) violated North Carolina debt collection law in two ways: (1) PRA sent written notices to class members of its intent to file collection lawsuits and also filed collection lawsuits against class members without proper itemization of the amount of the debt claimed to be owed and (2) PRA failed to include documentation showing ownership of the debt when it filed lawsuits to collect debt.

You can read the full claims at www.PRAClassActionNC.com.

PRA disputes these allegations. By settling this lawsuit, PRA is not admitting that it has done anything wrong.

Why Is There a Settlement?

The Court did not decide the case in favor of either side. Instead, both sides agreed to a Settlement. That way, they avoid, among other things, the risks, delays, and costs of further litigation. Class Counsel believe the Settlement is best for the Class Members. Even though the parties have agreed to a proposed Settlement, it is up to the judge in this case to decide whether the Settlement will be approved.

How Do You Know if You Are Part of the Settlement?

The Class Members are:

(1) All people to whom Portfolio Recovery Associates, LLC sent a “Notice of Intent to File Legal Action” in North Carolina between October 1, 2009, and January 11, 2018;

and

(2) All people against whom Portfolio Recovery Associates, LLC filed a lawsuit seeking collection of a debt in the North Carolina courts between October 1, 2009, and January 11, 2018.

Questions? Call 1-877-760-4638, or visit www.PRAClassActionNC.com

The Class **does not** include persons who meet the categories above if a judgment was entered against them in the lawsuit filed by Portfolio Recovery Associates, LLC seeking collection of a debt in the North Carolina courts between October 1, 2009, and January 11, 2018 (unless Portfolio Recovery Associates, LLC sent them another Notice of Intent to File Legal Action and/or initiated a separate lawsuit seeking collection of a separate debt against them that has not resulted in a judgment prior to January 11, 2018), if they have filed for or were placed in bankruptcy after October 1, 2009, or if they are deceased.

What Are the Terms of the Settlement?

If approved, the Settlement will require PRA to pay \$4,000,000 (Four Million Dollars) into a settlement fund. PRA has also agreed to dismiss all pending lawsuits against Class Members “without prejudice,” which means that PRA may choose to file a new lawsuit. The settlement fund will pay attorneys’ fees and expenses approved by the Court. Class Counsel will request attorneys’ fees in the amount of thirty percent of the settlement amount, or \$1.2 million. Class Counsel will also request that the settlement fund pay case expenses. PRA has agreed to pay for the administration costs of the Settlement. If the attorneys’ fees and expenses are approved by the Court, Class Counsel anticipates that approximately \$2,770,000 will be available for distribution to Class Members.

Class Member Shares of the Settlement. Each Class Member will receive at least one payment from the settlement fund. Class Counsel estimates that Class Members who PRA sent a “Notice of Intent to File Legal Action,” but who were not sued by PRA, will receive approximately \$50. Class Members who were sued by PRA will receive approximately \$150, and the lawsuits against them will be dismissed without prejudice.

Uncashed Checks. If checks (a) cannot be delivered to all Class Members because they cannot be located, or (b) checks are not cashed by all the Class Members to whom they are sent within 90 days of mailing, a supplemental distribution of funds may be sent to Class Members who do cash the first check sent, if the supplemental distribution would involve checks of at least \$10. Any amounts remaining in the settlement fund after this process will be distributed as directed by the Court for purposes that will benefit the public. The money will not go back to PRA.

Special Class Representative Payment. Class Counsel will ask the Court to approve a special award of \$10,000 for Caroline Houston, the Class Representative in this case.

When Will Class Members Receive Their Payments?

If the Court approves the Settlement, there could be an appeal. Any appeal would delay distributions until the appeal is resolved. If there is no appeal, the initial distribution to Class Members should occur in the second half of 2018. If sufficient numbers of checks from the first distribution remain uncashed, there may also be a final distribution, which would occur in the first half of 2019.

What Are Class Members Giving Up to Get the Settlement Payments?

Unless you exclude yourself (“opt out”) from the Settlement, you will be part of the Class. By staying in the Class, you give PRA a “release” of any existing claims you may have against it. A release means you cannot sue or be part of any other lawsuit against PRA over any claims through January 11, 2018. Class Members are not releasing any claims that arise after January 11, 2018.

Excluding Yourself From the Settlement.

If you do not want to be part of the Class, you can take yourself out of the Class by “opting out.” To opt out of the Settlement, you must send a letter by mail saying that you want to be excluded from *Portfolio Recovery Associates, LLC v. Houston*. Be sure to include your name, address, telephone number, and your signature. You must mail your opt-out request postmarked no later than April 22, 2018 to:

Portfolio Recovery Associates, LLC v. Houston
Settlement Administrator
P.O. Box 3076
Portland, OR 97208-3076

Questions? Call 1-877-760-4638, or visit www.PRAClassActionNC.com

You cannot opt out of the Class by telephone or email. If you opt out of the Class, you will not receive any money from the Settlement, you cannot object to the Settlement, and neither you nor PRA will be legally bound by anything that happens in the case regarding you.

Do You Have a Lawyer in This Case?

Yes. The following are “Class Counsel” who have been appointed by Judge Doughton to represent the Class.

- Carlene McNulty, Jason Pikler, and Emily Turner of the North Carolina Justice Center, Raleigh, NC
- Travis E. Collum, of Collum & Perry, PLLC, Mooresville, NC
- Suzanne Begnoche, Attorney at Law, Chapel Hill, NC
- Adrian M. Lapas, of Lapas Law Offices, PLLC, Goldsboro, NC

How Will Class Counsel Be Paid?

Class Counsel will ask the Court to award them attorneys’ fees equal to thirty percent of the settlement amounts paid by PRA. If the Court approves this, Class Counsel would receive a fee of \$1.2 million out of the total settlement fund of \$4 million. In addition, Class Counsel will also request reimbursement of litigation-related expenses they have incurred on behalf of the Class.

Class Counsel’s motion requesting that final judgment be entered, including a request for fees and expenses, will be filed at least 14 days prior to the Final Approval Hearing, and copies of the papers relating to this request will be posted on the website www.PRAClassActionNC.com.

Do You Have to Do Anything to Participate in the Settlement?

No. If you are a Class Member, receive this notice, and do not opt out, a Settlement Administrator will mail you a check.

Can You Object to the Settlement or to the Attorneys’ Fees?

Yes, so long as you do not opt out of the Class.

By filing an objection, you can tell the Court that you do not agree with the Settlement or some part of it, or with the request for attorneys’ fees. You can give reasons why you think the Court should not approve the Settlement or the fee request. The Court will consider your views. To object, you must file your objection with the Court and deliver written objections to Class Counsel and PRA’s Counsel, postmarked or hand-delivered no later than April 22, 2018, stating (i) your name, address, and telephone number; (ii) the name of this case and the case number; (iii) a clear statement of each objection; and (iv) an explanation of any specific reasons for each objection, including any legal and factual support, and any evidence you intend to offer in support of the objection.

Mail or hand deliver the objection to Class Counsel, PRA’s Counsel, and the Court so that the objection is postmarked or delivered no later than April 22, 2018, to:

Carlene McNulty, Esq.
N.C. Justice Center
P.O. Box 28068
Raleigh, N.C. 27611

Jon Berkelhammer, Esq.
Ellis & Winters LLP
P.O. Box 2752
Greensboro, N.C. 27402

Houston Class Settlement
Superior Court
226 Stockton Street
Statesville, N.C. 28677

You may object only if you stay in the Class. Excluding yourself (by “opting out”) is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case does not affect you.

Questions? Call 1-877-760-4638, or visit www.PRAClassActionNC.com

The Final Approval Hearing.

The Court will hold a hearing (the “Final Approval Hearing”) to decide whether to approve the Settlement. At the Final Approval Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will decide whether to approve the Settlement. The Court will also decide the request for attorneys’ fees.

You may attend the Final Approval Hearing and you may ask to speak, but you do not have to. Class Members or their attorneys intending to speak at the hearing must file with the Court and deliver to Class Counsel and Portfolio Recovery Associates’ Counsel a notice stating how much time the Class Member anticipates needing to present the objection; identifying, by name, address, telephone number, and detailed summary of testimony, any witnesses the Class Member intends to present; and identifying and providing copies of all exhibits the Class Member intends to offer. You cannot speak at the hearing if you do not file a notice as provided herein or if you have opted out of the Settlement.

The Final Approval Hearing will be held before Judge Doughton at the following time and place:

10:00 a.m. on July 20, 2018
Iredell County Courthouse
226 Stockton Street
Statesville, N.C. 28677

YOU DO NOT HAVE TO ATTEND THIS HEARING TO RECEIVE YOUR SHARE OF THE SETTLEMENT.

Getting More Information.

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by going to www.PRAClassActionNC.com. The website will be updated periodically.

Please do not call the Judge or Clerk of Court; they cannot give you advice about this lawsuit.

IF YOUR ADDRESS HAS CHANGED FROM THE ADDRESS SHOWN ON THE ENVELOPE, OR IF YOU MOVE BEFORE YOU RECEIVE A CHECK IN THE MAIL, YOU MUST NOTIFY THE CLASS ADMINISTRATOR IN WRITING, AT THE FOLLOWING ADDRESS:

Portfolio Recovery Associates, LLC v. Houston
Settlement Administrator
P.O. Box 3076
Portland, OR 97208-3076

Questions? Call 1-877-760-4638, or visit www.PRAClassActionNC.com