

STATE OF NORTH CAROLINA
COUNTY OF IREDELL

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
12-CVS-642

PORTFOLIO RECOVERY ASSOCIATES,)
LLC,)

Plaintiff,)

v.)

CAROLINE L. HOUSTON,)

Defendant;)

CAROLINE L. HOUSTON,)

on behalf of herself)
and all others similarly situated,)

Counterclaimant,)

v.)

PORTFOLIO RECOVERY ASSOCIATES,)
LLC,)

Defendant to Counterclaim.)

[PROPOSED] PRELIMINARY
APPROVAL ORDER

THIS CAUSE COMING ON TO BE HEARD and being heard on the parties' Joint Motion for Approval of Class Action Settlement Agreement and notice to the putative class, and after hearing the position of the parties,

IT IS HEREBY ORDERED AND DECREED as follows:

1. Preliminary Approval. The Court finds the proposed Settlement Agreement ("Agreement") attached as Exhibit 1 to the parties' Joint Motion for Approval of Class Action Settlement Agreement is reasonable, fair, and adequate and grants preliminary approval to it.

2. Definition of Class. Pursuant to Rule 23 of the North Carolina Rules of Civil

Procedure, the matter is preliminarily certified as a class action for settlement purposes only, and defined as follows:

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.

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.

There are approximately 27,332 class members. Pursuant to Rule 23 of the North Carolina Rules of Civil Procedure, Caroline L. Houston is appointed as class representative, and the following attorneys are appointed as class counsel: Carlene McNulty, Jason Pikler, and Emily Turner from the North Carolina Justice Center; Travis Collum, of Collum & Perry, PLLC; Suzanne Begnoche, Attorney at Law; and Adrian Lapas, of Lapas Law Offices, PLLC.

3. Final Approval Hearing. A hearing on the fairness and reasonableness of the Agreement and whether final approval shall be given to it and the requests for fees and expenses will be held before Special Superior Court Judge Richard Doughton on July 20, 2018, at 10:00 a.m. in the Iredell County Courthouse, 226 Stockton Street, Statesville, North Carolina 28677. At the Final Approval Hearing, the Court will consider and finally determine (a) whether the Agreement should be finally approved by the Court as fair, reasonable, and adequate; (b) the Class Representative award request; and (c) attorneys' fees and expense reimbursement requests

by Class Counsel. The parties have agreed that the amount of costs and reasonable attorneys' fees shall be paid out of the settlement funds. Class Counsel shall file their motion for an award of costs and attorneys' fees by March 2, 2018. Thereafter, PRA shall file its memorandum in opposition, if any, by April 2, 2018. Class counsel's reply, if any, shall be filed by April 17, 2018.

4. Approval of Settlement Administrator. The Court specifically authorizes Epiq Systems, Inc. to serve as the Settlement Administrator to implement the terms of this Order, the Settlement Agreement, and any Final Judgment. The Administrator shall assist with various administrative tasks, including without limitation: (i) overseeing the provision of all notices to Class Members; and (ii) overseeing distributions of the Settlement Fund to class members entitled to receive the same pursuant to the terms and conditions of any Final Judgment and the Settlement Agreement. Pursuant to the Agreement, Portfolio Recovery Associates, LLC, (PRA) shall be responsible for payment of the cost of sending notice, distributing proceeds of this settlement to the class members and any other costs of administration.

5. Notice to the Class.

(a) Mailed Notice. The Court approves the proposed form of notice attached as Exhibit 1 to the parties' Agreement. Within 30 days following the date of this Preliminary Approval Order, PRA will provide the Settlement Administrator and Class Counsel with electronic data for each Class Member necessary for mailing notices, as discussed herein. The electronic data will include, to the extent available, Class Members' names, addresses, phone numbers, and email addresses. Class Counsel and the Settlement Administrator shall keep the data and information provided by PRA strictly confidential and shall use them only for the purpose of effectuating the settlement of this matter. Within 21 days following the receipt of the electronic data from PRA, the Settlement Administrator will mail class Notices in a form and

content substantially similar to Exhibit 1 to the Agreement to all addresses obtained from PRA. For those Notices that are returned as undeliverable, the Settlement Administrator will run the Class Members' addresses through the National Change of Address ("NCOA") database and software, using the fullest available version and checking for address changes as far back in time as possible, and then re-mail the notice to the Class Members using the updated addresses.

(b) Website. Within 21 days following the receipt of the electronic data from PRA, a website shall be established to provide information to Class Members about the case and the proposed settlement. The mailed notice shall direct Class Members to the website for further information about the case and the proposed settlement.

(c) Toll free number. Within 21 days following the receipt of the electronic data from PRA, a toll free number shall be established which Class Members may call for additional information about the case and the proposed settlement. The mailed notice shall direct Class Members to this toll free number for further information about the case and the proposed settlement.

6. Opting Out (Exclusion from Class). The mailed notice will provide Class Members with the opportunity to request exclusion from the Class. Such opt out rights may be exercised only individually by a Class Member, and not by any other person in a representative capacity. Class Members shall have 45 days from the mailing of the Class Notice to opt out of the Class pursuant to the procedures set forth in the notice. A list of the names and addresses of Class Members who have timely submitted a valid request for exclusion from the Class shall be filed by the parties with the Court no later than 14 days before the Final Approval Hearing.

7. Due Process. The Court finds that mailing of the class notice and the other measures specified above to locate and notify the members of the class is the only notice required and that such notice satisfies the requirements of due process and Rule 23 of the North

Carolina Rules of Civil Procedure.

8. Objections to Settlement.

(a) Written objections. Any Class Member who has not opted out of the Class and who wishes to object to the fairness, reasonableness or adequacy of the proposed Settlement, or to Class Counsel's motion for attorneys' fees and expenses, or to the request for a special additional award for the Class Representative, shall be required to deliver written objections to Class Counsel and Counsel for Portfolio Recovery Associates, LLC, and have file-marked by the Court, no later than 45 days from the mailing of the Class Notice, or as the Court may otherwise direct. Written objections must include: (i) the objector's name, address, and telephone number, (ii) the name of this case and the case number, (iii) a clear and concise statement of each objection; and (iv) an explanation of the specific reasons, if any, for each objection, including any legal and factual support upon which the objector intends to rely along with any evidence the objector intends to introduce in support of the objection(s).

(b) Appearance at Final Approval Hearing. Any Class Member who properly and timely files and serves a written objection may appear at the Final Approval Hearing, either in person or through counsel hired at the Class Member's personal expense, to object to the fairness, reasonableness, or adequacy of the Agreement or the proposed Settlement, or to an award of attorneys' fees. Class Members or their attorneys intending to make an appearance at the Final Approval Hearing must deliver to Class Counsel and Counsel for Portfolio Recovery Associates, LLC, and have file-marked by the Court, no later than 45 days from the mailing of the Class Notice or as the Court otherwise may direct, a Notice of Intention to Appear. The Notice of Intention to Appear must: (i) state how much time the Class Member and/or his attorney anticipates needing to present the objection; (ii) identify, by name, address, telephone number and detailed summary of testimony, all witnesses the Class Member and/or his or her

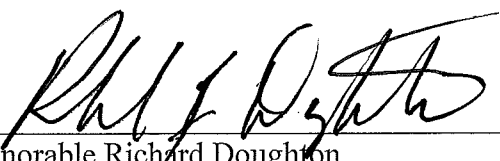
attorney intends to present any testimony from; and (iii) identify all exhibits the Class Member and/or his attorney intends to offer in support of the objection and attach complete copies of all such exhibits.

9. Effect of Non-approval. In the event that the proposed settlement is disapproved by the Court, or Final Approval as that term is defined in the Agreement does not occur for any reason, then the Agreement, all drafts, negotiations, discussions, and documentation relating thereto, and all orders entered by the Court in connection therewith shall become null and void and shall not be used or referred to for any purpose in this Action or in any other proceeding. In such event, the Agreement and all negotiations and proceedings relating thereto shall be withdrawn without prejudice to the rights of any of the Parties thereto, who shall be restored to their respective positions as of the date of the execution of the Agreement.

10. Report of Notice. Within 10 business days following completion of the notice requirements set forth herein, the Settlement Administrator shall deliver a written report to Class Counsel, to be submitted to the Court, confirming that the notice requirements set out in this Order have been satisfied.

11. Upon entry of an Order Granting Final Approval of Class Settlement, PRA will arrange for the Settlement Administrator to mail settlement checks to be distributed pursuant to the Settlement Agreement.

This the 16 day of January, 2018.



Honorable Richard Doughton
Superior Court Judge Presiding