

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION
YOST v. ELON PROPERTY MANAGEMENT COMPANY et. al.
CASE NO. 1:21-CV-01520-CCB

NOTICE OF CLASS ACTION SETTLEMENT

This notice is to advise you of the proposed settlement of the above-referenced lawsuit and your rights and benefits in connection with that proposed settlement.

1. Why was this notice issued?

Plaintiff Patricia Yost (“Class Representative”) reached a proposed settlement with Elon Property Management Company – Lexford Pools 1/3 LLC, Elon Property Management LLC, and Real Pay, Inc. (collectively the “Settling Defendants”), not only for herself, but on behalf of a settlement class defined as follows:

All persons in the United States who, in the four (4) years preceding the filing of the instant Action, were Elon’s tenants and paid Rental Payment Reporting Fees directly to Elon on their own behalf.

If you received this notice, then the Settling Defendants’ records reflect that you may be a member of the Settlement Class. The purpose of this notice is to inform you of the terms of the proposed settlement and the benefits available under it, to inform you how this lawsuit and the settlement may affect your legal rights, how you may submit a claim under the settlement, and to advise you of the steps you must take if you wish to exclude yourself from the settlement.

2. What is this lawsuit about?

On June 23, 2021, Patricia Yost filed a lawsuit alleging that Settling Defendants violated, 15 U.S.C. §1679, *et seq.*, known more commonly as the “Federal Credit Repair

Organizations Act” (“CROA”) by providing credit amelioration services without complying with the disclosure requirements imposed by CROA with respect to a “Credit Builder Program” provided to tenants of the residential apartment complexes owned or managed by Elon. Settling Defendants deny all such claims, have asserted numerous defenses.

The proposed settlement will provide a partial reimbursement of the \$5.00 monthly fees (“Rental Payment Reporting Fees”) charged by Elon to Class Members to cover the cost of reporting their rental payment statuses to a credit reporting agency; this fee is referred to as a “Credit Builder Fee” in Plaintiff’s pleadings

The Court has made no determination regarding correctness or validity of any of the claims or defenses in this lawsuit. Instead, the parties have entered into a settlement agreement in the hopes of ending the time, expense and uncertainty of litigation.

THE PROPOSED SETTLEMENT BENEFITS

3. What benefits does the Proposed Settlement provide?

Settling Defendants have agreed to establish a settlement a fund of \$500,000 (“Settlement Fund”) for the payment of settlement benefits to class members who do not exclude themselves from the settlement (“Participating Class Members”). As discussed separately below, attorneys’ fees, litigation costs, a Service Award to the Class Representative, and the costs paid to a third-party Claims Administrator to administer the settlement (including mailing and emailing this notice) will be paid out of this amount. The balance of the Settlement Fund (“Net Settlement Fund”) will be divided among all Participating Class Members using a distribution formula based on the calculation of each Participating Class Member’s respective share of the Net Settlement

Fund, which is the ratio of the total Rental Payment Reporting Fees paid to Elon by the respective Class Member to the total Rental Payment Reporting Fees paid by all Participating Class Members multiplied by the Net Settlement Fund:

$$\text{Distribution to Respective Participating Class Member} = \frac{\text{Rental Payment Reporting Fees paid by Class Member to Elon}}{\text{Total Rental Payment Reporting Fees Paid by Participating Class Members}} \times \text{Net Settlement Fund}$$

The Net Settlement Fund shall be exclusively distributed *pro rata* to Participating Class Members as follows:

A. Rent Credit to Current Tenant Class Members

Class Members who are current tenants of Elon owned or managed properties at the time they are identified (“Current Tenant Class Member”) shall receive a *pro rata* portion of the Net Settlement Fund as a one-time credit (“Current Tenant Credit”) to be given by Elon against rent due from Current Tenant Class Members in an amount to be determined under the Distribution Formula. The Current Tenant Credit will be applied by Elon to rent that will come due within 60 days of Final Approval.

B. Check Payment to Former Tenant Class Members and Post-Approval Former Tenants

Class Members who are not Current Tenant Class Members (“Former Tenant Class Member”) shall receive a *pro rata* portion of the Net Settlement Fund through a settlement check (“Settlement Payment Check”) pursuant to the Distribution Formula. Elon shall deposit with the Settlement Administrator an amount equivalent to the Net Settlement Fund less the total of Current Tenant Credits paid:

	Net Settlement Fund
Less:	Total of Current Tenant Credits
	<hr style="width: 100%;"/>
	amount to deposit with Settlement
=	Administrator for distribution of Settlement Checks

4. Is the settlement final?

The settlement of this lawsuit is not yet final. It will not take effect unless and until the Court approves the settlement and until all appellate court review is exhausted or the time for seeking all such review has expired, as explained more fully in the settlement agreement.

GETTING MONEY FROM THE PROPOSED SETTLEMENT

5. How do I obtain money from the Proposed Settlement?

You do not need to take any further action in order to make a claim under the settlement. If you have received this notice, you have been identified as a putative class member. If you do not exercise your right to opt out of the class action (as discussed in paragraph 9 below), your Current Tenant Credit will be made (if you are a Current Tenant), or your Settlement Payment Check will be mailed to you (if you are a Former Tenant Class Member) at the same address to which this notice was sent or the address that you provide the Settlement Administrator.

THE LAWYERS REPRESENTING YOU

6. Who represents the Class?

Settlement Class Counsel are Robert W. Murphy, Esq., of the Law Office of Robert W. Murphy, 440 Premier Circle, Suite 240, Charlottesville VA 22901, and Jane Santoni, Esq., Santoni Vocci & Ortega, LLC, 201 W. Padonia Road, Suite 101A, Timonium,

Maryland 21093. Settlement Class Counsel can provide a copy of the settlement agreement upon request.

7. How will the lawyers be paid? What will the Class Representative Plaintiff receive? What expenses will be paid?

Class Counsel will ask the Court to approve attorneys' fees and expenses ("Attorney Fee Request") to be paid from the Settlement Fund. As fees, Class Counsel will ask the Court to award the sum of no more than 33 1/3 % of the Settlement Fund (\$166,650.00), in addition to costs, travel, mediation and litigation expense incurred by Class Counsel in the amount of \$750.00. Class Counsel will also ask the Court to approve a service award ("Service Award") of \$5,000.00 to be paid from the Settlement Fund to the Class Representative for the time and resources she has spent helping the lawyer on behalf of the whole Class. The Court may award less than the requested amount to both Class Counsel and the Class Representative.

No Class Member will owe or pay anything for attorneys' fees and expenses or the Incentive Award. Any award of attorneys' fees and expenses or the Service Award will be paid from the Settlement Fund.

The cost of administrating the settlement ("Settlement Administration Expense"), including the cost of sending this notice and the mailing of Settlement Checks will be deducted from the Settlement Fund, in addition to the attorneys' fees and expenses and the Incentive Award. The anticipated costs of the Settlement Administration Expense are approximately \$47,000. The Court must approve the attorneys' fees and expenses for

Class Counsel and the Incentive Award for the Class Representative. The Court will conduct a hearing on the Attorney Fee Request of Class Counsel and the Incentive Award to the Class Representative at the same time of the final approval hearing.

8. Why is Class Counsel recommending the settlement?

The attorneys in this lawsuit reached this settlement after weighing the risks and benefits to the Settlement Class of settling this lawsuit as compared to those of continuing it. The factors that were considered include the uncertainty of the claims, as well as other legal issues that have not yet been determined by the Court. Settlement Class Counsel balanced these and other substantial risks in determining that the proposed settlement is fair, reasonable, and adequate in light of the circumstances and is in the best interests of the class.

WHAT YOU ARE GIVING UP

9. How does the Proposed Settlement affect my rights? If the Court finally approves the Settlement, what will happen to any claims I may have against Elon?

If the settlement becomes final, it will result in a release by the Plaintiff and all members of the Settlement Class of all claims, known or unknown, which were or which could have been brought shall forever release, remise, acquit, satisfy, waive, and discharge

Elon, Real Pay, Inc. and all other Released Persons from any and all claims, under any law whatsoever (i.e., the “Released Claims” as enumerated here):

- i. For violation of the Federal Credit Repair Organization Act or any analogous state law;
- ii. For violation of any state unfair or deceptive business practices statute where the violation is predicated on a violation of the Federal Credit Repair Organization Act or any analogous state law;
- iii. That were or could have been asserted based on the facts, circumstances, or events alleged in the pleadings made in the Action;
- iv. Related to or involving any obligation or liability imposed specifically against a “credit repair organization,” “credit services organization,” “credit service organization,” “credit repair services organization,” “credit services business,” or any like entity engaged in efforts to help a consumer improve their credit, credit record, credit history, credit score, credit rating or the like;
- v. Related to or involving the selling, providing or performing of (or representing that Released Persons can or will sell, provide, or perform) any service for the express or implied purpose of improving any consumer’s credit record, credit history, or credit rating, or for establishing a new credit file or record;
- vi. Related to or involving the provision of advice or assistance with regard to improving any consumer’s credit record, credit history, or credit rating, or for establishing a new credit file or record;
- vii. Related to or involving the Credit Builder Program;

- viii. Related to or involving the reporting (including failure to report) of the Class Members' payment statuses to any other entity for the purpose of having those payment statuses recorded or reported by a credit reporting agency. This release and covenant not to sue shall not extend to claims under the Fair Credit Reporting Act other than those claims that are related to or involve the facts, circumstances, or events alleged in the Amended Complaint, which will be forever and fully discharged and released; and
- ix. Related to any and all existing actions, causes, claims, rights, demands, suits, debts, causes of action, liens, contracts, liabilities, agreements, interest, costs, expenses or losses arising from or in any way related to any acts or omissions which have been asserted in this action or which could have been asserted by Ms. Yost individually in this action, whether known or unknown, whether at law, in equity, or under any statute or regulation, and whether based upon facts now known or newly-discovered facts and/or facts found hereafter to be other than or different from the facts now believed to be true, including without limitation any and all actions, causes, claims or causes of action under the CROA.

This means if you do not exclude yourself from the Settlement Class, you will not be able to sue or join another lawsuit against the Settling Defendants for such claims.

EXCLUDING YOURSELF FROM THE PROPOSED SETTLEMENT

If you want to keep your right to sue Settling Defendants with respect to the Released Claims, you must take steps to remove yourself from the Proposed Settlement.

This is called asking to be excluded from – or “opting out” of – the Class and the Proposed Settlement.

10. How do I remove myself from the Proposed Settlement?

You do not have to be included in this settlement. If you want to exclude yourself from the settlement, write a letter that sets forth your name, address, and that you wish to be excluded from the Settlement Class. This letter must be signed by you and mailed by U.S. mail postmarked no later than **September 27, 2022** to the following address: Yost v Elon Settlement, PO Box 23698, Jacksonville, Florida 32241-3680, with a copy also being sent by U.S. Mail to Robert W. Murphy, Esq., 440 Premier Circle, Suite 240, Charlottesville VA 22901 and to Charles K. Cooper, Esq., Weiner Brodsky Kider PC, 1300 Nineteenth Street, Fifth Floor, Washington, DC 20036.

You will be bound by the settlement agreement and final judgment of the Court unless you submit a valid and timely request for exclusion from the Settlement Class.

OBJECTING TO THE PROPOSED SETTLEMENT

11. How do I tell the Court I don't agree with the Proposed Settlement?

The Court has scheduled a fairness hearing on Friday, November 4, 2022, at 9:30 a.m. at the United States District Court for the District of Maryland, 101 West Lombard Street, Courtroom #7D, Baltimore, Maryland 21201. The purpose of this hearing is to, among other things, consider whether to give final approval to the settlement.

Any member of the Settlement Class may appear at the hearing. Any member of the Settlement Class may also oppose the settlement at the hearing. However, you must first file a written notice of objection with the Court that includes:

- (a) The case identifier: YOST v. ELON PROPERTY MANAGEMENT COMPANY; Civil Case No. 21-1520-CCB;
- (b) A statement of each objection asserted;
- (c) A detailed description of the facts underlying each objection;
- (d) A description of the legal authorities supporting each objection, if the objector so chooses;
- (e) A statement of whether the objector intends to appear and argue at the Fairness Hearing and, if so, how long the objector anticipates needing to present the objection; and
- (f) The name and contact information, if any, of counsel for the objector.

In addition to mailing your objection to the Clerk of Court, 101 West Lombard Street, Baltimore, MD 21201 you must also mail copies of your objection to Robert W. Murphy, Esq., 440 Premier Circle, Suite 240, Charlottesville VA 22901 and to Charles K. Cooper, Esq., Weiner Brodsky Kider PC, 1300 Nineteenth Street, Fifth Floor, Washington, DC 20036. Each objection must be postmarked no later than **September 27, 2022**.

12. What is the difference between objecting and asking to be excluded?

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

THE COURT'S FINAL APPROVAL HEARING

13. When and where will the Court decide whether to approve the Proposed Settlement?

The Court will hold a final approval hearing to decide whether the Proposed Settlement is fair, reasonable, and adequate and should be granted final approval. The Court will also consider whether to award attorneys' fees and other expenses to Class Counsel, whether to provide an incentive award to the Class Representatives, and whether to enter a final judgment and dismiss the lawsuit. If there are objections, the Court will consider them. You may attend and you may ask to speak.

The final approval hearing will be on Friday, November 4, 2022, at 9:30 a.m. before the Honorable Judge Catherine C. Blake, of the U.S. District Court for the District of Maryland, 101 West Lombard Street, Baltimore, MD 21201, in Courtroom 7D.

The Proposed Settlement may be approved by the Court with modifications, and without further notice, if consented to by the Class Representative and Settling Defendants and their respective attorneys in accordance with the terms of the Settlement Agreement.

14. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. If you send a written objection, you do not have to come to the final approval hearing to talk about it. As long as you filed and mailed your written objection on time and according to the Court's rules, the Court will consider it. You may also pay your own lawyer to attend the final approval hearing, but it is not necessary.

IF YOU DO NOTHING

15. What happens if I do nothing?

You have the right to do nothing. If you do nothing, you will remain part of the Class and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Settling Defendants for the Released Claims, ever again. You will receive all the Settlement Benefits described in Paragraph 3 above.

GETTING MORE INFORMATION

16. How do I get more information?

If you have any questions concerning the matters dealt with in this notice, please direct your inquiries to Class Counsel.

Do not contact the Court with any questions; the Court cannot provide you with legal advice. Any questions should be directed to class counsel or your own attorney.