

IN THE COURT OF COMMON PLEAS
INDIANA COUNTY, PENNSYLVANIA

ASHLEY NOBLE, individually and on behalf
of all others similarly situated

Plaintiff,

v.

VALUE FINANCE, INC. F/K/A CAMBRIA
THRIFT CONSUMER DISCOUNT
COMPANY

Defendant.

CIVIL DIVISION

CLASS ACTION

NO. 10916 CD 2022

CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE

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CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE¹

Subject to final approval by the Court and in exchange for the good and valuable consideration set forth herein, this Class Action Settlement Agreement and Release, dated as of the date of the last signature affixed hereto, by and between Ashley Noble (the “Class Representative” or “Noble”), on behalf of herself and the Class Members, and Value Finance Inc., formerly known as Cambria Thrift Consumer Discount Company (“Value Finance”), intending that as among the Parties, including all Class Members, the Litigation, the Related Litigation, and the Settled Claims shall be fully and finally compromised, settled, and released, and the Litigation and Related Litigation shall be dismissed with prejudice as to all Parties upon the terms and conditions set forth below.

WHEREAS, in August 2021, Noble filed this action in the Court of Common Pleas of Allegheny County in a matter captioned *Ashley Noble, individually and on behalf of all others similarly situated, v. Value Finance Inc., formally known as Cambria Thrift Consumer Discount Company*, GD-21-008955, which was transferred to the Court of Common Pleas of Indiana County at No. 10916 CD 2022 (the “Litigation”), in which Noble alleged in her Fourth Amended Complaint that Value Finance violated Pennsylvania law with respect to certain notices that Noble contends were required to be sent to Pennsylvania consumers after the repossession of their vehicles by Value Finance;

WHEREAS, on July 18, 2022, Value Finance filed Preliminary Objections to Noble’s Fourth Amended Complaint;

WHEREAS, on December 23, 2022, the Court issued a Memorandum & Order of Court sustaining in part and overruling in part Value Finance’s Preliminary Objections to Noble’s Fourth

¹ Identified terms used in these recitals and whereas clauses shall have the meanings ascribed to them as set forth in § I of this Agreement.

Amended Complaint, but allowing the Litigation to proceed on the merits;

WHEREAS, Value Finance filed an Answer and New Matter to the Fourth Class Complaint in which it denied the material allegations, denied any and all liability with respect to the allegations and claims previously and currently alleged in the Litigation, and further denied that the Class Members are entitled to any recovery;

WHEREAS, in April 2021, Value Finance filed a complaint against Noble in the Magisterial District Court in the matter captioned *Cambria Thrift Consumer Discount Co. Ashley Noble*, No. MJ-40303-CV-0000041-2021, the award in which was timely appealed to, and is pending in, the Court of Common Pleas of Indiana County at No. 11167 CD 2021 (the “Related Litigation”);

WHEREAS, Noble filed an Answer to the complaint in the Related Litigation denying liability and contending that Value Finance is not entitled to the amount sought because it failed to comply with Pennsylvania law;

WHEREAS, contested issues of both law and fact exist concerning the allegations and claims made in the Litigation and Related Litigation;

WHEREAS, Class Counsel has conducted an extensive investigation including through formal discovery into the facts and law relating to the Litigation and Related Litigation;

WHEREAS, the Parties, through counsel, following discovery and depositions, engaged in extensive arms-length settlement negotiations, ultimately reaching an agreement in principle to be memorialized herein and presented to the Court for approval;

WHEREAS, Noble and Value Finance hereby execute this Settlement Agreement and intend to urge its approval by the Court after consideration of the following substantial benefits that the settlement bestows upon the Class as further described below:

- (i) Value Finance, or third-parties acting on Value Finance's behalf, will pay the sum of three hundred and fifty thousand dollars (\$350,000.00) to create a Settlement Fund that will be used to provide monetary relief to Class Members, to pay Class Counsel's approved fees and expenses, to pay an approved class representative service award, and to pay the costs of Class Notice and administration of the Settlement, all as approved by the Court; and;
- (ii) Value Finance will release all claims it has, had, or could have had with respect to Noble and the Class Members, relating to the Class Member Secured Obligations, including but not limited to approximately \$436,000 in claimed Deficiencies, which are disputed and are resolved by this Agreement through accord and satisfaction;
- (iii) Value Finance will make a request to Credit Reporting Agencies to delete entirely any existing trade lines from Class Members' credit files relating to the finance agreements at issue in the Litigation in the manner set forth at ¶ 2.09 below.

WHEREAS, Class Counsel has fully analyzed and evaluated the merits of the Parties' contentions and this Settlement as it affects all Parties (including the absent Class Members), has deposed the designee of Value Finance, and has reviewed copious documents and data; and after taking into account the foregoing along with the substantial risks of continued litigation, is satisfied that the terms and conditions of this Agreement are fair, reasonable, adequate, and equitable, and that the settlement of the Litigation is in the best interests of the Class; and

WHEREAS, Value Finance denies any and all liability in connection with the Litigation, but nevertheless desires to resolve the Litigation on the terms and conditions herein set forth, for the purposes of avoiding the burden, expense, and uncertainty of continuing litigation, and for the purpose of putting to rest any and all controversies engendered by the Litigation;

NOW THEREFORE, intending to be legally bound and in consideration of the covenants and agreements set forth in this Agreement, the Class Representative, the Class, and Value Finance agree to the settlement of the Litigation, subject to Court approval, as follows:

I. DEFINITIONS

1.01. “Agreement,” “Settlement,” and “Settlement Agreement” mean this Class Action Settlement Agreement and Release.

1.02. “Cash Payment Eligible Class Members” means Class Members whose Class Notice is not returned as undeliverable within the meaning of ¶ 4.02.

1.03. “Class” is as defined as all persons:

- (a) who purchased a motor vehicle as a consumer good;
- (b) who financed the vehicle purchase through Value Finance, or whose finance agreement was later assigned to Value Finance;
- (c) whose agreement with Value provides that it is a contract under seal, or states, “This is a contract under seal and may be enforced under 42 P.A.C.S. § 5529(B)”;
- (d) from whom Value Finance, as secured party, repossessed the vehicle or ordered it repossessed;
- (e) who had a Pennsylvania address as of the date of repossession;
- (f) in the period commencing February 6, 2013, through June 5, 2021.

1.04. “Class Members” means those persons who, along with the Class Representative, comprise the Class, and who have not opted out of the Settlement.

1.05. “Class Counsel” means Cary L. Flitter, Andrew M. Milz, and Jody Thomas López-Jacobs, along with the law firm of Flitter Milz, P.C., and Troy M. Frederick and Beth A. Frederick,

along with the Frederick Law Group, PLLC.

1.06. “Class Notice” means the Court-approved notice of class settlement to be sent to Class Members pursuant to ¶ 4.02.

1.07. “Class Period” means the period from February 6, 2013, through June 5, 2021.

1.08. “Credit Reporting Agency” means Experian Information Solutions, Inc., Equifax, Inc., Trans Union, LLC, and any other consumer reporting agency (as that term is defined by 15 U.S.C. § 1681a(f)), to which Value Finance has reported information regarding a Class Member’s finance agreement.

1.09. “Deficiency” or “Deficiency Balance” means any amount allegedly owed to Value Finance after the sale proceeds from the sale of a Class Member’s repossessed vehicle are applied to the Class Member’s Secured Obligation.

1.10. “Deficiency Notice” means a notice sent after the sale of the repossessed vehicle advising the borrower of, *inter alia*, an itemization of the sale proceeds, expenses, and the obligation that is claimed to remain, also known as the “Deficiency” or “Deficiency Balance”.

1.11. “Distribution Date” means the date fourteen (14) calendar days after the Effective Date, and is the date on or about which the settlement payments shall be mailed to Class Members.

1.12. “Effective Date” means the date thirty-seven (37) days after the entry by the Court of the Final Order Approving Class Action Settlement (the “Final Approval Order”), if no appeal is timely filed. If an appeal is timely filed, the “Effective Date” shall mean the date seven (7) days after either: (a) entry of an order affirming the Final Approval Order and when the applicable period for the initiation of any further appeal of the affirmance of the Final Approval Order has expired without a further appeal or petition for allowance of appeal having been filed; or (b) if an appeal is taken but dismissed with prejudice, the date of dismissal.

1.13. “Net Fund” means the proceeds of the Settlement Fund after the deduction of approved Class Counsel fees and expenses, approved class representative service award, and administrative costs.

1.14. “Parties” means the Class Representative, the Class Members, and Value Finance.

1.15. “Preliminary Approval” of this Agreement means that the Court has entered an order pursuant to Pa. R. Civ. P. 1710 preliminarily approving the terms and conditions of this Agreement, including the content and manner of notice to the Class in substantially the manner presented.

1.16. “Repossession Notice” means a notice sent after the repossession of a vehicle advising the borrower of, *inter alia*, their right to redeem.

1.17. “Secured Obligation” means the finance agreement, loan agreement, retail installment sales contract, or comparable vehicle finance transaction to which each Class Member and Value Finance were parties and on which each Class Member allegedly defaulted, and where the alleged default resulted in the vehicle repossession.

1.18. “Settled Claims” means all claims, demands, actions, causes of action, rights, offsets, suits, damages, lawsuits, liens, costs, losses, expenses, or liabilities of any kind whatsoever, for any relief whatsoever, including monetary, injunctive, or declaratory relief, rescission, general, special, statutory, and punitive damages, as well as any claims for treble damages, penalties, attorneys’ fees, costs, or expenses, whether known or unknown, suspected or unsuspected, contingent or vested, which Value Finance, the Class Representative, or any Class Member has had, now has, or will ever have, provided that it relates to the Class Representative’s or Class Member’s Secured Obligation with Value Finance.

Value Finance acknowledges that “Settled Claims” includes any Deficiencies, which are

disputed, allegedly owed by any Class Member in connection with their Secured Obligation, and that the aggregate total of Deficiencies claimed is approximately \$436,541.00. The Parties acknowledge a bona fide dispute with respect to Value Finance's entitlement to any claimed Deficiencies and agree to their resolution by accord and satisfaction.

The term "Settled Claims" does not include any (1) claims for personal injuries, (2) claims under the Servicemembers Civil Relief Act, 50 U.S.C. § 3901, or (3) claims arising from other accounts or lending relationships among the Parties, the Class Members, or their agents, vendors, or affiliates, apart from the Secured Obligations at issue in the Litigation.

1.19. "Settlement Administrator" means an independent class action settlement administration company, or any similar company chosen at the discretion of Class Counsel and approved by the Court to handle administration of the class settlement, including notice and payments to the class and others.

1.20. "Settlement Fund" or "QSF" means the amount of \$350,000.00 provided by Value Finance, or on Value Finance's behalf, to the Settlement Administrator for deposit into P.N.C. Bank, N.A., a federally insured financial institution. The Settlement Fund may not be commingled with any other funds; it may be held in cash, cash equivalents, certificates of deposit, or instruments insured by an arm of or backed by the United States government.

1.21. "Value Finance" means Value Finance, Inc. and/or Cambria Thrift Consumer Discount Company, its affiliates, subsidiaries or parent companies and/or divisions, and all of its respective officers, directors, partners, employees, associates, trustees, agents, accountants, attorneys, predecessors, successors, and assigns, including but not limited to 1st Summit Bank, and 1st Summit Bancorp of Johnstown, Inc.

1.22. As used herein, the plural of any defined term includes the singular thereof and the

singular of any defined term includes the plural thereof as the case may be.

II. GENERAL TERMS OF THE SETTLEMENT

2.01. Conditional Nature of Agreement.

This Agreement, including all associated exhibits and attachments, is made for the sole purpose of attempting to consummate a settlement of the Litigation and Related Litigation on a class-wide basis. The Agreement is made in compromise of disputed claims. The Agreement is intended by the Parties to fully, finally, and forever resolve the Settled Claims subject to the terms and conditions set forth in this Agreement. Because this Agreement resolves a class action on a class-wide basis, it must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis, subject to the final approval of the Court.

2.02. Effect of Disapproval.

If the Court does not enter the Final Approval Order, or the Agreement does not become final for any reason, this Agreement shall be of no force or effect whatsoever (except with respect to this paragraph and with respect to the return of funds as indicated in this Agreement). The Parties agree that if the Court does not approve the Agreement, or any appellate court disapproves of the Agreement in any way that prevents the Agreement from becoming final and effective, no Party will use or attempt to use any conduct or statement of any other Party in connection with this Agreement, including any effort to seek approval of the settlement, to affect or prejudice any other Party's rights in any ensuing litigation.

To the extent this Agreement is deemed void or the Effective Date does not occur, the Parties do not waive, but rather expressly reserve, all rights to challenge all claims and allegations in the Litigation upon all procedural, factual, and legal grounds.

If this Agreement terminates pursuant to its terms without final approval, the Litigation

shall revert to its status as it existed before the execution of this Agreement, and any monies paid or advanced by Value Finance shall be returned or reimbursed within fourteen (14) days, except for any portion of the funds advanced to or due the Settlement Administrator for services actually rendered.

2.03. Denial of Liability.

Value Finance denies the validity of all claims asserted against it in the Litigation. Neither this Agreement, nor any of its terms and provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Value Finance of any legal violations, any legal requirement, or any failure to comply with any applicable law.

Noble denies the validity of all claims asserted against her in the Related Litigation. Neither this Agreement, nor any of its terms and provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Noble of any legal violations, any legal requirement, or any failure to comply with any applicable law.

2.04. Class Certification.

The Parties agree that the Class shall be certified for purposes of settlement, that Ashley Noble shall be appointed as Class Representative, and that Cary L. Flitter, Andrew M. Milz, Jody Thomas López-Jacobs along with the law firm Flitter Milz, P.C., and Troy M. Frederick and Beth A. Frederick, along with the law firm Frederick Law Group, PLLC, shall be appointed as Class Counsel, subject to approval of the Court.

2.05. Proposed Order for Preliminary Approval.

In connection with the application for Preliminary Approval of this Agreement, the parties shall submit to the Court a proposed order in the form attached as Exhibit A.

2.06. Monetary Relief to Class Members.

(a) Within thirty (30) calendar days following the entry of an order granting Preliminary Approval, Value Finance will issue or cause to be issued one or more checks or other valid form of payment to the Settlement Administrator in the amount of \$350,000.00, payable to the order of “Noble v. Value Finance Settlement Fund” for deposit into PNC Bank, N.A.

Under no circumstances shall Value Finance be responsible for an amount in excess of \$350,000.00 in connection with this Settlement. The Settlement Fund shall be used solely for purposes of implementing this Agreement, which will be used to provide monetary relief to Cash Payment Eligible Class Members, to pay Class Counsel’s attorney fees and expenses as approved by the Court, to pay any approved class representative service award, and to pay for costs of notice and administration.

(b) Class Relief. Cash Payment Eligible Class Members shall be entitled to a pro rata share of the Settlement Fund after the deduction of approved Class Counsel fees and expenses, approved class representative service awards, and administrative costs (yielding the “Net Fund”). The amount of each Class Member’s payment will be based on the finance charge and amount financed as set forth on the member’s respective note or contract, per Secured Obligation. By way of illustration, for a class member who financed \$25,000 with a stated finance charge of \$5,000.00 plus 10% of the amount financed yielding \$2,500.00, their statutory damages under the Uniform Commercial Code would be \$7,500.00. That Cash Payment Eligible Class Member would be paid approximately 38% of that amount, which equals approximately \$2,850.00. If two or more Cash Payment Eligible Class Members share a single Secured Obligation (e.g., if there are co-borrowers), those individuals shall be entitled to a single recovery per repossessed vehicle, but payments will issue to each individual for their proportionate, equal share. If a Cash Payment

Eligible Class Member had more than one vehicle repossessed, such member shall be entitled to a separate recovery for each Secured Obligation. Any Cash Payment Eligible Class Member who had the same vehicle repossessed more than once shall be entitled to only one recovery per vehicle, not per repossession.

(c) Illustration. By way of illustration, if the Court were to approve Class Counsel fees and litigation expenses in the sum of \$140,000.00 and \$7,500.00, respectively, administrative expenses of \$24,000.00, and a class representative service award of \$12,500.00, the Net Fund would be \$166,000.00. Each Class Member would receive their pro rata share of the Net Fund based on the formula that will provide approximately 38% of the full statutory damages provided under 13 Pa.C.S. § 9625(c)(2).

(d) Timing and Method of Payment. On or about the Distribution Date, the Settlement Administrator shall mail a check to each Cash Payment Eligible Class Member at their last-known address or any updated address obtained pursuant to ¶¶ 3.02 or 4.02, unless such Cash Payment Eligible Class Member timely notifies the Settlement Administrator of their preference to be paid through one of the alternative electronic payment methods offered by the Settlement Administrator and provides the Settlement Administrator all requisite information necessary to effectuate such payment, but in any event such payment shall be made on the Distribution Date.

2.07. Identification of Class Members.

Value Finance represents that to the best of its knowledge after having reviewed its records of customer accounts, there are 132 Secured Obligations within the Class, with 49 coborrowers, representing 181 unique Class Members.

2.08 Electronic List.

Value Finance shall prepare an electronic list for the Settlement Administrator and Class

Counsel containing the names, last known addresses, finance charges, amounts financed, and Social Security numbers of Class Members (including coborrowers).

The Settlement Administrator shall update each Class Member's last known address through the United States Postal Service National Change of Address ("NCOA") database for updates as far back as feasible. For Class Members for whom there is no updated address in the NCOA database, the Settlement Administrator will update the last known address via a Social Security number (or equivalent personal identifier). The Settlement Administrator may take further steps to locate as many Class Members as reasonably feasible. Value Finance will respond to reasonable inquiries, if any, by Class Counsel concerning the procedures used in updating and maintaining the list of Class Members.

2.09. Credit Reporting and Collections.

The following procedures apply with respect to the credit repair relief provided for in this Settlement:

(a) Not later than sixty (60) days after the Effective Date, Value Finance will make a request to the Credit Reporting Agencies to delete the trade line for the motor vehicle Secured Obligations and Deficiencies at issue from the credit files of all Class Members. If, 60 or more days after the Effective Date, Value Finance is advised by a Class Member or Class Counsel that a trade line subject to deletion has not been deleted, Value Finance will make a further request that such trade line be deleted. If Value Finance is not so advised, Value Finance need take no further action. After Value Finance has made the request(s) to the Credit Reporting Agencies described above, if a trade line subject to deletion remains and a Class Member disputes such trade line with one or more Credit Reporting Agencies, Value Finance shall not respond to such request for verification. Value Finance shall have no further obligation with respect to deletion of credit

reporting trade lines.

(b) Noble and the Class Members acknowledge that the Credit Reporting Agencies are separate entities from Value Finance, and that no cause of action can or will be stated against Value Finance, including any for breach of this Settlement, if any Credit Reporting Agency fails to so amend the Class Members' credit history despite a request from Value Finance, so long as Value Finance performs its obligations in ¶ 2.09(a). The Class Members also expressly acknowledge that they understand the limitations of Value Finance in this regard, and that any action, inaction, omission, and/or error solely by the Credit Reporting Agencies is not and shall not be attributable to Value Finance and shall not constitute a breach of this Agreement. If Value Finance complies with its obligations under this Settlement, Value Finance shall not be liable to any Class Member under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.*, or any similar law in connection with its obligations as set forth in this paragraph and/or in correcting or requesting deletion of any trade line of a Secured Obligation and Deficiencies being reported on any Class Member's credit report.

2.10. Cease and Desist Collection.

Value Finance shall, on the Effective Date, promptly discontinue and cease all collection activities with respect to any Deficiencies of Class Members. If any Deficiencies has been assigned for collection, such efforts shall also cease. Value Finance shall identify any assignee to Class Counsel and shall cause such collection efforts to discontinue. This obligation shall not apply (a) if this Agreement is terminated for any reason, without final approval, or (b) as to each Class Member who properly opts out of the Class. Value Finance represents that it has not sold or assigned any claim relating to any Deficiency, except as set forth in a schedule appended hereto, if applicable.

2.11. Covenant Not to Sue.

Value Finance agrees, on the Effective Date, not to file a lawsuit against any Class Member seeking to collect any amount related to a Secured Obligation subject to this Agreement, and, within sixty (60) days of the Effective Date, to dismiss with prejudice any such lawsuit that was filed before the execution of this Agreement, including the Related Litigation, which Value Finance shall dismiss as settled, discontinued, and ended. Nothing in this paragraph limits Value Finance from pursuing claims arising from loans or agreements not subject to this Settlement Agreement, such as other obligations not involving a Class Member's Secured Obligation.

2.12. Satisfaction of Monetary Judgments Against Class Members.

If Value Finance or its assignee has obtained a money judgment against any Class Member arising from a Secured Obligation that has not been satisfied as of the date of this Agreement, Value Finance agrees to take timely and reasonable steps to identify all such Class Members to Class Counsel within sixty (60) days of Preliminary Approval, and to mark such judgments as satisfied within sixty (60) days of the Effective Date. Should any Class Member with a money judgment previously entered against them opt out of this Settlement, the judgment entered against them will not be satisfied hereunder or affected by this Agreement.

2.13. Attorneys' Fees and Expenses

Noble intends to apply for an award of attorneys' fees and expenses from the Settlement Fund in an amount not to exceed \$140,000.00 and \$7,500.00, respectively. All attorneys' fees and expenses shall be paid from the Settlement Fund on a common fund/benefit basis, and the amounts of such fees and expenses shall not increase in any way the amount that Value Finance is required to pay under this Agreement. Value Finance agrees not to oppose a request by Noble for such fees and expenses to be awarded to Class Counsel. The amount of Class Counsel fees and expenses is

subject to Court approval. Class Counsel fees awarded shall also serve as compensation to Class Counsel for addressing ongoing and future Class Member inquiries concerning their repossession, Deficiencies, and trade line credit reporting after final approval. Class Counsel fees and expenses approved by the Court shall be paid by the Settlement Administrator no later than the Distribution Date.

2.14. Individual Service Award.

The Class Representative shall apply for an individual service award in the amount of \$12,500.00. Any service award shall be paid from the Settlement Fund. Value Finance agrees not to object to this request for an individual service award. The amount of any such award is subject to Court approval. The approved service award shall be forwarded to Class Counsel by the Settlement Administrator no later than the Distribution Date. This service award is in addition to Noble's entitlement to the settlement benefits provided to all Class Members under this Agreement.

III. ADMINISTRATION OF THE SETTLEMENT

3.01. Costs of Administration.

Costs of providing notice to the Class of the settlement of the Litigation, administering this Agreement, and making the cash payments and distributions required under this Agreement shall be paid from the Settlement Fund. The Settlement Administrator shall administer the settlement in accordance with the terms of this Settlement Agreement. The Settlement Administrator shall promptly respond to all queries from Value Finance and Class Counsel about the calculations and payments called for by this Agreement. The Settlement Administrator shall bill for its services in an amount not to exceed \$24,000.00, including for any second distribution.

3.02. Treatment of Class Members Who Have Moved or Died.

For Class Members whose checks mailed pursuant to ¶ 2.06 are returned by the U.S. Postal Service for lack of current correct address, the Settlement Administrator shall seek an address correction via a Social Security number search through the Accurant database, or other equivalent database, and the checks for those Class Members will be resent to a more current and accurate address as determined by the Settlement Administrator. The Settlement Administrator may in its discretion employ skip-trace or other location tools. If the Settlement Administrator receives notice that a Class Member is deceased, the Settlement Administrator will, upon receipt of proper notification and documentation, make any payment due to the Class Member's estate. "Proper notification and documentation" means, in the discretion of the Settlement Administrator, a death certificate, or a copy of the official filings appointing an executor, administrator, or other personal representative of the estate along with the name and address of such executor, administrator, or personal representative. Any payment to or on behalf of an estate must be made not later than ninety (90) days after the Distribution Date.

3.03. Uncashed/Unclaimed Checks.

Checks to Class Members shall be good for sixty (60) days from the date the check is mailed, and that "stale date" shall be stated on the check. After the expiration of the stale date on such checks, the Settlement Administrator shall send another round of checks to each Cash Payment Eligible Class Member who has not cashed or negotiated the settlement check, and each check shall be good for another sixty (60) days. Class Members who are not located or whose checks are not cleared before the check stale date shall be ineligible to share in the Settlement Fund, but shall be eligible for the non-cash benefits of this Settlement.

3.04 Second Distribution

If, after the expiration of the check stale dates set forth in § 3.03 there remains in Settlement Fund a balance of \$35,000.00 or more, there shall be a second distribution. From that remaining balance, reasonable administration and notice costs for the second distribution shall be paid. The balance then remaining shall be allocated on a per capita basis among each Class Member who negotiated the first mailed check.

If a second distribution is called for by this Agreement, the Settlement Administrator shall mail checks or cause electronic payments to be made, as the case may be, no later than 140 days after the Distribution Date. Checks mailed in a Second Distribution shall be marked as valid for a period of sixty (60) days from mailing.

3.05. Notification to Class Counsel.

Approximately one hundred (120) days after the Distribution Date, the Settlement Administrator shall notify Class Counsel and Value Finance's counsel in writing of the number of Class Members to whom payments were made, the number of Class Members to whom checks were sent, the number of Class Members who did not cash the checks, the total dollar amount of the checks and electronic payments distributed, the total dollar amount of uncashed checks, and the remaining balance of the Settlement Fund, bank fees, and other administration expenses.

If there is a Second Distribution hereunder, the Settlement Administrator shall provide a supplemental affidavit approximately sixty (60) days after the Second Distribution with the same detail provided.

3.06. Residual Funds/ *Cy Pres.*

If a balance remains sixty (60) days after the date of any Second Distribution, or if less than \$35,000.00 remains 120 days after the initial distribution, that remaining balance is deemed

“Residual Funds.” Residual Funds will be distributed as follows: (a) pursuant to Pa. R.C.P. 1716, fifty percent (50%) shall be distributed to the Pennsylvania Interest on Lawyers Trust Account (“IOLTA”) to support activities and programs which promote the delivery of civil legal assistance to the indigent in Pennsylvania by non-profit corporations described in § 501(c)(3) of the Internal Revenue Code of 1986, as amended; (b) the remaining fifty percent (50%) shall be distributed to Summit Legal Aid for purposes including consumer credit education, counseling, or the representation or assistance of low-income Pennsylvania consumers in consumer credit, bankruptcy, foreclosure, and similar matters.

If there is no second distribution, the Settlement Administrator shall deliver the checks payable to the *cy pres* recipients to Class Counsel for distribution to the recipient organization within 140 days of the initial distribution. If there is a second distribution, such checks shall be delivered within 90 days of the second distribution. The letter enclosing delivery of the *cy pres* checks to the recipients shall be copied to Counsel for Value Finance. Promptly after the *cy pres* checks have cleared, the Settlement Administrator shall close the account at PNC Bank, N.A.

Under no circumstances (other than termination of this Agreement for want of Court approval) shall any of the money in the Settlement Fund revert to Value Finance.

3.07. Certification of Distribution.

Within ten (10) days after the final distribution of all portions of the Settlement Fund, the Settlement Administrator shall provide to all counsel an affidavit attesting that the distributions provided for by this Agreement have all been timely made. Within 14 days of receipt of the affidavit, Class Counsel shall docket such affidavit and any other appropriate case-closing affidavit or praecipe.

IV. CLASS SETTLEMENT PROCEDURES

4.01. Motion for Preliminary Approval.

Noble shall file a motion for Preliminary Approval of the proposed settlement within fourteen (14) days after the execution of this Agreement. Value Finance agrees not to oppose the entry of an order of Preliminary Approval in the form annexed hereto as Exhibit A, which provides, among other things:

- (a) That the settlement is preliminarily approved as being within the range of reasonableness such that notice thereof should be given to the Class;
- (b) That the notice of proposed class action settlement substantially in the form attached as Exhibit B is approved by the Court; that the mailing of the Class Notice in the manner and form set forth in the Order meets all the requirements of Pa. R. Civ. P. 1712, 1714, and any other applicable law; that such Notice constitutes the best notice practicable under the particular circumstances of this case; and shall constitute valid, due, and sufficient notice to all persons entitled to it;
- (c) That deadlines shall be established for mailing Class Notices, making any objections and requests to opt out of the settlement, and filing any papers in connection with the Final Approval Hearing and the consideration of the approval or disapproval of the Settlement Agreement;
- (d) That any objections by Class Members to: (i) the proposed settlement, or (ii) the entry of the Final Approval Order, shall be heard and any papers submitted in support of such objections shall be considered by the Court at the Final Approval Hearing only if, on or before a date (or dates) specified in the Class Notice and the Preliminary Approval Order, the objector sends to the Settlement Administrator, Class Counsel, and counsel for Value Finance a notice of their intention to appear, and states the basis for such objections. Any objection shall be postmarked and mailed to Class Counsel, counsel for Value Finance, and the Settlement Administrator on or before the date specified in the Class Notice, which shall be forty-two (42) days from the date of the initial mailing of the Class Notice.
- (e) That any person who wishes to opt out of the settlement shall mail a notice of intention to opt out to the Settlement Administrator on or before a date specified in the Class Notice and the Preliminary Approval Order (forty-two (42) days from the date of the initial mailing of the Class Notice). The notice of intention to opt out shall: (i) set forth the Class Member's full name, current address, and telephone number; (ii) contain the signatures of each Class Member obligated on the Secured Obligation; and (iii) state an intent of all signatories not to participate in the settlement;

- (f) That Noble's motion for final approval, for approval of a Class Representative service award, and for an award of Class Counsel fees and expenses, shall be filed at least ten (10) calendar days prior to the Final Approval Hearing;
- (g) That the Preliminary Approval Order substantially in the form of Exhibit A to the Settlement Agreement is approved;
- (h) That a hearing or hearings ("Final Approval Hearing") shall be held before the Court, at a time and date to be set by the Court, to consider whether the proposed settlement, including the payment of the Class Representative service award, Class Counsel's attorneys' fees and expenses, and administrative costs is fair, reasonable, and adequate and should be approved by the Court, and whether the judgment approving the settlement and dismissing the Litigation on the merits and with prejudice against the Class Representative and the Class Members should be entered, and to consider such other matters as may properly come before the Court in connection with the Final Approval Hearing;
- (i) That the Final Approval Hearing may, from time to time and without further notice to the Class (except those who filed timely and valid objections), be continued or adjourned by order of the Court;
- (j) That all Class Members (except those who timely excluded themselves) will be bound by the Final Approval Order; and,
- (k) That relevant case records such as the Complaint, Answer, and Settlement Agreement are posted on a website created for the purposes of this settlement.

4.02. Notice of Class Settlement.

Subject to Court approval, the Parties agree that notice to the Class Members shall be mailed by the Settlement Administrator in the form attached hereto as Exhibit B in the following manner: (a) Value Finance shall supply a list of the Class in accordance with ¶ 2.08 within fourteen (14) days after preliminary approval, and the Settlement Administrator shall update the address list as set forth in ¶ 2.08; (b) the Settlement Administrator shall mail the notice as approved by the Court, by first class United States mail to the updated addresses within fourteen (14) days after receiving the class list from Value Finance; (c) if a mailed notice is returned with a forwarding address provided by the Postal Service, the Settlement Administrator will promptly re-mail it to the forwarding address; (d) if a mailed notice is returned without a forwarding address, or is

otherwise designated by the Postal Service as bearing an invalid address, the Settlement Administrator shall promptly attempt to locate an updated address for the particular Class Member, and shall promptly re-mail the notice to the Class Member at the updated address (if one is obtained). If a notice is returned after such address update and re-mailing, and no current address is reasonably available to the Settlement Administrator, the notice may be deemed “undeliverable.”

4.03. Opting Out

The Class Notice described in § 4.02 above shall permit any Class Member to elect not to be part of the Class and not to be bound by this Agreement if the affected person mails a timely opt-out notice to the Settlement Administrator. The notice of intention to opt out shall: (i) set forth the Class Member’s full name, current address, telephone number and email address, if available; (ii) contain the signatures of each Class Member for whom the Secured Obligation relates; and (iii) state an intent of all signatories not to participate in the Settlement. The notice of intention to opt out must be postmarked on or before the date specified in the Class Notice, which shall be forty-two (42) days after the initial mailing of the Class Notice. No Class Member, or proxy, may exclude any other Class Member. At least twenty-four (24) days prior to the Final Approval Hearing, the Settlement Administrator shall prepare a list of the persons who have validly objected to or requested exclusion from the Settlement and shall serve such list upon Class Counsel and Value Finance’s counsel, and Class Counsel shall file the list with the motion for final approval. Upon the entry of the Final Approval Order, the persons who timely and properly requested exclusion from the Class will not be considered Class Members for purposes of this Settlement. The Class Notice shall also explain in plain language that payment may result in issuance of an IRS form 1099.

4.04. Order and Final Judgment.

Before the Final Approval Hearing, the Noble shall request, with Value Finance's concurrence, that the Court finally approve the settlement and enter judgment substantially in the form attached as Exhibit C.

4.05. Settlement Administrator Duties and Consent to Jurisdiction.

(a) The Settlement Administrator shall be responsible to prepare, fold, and properly mail Class Notice; set up an appropriate website on which key document from the case will be located; set up a toll-free telephone number so that Class Members with questions may call-in; handle and administer opt-out requests and objections, if any, and other Class Member inquiries; handle and facilitate mailing of checks or sending of electronic payments to Class Members and such other administrative services as needed, consistent with its proposal, to implement notice and distribution.

(b) The Settlement Administrator shall, by virtue of its voluntary appointment, deem itself subject to the jurisdiction of the Court for purposes of its administration of the settlement in accordance with the terms of this Agreement and this Litigation.

V. RELEASES

5.01. Release by the Parties and the Class Members.

On the Effective Date, Value Finance, on the one hand, and the Class Representative and all Class Members, on the other hand, by operation of the Final Approval Order, fully, finally, and forever release and discharge each other from all Settled Claims and, without further action by any person, shall be deemed (a) to have consented to the dismissal with prejudice of all Settled Claims; (b) to have released and discharged all Settled Claims; and (c) to be barred and enjoined from instituting or further prosecuting, in any forum whatsoever, including but not limited to any state,

federal, or foreign court or regulatory agency, any Settled Claim. This release shall not result in Value Finance issuing of a 1099-C, as Value Finance's claims against Noble and the Class Members are subject to a bona fide dispute and resolved by accord and satisfaction under this Agreement.

5.02. Unknown Claims or Losses.

The Class Representative and Value Finance expressly understand and acknowledge that it is possible that unknown losses or claims exist or that present losses may have been underestimated in amount or severity. The Class Representative and Value Finance explicitly took that possibility into account in entering into this Agreement, and a portion of the consideration and the mutual covenants contained in this Agreement, having been bargained for between the Class Representative and Value Finance with the knowledge of the possibility of such losses or claims, was given in exchange for a full discharge of all such losses or claims.

VI. QUALIFIED SETTLEMENT FUND

6.01. Definition.

The Settlement Fund shall constitute a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation § 1.468B-1 promulgated under § 468B of the Internal Revenue Code of 1986, as amended. The Settlement Administrator shall be the "administrator" within the meaning of Treasury Regulation § 1.468B-2(k).

6.02. Employer Identification Number.

Upon or before establishment of the QSF, the Settlement Administrator shall apply for an employer identification number for the QSF utilizing Internal Revenue Service Form SS-4 and in accordance with Treasury Regulation § 1.468B-2(k)(4).

6.03. Relation-Back.

Value Finance and the Settlement Administrator shall fully cooperate in filing a relation-back election under Treasury Regulation § 1.468B-1(j)(2) to treat the QSF as coming into existence as a settlement fund as of the earliest possible date.

6.04. Value Finance's Obligations After Making Deposits.

After making the payments described in ¶ 2.06, Value Finance shall have no responsibility, obligation, or liability with respect to: (a) the notifications to the Class Members (except to provide its best and latest location data for all Class Members); (b) the processing of claims and opt-out letters; (c) the allowance or disallowance of claims by Class Members; (d) payments to Class Counsel; (e) investment of QSF funds; (f) payment of federal, state, and local income, employment, unemployment, excise, and any other taxes, penalties, interest, or other charges related to taxes imposed on the QSF or its disbursements; (g) payment of the administrative, legal, accounting, or other costs occasioned by the use or administration of the QSF.

6.05. Administration Tax Obligations.

The Settlement Administrator shall file or cause to be filed, on behalf of the QSF, all required federal, state, and local tax returns, information returns, including any Form 1099-series return and tax withholdings statements, in accordance with the provisions of Treasury Reg. § 1.468B-2(k)(1) and Treasury Reg. § 1.468B-2(l)(2)(ii).

VII. MISCELLANEOUS PROVISIONS

7.01. Parties to Use Best Efforts to Effectuate Settlement.

The Parties' shall use their best efforts to cause the Court to give Preliminary Approval to this Agreement as promptly as practicable, to take all steps contemplated by this Agreement, to effectuate the Settlement on the stated terms and conditions, and to obtain final approval of this Agreement.

7.02. Choice of Law and Venue.

This Agreement is intended to and shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to conflict of laws rules. This Agreement shall be enforced in the Court of Common Pleas of Indiana County, Pennsylvania. Value Finance, Noble, and the Class Members waive any objection to personal jurisdiction or venue with respect to such action.

7.03. Entire Agreement.

This Agreement constitutes the complete and exclusive statement of the agreement between the Parties relating to the subject matter of this Agreement, superseding all previous negotiations and understandings. This Agreement may not be contradicted by evidence of any prior or contemporaneous agreement, and no extrinsic evidence bearing on the meaning of this Agreement may be introduced in any judicial proceeding.

7.04. Modification Only in Writing.

This Agreement may be amended only in a writing signed by the Parties. This Agreement may not be orally amended.

7.05. No Ambiguity To Be Construed In Favor of Either Party.

The determination of the terms of this Agreement has been by mutual agreement after negotiation, with consideration by and participation of all Parties. Accordingly, no ambiguity shall be construed in favor of or against any of the Parties.

7.06. Successors.

This Agreement shall be binding upon, and inure to the benefit of, the respective heirs, successors, and assigns of the Parties.

7.07. Waivers.

The waiver by one Party of any provisions or breach of this Agreement shall not be deemed

a waiver of any other provision or breach of this Agreement.

7.08. Counterparts.

This Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts.

7.09. Retention of Jurisdiction.

The Court shall retain jurisdiction over the interpretation, effectuation, and implementation of this Agreement and all orders entered in connection with the Agreement.

7.10 Taxes.

The Settlement Administrator shall cause any proper Form 1099-series or comparable tax document to issue, if required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, for the cash distributions to the Class Members over \$600.00.

The Parties and their counsel have provided no tax advice and take no position with respect to tax implications of this settlement.

7.11. No Opt Out Solicitation or Inducement, or Solicitation of Publicity.

Noble, for herself and her agents and representatives, and Value Finance, for itself and its agents and representatives, agree that they shall take no action to induce or encourage any person included in the Class to seek exclusion from the Class; provided that this provision shall not restrict Class Counsel from providing appropriate legal advice in response to inquiries from Class Members.

7.12. Blow-Up Provision.

If Class Members on more than twenty (20) Secured Obligations validly request exclusion from this Agreement, Value Finance may, within seven (7) days after the opt-out deadline, advise Class Counsel that Value Finance wishes to declare this Agreement voided, and the parties shall

so advise the Court; and the litigation shall be restored to the status quo ante.

The undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

AGREED TO AND ACCEPTED on behalf of PLAINTIFF NOBLE AND THE CLASS:

Dated: _____

By: _____
ASHLEY NOBLE

AGREED TO AND ACCEPTED on behalf of VALUE FINANCE, INC.:

Dated: _____

By: _____

Name: _____

Title: _____