

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

CASE NO.: 1:21-cv-00410-BLW

CLAUDIO HERNANDEZ, an individual, and
JACQUELINE HERNANDEZ, an individual,
on behalf of themselves and all others similarly
situated,

Plaintiffs,

vs.

JP DEVELOPMENT, INC., an Idaho corporation
d/b/a “Acctcorp International,” and CHARLES C.
CRAFTS, an individual,

Defendants.

CLASS ACTION

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT AND HEARING**

**Please Read This Notice Carefully in Its Entirety
Your Rights May Be Affected by The Settlement
Of This Lawsuit Now Pending in This Court**

1. Why was this notice issued?

This case is currently pending in the United States District Court for the District of Idaho and is known as *Claudio Hernandez et al. v. JP Development, Inc., et al.*, Case No.: 1:21-cv-00410-BLW (the “Action”). This notice involves claims against defendants, JP Development, Inc. d/b/a Acctcorp. International, and Charles C. Crafts, an individual, dba The Boise Law Firm, PLLC (collectively “Defendants”).

2. What is this lawsuit about?

Plaintiffs, Claudio Hernandez and Jacqueline Hernandez (“Class Representatives”) brought the Action against Defendants to recover damages for alleged violations of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692.

The Class Representatives alleged that Defendants violated the FDCPA by attempting to collect on promissory notes assigned by Beneficial Bonds (“Beneficial Bail Bonds Portfolio”) which contained provisions for late fees as a form of liquidated damages and alleged impermissible interest rates under Idaho law (“Disputed Fees and Interest”).

Defendants deny any wrongdoing. However, the parties have negotiated a proposed settlement.

3. Why is this a class action?

The parties have agreed, and the Court has ordered that, for settlement purposes only, this Action may be maintained as a class action under Rule 23(b)(3), Federal Rules of Civil Procedure, subject to final approval at the conclusion of the settlement process. If the Proposed Settlement is not finally approved, or if any party withdraws from the Proposed Settlement, the Action will return to the same status as before the Settlement Agreement was signed, and the Court will later determine if the case may proceed as a class action.

4. How do I know if I am part of the Proposed Settlement?

The Proposed Settlement includes all persons who meet each and every one of the following criteria, namely all persons with addresses in the District of Idaho (i) from whom Defendants sought to collect late fees, liquidated damages, or alleged impermissible interest (ii) under a Promissory Note sold to JP Development to finance a bail bond (iii) through debt collection communication or litigation initiated during the one-year period prior to the filing of this Action.

5. Why is there a Proposed Settlement?

The parties arrived at the Proposed Settlement as a result of arms-length negotiations, including meetings between the lawyers for each side.

The parties reached the Proposed Settlement before the Court determined whether class certification was appropriate. The Proposed Settlement is a compromise of disputed claims and does not mean that any law was violated or that Defendants did anything wrong.

THE PROPOSED SETTLEMENT BENEFITS

6. What benefits does the Proposed Settlement provide?

Settlement Benefits.

i. Termination of Collections. The Parties shall request the Court to enter a consent decree permanently enjoining Defendants from further collection on the Beneficial Bail Bonds Portfolio. The ostensible outstanding balance of the Beneficial Bail Bonds Portfolio at the time of the Purchase and Sale Agreement dated August 7, 2019, was \$3,210,373.57.

ii. Refund of Collected Funds. To the extent that monies have been recovered from Class Members, Defendants shall refund one hundred percent (100%) of the collected Disputed Fees and Interest to those Class Members who paid such Disputed Fees and Interest (“Refund Class Members”). The refund shall be paid by a settlement check (“Settlement Check”) to Refund Class Members. To learn details of whether you are owed a refund, you may access the website for the Class at www.jpdevelopmentclassaction.com.

iii. As to Pending Litigation Class Members. As part of the Final Approval Order, the Parties shall request the Court enter a consent decree directing Defendants to dismiss with prejudice all collection lawsuits as to Class Members who were sued by Defendants to collect on a promissory note that is part of the Beneficial Bail Bonds Portfolio.

iv. As to Judgment Class Members. As part of the Final Approval Order, the Parties shall request the Court enter a consent decree permanently enjoining Defendants from collecting on any judgment in any lawsuits against Class Members who were sued by Defendants to collect on a promissory note that is

part of the Beneficial Bail Bonds Portfolio, and which will have the effect of vacating any such judgment.

Release. If you do not exclude yourself from the Settlement, you will give up certain rights to bring a lawsuit against Defendants. In other words, each Settlement Class Member who does not request to be excluded from this settlement shall, as of the Settlement Effective Date, be deemed to release and discharge forever Defendants, from all claims, irrespective of legal theory, known or unknown, arising out of the allegations asserted in the Complaint.

Litigation Expense. Subject to Court approval, Defendants will pay \$25,000 to Class Counsel for attorney's fees and costs and \$2,000.00 to the Class Representatives for their services in prosecuting the Action. Such payments are separate and apart from the Settlement Benefits to the Class.

GETTING MONEY FROM THE PROPOSED SETTLEMENT

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

You do not have to do anything to receive the benefits described in Paragraph 6 above. If the Court grants final approval of the settlement, a Settlement Check will be sent to all participating Refund Class Members by U.S. regular mail.

EXCLUDING YOURSELF FROM THE PROPOSED SETTLEMENT

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

If you want to keep your right to sue Defendants with respect to the notices you received relating to the collection of the Beneficial Bail Bonds Portfolio or with respect to any other legal claim, you must take steps to remove yourself from the Proposed Settlement. This is called asking to be excluded from – or “opting out” of – the Settlement Class and the Proposed Settlement.

If you choose to exclude yourself from the Settlement Class, you will not be bound by any order, judgment, or settlement of the lawsuit. If you exclude yourself from the Settlement Class, you will not receive any benefits from this class action. You will retain and be free to pursue any claim against Defendants.

TO BE CONSIDERED TIMELY, AND THEREBY EFFECTIVELY EXCLUDE A PERSON FROM THE SETTLEMENT CLASS, THE ENVELOPE DELIVERING A COMPLETED OPT-OUT REQUEST MUST BE RECEIVED NO LATER THAN TWENTY (20) DAYS BEFORE THE APPROVAL HEARING (THE “OPT-OUT DEADLINE”), EXCEPT THAT ACTIVE DUTY MILITARY PERSONNEL WHO ARE CURRENTLY DEPLOYED MAY OPT-OUT IF A COMPLETED REQUEST IS RECEIVED BY CLASS COUNSEL AND COUNSEL FOR DEFENDANTS AT LEAST THREE (3) DAYS BEFORE THE APPROVAL HEARING.

An Opt-out Form is provided below.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

Yes. The Court has appointed Robert W. Murphy and Barkley B. Smith (respectively, “Class Counsel”) to represent you and the other Settlement Class Members in this case. You will not be charged for the representation of the attorneys. Class Counsel’s compensation will be paid by Defendants. If you want to be represented by another lawyer, you may hire one at your own expense.

10. What is the opinion of Class Counsel as the Value of the Settlement?

The maximum recovery for the class under the FDCPA for a class action is one percent (1%) of the defendant's net worth and \$1,000 for each of the Class Representatives. Under the FDCPA, in an individual action, the person bringing suit may recover: (1) any actual damages suffered, and (2) statutory damages determined by the court, but not more than \$1,000. There is no minimum and no assurance that an individual plaintiff will recover anything at all. The person bringing suit can also recover attorney's fees and expenses of the suit, if successful. Class Counsel believes that this settlement is fair and reasonable and has concluded that there are obstacles and significant risks to obtaining the relief which the settlement provides. The Court has not made any decision about whether the claims raised in the Complaint, or the defenses raised by Defendants, have any merit. There is no guarantee that Plaintiffs or any other Class Members would be successful in a claim against Defendants or that a court would award damages. As such, Class Counsel believes this settlement is in the best interests of the Class.

OBJECTING TO THE PROPOSED SETTLEMENT

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

You may object to any part of the Proposed Settlement.

ANY OBJECTION REGARDING OR RELATED TO THE SETTLEMENT SHALL CONTAIN A CAPTION OR TITLE THAT IDENTIFIES IT AS "OBJECTION TO CLASS SETTLEMENT IN *HERNANDEZ V. JP DEVELOPMENT INC., ET. AL.* (1:21-CV-00410-BLW)" AND SHALL ALSO CONTAIN THE FOLLOWING INFORMATION: (A) THE OBJECTING PARTY'S FULL NAME, ADDRESS, AND TELEPHONE NUMBER AND THE ORIGINAL SIGNATURE; (B) IF THE OBJECTING PARTY CHOOSES TO APPEAR AT THE HEARING, THEN A NOTICE OF INTENTION TO APPEAR, EITHER IN PERSON OR THROUGH AN ATTORNEY, ALONG WITH THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE ATTORNEY, IF ANY, WHO WILL APPEAR; (C) A CERTIFICATION THAT THE OBJECTING PARTY IS A MEMBER OF THE SETTLEMENT CLASS; (D) A STATEMENT OF EACH OBJECTION ASSERTED; (E) A DETAILED DESCRIPTION OF THE FACTS UNDERLYING EACH SUCH OBJECTION; (F) A DETAILED DESCRIPTION OF THE LEGAL AUTHORITIES, IF ANY, SUPPORTING EACH SUCH OBJECTION; (G) ANY EXHIBITS AND/OR AFFIDAVITS THE OBJECTING PARTY MAY WISH TO OFFER IN SUPPORT OF ANY OBJECTION OR IN OPPOSITION TO THE PROPOSED SETTLEMENT; (H) A LIST OF OTHER CASES IN WHICH THE MEMBER OF THE SETTLEMENT CLASS HAS APPEARED AS A SETTLEMENT OBJECTOR (AND, IF REPRESENTED BY ANY ATTORNEYS IN CONNECTION WITH SUCH OBJECTION, A LIST OF OTHER CASES IN WHICH THOSE ATTORNEYS HAVE APPEARED AS COUNSEL FOR OBJECTORS) IN THE PRECEDING TEN (10) YEARS; AND (I) IF THE OBJECTING PARTY IS BEING REPRESENTED BY AN ATTORNEY OR ATTORNEYS IN CONNECTION WITH THE OBJECTION, THE SIGNATURE OF EACH OF THE OBJECTING PARTY'S ATTORNEYS BELOW A STATEMENT THAT "NO OTHER ATTORNEY HAS A FINANCIAL INTEREST, EITHER DIRECTLY OR INDIRECTLY, IN THE REPRESENTATION OF THIS OBJECTING PARTY."

ANY OBJECTION MUST BE FILED WITH THE COURT, WITH A COPY DELIVERED TO CLASS COUNSEL AND COUNSEL FOR EACH OF THE DEFENDANTS AT THE ADDRESSES SET OUT IN THE NOTICE, NO LATER THAN TWENTY (20) DAYS BEFORE THE APPROVAL HEARING. SETTLEMENT CLASS MEMBERS MAY OBJECT EITHER ON THEIR OWN OR THROUGH AN ATTORNEY HIRED AT THEIR OWN EXPENSE.

Court	JP Development, Inc.'s Counsel
Clerk of Court U.S. District Court for the District of Idaho 550 W. Fort Street Boise, ID 83724	Mark E. Ellis, Esq. Ellis Law Group LLP 1425 River Park Drive, Suite 400 Sacramento, California 95815 E-Mail: mellis@ellislawgroup.com
Class Counsel	Counsel for Charles C. Crafts
Barkley B. Smith, Esq. Barkley Smith Law, PLLC 206 W. Jefferson Street Boise, Idaho 83702 E-Mail: barkley@barkleymithlaw.com	Jeffrey A. Thomson, Esq. Elam & Burke, P.A. 251 East Front Street, Suite 300 Boise, Idaho 83702 E-Mail: jat@elamburke.com

If you or your lawyer asks to appear at the Final Approval Hearing, in addition to providing the above information, you must include in your objection letter: (a) the points you wish to speak about at the hearing; (b) copies of documents you intend to rely upon at the hearing; (c) the amount of time you request for speaking at the hearing; and (d) whether you intend to have a lawyer speak on your behalf.

If you intend to have a lawyer present, your lawyer must file a written notice of appearance of counsel with the Clerk of the Court **no later than July 19, 2023**.

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 Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself from the Settlement 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 **August 8, 2023, at 4:00 p.m.**, before the Honorable B. Lynn Winmill, U.S. District Court Judge, via Zoom.

The Proposed Settlement may be approved by the Court with modifications, and without further notice, if consented to by the Class Representatives and 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 Settlement Class and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the claims in this case, ever again. You will receive all the settlement benefits described in Paragraph 6 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 the following Class Counsel:

BARKLEY SMITH LAW, PLLC
Barkley B. Smith, Esq.
206 W. Jefferson Street
Boise, Idaho 83702
Telephone: (208) 481-4812
E-Mail: barkley@barkleymithlaw.com

The pleadings and other records in this litigation are available and may be examined and copied during regular office hours at the Clerk of Court, U.S. District Court for the District of Idaho, 550 W. Fort Street, Boise, ID 83724. **PLEASE DO NOT TELEPHONE THE CLERK'S OFFICE OR THE JUDGE'S CHAMBERS CONCERNING THIS NOTICE.**

