

## CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (“Agreement”), made subject to approval by the Court, is by and between Terrell Bailey (“Class Representative”) individually and as the representative of the Class, as defined herein, and Alliance Credit Union (“ACU”). Class Representative, ACU and the Settlement Class are also individually referred to as “Party” and collectively referred to as the “Parties.”

WHEREAS, Terrell Bailey is the named plaintiff in the civil action pending before the Twenty-Second Judicial Circuit Court, St. Louis City, Missouri, styled *Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369 (the “Litigation”); and

WHEREAS, Bailey is asserting claims against ACU for alleged violations of the Uniform Commercial Code, and seeks statutory damages and other relief on her own behalf and for a class of persons similarly situated because they obtained a secured, collateralized loan or financing from ACU and said collateral was either voluntarily surrendered or repossessed; and

WHEREAS, the Parties have stipulated to a Settlement Class, comprising and defined as all persons who ACU mailed a pre-sale notice or post-sale notice on or after August 25, 2017; excluded from the Class are (1) persons whom ACU has obtained a final deficiency judgment against; and (2) persons who filed for bankruptcy after the date on their pre-sale notice and who had such consumer debt discharged in bankruptcy; and

WHEREAS, Bailey’s counsel (hereinafter, “Plaintiff’s Counsel” or “Class Counsel”) and ACU’s counsel have investigated the facts relating to the claims alleged in the Litigation and the events and transactions underlying the Litigation, through formal and informal discovery, and have made a thorough study of the legal principles applicable to the claims being asserted against ACU; and

WHEREAS, the Parties have agreed, subject to Court approval, to resolve the Litigation as between Bailey and the Class and ACU under the terms set forth; and

WHEREAS, Bailey, ACU and their respective counsel have engaged in arm's length negotiations concerning the settlement of the claims and causes of action being asserted against ACU in the Litigation; and

WHEREAS, Bailey and Plaintiff’s Counsel have concluded that a settlement with ACU as stated will be fair, just, equitable, reasonable, adequate and in the best interests of Bailey and the members of the Settlement Class based upon their investigation, study, negotiations and discovery

taken, and considering the contested issues, the expense and time to prosecute the Litigation against ACU through trial, the delays and the risks and costs of further prosecution against ACU, the uncertainties of complex litigation, and the benefits to be received under their settlement agreement; and

WHEREAS, ACU desires to settle the claims being asserted against it on the terms and conditions set forth herein to avoid the burden, expense, and uncertainty of continuing litigation, and to put to rest all controversies that have been or could be raised against ACU in the Litigation; and

WHEREAS, the Parties acknowledge and agree the Agreement constitutes a compromise in settlement of the claims and causes of action that have been or could be raised by Bailey and the Settlement Class (or members thereof) against ACU and/or the other “Released Persons,” as defined herein, as to, or in connection with, any collateralized loan or financing from ACU, but shall in no way release or affect the existing or future claims, causes of action, remedies, and/or rights to relief that Bailey or members of the Settlement Class may have against any person, association or entity other than the “Released Persons” regarding their loan or financing from ACU.

NOW THEREFORE, the undersigned Parties, each intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth, agree, subject to approval of the Agreement by the Court, that the Litigation and the “Released Claims,” as defined herein, against the “Released Persons,” as defined herein, are finally and fully compromised and settled and that the claims of the Settlement Class, as defined herein, against the “Released Persons” shall be dismissed with prejudice as against the “Released Persons”:

## **1. Definitions**

As used in the Agreement, the following terms shall be defined as follows:

- a. **ACU.** “ACU” means Alliance Credit Union, a Missouri State Chartered Credit Union.
- b. **Cash Fund.** “Cash Fund” means the amount to be delivered by ACU under Paragraph 3 below.
- c. **Class Counsel.** “Class Counsel” means Class Representative’s counsel, Benjamin S. McIntosh of SWMW Law, LLC, 701 Market Street, St. Louis, Missouri 63101.

d. **Class Mail Notice.** “Class Mail Notice” (or “Short-Form Notice”) means a notice in a form substantially the same as that attached as **Exhibit A**.

e. **Class.** “Class” has the meaning defined in Paragraph 2.

f. **Class Member.** “Class Member” means any member of the Class who does not timely opt out of the Settlement under Paragraph 8. If a Class Member has died, then the person’s estate, heirs, representatives, successors, or assigns is deemed a Class Member.

g. **Class Member Payment.** “Class Member Payment” means the portion of the Net Distributable Settlement Fund to be paid to the respective Class Members under the Settlement. The Net Distributable Settlement Fund will be divided on a pro rata basis in the amount as provided below to each Class Member by the issuance of a check by the Settlement Administrator. The amount of the Settlement Check issued to Class Members will be determined by multiplying the Net Distributable Settlement Fund by the Class Member’s prorated percentage. The Class Member’s prorated percentage is equal to a numerator consisting of 10% of the “Amount Financed” on the Class Member’s loan plus the “Finance Charge” on the Class Member’s loan and a denominator consisting of 10% of the aggregate “Amount Financed” for the Class plus the aggregate “Finance Charge” for the Class.

h. **Court.** “Court” means the Twenty-Second Judicial Circuit Court, St. Louis City, Missouri,

i. **Deficiency Write-Off.** “Deficiency Write-Off” means all deficiency account balances in ACU’s records as of the Effective Date that ACU will write off for the benefit of the Class as provided under Paragraph 3.

j. **Effective Date.** The “Effective Date” of the Agreement means the date when all the conditions in Paragraph 11 have occurred.

k. **Final Approval Order.** “Final Approval Order” means an Order consistent with Paragraph 9 finally approving the Agreement and the “Settlement” under Missouri Supreme Court Rule 52.08.

l. **Final Fairness Hearing.** “Final Fairness Hearing” means the hearing on final approval of the class action settlement embodied in this Agreement.

m. **Final Hearing Date.** “Final Hearing Date” means the date set by the Court for the hearing on final approval of the “Settlement.”

**n. Final Judgment.** “Final Judgment” means a Judgment of the Court consistent with Paragraph 9.

**o. Gross Deficiency Write-Off Amount.** “Gross Deficiency Write-Off Amount” is the aggregate of deficiency balances reflected as outstanding in ACU’s records on the accounts of the Class Members as of the Effective Date. The deficiency balance amount for each Class Member is what ACU believes to be the unpaid balance of each member's account regardless of whether ACU has “written off” the unpaid amount on any portion thereof.

**p. Long-Form Notice.** “Long-Form Notice” means a notice in a form substantially the same as that attached hereto as Exhibit B.

**q. Net Distributable Settlement Fund.** “Net Distributable Settlement Fund” means the “Cash Fund” plus any interest earned on the Cash Fund, while in escrow, minus the sum of (a) any incentive award approved by the Court and paid to the Class Representative; (b) any litigation expenses and/or costs approved by the Court and awarded to Class Counsel for this litigation or for ancillary matters; (c) any award of attorneys' fees to Class Counsel; and (d) any and all costs of notice and settlement administration.

**r. Person(s).** Person(s) has the broadest meaning possible and includes all legal entities such as corporations, companies and the like.

**s. Preliminary Approval Order.** “Preliminary Approval Order” means an Order consistent with Paragraph 7, preliminarily approving the Settlement and directing the issuance of class notice and scheduling a settlement hearing under Missouri Supreme Court Rule 52.08.

**t. Released Persons.** “Released Persons” means ACU, with any of its parents or subsidiaries, and ACU’s respective members, predecessors, successors and assigns, and each of their past and present officers, directors, shareholders, members, employees, its counsel, attorneys (including any consultants hired by counsel), accountants, insurers, heirs, executors, and administrators, and each of their respective predecessors, successors, and assigns. “Released Persons” may not be construed in any manner that precludes recovery by the Class Representative and the Class as contemplated by Paragraphs 3 and 4.

**u. Released Claims.** “Released Claims” means all past and present known and unknown claims, demands, damages, causes of action or suits seeking damages or other legal or equitable relief arising out of or in any way related to:

- i. the repossession and disposition of personal property collateral in connection with any of ACU's loans encompassed by the Class; or
- ii. any claim relating to the inadequacy or insufficiency of any notice or disclosure regarding ACU's loans encompassed by the Class;

whether arising from federal, state or local law or regulation which any of the Class Members have or may have had, or now have, from the beginning of time up through and including the Effective Date, against ACU. "Released Claims" may not be construed in any manner that precludes recovery by the Class Representative and Class as contemplated by Paragraphs 3 and 4.

v. **Releasors.** "Releasors" means the Class Representative and all Class Members, and each of their respective heirs, executors, administrators, assigns, predecessors and successors, and any other person claiming jointly with or by or through any or all of them. Releasors does not include: (a) any members of the Class who opt out of the Settlement under Paragraph 8; or (b) any person(s) not defined herein as a member of the Class.

w. **Settlement.** "Settlement" means the compromise in settlement memorialized in this Agreement.

x. **Settlement Administrator.** "Settlement Administrator" means American Legal Claim Services LLC, or any other independent class action settlement administrator company retained by Class Counsel and approved by the Court to administer the Settlement.

y. **Total Class Benefit.** "Total Class Benefit" means the quantifiable benefits conferred upon the Class, including the Cash Fund of \$500,000.00, the Gross Deficiency Write-Off Amount, which ACU currently estimates is approximately \$ 3,690,399.26, and the benefits conferred by Paragraph 3.1. regarding credit tradeline deletion.

## **2. Certification of the ACU Settlement Class**

a. **The Class.** The "Class" means all persons who ACU mailed a pre-sale notice or post-sale notice on or after August 25, 2017; excluded from the Class are (1) persons whom ACU has obtained a final deficiency judgment against; and (2) persons who filed for bankruptcy after the date on their pre-sale notice and who had such consumer debt discharged in bankruptcy.

b. **Class List.** ACU produced a class list as part of discovery in the Litigation. ACU will update that list within twenty-one (21) business days after the Court issues its Preliminary Approval Order with any other reasonable information that Class Counsel and ACU's Counsel mutually agree is necessary for administration of the Settlement. To protect the privacy and the

names, addresses, and other personal information of the members of the Class, the list of Class Members shall not be filed with the Court. If the Court requires the list containing all the information provided to Class Counsel be filed, the Parties agree the list must be filed under seal with the Court to protect the privacy and the names and addresses of the members of the Class.

**c. Failure of Condition.** If the Agreement is not approved by the Court under the proposed Final Approval Order and Final Judgment, the Agreement, the Settlement (including any modifications made with the consent of the Parties), and any action(s) taken or to be taken in connection therewith, terminate and become null and void and have no further force or effect, the Preliminary Approval Order must be vacated, and the Parties will be restored to their respective positions existing prior to the execution of the Agreement. In addition, neither the Agreement, the stipulated Class, the Preliminary Approval Order, nor any other document relating to any of the foregoing, may be relied on, referred to or used for any purpose with any further proceedings in the Litigation or any related action. In such case, or if the Agreement terminates or the settlement embodied does not become effective for any reason, the Agreement and all negotiations, court orders and proceedings relating thereto will be without prejudice to the rights of the Parties, who must be restored to their respective positions existing prior to the execution of the Agreement, and evidence relating to the Agreement, and all negotiations, may not be discoverable or admissible.

**d. Denial of Liability; No Admissions.** The Parties are entering into this Agreement to resolve vigorously disputed claims that have arisen between them and to avoid the burden, expense and risk of further litigation. By entering into settlement negotiations and ultimately this Agreement, ACU and the other Released Persons are not making any agreement, admission or concession regarding any claims or defenses alleged or asserted in the Litigation, or any factual or legal assertions made informally in the course of the Litigation. Neither the Agreement nor any of its terms or provisions nor any of the negotiations between the Parties or their counsel may be construed as an admission or concession of ACU or any of the Parties of anything, including but not limited to the claims and defenses asserted in the Litigation, or any factual or legal assertions made informally in the course of the Litigation. The Parties agree that if the Settlement is not approved or anything prevents it from becoming final, nothing contained in the Agreement or the negotiations will be admissible in any way and no Party will seek to admit any such matter in any ensuing litigation.

**3. Settlement Consideration and Distribution of the Settlement Fund to the Settlement Class Members**

**a. Funding.** Within twelve (12) business days after the Effective Date and the receipt of an IRS Form W-9 from Class Counsel, ACU or its representative(s) shall deliver \$500,000.00 (Five Hundred Thousand and 00/100 Dollars) into a qualified settlement fund established by the Settlement Administrator, subject to Paragraph 14, by wire, check or some other mutually agreeable form of payment. The account will be labeled “Bailey Class Action Qualified Settlement Fund” (or something similar if agreed to by the Parties).

**b. Inviolable Cap.** The Cash Fund includes all costs, fees, or other payments, including but not limited to the costs of notice and administration, attorneys’ fees, litigation, expenses and costs and class representative compensation (the “Cash Fund”).

**c. Conditions for Return.** The Cash Fund must be returned to the person(s) paying it if the Settlement is rescinded, terminated, vacated, voided or the Effective Date does not arrive for any other reason.

**d. Fund Administration.** The Settlement Administrator, subject to such supervision and direction of the Court as may be necessary, shall be responsible for and shall administer and oversee the distribution of the Total Class Benefit, Cash Fund and Net Distributable Settlement Fund under the terms of the Agreement.

**e. Reallocation for Opt-Outs.** Subject to the provisions in Paragraph 8, if any members of the Class timely opt out and exclude themselves from the Settlement, the portion of the Net Distributable Settlement Fund attributable to said “opt outs” remain a part of the Net Distributable Settlement Fund and will be reallocated to the Class Members pro rata. The Parties shall submit any required revisions to the Court prior to the Final Hearing Date.

**f. Class Member Payments.** The Settlement Administrator and/or Class Counsel shall calculate the Total Class Benefit, Cash Fund and Net Distributable Settlement Fund and the Settlement Administrator shall distribute the Net Distributable Settlement Fund to the Class Members in the pro rata amounts set forth in Paragraph 1.g. or as the Court may otherwise determine and approve. Such distributions to the Class Members are referred to and defined as the “Class Member Payments.” The Settlement Administrator shall distribute the Class Member Payments within thirty (30) days after the Effective Date by checks mailed to the Class Members. The Settlement Administrator will re-mail any returned check to any new address disclosed. If any

check is returned a second time, or if any unreturned check is deemed void, the Settlement Administrator shall undertake reasonable efforts to locate a current address for the Class Member and resend the check.

**g. Check Expiration.** Following the expiration of 90 days after the Effective Date, all checks first issued to the Class Members as a Class Member Payment not cashed or negotiated will be deemed void, and the Settlement Administrator shall stop payment on such checks. Following the expiration of 180 days after the Effective Date, all checks reissued to the Class Members as a Class Member Payment not cashed or negotiated will be deemed void, and the Settlement Administrator shall stop payment on such checks. All portions of the Net Distributable Settlement Fund remaining 180 days after the Effective Date, less any costs or expenses associated with stopping payment on such checks, shall be distributed to the class members in checks of equal amounts for each class member.

**h. Allocation of Class Member Payments.** For purposes of issuing Settlement Checks, payment to joint or co-obligors or co-borrowers shall be divided equally between co-borrowers and a separate check shall be sent to each co-borrower. Any Settlement Checks for Class Members who are joint or co-obligors or co-borrowers shall be issued and shall be mailed to the last known address. Any Class Member who receives a payment under the Settlement shall be solely responsible for distributing or allocating such payment between or among all co-borrowers on his, her, or their loan, regardless of whether a payment check has been made payable to all or only some of the Class Members' co-borrowers. All Class Members represent and warrant he or she is entitled to receipt of the Class Member Payment and has not assigned by operation of law or otherwise the right to receipt of the Class Member Payment. The Class Members shall, upon receipt of any Class Member Payment, remit the Class Member Payment to any persons having received by assignment or operation of law any right, title or interest to or in the Class Member Payment.

**i. No Responsibility.** The Released Persons shall have no responsibility for, interest in, or liability regarding the investment, allocation or distribution of the Net Distributable Settlement Fund, the determination, administration, calculation, or payment of claims, tax liability, the payment or withholding of taxes, or any losses in connection with the Settlement Funds or the implementation of this Settlement.

**j. Bankruptcy.** If a Class Member has filed for bankruptcy, the Class Member shall be solely responsible for providing any required notice to the bankruptcy trustee or Bankruptcy Court of the Settlement and Class Member Payment.

**k. Write-Off of Class Members' Account Balances or ACU's Deficiency Claims.** The original amount and enforceability of the alleged deficiency balances outstanding on each Class Member's account is disputed in good faith. As a result of this good-faith dispute, ACU shall write off all deficiency balances on the loans associated with the allegedly defective pre-sale and post-sale notices for the Class Members. The write-off of deficiencies shall operate to reduce the alleged obligations of the Class Members to zero. The Class shall be specifically informed by way of the Class Mail Notice of the potential tax consequences of the proposed settlement.

Promptly upon the Effective Date of the Agreement, ACU will, regarding all Class Members, close all accounts that are the subject of the Litigation and write off any remaining deficiency balances then owed or claimed remaining as of the Effective Date on the Class Members' collateralized loans, and will cease all collections and attempts to collect monies regarding said closed accounts and written off balances. Upon Preliminary Approval being granted, ACU shall not accept payments on Class Members' deficiency balances and will return any payment received by returning the payment instrument to the sender. If final approval is not granted, all collections on the closed accounts and written off balances after the date of Preliminary Approval shall be retained by ACU. ACU estimates the Deficiency Write-Off and all account balances and deficiency claims written off under the terms of this Agreement exceeds \$\_\_\_\_\_ and shall be included as part of the Total Class Benefit.

**l. Credit Reporting by ACU.** After the Effective Date, ACU will cease reporting to the national credit reporting agencies (Experian, Equifax, TransUnion, and Innovis) (the "Credit Bureaus") there is any amount due or owing from the Class Members on the loans that are the subject of this Settlement. Within 60 days after the Effective Date, ACU will submit to the Credit Bureaus, through an electronic file, a request to delete the tradeline for each loan that is the subject of this Settlement.

The Parties acknowledge the Credit Bureaus are separate and distinct entities from ACU. The Parties acknowledge that ACU can request, but cannot guarantee, warrant, or take responsibility for the Credit Bureaus regarding changing, deleting, suppressing, or making entries regarding any credit information or other information regarding the Class Members' accounts

concerning their loans or financing from ACU for any loan by ACU. Provided ACU has undertaken its obligations in this Paragraph 3.1., Class Representative and the Class Members waive all claims, whether arising in contract or tort, common law or statute, and/or federal or state law (including, but not limited to, claims for any damages, attorneys' fees and/or costs) against Released Persons that may arise subsequent to the Agreement or which arise out of or relate to actions required to be taken by ACU under this provision. If an item fails to get deleted or the reporting reoccurs on any account involved in this Litigation after ACU's initial request, the only remedy of the Class Members as to Released Parties for the failure of any consumer or credit reporting agencies to amend the consumer or credit report is to request in writing that ACU again request that its tradeline be deleted as to the relevant finance agreement. It shall be solely the obligation of the individual Class Members to review their respective credit reports with the consumer or credit reporting agencies to ensure that the consumer or credit reporting agencies have complied with ACU's request to delete the tradeline.

**m. Cessation of Collection.** Upon Preliminary Approval being granted, ACU shall take no further action to collect or attempt to collect alleged deficiency balances from the Class Members, including but not limited to the filing of a deficiency lawsuit.

**n. Taxes.** Class Representative and her attorneys acknowledge and agree the Class Members are solely responsible for the payment of any and all federal, state, city or local taxes which might be due and owing as a result of any term contained in this agreement. The Parties acknowledge that no tax advice has been offered or given by either party, their attorneys, agents, or any other representatives, in the course of these negotiations, and each party is relying upon the advice of its own tax consultant with regard to any tax consequences that may arise as a result of the execution of this agreement. However, ACU will not issue an IRS Form 1099 to Class Members. The Parties believe this Settlement does not create a taxable event under IRS regulations governing the discharge of indebtedness under the "contested liability" or "disputed debt" doctrine.

**o. Settlement Administrator.** Any costs, fees and expenses, including but not limited to class administration, shall be paid from the Cash Fund.

#### **4. Incentive Award and Attorney's Fees and Costs**

**a. Incentive Award.** Class Counsel and/or Class Representative may petition the Court for the payment of an incentive award in a total amount not to exceed \$15,000 for Class Representative in recognition of services rendered for the benefit of the Class throughout the

Litigation. Any such incentive award shall be in addition to the amount to be paid on Class Representative's individual claims. Any incentive award approved by the Court shall be paid from the Cash Fund and not in addition to it. Any incentive award approved by the Court shall be deducted from the Cash Fund and distributed to the Class Representative with her Class Member Payment. ACU will not object to the Class Representative applying to the Court for and/or receiving an incentive award in the above-stated amount. The Class Representative shall provide a form W-9 to the Settlement Administrator prior to having the Settlement Administrator issue the award.

**b. Cost Award.** Class Counsel and/or Class Representative may petition the Court for an award of litigation costs and expenses. Any such litigation costs and expenses will be paid from the Cash Fund and distributed to Class Counsel within 7 days after the Cash Fund is received by the Settlement Administrator or later if requested by Class Counsel. ACU will not object to Class Counsel or Class Representative applying to the Court for and receiving an award of litigation costs and expenses from the Cash Fund not to exceed \$35,000.

**c. Fee Award.** Class Counsel and/or Class Representative may also petition the Court for an award of attorney's fees based on a percentage of the Total Class Benefit. Any such fee award approved by the Court will be paid from the Cash Fund and distributed to Class Counsel within 7 days after entry of an Order Granting Final Approval of Class Settlement and dismissing all claims with prejudice. ACU will not object to Class Counsel or Class Representative applying to the Court for, and receiving an award of, attorneys' fees not to exceed 35% of the Total Class Benefit.

**d. No Allocation Liability.** ACU and the Released Persons shall have no liability or other responsibility for the allocation of the attorney's fees and expenses among and between Class Counsel and any other counsel for Class Representative or Class Members, or with respect to the incentive award to the Class Representative. In the event that any dispute arises relating to the allocation of the attorney's fees and expenses or the incentive award, Class Counsel and Class Representative agree that they are barred from suing or asserting any claim against ACU and the Released Persons relating to or arising out of in any way the attorneys' fees and expenses or the Class Representative's incentive award.

**e. Satisfaction for Payment of Fees and Expenses.** The payment of the attorneys' fees and expenses as described in this Settlement Agreement shall constitute full satisfaction of

ACU and the Released Persons' alleged obligation to pay any persons, attorney, or law firm, for attorney's fees, costs and expenses incurred on behalf of the Class Representative and the Class Members, and shall relieve ACU and the Released Persons from any other claims or liability to pay any other attorney or law firm or person for any attorneys' fees, expenses and costs to which any person may claim to be entitled related to the Released Claims.

## **5. Releases**

**a. Final Release.** Upon ACU's compliance with its obligations under this Agreement, Releasers, by operation of the Agreement and the judgment in the Final Order and Judgment, shall be deemed without further action by any person or the Court, (i) to have fully, finally and forever released, settled, compromised, relinquished, and discharged all of the Released Persons of all Released Claims; (ii) and to be forever barred and enjoined from instituting or further prosecuting in any forum including, but not limited to, any state, federal, or foreign court, or regulatory agency, the Released Claims.

**b. Known and Unknown Claims.** The Releasers acknowledge and agree that they know they may discover material or immaterial facts besides or different from those which they now know or believe to be true regarding the subject matter of the Release, but they intend to and do, upon the Effective Date of the Agreement, fully, finally and forever settle and release each and every of the Released Persons from every Released Claim, known or unknown, suspected or unsuspected, accrued or not accrued, contingent or matured, which now exists, may exist, or may heretofore have existed, without regard to the subsequent discovery or existence of such different or additional facts.

**c. Binding.** Subject to Court approval, each Class Member shall be bound by the Agreement and all of their claims shall be dismissed with prejudice and released even if they never received actual, prior notice of the Litigation or the Settlement in the Class Mail Notice or otherwise. The Release and agreements in this paragraph shall apply to and bind all Class Members, including those Class Members whose Class Mail Notices are returned as undeliverable, and those for whom no current address can be found.

**d. Generality of the Release.** Nothing in this section is intended to limit the generality of the release and covenant not to sue set forth above. It is the purpose and intent of this Settlement Agreement that all claims, actions and causes of action by the Class Representative and Class Members as set forth in the Litigation, and/or any claims under the financing agreement(s) which

are the subject matter of the instant proceeding, shall forever be barred. If a Class Member seeks, in a separate action or proceeding, relief that would be inconsistent with the terms of this Settlement Agreement, ACU or any Released Party may by affidavit or otherwise in writing, advise the other Parties and the court or other forum in which such action or proceeding is brought, that such relief in that action or proceeding is unwarranted. If requested by ACU or any Released Party, the Class Representative or Class Counsel shall also advise the court or other forum in which such action or proceeding is brought, in writing, that such relief in that action or proceeding is unwarranted. Provided that, since this Settlement Agreement provides for review by the Court, any of the Parties hereto may recommend that matters raised in such separate action or proceeding should be submitted to the Court for resolution under the terms of this Settlement Agreement.

## **6. Representations and Stipulations**

**a. ACU's Representations.** ACU represents, warrants and declares under oath that:

- i. It has acted in good faith and has used its best efforts in identifying the members of the Class;
- ii. It has not transferred or sold any accounts of the Class Members since the Parties reached a settlement in principle on November 23, 2024;
- iii. To the best of its actual knowledge, there are no members of the Class other than those identified; and
- iv. The total amount of the Class Members' claimed deficiencies in ACU's records on the date of this Agreement is approximately \$ \_\_\_\_\_.

**b. Class Counsel's Representations.** Except for their clients in the Litigation, Class Counsel represents and warrants to ACU that Class Counsel has not been retained by any client to commence a new lawsuit or pursue any claims or right of relief against ACU regarding any of the Released Claims. In addition, Class Counsel agrees they will not solicit the right to legally represent any member or members of the Class who opt(s) out of the Class and Settlement regarding the Released Claims unless the Agreement terminates or does not become effective. Class Counsel also warrant they do not presently have any intention of seeking to represent any clients who have, or claim to have, any claims against any of the Released Persons.

## **7. Preliminary Approval Order**

The Parties shall promptly move the Court for a Preliminary Approval Order that

- a.** Preliminarily approves the proposed Class under Missouri Supreme Court Rule

52.08 for settlement purposes only;

b. Preliminarily approves the Agreement as fair, reasonable and adequate under Missouri Supreme Court Rule 52.08 subject to a final determination by the Court;

c. Approves the appointment of Class Representative as representative of the Class;

d. Approves the appointment of Class Counsel as counsel for the Class;

e. Approves the appointment of ALCS as Settlement Administrator;

f. Stays all proceedings in the Litigation, enjoins the prosecution by Class Members who do not timely and validly exclude themselves from this Settlement of any non-filed or pending individual or class claims asserting any claim(s) encompassed by the claims released above;

g. Approves a form of mailed notice substantially like the Class Mail Notices attached hereto as **Exhibit A** to be sent to the members of the Class by first-class mail or email at the best updated address available to ACU or any better subsequent address determined by the Settlement Administrator;

h. Approves a Long-Form Notice (substantially like the form attached hereto as **Exhibit B**) that contains more extensive information than the Class Mail Notice and that will be provided to members of the Class by request and on a website;

i. Directs the Administrator to mail the Class Mail Notice promptly after entry by the Court of the Preliminary Approval Order to the Class by first-class mail or email to the last known address of such persons and to provide the Long-Form Notice to members of the Class on a website or otherwise if Class Members request it;

j. Schedules a hearing for final approval of the Agreement;

k. Establishes a procedure for members of the Class to opt out and setting a date, approximately 30 days after the mailing of class notice or earlier as the Court directs, after which no member of the Class shall be allowed to opt out of the Class;

l. Establishes a procedure for the members of the Class to appear and/or object to the Settlement and setting a date, approximately 30 days after the mailing of the Class Mail Notices or earlier as the Court directs, after which no member of the Class shall be allowed to object; and

m. Contains such other provisions consistent with the terms and provisions of the Agreement as the Court may deem advisable.

## **8. Opt Outs and Objections by Members of the Settlement Class**

a. **Procedure for Opt-Out Requests.** The deadline for opt-out requests shall be set forth in the Preliminary Approval Order. Any request to opt out must be in writing and must include

the name, address, telephone number, last four digits of the Social Security Number of the Class Member seeking to opt out, and a statement that the Class Member and all other borrowers named on the Class Member's Retail Installment Contract and Security Agreement or governing loan agreement are seeking exclusion. Any opt-out request must be signed by each person who was a party to the Retail Installment Contract and Security Agreement or governing loan agreement that is the subject of this Litigation, unless such person is deceased. If a party to the Retail Installment Contract and Security Agreement or governing loan agreement is deceased, a copy of the death certificate for such person shall be submitted with the opt-out request. Any opt-out request must include a reference to "*Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369" and be mailed to the Settlement Administrator. Class Counsel will cause the Settlement Administrator to send all opt-out requests to Class Counsel and ACU's Counsel via email within five days after receiving said requests. To be timely and effective, any opt-out request must be postmarked by the date established by the Court in the Preliminary Approval Order. No member of the Class may opt out by having a request to opt out submitted and signed by an actual or purported agent or attorney acting on behalf of the Class Member. No opt-out request may be made on behalf of a group of Class Members. Each member of the Class not submitting an opt-out request that substantially complies with Paragraph 8 shall be included in the Class and deemed a Class Member. The Settlement Administrator shall provide to the Court, by the date of the Final Approval Hearing, a list of all persons, by reference to a unique identifier or the last four digits of their Social Security Number, who have timely and adequately filed a request to be excluded from the Settlement.

**b. Opt-Out Limit.** If ten percent (10%) or more of the class opts out of the Settlement, then the Parties and ACU's insurers will have 21 days to determine whether to withdraw from the settlement. If the option to rescind is exercised, then the Settlement Agreement is void, and the Parties shall return to the status quo as if the Parties had not entered into the Settlement Agreement, and nothing contained in the Agreement or the settlement negotiations shall be discoverable or admissible in Court. If the option to rescind is exercised then ACU and its insurers shall have the right to contest the certification of a class, and this settlement agreement may not be used as evidence or otherwise be used in any court filing or proceeding. Notwithstanding anything to the contrary in this Agreement, if ACU or its insurers elect to rescind this Agreement under this Paragraph 8.b., ACU or its insurers will reimburse Class Counsel for the documented expenses

and costs actually incurred in connection with seeking approval of this Agreement before ACU or its insurers exercised its unilateral rescission right.

**c. Procedure for Objections to Settlement.** Any member of the Class who wishes to object to the Settlement or to the incentive awards or the awards of expenses, costs and/or attorneys' fees must file a written notice of objection, including supporting papers as described further below (collectively referred to as the "Notice of Objection"), with the Court on or prior to the date established by the Court in the Preliminary Approval Order. To determine timeliness, a Notice of Objection shall be deemed to have been submitted when received and filed with the Clerk of Court. Copies of the Notice of Objection must also be postmarked by the date established by the Court in the Preliminary Approval Order, which shall be no later than ten (10) days before the Final Hearing Date:

Benjamin S. McIntosh, Esq.  
SWMW Law, LLC  
701 Market Street, Ste. 1000  
St. Louis, Missouri 63101  
(on behalf of the Class)

And

Katie Battisti, Esq.  
Gordon Rees Scully Mansukhani, LLP  
211 North Broadway, Suite 2150  
St. Louis, MO 63102  
(on behalf of ACU)

The Notice of Objection must be in writing and shall specifically include:

- i. The name, address, telephone number, facsimile number (if available), email address (if available) and last four digits of the Social Security Number of the Class Member filing the objection;
- ii. A statement of each objection asserted;
- iii. A detailed description of the facts underlying each objection;
- iv. Any loan documents in the possession or control of the objector and relied upon by the objector as a basis for the objection;

- v. If the objector is represented by counsel, the name, address, telephone number, facsimile number (if available) and email address (if available) of the counsel, and a detailed description of the legal authorities supporting each objection;
- vi. If the objector plans to utilize expert opinion and/or testimony as part of the objection(s), a written expert report from all proposed experts that outlines each of the expert's opinions and the factual and substantive bases thereof;
- vii. If the objector plans to call a witness or present other evidence at the hearing, the objector must state the identity of the witness and identify any documentary evidence by attaching the documents to the objection, and the objector must provide any other evidence that the objector intends to present;
- viii. A statement of whether the objector intends to appear at the hearing;
- ix. A copy of any exhibits which the objector may offer during the hearing;
- x. A reference to "*Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369"; and
- xi. A certification under 28 U.S.C. § 1746 or similar state law in substantially the following form: "I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)".

Attendance at the final hearing by an objector is optional. Any Class Member who does not make his or her objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy, or reasonableness of the proposed settlement or any other provision of the Agreement. The agreed-upon procedures and requirements for filing objections should ensure the efficient administration of justice and the orderly presentation of any Class Members' objections to the Agreement, in accordance with such Class Members' due process rights. The Preliminary Approval Order and Long-Form Notice shall require all Class Members who have any objections to serve by mail or hand delivery such objection upon Class Counsel and ACU's Counsel at the addresses in the Long-Form Notice no later than the objection date set by the Court. If the objecting Class Member opts to serve the objection upon Class Counsel and ACU's Counsel by mail, the objection must be postmarked no later than the objection date set by the Court. The Preliminary Approval Order shall further provide that objectors who fail to properly or timely file their objections with the Clerk of

the Court with the required information and documentation, or fail to serve them, shall not be heard during any hearings, nor shall their objections be considered by the Court.

Under no circumstances shall ACU, its insurers participating in this settlement, Class Counsel, the Class Representative, or the Released Persons be responsible for paying any monies or other consideration to objectors and/or counsel for objectors under the terms of this Settlement Agreement or otherwise.

## **9. Final Approval Order and Final Judgment**

**a. Final Approval Order.** Class Representative, Class Counsel, and ACU agree they will request the Court to enter, after the hearing on final approval of the Agreement, a Final Approval Order finding that the Agreement is fair, reasonable, and adequate and in the best interest of the Class and ordering the Parties to carry out the Agreement.

**b. Final Judgment.** Class Representative and Class Counsel agree they will request the Court to enter a Final Judgment dismissing all claims and motions of ACU and the Class on the merits and with prejudice, declare the Class Members are bound by the Releases in Paragraph 5, and note the Court's decision to reserve continuing jurisdiction over the enforcement of the Agreement and the administrator and distribution of the Settlement Funds.

**c. Final Accounting.** The Settlement Administrator, with the assistance of Class Counsel, shall file a final accounting with the Court within 300 days after the Effective Date. This final accounting shall contain a summary of all the distributions of the Cash Fund. Upon receipt of the final accounting, the Court, if satisfied with such report, may file a Notice of Acceptance of Final Accounting indicating the Court's approval. If the Court requires clarification or additional information, the Parties shall furnish such information within 10 business days after such a request or within the timeframe ordered by the Court.

## **10. Certifications to the Court**

**a. Affidavit about Initial Notice Mailing.** By the Final Hearing Date, the Settlement Administrator shall file with the Court an affidavit verifying the Court-approved Class Mail Notices have been sent by first-class mail and the Long-Form Notice has been provided to members of the Class on a website or otherwise upon the request of Class Members.

**b. Declaration about Undeliverable Notices.** By the Final Hearing Date, the Settlement Administrator shall file with the Court a declaration verifying it has complied with the procedures described in Paragraph 13 regarding all Class Mail Notices returned as undeliverable.

## **11. Effectiveness of Settlement Agreement**

The “Effective Date” of the Agreement shall be the date when each of the following conditions have occurred:

- a. The Agreement has been executed by Class Representative, her counsel, ACU and ACU’s counsel.
- b. A Preliminary Approval Order has been entered by the Court, granting Preliminary Approval of the Agreement and approving the forms of the Class Mail Notice and Long-Form Notice.
- c. A Final Approval Order has been entered by the Court.
- d. A Final Judgment has been entered by the Court.
- e. The Final Approval Order and the Final Judgment entered have become final for purposes of appeal because of (i) the expiration of the time for appeals therefrom with no appeal having been taken or, (ii) if review of the order, or any portion thereof, is sought by any person, the matter has been fully and finally resolved by the appellate court(s) and the time for seeking any higher level of appellate review has expired.
- f. If any material portion of the Agreement, the Final Approval Order, or the Final Judgment is vacated, modified, or otherwise materially altered on appeal, any Party or ACU’s insurers may, within seven (7) business days after such appellate ruling, declare that the Agreement has failed to become effective and in such circumstances the Agreement shall cease to be of any force and effect as provided in Paragraph 12.
- g. Once all obligations of ACU have been completed as required by the Agreement, Class Counsel shall file a Satisfaction of Judgment in this case within 10 business days after ACU affirms in writing that all obligations of ACU have been completed as required by the Agreement.

## **12. Failure of Condition**

If the Agreement fails to become effective, the orders, judgment, and dismissal to be entered under the Agreement shall be null and void or otherwise vacated, and the Parties will be returned to the status quo as if the Agreement had never been entered. In addition, the Agreement and all negotiations, court orders and proceedings relating to the Agreement shall be without prejudice to the rights of all Parties, and evidence relating to the Agreement and all negotiations shall not be admissible or discoverable.

## **13. Class Notice Forms**

a. **Address Update.** Before mailing the Class Mail Notices, the Settlement Administrator will update the addresses by the United States Postal Service's National Change of Address database or another address database service (e.g., Accurint, Intelius). The Settlement Administrator will re-mail any returned notices to any new address disclosed. If any notice is returned a second time, the Settlement Administrator shall undertake reasonable efforts to locate a current address for the Class Members and resend the notice. The portion of the Net Distributable Settlement Fund attributable to where the Settlement Administrator is unable to obtain a current address shall remain a part of the Net Distributable Settlement Fund and will be reallocated to the Class Members with valid current addresses *pro rata*. The notices shall be mailed within the later of twenty (20) business days after the Preliminary Approval Order or ten (10) business days after ACU provides Class Counsel with the Class List as directed by the Court. Also, within twenty (20) business days after the Preliminary Approval Order, the Settlement Administrator will provide the Court-approved Long-Form Notice on a website the Class Members can access. If requested by any member of the Class, the Settlement Administrator shall also mail a copy of the Long-Form Notice to the requesting member by first-class mail.

b. **Release Regardless of Receipt of Notice.** Subject to Court approval, all Class Members shall be bound by the Agreement and the Released Claims shall be released even if a Class Member never received actual notice of the Litigation or the Settlement. Further, the Parties expressly acknowledge and agree that a Final Judgment shall be entered by the Court barring the re-litigation of the Released Claims, regardless of whether the claims were asserted, to the fullest extent of the law, and that any judgment shall be entitled to Full Faith and Credit in any other court, tribunal, forum, including arbitration forum, or agency.

#### **14. Qualified Settlement Fund**

a. **Treasury Regulations.** The Cash Fund shall constitute a "qualified settlement fund" ("QSF") within the meaning of Treasury Regulation Section 1.468B-1 promulgated under Section 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)(3).

b. **EIN.** Upon 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).

c. **Relation-Back Election.** If requested by ACU or the Settlement Administrator, the Settlement Administrator and ACU shall fully cooperate in filing a relation-back election under Treasury Regulation §1.468B-1(i)(2) to treat the QSF as coming into existence as a settlement fund as of the earliest possible date.

d. **Tax Returns and Statements.** Class Counsel shall cause the Settlement Administrator to file, on behalf of the QSF, all required federal, state, and local tax returns, information returns and tax withholdings statements under Treasury Regulation §1.468B-2(k)(1) and Treasury Regulation §1.468B-2(1)(2)(ii).

## **15. General Provisions**

a. **Best Efforts to Effectuate Settlement.** The Parties' counsel 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.

b. **Entire Agreement.** This Agreement constitutes the full, complete and entire understanding, agreement and arrangement of and between the Class Representative and the Class Members and ACU regarding the Settlement and the Released Claims against the Released Persons. The Agreement supersedes all prior oral or written understandings, agreements, and arrangements between the Parties regarding the Settlement and the Released Claims against the Released Persons. Except for those set forth expressly in the Agreement, there are no agreements, covenants, promises, representations or arrangements between the Parties regarding the Settlement and/or the Released Claims against the Released Persons.

c. **Modification in Writing.** This Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by all Parties, and approved by Court, if necessary. The Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

d. **Ongoing Cooperation.** The Parties hereto shall execute all documents and perform all acts necessary and proper to effectuate the Agreement. The execution of documents must take place prior to the Final Hearing Date.

e. **Duplicate Originals/Execution in Counterparts.** All Parties, Class Counsel and ACU's Counsel shall sign two copies of the Agreement, and each such copy shall be an original. The Agreement may be signed in one or more counterparts. All executed copies of the Settlement

Agreement and photocopies thereof (including facsimile copies of the signature pages) shall have the same force and effect and shall be as legally binding and enforceable as the original.

**f. No Reliance.** Each Party to the Agreement warrants he, she or it is acting upon his, her, or its independent judgment and upon the advice of his, her, or its own counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other party, other than the warranties and representations made in the Agreement

**g. Governing Law.** The Agreement shall be interpreted, construed, enforced, and administered under the laws of Missouri, without regard to conflict of laws rules. The Agreement shall be enforced in the Circuit Court of the City of St. Louis, Missouri. Class Representative and the Class Members waive any objection that each such party has to the venue of such suit, action, or proceeding and irrevocably consent to the jurisdiction of the Circuit Court of the City of St. Louis, Missouri in any such suit, action or proceeding, and agree to accept and acknowledge service of all process which may be served in any such suit, action or proceeding.

**h. Reservation of Jurisdiction.** The Parties agree that the Court should retain jurisdiction to enforce the terms of the Agreement.

**i. Binding on Successors.** Upon execution, the Agreement shall bind and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

**j. Mutual Preparation.** The Agreement shall not be construed more strictly against one party than another merely because it may have been prepared by counsel for one of the Parties, it being recognized that because of the arm's length negotiations between the Parties, all Parties have contributed to the preparation of the Agreement.

**k. Gender Neutrality.** All personal pronouns used in the Agreement, whether used in the masculine, feminine or neutral gender, shall include all other genders, and the singular shall include the plural and vice versa.

**l. Taxes.** All Class Members are responsible for any tax consequences federal, state and local income taxes that may be due on any payments made to them or any credits to their accounts provided by this Agreement.

**m. Authority.** Each of the Parties to the Agreement represents, covenants and warrants that (a) they have the full power and authority to enter into and consummate all transactions contemplated by the Agreement and have duly authorized the execution, delivery and performance

of the Agreement and (b) the person executing the Agreement has the full right, power and authority to enter into the Agreement on behalf of the party for whom he/she has executed the Agreement, and the full right, power and authority to execute all necessary instruments, and to fully bind such party to the terms and obligations of the Agreement.

**n. Exhibits.** The exhibits attached to the Agreement are incorporated as though fully set forth in the Agreement.


**o. Own Fees and Costs.** Except as otherwise provided in this Agreement, each Party shall bear his or its own attorneys' fees, costs, and expenses in the prosecution, defense, or settlement of the Litigation.

**[SIGNATURES ON NEXT PAGE]**

IN WITNESS WHEREOF, the undersigned, being duly authorized, have caused the Agreement to be executed as of the \_\_\_\_\_ day of November, 2024.

Dated: November 19, 2024

**Terrell Bailey**

  
Terrell Bailey, for herself and the Class Members

Dated: November 19, 2024

**Alliance Credit Union**

By: 

Name: Timothy F Stephens

Title: President/CEO

Dated: November 19, 2024

**Class Counsel**

By: 

Dated: November 20, 2024

**ACU's Counsel**

By:  

## EXHIBIT A

### Notice of Class Action Settlement

*A court authorized this notice. This is not a solicitation from a lawyer.*

If you obtained a loan or financing agreement held by Alliance Credit Union (“ACU”) under which personal property was pledged as collateral that was repossessed and you were mailed a pre-sale or post-sale notice, you may be eligible for valuable benefits from a class-action settlement.

#### **This notice may affect your rights. Please read it carefully.**

A settlement has been reached in a class action alleging ACU sent improper notices to you in connection with attempting to collect your loan by repossessing and/or selling your property. The name of the case is *Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369, and it is pending in The Circuit Court of the City of St. Louis, Missouri. Consult your tax adviser about the tax issues for the settlement.

#### **SETTLEMENT BENEFITS**

- **Money:** \$500,000 to pay Class Members, attorneys’ fees, costs to Class Counsel, and an incentive award to the Class Representative.
- **Deficiency Write-Off:** ACU will no longer seek to collect any money it claimed you owed after it repossessed property due to it asserting you broke promises in your agreement with ACU. The value of this benefit to the entire Class is estimated to be at least \$ [REDACTED].
- **Credit Bureau Reporting:** ACU will use its best efforts to remove deficiency balance information from your credit reports with the nationwide consumer reporting companies-Equifax, Experian, TransUnion and Innovis-related to these agreements.

#### **Do nothing if you want to receive the settlement benefits.**

#### **IMPORTANT DEADLINES AND DATES**

- **Exclusion Deadline:** If you don’t want benefits from this settlement, but you want to keep the right to sue or continue to sue ACU, on your own, about the legal issues in this case, then you must request to be excluded by [30 days after notice mail date]. If postmarked by this date, the Court will exclude you from the Class. You can exclude yourself from the Class by using the procedure described in the “Long Form” Notice. The “Long Form” Notice also explains what you gain or give up by either participating in or excluding yourself from the settlement.
- **Objection Deadline:** You may object to the settlement. To object to the settlement, you must file and serve objections postmarked by [30 days after notice mail date], using the procedure described in the “Long Form” Notice.
- **Final Approval and Fairness Hearing:** The Court will hold a final approval and fairness hearing on [REDACTED] 2024 at [REDACTED] AM/PM. You don’t have to attend the hearing to receive the benefits of this settlement, but you may attend if you choose. The hearing will occur at the Twenty-Second Judicial Circuit, City of St. Louis, Missouri, 10 N. Tucker Blvd, St. Louis, Missouri 63101. The Long Form Notice advises you on what you must do to speak at the hearing.

**This notice summarizes certain aspects of the proposed settlement. More details are in a “Long Form” Notice and the Settlement Agreement. You can get a copy of both by calling 1-877-312-9133; writing to American Legal Claims Services, P.O. Box 23650, Jacksonville, FL 32241; or visiting [www.SettlementWebsite.com](http://www.SettlementWebsite.com).**

## If you owned property repossessed by Alliance Credit Union, you could get valuable benefits from a class action settlement.

*A court authorized this notice.*

- You may be eligible to participate in a settlement with benefits, including money, the write-off of certain deficiencies, and the deletion of certain negative credit information from credit reports for all persons with a secured collateralized loan or financing agreement with Alliance Credit Union (“ACU”) whose collateral was repossessed and who were mailed a presale or post-sale notice. The settlement resolves a lawsuit over whether ACU sent proper notices to you after repossessing and/or selling your property. This settlement avoids costs and risks to you from the lawsuit; provides benefits to borrowers like you; and releases ACU from liability.
- The parties disagree on whether the borrowers could have won at trial and the amount of money they would have been entitled to had they won.
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.
- Consult your tax adviser about the tax issues associated with this settlement. Relief provided under this settlement, including money and debt reduction, may be subject to tax.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
<b>DO NOTHING</b>	By doing nothing, you will receive the benefits that come from the settlement, including money. But you give up rights to separately sue ACU about the same legal claims asserted in this lawsuit.
<b>EXCLUDE YOURSELF</b>	Get no money or benefits. This is the only option that allows you to ever be part of any other lawsuit against ACU about the legal Claims asserted in this lawsuit.
<b>OBJECT</b>	Write to the Court about why you don’t like the settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement.

- These rights and options—and **the deadlines to exercise them**—are explained in this notice.
- The Court must still decide whether to approve the settlement. Money and benefits will be provided if the Court approves the settlement and after any appeals are resolved. Please be patient.

**What This Notice Contains**

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- 1. Why did I get this notice package?
- 2. What is this lawsuit about?
- 3. Why is this a class action?
- 4. Why is there a settlement?
- 5. How do I know if I am part of the settlement?
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**THE SETTLEMENT BENEFITS—WHAT YOU GET .....PAGE 4**

- 8. What does the settlement provide?
- 9. What can I get from the settlement?

**HOW YOU GET SETTLEMENT BENEFITS .....PAGE 5**

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- 20. When and where will the Court decide whether to approve the settlement?
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## BASIC INFORMATION

### 1. Why did I get a notice?

You or someone in your family may have had a consumer loan agreement directly with or that was assigned to ACU for a loan used to purchase property repossessed by ACU.

You were sent a short form notice by mail because you should know about a proposed settlement of a class action lawsuit in which you may be a class member, and about all your options, before the Court decides whether to approve the settlement. If the Court approves it, and after objections and appeals are resolved, ACU will cancel debts and try to delete deficiency balance information from credit reports related to the repossessed property. Class members will also receive payments, as described more fully in this package.

This notice explains in greater detail about the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge is the Twenty-Second Judicial Circuit Court for St. Louis City, Missouri, and the case is *Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369.

### 2. What is this lawsuit about?

The lawsuit claimed ACU violated statutory requirements for certain repossession notices sent by ACU after repossessing and/or selling their property. You can read the claims in more detail in the Petition of Terrell Bailey (“Class Representative”) at [www.RepoClassActionSettlement.com](http://www.RepoClassActionSettlement.com).

### 3. Why is this a class action?

In a class action, one or more people called Class Representatives sue for other people with similar claims. The class representative in this case is Terrell Bailey. All individuals with similar claims to the Class Representative are “Class Members.” In class actions, one court and one lawsuit resolve the issues for all Class Members, except for those who exclude themselves from the Class. The Honorable Joseph P. Whyte oversees this class action.

### 4. Why is there a settlement?

The parties disagree over who would have won and what the Class would’ve recovered if they had won. Class Representative believed she could recover 10% of the principal amount of their loan plus the interest charge and other relief. ACU believed Class Representative and the Class were entitled to nothing (or may even owe ACU money). To resolve the dispute, and because both parties are unsure of what would’ve happened in a trial, they agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get money and other benefits sooner. The Class Representative and the attorneys believe the settlement is fair and equitable for all Class Members.

## WHO IS IN THE SETTLEMENT?

To see if you will get money and other benefits from this settlement, you first must decide if you are a Class Member.

### 5. How do I know if I am part of the settlement?

Judge Joseph P. Whyte decided everyone who fits this description is a Class Member:

All persons to whom ACU mailed a pre-sale notice or post-sale notice on or after August 25, 2017 (the “Class”).

However, excluded from the Class are all persons: (1) against whom ACU has obtained a final deficiency judgment; (2) who filed for bankruptcy after the date on their pre-sale notice and whose bankruptcy ended in discharge rather than dismissal; and (3) to whom ACU issued its form pre-sale or post-sale notices prior to the date of August 25, 2017.

### 6. Are there exceptions to being included?

You're not a Class Member if (1) ACU has obtained a deficiency judgment against you; (2) you filed for bankruptcy after the date on your presale notice and your bankruptcy ended in discharge rather than dismissal; and/or (3) the only pre- or post-sale notices mailed to you were mailed before August 25, 2017.

### 7. I'm still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-555-5555 or visit [www.RepoClassActionSettlement.com](http://www.RepoClassActionSettlement.com) for more information.

## THE SETTLEMENT BENEFITS—WHAT YOU GET

### 8. What does the settlement provide?

ACU has agreed to provide the Class with settlement benefits with an estimated value exceeding \$ [REDACTED], which includes:

#### **MONEY**

ACU has agreed to create a \$500,000 fund to pay: (a) Class Members; (b) the attorneys' fees and expenses for representing the Class; and (c) Terrell Bailey for her services as Class Representative. This amount is called the “Cash Fund.”

**DEFICIENCY WRITE-OFF**

After the Effective Date, ACU will no longer seek to collect any money it claimed you owed after it repossessed your property because of its claim you broke promises in your agreement with ACU. These outstanding amounts are called “Deficiency Balances,” and ACU has agreed to write down these Deficiency Balances to \$0 and close the accounts connected with them. The value of this benefit to the Class and the Deficiency Balances being eliminated is estimated to be at least \$ [REDACTED]. This amount is called the “Deficiency Write- Off.”

**CREDIT BUREAU REPORTING**

After the Effective Date, ACU will try to delete deficiency balance information from your credit report with the nationwide consumer reporting companies-Equifax, Experian, TransUnion, and Innovis related to the Deficiency Write-Offs.

Class Members are strongly encouraged to consult with a tax professional about the tax effects of any money and other benefits (including the Deficiency Write-Off) received from this settlement. The attorneys in this case cannot provide you with any tax advice, and your receipt of benefits under this settlement might have tax consequences. However, ACU has agreed not to issue an IRS Form 1099 to class members because the Parties believe this Settlement does not create a taxable event as defined by IRS regulations governing the discharge of indebtedness under the “contested liability” or “disputed debt” doctrine.

**9. What can I get from the settlement?**

Every Class Member will receive the benefits of the Deficiency Write-Off. Class Members will also receive a check payment from the Cash Fund.

The payment you receive depends on the money you borrowed and the interest rate on your loan.

**HOW YOU GET SETTLEMENT BENEFITS****10. How can I get my settlement benefits?**

By doing nothing, you will receive the benefits that come from the settlement, including money.

**11. When would I get my settlement benefits?**

The Court will hold a hearing on [REDACTED], at [REDACTED] AM/PM to decide whether to approve the settlement. Even if Judge Joseph Whyte approves the settlement, there may be appeals. It’s always uncertain how an appeal will be resolved and how long it will take. Some appeals take more than a year. Please be patient. You’ll receive your payment if the settlement is approved and after that approval becomes a “final judgment” (i.e. after any appeals are resolved or the time for appealing has passed).

## 12. What am I giving up to get settlement benefits or stay in the Settlement Class?

Unless you exclude yourself by following the procedure below, you are a part of the Class, and that means you can't sue, continue to sue, or be part of any other lawsuit against ACU about the legal issues in this case. For example, you won't be able to make any independent claim against ACU arising from the written notices (pre-sale and post-sale repossession notices) this lawsuit is about. Staying in the Class also means all the Court's orders in this lawsuit will apply to you and legally bind you. To see exactly the legal claims and defenses you give up if you get settlement benefits, please view the Settlement Agreement at [www.Rep oClassActionSettle- ment.com](http://www.Rep oClassActionSettle- ment.com).

## EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want benefits from this settlement, but you want to keep the right to sue or continue to sue ACU on your own about the legal issues in this case, then you must take steps to get out of the settlement. This is called "excluding" yourself—or is sometimes called "opting out" of the Settlement Class.

## 13. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying you want to be excluded from *Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369. Include your name, address, telephone number, last four digits of your Social Security Number, and the name of any other person on your agreement with ACU, along with your signature. The exclusion request must be signed by you **and by any co-borrower on your agreement**, unless the co-borrower is deceased, in which case you must include a death certificate with your request. You cannot exclude yourself by having an actual or purported agent or attorney acting for you or a group of Class Members sign the letter. You must mail your exclusion request postmarked no later than [30 days after class notice is mailed], to:

American Legal Claims Services  
PO Box 23650  
Jacksonville, FL 32241

If you ask to be excluded, you'll get no settlement benefits, and you cannot object to the settlement. You won't be legally bound by anything that happens. You may sue (or continue to sue) ACU about the claims asserted.

## 14. If I don't exclude myself, can I sue AAC for the same thing later?

No. Unless you exclude yourself, you give up any right to sue ACU for the claims this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [30 days after notice mail date]. Exclusion requests postmarked later than this date will not be honored.

## 15. If I exclude myself, can I get benefits from this settlement?

No. But you may sue, continue to sue, or be part of a different lawsuit against ACU about the same type of claims that were made in this case.

## THE LAWYERS REPRESENTING YOU

### 16. Do I have a lawyer in this case?

The Court appointed Benjamin S. McIntosh of SWMW Law, LLC, to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. They are experienced in handling similar cases against consumer lenders. More information about these lawyers and their firm is available at [www.swmwlaw.com](http://www.swmwlaw.com). You needn't hire your own lawyer because Class Counsel is working for you. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 17. How will the lawyers be paid?

Class Counsel has prosecuted this litigation on a contingent basis and has incurred or advanced all costs, expenses, and attorneys' fees associated with the lawsuit since their investigation of claims against ACU began in 2023. Class Counsel has not been paid for their work or received reimbursement for the expenses they have incurred or advanced for the Class Representative and Class Members. Class Counsel will ask the Court to approve payment of attorney's fees that does not exceed 35% of the value of the settlement benefits, reimbursement for costs and expenses in an amount not to exceed \$ [REDACTED]. Class Counsel will also request that the Court approve payment of \$15,000 to Terrell Bailey for her services as Class Representative. The fees and expenses would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement, and paying the costs to administer the settlement.

## OBJECTING TO THE SETTLEMENT

You can tell the Court you don't agree with the settlement or some part.

### 18. How do I tell the Court I don't like the settlement?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can explain why you think the Court shouldn't approve it. The Court will consider your views. To object, you must appear in court at the Fairness Hearing on [REDACTED], 2024 at [REDACTED] AM/PM or send a letter saying you object to *Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369. Your letter must include your name, address, telephone number, facsimile number (if available), email address (if available), last four digits of your Social Security Number, a statement of your objections, and the reasons and facts you contend support your objections. Your objection must include any documents (including loan documents) you rely upon to support your objection and identify any witnesses you plan to use at the Fairness Hearing (described below). If there is other evidence (e.g., documents) that you rely upon for your objection, you must attach copies to your objection. If you plan to use expert witnesses about your objection, you must provide—with your objection—an expert report for each expert outlining the expert's opinions and the facts and reasons for the expert's opinions. You must also state whether you intend to appear at the Fairness Hearing and provide copies of any evidence you intend to use at the hearing. Finally, you must sign and date the objection and include a statement substantially in this form: "I declare (or certify, verify, or state) under penalty of perjury that all of the information in the objection is true and correct. Executed on (date). (Signature)."

Mail the objection to the Court, to Class Counsel, and to ACU's Counsel at the separate addresses below. Your objection must be postmarked no later than **[30 days after notice mail date]** or you must appear in court at the Fairness Hearing.

<b>COURT</b>	<b>CLASS COUNSEL</b>	<b>ACU'S COUNSEL</b>
St. Louis City Circuit Clerk's Office Attn: Division 6 10 N. Tucker Blvd., St. Louis, MO 63101	Benjamin S. McIntosh SWMW Law, LLC 701 Market Street, Ste. 1000, St. Louis, MO 63101	Katie Battisti, Esq. Gordon Rees Scully Mansukhani, LLP 211 North Broadway, Suite 2150 St. Louis, MO 63102

If an attorney is submitting the objection for you, besides information and materials discussed above, the objection must include the name, address, telephone number, facsimile number (if available), and email address (if available) of your attorney and a detailed description of the legal authorities supporting each objection.

If you file an objection, Class Counsel or ACU's Counsel may notice and take your deposition, consistent with the Missouri Supreme Court Rules, at an agreed-upon location before the Fairness Hearing and seek any documentary evidence or other tangible things relevant to the objection. Failure by an objector to comply with discovery requests may cause the Court to strike the objection and otherwise deny that person the opportunity to be heard further. The Court reserves the right to tax the costs of any such discovery to the objector or objector's counsel should the Court determine the objection is frivolous or is made for an improper purpose.

### 19. What's the difference between objecting and excluding?

Objecting is telling the Court you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

## THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

### 20. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at [REDACTED] PM/AM on [REDACTED], 2024, at the Twenty-Second Judicial Circuit of St. Louis City, Missouri, 10 N. Tucker Blvd. St. Louis, MO 63101. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Joseph P. Whyte will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel and the Class Representative. After the hearing, the Court will decide whether to approve the settlement. We don't know how long these decisions will take.

### 21. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Joseph P. Whyte may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. If you mailed your written objection on time with all the required information, the Court will consider it. You may also pay your own lawyer to attend, but that is unnecessary.

### 22. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. You may speak either for or against the settlement. To speak for the settlement, you must send a letter saying it is your "Notice of Intention to Appear in *Terrell Bailey v. Alliance Credit Union*, Case No. 2322-CC09369." Include your name, address, telephone number, last four digits of your Social Security Number, and your signature. Your "Notice of Intention to Appear" must be postmarked no later than [30 days after notice mail date], and be sent to the Circuit Clerk's Office, Class Counsel, and ACU's Counsel, at the three addresses provided in question 18.

If you plan to speak at the Fairness Hearing to tell the Court you don't like something about the settlement, you must submit an objection as detailed in question 18 and include with that objection a statement you intend to appear at the Fairness Hearing. The identity of any witnesses or experts you plan to present at the Fairness Hearing, with evidence you intend to present at the Fairness hearing, must also be included with your objection. You cannot speak at the hearing if you excluded yourself or if you don't send in a request with the required information and documents.

## GETTING MORE INFORMATION

### 23. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by writing to American Legal Claims Services PO Box 23650, Jacksonville, FL 32241, or by visiting [www.RepoClassActionSettlement.com](http://www.RepoClassActionSettlement.com).

### 24. How do I get more information?

You can call 1-800-555-5555; write to American Legal Claims Services, PO Box 23650, Jacksonville, FL 32241, or visit the website [www.RepoClassActionSettlement.com](http://www.RepoClassActionSettlement.com), where you will find information to help you determine whether you are a Class Member.