

MARTINS IBELEME, individually and on
behalf of all others similarly situated,
Plaintiff

vs.

FREEDOM CREDIT UNION,
Defendant.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

JUNE TERM, 2021
NO. 002461

CLASS ACTION

CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE

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CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

Subject to final approval by the Court and in exchange for the good and valuable consideration set forth herein, this Class Action Settlement Agreement and Release dated as of the date of the last signatory is entered into by and between Martins Ibeleme (the “Class Representative” or “Plaintiff”), on behalf of himself and the Class Members, and Freedom Credit Union (“Freedom”), intending that as among the Parties, including all Class Members, the Litigation and the Settled Claims shall be fully and finally compromised, settled, and released, and the Litigation shall be dismissed with prejudice as to all Parties upon the terms and conditions set forth below.

WHEREAS, on June 30, 2021, Plaintiff filed a Class Action Complaint in the Court of Common Pleas of Philadelphia County in a matter captioned *Martins Ibeleme, individually and on behalf of all others similarly situated v. Freedom Credit Union*, June 2021 Term, No. 002461 (the “Litigation”), which alleged, *inter alia*, violations of Pennsylvania’s Uniform Commercial Code (“UCC”) with respect to certain notices that Plaintiff contends were required to be sent to Pennsylvania consumers after the repossession of their vehicles by Freedom;

WHEREAS, on September 9, 2021, Plaintiff filed an Amended Class Action Complaint alleging additional violations of the Pennsylvania UCC;

WHEREAS, on October 12, 2021, Freedom filed an Answer to Amended Class Complaint and New Matter in which it denied the material allegations made in the Amended Class Complaint and denied any and all liability with respect to the allegations and claims previously and currently alleged in the Litigation and further denied that the Class Members have suffered any damages or are entitled to any recovery;

WHEREAS, contested issues of both law and fact exist concerning the allegations and claims made in the Amended Class Complaint and Answer thereto;

WHEREAS, Class Counsel has conducted an extensive investigation into the facts and law relating to the Litigation;

WHEREAS, the Parties, through counsel, engaged in settlement negotiations over several months, ultimately reaching a settlement in principle to be memorialized herein and presented to the Court for approval;

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

- (i) Freedom will pay the sum of one million seven hundred thousand dollars (\$1,700,000.00) to create a Settlement Fund that will be used to provide monetary relief to Class Members, to pay Class Counsel's approved fees and expenses, to pay an approved class representative service award, and to pay the costs of Class Notice and administration of the Settlement, all as approved by the Court;
- (ii) Through accord and satisfaction, Freedom will compromise its disputed claims for deficiency balances against Class Members in connection with the finance agreements or other vehicle loans at issue in the Litigation (unless the Class Member elects not to receive the benefit of this relief), with Freedom asserting a total gross claim upon such disputed deficiencies approximating \$2,736,000.00 (two million seven hundred thirty-six thousand dollars) for the entire Class; and
- (iii) Freedom will make a request to Credit Reporting Agencies to delete entirely any trade line from Class Members' credit files relating to the finance agreements at issue in the Litigation in the manner set forth at ¶ 2.09 below.

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

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

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

I. DEFINITIONS

1.01. "Agreement," "Settlement," and "Settlement Agreement" mean this Class Action Settlement Agreement and Release.

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

1.03. "Class" or "Classes" means both the Repossession Notice Class and the Deficiency Notice Subclass.

1.04. "Class Members" means the Repossession Notice Class Members and Deficiency Notice Subclass Members, collectively and does not include the persons who opt out of the

Settlement.

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

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

1.07. “Class Period” means the period commencing June 30, 2015 through July 26, 2021.

1.08. “Credit Reporting Agency” means Experian Information Solutions, Inc., Equifax, Inc., Trans Union, LLC, and any other consumer reporting agency (as that term is defined by 15 U.S.C. § 1681a(f)), to which Freedom has ever reported information regarding a Class Member’s credit profile relating to the Secured Obligation associated with the repossessions addressed by this Litigation.

1.09. “Disputed Deficiency Balance” means the account balance alleged remaining after the repossession and disposition of a Class Member’s vehicle and the application of the proceeds of sale to that person’s account, minus any payments made by a Class Member post-repossession. The term does not include the account balance of any Class Members who reinstated their account and had their repossessed vehicle returned, unless that vehicle was subsequently repossessed again and sold during the Class Period.

1.10. “Deficiency Notice” means the notice required to be sent to the borrower after the sale of their repossessed vehicle.

1.11. “Deficiency Notice Subclass” is defined as all persons:

- (a) Who are members of the Repossession Notice Class; and,
- (b) whose vehicle was sold or auctioned at the request of the Credit Union, but leaving a surplus or claimed deficiency balance.

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

1.13. “Distribution Date” means the date ten (10) days after the Effective Date, and is the date on or about which the checks shall be mailed to Class Members pursuant to the Court’s order.

1.14. “Effective Date” means the date after the entry by the Court of the Final Order Approving Class Action Settlement (the “Final Approval Order”) and (a) when the applicable period for the filing of a notice of appeal has expired without an appeal having been filed; or (b) if an appeal is taken, upon entry of an order affirming the Final Approval Order and when the applicable period for the initiation of any further appeal of the affirmance of the Final Approval Order has expired without a further appeal or petition for allowance of appeal having been filed; or (c) if an appeal is taken but dismissed with prejudice, the date of dismissal.

1.15. “Parties” means the Class Representative, the Class Members, and Freedom.

1.16. “Freedom” means Freedom Credit Union, its affiliates, subsidiaries or parent companies and/or divisions, and all of its respective officers, directors, partners, employees, associates, trustees, agents, accountants, attorneys, insurance principals, predecessors, successors, and assigns.

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

1.18. “Repossession Notice” means the notice required to be sent to a borrower after the repossession of their vehicle.

1.19. "Repossession Notice Class" is defined as All Persons:

- (a) who purchased any vehicle as a consumer good;
- (b) who financed the vehicle purchase through Freedom, or whose vehicle loan agreement or installment sale contract was later assigned to Freedom;
- (c) from whom Freedom, as secured party, repossessed the vehicle or ordered it repossessed;
- (d) who had a Pennsylvania address as of the date of repossession, as depicted in the Repossession Notice;
- (e) in the period commencing June 30, 2015 through July 26, 2021.

1.20. "Repossession Notice Class Members" means those persons who, along with the Class Representative, comprise the Repossession Notice Class, and who have not opted out of the Settlement.

1.21. "Secured Obligation" means a finance agreement, retail installment sales contract, or comparable vehicle finance transaction to which a Class Member and Freedom are parties pursuant to which a vehicle was repossessed and which repossession is in dispute in the Litigation.

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

motor vehicle by Freedom. The term "Settled Claims" does not include any claims for personal injuries; nor any claims under the Telephone Consumer Protection Act of 1991, 47 U.S.C. § 227, nor claims under the Servicemembers Civil Relief Act, 50 U.S.C. § 3901; nor claims arising from other accounts or lending relationships among the parties apart from the Secured Obligations at issue in the Litigation.

1.23. "Settlement Administrator" means American Legal Claims Services LLC of Jacksonville, FL, an independent class action settlement administration company, or such other Settlement Administrator as the Parties, through counsel, shall agree upon to administer the Settlement.

1.24. "Settlement Fund" or "QSF" means the amount of \$1,700,000.00 provided by Freedom and its insurance principal to the Settlement Administrator and to be held in a dedicated account with PNC Bank, N.A.. The Settlement Fund may not be commingled with any other funds; it may be held in cash, cash equivalents, certificates of deposit, or instruments insured by an arm of or backed by the United States government.

1.25. "Net Fund" means the proceeds of the Settlement Fund after the deduction of approved Class Counsel fees and expenses, approved class representative service award(s), and administrative costs.

1.26. As used herein, the plural of any defined term includes the singular thereof and the singular of any defined term includes the plural thereof as the case may be.

II. GENERAL TERMS OF THE SETTLEMENT

2.01. Conditional Nature of Agreement.

This Agreement, including all associated exhibits and attachments, is made for the sole purpose of attempting to consummate a settlement of the Litigation on a classwide basis. The

Agreement is made in compromise of disputed claims. The Agreement is intended by the Parties to fully, finally, and forever resolve the Settled Claims subject to the terms and conditions set forth in this Agreement. Because this Agreement resolves a class action on a classwide basis, it must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis, subject to the final approval of the Court.

2.02. Effect of Disapproval.

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

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

If this Agreement terminates pursuant to its terms without final approval, the Litigation shall revert to its status as it existed before the execution of this Agreement, and any monies paid or advanced by Freedom shall be returned within fourteen (14) days, except for any portion of the funds advanced to the Settlement Administrator for services actually rendered.

2.03. Denial of Liability.

Freedom denies the validity of all claims asserted in the Litigation and denies the appropriateness of class treatment.

2.04. Class Certification.

The Parties agree that the Classes shall be certified for purposes of settlement, that Martins Ibeleme shall be appointed as Class Representative, and that Cary L. Flitter, Andrew M. Milz, Jody Thomas López-Jacobs along with the law firm Flitter Milz, P.C. shall be appointed as Class Counsel, subject to approval of the Court.

2.05. Proposed Order for Preliminary Approval.

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

2.06. Monetary Relief to Class Members.

(a) Within fifteen (15) calendar days following the entry of an order granting Preliminary Approval, Freedom will issue or cause to be issued one or more checks or other forms of payment to the Settlement Administrator in the amount of \$1,700,000.00, payable to the order of "Ibeleme v. Freedom Settlement Fund" for deposit into PNC Bank, N.A.

Under no circumstances shall Freedom be required to pay an amount in excess of \$1,700,000.00 in connection with this Settlement. The Settlement Fund shall be used solely for purposes of implementing this Agreement, which will be used to provide monetary relief to Cash Payment Eligible Class Members, to pay Class Counsel's attorney fees and expenses as approved by the Court, to pay any approved class representative service award, and to pay for costs of notice and administration.

(b) Class Relief. Cash Payment Eligible Class Members shall be entitled to a pro-rata

share of the Settlement Fund after the deduction of approved Class Counsel fees and expenses, approved class representative service awards, and administrative costs (yielding the "Net Fund"). The amount of each Class Member's payment will be tethered to the amount of finance charge and amount financed as set forth on the member's respective Note or Installment Sale Contract, per Secured Obligation. By way of illustration, for a class member with a stated finance charge of \$5,000 plus 10% amount of the financed of \$2,500 = \$7,500. That class member would be paid approximately one-third of that amount, which comes to \$2,500. If two or more Cash Payment Eligible Class Members share a single Secured Obligation (e.g., if there are co-borrowers), those individuals shall be entitled to a single recovery per repossessed vehicle. If a Cash Payment Eligible Class Member had more than one vehicle repossessed, such member shall be entitled to a separate recovery for each Secured Obligation. Any Cash Payment Eligible Class Member who had the same vehicle repossessed more than once shall be entitled to only one recovery per vehicle, not per repossession. If there are co-obligors, the check(s) may be payable jointly, but upon request from one of the co-obligors and the return of the original check(s) to the Administrator, new checks may be issued, payable to each individually for half of the sum otherwise payable.

(c) Illustration. By way of illustration, if the Court approves Class Counsel fees and litigation expenses in the sum of \$680,000.00 and \$7,000.00, respectively, administrative expenses of \$25,000.00, and a class representative service award of \$15,000.00, the Net Fund will be \$973,000.00. Projected payment for each of the approximately 389 Secured Obligations in the Class will be approximately \$2,400.00. However, as explained previously, payments will be in proportion to each Class Member's statutory damages.

(d) Timing of Payment. On or about the Distribution Date, the Settlement Administrator shall mail a check to each Cash Payment Eligible Class Member at their original address or any updated address obtained pursuant to ¶¶ 3.02 or 4.02.

2.07. Identification of Class Members.

Freedom represents that to the best of its knowledge after having reviewed its records of customer accounts, there are 389 Secured Obligations within the Class, thirty-three of which have coborrowers, these representing a total of 422 Class Members.

2.08. Electronic List.

Freedom shall prepare an electronic list for the Settlement Administrator containing the names, last known addresses, and Social Security numbers of Class Members (including co-obligors). The same list, minus Social Security numbers, shall be provided to Class Counsel. The purpose of providing Class Members' Social Security numbers is to assist the Settlement Administrator in locating valid addresses where necessary as described in ¶¶ 3.02 and 4.02. The Settlement Administrator shall update each Class Member's last known address through the United States Postal Service National Change of Address ("NCOA") database for updates as far back as feasible. For Class Members for whom there is no updated address in the NCOA database, the Settlement Administrator will update the last known address via a Social Security number (or equivalent personal identifier) search through the Accurant database or other equivalent database. The Settlement Administrator may take further steps to locate as many Class Members as reasonably feasible. Freedom will respond to reasonable written inquiries, if any, by Class Counsel concerning the procedures used in updating and maintaining the list of Class Members.

2.09. Credit Reporting and Collections.

(a) Not later than sixty (60) days after the Effective Date, Freedom will make

a request to the Credit Reporting Agencies to delete the trade lines (hereinafter "Accounts") for the Secured Obligation associated with the repossessions in this Litigation from the credit files of all Class Members. For example, to accomplish this, Freedom may submit a Metro II form coded with "DA" (delete account) and/or a Universal Data Form with the "Delete Tradeline" option box checked to each consumer reporting agency to which Freedom has reported any information about a Class Member regarding any Accounts at issue in this litigation. Each required "Universal Data Form," or a substantially equivalent form, must contain Freedom's certification that it has modified its internal records so that the Account information to be deleted is not re-reported. Freedom shall adjust its internal records accordingly.

If, 120 or more days after the Effective Date, Freedom is advised by a Class Member or Class Counsel that a trade line has not been deleted, Freedom will make a further request that it be deleted. If Freedom is not so advised, Freedom will take no further action. After Freedom has made the request(s) to the Credit Reporting Agencies described above, if a Class Member disputes such Freedom trade line with one or more Credit Reporting Agencies, Freedom shall not respond to such request for verification. Freedom shall have no further obligation with respect to deletion of credit reporting trade lines;

(b) The Class Members acknowledge that the Credit Reporting Agencies are separate entities from Freedom, and that no cause of action can or will be stated, including any for breach of this Settlement against Freedom, if any Credit Reporting Agency fails to so amend the Class Members' credit history despite a request from Freedom, so long as Freedom performs its obligations in ¶ 2.09(a). The Class Members also expressly acknowledge that they understand the limitations of Freedom in this regard, and that any action, inaction, omission, and/or error solely by the credit bureaus is not and shall not be attributable to Freedom in any way, and shall not

constitute a breach of this Agreement. Freedom shall not be liable to any Class Member under the Fair Credit Reporting Act, 15 U.S.C. § 1681, or similar law, for complying with this paragraph in correcting or requesting deletion of any Class Member's credit reporting trade line.

2.10. Cease and Desist Collection.

Freedom shall, effective with the signing of the Agreement, promptly discontinue and cease all collection activities with respect to Disputed Deficiency Balances of Class Members. If any Disputed Deficiency Balance has been assigned for collection or litigation, such efforts shall also cease. Freedom shall identify any assignee to Class Counsel and shall cause such collection efforts to discontinue. This obligation shall not apply (a) if this Agreement is terminated for any reason, without final approval, or (b) as to each Class Member who opts out of the Classes per ¶ 4.01(f). Freedom represents that it has not sold or assigned any claim relating to any Disputed Deficiency Balance, except as set forth in a schedule appended hereto.

2.11. Covenant Not to Sue.

Freedom agrees upon execution of this Agreement not to file or continue to prosecute a lawsuit seeking to collect any Disputed Deficiency Balance against any Class Member related to a Secured Obligation subject to this Agreement, and, within sixty (60) days of the Effective Date, to dismiss with prejudice any such lawsuit that was filed before the execution of this Agreement. Nothing in this paragraph limits Freedom from pursuing claims arising from loans, Secured Obligations, and agreements not subject to this Agreement, such as repossessions that occur after

the Class Period, balances claimed due from Class Members who opt out of this settlement, or other obligations not involving a Class Member's Secured Obligation.

2.12. Class Members' Option to Decline Compromise of Disputed Deficiency Balance.

(a) Each Class Member shall be afforded the option to elect not to have any alleged Disputed Deficiency Balance compromised with Freedom;

(b) The Settlement Administrator shall include in the Class Notice the form entitled Election Not to Accept Compromise of Disputed Deficiency Balance ("Election Form") in the form appended to this Agreement as Exhibit B. The Election Form must be postmarked on or before the date specified in the Class Notice, which shall be forty-two (42) days from the initial mailing of the Class Notice.

2.13. Satisfaction of Monetary Judgments Against Class Members.

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

2.14. Attorneys' Fees and Expenses.

Plaintiff intends to apply for an award of attorneys' fees and expenses from the Settlement Fund. All attorneys' fees and expenses shall be paid from the Settlement Fund on a common fund/benefit basis, and the amounts of such fees and expenses shall not increase in any way the amount that Freedom is required to pay under this Agreement. Freedom agrees not to oppose a

request by Plaintiff for fees to be awarded to Class Counsel in an amount not to exceed \$680,000.00 plus litigation expenses not to exceed \$5,000.00. The amount of Class Counsel fees and expense reimbursement is subject to Court approval. Class Counsel fees awarded shall also serve as compensation to Class Counsel for addressing ongoing and future Class Member inquiries concerning their repossession, disputed deficiency balance, and trade line credit reporting after final approval. Class Counsel fees and expenses approved by the Court shall be paid by the Settlement Administrator within seven (7) days of the Effective Date.

2.15. Individual Service Award.

The Class Representative shall apply for an individual service award in the amount of \$15,000.00. Any service award shall be paid from the Settlement Fund. Freedom agrees not to object to this request for an individual service award. The amount of any such award is subject to Court approval. The approved service award shall be forwarded to Class Counsel by the Settlement Administrator within seven (7) days of the Effective Date, upon the Settlement Administrator's receipt of an executed Form W-9 from the Class Representative. This service award is in addition to Plaintiff's entitlement to the settlement benefits provided to all Class Members under this Agreement.

III. ADMINISTRATION OF THE SETTLEMENT

3.01. Costs of Administration.

Costs of providing notice to the Class of the settlement of the Litigation, administering this Agreement, and making the cash payments and distributions required under this Agreement, shall be paid from the Settlement Fund. The Settlement Administrator, American Legal Claims Services LLC of Jacksonville, FL, shall administer the settlement in accordance with the terms of this Settlement Agreement. The Settlement Administrator shall promptly respond to all queries from

Freedom and Class Counsel about the calculations and payments called for by this Agreement. The Settlement Administrator shall provide a quote not to exceed \$25,000 for its services (including a first and second mailing, as needed).

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

For Class Members whose checks mailed pursuant to ¶ 2.06 are returned by the U.S. Postal Service for lack of current correct address, the Settlement Administrator shall seek an address correction via a Social Security number search through the Accurant database, or other equivalent database, and the checks for those Class Members will be resent to any subsequently obtained addresses. The Settlement Administrator may in its discretion employ skip-trace or other location tools. If the Settlement Administrator receives notice that a Class Member is deceased, the Settlement Administrator will, upon receipt of proper notification and documentation within thirty (30) days of that notice, make any payment due to the Class Member's estate. "Proper notification and documentation" means, in the discretion of the Settlement Administrator, a death certificate, and a copy of the official filings appointing an executor, administrator, or other personal representative of the estate along with the name and address of such executor, administrator, or personal representative. Any payment to or on behalf of an estate must be made not later than ninety (90) days after the Distribution Date.

3.03. Uncashed/Unclaimed Checks.

Checks to Class Members shall be good for ninety (90) days from the date the check is mailed, and that "stale date" shall be stated on the check. Approximately forty-five (45) days after mailing settlement checks, the administrator shall send a "reminder letter" to each Cash Payment Eligible Class Member who has not cashed or negotiated the settlement check, advising that the check will go stale in approximately forty-five (45) more days and urging the Class Member to act

promptly to negotiate his or her check. Class Members who are not located or whose checks are not cleared within ninety (90) days after the mailing of the check shall be ineligible to share in the Settlement Fund, but shall be eligible for the non-cash benefits of this settlement.

3.04 Second Distribution

If, after the check stale date there remains in the account a balance of \$50,000.00 or more, there shall be a second distribution. From that balance, reasonable administration and notice costs for the second distribution shall be paid. The remaining funds shall be divided equally among each Class Member who negotiated the first mailed check.

If a second distribution is called for by this Agreement, the Settlement Administrator shall mail checks no later than 110 days after the Distribution Date. Checks mailed in a Second Distribution shall be marked as valid for a period of sixty (60) days from mailing.

3.05. Notification to Class Counsel.

Approximately one hundred (100) days after the Distribution Date, the Settlement Administrator shall notify Class Counsel and Freedom's counsel in writing of the number of Class Members, the number of Class Members to whom checks were sent, the number of Class Members who did not cash the checks, the total dollar amount of the checks distributed, the total dollar amount of uncashed checks, and the remaining balance of the Settlement Fund, bank fees, and other administration expenses.

If there is a Second Distribution hereunder, the Administrator shall provide a supplemental affidavit approximately seventy (70) days after the Second Distribution with the same detail provided.

3.06. Residual Funds/ *Cy Pres*.

If a balance remains seventy (70) days after a Second Distribution, or if less than \$50,000.00 remains 100 days after the Distribution Date, that remaining balance is deemed "Residual Funds." Residual Funds will be distributed as follows: (a) pursuant to Pa. R.C.P. 1716, seventy-five percent (75%) shall be distributed to the Pennsylvania Interest on Lawyers Trust Account ("IOLTA") to support activities and programs which promote the delivery of civil legal assistance to the indigent in Pennsylvania by non-profit corporations described in § 501(c)(3) of the Internal Revenue Code of 1986, as amended; (b) the remaining twenty-five percent (25%) shall be distributed to the following nonprofit entity for purposes including consumer credit education, counseling, or the representation or assistance of low-income Pennsylvania consumers in consumer credit, bankruptcy, foreclosure, and similar matters: Community Legal Services of Philadelphia.

If there is no second distribution, the Settlement Administrator shall deliver the checks payable to the *cy pres* recipients to Class Counsel for distribution to the recipient organizations within 110 days of the Distribution Date. If there is a second distribution, such checks shall be delivered within eighty (80) days of the second distribution. Promptly after the *cy pres* checks have cleared, the Settlement Administrator shall close the account at PNC Bank, N.A.

Under no circumstances (other than termination of this Agreement) shall any of the money in the Settlement Fund revert to Freedom.

3.07. Certification of Distribution.

Within ten (10) days after the final distribution of all portions of the Settlement Fund, the Settlement Administrator shall provide to all counsel an affidavit attesting that the distributions provided for by this Agreement have all been timely made. Within 14 days of receipt of the

affidavit, Class Counsel shall docket such affidavit and any other appropriate case-closing affidavit or praecipe.

IV. CLASS SETTLEMENT PROCEDURES

4.01. Motion for Preliminary Approval.

Plaintiff shall file a motion for Preliminary Approval of the proposed settlement no later than fourteen days after the last party executes this agreement. Freedom agrees not to oppose the entry of an order of Preliminary Approval substantially in the form annexed hereto as Exhibit A, which provides, among other things:

- (a) That the settlement is preliminarily approved as being within the range of reasonableness such that notice thereof should be given to the Class;
- (b) That the requirements for certification of two Classes for settlement purposes have been satisfied, and this action shall be maintained and proceed as a class action for settlement purposes pursuant to Pa. R. Civ. P. 1701, et seq.;
- (c) That the notice of proposed class action settlement substantially in the form attached as Exhibit C is approved by the Court; that the mailing of the Class Notice in the manner and form set forth in the Order meets all the requirements of Pa. R. Civ. P. 1712, 1714, and any other applicable law; that such Notice constitutes the best notice practicable under the particular circumstances of this case; and shall constitute valid, due, and sufficient notice to all persons entitled to it;
- (d) That deadlines shall be established for mailing Class Notices, filing any objections and requests to opt out of the settlement, and filing any papers in connection with the Final Approval Hearing and the consideration of the approval or disapproval of the Settlement Agreement;
- (e) That any objections by Class Members to: (i) the proposed settlement, or (ii) the entry of the Final Approval Order, shall be heard and any papers submitted in support of such objections shall be considered by the Court at the Final Approval Hearing only if, on or before a date (or dates) specified in the Class Notice and the Preliminary Approval Order, the objector files with the Court a notice of his or her intention to appear, and states the basis for such objections. Any objection shall be postmarked or electronically filed with the Office of Judicial Records – Civil on or before the date specified in the Class Notice, which shall be forty-two (42) days from the date of the initial mailing of the Class Notice. The objector shall mail copies of any objection to Class Counsel, counsel for Freedom, and the Settlement Administrator;

- (f) That any person who wishes to opt out of the settlement shall mail a notice of intention to opt out to the Settlement Administrator on or before a date specified in the Class Notice and the Preliminary Approval Order (forty-two (42) days from the date of the initial mailing of the Class Notices). The notice of intention to opt out shall: (i) set forth the Class Member's full name, current address, and telephone number; (ii) contain the signatures of each Class Member obligated on the motor vehicle loan or installment sale agreement; and (iii) state an intent of all signatories not to participate in the settlement;
- (g) That Plaintiff's motion for final approval, for approval of a Class Representative service award, and for an award of Class Counsel fees and expenses, shall be filed at least ten (10) days prior to the Final Approval Hearing;
- (h) That the Preliminary Approval Order substantially in the form of Exhibit A to the Settlement Agreement is approved;
- (i) That a hearing or hearings ("Final Approval Hearing") shall be held before the Court, at the time and date to be set by the Court, to consider whether the proposed settlement, including the payment of the Class Representative service award, Class Counsel's attorneys' fees and expenses, and administrative costs is fair, reasonable, and adequate and should be approved by the Court, and whether the judgment approving the settlement and dismissing the Litigation on the merits and with prejudice against the Class Representative and the Class Members should be entered, and to consider such other matters as may properly come before the Court in connection with the Final Approval Hearing;
- (j) That the Final Approval Hearing may, from time to time and without further notice to the Class (except those who filed timely and valid objections), be continued or adjourned by order of the Court;
- (k) That all Class Members (except those who timely excluded themselves) will be bound by the Final Approval Order.

4.02. Notice of Class Settlement.

Subject to Court approval, the Parties agree that notice to the Class Members shall be mailed by the Settlement Administrator in the form attached hereto as Exhibit C in the following manner: (a) Freedom shall supply an address list of the Class (including co-obligors) within fifteen (15) days of preliminary approval, and the Settlement Administrator shall update the address list as set forth in ¶¶ 2.07 and 2.08; (b) the Settlement Administrator shall mail the notice as approved by the Court, by first class United States mail to the updated addresses within ten (10) days of

receiving the class list from Freedom (*i.e.*, within twenty (20) days of preliminary approval); (c) if a mailed notice is returned with a forwarding address provided by the Postal Service, the Settlement Administrator will re-mail it to the forwarding address; (d) if a mailed notice is returned without a forwarding address, or is otherwise designated by the Postal Service as bearing an invalid address, the Settlement Administrator shall use the Accurant database, or other equivalent database, to attempt to locate an updated address for the particular Class Member, and shall re-mail the notice to the Class Member at the updated address (if one is obtained). If a notice is returned after such address update and re-mailing, and no current address is reasonably available to the Settlement Administrator, the notice may be deemed undeliverable and the Settlement Administrator shall have no further obligation to mail such notice.

4.03. Opting Out and Compromise of Disputed Deficiency Balances.

(a) The Class Notice described in Paragraph 4.02 above shall permit any Class Member to elect not to be part of the Classes and not to be bound by this Agreement if the affected person mails a timely opt-out notice to the Settlement Administrator. The notice of intention to opt out shall: (i) set forth the Class Member's full name, current address, telephone number and email address, if available; (ii) contain the signatures of each Class Member obligated on the motor vehicle loan or installment sale agreement; and (iii) state an intent of all signatories not to participate in the Settlement. The notice of intention to opt out must be postmarked or electronically filed on or before the date specified in the Class Notice, which shall be forty-two (42) days after the initial mailing of the Class Notices. No Class Member, or proxy, may exclude any other Class Member. At least twenty-four (24) days prior to the Final Approval Hearing, the Settlement Administrator shall prepare a list of the persons who have objected to or requested exclusion from the Settlement Agreement and shall serve such list upon Class Counsel and

Freedom's counsel, and Class Counsel shall file the list with the motion for final approval. Upon the entry of the Final Approval Order, the persons who timely and properly requested exclusion from the Class will not be considered Class Members for purposes of this settlement.

(b) The Class Notice shall also explain in plain language that payment of the cash component of the settlement may result in issuance of an IRS form 1099, and that the elimination of any Disputed Deficiency Balance over \$600.00 may result in the issuance of IRS form 1099-C. This could potentially result in the Class Member incurring a tax obligation for cancellation of indebtedness income under IRS Reg. 1.6050P-1. As such, each Class Member will have the option to decline compromise of the Disputed Deficiency Balance. A form of "Election Not to Accept Compromise of Disputed Deficiency Balance" is appended as Exhibit B. If a Class Member timely provides such Election Form to the Settlement Administrator, nothing in this Agreement will preclude Freedom from undertaking any efforts to collect any Disputed Deficiency Balance of that Class Member, and Freedom shall not issue an IRS 1099-C form to that Class Member hereunder.

4.04. Order and Final Judgment.

Before the Final Approval Hearing, the Plaintiff shall request that the Court approve the settlement and enter judgment in accordance with this Agreement, substantially in the form attached as Exhibit D.

4.05. Settlement Administrator Duties and Consent to Jurisdiction.

(a) The Settlement Administrator shall be responsible to prepare, fold, and properly mail Class Notice; to set up an appropriate website on which key documents from the case will be located; set up a toll-free telephone number so that Class Members with questions may call-in; handle and administer opt-out requests and objections, if any, and other Class Member inquiries;

handle and facilitate mailing of checks to Class Members and such other administrative services as needed, consistent with its proposal, to implement notice and distribution.

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

V. RELEASES

5.01. Release by the Classes.

On the Effective Date, the Class Representative and all Class Members, by operation of this Release and the Final Approval Order, fully, finally, and forever release and discharge Freedom and its insurance principal from all Settled Claims and, without further action by any person, shall be deemed (a) to have consented to the dismissal with prejudice of all Settled Claims; (b) to have released and discharged all Settled Claims; and (c) to be barred and enjoined from instituting or further prosecuting, in any forum whatsoever, including but not limited to any state, federal, or foreign court or regulatory agency, any Settled Claim.

5.02. Release by Freedom.

On the Effective Date, Freedom agrees to release and compromise through accord and satisfaction all Disputed Deficiency Balances (except as to any Class Members who opted out or who timely submit an Election Form), whether or not in judgment, including the Class Representative, their agents, attorneys, heirs, and assigns, from all claims, liens, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever, known or unknown, that

they have had in the past, or now have, or may have in the future against the Class Member arising from or related to the Secured Obligation associated with the repossessions in this Litigation.

Freedom represents that, to the best of its knowledge after reasonable investigation, it presently owns—or has full servicing rights related to and has the right to fully release and compromise—any Deficiency Balance, on all Class Members' accounts. If any account has been assigned or sold, Freedom will provide a schedule of all such assignments herewith. Freedom will satisfy any Disputed Deficiency Balance or judgment per this paragraph as with any other account. Freedom agrees, and the Final Approval Order shall so reflect, that Freedom and its agents shall be enjoined from any further attempts to collect these monies from Class Members. The release and compromise in this paragraph shall not apply to any Class Member who reinstated their account or reclaimed or obtained the return of their vehicle following repossession and who thereby does not have a Deficiency Balance.

5.03. Unknown Claims or Losses.

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

VI. QUALIFIED SETTLEMENT FUND

6.01. Definition.

The Settlement Fund shall constitute a Qualified Settlement Fund ("QSF") within the

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

6.02. Employer Identification Number.

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

6.03. Relation-Back.

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

6.04. Freedom’s Obligations After Making Deposits.

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

6.05. Administration Tax Obligations.

The Settlement Administrator shall file or cause to be filed, on behalf of the QSF, all required federal, state, and local tax returns, information returns, including any Form 1099-series

return and tax withholdings statements, in accordance with the provisions of Treasury Reg. § 1.468B-2(k)(1) and Treasury Reg. § 1.468B-2(l)(2)(ii). Any contract with the Settlement Administrator relating to the QSF shall require the Settlement Administrator to undertake these tasks. If Class Counsel consents, the Settlement Administrator may secure the advice of a certified public accountant in connection with its duties and tax obligations under this Agreement. The reasonable cost for such certified public accountant shall, with consent of Class Counsel, be allowed from the Settlement Fund, in addition to the charges of the Settlement Administrator, in an amount not to exceed \$10,000.00.

VII. MISCELLANEOUS PROVISIONS

7.01. Parties to Use 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.

7.02. Choice of Law and Venue.

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

7.03. Entire Agreement.

This Agreement constitutes the complete and exclusive statement of the agreement between the Parties relating to the subject matter of this Agreement, superseding all previous negotiations and understandings. This Agreement may not be contradicted by evidence of any prior

or contemporaneous agreement, and no extrinsic evidence bearing on the meaning of this Agreement may be introduced in any judicial proceeding.

7.04. Modification Only in Writing.

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

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

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

7.06. Successors.

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

7.07. Waivers.

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

7.08. Counterparts.

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

7.09. Retention of Jurisdiction.

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

7.10 Accord and Satisfaction and Taxes.

This Agreement shall not itself create a cancellation of debt or of itself give rise to any “identifiable event” under the Internal Revenue Code or Regulations relating to Cancellation of Indebtedness. The alleged Disputed Deficiency Balances are disputed by Plaintiff and by each Class Member.

Except for Class Members who have properly submitted an Election Not to Accept Compromise of Disputed Deficiency Balance per ¶ 2.12, Freedom’s extinguishment of the Disputed Deficiency Balances as part of this Settlement constitutes a bona fide accord and satisfaction. Plaintiff’s and Class Members’ release of their claims for statutory damages, which is a greater dollar amount than the anticipated benefits they will receive in this Settlement, is a clear and unequivocal offer of payment in full satisfaction of the Disputed Deficiency Balances. This full satisfaction, which will be accepted and retained by Freedom as part of this Settlement, constitutes accord and satisfaction.

Plaintiff and his counsel acknowledge and agree that they 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. Plaintiff acknowledges that he may be required by CUMIS Insurance to submit a Form W-9 and that CUMIS may be required to issue a Form 1099 or other tax form reporting the consideration flowing to Plaintiff under this agreement to the Internal Revenue Services and/or other taxing authoritys.

The Parties and their counsel have provided no tax advice and take no position with respect to tax implications of this settlement. Freedom shall have no liability or responsibility for any potential tax liability incurred by any Class Member or Class Representative arising from cancellation of indebtedness, nor any taxes, penalties, interest, or any other charges related to taxes.

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

With respect to the compromise of the Disputed Deficiency Balances, if Freedom issues 1099-C forms, the amount to be stated on a 1099-C form, if any, shall comport with 26 CFR § 1.6050P, and the amount shall only be for principal sums, and not any interest, costs, fees, or other sums.

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

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

7.12. Blow-Up Provision.

If Class Members on more than twenty (20) Secured Obligations validly request exclusion from this Agreement, Freedom may, within fourteen (14) days of the opt-out deadline, advise Class Counsel that Freedom wishes to declare this Agreement voided, and the parties shall so advise the court; and the litigation shall be restored to the status quo ante as of the date of this Agreement.

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

AGREED TO AND ACCEPTED on behalf of Plaintiff and the Class:

Dated: _____

By: _____
Martins Ibeleme

AGREED TO AND ACCEPTED on behalf of Class Counsel with respect to ¶¶ 3.06 & 3.07

FLITTER MILZ, P.C.

Dated: _____

BY: _____

AGREED TO AND ACCEPTED on behalf of Freedom Credit Union:

Dated: 03/02/2023 _____

By: John F King
John F King (Mar 2, 2023 07:27 EST)

Name: John F King
Title: President/CEO

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

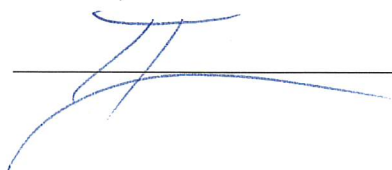
AGREED TO AND ACCEPTED on behalf of Plaintiff and the Class:

Dated: Mar 15, 2023

By: 
Martins Ibeleme (Mar 15, 2023 13:16 EDT)
Martins Ibeleme

AGREED TO AND ACCEPTED on behalf of Class Counsel with respect to ¶¶ 3.06 & 3.07

Dated: 3/16/2023

FLITTER MILZ, P.C.
BY: 

AGREED TO AND ACCEPTED on behalf of Freedom Credit Union:

Dated: _____

By: _____

Name: _____

Title: _____

Exhibit A

MARTINS IBELEME, individually and on
behalf of all others similarly situated,
Plaintiff

vs.
FREEDOM CREDIT UNION,
Defendant.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

JUNE TERM, 2021
NO. 002461

CLASS ACTION

**ORDER CERTIFYING SETTLEMENT CLASS, PRELIMINARILY
APPROVING CLASS SETTLEMENT AND DIRECTING THE
ISSUANCE OF NOTICE TO THE CLASS**

AND NOW, this day of , 2023, the Court finds and Orders:

This Court has before it a proposed class action settlement. Having reviewed the Class Action Settlement Agreement and Release, which was filed of record as an exhibit to the Motion for Preliminary Approval (docketed _____ and incorporated herein by reference) (the “Settlement Agreement”), having read the Plaintiff’s Motion for Preliminary Approval, having been advised that Defendant joins in the relief requested, and based specifically upon the facts and circumstances at issue in the present case, the Court finds and ORDERS as follows:

1. Summary of Claims and Defenses:

The lawsuit claims that Freedom Credit Union (“Freedom” or “Defendant”) violated Pennsylvania’s Uniform Commercial Code (“UCC”) by failing to send borrowers in Pennsylvania (a) proper notices of disposition of collateral (“Repossession Notices”) after repossession of their vehicle(s), and (b) proper explanations of calculation of deficiency (“Deficiency Notices”) after the sale of the vehicles. Plaintiff asserts on behalf of himself and a class of borrowers (“Repossession Notice Class”) that the Repossession Notices sent by Freedom misrepresent the borrower’s right to redeem by including lump sum storage costs, violating 13 Pa. C.S. §§ 9611, 9614. Plaintiff also asserts on behalf of himself and a class of borrowers (“Deficiency Notice Subclass”) that the Deficiency Notices fail to provide the statutorily mandated explanation of how

Freedom calculated a deficiency, violating 13 Pa. C.S. § 9616. Both Classes are referred to herein collectively as the “Class”.

Freedom disputes Plaintiff’s legal entitlement to any relief under the UCC and maintains that its Repossession Notices and Deficiency Notices are legally compliant. Freedom further asserts defenses to the Amended Complaint and maintains that the matter would not meet the requirements for class certification if contested, but Freedom consents to this Settlement Class and preliminary approval.

2. Class Findings for Settlement Purposes.

(a) The numerosity requirement of Pa. R. Civ. P. 1702(1) is satisfied because the Class consists of over 389 Pennsylvania borrowers. Thus, the Class is so numerous that joinder would be impracticable.

(b) The commonality requirement of Pa. R. Civ. P. 1702(2) is satisfied because members of the Class share at least one common factual or legal issue, *i.e.*:

(i) Whether Plaintiff and the class members financed a vehicle and pledged the vehicle to Freedom as collateral;

(ii) Whether Freedom repossessed the vehicle or ordered it repossessed;

(iii) Whether Freedom failed to send the proper post-repossession notice of disposition of collateral in the form and manner required under Pennsylvania law after repossessing a vehicle;

(iv) Whether Freedom failed to send the proper post-sale explanation of deficiency in the form or manner required by Pennsylvania law after disposing of a vehicle; and

(v) The uniform statutory damages provided for such conduct.

(c) The typicality requirement of Pa. R. Civ. P. 1702(3) is satisfied because Defendant sent form Repossession Notices and Deficiency Notices to Plaintiff and other members of the Class. Plaintiff asserts that the form Repossession Notices and Deficiency Notices utilized by Defendant fail to comply with state law. These are the same claims that all other members of the Class possess.

(d) The adequacy requirement of Pa. R. Civ. P. 1702(4) is satisfied in that (i) the interests of the Representative Plaintiff Ibeleme and the nature of his claims are consistent with those of all members of the Class, (ii) there appear to be no conflicts between or among the Representative Plaintiff and the Class Members, and (iii) Mr. Ibeleme and the Class Members are represented by qualified, experienced counsel who often have been certified as Class Counsel in similar matters.

(e) The requirements of Pa. R. Civ. P. 1702(5) and 1708 are met, in that a Class Action for settlement purposes provides a fair and efficient method for the resolution of the controversy.

(f) Common issues of law and fact alleged by Plaintiff predominate over any potential individualized issues, including the alleged common issue of whether form notices sent by Defendant post-repossession comply with the provisions of one Pennsylvania statute's requirement of "commercially reasonable" notice of disposition or of deficiency. Pa. R. Civ. P. 1708(a)(1). There are no potential individualized issues such as reliance or causation.

(g) In making these preliminary findings, the Court has also given consideration to, among other factors: (i) the interests of Class Members in individually controlling the prosecution of separate actions for modest sums; (ii) the extent and nature

of any litigation concerning these claims already commenced (none has been identified); (iii) the desirability of concentrating the litigation of the claims in this forum; (iv) the impracticability or inefficiency of prosecuting or defending separate actions. Pa. R. Civ. P. 1708(a)–(c).

(h) Because this action is being settled rather than litigated, the Court need not consider manageability issues that might be presented by the trial of a class action involving the issues in this case.

3. The Class, Class Representative, and Class Counsel.

(a) The Repossession Notice Class is defined as All Persons:

- (i) who purchased any vehicle as a consumer good;
- (ii) who financed the vehicle purchase through Freedom, or whose vehicle loan agreement or installment sale contract was later assigned to Freedom;
- (iii) from whom Freedom, as secured party, repossessed the vehicle or ordered it repossessed;
- (iv) who had a Pennsylvania address as of the date of repossession, as depicted in the Repossession Notice;
- (v) in the period commencing June 30, 2015 through July 26, 2021.

(b) The Deficiency Notice Subclass is defined as all persons:

- (i) Who are members of the Repossession Notice Class; and;
- (ii) whose vehicle was sold or auctioned at the request of the Credit Union, but leaving a surplus or claimed deficiency balance;

(c) Martins Ibelele is appointed representative of the Class (“Representative Plaintiff”).

(d) Cary L. Flitter, Andrew M. Milz, Jody Thomas López-Jacobs along with the law firm of Flitter Milz, P.C. are approved as Class Counsel.

4. Findings Regarding Proposed Settlement. The Court finds that the proposed Settlement:

- (a) resulted from extensive arm’s-length negotiations and was concluded after more than a year of litigation, depositions, and review by Class Counsel of hundreds of documents and data points pertaining to the Class;
- (b) involves direct and substantial cash payments to Class Members, elimination of substantial disputed deficiency balances allegedly owed by Class Members to Freedom, as well as credit reporting and other relief;
- (c) appears *prima facie* fair, reasonable, and adequate to warrant sending notice of this action and the proposed settlement to the Class Members and holding a final hearing on the proposed settlement;
- (d) as agreed upon by the parties, except for Class Members who have properly submitted an Election Not to Accept Compromise of Disputed Deficiency Balance, Freedom’s elimination of the disputed Deficiency Balances as part of this Settlement constitutes a bona fide accord and satisfaction. Plaintiff’s and the Class Members’ release of their claims for statutory damages, which is a greater dollar amount than the anticipated benefits they will receive in this Settlement, is a clear and unequivocal offer of payment in full satisfaction of the Disputed Deficiency

Balances. This full satisfaction, which will be accepted and retained by Freedom as part of this Settlement, constitutes accord and satisfaction.

5. Final Approval Hearing. A hearing (the “Final Approval Hearing”) will be held on _____, 2023, at _____, M. in Courtroom ____, City Hall, Philadelphia, PA, to determine:

- (a) Whether the proposed settlement of this action should be finally approved as fair, reasonable and adequate;
- (b) Whether this action should be dismissed with prejudice pursuant to the terms of the settlement;
- (c) Whether Class Members should be bound by the release set forth in the proposed settlement; and
- (d) Whether Plaintiff’s application for an award of attorneys’ fees and expenses to Class Counsel, and for an individual service award, should be approved.

6. Pre-Hearing Notices to Class Members. Subject to the terms of the Settlement Agreement, an independent, third-party class action administrator, American Legal Claims Services LLC (the “Settlement Administrator”) shall provide Class Members with notice in the manner set forth below and in the Settlement Agreement. By accepting this assignment, the Settlement Administrator subjects itself to this Court’s jurisdiction.

7. Notice by Mail. The Settlement Administrator shall mail the Class Notice (with proper data filled in) substantially in the form filed with this Court as Exhibit C to the Settlement Agreement to the last-known address of each potential Class Member as reflected on Defendant’s current and reasonably accessible records, or such other, more current address as the Settlement Administrator sees fit, pursuant to the terms of the Settlement Agreement. The Class Notice shall

be sent by first-class mail, postage prepaid. Freedom shall furnish its final class list, including co-borrowers, to the Administrator within fifteen (15) days hereof; the Administrator shall cause Notice to be mailed within 20 days from receipt of the class list.

8. Proof of Mailing. At least twenty-four days prior to the Final Approval Hearing, the Settlement Administrator shall submit to Class Counsel and Freedom's counsel an affidavit of mailing of the Class Notice, identifying any Class Members who have validly objected to or requested exclusion from the Settlement Agreement. Class Counsel shall file the affidavit along with Plaintiff's motion for final approval.

9. Findings Concerning Notice. The Court finds that the Class Notice is the best practicable notice and is reasonably calculated, under the circumstances, to apprise the Class Members (i) of the settlement of this action, (ii) of their right to exclude themselves from the Class and the proposed settlement, (iii) that any judgment, whether favorable or not, will bind all Class Members who do not request exclusion, and (iv) that any Class Member who does not request exclusion may object to the settlement and enter an appearance personally or through counsel. The Notice and other case records, including the pleadings and the Settlement Agreement, will be made available to the Class via a website created for this case, www.FreedomCreditUnionRepoSettlement.com.

The Court further finds that the Class Notice proposed and submitted as an exhibit to the Motion for Preliminary Approval is written in plain English and is readily understandable. In sum, the Court finds that the proposed notice and methodology for giving notice and the forty-two (42) day period to act are reasonable, that they constitute due, adequate, and sufficient notice to all persons entitled to be provided with notice, and meet the requirements of Pennsylvania Rules of

Civil Procedure 1714 and the United States Constitution (including the Due Process Clause) and any other applicable law.

10. Exclusion from Class. Any Class Member who wishes to be excluded from the Class must send a written request for exclusion to the Settlement Administrator (with copies to Class Counsel and Defense counsel) at the addresses provided in the Settlement Class Notice. Any such exclusion request must be sent by first-class mail, postage prepaid, and must be postmarked no later than a date forty-two (42) days after the date the Notice is mailed by the Administrator. If the proposed settlement is approved, any Class Member who has not submitted a timely, written request for exclusion from the Class shall be bound by all subsequent proceedings, orders, and judgments in this action.

11. Objections and Appearances.

(a) **Written Objections.** Any Class Member who does not submit a written request for exclusion and who complies with the requirements of this paragraph may object to any aspect of the proposed settlement. A Class Member may assert such objections independently or through an attorney hired at their own expense. To object, a Class Member must mail a written objection to the Settlement Administrator, Class Counsel, and Defense Counsel at the addresses provided in the Settlement Class Notice, no later than _____. Any objections should state the name of the case, the reasons for the objection, and why the objector think the Court should not approve the settlement. The objection must also include the name, address, telephone number, email address (if available), and signature of the objecting Class Member.

(b) **Notice of Appearance.** If a Class Member hires an attorney to represent him or her, the attorney must file a notice of appearance with the Office of Judicial Records

– Civil, and deliver a copy of that notice to Defendant’s counsel and to Class Counsel, at the addresses set forth in paragraph 11(a) of this Order. Such counsel must receive any such notices of appearance contemporaneously with submission to the Court.

(c) **Appearance at Final Approval Hearing.** Any Class Member who files and serves a timely, written objection pursuant to the terms of paragraph 11 of this Order and complies with the requirements of this paragraph may also appear and be heard at the Final Approval Hearing either in person or through counsel retained at the Class Member’s expense.

12. Termination of Settlement. This Order shall become null and void, and shall be without prejudice to the rights of the parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if, pursuant to the terms of the Settlement Agreement, the proposed settlement: (a) is not finally approved by the Court or does not become final; or (b) is terminated or does not become effective. In such event, the proposed settlement and Settlement Agreement shall become null and void and be of no further force and effect, and neither the Settlement Agreement nor this Order shall prejudice either party.

13. Use of Order. This Order shall not be construed or used as an admission, concession, or finding by or against Defendant Freedom of any fault, wrongdoing, breach, or liability, or of the appropriateness or permissibility of certifying a class on contest, or for any purpose other than settlement. Nor shall the Order be construed or used as an admission, concession, or finding by or against Plaintiff or the Class Members that their claims lack merit or that the relief requested in their pleadings is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims.

14. Continuance of Hearing. The Court reserves the right to continue the Final Approval Hearing without further written notice, except that notice of any continuance shall be provided to any Class Member, or their counsel, who has filed an objection.

BY THE COURT:

J.

Exhibit B

Freedom Credit Union Repo Settlement

Election Not to Accept Compromise of Disputed Deficiency Balance

Please complete this form if you **do not want** to compromise Freedom Credit Union's Deficiency Balance that Freedom Credit Union says is due from you following the auction sale of your vehicle in the amount of <<**Amount of Auto Loan Deficiency**>>. You do not need to submit this form to receive the cash and credit reporting benefits of the Settlement or if you want your debt to be eliminated.

Name		
Street		
City	State	Zip
Phone	Email	

I declare that I am the Class Member in the Freedom Credit Union Repo Settlement and I **do NOT want** to compromise with Freedom Credit Union to resolve any Disputed Deficiency Balance remaining on my vehicle finance account.

Signature of Borrower

Date

Signature of Co-Borrower (if any)

Date

You must return this form postmarked by **[DATE]** to:

Ibeleme v. Freedom Credit Union
c/o Settlement Administrator
P.O. Box 23648
Jacksonville, FL 32241

Exhibit C

MARTINS IBELEME, individually and on
behalf of all others similarly situated,
Plaintiff

vs.
FREEDOM CREDIT UNION,
Defendant.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

JUNE TERM, 2021
NO. 002461

CLASS ACTION

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

You may be entitled to receive a settlement payment and elimination of any Deficiency Balance in connection with a class action against Freedom Credit Union

*A Pennsylvania Court has authorized this notice.
This is not a solicitation from a lawyer.
You are not being sued.*

- This settlement resolves a lawsuit over whether Freedom Credit Union (“Freedom”) sent borrowers proper notice of their rights after vehicle repossession.
- Freedom denies and disputes the claims asserted in the Litigation. The parties disagree about whether any money (and if so, how much) could have been awarded to you if the Plaintiff were to prevail at trial. The settlement avoids the costs and risks to members of the Class like you from continuing with the lawsuit, and provides relief to the Class.
- This settlement will: (a) provide a gross fund of \$1,700,000 to be distributed to Class Members after payment of administrative costs, Class Counsel fees and costs, and a service award to Plaintiff; (b) eliminate disputed Deficiency Balances of approximately \$2,736,000; and (c) require Freedom to request credit reporting agencies to delete your auto loan history from your credit report, in accordance with the proposed Class Action Settlement Agreement.
- Your rights are affected whether you act or not. Read this notice carefully.

Your Legal Rights and Options in this Settlement:

Do Nothing

If the settlement is approved by the Court as presented, any post-auction deficiency balance will be eliminated unless you got your vehicle back, and Freedom will request the credit reporting agencies to delete your auto loan trade line from your credit report. You will also be paid a proportionate share of the net settlement proceeds, **which for you comes to [\$\$\$\$\$].**

Exclude Yourself

Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Freedom concerning repossession or financing of your vehicle. Act by **[DATE]**.

Object Write to the Court about why you don't like the settlement and do not want it approved. Act by **[DATE]**.

Go to a Hearing Ask to speak in Court about the fairness of the settlement on **[DATE]**.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.
- For more information or to review key documents or the class action settlement agreement, you can visit www.FreedomCreditUnionRepoSettlement.com.

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BASIC INFORMATION

1. Why did I get this notice package?

The Court approved this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it, and objections and appeals (if any), are resolved, the Settlement Administrator will make the payments the settlement allows.

The Court in charge of the case is the Court of Common Pleas of Philadelphia County, Pennsylvania, and the case is known as *Martins Ibeleme, individually and on behalf of all others similarly situated v. Freedom Credit Union*, June Term 2021, No. 002461. The person suing is Martins Ibeleme, the Plaintiff (also called “Class Representative”) and the company being sued, Freedom Credit Union, is called the Defendant, or “Freedom.”

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible, and how to get them.

Freedom’s records reflect that you and any co-borrower on your vehicle loan were sent one or more notices from Freedom following the repossession of your vehicle between June 30, 2015 through July 26, 2021. Freedom’s conduct post-repossession, including its use of these notices forms the basis for this lawsuit.

2. What is this lawsuit about?

The lawsuit claims that Freedom violated Pennsylvania’s Uniform Commercial Code by failing to send its borrowers in Pennsylvania (a) proper notice of disposition of collateral (“Repossession Notice”) after repossession of their vehicle(s), and (b) proper explanation of calculation of deficiency (“Deficiency Notice”) after the sale of the vehicle(s).

Specifically, Plaintiff alleges on behalf of himself and a class of borrowers (“Repossession Notice Class”) that the Repossession Notice sent by Freedom misrepresents the right to redeem by including unincurred storage costs in the cost to redeem. Plaintiff also alleges on behalf of himself and a class of borrowers (“Deficiency Notice Subclass”) that the Deficiency Notice fails to provide a proper explanation of how Freedom calculated a deficiency balance.

Freedom denies that its disclosures violated any law, and Freedom asserts that it satisfied all of the legal requirements as to its notices. Freedom also asserts other defenses. Freedom further contends that many of the members of the Class owe Freedom money for balances still due on their accounts following the sale of their repossessed vehicle(s) at auction.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Martins Ibeleme) sue on behalf of all people who have similar claims. All these people are “Class Members,” and grouped together are a “Class.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Freedom has challenged

whether this case should proceed as a class action but has agreed not to oppose this case proceeding as a class for settlement purposes only.

4. Why is there a settlement?

Plaintiff believes the Class might have won more money than the settlement amount had the case gone to trial, but substantial delays and risks would have occurred, including the risk of the case not being certified as a class. Freedom believes that the claims asserted in the case are without substantial merit, and that the Plaintiff may have recovered nothing if there had been a trial. But, there has been no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial and appeal, and class members like yourself will get compensation and other settlement benefits promptly. The Class Representative and his attorneys think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

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

If you received this Notice in the mail, Freedom's records reflect that you are part of the Class. The Court has preliminarily certified two classes, the Repossession Notice Class and the Deficiency Notice Subclass (collectively, the "Classes"). The Repossession Notice Class includes those borrowers who were sent certain notices after their vehicle was repossessed. The Deficiency Notice Subclass includes those borrowers who were sent certain notices after their repossessed vehicle was sold by Freedom.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide for me?

- Cash Component:
 - Freedom has agreed to create a Settlement Fund of \$1,700,000.00. Approved administrative costs, Class Counsel fees and expenses, and a service award for the Class Representative will be paid from that fund. The Net Fund that remains will be distributed to the members of the Classes.
 - If fees and expenses are allowed as requested, it is expected that your cash payment will be approximately [\$\$\$\$\$\$], unless there were multiple borrowers on your loan in which case you will receive a portion of this amount.
 - If after the first distribution of checks to the Class more than \$50,000 remains in the Net Fund (from uncashed or undistributable checks), there will be a second distribution of checks to the Class who cashed their initial check. A balance remaining after the second distribution will be paid to *cy pres* beneficiaries, Pennsylvania Interest on Lawyers Trust Account ("IOLTA") and Community Legal Services of Philadelphia, for consumer uses.

- Credit Reporting Relief: Freedom will request that the credit reporting agencies update your credit report to remove any reference to the Freedom auto loan contract. Details about how and when this will be done, and limits on Freedom's obligation to provide credit reporting relief are spelled out further in the Settlement Agreement.

- Elimination of Disputed Deficiency Balance: If you have been advised by Freedom that there is a shortfall after the auction of your repossessed vehicle, that balance claimed due is called a "Deficiency Balance." Freedom's right to these Deficiency Balances is disputed by the parties. Unless you elect otherwise, any disputed Deficiency Balance on your vehicle loan will be eliminated as a result of this settlement. The average Deficiency Balance claimed due is around \$9,121.00. Yours could be more or less than this amount. You will not receive this relief if you got your car back (redeemed or reinstated) after the repossession. If you want to know if you have any Deficiency Balance or the amount, you can call the Settlement Administrator at 1-833-215-9289 or Class Counsel at 1-888-668-1225 NOTE: *see Tax Implications* in Section 7 below. You can choose not to have your disputed Deficiency Balance eliminated as a result of this Settlement by submitting the enclosed Election Not to Accept Compromise of Disputed Deficiency Balance.

TAX IMPLICATIONS

7. Tax Implications

This settlement has potential tax implications for you. The Settlement Administrator plans to issue IRS 1099-series forms for cash payments over \$600. You may be required to furnish your Social Security Number to the administrator as a condition of payment of settlement proceeds over \$600.

If you accept the elimination of your disputed Deficiency Balance, Freedom might issue to you an IRS 1099c form for the amount of the Deficiency Balance eliminated. This could result in your having to declare income in that amount on your next tax return and pay tax on all or some of that amount! You should consult your tax advisor to help decide if agreeing to the elimination of your disputed Deficiency Balance is right for you.

HOW YOU GET THE BENEFITS OF THE SETTLEMENT

8. Do I need to do anything to get a payment or the credit reporting benefit

No. You do not need to do anything further to remain in the Class. You will get a payment and any credit reporting benefit automatically, assuming court approval of the Settlement.

9. Do I need to do anything to have my outstanding debt eliminated?

No. Any outstanding debt remaining after the auction of your repossessed vehicle will automatically be eliminated upon final approval of the settlement by the Court unless you tell us you do not want your debt eliminated. If you **do not want** your alleged Deficiency Balance to be eliminated, please read these instructions carefully, fill out the Election Not To Accept Compromise of Disputed Deficiency Balance form, and mail it postmarked no later than **[DATE]** to:

Ibeleme v. Freedom Credit Union
c/o Settlement Administrator
P.O. Box 23648
Jacksonville, FL 32241

If you have already been sued and there is a legal judgment against you relating to your disputed Deficiency Balance, Freedom will inform the Court that you have resolved the issue and will satisfy the judgment. If you do not know if you have any Deficiency Balance, you can call the Settlement Administrator at [phone number] or Class Counsel at 1-888-668-1225 to inquire or to find out the amount of your alleged Deficiency Balance.

10. When is the hearing on final approval of the proposed settlement?

The Court will hold a hearing on [DATE] at [TIME].M. at Court of Common Pleas of Philadelphia County, City Hall, Philadelphia, PA 19107 to decide whether to approve the settlement. If the Court approves the settlement after hearing, there may be appeals. It is always uncertain whether there will be an appeal and if so, when it will be resolved. Resolving an appeal can take time, often well more than a year. Please be patient.

11. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will stay in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Freedom related to your repossessed motor vehicle. It also means that the Court's orders will apply to you and legally bind you. Unless you "opt-out" or exclude yourself from this case, you will automatically be deemed to have agreed to a "Release of Claims" which describes exactly the legal claims that you give up if you remain in the Class. The specific language of the release is set forth in the Settlement Agreement, which can be found on the website: www.FreedomCreditUnionRepoSettlement.com.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment or other benefits from this settlement but you want to keep the right to sue or continue to sue Freedom on your own about any of the subjects or issues set forth in the paragraph above, then you must take steps to get out. This is called excluding yourself – sometimes referred to as "opting out" of the Class.

12. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter to the Settlement Administrator, with copies to counsel, by mail (first class, postage pre-paid) saying that you, as well as any and all other person(s) who signed your vehicle loan, want to be excluded from *Martins Ibeleme, individually and on behalf of all others similarly situated v. Freedom Credit Union*, June Term 2021, No. 002461. Be sure to include your name, address, email (if available), telephone number and your signature. Mail your exclusion request postmarked no later than [DATE] to all of three different addresses below.

Settlement Administrator

Ibeleme v. Freedom
Class Settlement

P.O. Box 23648
Jacksonville, FL 32241

Class Counsel

Cary L. Flitter
FLITTER MILZ, P.C.
450 N. Narberth Avenue
Suite 101
Narberth, PA 19072

Defense Counsel

Peter J. Van Zandt
(pro hac vice)
LEWIS BRISBOIS
45 Fremont Street
Suite 3000,
San Francisco, CA 94105

13. If I don't exclude myself, can I sue Freedom for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Freedom for the claims that 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.

14. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not receive any money from this lawsuit or settlement, credit report deletion, elimination of any disputed Deficiency Balance, or other relief that this Class Settlement provides.

THE LAWYERS REPRESENTING YOU**15. Do I have a lawyer in this case?**

The Court has approved the law firm of Flitter Milz, P.C., in Narberth, PA to represent you and other Class Members. The lawyers at this firm are called Class Counsel. You will not be charged individually for these lawyers. If you want to be represented by your own lawyer, you may hire a lawyer at your own expense.

16. How will the lawyers and Representative Plaintiff be paid?

As part of the class settlement, Plaintiff will ask the court to approve a \$15,000 service award for his time and effort in bringing this case. Plaintiff will ask the Court to approve a payment out of the settlement fund in the amount of \$680,000 for Class Counsel fees and up to \$7,000 for reimbursement of expenses. The fees would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement, filing legal papers with the Court, and oversight of future implementation of the settlement, including fielding inquiries from Class Members. Class Counsel has not been paid for its time or services since this case was originally filed in June 2021. The Court could award less than this amount.

OBJECTING TO THE SETTLEMENT

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

17. How do I tell the Court that I don't like the settlement?

If you are a Class Member, you can object to the settlement if you don't like any part of it. You should state why you object and why you think the Court should not approve the settlement. The Court will consider your views. To object, you must send a letter to the Settlement Administrator and to counsel at the three different addresses listed in Section 12 above, on or before [DATE], saying that you object to the settlement in *Martins Ibeleme, individually and on behalf of all others similarly situated v. Freedom Credit Union*, June Term 2021, No. 002461, and your letter should include your name, address, email address (if available), telephone number, your signature, and the reasons you object to the settlement.

18. What's the difference between objecting and excluding?

Objecting is telling the Court that you don't like something about the settlement, and that you, for that reason, want the settlement not to be approved. You can object only if you stay in the Class. Excluding yourself is telling the Court that 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, and attendance is not required or expected unless you advise that you intend to appear or have your lawyer appear.

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

The Court will hold a Fairness Hearing on [DATE & TIME].M. at the Court of Common Pleas of Philadelphia County, City Hall, Room [REDACTED], Philadelphia, PA 19107. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate and meets the test for class action settlements. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also determine the Class Representative Service Award and Class Counsel fees and expenses. Following the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

20. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you file an objection, you don't have to come to Court to talk about it, but you may. As long as you properly mailed or electronically filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, if you wish.

21. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you or your lawyer must send a letter stating that it is your "Notice of Intention to Appear in *Martins Ibeleme, individually and on behalf of all others similarly situated v. Freedom Credit Union*, June Term 2021, No. 002461." Your Notice of Intention to Appear must be filed or mailed so as to be filed with the Court no later than [DATE] and be sent to the Office of Judicial Records – Civil and the

Administrator at the addresses in Section 12. You cannot speak at the hearing if you exclude yourself from the settlement.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do not exclude yourself and the Court finally approves the settlement, you will receive a settlement payment(s), elimination of your disputed Deficiency Balance (if any), and credit reporting relief as provided in the Class Action Settlement Agreement. If you do not want your disputed Deficiency Balance eliminated you must elect in writing by returning the enclosed Form.

GETTING MORE INFORMATION

23. Are there more details about the settlement?

This notice summarizes the proposed settlement. The pleadings and other records in this litigation, including a copy of the Settlement Agreement, may be examined at any time during regular office hours at the Office of Judicial Records – Civil – Court of Common Pleas of Philadelphia County, Room 284, City Hall, Philadelphia, PA 19107. These documents will also appear on a website created for this case: www.FreedomCreditUnionRepoSettlement.com.

You may also call or write to the following:

Ibeleme v. Freedom
c/o Settlement Administrator
P.O. Box 23648
Jacksonville, FL 32241
[phone #]

Or

Class Counsel
FLITTER MILZ, P.C.
450 N. Narberth Avenue, Suite 101
Narberth, PA 19072
1-888-668-1225

Please **do not** call the Court, Freedom, or Freedom's counsel.

Exhibit D

MARTINS IBELEME, individually and on
behalf of all others similarly situated,
Plaintiff

vs.

FREEDOM CREDIT UNION,
Defendant.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

JUNE TERM, 2021
NO. 002461

CLASS ACTION

ORDER FOR FINAL JUDGMENT AND DISMISSAL

WHEREAS, Martins Ibeleme, (the “Class Representative” or “Plaintiff”) on behalf of himself and the Class Members, and Freedom Credit Union (“Freedom”), the Defendant in the above captioned action (the “Action”) have entered into and filed with the Court, a Class Action Settlement Agreement and Release (the “Settlement Agreement”);

WHEREAS, the Court on _____, 2023 entered an Order Preliminarily Approving the Settlement (“Preliminary Approval Order”);

WHEREAS, on _____, beginning at _____ o’clock __.m. in Courtroom _____, Court of Common Pleas of Philadelphia County, City Hall, Philadelphia, PA, the Court held a hearing to consider, among other things (i) whether the settlement reflected in the Settlement Agreement should be approved as fair, reasonable, adequate and in the best interests of the members of the Class; (ii) whether final judgment should be entered dismissing the claims of the members of the Class with prejudice and on the merits, as required by the Settlement Agreement; and (iii) whether to approve Plaintiff’s application for a Class Representative service award, and Class Counsel’s petition for an award of Class Counsel fees, costs, and expenses from the common fund.

WHEREAS, based on the foregoing, having heard the statements of counsel for the parties and of such persons who chose to appear at the final approval hearing, having considered all of the files, records and proceedings in the Action, including specifically the Settlement Agreement (and

the exhibits appended thereto), the memoranda and other papers filed by the parties in support of final approval of the proposed settlement, Plaintiff's request for an award of a Class Representative service award, and Plaintiff's request for an award of Class Counsel fees and expenses;

WHEREAS, there have been _____ objections to the settlement and _____ Class Members have opted out. A list of opt-outs, if any, is appended to this Order.

THE COURT HEREBY FINDS, ORDERS AND ADJUDGES THAT:

1. **Notice to the Class:** Notice to the Classes has been provided by the Settlement Administrator pursuant to this Court's Order of Preliminary Approval, as attested to by the Affidavit of the Settlement Administrator. The Notice given to members of the Class by first class mail and website constituted due and sufficient Notice of the settlement and the matters set forth in said Notices to all persons entitled to receive Notice, and fully satisfies the requirements of due process and Pa. R. Civ. P. 1712, 1714(c).

2. **Adequacy of Class Representative:** Plaintiff Martins Ibeleme, as representative of the Class, fairly and adequately represents the interests of the Class, such that the requirements of due process, the requirements of Pennsylvania law, and the requirements of Pa. R. Civ. P. 1709 have been satisfied.

3. **Adequacy of Class Counsel:** Cary L. Flitter, Andrew M. Milz, Jody Thomas López-Jacobs along with the law firm of Flitter Milz, P.C. have fairly and adequately represented the interests of the Class, such that the requirements of due process, the requirements of Pennsylvania law and the requirements of Pa. R. Civ. P. 1709 have been satisfied.

4. **Settlement Approved:** The proposed settlement set forth in the parties' Settlement Agreement, a copy of which was filed as Ex. "1" to the Motion for Final Approval, is fair, reasonable, adequate, and in the best interests of the Class. The terms in this Order shall be

interpreted in accordance with the definitions in the Settlement Agreement. All aspects of the Settlement Agreement are approved. The Class Representative's service award is approved in the amount of \$15,000.

5. Class Counsel Fees and Expenses: The Court has reviewed the application for Class Counsel fees and expenses, and the documentation submitted in support. Consistent with the criteria set forth in Pa. R. Civ. P. 1717, and established Pennsylvania law providing for payment of reasonable counsel fees and expenses to Class Counsel from a common fund created for the benefit of the Class, the Court finds the cash payment of \$1,700,000, complete elimination of disputed Deficiency Balances by accord and satisfaction in the sum of approximately \$2,736,000, and equitable type relief including correction of consumer credit reports of Class Members creates a common fund valued well in excess of \$4,436,000.

Class Counsel's fee request in the sum of \$680,000 is approved as fair and reasonable in light of the factors set forth in Pa. R. Civ. P. 1717, and in light of ongoing future services reasonably anticipated to be required to implement and oversee this settlement. Litigation expenses of Class Counsel have been adequately documented, and were reasonable and necessary for effective prosecution of the case. Expenses are approved in the sum of \$_____. Counsel fees and expenses are both to be paid out of the Settlement Fund, as set forth in the Settlement Agreement.

6. Dismissal and Related Matters:

a. The claims of all members of the Class, except those Class Members who have excluded themselves from the Class pursuant to paragraph 4.03 of the Settlement Agreement, are hereby dismissed with prejudice, on the merits and without costs to any party.

b. Plaintiff, on his own behalf and on behalf of each Class Member, by operation of this Release and the judgment, hereby shall be deemed to have fully, finally, and

forever released, settled, compromised, relinquished, and discharged with prejudice any and all of the Released Persons of and from any and all Settled Claims, and shall be forever barred and enjoined from instituting or further prosecuting any Settled Claim (as defined), in any forum, including in any state or federal court.

c. On the Effective Date, Defendant shall be deemed to have released, settled, and compromised with prejudice, through accord and satisfaction, any such Disputed Deficiency Balance of Class Members arising from or related to the Secured Obligations at issue. This Release shall not apply to any Class Member who reinstated their contract or reclaimed and/or obtained the return of their vehicle following repossession and/or who does not have a Deficiency Balance, or who elected not to compromise their Deficiency Balance pursuant to the Class Notice.

d. In light of the Notice given to the Class Members, Plaintiff and all Class Members shall be bound by the Settlement Agreement, and all of their Settled Claims shall be dismissed with prejudice and released.

7. Cy Pres: The Court approves Pennsylvania Interest on Lawyers Trust Account (“IOLTA”), and Community Legal Services of Philadelphia as *cy pres* beneficiaries. All funds remaining after distribution(s) of the Net Fund to Class Members, as called for in the Settlement Agreement, shall be distributed by the Settlement Administrator accordingly: (a) 75% to IOLTA; and (b) 25% to Community Legal Services of Philadelphia, as *cy pres* beneficiaries. The *cy pres* fund shall be used for consumer purposes as set forth in the Class Action Settlement Agreement ¶ 3.06.

8. Continuing Jurisdiction: Consummation of the settlement shall proceed as described in the Settlement Agreement and the Court hereby retains jurisdiction of this matter in order to resolve any disputes which may arise in the implementation of the Settlement Agreement

or the implementation of this Final Judgment and Order. The Court retains continuing jurisdiction for the purposes of supervising the implementation of the Settlement Agreement and supervising the distribution and allocation of the Settlement Fund. Final judgment shall be entered as provided herein.

BY THE COURT:

J.