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JUN 20 2023

22ND JUDICIAL CIRCUIT
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BY _____ DEPUTY

**TWENTY-SECOND JUDICIAL CIRCUIT COURT
ST. LOUIS CITY, MISSOURI**

CSAC, Inc.,

Counterclaim-Defendant,

v.

Sade M. Crawford,

Counterclaimant.

Case No. 1522-AC03346-02

Division: 3

ENTERED

JUN 20 2023

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Final Class Action Approval Order

Upon careful review, consideration of the record, and making an independent judicial investigation into the allegations and defenses of the parties, the “Class Action Settlement Agreement and Release” dated November 7, 2022 (the “Agreement”), the evidence and arguments of counsel as presented at the Fairness Hearing held on May 23, 2023, the memoranda filed with this Court, and all other filings for the parties’ settlement as memorialized in the Agreement (the “Settlement”); and for good cause shown, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Incorporation of Other Documents**. This Final Class Approval Order incorporates:
 - a. The Agreement, filed with this Court on November 7, 2022; and
 - b. The following exhibits to the Agreement: (i) Exhibit A (Class Mail Notices) and (ii) Exhibit B (Long-Form notice available to the Class).

Unless otherwise provided, all capitalized terms in this Final Class Action Approval Order have the same meaning as those terms in the Agreement.

2. **Jurisdiction**. Because adequate notice was disseminated and all potential members of the Class (as defined below) were given notice of and an opportunity to opt out of the Settlement, the Court has personal jurisdiction over all members of the Class. Because notice was sent to all Class Members according to a methodology that protected the interests of the parties and the Class Members and that provided the best notice practicable under the circumstances in compliance with Missouri Supreme Court Rule 52.08, due-process requirements, and any other legal requirements, the Court's jurisdiction extends even to Class Members who might not have received actual notice of the Settlement. The Court also has subject-matter jurisdiction over this case (the "Litigation"), including, without limitation, jurisdiction to approve the proposed Settlement, to grant final certification of the Class, to dismiss Crawford's and the Class Members' claims against CSAC, Inc. ("CSAC"), and to enter the accompanying Judgment.

3. **The Certified Class**. On January 31, 2020, the Court certified a class of consumers under Rule 52.08 defined as:

all persons to whom CSAC mailed a presale notice or post-sale notice. Excluded from the Class are all persons whom CSAC has obtained a final deficiency judgment or who filed for bankruptcy after the date on their presale notice and whose bankruptcy ended in discharge rather than dismissal.

4. **Class Notice**. Class notice was mailed to all 3,060 class members. Of those class notices, only 107 were deemed undeliverable (3.5%). The Court finds the notice to the Class (both the Class Mail Notice and Long-Form Notice available on the website set up by Class Administrator and upon request) and its distribution to the Class as implemented under the Agreement and the Preliminary Approval Order:

a. Constituted the best practicable notice to the members of the Class under the circumstances of this Litigation;

- b. Constituted notice reasonably calculated, under the circumstances, to apprise the members of the Class of (i) the pendency of this Litigation and the proposed Settlement, (ii) their right to exclude themselves from the Class and the proposed Settlement, (iii) their right to object to any aspect of the proposed Settlement (including, but not limited to: final certification of the Class; the fairness, reasonableness or adequacy of the Settlement as proposed; the adequacy of Crawford's and/or Class Counsel's representation of the Class; the proposed awards of attorney's fees and expenses; and the proposed incentive award), (iv) their right to appear at the Fairness Hearing if they did not exclude themselves from the Class, and (v) the binding effect of the Orders and Judgment in the Litigation on all members of the Class who did not request exclusion;
- c. Constituted notice that was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to be provided with notice; and
- d. Constituted notice that fully satisfied the Rule 52.08, due process, and any other applicable law.
5. **Opt-Outs and Objections.** No member of the certified class exercised his or her right to opt-out of the Settlement or object to the Settlement.
6. **Final Settlement Approval.** The terms and provisions of the Agreement, including all exhibits, have been entered in good faith through arm's length negotiations, and not as the result of fraud or collusion. The Agreement is fully and finally approved as fair, reasonable and adequate as to, and in the best interests of, each of the Parties and the Class Members, and in full compliance with all requirements of the laws of Missouri, the United States Constitution (including the Due

Process Clause), and any other applicable law. The Parties are directed to implement and consummate the Agreement according to its terms and provisions.

7. **Damages.** CSAC has agreed not to contest a judgment being entered against it to be determined by the Court at a later date. However, no amount over \$1,575,000.00 may be satisfied from CSAC's assets for its obligations required under this Agreement and any remaining amount may only be satisfied from CSAC's other insurers, or its insurance agents or insurance brokers besides Federated Mutual Insurance Company or Auto Owners, Inc. *See Agreement ¶ 3.14.* Nothing in this Final Class Action Approval Order shall preclude or prejudice any rights Intervenor Union Insurance Company ("Union") may have to participate in and contest any liability and additional damages against CSAC to be determined by the Court at a later date and potentially satisfied by Union's insurance coverage (if any).

8. **Assignment of Claims.** CSAC assigns to the Settlement Class all of its rights under all insurance policies (other than insurance policies with Federated Mutual Insurance Company or Auto Owners, Inc.) which Crawford and the Settlement Class may seek recovery. *See Agreement ¶ 1.19 and ¶ 3.14.* Class Counsel may pursue recovery against CSAC's other insurers and attempt to recover against any effective insurance policies. Any recovery from the insurers will add to the benefits made available to the Settlement Class under the Agreement. Settlement Class members will receive funds from any recovery from the insurers after attorneys' fees and costs awarded by the Court are deducted. Consistent with the Court's April 3, 2023, Order, that portion of CSAC and the Class's Settlement that seeks to permit the Class to take a judgment against CSAC to be determined by the Court and potentially satisfied by Union's insurance coverage is stayed until the related Coverage Action is resolved.

9. **Binding Effect.** The Agreement, this Final Class Action Approval Order and the accompanying Judgment shall be forever binding on Crawford, all the Class Members, and their respective heirs, executors, administrators, assigns, predecessors, and successors, and any other person claiming by or through any or all of them. The Agreement, this Order and the accompanying Judgment shall have *res judicata* and other preclusive effect as to the “Releasers” for the “Released Claims” as against the “Released Persons,” all as defined in the Agreement. Except for the determinations and assessments necessary to resolve any additional judgment against CSAC to be determined by the Court at a later date and potentially satisfied by Union’s insurance coverage (*see* Paragraph 7 of this Order), this Order resolves a distinct judicial unit between the parties and is final for purposes of appeal for which there shall be no just reason for delay. As set forth above, nothing in this Final Class Action Approval Order shall preclude or prejudice any rights Union may have to participate in and contest any liability or additional damages against CSAC to be determined by the Court at a later date and potentially satisfied by Union’s insurance coverage (if any).

10. **Releases.** The Class Members (*i.e.*, those members of the Class who did not timely opt out) shall be bound by the Release provided in Paragraph 5 of the Agreement, which is incorporated in this Order, regardless of whether such persons received any compensation under the Agreement or Settlement. The Releases are effective as of the date of this Final Class Action Approval Order and the accompanying Final Judgment. The Court expressly adopts all defined terms in the Agreement.

11. **Enforcement of Settlement.** Nothing in this Final Class Action Approval Order or the accompanying Judgment shall preclude any action by any Party to enforce the terms of the Agreement.

12. **Claimed Deficiencies.** The Court has made an independent judicial investigation into the allegations and defenses of the parties. The Court holds that under Missouri law CSAC accrued no deficiency balances for Crawford and the Class, and CSAC cannot collect any deficiency against Crawford and members of the Class because the right to cure notices and post-sale notices sent by CSAC to Crawford and members of the Class failed to comply with the Missouri UCC. *See Missouri Credit Union v. Diaz*, 545 S.W.3d 856 (2018); *Gateway Aviation, Inc. v. Cessna Aircraft Co.*, 577 S.W.2d 860 (Mo. App. 1978) (“any right to a deficiency accrues only after strict compliance with the relevant statutes”). CSAC must write off the claimed deficiency balances and cease all collection efforts regarding the loans that are the subject of the Litigation.

13. **Class Representative Award to Crawford.** The Court awards \$10,000 to be paid from the Cash Fund to Crawford as an incentive award for her services as class representative in this Litigation.

14. **Class Relief.** As part of the Settlement, CSAC will cause its insurers to place \$1,575,000 into the Cash Fund for monetary recoveries for class members, attorney’s fees, costs, and Crawford’s incentive award. CSAC has also agreed to write off \$8,000,000 in debt CSAC claims the class members owe. *See Agreement* ¶¶ 1.25, 3.10. CSAC has also agreed to submit requests to credit bureaus Experian, Equifax, TransUnion, and Innovis to delete the class members’ “tradelines” associated with their accounts subject to the Settlement. *See Agreement* ¶ 3.11. Missouri courts have assigned a “conservative” value of \$10,000 per class member for getting these tradelines removed from their credit reports. *See Universal Credit Acceptance, Inc. v. Myers*,

No. 15JE-AC05976-01 (Mo. Cir. Feb. 8, 2021); *see also Anheuser Busch Employees' Credit Union v. Wells*, Case No. 1522-AC09263-01 (Mo. Cir. July 10, 2018).¹

15. **Attorney's Fees and Expenses.** The Court approves and awards Class Counsel \$1,260,000 from the Cash Fund, which represents approximately 3.1% of the Total Class Benefit after considering monetary relief, deficiency write-offs, and deletion of class members' negative credit tradelines. The Court also awards Class Counsel \$20,000 to reimburse expenses and costs, including payment to the Class Administrator. The Court specifically finds:

- a. The Court is acquainted with all the issues involved and the work performed by Class Counsel.
- b. Through their settlement negotiations, and by obtaining preliminary and final approval of the Settlement Agreement, Class Counsel and Crawford achieved exceptional results on behalf of the Class with the total quantifiable benefit conferred on the Class valued at approximately \$40,175,000, which is the sum of (1) \$1,575,000 in monetary relief, (2) \$8,000,000 in debt write-offs, and (3) \$30,600,000 in value for removal of class members negative tradelines from their credit reports.
- c. The issues involved were novel, complex, and justify the fee award.
- d. The demands of the settlement approval process and class administration forced Class Counsel to dedicate considerable resources to this lawsuit.

¹ *Myers* and *Wells* were similar class actions based on the same types of violations (UCC notices) and remedies sought (statutory damages, deletion of negative credit tradeline, deficiency waiver). A credit damages expert estimated the benefit of having the negative auto loan tradeline deleted from the class members' credit reports, using an "ultra-conservative estimate," equated to \$10,000 per class member. The courts took the estimated credit benefits of \$10,000 per class member into account when it calculated the aggregate benefits conferred to the class. *See, e.g., Myers*, No. 15JE-AC05976-01 at 9 n. 1 ("Using an estimate of \$10,000 in benefit conferred to each class member for deleting their tradeline from their credit reports, the Settlement Class also receives a benefit of approximately \$77,010,000 (\$10,000 per each of the 7,701 identified class members).").

- e. Class Counsel are experienced and highly skilled class action and consumer litigators with a reputation justifying the fee award.
- f. The fee award is less than that granted in similar cases involving complex litigation or in the class-action context.
- g. The Agreement and Long-Form Notice informed the Class that Class Counsel would apply for fee awards in the amounts requested. No member of the Class has objected to such awards or the Settlement.

16. **No Other Payments.** The preceding paragraphs of this Final Class Action Approval Order preclude, without limitation, all claims for attorney's fees and expenses, costs or disbursements incurred by Class Counsel or any other counsel representing Crawford or the Class, or incurred by Crawford or the Class Members, or any of them, in connection with or related in any manner to this Litigation, the Settlement of this Litigation, the administration of such Settlement, and/or the Released Claims, except to the extent otherwise specified in this Final Class Action Approval Order or the Agreement.

17. **Retention of Jurisdiction.** The Court has jurisdiction to enter this Final Class Action Approval Order and the accompanying Judgment. Without affecting the finality of this Final Class Action Approval Order and the accompanying Judgment, this Court expressly retains jurisdiction to determine and assess any issues necessary pursuant to Paragraph 7 of this Order, and on all matters relating to the administration and enforcement of the Agreement and Settlement and of this Final Class Action Approval Order and the accompanying Judgment, and for any other necessary purpose as permitted by law, including, without limitation:

- a. enforcing the terms and conditions of the Agreement and Settlement and resolving any disputes, claims or causes of action that, in whole or in part, are related to the

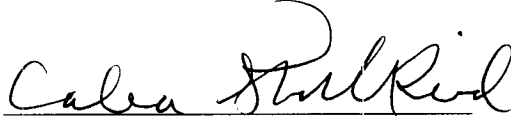
administration and/or enforcement of the Agreement, Settlement, this Final Class Action Approval Order or the Judgment (including, without limitation, whether a person is or is not a member of the Class or a Class Member; and whether any claim or cause of action is or is not barred by this Final Class Action Approval Order and the Judgment);

- b. entering such additional Orders as may be necessary or appropriate to protect or effectuate the Court's Final Class Action Approval Order and the Judgment and/or to ensure the fair and orderly administration of the Settlement and distribution of the Settlement Fund, including presiding over any garnishment actions; and
- c. entering any other necessary Orders to protect and effectuate this Court's retention of continuing jurisdiction.

18. **Separate Judgment.** The Court will separately enter the accompanying Judgment.

IT IS SO ORDERED

Date: 6/20/2023


Judge Calea Stovall-Reid