

LISA TAGGART, individually and on behalf
of all others similarly situated,
Plaintiff

vs.

EAGLE ONE FEDERAL CREDIT UNION,
Defendant.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

AUGUST TERM, 2021
NO. 00965

CLASS ACTION

CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE

TABLE OF CONTENTS

	<u>PAGE</u>
I. DEFINITIONS	3
II. GENERAL TERMS OF THE SETTLEMENT	6
2.01. <u>Conditional Nature of Agreement</u>	6
2.02. <u>Effect of Disapproval</u>	7
2.03. <u>Denial of Liability</u>	7
2.04. <u>Class Certification</u>	8
2.05. <u>Proposed Order for Preliminary Approval</u>	8
2.06. <u>Monetary Relief to Class Members</u>	8
2.07. <u>Identification of Class Members</u>	9
2.08. <u>Electronic List</u>	10
2.09. <u>Credit Reporting and Collections</u>	10
2.10. <u>Attorneys’ Fees and Expenses</u>	12
2.11. <u>Individual Service Award</u>	12
III. ADMINISTRATION OF THE SETTLEMENT	13
3.01. <u>Costs of Administration</u>	13
3.02. <u>Treatment of Class Members Who Have Moved or Died</u>	13
3.03. <u>Uncashed/Unclaimed Checks</u>	14
3.04. <u>Second Distribution</u>	14
3.05. <u>Notification to Class Counsel</u>	15
3.06. <u>Residual Funds/ <i>Cy Pres</i></u>	15
3.07. <u>Certification of Distribution</u>	16
IV. CLASS SETTLEMENT PROCEDURES	16
4.01. <u>Motion for Preliminary Approval</u>	16
4.02. <u>Notice of Class Settlement</u>	18
4.03. <u>Opting Out</u>	18
4.04. <u>Order and Final Judgment</u>	19
4.05. <u>Settlement Administrator Duties and Consent to Jurisdiction</u>	19
V. RELEASES.....	20
5.01. <u>Release by the Class</u>	20
5.02. <u>Unknown Claims or Losses</u>	20
VI. QUALIFIED SETTLEMENT FUND.....	21
6.01. <u>Definition</u>	21

6.02.	<u>Employer Identification Number</u>	21
6.03.	<u>Relation-Back</u>	21
6.04.	<u>Eagle One’s Obligations After Making Deposits</u>	21
6.05.	<u>Administration Tax Obligations</u>	22
VII.	MISCELLANEOUS PROVISIONS.....	22
7.01.	<u>Parties to Use Best Efforts to Effectuate Settlement</u>	22
7.02.	<u>Choice of Law and Venue</u>	22
7.03.	<u>Entire Agreement</u>	22
7.04.	<u>Modification Only in Writing</u>	23
7.05.	<u>No Ambiguity To Be Construed In Favor of Either Party</u>	23
7.06.	<u>Successors</u>	23
7.07.	<u>Waivers</u>	23
7.08.	<u>Counterparts</u>	23
7.09.	<u>Retention of Jurisdiction</u>	23
7.10.	<u>Taxes</u>	24
7.11.	<u>No Opt Out Solicitation or Inducement, or Solicitation of Publicity</u>	24
7.12.	<u>Blow-Up Provision</u>	24

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 Lisa Taggart (the “Class Representative” or “Plaintiff”), on behalf of herself and the Class Members, and Eagle One Federal Credit Union (“Eagle One”), 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 August 11, 2021, Plaintiff filed a Class Action Complaint in the Court of Common Pleas of Philadelphia County in a matter captioned *Lisa Taggart, individually and on behalf of all others similarly situated v. Eagle One Federal Credit Union*, August Term 2021 No. 00965 (the “Litigation”), which alleged, *inter alia*, violations of Pennsylvania’s Uniform Commercial Code with respect to certain notices that Plaintiff contends were required to be sent to Pennsylvania consumers after the repossession of their vehicles by Eagle One;

WHEREAS, on October 8, 2021, Plaintiff filed an Amended Class Complaint (“Amended Class Complaint”), which also alleged, *inter alia*, violations of Pennsylvania’s Uniform Commercial Code;

WHEREAS, Eagle One preliminary objections to the Amended Class Complaint, the Court overruled on March 8, 2022. Eagle One on 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 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, and has filed a Motion for Class Certification, which is pending as of the date of this Agreement;

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

WHEREAS, Plaintiff and Eagle One 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) Eagle One will pay the sum of three hundred thousand dollars (\$300,000.00) to create a Settlement Fund that will be used to provide monetary relief to Class Members, to pay Class Counsel's approved fees and expenses, to pay an approved class representative service award, and to pay the costs of Class Notice and administration of the Settlement, all as approved by the Court; and,
- (ii) Eagle One 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 Eagle One 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 Class; and

WHEREAS, Eagle One 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, the Class, and Eagle One 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. The “Class” is defined as All Persons:

- (a) who purchased any specie of vehicle as a consumer good;
- (b) who financed the vehicle purchase through Eagle One, or whose loan, finance agreement, or installment sale contract was later assigned to Eagle One;
- (c) from whom Eagle One, as secured party, repossessed the vehicle or ordered it repossessed;
- (d) who were thereafter sent a notice of plan to sell property;
- (e) who had a Pennsylvania address as of the date of repossession;
- (f) in the period commencing August 11, 2015 through February 1, 2022.

1.04. “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.

1.05. “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 Eagle One or the repossession of any Class Representative’s or Class Member’s motor vehicle by Eagle One. 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. This release shall not bar any borrower from asserting any defense that would reduce or eliminate Eagle One’s claimed deficiency balance.

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

1.07. “Class Members” means the members of the Class who have not opted out of the Settlement.

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

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

1.10. “Class Period” means the period from August 11, 2015 through February 1, 2022.

1.11. “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 Eagle One has ever reported information regarding a Class Member’s credit profile.

1.12. “Settlement Administrator” means American Legal Claims Services, LLC of Jacksonville, FL, an independent class action settlement administration company, or any similar company chosen at the discretion of Class Counsel.

1.13. “Settlement Fund” or “QSF” means the amount of \$300,000.00 provided by Eagle One to the Settlement Administrator. 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.

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

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

1.16. “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.

1.17. “Parties” means the Class Representative, the Class Members, and Eagle One.

1.18. “Eagle One” means Eagle One Federal 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, predecessors, successors, and assigns.

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

1.20. “Secured Obligation” means a finance agreement, loan agreement, retail installment sales contract, or comparable vehicle finance transaction to which a Class Member and Eagle One are parties pursuant to which a vehicle was repossessed and which repossession is in dispute in the Litigation.

1.21. 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 Eagle One 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.

Eagle One denies the validity of all claims asserted in the Litigation. Neither this Agreement, nor any of its terms and provisions, nor any of the negotiations connected with it, shall

be construed as an admission or concession by Eagle One of any legal violations, any legal requirement, or any failure to comply with any applicable law.

2.04. Class Certification.

The Parties agree that the Classes shall be certified for purposes of settlement, that Lisa Taggart 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 ten (10) days following the entry of an order granting Preliminary Approval, Eagle One will issue or cause to be issued one or more checks to the Settlement Administrator in the amount of \$300,000.00, payable to the order of “Taggart v. Eagle One Settlement Fund” for deposit into PNC Bank, N.A.

Under no circumstances shall Eagle One be required to pay an amount in excess of \$300,000.00 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 their respective 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 Net Fund will be distributed on a pro rata basis to all Cash Payment Eligible Class Members based on the proportion of their statutory damages. 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), 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 \$120,000.00, administrative expenses of \$11,000.00, and a class representative service award of \$10,000.00, the Net Fund will be \$159,000.00. The median payment for each of the approximately 41 Secured Obligations in the Class is approximately \$3,739.00. However, each Class Member will receive their pro rata share of the Net Fund.

(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.

Eagle One represents that to the best of its knowledge after having reviewed its records of customer accounts, there are 41 Secured Obligations within the Class.

2.08 Electronic List.

Eagle One shall prepare an electronic list for the Settlement Administrator containing the names, last known addresses, finance charges, amounts financed, 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 and Class Counsel shall treat the respective lists as confidential. 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. Eagle One 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, Eagle One will make a request to the Credit Reporting Agencies to delete the trade line for the motor vehicle financing accounts at issue (hereinafter "Accounts") from the credit files of all Class Members, including those Class Members who redeemed their account (*i.e.* pay off the entire amount owed in exchange for the vehicle), but not including those Class Members who reinstated their account.

To that end, Eagle One shall 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 Eagle One has reported any information about Class Member. Each required “Universal Data Form,” or a substantially equivalent form, must contain Eagle One’s certification that it has modified its internal records so that the Account information to be deleted is not re-reported. Eagle One shall adjust its relevant internal records in a manner that will permanently reflect the agreed-upon status of the Accounts.

If, 90 or more days after the Effective Date, Eagle One is advised by a Class Member or Class Counsel that a trade line has not been deleted, Eagle One will make a further request that it be deleted. If Eagle One is not so advised, Eagle One will take no further action. After Eagle One has made the request(s) to the Credit Reporting Agencies described above, if a Class Member disputes such Eagle One trade line with one or more Credit Reporting Agencies, Eagle One shall not respond to such request for verification. Eagle One 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 Eagle One, and that no cause of action can or will be stated, including any for breach of this Settlement against Eagle One, if any Credit Reporting Agency fails to so amend the Class Members’ credit history despite a request from Eagle One, so long as Eagle One performs its obligations in ¶ 2.09(a). The Class Members also expressly acknowledge that they understand the limitations of Eagle One in this regard, and that any action, inaction, omission, and/or error solely by the Credit Reporting Agencies is not and shall not be attributable to Eagle One and shall not constitute a breach of this Agreement. Eagle One 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. Attorneys' Fees and Expenses

Plaintiff intends to apply for an award of attorneys' fees and expenses from the Settlement Fund in an amount not to exceed \$120,000.00. 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 Eagle One is required to pay under this Agreement. Eagle One agrees not to oppose a request by Plaintiff for fees and costs to be awarded to Class Counsel. The amount of Class Counsel fees and expenses is subject to Court approval. Class Counsel fees awarded shall also serve as compensation to Class Counsel for addressing ongoing and future Class Member inquiries concerning their repossession, 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 fourteen (14) days of the Effective Date. Class Counsel shall provide Eagle One an executed Form W-9.

2.11. Individual Service Award.

The Class Representative shall apply for an individual service award in the amount of \$10,000.00. Any service award shall be paid from the Settlement Fund. Eagle One 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 fourteen (14) 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 Eagle One and Class Counsel about the calculations and payments called for by this Agreement. The Settlement Administrator shall provide a quote for the costs of the first distribution, which shall not exceed \$11,000. Further notice or administrative expenses associated solely with a second distribution to Class Members (not to exceed \$3,500.00) may be withdrawn by the Administrator out of the *res* then remaining before any Second Distribution.

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

For Class Members whose checks mailed pursuant to ¶ 2.06 are returned by the U.S. Postal Service for lack of current correct address, the Settlement Administrator shall seek an address correction via a Social Security number search through the Accurant database, or other equivalent database, and the checks for those Class Members will be resent to 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, or a copy of the official filings appointing an executor, administrator, or other personal representative of the estate along with the name and address of such executor, administrator, or personal representative. Any payment to or on behalf of an estate must be made not later than one 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 sixty (60) 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 thirty (30) more days and urging the Class Member to act promptly to negotiate their 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 \$30,000.00 or more, there shall be a second distribution. From that remaining balance, reasonable administration and notice costs for the second distribution shall be paid per ¶ 3.01 above. The balance then remaining shall be allocated on a per capita basis among each Class Member who negotiated the first mailed check.

By way of illustration, if there remains after the first distribution \$30,000.00, and 30 Class Members cashed the initial checks; and the administration cost of the Second Distribution is (up

to) \$3,500.00, then \$26,500.00 is available for the Second Distribution. From that *res*, the net redistribution would be approximately \$883.33 for each Class Member.

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 forty-five (45) 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 Eagle One'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, accounting for interest (if any), bank fees, and other administration expenses.

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

3.06. Residual Funds/ Cy Pres.

If a balance remains sixty (60) days after a Second Distribution, or if less than \$30,000.00 remains 100 days after the initial distribution, that remaining balance is deemed "Residual Funds." Residual Funds will be distributed as follows: (a) pursuant to Pa. R.C.P. 1716, fifty percent (50%) shall be distributed to the Pennsylvania Interest on Lawyers Trust Account ("IOLTA") to support activities and programs which promote the delivery of civil legal assistance to the indigent in Pennsylvania by non-profit corporations described in § 501(c)(3) of the Internal Revenue Code of 1986, as amended; (b) the remaining fifty percent (50%) shall be distributed to 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: Pennsylvania Legal Aid Network (“PLAN”).

If there is no second distribution, the Settlement Administrator shall deliver the checks payable to the *cy pres* recipients to Class Counsel for distribution to the recipient organization within 120 days of the initial distribution. If there is a second distribution, such checks shall be delivered within 70 days of the second distribution. The letter enclosing delivery of the *cy pres* checks to the recipients shall be copied to Counsel for Eagle One. 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 Eagle One.

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 from the execution of this Agreement. Eagle One agrees not to oppose the entry of an order of Preliminary Approval in the form annexed hereto as Exhibit A, which provides, among other things:

- (a) That the settlement is preliminarily approved as being within the range of reasonableness such that notice thereof should be given to the Class;

- (b) That the requirements for certification of the Class 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 B is approved by the Court; that the mailing of the Class Notice in the manner and form set forth in the Order meets all the requirements of Pa. R. Civ. P. 1712, 1714, and any other applicable law; that such Notice constitutes the best notice practicable under the particular circumstances of this case; and shall constitute valid, due, and sufficient notice to all persons entitled to it;
- (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 their intention to appear, and states the basis for such objections. Any objection shall be postmarked or electronically filed with the Prothonotary 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 Eagle One, 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 Secured Obligation; 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 seven (7) 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 B in the following manner: (a) Eagle One shall supply an list of the Class in accordance with ¶ 2.08 within ten (10) 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 Eagle One (*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 Accurint 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."

4.03. Opting Out

The Class Notice described in Paragraph 4.02 above shall permit any Class Member to elect not to be part of the Class and not to be bound by this Agreement if the affected person mails a timely opt-out notice to the Settlement Administrator. The notice of intention to opt out shall: (i) set forth the Class Member's full name, current address, telephone number and email address, if available; (ii) contain the signatures of each Class Member 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 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 validly objected to or requested exclusion from the Settlement Agreement and shall serve such list upon Class Counsel and Eagle One's counsel, and Class Counsel shall file the list with the motion for final approval. Upon the entry of the Final Approval Order, the persons who timely and properly requested exclusion from the Class will not be considered Class Members for purposes of this settlement. The Class Notice shall also explain in plain language that payment will result in issuance of an IRS form 1099.

4.04. Order and Final Judgment.

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

4.05. Settlement Administrator Duties and Consent to Jurisdiction.

(a) The Settlement Administrator shall be responsible to prepare, fold, and properly mail Class Notice; to set up an appropriate website on which key document from the case will be

located; set up a toll-free telephone number so that Class Members with questions may call-in; handle and administer opt-out requests and objections, if any, and other Class Member inquiries; handle and facilitate mailing of checks 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 Class.

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 Eagle One 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. Unknown Claims or Losses.

The Class Representative and Eagle One 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 Eagle One 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 Eagle One with the knowledge of the possibility of such losses or claims, was given in exchange for a full discharge of all such losses or claims.

VI. QUALIFIED SETTLEMENT FUND

6.01. Definition.

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

6.02. Employer Identification Number.

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

6.03. Relation-Back.

Eagle One 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. Eagle One’s Obligations After Making Deposits.

After making the payments described in ¶ 2.06, Eagle One 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.

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. Eagle One, 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 Taxes.

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

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

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

Plaintiff, for herself and her agents and representatives, and Eagle One, 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. Plaintiff and Class Counsel shall not initiate any press release, press conference, or other publicity of the case or settlement that mentions or readily identifies Eagle One as a party to this settlement.

7.12. Blow-Up Provision.

If Class Members on more than six (6) Secured Obligations validly request exclusion from this Agreement, Eagle One may, within fourteen (14) days of the opt-out deadline, advise Class Counsel that Eagle One wishes to declare this Agreement voided, and the parties shall so advise the court; and the litigation shall be restored to the status quo ante.

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

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

Dated: _____

By: _____
Lisa Taggart

AGREED TO AND ACCEPTED on behalf of Class Counsel with respect to ¶¶ 3.06, 3.07 and 7.11

FLITTER MILZ, P.C.

Dated: _____

BY: _____

AGREED TO AND ACCEPTED on behalf of Eagle One Federal Credit Union:

Dated: _____

By: _____

Name: _____

Title: _____