

IN THE COURT OF COMMON PLEAS
OF PHILADELPHIA COUNTY, PENNSYLVANIA

YA'RAIAH CRAWFORD, individually and
on behalf of all others similarly situated,
Plaintiff,

vs.

AMERICAN HERITAGE
FEDERAL CREDIT UNION,

Defendant.

DECEMBER TERM 2022

Case No. 01657

COMMERCE PROGRAM

CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE

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CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE¹

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 signature affixed hereto, by and between Ya’Raiah Crawford (the “Class Representative” or “Plaintiff” or “Crawford”), on behalf of herself and the Settlement Class Members, and American Heritage Federal Credit Union (“AHFCU” or the “Credit Union”), intending that as among the Parties, including all Settlement 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, in December 2022, Crawford filed this action in the Court of Common Pleas of Philadelphia County in a matter captioned *Ya’Raiah Crawford, individually and on behalf of all others similarly situated, v. American Heritage Federal Credit Union*, December Term 2022, Cas No. 01657 (the “Litigation”), in which Crawford alleged in her Complaint that AHFCU violated Pennsylvania law with respect to certain notices AHFCU sent to Pennsylvania credit union members following the repossession of their vehicles;

WHEREAS, AHFCU filed an Answer and New Matter to the Complaint in which it denied the material allegations, denied any and all liability with respect to the allegations and claims previously and currently alleged in the Litigation, and further denied that the Settlement Class Members are entitled to any recovery;

WHEREAS, contested issues of both law and fact exist concerning the allegations and claims made in the Litigation;

WHEREAS, Class Counsel has conducted an extensive investigation including through

¹ Identified terms used in these recitals and whereas clauses shall have the meanings ascribed to them as set forth in § I of this Agreement.

formal discovery into the facts and law relating to the Litigation;

WHEREAS, the Parties, through counsel, following discovery and depositions, engaged in extensive arms-length settlement negotiations, ultimately reaching an agreement in principle to be memorialized herein and presented to the Court for approval;

WHEREAS, the Parties stipulate to a Settlement Class, pending preliminary and final approval by the Court, comprising and defined as: all persons (a) who purchased a motor vehicle as a consumer; (b) who financed the vehicle purchase through AHFCU or whose finance agreement was later assigned to AHFCU; (c) from whom AHFCU, as secured party, repossessed the vehicle or ordered it repossessed; (d) who had a Pennsylvania address as of the date of repossession; (e) in the period commencing December 19, 2016, through December 2, 2022; and

WHEREAS, Crawford and AHFCU 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 Settlement Class as further described below:

- (i) AHFCU will pay the sum of one million four hundred thousand dollars (\$1,400,000.00) to create a Settlement Fund that will be used to provide monetary relief to Settlement 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) AHFCU will release its claims with respect to Crawford and the Settlement Class Members relating to the Settlement Class Member Secured Obligations, including approximately \$2,513,998.10 in claimed Deficiencies, which are disputed and are resolved by this Agreement through accord and satisfaction;
- (iii) AHFCU will make a request to Credit Reporting Agencies to delete entirely any

existing trade lines from Settlement 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 absent Settlement Class Members), has deposed the designees of AHFCU, 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 the settlement of the Litigation is in the best interests of the Settlement Class; and

WHEREAS, AHFCU denies any and all liability in connection with the Litigation, but nevertheless desires to resolve 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 any and all 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 Settlement Class, and AHFCU 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. "American Heritage Federal Credit Union" or "AHFCU" or the "Credit Union" includes its affiliates, subsidiaries or parent companies and/or divisions, and all of its respective officers, directors, partners, employees, associates, trustees, agents, accountants, attorneys, insurers, predecessors, successors, and assigns.

1.03. “Cash Payment Eligible Settlement Class Members” means Settlement Class Members whose Class Notice is not returned as undeliverable within the meaning of ¶ 4.02.

1.04. “Settlement Class” is defined as all persons (a) who purchased a motor vehicle as a consumer; (b) who financed the vehicle purchase through AHFCU or whose finance agreement was later assigned to AHFCU; (c) from whom AHFCU, as secured party, repossessed the vehicle or ordered it repossessed; (d) who had a Pennsylvania address as of the date of repossession; (e) in the period commencing December 19, 2016, through December 2, 2022.

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

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

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

1.08. “Class Period” means the period from December 19, 2016 to December 2, 2022.

1.09. “Court” means the Court of Common Pleas, Philadelphia County, Pennsylvania.

1.10 “Credit Reporting Agency” means Experian Information Solutions, Inc., Equifax, Inc. and Trans Union, LLC.

1.11. “Credit Union’s Counsel” means James R. Branit, Bradley E. Faber, and Dawn M. Sigyarto of the law firm Litchfield Cavo, LLP., 303 West Madison St. Suite 300, Chicago, Illinois 60606 and 1515 Market Street Suite 1220. Philadelphia, PA 19102.

1.12 “Deficiency” means any amount allegedly owed to AHFCU by a borrower/Settlement Class Member, as accounted for by AHFCU, and after sale proceeds (if any) from the sale of a Settlement Class Member’s repossessed vehicle are applied to reduce the

balance. This definition shall not apply to amounts owed and collected prior to the Effective Date of this Settlement Agreement.

1.13. “Distribution Date” means the date thirty calendar days after the Effective Date, and is the date on or about which the Settlement Administrator will issue settlement payments to Cash Payment Eligible Settlement Class Members.

1.14. “Effective Date” means the date thirty-one days after the entry by the Court of the Final Order Approving Class Action Settlement (the “Final Approval Order”), if no appeal is timely filed. If an appeal is timely filed, the “Effective Date” shall mean the date seven days after either: (a) 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 (b) if an appeal is taken but dismissed with prejudice, the date of dismissal.

1.15. “Final Approval Order” means an Order entered by the Court indicating a Final Order Approving Class Action Settlement, finally approving the Agreement and the “Settlement.”

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

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

1.18. “Parties” means the Class Representative, the Settlement Class Members, and AHFCU.

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 Settlement Class in substantially the manner presented.

1.20. “Released Persons” shall mean AHFCU and its insurers, including their current and former officers, directors, successors, predecessors, subsidiaries, parent companies, divisions, employees, attorneys, and agents.

1.21. “Releasers” means the Class Representative and all Settlement Class Members, and each of their respective heirs, executors, administrators, assigns, predecessors, and successors, and any other person claiming jointly with or by or through any or all of them. The Releasers shall not include: (a) any members of the Settlement Class who opt out of the Settlement; or (b) any person(s) not identified by AHFCU Union as a member of the Settlement Class.

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

1.23. “Secured Obligation” means the finance agreement, loan agreement, retail installment sales contract, or comparable vehicle finance transaction to which each Settlement Class Member and AHFCU were parties and on which each Settlement Class Member allegedly defaulted, and where the alleged default resulted in the vehicle repossession.

1.24. “Settled Claims” means all claims, demands, actions, causes of action, rights, offsets, suits, damages, lawsuits, liens, costs, losses, expenses, or liabilities of any kind, other than those outlined in this Section, 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 AHFCU, the Class Representative, or any Settlement Class Member has had, now has, or will ever have, arising out

of the Class Representative's or Settlement Class Member's Secured Obligation with AHFCU.

AHFCU acknowledges that "Settled Claims" includes any Deficiencies, which are disputed, allegedly owed by any Settlement Class Member in connection with their Secured Obligation, unless that Settlement Class Member timely submitted an Election Not to Accept Compromise of Disputed Deficiency Balance. The aggregate total of Deficiencies claimed is approximately \$2,513,998.10. The Parties acknowledge a bona fide dispute with respect to AHFCU's entitlement to any claimed Deficiencies and agree to their resolution by accord and satisfaction.

The term "Settled Claims" does not include any (1) claims for personal injuries, (2) claims under the Servicemembers Civil Relief Act, 50 U.S.C. § 3901, or (3) claims arising from other accounts or lending relationships among the Parties, the Settlement Class Members, or their agents, vendors, or affiliates, apart from the Secured Obligations at issue in the Litigation.

1.25. "Settlement" means the compromise in settlement memorialized in this Agreement.

1.26. "Settlement Administrator" means an independent class action settlement administration company, or any similar company chosen at the discretion of Class Counsel and approved by the Court to handle administration of the class settlement, including notice and payments to the Settlement Class and others.

1.27. "Settlement Fund" or "QSF" means the amount of \$1,400,000.00 provided by AHFCU, or on AHFCU's behalf, to the Settlement Administrator for deposit into PNC Bank, N.A., a federally insured financial institution. 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.

1.28. 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 class-wide 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 putative class action on a class-wide 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.

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 AHFCU shall be returned or reimbursed within fourteen days, except for any portion of the funds advanced to or due the Settlement Administrator for services actually

rendered.

2.03. Denial of Liability.

The Parties are entering into this Agreement to resolve vigorously disputed claims that have arisen between them and avoid the burden, expense and risk of further litigation. AHFCU denies the validity of all claims asserted against it in the Litigation. By entering into settlement negotiations and ultimately this Agreement, the Credit Union is not making any agreement, admission or concession regarding any claims or defenses alleged or asserted. 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 AHFCU of any legal violations, any legal requirement, or any failure to comply with any applicable law.

2.04. Settlement Class Certification.

The Parties agree that the Settlement Class shall be certified for purposes of settlement, that Ya’Raiah Crawford shall be appointed as Settlement Class Representative, and that Cary L. Flitter, Andrew M. Milz, Jody T. 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 Settlement Class Members.

(a) Within thirty calendar days following the entry of an order granting Preliminary Approval, and the receipt of an IRS Form W-9 from the Settlement Administrator and Class Counsel, AHFCU will deposit into an account created by the Settlement Administrator in the amount of \$1,400,000.00, designated as funding the Settlement Fund in “Crawford v. AHFCU,”

for deposit into PNC Bank, N.A. or another bank that agrees to waive check cashing fees, as shall be determined and set up by the Class Administrator.

The Settlement Fund includes all costs, fees, or other payments, including but not limited to the costs of notice and administration, attorneys' fees, any accounting opinion required in order to obtain Final Approval and/or satisfy the Court in its consideration of Final Approval, litigation expenses and costs, and class representative compensation. Under no circumstances shall AHFCU be responsible for an amount in excess of \$1,400,000.00 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 Settlement 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.

The Settlement Fund shall be returned to AHFCU if the Settlement is rescinded, terminated, vacated, voided, or the Effective Date does not arrive for any other reason; except that the Settlement Administrator may retain a portion of the fund for services rendered.

The Settlement Administrator shall sign a confidentiality agreement which shall provide that the information provided to it by AHFCU and the Settlement Class Members shall be treated as confidential and shall be used only as required by this Settlement Agreement. The names, addresses and other identifying information shall not be provided to Class Counsel except on an as needed basis when a class member inquires, in which case, only the name, address, email address (if available), phone number (if available), and deficiency balance of that Class Member shall be communicated.

(b) Settlement Class Relief. Cash Payment Eligible Settlement 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 award, and administrative costs (yielding the “Net Fund”). The amount of each Settlement Class Member’s payment will be based on the finance charge and amount financed as set forth on the member’s respective note or contract, per Secured Obligation. By way of illustration, for a settlement class member who financed the purchase of an automobile for \$25,000 with a stated finance charge of \$5,000, their statutory damages under the Uniform Commercial Code would be \$7,500 (\$5,000 finance charge plus 10% of the amount financed, *i.e.* \$2,500). That Cash Payment Eligible Settlement Class Member would be paid approximately 27% of that amount, which equals approximately \$2,025.00. If two or more Cash Payment Eligible Settlement 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, but payments will issue to each individual for their proportionate, equal share. If a Cash Payment Eligible Settlement 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 Settlement Class Member who had the same vehicle repossessed more than once shall be entitled to only one recovery per vehicle, not per repossession.

(c) Illustration. By way of illustration, if the Court were to approve Class Counsel fees and litigation expenses in the sum of \$560,000.00 and \$7,500.00, respectively, administrative expenses of \$30,000.00, and a class representative service award of \$12,500.00, the Net Fund would be \$790,000.00. Each Settlement Class Member would receive their pro rata share of the Net Fund based on the formula that will provide approximately 27% of the full statutory damages provided under 13 Pa.C.S. § 9625(c)(2). The average settlement class member check is approximately \$2,200.00.

(d) Administration. The Settlement Administrator, subject to such supervision and

direction of the Court as may be necessary, shall be responsible for and shall administer and oversee the determination of Settlement Class Relief for any Settlement Class Member and in overseeing and effectuating the distribution of the Settlement Fund pursuant to the terms of the Agreement.

(e) Timing and Method of Payment. On or about the Distribution Date, the Settlement Administrator shall mail a check to each Cash Payment Eligible Settlement Class Member at their last-known address or any updated address obtained pursuant to ¶¶ 3.02 or 4.02, unless such Cash Payment Eligible Settlement Class Member timely notifies the Settlement Administrator of their preference to be paid through one of the alternative electronic payment methods offered by the Settlement Administrator and provides the Settlement Administrator all requisite information necessary to effectuate such payment, but in any event such payment shall be made on the Distribution Date.

2.07. Identification of the Settlement Class.

AHFCU represents that to the best of its knowledge after having reviewed its records of customer accounts, there are 373 Secured Obligations, some with coborrowers, for a total of 421 borrowers.

2.08 Electronic List.

AHFCU shall prepare a confidential electronic list for the Settlement Administrator (subject to the Settlement Administrator's execution of a confidentiality agreement in a form acceptable to AHFCU) containing the names, last known addresses, Social Security numbers, finance charges, amounts financed, and the amount of any Deficiency claimed as to all members of the Settlement Class (including co-borrowers).

The Settlement Administrator shall update each Settlement 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 Settlement 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). The Settlement Administrator may take further steps to locate as many members of the Settlement Class as reasonably feasible. AHFCU will respond to reasonable inquiries, if any, by Class Counsel concerning the procedures used in updating and maintaining the Settlement Class list.

2.09. Credit Reporting and Collections.

The following procedures apply with respect to the credit repair relief provided for in this Settlement:

(a) Not later than thirty days after the Effective Date, AHFCU will make a request to the Credit Reporting Agencies to delete the trade line for the motor vehicle Secured Obligations and Deficiencies at issue from the credit files of all Settlement Class Members. If, thirty or more days after the Effective Date, but not more than 120 days after the Effective Date, AHFCU is advised by a Settlement Class Member or Class Counsel in writing that a trade line subject to deletion has not been deleted, AHFCU will make a further request that such trade line be deleted. If AHFCU is not so advised in writing, AHFCU need take no further action. After AHFCU has made the request(s) to the Credit Reporting Agencies described above, if a trade line subject to deletion remains and a Settlement Class Member disputes such trade line with one or more Credit Reporting Agencies, AHFCU shall respond to such request for verification from the Credit Reporting Agencies only with accurate information, including a continued request that the trade line be deleted.

(b) Crawford and the Settlement Class Members acknowledge that the Credit

Reporting Agencies are separate entities from AHFCU, and that no cause of action can or will be stated against AHFCU, including any for breach of this Settlement, if any Credit Reporting Agency fails to so amend the Settlement Class Members' credit history despite a request from AHFCU, so long as AHFCU performs its obligations in ¶ 2.09(a). The Settlement Class Members also expressly acknowledge that they understand the limitations of AHFCU 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 AHFCU and shall not constitute a breach of this Agreement. If AHFCU complies with its obligations under this Settlement, AHFCU shall not be liable to any Settlement Class Member under the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, or any similar law in connection with its obligations as set forth in this paragraph and/or in correcting or requesting deletion of any trade line of a Secured Obligation and Deficiencies being reported on any Settlement Class Member's credit report.

2.10. Cease and Desist Collection.

AHFCU shall, upon the execution of this Agreement, promptly discontinue and cease all collection activities with respect to any Secured Obligations or Deficiencies of Settlement Class Members. If any Deficiencies has been assigned for collection, AHFCU shall cause such efforts to cease. AHFCU 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 Settlement Class Member who properly opts out. AHFCU represents that it has not sold or assigned any claim relating to any Deficiency, except as set forth in a schedule appended hereto, if applicable.

2.11. Covenant Not to Sue.

AHFCU agrees, upon the execution of this Agreement, not to file a lawsuit against any

Settlement Class Member seeking to collect any amount related to a Secured Obligation subject to this Agreement, and, within sixty 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 AHFCU from pursuing claims arising from loans or agreements not subject to this Settlement Agreement, such as other obligations not involving a Settlement Class Member's Secured Obligation.

2.12. Satisfaction of Monetary Judgments Against Settlement Class Members.

If AHFCU or its assignee has obtained a money judgment against any Settlement Class Member arising from a Secured Obligation that has not been satisfied as of the date of this Agreement, AHFCU agrees to take timely and reasonable steps to mark such judgments as satisfied within sixty days of the Effective Date. Should any Settlement 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.

2.13. 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 \$560,000.00 and \$7,500.00, respectively. 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 AHFCU is required to pay under this Agreement. AHFCU agrees not to oppose a request by Crawford for such fees and expenses 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 Settlement Class Member inquiries concerning their repossession, Deficiencies, and trade line credit reporting after final approval. Class Counsel fees

and expenses approved by the Court shall be paid by the Settlement Administrator to Class Counsel promptly after the Effective Date and no later than the Distribution Date.

2.14. Individual Service Award.

The Class Representative shall apply for an individual service award in the amount of \$12,500.00. Any service award shall be paid from the Settlement Fund. AHFCU 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 no later than the Distribution Date. This service award is in addition to Crawford's entitlement to the settlement benefits provided to all Settlement Class Members under this Agreement. The Class Representative shall provide a form W-9 to the Settlement Administrator prior to having the Settlement Administrator issue the award.

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

Elimination of any Deficiency over \$600.00 may result in the issuance of IRS form 1099-C and a corresponding tax obligation for cancellation of indebtedness income under IRS Reg. 1.6050P-1. As such, each Settlement Class Member will have the option to decline compromise of the disputed Deficiency balance, as set forth in Section 4.07.

III. ADMINISTRATION OF THE SETTLEMENT

3.01. Costs of Administration.

Costs of providing notice to the Settlement 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 shall administer the settlement in accordance with the terms of this Settlement Agreement. The Settlement

Administrator shall promptly respond to all queries from AHFCU and Class Counsel about the calculations and payments called for by this Agreement. The Settlement Administrator shall bill for its services in an amount not to exceed \$30,000.00, including for any second distribution.

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

For Settlement 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 Settlement Class Members will be resent to a more current and accurate address as determined by the Settlement Administrator. The Settlement Administrator may in its discretion employ skip-trace or other location tools. If the Settlement Administrator receives notice that a Settlement Class Member is deceased, the Settlement Administrator will, upon receipt of proper notification and documentation, make any payment due to the Settlement 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 or Settlement Class Member must be made not later than 120 days after the Distribution Date. The Settlement Administrator, with consent of counsel for all parties may, in its discretion, allow re-issuing of checks to any Settlement Class Member so long as funds remain available.

3.03. Uncashed/Unclaimed Checks.

Checks to Settlement Class Members shall be good for sixty days from the date the check is mailed, and that "stale date" shall be stated on the check. After the expiration of the stale date

on such checks, the Settlement Administrator shall send another round of checks or electronic payments to each Cash Payment Eligible Settlement Class Member who has not cashed or negotiated the settlement check/payment, and each check shall be good for another sixty days. Unless Class Counsel, in their discretion, approves the re-issuing of a check to any Settlement Class Member, Settlement Class Members who are not located or whose checks are not cleared before the check stale date 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 expiration of the check stale dates set forth in § 3.03 there remains in Settlement Fund 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. The balance then-remaining shall be allocated on a pro rata basis among each Settlement Class Member who negotiated the first mailed check.

If a second distribution is called for by this Agreement, the Settlement Administrator shall mail checks or cause electronic payments to be made, as the case may be, no later than 140 days after the Distribution Date, unless Class Counsel, in their discretion, approves the re-issuing of a check to any Settlement Class Member. Checks mailed in a Second Distribution shall be valid for a period of sixty days from mailing.

3.05. Notification to Class Counsel.

Approximately 120 days after the Distribution Date, the Settlement Administrator shall notify Class Counsel and AHFCU's counsel in writing of the number of Settlement Class Members to whom payments were made, the number of Settlement Class Members to whom checks were sent, the number of Settlement Class Members who did not cash the checks, the total dollar amount

of the checks and electronic payments 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 Settlement Administrator shall provide a supplemental affidavit approximately seventy days after the Second Distribution with the same detail provided.

3.06. Residual Funds/ Cy Pres.

If a balance remains sixty days after the date of any Second Distribution, or if less than \$30,000.00 remains 120 days after the initial distribution, that remaining balance is deemed “Residual Funds.” Residual Funds will be distributed, with 50% of the residual funds to be designated pursuant to Pa. R.C.P. 1716, 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, and the remaining 50% percent shall be distributed in equal amounts (*i.e.*, each to receive 25% of the Residual Funds) to the following nonprofit entities 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: (1) The Public Interests Law Center; and (2) Community Legal Services of Philadelphia.

If there is no second distribution, the Settlement Administrator shall deliver the check payable to the *cy pres* recipient to Class Counsel for distribution to the recipient organization within approximately 140 days of the initial distribution. If there is a second distribution, such checks shall be delivered within approximately ninety days of the second distribution. Promptly after the *cy pres* check has cleared, the Settlement Administrator shall close the account at PNC Bank, N.A.

Under no circumstances (other than termination of this Agreement for want of Court

approval) shall any of the money in the Settlement Fund revert to AHFCU.

3.07. Certification of Distribution.

Within ten 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 fourteen 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 within fourteen days after the execution of this Agreement. AHFCU 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 Settlement Class;
- (b) 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;
- (c) That deadlines shall be established for mailing Class Notices, making 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;
- (d) That any objections by Settlement 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 sends to the Settlement Administrator, Class Counsel, and counsel for AHFCU a notice of their intention

to appear, and states the basis for such objections. Any objection shall be postmarked and mailed to Class Counsel, counsel for AHFCU, and the Settlement Administrator on or before the date specified in the Class Notice, which shall be forty-two days from the date of the initial mailing of the Class Notice.

- (e) 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 days from the date of the initial mailing of the Class Notice). The notice of intention to opt out shall:
 - (i) set forth the Settlement Class Member's full name, current address, and telephone number;
 - (ii) contain their signature; and
 - (iii) state an intent not to participate in the settlement;
- (f) 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 calendar days prior to the Final Approval Hearing;
- (g) That the Preliminary Approval Order substantially in the form of Exhibit A to the Settlement Agreement is approved;
- (h) That a hearing or hearings ("Final Approval Hearing") shall be held before the Court, at a 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 Settlement 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;
- (i) That the Final Approval Hearing may, from time to time and without further notice to the Settlement Class (except those who filed timely and valid objections), be continued or adjourned by order of the Court; and,
- (j) That all Settlement 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 Settlement Class shall be mailed by the Settlement Administrator substantially in the form attached hereto as Exhibit C in the following manner: (a) AHFCU shall supply a Settlement Class list in accordance with ¶ 2.08 within fourteen days after preliminary approval, and the Settlement Administrator shall update the

address list as set forth in ¶ 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 fourteen days after receiving the Settlement Class list from AHFCU; (c) if a mailed notice is returned with a forwarding address provided by the Postal Service, the Settlement Administrator will promptly 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 promptly attempt to locate an updated address for the particular Settlement Class Member, and shall promptly re-mail the notice to the Settlement 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 § 4.02 above shall permit any Settlement Class Member to elect not to be part of the Settlement 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 Settlement Class Member’s full name, current address, telephone number and email address, if available; (ii) contain their signature; and (iii) state an intent not to participate in the Settlement. To be timely, 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 days after the initial mailing of the Class Notice. No Settlement Class Member, or proxy, may exclude any other Settlement Class Member. No opt-out request may be made on behalf of a group.

If five percent (5%) or more of the Settlement Class opts out of the Settlement, then the Parties will have 21 days to determine whether to withdraw from the Settlement. If the option to

rescind is exercised, then the Settlement Agreement is void, and the Parties shall return to the status quo as if the Parties had not entered into the Settlement Agreement, and nothing contained in the Agreement or the settlement negotiations shall be discoverable or admissible in Court. AHFCU shall have the right to contest the certification of a class, and this settlement agreement may not be used as evidence or otherwise be used in any court filing or proceeding.

4.04. Procedure for Objections to Settlement

Any Settlement Class Member who wishes to object to the Settlement, the service award, or the awards of expenses, costs and/or attorneys' fees must file a written notice of objection, including supporting papers as described further below (collectively referred to as the "Notice of Objection"), with the Court on or prior to the date established by the Court in the Preliminary Approval Order. To determine timeliness, a Notice of Objection shall be deemed to have been submitted when received and filed with the Court. Copies of the Notice of Objection must also be postmarked no later than forty-two (42) days from the initial mailing of the Class Notice to the following:

Settlement Administrator	Class Counsel	Defense Counsel
Crawford v. AHFCU Class Settlement P O Box 23648 Jacksonville, FL 32241	Jody T. López-Jacobs FLITTER MILZ, P.C. 450 N. Narberth Ave, Ste 101 Narberth, PA 19072	James Branit LITCHFIELD CAVO, LLP 303 West Madison St, Ste 300 Chicago, IL 60606

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

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

- (v) If the objector is represented by counsel, the name, address, telephone number, and email address (if available) of the counsel, and a detailed description of the legal authorities supporting each objection;
- (vi) If the objector plans to utilize expert opinion and/or testimony as part of the objection(s), a written expert report from all proposed experts that outlines each of the expert's opinions and the factual and substantive bases thereof;
- (vii) If the objector plans to call a witness or present other evidence at the hearing, the objector must state the identity of the witness and identify any documentary evidence by attaching the documents to the objection, and the objector must provide any other evidence that the objector intends to present;
- (viii) A statement of whether the objector intends to appear at the hearing;
- (ix) **A certification under 28 U.S.C. § 1746 or similar state law in substantially the following form: "I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)".**

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

date set by the Court. The Preliminary Approval Order shall further provide that objectors who fail to properly or timely file their objections with the Court containing the required information and documentation, or who fail to serve them, shall not be heard during any hearings, nor shall their objections be considered by the Court.

Under no circumstances shall Credit Union, Class Counsel, the Class Representative, or the Released Parties be responsible for paying any monies or other consideration to objectors and/or counsel for objectors under the terms of this Settlement Agreement or otherwise.

4.05. Order and Final Judgment.

Before the Final Approval Hearing, Plaintiff shall file a motion requesting that the Court finally approve the settlement and enter judgment substantially in the form attached as Exhibit D. AHFCU consents to such request.

4.06. Settlement Administrator Duties and Consent to Jurisdiction.

(a) The Settlement Administrator shall be responsible to prepare, fold, and properly mail Class Notice; handle and administer opt-out requests and objections, if any, and other inquiries from the Settlement Class; handle and facilitate mailing of checks or sending of electronic payments to Settlement 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.

(c) By the Final Hearing Date, the Settlement Administrator provide to Class Counsel an affidavit describing the administration and results of the notice program, including the number of Class Notices mailed and deemed undeliverable.

4.07. Election to Decline Compromise of Disputed Deficiency Balance

The Class Notice will include a form of “Election Not to Accept Compromise of Disputed Deficiency Balance,” which is appended as Exhibit B (“Election Form”). The Election Form must be postmarked and mailed to the Settlement Administrator on or before the date specified in the Class Notice, which shall be a date forty-two (42) days from the initial mailing of the Class Notice. If a Settlement Class Member timely provides such Election Form to the Settlement Administrator, nothing in this Agreement will preclude AHFCU from undertaking any efforts to collect any Deficiency of that Settlement Class Member, and AHFCU shall not issue an IRS 1099-C form to that Settlement Class Member hereunder.

4.08. List for Final Approval

At least twenty-four days prior to the Final Approval Hearing, the Settlement Administrator shall prepare a list of the persons who have validly objected the Settlement, requested exclusion from the Settlement, or submitted an Election Form, and shall serve such list upon Class Counsel and AHFCU’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 Settlement Class will not be considered Settlement Class Members for purposes of this Settlement. The Class Notice shall also explain in plain language that payment may result in issuance of an IRS form 1099.

V. RELEASES

5.01. Release by the Parties and the Settlement Class Members.

On the Effective Date, AHFCU, on the one hand, and the Class Representative and all Settlement Class Members, on the other hand, by operation of the Final Approval Order, fully, finally, and forever release and discharge each other 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 AHFCU 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 AHFCU 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 AHFCU 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.

AHFCU 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. AHFCU's Obligations After Making Deposits.

After making the payments described in ¶ 2.06, AHFCU shall have no responsibility, obligation, or liability with respect to: (a) the notifications to the Settlement Class Members (except to provide its best and latest location data for all Settlement Class Members); (b) the processing of claims and opt-out letters; (c) the allowance or disallowance of claims by Settlement 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).

VII. MISCELLANEOUS PROVISIONS

7.01. Parties to Use Best Efforts to Effectuate Settlement.

The Parties 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. AHFCU, Plaintiff, and the Settlement 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. Except for those set forth expressly in the Agreement, there are no agreements, covenants, promises, representations or arrangements between the Parties regarding the Settlement and/or the Settled Claims against the Released Persons. 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 altered, amended, modified or waived, in whole or in part, only in a writing signed by all Parties, and approved by Court, if necessary. The Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

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

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

preparation of the Agreement.

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. No Reliance.

Each Party to the Agreement warrants he, she or it is acting upon his, her, or its independent judgment and upon the advice of his, her, or its own counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other party, other than the warranties and representations made in the Agreement.

7.07. Successors.

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

7.08. 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.

7.09. Counterparts.

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

7.10. Retention of Jurisdiction.

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

7.11. Gender Neutrality.

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

7.12. Taxes.

All Settlement Class Members are responsible for paying and reporting any federal, state and local income taxes that may be due on any payments made to them and any other benefit they receive under the Agreement.

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 Settlement Class Members over \$600.00.

In order to accomplish issuance of a 1099-MISC, AHFCU shall provide solely to the Settlement Administrator the Social Security number and last known mailing address for each member of the Settlement Class based on information currently existing in Credit Union's business records. The Parties further agree and acknowledge that this Settlement results from a "contested liability" disputed in good faith for each Settlement Class Member's alleged Deficiency balance. To the extent the Court requires an Accounting Opinion ("Accountant Opinion") about the Class Representative's position that Credit Union is not required to file information returns with the IRS or issue Forms 1099 to affected Settlement Class Members concerning deficiency write offs under this Settlement, such an opinion will be procured from an accounting firm agreed upon by the Parties (the "Accounting Firm") to be paid through the Settlement Fund. AHFCU will not file information returns, Form 1096's or Form 1099's or issue Form 1099's to affected Settlement Class Members regarding deficiency write-offs under the Settlement unless the Accounting Firm

issues an Accountant Opinion communicating the view that such information returns and/or Form 1099s must be filed with the IRS and such Form 1099s must be furnished to affected Settlement Class Members.

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

Plaintiff, for herself and her agents and representatives, and AHFCU, for itself and its agents and representatives, agree that they shall take no action to induce or encourage any person included in the Settlement Class to seek exclusion from the Settlement Class; provided that this provision shall not restrict Class Counsel from providing appropriate legal advice in response to inquiries from members of the Settlement Class.

7.14. Authority.

Each of the Parties to the Agreement represents, covenants and warrants that (a) they have the full power and authority to enter into and consummate all transactions contemplated by the Agreement and have duly authorized the execution, delivery and performance of the Agreement and (b) the person executing the Agreement has the full right, power and authority to enter into the Agreement on behalf of the party for whom he/she has executed the Agreement, and the full right, power and authority to execute all necessary instruments, and to fully bind such party to the terms and obligations of the Agreement.

7.15. Exhibits.

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

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[SIGNATURES ON FOLLOWING PAGE]

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

**AGREED TO on behalf of PLAINTIFF YA'RAIAH CRAWFORD
AND THE SETTLEMENT CLASS:**

Dated: 12/08/2024

By: *Ya'Raiiah Crawford*
Ya'Raiiah Crawford (Dec 8, 2024 14:00 EST)
YA'RAIAH CRAWFORD, for herself
and the Settlement Class Members

AGREED TO on behalf of AMERICAN HERITAGE FEDERAL CREDIT UNION:

Dated: _____

By: _____

Name: _____

Title: _____

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

**AGREED TO on behalf of PLAINTIFF YA'RAIAH CRAWFORD
AND THE SETTLEMENT CLASS:**

Dated: _____

By: _____
YA'RAIAH CRAWFORD, for herself
and the Settlement Class Members

AGREED TO on behalf of AMERICAN HERITAGE FEDERAL CREDIT UNION:

Dated: 12/9/24

By: Brian Hahn

Name: BRIAN HAHN
Title: CHIEF OPERATING OFFICER

Exhibit A

IN THE COURT OF COMMON PLEAS
OF PHILADELPHIA COUNTY, PENNSYLVANIA

YA'RAIAH CRAWFORD, individually and
on behalf of all others similarly situated,
Plaintiff,

vs.

AMERICAN HERITAGE
FEDERAL CREDIT UNION,

Defendant.

DECEMBER TERM 2022

Case No. 01657

COMMERCE PROGRAM

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

AND NOW, this day of , 2024, 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 American Heritage Federal Credit Union (“AHFCU” or “Defendant”) violated Pennsylvania’s Uniform Commercial Code (“UCC”) by failing to send borrowers in Pennsylvania proper notices of disposition of collateral (“Repossession Notices”) after repossession of their vehicle(s). Plaintiff asserts on behalf of herself and a class of borrowers

(the “Class”) that the Repossession Notices sent by AHFCU fail to describe borrowers’ liability for a deficiency, violating 13 Pa.C.S. § 9614(1).

AHFCU disputes Plaintiff’s legal entitlement to any relief under the UCC and maintains that its Repossession Notices are legally compliant. AHFCU further asserts defenses to the Complaint and maintains that the matter would not meet the requirements for class certification if contested, but AHFCU 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 421 Pennsylvania borrowers representing 373 Secured Obligations. 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 obtained motor vehicle financing and pledged the vehicle as collateral;

(ii) Whether the Credit Union repossessed the financed vehicle or ordered it repossessed;

(iii) Whether the Credit Union failed to send the Repossession Notice in the form and manner required under Pennsylvania law after repossessing a vehicle; and;

(iv) The uniform statutory damages provided for such misconduct.

(c) The typicality requirement of Pa. R. Civ. P. 1702(3) is satisfied because Defendant sent form Repossession Notice to Plaintiff and other members of the Class.

Plaintiff asserts that the form Repossession Notice utilized by Defendant fails 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 Class Representative Crawford and the nature of her claims are consistent with those of all members of the Class, (ii) there appear to be no conflicts between or among the Class Representative Crawford and the Class Members, and (iii) Class Representative Crawford 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) Pursuant to Pa. R. Civ. P. 1708(a)(1), 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. 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 Class is defined as All Persons:

(i) who purchased a motor vehicle as a consumer;

(ii) who financed the vehicle purchase through AHFCU or whose finance agreement was later assigned to AHFCU;

(iii) from whom AHFCU, as secured party, repossessed the vehicle or ordered it repossessed;

(iv) who had a Pennsylvania address as of the date of repossession;

(v) in the period commencing December 19, 2016, through December 2, 2022.

(b) Ya’Raiah Crawford is appointed Class Representative of the Class.

(c) Cary L. Flitter, Andrew M. Milz, Jody Thomas López-Jacobs, and Edward

M. Flitter 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 arm's-length negotiations and was concluded after a year and a half 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 Deficiencies allegedly owed by Class Members to AHFCU, as well as credit reporting and other relief; and
- (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, AHFCU'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 Deficiencies. This full satisfaction, which will be accepted and retained by AHFCU as part of this Settlement, constitutes accord and satisfaction.

5. Final Approval Hearing. A hearing (the "Final Approval Hearing") will be held on _____, 202____, 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. AHFCU shall furnish its final class list, including co-borrowers, to the Administrator within 14 days hereof; the Administrator shall cause Notice to be mailed within 30 days hereof.

8. Proof of Mailing. At least twenty-four days prior to the Final Approval Hearing, the Settlement Administrator shall submit to Class 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.

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 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, including the fairness, reasonableness, or adequacy of the proposed settlement, the adequacy of the Class's representation by the Class Representative or Class Counsel, the award of attorneys' fees and expenses, and/or the individual service award to the Class Representative. A Class Member may assert such objections independently or through an attorney hired at their own expense. To object, a Class Member must file with the Court, on or prior to a date no later than 42 days after the mailing of Class Notice, a written notice including supporting papers ("Notice of Objection"), as described below. The Notice of Objection must be in writing and shall specifically include:

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

(v) If the objector is represented by counsel, the name, address, telephone number, and email address (if available) of the counsel, and a detailed description of the legal authorities supporting each objection;

(vi) If the objector plans to utilize expert opinion and/or testimony as part of the objection(s), a written expert report from all proposed experts that outlines each of the expert's opinions and the factual and substantive bases thereof;

(vii) If the objector plans to call a witness or present other evidence at the hearing, the objector must state the identity of the witness and identify any documentary evidence by attaching the documents to the objection, and the objector must provide any other evidence that the objector intends to present;

(viii) A statement of whether the objector intends to appear at the hearing;

(ix) A reference to "*Crawford v. American Heritage Federal Credit Union*"; and

(x) A certification under 28 U.S.C. § 1746 or similar state law in substantially the following form: "I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)".

(b) The objection must be filed with the Office of Judicial Records – Civil – Court of Common Pleas of Philadelphia County, Room 284, City Hall, Philadelphia, PA 19107, with copies mailed to Class Counsel and Credit Union Counsel below, filed no later than forty (42) days from the date of the mailing of the Notice. Copies must be mailed contemporaneously to the Settlement Administrator, Class Counsel, and Credit Union Counsel, as provided in the Class Notice.

(c) **Other Objections.** Any Class Member who does not timely file with the Court and serve a written objection complying with the terms of this paragraph shall be deemed to have waived any objection, and shall be foreclosed from raising any objection to the settlement. Any untimely objection shall be barred, absent extraordinary circumstances.

(d) **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 contemporaneously deliver a copy of that notice to Class Counsel and Credit Union Counsel at the addresses set forth in the Class Notice.

(e) **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. Class Members or their attorneys intending to appear and be heard at the Final Approval Hearing must deliver to the Court, the Settlement Administrator, Credit Union's Counsel and Class Counsel, at the addresses specified in the Class Notice, a notice of intention to appear, setting forth the case number, the name, address, and telephone number of the Class Member, and the name of the Class Member's attorney (if applicable), and any documents the objector may use at the hearing. Any Class Member who does not file and serve a notice of intention to appear pursuant to the terms of this paragraph shall not be permitted to appear and be heard at the Final Approval Hearing, absent extraordinary circumstances.

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 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

American Heritage Federal Credit Union Repo Settlement

Election Not to Accept Compromise of Disputed Deficiency Balance

Please complete this form if you **do not want** to compromise the Deficiency that American Heritage Federal Credit Union says is due from you following the 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 American Heritage Federal Credit Union Repo Settlement and I **do NOT want** to compromise with American Heritage Federal Credit Union to resolve any Deficiency 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:

Crawford v. American Heritage Federal Credit Union
c/o Settlement Administrator
P O Box 23648
Jacksonville, FL 32241

Exhibit C

YA'RAIAH CRAWFORD, individually and on behalf of all others similarly situated, Plaintiff,	COURT OF COMMON PLEAS PHILADELPHIA COUNTY
vs.	DECEMBER TERM 2022
AMERICAN HERITAGE FEDERAL CREDIT UNION, Defendant.	Case No. 01657 COMMERCE PROGRAM

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

You may be entitled to receive a settlement payment and elimination of any Deficiency in connection with a class action against American Heritage Federal 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 American Heritage Federal Credit Union (“AHFCU”) sent borrowers proper notice of their rights after vehicle repossession.
- AHFCU 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 \$1,400,000 to be distributed to Class Members after payment of administrative costs, Class Counsel fees and expenses, and a service award to Plaintiff; (b) eliminate disputed Deficiency balances of approximately \$2,513,998.10; and (c) require AHFCU to request the credit reporting agencies Trans Union, Equifax, and Experian to delete your auto loan history from your credit report, as set forth in more detail in the proposed Class Action Settlement Agreement and Release.
- 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 AHFCU will request the above credit reporting agencies to delete your loan history from your credit report. You will also be paid a proportionate share of the net settlement proceeds, which you can view at this website: [**WEBSITE**]. **This payment will be sent to you by check unless you promptly contact the Settlement Administrator to request one of the other available payment methods it offers.**

Exclude Yourself Entirely from the Settlement You can choose to opt-out of the Settlement which means you are excluding yourself from the Settlement and would not get the relief provided by this Settlement. This is the only option that allows you to ever be part of any other lawsuit against AHFCU concerning repossession or financing of your vehicle. Act by **[DATE 42 days after mailing]**.

Decline the Debt Waiver but Retain Other Settlement Benefits If you want to retain the benefits of the settlement but do not want your deficiency to be eliminated as part of this settlement, you must submit an Election Not To Accept Compromise of Disputed Deficiency Balance form.

Object If you do not opt-out, but instead wish to object to the Settlement, you may do so by writing to the Court about why you don't like the settlement and do not want it approved. Act by **[DATE 42 days after mailing]**.

Go to a Hearing Ask to speak in Court about the fairness of the Settlement on **[DATE of final approval hearing]**.

- 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 **[WEBSITE]**.

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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 *Ya’Raiah Crawford, individually and on behalf of all others similarly situated v. American Heritage Federal Credit Union*, December Term 2022, No. 01657. The person suing is Ya’Raiah Crawford, the Plaintiff (also called “Class Representative”) and the company being sued, American Heritage Federal Credit Union, is called the Defendant, or “AHFCU.”

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

AHFCU’s records reflect that you were sent a notice from AHFCU following the repossession of your vehicle between December 19, 2016 through December 2, 2022. AHFCU’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 AHFCU violated Pennsylvania’s Uniform Commercial Code by failing to send its borrowers in Pennsylvania proper notice of disposition of collateral (“Repossession Notice”) after repossession of their vehicle(s). Specifically, Plaintiff asserts on behalf of herself and a class of borrowers that the Repossession Notice sent by AHFCU fails to describe borrowers’ liability for a deficiency.

AHFCU denies that its disclosures violated any law, and AHFCU asserts that it satisfied all of the legal requirements as to its notices. AHFCU asserts other defenses, including that many of the members of the Class owe AHFCU money for Deficiencies 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 Ya’Raiah Crawford) 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. AHFCU 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. AHFCU 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 her 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, AHFCU's records reflect that you are part of the Class. The Court has preliminarily certified the Class, which includes those borrowers who were sent certain notices after their vehicle was repossessed.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide for me?

Cash Component:

- AHFCU has agreed to create a Settlement Fund of \$1,400,000.00. 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 Class. You will be paid a proportionate share of the net settlement proceeds, which you can view at this website: [**WEBSITE**].
- **This payment will be sent to you by check unless you promptly contact the Settlement Administrator to request one of the other available payment methods it offers.**
- If after the first distribution of checks to the Class more than \$30,000 remains in the Net Fund (from uncashed or undistributable checks), there will be a second distribution of checks to the Class. A balance remaining after the second distribution will be paid to *cy pres* beneficiaries, Pennsylvania Interest on Lawyers Trust Account (“IOLTA”), and _____, for consumer uses.

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

Elimination of Disputed Deficiency Balances: If you have been advised by AHFCU that there is a shortfall after the auction of your repossessed vehicle, that balance claimed due is called a

“Deficiency.” AHFCU’s right to these Deficiencies is disputed by the parties. Unless you elect otherwise, any Deficiency balance on your vehicle loan will be eliminated as a result of this settlement. 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 or the amount, you can call the Settlement Administrator at [ph number] or Class Counsel at 1-888-668-1225. **NOTE: see Tax Implications in Section 7 below.** You can choose not to have your Deficiency 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 Deficiency balance, and the amount is over \$600.00, AHFCU might issue to you an IRS 1099-C form for the amount of the Deficiency 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 Deficiency 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 Deficiency 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 42 days after mailing]** to:

Crawford v. American Heritage Federal Credit Union
c/o Settlement Administrator

[ADDRESS]

[ADDRESS]

If you do not know if you have any Deficiency, 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 Deficiency.

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

The Court will hold a hearing on **[DATE APPROX. 100 DAYS AFTER PRELIMINARY APPROVAL]** 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 AHFCU related to your repossessed 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: **[WEBSITE]**

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 AHFCU 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 want to be excluded from *Crawford v. Americna Heritage Federal Credit Union*, December Term 2022, No. 01657. Be sure to include your full name, current address, telephone number, last four digits of your social security number, email address (if any), and your signature. Mail your exclusion request postmarked no later than **[DATE 42 days after mailing]** to all of three different addresses below.

Settlement Administrator

Crawford v. AHFCU
Class Settlement
P O Box 23648
Jacksonville, FL 32241

Class Counsel

Jody T. López-Jacobs
FLITTER MILZ, P.C.
450 N. Narberth Ave, Ste 101
Narberth, PA 19072

Defense Counsel

James Branit
LITCHFIELD CAVO, LLP
303 West Madison St, Ste 300
Chicago, IL 60606

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

No. Unless you exclude yourself, you give up any right to sue AHFCU 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 Deficiency, 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 firm 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 \$12,500 service award for her 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 \$560,000 for Class Counsel fees and up to \$7,500 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 December 2022. 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 file an Notice of Objection with the Court saying that you object to the settlement in *Crawford v. American Heritage Federal Credit Union*, December Term 2022, No. 01657. Please be sure to include: (i) your name, address, telephone number, email address, and last four digits of the Social Security Number; (ii) a statement of each objection asserted; (iii) a detailed description of the facts underlying each objection; (iv) any loan documents relied upon; (v) if you hire your own lawyer, the name, address, telephone number, and email address (if any) of your lawyer, and a detailed description of the legal authorities supporting each objection; (vi) any written expert reports you intend to rely upon; (v) the names of all

witnesses you intend to rely upon; (vi) any evidence or exhibits you intend to rely upon; (vii) a statement of whether you intend to appear at the hearing; and (viii) a certification under 28 U.S.C. § 1746 or similar state law in substantially the following form: “I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)”. Mail the objection to all of the three different places listed in Section 12 above, postmarked no later than **[DATE 42 days from mailing]**, and file with the Office of Judicial Records – Civil – Court of Common Pleas of Philadelphia County, Room 284, City Hall, Philadelphia, PA 19107 no later than **[DATE 42 days from mailing]**.

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 APPROX. 100 DAYS AFTER PRELIMINARY APPROVAL]** at **[TIME]**.M. at the Court of Common Pleas of Philadelphia County, City Hall, 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 timely and properly filed your written objection and mailed copies to all of the three different places listed in Section 12 above, 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 *Ya’Raiah Crawford v. American Heritage Federal Credit Union*, December Term 2022, No. 01657.” Your Notice of Intention to Appear must be filed or mailed so as to be filed with the Court no later than

[DATE 42 days from mailing] 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 Deficiency (if any), and credit reporting relief as provided in the Class Action Settlement Agreement. If you do not want your Deficiency 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: **[WEBSITE]**

You may also call or write to the following:

**Crawford v. American Heritage Federal Credit Union
c/o Settlement Administrator**

[ADDRESS]

[ADDRESS]

[phone number]

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, AHFCU, or AHFCU's counsel.

Exhibit D

IN THE COURT OF COMMON PLEAS
OF PHILADELPHIA COUNTY, PENNSYLVANIA

YA'RAIAH CRAWFORD, individually and
on behalf of all others similarly situated,
Plaintiff,

vs.

AMERICAN HERITAGE
FEDERAL CREDIT UNION,

Defendant.

DECEMBER TERM 2022

Case No. 01657

COMMERCE PROGRAM

ORDER FOR FINAL JUDGMENT AND DISMISSAL

WHEREAS, Ya'Raijah Crawford, (the "Class Representative" or "Plaintiff") on behalf of herself and the Class Members, and American Heritage Federal Credit Union ("AHFCU"), 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 _____, 2024 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, 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 Class Members; (ii) whether final judgment should be entered dismissing the claims of the Class Members 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 _____ members of the Class 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 Class 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 Crawford, 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 T. 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 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 \$12,500.

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 \$1,400,000, complete elimination of disputed Deficiency balances by accord and satisfaction in the sum of approximately \$2,513,998.10, and equitable type relief including correction of consumer credit reports of Class Members creates a common fund valued well in excess of \$2,513,998.10.

Class Counsel's fee request in the sum of \$560,000 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 were reasonable and necessary for effective prosecution of the case, and 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 her own behalf and on behalf of each Class Member, by operation of the Settlement Agreement 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 and all Settled Claims, including the disputed Deficiency balances of Class Members, except as to any Deficiency of a Class Member who timely submitted an Election Not to Accept Compromise of Disputed Deficiency Balance.

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”), The Public Interest Law Center, 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) 50% to IOLTA; (b) 25% to The Public Interest Law Center; and (c) 25% to Community Legal Services of Philadelphia, as *cy pres* beneficiaries.

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.