

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

INMER CAMPOS-CARRANZA, *et al.*,

Plaintiffs,

v.

Case No.: 1:16-cv-120 (LMB/MSN)

CREDIT PLUS, INC.,

Defendant.

PRELIMINARY APPROVAL ORDER

WHEREAS, the Court has been advised that the Parties to this action, Inner Campos-Carranza and Joseph Ageyman (“Plaintiffs”), on behalf of themselves and as representatives of the Settlement Class Members, and Credit Plus, Inc. (“Defendant”), through their respective Counsel, have agreed, subject to Court approval following notice to the Settlement Class Members and a hearing, to settle the above-captioned lawsuit (the “Litigation”) upon the terms and conditions set forth in the Class Action Settlement Agreement and Release (the “Settlement Agreement”). The Settlement Agreement has been filed with the Court and the definitions set forth in the Settlement Agreement are incorporated by reference herein.

Based upon the Settlement Agreement and all of the files, records, and proceedings herein, it appears to the Court that, upon preliminary examination, the proposed Settlement is fair, reasonable, and adequate. A Final Fairness Hearing will be held on February 17, 2017 at 10:00 A.M., after notice to the proposed Settlement Class Members to confirm that the proposed Settlement is fair, reasonable, and adequate, and to determine whether a Final Approval Order should be entered in the Litigation.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court has jurisdiction over the subject matter of the Litigation and over all settling Parties hereto.

2. **Settlement Class:** Pursuant to Fed. R. Civ. P. 23(b)(3), the matter is hereby preliminarily certified, for settlement purposes only, as a class action on behalf of the following Class (the “**Settlement Class**”):

All consumers whom Credit Plus’s records reflect had a current address in Virginia at the time that a Credit Plus MERS Report with a mortgage status field indicating “inactive” was ordered between February 4, 2014 through September 19, 2016.

The Parties estimate there are 46,632 such members of the Settlement Class who 30,698 MERS Reports.

3. **Class Representative Appointment:** Pursuant to Fed. R. Civ. P. 23, the Court preliminary appoints Inner Campos-Carranza and Joseph Agyeman as the class representatives for the Settlement Class.

4. **Settlement Class Counsel Appointment:** Having considered the work that Settlement Class Counsel has done in investigating potential claims in this action, counsel’s experience in handling class actions and other complex litigation, counsel’s experience in handling claims of the type asserted in this action, counsel’s knowledge of the applicable law, and the resources counsel will commit to representing the class, the following attorneys are preliminarily appointed as class counsel under Fed. R. Civ. P 23(g)(1): Leonard A. Bennett and Craig C. Marchiando of Consumer Litigation Associates, P.C., and Kristi C. Kelly and Andrew J. Guzzo with Kelly & Crandall, PLC.

5. **Preliminary Certification of the Classes** – The Court preliminarily and solely for the purpose of this Settlement, finds that the Settlement Class satisfies the applicable prerequisites for class action treatment under Fed. R. Civ. P. 23(b)(3). Namely, the Court preliminarily finds that:

- a. The Settlement Class Members are so numerous that joinder of all of them in the lawsuit is impracticable;
- b. There are questions of law and fact common to the Settlement Class Members, which predominate over any individual questions;
- c. The claims of the Class Representatives are typical of the claims of the Settlement Class Members;
- d. The Class Representatives and Settlement Class Counsel have fairly and adequately represented and protected the interests of all of the Settlement Class Members; and
- e. The Court finds that as to this Settlement Class, class treatment of these claims will be efficient and manageable, thereby achieving an appreciable measure of judicial economy, and a class action is superior to other available methods for a fair and efficient adjudication of this controversy. Consequently, the Court finds that the requirements for certification of a conditional settlement class under Rule 23(b)(3) are satisfied.

6. **Class Action Administration:** RSM US, LLP is approved as the Class Administrator (the “Settlement Administrator”). The Settlement Administrator shall oversee the administration of the settlement and the notification to proposed Settlement Class Members as directed in the Settlement Agreement and Notice and Administration Expenses shall be paid in accordance with the Settlement Agreement. The settlement checks shall issue from the Global Settlement Fund only, and the Settlement Administrator will verify that the settlement checks were mailed.

7. **Class Notice:** The Court approves the form and content of the Class Notice and Claim Form attached as Exhibit 1 to the Memorandum in Support of the Motion to Amend (Dkt. 66). The proposed form and method for notifying the Settlement Class Members of the settlement and its terms and conditions meet the requirements of Fed. R. Civ. P. 23(c)(2)(B) and due process.

The proposed Class Notice constitutes the best notice that is practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled to notice. The Court finds that the proposed Class Notice concisely and clearly states, in plain, easily understood language, the nature of the action; the definition of the class certified; the class claims, issues, and defenses; that a Settlement Class Member may enter an appearance through counsel if the member so desires; that the Court will exclude from the class any member entitled to exclude him or herself who requests exclusion; the time and manner for requesting exclusion, if applicable; and the binding effect of a class judgment on Settlement Class Members. The Notice Plan is designed for notice to reach a significant number of Settlement Class Members and is otherwise proper under Rule 23(e)(1).

Based on the foregoing, the Court hereby approves the Notice Plan developed by the Parties and directs that the plan be implemented according to the Settlement Agreement. The Court finds that the Notice Plan directs notice in a reasonable manner under Rule 23(e)(1) and satisfies due process.

8. **Exclusions from the Settlement Class:** The Settlement Class Members shall be given the opportunity to opt out of the Settlement Class. All requests by the individuals within the Settlement Class to be excluded must be in writing, sent to the Settlement Administrator and postmarked no later than January 27, 2017. To be valid, a request for exclusion must be personally signed and must include: (i) Settlement Class Member's original signature; (ii) current postal address; and (iii) a specific statement that the Class Member wants to be excluded from the Settlement Class. No Opt-out in which a person who purports to opt out of the Settlement Class as a group, on an aggregate basis or as a class involving more than one Class Member, shall be considered valid. Requests for exclusion that do not comply with any of the foregoing requirements

are invalid. A Settlement Class Member who properly opts out may not also object to the Settlement Agreement.

9. **Objections:** Any individual within the Settlement Class, who has not previously opted-out in accordance with the terms of Paragraph 8 above but instead wishes to object to the Settlement or any matters as described in the Notice, may do so by filing with Court a notice of their intention to object (which shall set forth each objection and the basis therefore and containing the objecting Class Member's signature), with any papers in support of their position, and serve copies of all such papers on Class Counsel, Kristi C. Kelly, Kelly & Crandall, PLC, 4084 University Drive, Suite 202A, Fairfax, VA 22030 and the Defendant's Counsel, Julia K. Whitelock, Gordon Rees Scully Mansukhani, LLP, 1300 I Street, NW, Suite 825, Washington, DC, 20005.

Objections must be filed and served so that they are received no later than January 27, 2017. Objections to Class Counsel's application for attorneys' fees may be supplemented up to seven (7) days after the filing of a motion for such fees to address additional information or materials in the motion. The objection and any supplement must indicate whether the Settlement Class Member and/or his attorney(s) intends to appear at the Final Fairness Hearing. Any attorney who intends to appear at the Final Fairness Hearing must enter a written Notice of Appearance of Counsel with the Clerk of Court no later than the deadline set by the Court in the Preliminary Approval Order.

If a Settlement Class Member's objection is submitted through an attorney, the objection must include, in addition to the information set forth in the previous paragraph: (a) the identity and number of the Settlement Class Members represented by objector's counsel; (b) the number of such represented Settlement Class Members who have opted out of the Class; and (c) the number

of such represented Settlement Class Members who have remained in the Settlement Class and have not objected.

10. **Final Approval:** The Court shall conduct a Final Fairness Hearing on February 17, 2017 at 401 Courthouse Square, Alexandria, VA 22314, commencing at 10:00 A.M., to review and rule upon the following issues:

- a. Whether the proposed Settlement is fundamentally fair, reasonable, adequate, and in the best interests of the Settlement Class Members and should be approved by the Court;
- b. Whether the Final Approval Order should be entered, dismissing the Litigation with prejudice and releasing the Released Claims against the Released Parties; and
- c. To discuss and review other issues as the Court deems appropriate.

11. Settlement Class Members need not appear at the Final Fairness Hearing or take any other action to indicate their approval of the proposed class action settlement. Settlement Class Members wishing to be heard regarding their objection are, however, required to indicate in their written objection whether or not they intend to appear at the Final Fairness Hearing. The Final Fairness Hearing may be postponed, adjourned, transferred, or continued without further notice to the Settlement Class Members.

12. An application or applications for attorneys' fees and reimbursement of costs and expenses by Class Counsel, as well as applications for Class Representative Service Awards, shall be made in accordance with the Settlement Agreement and shall be filed with the Court no later than fourteen (14) days before the Final Fairness Hearing. Further submissions by the Parties, including memoranda in support of the proposed Settlement and responses to any objections, shall be filed with the Court no later than fourteen (14) days prior to the Final Fairness Hearing. The Court will permit the supplementation of any filings by objectors as to attorneys' fees and costs at

any date up to seven (7) days after the filing of a motion for such fees to address additional information or materials in the motion. The Parties may respond to this supplementation.

13. All proceedings in this Action as they relate to claims against Defendant are stayed pending final approval of the Settlement, except as may be necessary to implement the Settlement or comply with the terms of the Settlement Agreement.

14. Pending final determination of whether the Settlement should be approved, Plaintiffs, all Settlement Class Members, and any person or entity allegedly acting on behalf of Settlement Class Members, either directly, representatively, or in any other capacity, are preliminarily enjoined from commencing or prosecuting against the Released Parties any action or proceeding in any court or tribunal asserting any of the Released Claims; provided, however, that this injunction shall not apply to individual claims of anyone who timely excludes themselves from the Settlement in a manner that complies with Paragraph 8 above. This injunction is necessary to protect and effectuate the Settlement, this Order, and this Court's flexibility and authority to effectuate the Settlement and to enter Judgment when appropriate, and is ordered in aid of this Court's jurisdiction and to protect its judgments pursuant to 28 U.S.C. § 1651(a).

15. If the Settlement Agreement and/or this Order are voided per Section 6.2 of the Settlement Agreement:

- a. The Settlement Agreement shall have no further force and effect and shall not be offered in evidence or used in the Litigation or in any other proceeding.
- b. Counsel for the Parties shall seek to have any Court orders, filings, or other entries in the Court's file that result from the Settlement Agreement set aside, withdrawn, and stricken from the record;
- c. The Settlement Agreement and all negotiations, proceedings, and documents prepared, and statements made in connection with either of them, shall be without prejudice to any

party and shall not be deemed or construed to be an admission or confession by any party of any fact, matter, or proposition of law; and

- d. The Parties shall stand in the same procedural position as if the Settlement Agreement had not been negotiated, made, or filed with the Court.

16. The Settlement Agreement is preliminarily approved as fair, reasonable, and adequate. The Court preliminarily finds that: (a) the proposed Settlement Agreement resulted from arms-length negotiations; (b) the Settlement Agreement was executed only after Class Counsel had conducted appropriate investigation and discovery regarding the strengths and weaknesses of the Class Representative's and Settlement Class Members' claims; (c) Class Counsel represent that they have concluded that the Settlement Agreement is fair, reasonable, and adequate; and (d) the proposed Settlement Agreement appears to be in the best interest of the Class Representative and Settlement Class Members.

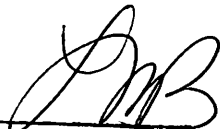
17. Pursuant to Rule 5.6(b) of the Virginia Rules of Professional Conduct, upon Final Approval of this Settlement, Settlement Class Counsel shall not to bring subsequent actions with a member or members of the Settlement Class as plaintiff(s), asserting against Defendant claims under 15 U.S.C. §1681e(b) relating to the reporting of MERS information.

18. The Order is not admissible as evidence for any purpose against Class Representatives, Settlement Class Members, or Defendant in any pending or future litigation. This Order shall not be construed or used as an admission, concession, or declaration against either the Class Representatives, Settlement Class Members, or Defendant with respect to the strengths or weakness of any claim or defense in the Litigation. The Parties' actions in this matter have been taken for settlement purposes only for the purpose of resolving the claims between the Class Representatives, Settlement Class Members, and Defendant in this Litigation.

19. The Court retains continuing and exclusive jurisdiction over the action to consider all further matters arising out of or connected with the settlement, including the administration and enforcement of the Settlement Agreement.

IT IS SO ORDERED.

Dated: November 3, 2016

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Leonie M. Brinkema
United States District Judge