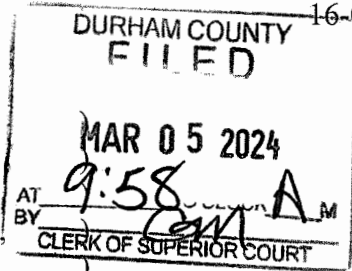


STATE OF NORTH CAROLINA
COUNTY OF DURHAM

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

16-CVS-5190

IRIS POUNDS, CARLTON MILLER,
VILAYUAN SAYAPHET-TYLER, and
RHONDA HALL, on behalf of
themselves and all others similarly situated,



Plaintiffs,

v.

PORTFOLIO RECOVERY ASSOCIATES,
LLC,

Defendant.

)
) **REVISED PRELIMINARY APPROVAL**
) **ORDER**
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THIS MATTER COMING ON FOR CONSIDERATION on the Parties' Joint Motion for Revised Preliminary Approval Order, and after reviewing the Motion and supporting materials, the proposed Amended Settlement Agreement, and revised Class Notice,

IT IS HEREBY ORDERED AND DECREED as follows:

1. Preliminary Approval. The Court finds that the proposed Amended Settlement Agreement ("Agreement") attached as Exhibit A to the Parties' Joint Motion for Approval of Amended Class Action Settlement is "within the range of possible approval," such that notice of the Agreement should be given to potential class members. *Ehrenhaus v. Baker*, 216 N.C. App. 59, 73, 717 S.E.2d 9, 19 (2011). The Court therefore grants preliminary approval to it.

2. Certification of Settlement Class. Pursuant to Rule 23 of the North Carolina Rules of Civil Procedure, the matter is preliminarily certified as a class action for settlement purposes only. In support of this ruling, and for settlement purposes only, the Court finds:

- a) that a class exists, as the class members share common issues of law and fact that predominate over any issues affecting only an individual class member;
- b) the Plaintiffs are adequate class representatives, as they will fairly and adequately represent the class, there is no conflict of interest between the named representatives and the class, and the named parties have a genuine personal interest in the outcome of the case;
- c) the class is so numerous as to make joinder impracticable;
- d) adequate notice can be provided to the class; and
- e) a class action would be superior to other methods of resolution of this action.

3. Class Definition. Accordingly, for settlement purposes only, the Court preliminarily certifies a class defined as follows:

All persons against whom PRA obtained a default judgment entered by a North Carolina court in a case filed on or after October 1, 2009, where default judgment was entered on or before September 30, 2023,

PROVIDED HOWEVER, that the class does not include anyone who meets the categories above if (a) they have filed for or were placed in bankruptcy after October 1, 2009; or (b) they are deceased. For the avoidance of doubt, subject to the limitations set forth above, the class shall include default judgments renewed on or after October 1, 2009, and before September 30, 2023, so long as the underlying lawsuit leading to default judgment was filed on or after October 1, 2009. The class shall not include renewals of default judgments that were entered in cases filed before October 1, 2009.

There are approximately 19,771 class members.

4. Appointment of Class Representatives and Class Counsel: Pursuant to Rule 23 of the North Carolina Rules of Civil Procedure, Iris Pounds, Carlton Miller, Vilayuan Sayaphet-Tyler, and Rhonda Hall are appointed as class representatives, and the following attorneys are appointed as Class Counsel: Carlene McNulty and Jason Pikler from the North Carolina Justice Center; J. Jerome Hartzell, Attorney at Law; Travis Collum, of Collum & Perry, PLLC; and Adrian Lapas, of Lapas Law Offices, PLLC.

5. Final Approval Hearing. A hearing on the fairness and reasonableness of the Agreement and whether final approval shall be given to it and the requests for fees and expenses will be held before Superior Court Judge Michael O’Foghludha on **June 12, 2024, at 2:30 p.m.** in Courtroom 7A of the Durham County Courthouse, 510 South Dillard Street, Durham, NC. At the Final Approval Hearing, the Court will consider and finally determine (a) whether the Agreement should be finally approved by the Court as fair, reasonable, and adequate; (b) the Class Representatives’ service award requests; and (c) attorneys’ fees and expense reimbursement requests by Class Counsel. The parties have agreed that the amount of costs and reasonable attorneys’ fees shall be paid out of the settlement funds. Class Counsel shall file their motion for an award of costs and attorneys’ fees within 21 days following the date of this Revised Preliminary Approval Order.

6. Approval of Settlement Administrator. The Court specifically authorizes Kroll, LLC to serve as the Settlement Administrator to implement the terms of this Order, the Settlement Agreement, and any Final Judgment. The Administrator shall assist with various administrative tasks, including without limitation: (i) overseeing the provision of all notices to Class Members; and (ii) overseeing distributions of the Settlement Fund to class members entitled to receive the same pursuant to the terms and conditions of any Final Judgment and the Settlement Agreement. Pursuant to the Agreement, Portfolio Recovery Associates, LLC, (PRA) shall be responsible for

payment of the cost of sending notice, distributing proceeds of this settlement to the class members, and any other costs of administration.

7. Notice to the Settlement Class.

(a) Mailed Notice. The Court approves the revised proposed forms of notice attached as Exhibit 1A (the “Summary Notice”) and 1B (the “Long-form Notice”) to the parties’ Amended Agreement. PRA is ordered to provide the Settlement Administrator and Class Counsel with updated electronic data for each Class Member necessary for mailing notices, as discussed herein, within 7 days following the date of this Order. The electronic data is to include, to the extent available, Class Members’ names, addresses, phone numbers, and email addresses. Class Counsel and the Settlement Administrator shall keep the data and information provided by PRA strictly confidential and shall use it only for the purpose of effectuating the settlement of this matter. Within 21 days following the receipt of the electronic data from PRA, the Settlement Administrator will conduct a single national change of address search for all members of the Class and then mail Summary Notices in a form and content substantially similar to Exhibit 1A to the Amended Agreement to all Class Members. For those Summary Notices that are returned as undeliverable, the Settlement Administrator will conduct a single skip trace, and then re-mail the Summary Notice to the Class Members using the updated addresses.

(b) Website. Within 21 days following the receipt of the updated electronic data from PRA, a website shall be established to provide information to Class Members about the case and the proposed settlement. The Long-form Notice shall be available on the website. The mailed Summary Notice shall direct Class Members to the website for further information about the case and the proposed settlement.

(c) Toll free number. Within 21 days following the receipt of the updated electronic data from PRA, a toll-free number shall be established which Class Members may call for

additional information about the case and the proposed settlement. The Summary Notice and Long-form Notice shall direct Class Members to this toll-free number for further information about the case and the proposed settlement.

8. Opting Out (Exclusion from Class). The Summary Notice and Long-form Notice will provide Class Members with the opportunity to request exclusion from the Settlement Class. Such opt out rights may be exercised only individually by a Class Member, and not by any other person in a representative capacity. Class Members shall have 45 days from the mailing of the Summary Notice to opt out of the Settlement Class pursuant to the procedures set forth in the Summary Notice and/or Long-form Notice. A list of the names and addresses of Class Members who have timely submitted a valid request for exclusion from the Settlement Class shall be filed by the parties with the Court no later than 14 days before the Final Approval Hearing.

9. Due Process. The Court finds that mailing of the class notice and the other measures specified above to locate and notify the members of the class is the only notice required and that such notice satisfies the requirements of due process and Rule 23 of the North Carolina Rules of Civil Procedure.

10. Objections to Settlement.

(a) Written objections. Any Class Member who has not opted out of the Settlement Class and who wishes to object to the fairness, reasonableness, or adequacy of the proposed Settlement, or to Class Counsel's motion for attorneys' fees and expenses, or to the request for a service award for the Class Representatives, shall be required to deliver written objections to Class Counsel and Counsel for Portfolio Recovery Associates, LLC, and have them file-marked by the Court, no later than 45 days from the mailing of the Summary Notice, or as the Court may otherwise direct. Written objections must include: (i) the objector's name, address, and telephone number, (ii) the name of this case and the case number, (iii) a clear and concise statement of each

objection; and (iv) an explanation of the specific reasons, if any, for each objection, including any legal and factual support upon which the objector intends to rely along with any evidence the objector intends to introduce in support of the objection(s).

(b) Appearance at Final Approval Hearing. Any Class Member who properly and timely files and serves a written objection may appear at the Final Approval Hearing, either in person or through counsel hired at the Class Member's personal expense, to object to the fairness, reasonableness, or adequacy of the Agreement or the proposed Settlement, or to an award of attorneys' fees and expenses, or to the request for a service award for the Class Representatives. Class Members or their attorneys intending to make an appearance at the Final Approval Hearing must deliver to Class Counsel and Counsel for Portfolio Recovery Associates, LLC, and have file-marked by the Court, no later than 45 days from the mailing of the Summary Notice or as the Court otherwise may direct, a Notice of Intention to Appear. The Notice of Intention to Appear must: (i) state how much time the Class Member and/or his attorney anticipates needing to present the objection; (ii) identify, by name, address, telephone number and detailed summary of testimony, all witnesses the Class Member and/or his or her attorney intends to present any testimony from; and (iii) identify all exhibits the Class Member and/or his attorney intends to offer in support of the objection and attach complete copies of all such exhibits.

11. Effect of Non-Approval. In the event that the proposed settlement is disapproved by the Court, or Final Approval as that term is defined in the Agreement does not occur for any reason, then the Agreement, all drafts, negotiations, discussions, and documentation relating thereto, and all orders entered by the Court in connection therewith shall become null and void and shall not be used or referred to for any purpose in this Action or in any other proceeding. In such event, the Agreement and all negotiations and proceedings relating thereto shall be withdrawn without prejudice to the rights of any of the Parties thereto, who shall be restored to their respective

positions as of the date of the execution of the Agreement.

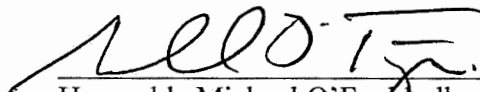
12. Report of Notice. Within 10 business days following completion of the notice requirements set forth herein, the Settlement Administrator shall deliver a written report to Class Counsel, to be submitted to the Court, confirming that the notice requirements set out in this Order have been satisfied.

13. Upon entry of an Order Granting Final Approval of Class Settlement, PRA will arrange for the Settlement Administrator to mail settlement checks to be distributed pursuant to the Settlement Agreement.

14. In addition, within thirty (30) days of entry of the Final Approval order, PRA will undertake best efforts to begin filing authorizations to cancel Class Members' unexpired default judgments and will complete the process of filing the authorizations to cancel the judgments within three months of the entry of the Final Approval order.

15. In the event any deadline set forth in this Order falls on a weekend or court-observed holiday, such deadline shall be on the first business day thereafter.

SO ORDERED, This the 4 day of March, 2024.



Honorable Michael O'Foghudha
Superior Court Judge Presiding

CERTIFICATE OF SERVICE

This is to certify that the undersigned has this day served the foregoing Order in the above captioned action on all parties by depositing a copy hereof in a postpaid wrapper in a post office depository under the exclusive care and custody of the United Postal Service, addressed as follows:

Jason Pikler
Carlene McNulty
P.O. Box 28068
Raleigh, NC 27611

Jonathan Berkelhammer
Joseph Hammond
P.O. BOX 2752
GREENSBORO, NC 27401

This the ____ day of _____, 2024.

ASSISTANT DEPUTY CLERK OF SUPERIOR COURT