

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

MARY JO BARNETT, JOHN ALLEN)	CASE NO. 2:00-CV-175
BROOKINS, AND DEWEY JACK)	
CROSSLAND, INDIVIDUALLY AND)	
ON BEHALF OF ALL OTHERS)	
SIMILARLY SITUATED,)	
)	
Plaintiffs,)	HON. T. JOHN WARD
)	
v.)	
)	
UNIFUND CORP.)	
)	
Defendant.)	

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

TO: ALL CONSUMERS WHO HAVE HAD DATES OF OCCURRENCE REPORTED REGARDING ACCOUNT(S) PURCHASED BY DEFENDANT UNIFUND AND REPORTED BY DEFENDANT UNIFUND TO DEFENDANT EXPERIAN FROM AUGUST 25, 1999 TO DECEMBER 31, 2000 WHEN THE ACTUAL DATE OF OCCURRENCE WAS MORE THAN SEVEN YEARS BEFORE THE REPORT AND THE DATE OF OCCURRENCE REPORTED TO EXPERIAN WAS LESS THAN SEVEN YEARS BEFORE THE REPORT. THE CLASS EXCLUDES DEFENDANTS' EMPLOYEES, OFFICERS, DIRECTORS, AGENTS, AND REPRESENTATIVES AND THEIR FAMILY MEMBERS.

I. Notice of Class Action

On August 25, 2000, Plaintiffs Mary Jo Barnett, John Allen Brookins and Dewey Jack Crossland filed a Class Action Complaint in the United States District Court for the Eastern District of Texas, Marshall Division (the "Court"), and on February 14, 2001, Plaintiffs filed an Amended Class Action Complaint. The Plaintiffs filed this Complaint individually and on behalf of all others similarly situated. The Complaint alleged that the Defendants failed to comply with various federal laws by making misrepresentations concerning "dates of occurrence" in connection with the collection of debts. Each of the Defendants denies all of the Complaint's individual and class claims. The parties have

agreed that, in order to avoid protracted and costly litigation, this controversy should be settled as described in this Notice, subject to the approval of the Court.

II. Settlement Agreement

The following terms of the Settlement Agreement (“Settlement”) were reached after months of negotiations between the parties. The parties are requesting that the trial judge assigned to the case, U.S. District Judge T. John Ward, approve this class action settlement agreement under Rule 23(b)(2) of the Federal Rules of Civil Procedure. Rule 23(b)(2) provides that all members of a class action settlement class are both entitled to and bound by the terms of equitable and injunctive relief set out in a settlement agreement approved under that Rule. Rule 23(b)(2) does not provide for any monetary damage payments to settlement class members, but class members retain the right to pursue any potential claims for damages that they might have related to specific individual experiences.

A. Parties To The Settlement

The parties to the Settlement include Plaintiffs Mary Jo Barnett, John Allen Broookins and Dewey Jack Crossland, the Settlement Class, individual members of the Settlement Class who do not opt out of this Settlement, and Defendant Unifund Corporation, its predecessor firms and any subsidiaries, businesses, affiliates, or divisions of any of them (“Unifund”).

B. Persons Included in the Settlement Class

The Settlement Class includes all consumers who have had dates of occurrence reported regarding account(s) purchased by Defendant Unifund and reported by Defendant Unifund to Defendant Experian from August 25, 1999 to December 31, 2000 when the actual date of occurrence was more than seven years before the report and the date of occurrence reported to Experian was less than seven years before the report. The

class excludes Defendants' employees, officers, directors, agents, and representatives and their family members.

C. Terms of Settlement

The parties to the Settlement have agreed that the following injunctive relief will be provided:

1. Unifund agrees that, to the extent that it has done so, Unifund will cease its prior practice of calculating and reporting the Date of Last Activity as the Date of First Delinquency for debts that it has purchased to a more recent date than that allowed by the Fair Credit Reporting Act. Unifund agrees that, to the extent that it has not done so, Unifund will cease reporting negative credit information if the information occurred later than seven (7) years from the Date of First Delinquency, regardless of the exemptions or timing allowed under the FCRA. Unifund agrees that its present, and intended future, practice regarding the reported Date of Last Activity is to report, as the Date of Occurrence, either the "Date of First Delinquency" as provided to it by the creditor or other reliable source; or, in the event that the "Date of First Delinquency" is not provided, Unifund will report a date certain that is prior to the Date of First Delinquency. Alternatively, Unifund will report the date the account was opened by any individual.

2. Unifund will provide the following statement/notice on its website for a period of six (6) months, commencing on the Effective Date, regarding its former and current practice of reporting the Date of Last Activity as the date of First Delinquency:

(a) Plaintiffs in the Class Action allege that Unifund violated the Fair Debt Collection Practices Act by purchasing obsolete, or near obsolete, debts and altering the Date of First Delinquency to a more recent date than that allowed by the FCRA. Plaintiffs further allege that this conduct allowed

Unifund to report negative credit information after the information had become obsolete.

(b) As a part of the settlement of the Class Action, Unifund states that, to the extent this practice ever occurred, which Unifund denies, that it has discontinued the practice set forth above. Unifund further states that its present, and intended future, practice regarding the reported Date of First Delinquency is to report, as the Date of Occurrence, either the “Date of First Delinquency” as provided to it by the creditor or other reliable source; or, in the event that the “Date of First Delinquency” is not provided, the date the account was opened by any individual. Unifund further states that its present, and intended future, practice is to report negative credit information only when that information is more recent than seven (7) years from the Date of First Delinquency, regardless of the exemptions or timing allowed under the FCRA.

3. Unifund will agree to provide a class member/public written complaint procedure. Specifically, Unifund will provide a link on its website to a dedicated page named “Resolve Unifund.” Unifund will also provide instructions on how to get to the Resolve Unifund page on Unifund’s customer service phone lines. Resolve Unifund will allow class members and the public to lodge written complaints regarding disputes they may have, including disputes over negative credit information that may have been furnished by Unifund. Unifund will agree to have Resolve Unifund up and running within 60 days from the date of the court approval of the settlement. Unifund will provide a written statement correcting any errors when a

consumer requests it. Unifund will make a statement on its website that the old practice is discontinued.

4. Unifund will notify Defendant Experian of this Settlement and request that Experian cooperate with Unifund in compliance.

5. Unifund further agrees that the “debt collection” issue that Plaintiffs won on summary judgment is *res judicata* on all future claims between Unifund and any Settlement Class Member who later brings a claim for damages.

6. Unifund will post this Notice on its website and will maintain this Notice on its website from the date of the Preliminary Approval Order through the date of the Final Order and Judgment. Unifund agrees to bear all costs related to the posting of this Notice.

D. Effective Date and Length of Settlement

The Settlement will go into effect on the date on which the entry of a Final Order and Judgment becomes final and non-appealable. The Settlement will remain in effect for three (3) years.

E. Attorneys' Fees

Unifund has agreed not to oppose and has agreed to pay Plaintiffs' Counsel's request for attorneys' fees and expenses in an amount not to exceed \$50,000.00 in the aggregate.

III. Options For Settlement Class Members

A. You may do nothing, and you will remain a class member and be both entitled to and bound by the terms of equitable and injunctive relief set out in the Settlement if it is approved under Rule 23(b)(2).

B. You may object to the Settlement, if you follow the process for objections that is set forth below.

C. Regardless of whether you do nothing or object, if the Settlement Agreement is approved under Rule 23(b)(2) you will retain the right to pursue any potential claims for damages that you might have against Unifund relating to misrepresentations concerning “dates of occurrence” in connection with the collection of debts.

IV. Fairness Hearing and Process For Objections

A Fairness Hearing will be held on March 27, 2006, at 1:30 p.m. in front of United States District Judge T. John Ward, Courtroom of the United States District Court, Marshall, Texas, where the Court will consider the parties' request for Court approval of the Settlement Agreement, and will hear objections, if any, to the Settlement. If you are a Settlement Class member who objects to the Settlement, you must submit a written Statement of Objection that: identifies the case; contains your name and address; and explains the basis of your objection. If you wish to appear and present such objection at the Fairness Hearing, you must also submit a Notice of Intention to Appear that identifies the case, contains your name and address, and explains the reason the appearance is desired.

Any Statement of Objection or Notice of Intention to Appear must be filed on or before March 20, 2006. The original copy of any Statement or Notice must be mailed to:

Clerk of the Court
United States District Court
100 E. Houston Street
Marshall, Texas 75670

In addition, copies of any Statement or Notice must also be mailed to each of the addresses below:

Bradley E. Beckworth
Nix, Patterson & Roach, L.L.P.
205 Linda Drive
Daingerfield, Texas 75638

Scott C. Frost
Statman Harris Siegel & Eyrich, LLC
333 West Wacker Drive, Ste. 1710
Chicago, Illinois 60606