

**UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

IF YOU WERE MAILED A LETTER FROM THE BRACHFELD LAW GROUP, P.C. RELATING TO AN AMOUNT DUE TO LVNV FUNDING, LLC, YOU MAY BENEFIT FROM THIS CLASS ACTION SETTLEMENT.

This case is titled *Doris Krenzelak v. The Brachfeld Law Group, A Professional Corporation; LVNV Funding, LLC; Resurgent Capital Services, L.P.; and Alegis Group, LLC*,
Case No. 12-cv-3325.

A Federal court authorized this notice. This is not a solicitation from a lawyer.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

- **RETURN A CLAIM FORM POSTMARKED BY DECEMBER 12, 2013** - *If you submit a claim form postmarked by December 12, 2013, you will remain in the Settlement Class and you will be entitled to receive a settlement check from the Settlement Fund.*
- **DO NOTHING BUT STAY IN THE SETTLEMENT** - *By doing nothing you will still be bound by the terms of the settlement agreement and any order the Court issues, but you will NOT receive a share of the Settlement Fund.*
- **EXCLUDE YOURSELF** - *You will receive no benefits, but you will not be giving up your legal claims against the Defendants, if any.*
- **OBJECT** - *Write to the Court about why you don't like the settlement. You may also appear at the fairness hearing.*
- **GO TO A HEARING** - *Ask to speak in Court about the fairness of the settlement.*

THESE RIGHTS AND OPTIONS AND THE DEADLINES TO EXERCISE THEM ARE EXPLAINED BELOW

1. Why did I get this notice?

Plaintiff Doris Krenzelak ("Plaintiff") filed a class action lawsuit alleging that The Brachfeld Law Group, P.C. ("Brachfeld"); LVNV Funding, LLC ("LVNV"); Resurgent Capital Services, L.P. ("Resurgent"); and Alegis Group, LLC ("Alegis") (collectively "Defendants") violated the Fair Debt Collection Practices Act ("FDCPA") by sending collection letters that failed to state that the exercise of validation rights and any request for the name and address of the original creditor must be in writing to be effective. However, you are not entitled to participate in the settlement if you have filed a petition in a bankruptcy court for relief pursuant to Chapter 7 of the bankruptcy code after you received the letter which is the subject of this lawsuit.

You received this notice because you have been identified from the Defendants' records as a person from whom Defendants attempted to collect an alleged debt by sending such a collection letter between May 3, 2011 and May 23, 2012.

2. What is this lawsuit about?

In this lawsuit, the Plaintiff claimed that Defendants violated the Fair Debt Collection Practices Act by sending collection letters that failed to state that the exercise of validation rights and any request for the name and address of the original creditor must be in writing to be effective.

Defendants deny that their conduct violated the law and deny any liability to Plaintiff and the Class Members. Defendants also raised 15 U.S.C. §1692k(c), the *bona fide* error defense, as an affirmative defense asserting that any alleged violation of the FDCPA, was unintentional and occurred notwithstanding the maintenance of procedures reasonably adapted to avoid such error. No judge has ruled on the issues.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, Plaintiff, Doris Krenzelak) sue on behalf of a group ("Class") of people who have similar claims.

4. Why is there a settlement?

In order to avoid the cost, risk, and delay of litigation and uncertainty of trial the parties agreed to settle the case.

5. How do I know if I am a part of the settlement?

The Court has decided that everyone falling under the following definition is a Class Member: (a) all individuals (b) to whom Brachfeld sent a letter in the form represented by Exhibits A-C, to plaintiff's First Amended Complaint (c) to collect a debt on which the current creditor is LVNV Funding LLC, on or after May 3, 2011 and on or before May 23, 2012.

You have been identified as a member of this Class. There are approximately 6,111 Class Members.

YOUR BENEFITS UNDER THE SETTLEMENT

6. What can I get from the settlement?

Defendants have agreed to pay \$47,500.00 into a Settlement Fund. If you submit a valid claim form by **December 12, 2013**, you will be entitled to a *pro rata* share of the common Settlement Fund, *after* the deduction of the costs of administration of the settlement, attorney's fees and costs awarded to Class Counsel by the Court, and the amount awarded to Plaintiff by the Court.

If you return a timely, valid claim form, the amount you will receive will depend on how many other Class Members return timely, valid claim forms. If all of the Class Members return timely, valid claim forms, which is unlikely, each claimant will receive approximately \$3.51. However, Class Counsel expects that between 10%-20% of the Class Members will return a claim form, meaning that each claimant will likely receive between \$17.53 and \$35.07.

7. When will I receive these benefits?

If you return a timely, valid claim form, you will receive these benefits approximately forty-five (45) days after the settlement has been given final approval by the Court, assuming that no party seeks an appeal of the settlement. A final approval hearing is scheduled for **January 16, 2014 at 9:15 a.m.**

8. I want to be a part of the settlement and receive these benefits. What do I do?

You must return the Proof of Claim Form attached to the end of this notice post marked on or before **December 12, 2013**, in order to receive a *pro rata* share of the settlement.

9. What am I giving up to receive these benefits?

By staying in the Class, all of the Court's orders will apply to you, and you give Defendants a "release." A release means you can't sue or be part of any other lawsuit against Defendants about the claims or issues in this lawsuit.

10. How much will the Class Representative receive?

Subject to the Court's approval, Doris Krenzelak will receive \$2,000.00 for her statutory damages and for her service as the Class Representative. Her recovery will be deducted from the Class Settlement Fund.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to receive the benefits of the settlement, and you want to keep your legal claims against the Defendants, then you must take steps to get out. This is called excluding yourself or "opting out."

11. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail stating that you want to be excluded from *Krenzelak v. The Brachfeld Law Group, A Professional Corporation, et al*, Case No. 12-cv-3325 (N.D. Ill.) Be sure to include your name, address, telephone number, your signature, as well as the name and number of this case. You must mail your exclusion request so that it is postmarked **no later than December 12, 2013**, and sent to Class Counsel at the following address:

☐ Daniel A. Edelman
Tiffany N. Hardy (#26846)
EDELMAN, COMBS, LATTURNER AND GOODWIN, LLC
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

You must also send a copy of your request to Defendants' counsel at the following address:

☐ Arthur J. McColgan
Ryan M. Henderson
WALKER WILCOX MATOUSEK LLP
One North Franklin Street, Suite 3200
Chicago, Illinois 60606

Be sure to include the name and number of the case.

12. If I exclude myself, do I still receive benefits from this settlement?

No, you will not receive anything resulting from the settlement of this case, but you will have the right to sue the Defendants over the claims raised in this case, either on your own or in a different lawsuit. If you exclude yourself, the time you have in which to file your own lawsuit (called the "statute of limitations") will begin to run again. You will have the same amount of time to file the suit on your own that you had when this case was filed.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has named the law firm of Edelman, Combs, Lattuner & Goodwin, LLC as Class Counsel. You will not be charged for these lawyers. However, they will receive a payment from the Settlement Fund in the amount of \$16,315.07 if approved by the Court. If you want to be represented by your own lawyer, you may hire one at your own expense. If you choose to hire your own lawyer, he or she must file an appearance by **December 12, 2013**.

14. How will the lawyers be paid?

Class Counsel, Edelman, Combs, Lattuner & Goodwin, LLC will receive a total of \$16,315.07 for reasonable attorney's fees and expenses, subject to Court approval. These fees and expenses will be paid from the Settlement Fund.

CLASS COUNSEL'S VIEWS ABOUT THE SETTLEMENT

15. Is this a fair settlement?

Class Counsel believes that this settlement is fair. The claim asserted by Plaintiff on behalf of the Class against the Defendants was brought under the FDCPA. The FDCPA is a federal statute which provides for both individual actions and class actions.

In an individual action, the person bringing the suit, if successful, may recover (i) any actual damages suffered, if proven, and (ii) statutory damages of between \$0 and \$1,000.00. In a class action, the maximum possible recovery is (i) any actual damages suffered by the Class members and (ii) the lesser of 1% of the Defendant's net worth or \$500,000.00 (whichever is less). The Court, in its discretion, may award anything from \$0 up to the maximum amount to a prevailing party. In either an individual or a class action, the person bringing the suit can also recover attorney's fees and the expenses of prosecuting the suit, if it is successful. No actual damages were sought in this case by Plaintiff or on behalf of the Class.

In this case, after the deduction of the costs of administering the Class (\$7,755.00), Plaintiff's award (\$2,000.00), and attorney's fees and costs (\$16,315.07), the remaining \$21,429.93 will be divided equally among all Class members who return a timely, valid claim form. If all of the Class members return claim forms, which is unlikely, each claimant will receive approximately \$3.51. However, Class Counsel expects that between 10%-20% of the Class members will return a claim form, meaning that each claimant will likely receive between \$17.53 and \$35.07.

Given Defendants' alleged *bona fide* error affirmative defense, and each Defendant's net worth, and in light of the violations alleged, Class Counsel believes this is a fair settlement.

16. What is the Defendants' view of this settlement?

As stated above, by settling this lawsuit, the Defendants are not admitting that they have done anything wrong. Each Defendant expressly denies that Plaintiff's claims have merit, denies all allegations of wrongdoing and liability, but has agreed to settle this lawsuit to avoid the expense and burden of further litigation.

COMMENTING ON THE SETTLEMENT

You can tell the Court that you do or do not agree with the settlement or some part of it.

17. How do I tell the Court that I do or do not like the Settlement?

As a Class Member, you can comment on the settlement, but are not required to do so. In order to comment on the settlement or any part of the settlement, you may send a letter (or legal brief) stating your view. You must include the name and number of the case, *Krenzela v. The Brachfeld Law Group, A Professional Corporation, et al*, Case No. 12-cv-3325 (N.D. Ill.), and your name, address, telephone number and your signature. Regardless of whether you submit a written comment, you may appear at the fairness hearing (explained below in answer to Question no. 18).

You must mail your written comment so that it is postmarked no later than **December 12, 2013** to:

☞ United States District Court for the Northern District of Illinois,
Eastern Division
ATTN: Clerk of Court
219 South Dearborn Street, 20th Floor
Chicago, IL 60604

You must also send a copy of your comment to the following. Be sure to include the name and number of the case on your written comment.

☞ Daniel A. Edelman
Tiffany N. Hardy (#26846)
EDELMAN, COMBS, LATTURNER AND GOODWIN, LLC
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

☞ Arthur J. McColgan
Ryan M. Henderson
WALKER WILCOX MATOUSEK LLP
One North Franklin Street, Suite 3200
Chicago, Illinois 60606

THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend if you wish, but you are not required to do so.

18. WHERE AND WHEN IS THE FAIRNESS HEARING?

The Court will hold a fairness hearing on **January 16, 2014 at 9:15 a.m.** in the courtroom of Judge Thomas M. Durkin, Room 1725 of the Dirksen Federal Building, 219 S. Dearborn St., Chicago, Illinois, 60604. The purpose of the hearing will be for the Court to determine whether the proposed settlement is fair, reasonable and adequate and in the best interests of the Class and to determine the appropriate amount of compensation for the Class Counsel. At that hearing the Court will be available to hear any objections and arguments concerning the fairness of the proposed settlement.

The hearing may be postponed to a later date without notice.

YOU ARE NOT REQUIRED TO ATTEND THIS HEARING.

GETTING MORE INFORMATION

19. How do I get more information?

You can call the firm representing the Class, Edelman, Combs, Latturner & Goodwin, LLC at (312) 739-4200 if you have any questions. Before doing so, please read this full notice carefully. You can also send an email to info@edcombs.com or obtain information through the firm's website at www.edcombs.com.

20. What if I have a new address?

If this notice was sent to you at your current address, you do not have to do anything more to receive further notices concerning this case. However, if this notice was forwarded to you, or if it was otherwise sent to you at an address that is not current, you should immediately send a letter to:

☞ Daniel A. Edelman
Tiffany N. Hardy (#26846)
EDELMAN, COMBS, LATTURNER & GOODWIN, LLC
120 S. LaSalle St., Suite 1800
Chicago, Illinois 60603

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

Krenzelak v. Brachfeld (26846)
Edelman, Combs, Lattuner & Goodwin, LLC
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

Krenzelak v. The Brachfeld Law Group, A Professional Corporation, et al,
Case No. 12-cv-3325 (N.D., Ill.)

John R. Smith
Ace, Inc.
123 Main Street
Springfield, IL 80099

IMPORTANT: THIS CLAIM FORM MUST BE
POSTMARKED ON OR BEFORE

DECEMBER 12, 2013

...AND MAILED TO THE FOLLOWING ADDRESS:

EDELMAN COMBS, LATTURNER & GOODWIN, LLC (#26846)
120 S. LASALLE ST., SUITE 1800
CHICAGO, IL 60603

PROOF OF CLAIM FORM

RE: KRENZELAK V. THE BRACHFELD LAW GROUP, A PROFESSIONAL CORPORATION, ET AL
CASE NO. 12-CV-3325

I WISH TO RECEIVE A SHARE OF THE SETTLEMENT

PLEASE **LEGIBLY PRINT** THE FOLLOWING INFORMATION:

Name _____

Mailing Address _____

City, State & Zip _____

IF YOUR NAME DIFFERS FROM THAT WHICH APPEARS ON THE MAILING LABEL, PLEASE EXPLAIN WHY YOU SHOULD RECEIVE A PORTION OF THE SETTLEMENT:

Name on Notice _____

Reason _____

IF THIS NOTICE WAS MAILED TO AN ADDRESS OTHER THAN YOUR CURRENT ADDRESS, PLEASE NOTE THE OLD ADDRESS HERE:

OLD Address _____

YOU MUST SIGN THE CLAIM FORM

By signing this form, I certify that I wish to participate in the class settlement of, and receive a share of the settlement of, Krenzelak v. The Brachfeld Law Group, A Professional Corporation, et al, (Case No. 12-cv-3325) as detailed in this notice.

Your Signature

Date

IMPORTANT!:
IT IS YOUR RESPONSIBILITY TO MAINTAIN A CURRENT ADDRESS WITH THE CLASS ADMINISTRATOR.