

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

The case is *Altagracia Diaz v. Residential Credit Solutions, Inc.*
Case No. 12 CV 3781 (ADS) (AKT).

*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 SEPTEMBER 8, 2014** - *If you submit a claim form postmarked by September 8, 2014, you will remain in the Settlement Class and you will be entitled to receive a cash payment 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 cash payment.*
- **EXCLUDE YOURSELF** - *You will receive no benefits, but you will not be giving up your legal claims against the Defendant.*
- **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 after first sending a written objection to the Court.*

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

1. Why did I get this notice?

Plaintiff, Altagracia Diaz ("Plaintiff"), filed a class action lawsuit and alleged that defendant Residential Credit Solutions, Inc. ("Defendant" or "RCS") sent you a validation of debt letter that contained statements in violation of the Fair Debt Collection Practices Act ("FDCPA" or "the Law"). You received this notice because you have been identified as a person who is a recipient of the validation of debt letter at issue during a period beginning on July 31, 2011 and ending August 20, 2012.

2. What is this lawsuit about?

In this lawsuit, Plaintiff asserted a claim pursuant to the FDCPA against Defendant in connection with a validation of debt letter that Plaintiff alleged contained misleading language in violation of 15 U.S.C. §1692g, 1692e, 1692e(2), and 1692e(10). Defendant denies all of these factual allegations and the Court has not made a finding of liability against Defendant.

3. Why is this a class action?

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

4. Why is there a settlement?

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

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

The class consists (a) all individuals in the State of New York (b) who were sent a letter in the form of the form letter attached to the Plaintiff's Amended Complaint as Exhibit A¹, which was not returned as undeliverable, (c) on or after July 31, 2011 and on or before August 20, 2012 (d) concerning a loan that the Defendant began servicing after it was in default.

You are receiving this notice because the Defendant has identified you as a member of the Class. There are approximately 378 persons in the Class.

YOUR BENEFITS UNDER THE SETTLEMENT

6. What can I get from the settlement?

If you submit a claim form by **September 8, 2014** you will receive a portion of the \$100,000.00 class settlement fund established by the Defendant.

¹ Exhibit A can be found at <http://www.edcombs.com> under Class Notices/Current Class Notices

The \$100,000.00 settlement fund will be divided equally among all Class members who return a valid claim form. If all of the Class members return claim forms, which is unlikely, each claimant will receive approximately \$264.55. 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 \$1,322.75 and \$2,645.50. However, no class member shall receive a payment from the class settlement fund in excess of \$5,000.00.

7. When will I receive these benefits?

If you return a claim form, you will receive these benefits approximately sixty (60) days after the settlement has been given final approval by the Court, assuming that no party seeks an appeal of the settlement.

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

You must return the claim form attached to the end of this notice by **September 8, 2014** in order to receive a cash payment from the Settlement Fund.

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 the Defendant a "release." Anyone who does not specifically exclude themselves from the Class will give Defendant a release. A release means you can't sue or be part of any other lawsuit against Defendant about the claims or issues in this lawsuit.

10. How much will the Class Representative receive?

The Defendant has agreed to pay \$5,000.00 to plaintiff for her statutory and actual damages and for her service as the Class Representative. This award is subject to the Court's Approval.

EXCLUDING YOURSELF FROM THE SETTLEMENT

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

11. How do I get out of the settlement?

To exclude yourself from the settlement, you must submit a Request for Exclusion or Opt Out from *Altagracia Diaz v. Residential Credit Solutions, Inc.*, 12 CV 3781 (ADS) (AKT). For your Request for Exclusion to be effective, you must submit a letter stating words to the effect of: "I WANT TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN DIAZ V. RESIDENTIAL CREDIT SOLUTIONS, INC." Also be sure to include your name, address, telephone number, and your signature.

You must mail your exclusion request so that it is postmarked **no later than September 8, 2014**, and sent to the following addresses:

✉ EDELMAN, COMBS, LATTURNER AND GOODWIN, LLC (#26981)
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

✉ LOWENSTEIN SANDLER LLP
Attn: Jason Halper, Esq.
1251 Avenue of the Americas
New York, New York 10020

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. If you timely and validly request exclusion from this Class Settlement, you will not be bound by the judgment entered in this action and you will not be precluded from otherwise prosecuting your own individual claim, if timely, against Defendant based on the form validation of debt letter at issue in this case.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has named the law firms of Edelman, Combs, Latturner & Goodwin, LLC and Kleinman, LLC as Class Counsel. You will not be charged for these lawyers. 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 **September 8, 2014**.

14. How will the lawyers be paid?

Class Counsel, Edelman, Combs, Latturner & Goodwin, LLC and Kleinman, LLC will ask the Court for attorney's fees and expenses of no more than \$94,330.00 to be paid by Defendant. This will not reduce the recovery to any Class Member.

CLASS COUNSEL'S VIEWS ABOUT THE SETTLEMENT

15. Is this a fair settlement?

Class Counsel believes that this settlement is fair. The claim asserted on behalf of the Class against the Defendant is under the Fair Debt Collection Practices Act. ("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 may recover (i) any actual damages suffered, if proven, and (ii) statutory damages of between \$0 and \$1,000. 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. 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 on behalf of the Class.

Given the Defendant's net worth and in light of the violations alleged, Class Counsel believes this is a fair settlement.

16. What is the Defendant's view of this settlement?

While Defendant denies any wrongdoing or liability in this case, it has concluded that it is in its best interests to settle this case on the terms generally set forth herein to avoid expense, inconvenience, and interference with its ongoing business operations.

OBJECTING TO 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?

If you are a Class Member, you can comment on the settlement. In order to comment on the settlement or any part of the settlement, you may send a letter (or legal brief) stating that you object and the reasons why you think the Court should not approve the settlement. You must include the name and number of the case: *Altagracia Diaz v. Residential Credit Solutions, Inc.*, 12 CV 3781 (ADS) (AKT), and your name, address, telephone number and your signature. If you submit a written objection, you may appear at the fairness hearing (explained below in answer to Question no. 18).

You must mail your written objection so that it is postmarked **no later than September 15, 2014** to:

☒ United States District Court for the Eastern District of New York
ATTN: Clerk of Court
100 Federal Plaza
Central Islip, NY 11722

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.

☒ EDELMAN, COMBS, LATTURNER AND GOODWIN, LLC (#26981)
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

☒ LOWENSTEIN SANDLER, LLP
Attn: Jason Halper, Esq.
1251 Avenue of the Americas
New York, New York 10020

THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend if you submit a written objection by **September 15, 2014**, but you are not required to do so.

18. Where and when is the fairness hearing?

The Court will hold a fairness hearing on **September 29, 2014 at 9:30 a.m.** in the courtroom of Judge Arthur D. Spatt, in the Federal Courthouse for the Eastern District of New York, 100 Federal Plaza,

Central Islip, New York 11722. 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 firms representing the Class, Edelman, Combs, Latturner & Goodwin, LLC at (312) 739-4200, or Kleinman, LLC, at (516) 522-2621 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 its 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:

☒ EDELMAN, COMBS, LATTURNER AND GOODWIN, LLC (#26981)
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

☒ LOWENSTEIN SANDLER, LLP
Attn: Jason Halper, Esq.
1251 Avenue of the Americas
New York, New York 10020

**DO NOT CONTACT THE COURT
REGARDING THIS NOTICE.**

Diaz v. Residential Credit Solutions (26981)
Edelman, Combs, Lattuner & Goodwin, LLC
120 South LaSalle Street, Suite 1800
Chicago, IL 60603

Altagracia Diaz v. Residential Credit Solutions, Inc.
Case No. 12-CV-3781 (ADS)(AKT)

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

IMPORTANT: THIS CLAIM FORM MUST BE
POSTMARKED ON OR BEFORE

SEPTEMBER 8, 2014

...AND MAILED TO THE FOLLOWING ADDRESS:

EDELMAN COMBS, LATTURNER & GOODWIN, LLC (#26981)
120 SOUTH LASALLE ST., SUITE 1800
CHICAGO, IL 60603

PROOF OF CLAIM FORM

RE: ALTAGRACIA DIAZ V. RESIDENTIAL CREDIT SOLUTIONS, INC.
CASE NO. 12-CV-3781 (ADS)(AKT)

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 NOTE THE NAME OF THE PERSON TO WHOM THIS NOTICE WAS ADDRESSED HERE:

Name on Notice _____

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, Altagracia Diaz v. Residential Credit Solutions, Inc., Case No. 12-CV-3781 (ADS)(AKT) as detailed in this notice.

Your Signature

Date

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