

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RICHARD ROSENAU,  
on behalf of himself and all others  
similarly situated,

Plaintiff,

vs.

UNIFUND CORP. a/k/a/ UNIFUND GROUP  
CORP. and UNIFUND CCR PARTNERS,  
Defendants.

CIVIL ACTION NO. 06-CV-1355(CMR)

CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION LAWSUIT SETTLEMENT**

**You are entitled to receive a settlement payment in connection with a collection notice you were sent from Unifund Corp. a/k/a Unifund Group Corp. and Unifund CCR Partners**

- The Court has allowed this lawsuit alleging a violation of the Fair Debt Collection Practices Act, 15 U.S.C. §1692, to proceed as a class action on behalf of all Pennsylvania consumers who were sent a collection letter from Unifund Corporation and Unifund CCR Partners (hereinafter “Unifund”) from March 30, 2005 to March 30, 2006 in which Unifund stated that the letter came from or was otherwise authored by the “Legal Department”.
- The parties have reached a settlement, subject to Court approval. The settlement will provide a fund of \$100,000.00 to be distributed among approximately 6032 Pennsylvania consumers who received such a collection letter from Unifund and who file a simple claim form requesting payment. Also under the terms of the settlement, plaintiff Richard Rosenau will receive \$3,000.00 for serving as the class representative, and \$1,000.00 for his individual claim.
- The lawyers for Rosenau and the class will ask the Court to award or approve their legal fees and costs in an amount not to exceed \$205,000.00 through the date of the final approval hearing. There may be a claim for additional legal fees in connection with any objections or litigation following a final approval hearing, including any appeals. All legal fees will be paid by Unifund as ordered by the Court based upon the services rendered by class counsel, not from you or from the settlement fund. The fees sought relate to Class Counsel’s work in the case, including investigating the facts, litigating the case, and negotiating the settlement. The attorney fees are tied to the time and effort expended in pursuing the case.
- The two sides disagree on how much money you could have been awarded if the plaintiff were to prevail at trial. Defendants do not admit liability.
- Your rights are affected whether you act or don’t act. Read this notice carefully.

Your Legal Rights and Options in this Settlement:	
<b>File a Claim Form</b>	You will be paid if you file a claim form and if the settlement is finally approved by the Court. But, you give up any rights to sue Unifund separately about the same legal claims in this lawsuit and will be bound by this settlement. File by June 19, 2009
<b>Exclude Yourself</b>	Get out of this lawsuit. Get no settlement payment. Keep any rights. If you ask to be excluded, you will not share in this settlement, you will not be bound by this case, and your rights to sue Unifund separately about the challenged letter or other claims will not be affected by the results of this action.
<b>Object</b>	If you remain in the class, you may write to the Court about why you don’t like the settlement and object to final approval: Act by May 19, 2009.
<b>Go to the Hearing</b>	If you remain in the class, you may ask to speak in Court about the fairness of the settlement on August 3, 2009.
<b>Do Nothing</b>	If you do nothing and the Court approves the settlement, you will be part of the settlement class but will not receive a payment unless you file the claim form at the end of this Notice. You will also give up any rights to sue defendants separately about the same legal claims in this lawsuit and will be bound by this settlement.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice. To ask to be excluded you must act before May 19, 2009.
- The Court still has to decide whether to finally approve the settlement. Payments will be made if the Court finally approves the settlement and after any appeals are resolved. Please be patient.

### BASIC INFORMATION

#### 1. Why did I get this notice package?

You were sent this court approved Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to grant final approval to the settlement. If the Court approves it, and after objections and any appeals are resolved, a class action administrator approved by the Court will make the payments that the settlement allows.

Unifund’s records show that you were sent a collection letter between March 30, 2005 and March 30, 2006. This notice explains that the Court has allowed, or “certified”, a class action lawsuit that may affect you. Judge Cynthia M. Rufe of the United States District Court for the Eastern District of Pennsylvania is presiding over this class action. This lawsuit, known as *Richard Rosenau, on behalf of himself and all others similarly situated v. Unifund Corporation a/k/a Unifund Group Corp. and Unifund CCR Partners*, Civil Action No. 06-cv-01355(CMR), was filed on March 29, 2006. The case was earlier dismissed by the Court, then reinstated on appeal and now a classwide settlement is proposed.

#### 2. What are the “claims” in this lawsuit about?

This lawsuit is about whether or not Unifund violated a federal consumer protection law known as the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. §1692, by sending deceptive or misleading collection letters stating that the letter came from or was otherwise authored by the “Legal Department”. The plaintiff has asserted that “Legal Department” implies lawyer involvement, when there was none. Unifund denies that the letter was misleading in any way. The lawsuit seeks *statutory* damages allowed under the law, it does not seek *actual* damages for losses, which you may pursue regardless of whether you remain in the class or exclude yourself from the class. This lawsuit has nothing to do with whether or not you owe Unifund or its client any money. The Court has allowed this lawsuit to go forward as a class action.

#### 3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, Richard Rosenau), sues on behalf of people who have similar claims. The people together are a Class or Class Members. The gentleman who sued – and all the Class Members like him – are collectively called the Plaintiff(s). The companies sued (in this case Unifund Corporation a/k/a Unifund Group Corp. and Unifund CCR Partners) are called the Defendants or, in this notice, simply “Unifund”. One court resolves the issues for everyone in the Class – except for those people who choose to exclude themselves from the Class.

The Court decided that this lawsuit can proceed as a class action because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, in an Order dated December 31, 2008, the Court found, among other things, that this class action will be more efficient than many individual lawsuits.

The Court certified the following class:

“[a]ll persons with addresses in the Commonwealth of Pennsylvania to whom collection letters were sent by Defendants Unifund Corporation and Unifund CCR Partners from March 30, 2005 to March 30, 2006 in an attempt to collect a debt incurred primarily for personal, family or household purposes, in which Defendants state that the letter came from or was otherwise authored by the ‘Legal Department.’”

All pleadings and filings with the Court can be inspected at the Office of the Clerk for the United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Philadelphia, PA 19106 during regular business hours, or via the Court’s website at [www.paed.uscourts.gov](http://www.paed.uscourts.gov).

#### 4. Why is there a settlement?

In the lawsuit, the Plaintiff says that Unifund violated federal laws concerning consumer debt collection practices. The Plaintiff sought a money award for statutory damages allowed under the consumer laws for himself and for each member of the Class. Plaintiff also sought Class Counsel fees and expenses to be paid by Unifund. Plaintiff did not seek actual damages for compensation.

Unifund denies that it did anything wrong and says that they had a legal department and that the letter was sent by its legal department. Unifund believes it would have prevailed at trial, if the matter is not settled.

However, there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost and uncertainty of a trial, and the people affected will get compensation. Plaintiff and his attorney think the settlement is best for all Class Members given the strict ceiling that the law places on the possible recovery.

### WHO IS IN THE SETTLEMENT

#### 5. How do I know that I am part of the settlement?

The Court decided that each Pennsylvania consumer who was sent a collection letter from Unifund for the period March 30, 2005 to March 30, 2006 in which the letter stated that it came from or was otherwise authored by the "Legal Department" is a Class Member. Unifund's records show that you were sent such a collection letter.

### THE SETTLEMENT BENEFITS – WHAT YOU GET

#### 6. What does the settlement provide?

Unifund has agreed to create a settlement fund in the amount of \$100,000.00 to be distributed equally to the Class Members who file a simple claim form. In a class action under this consumer law, there is a limit or ceiling on recovery, which is 1% of the debt collector's net worth (but never exceeding \$500,000.00). Unifund's net worth was contested by the parties. Unifund denies it has a positive net worth; plaintiff disagrees. The \$100,000.00 settlement fund reflects a compromise concerning Unifund's net worth for settlement purposes only.

#### 7. How much will my payment be?

How much depends on how many people participate. The fewer the claims, the higher the payment. The available funds for distribution (\$100,000.00) will be divided by the number of Class Members who submit a claim form. Any settlement funds remaining from uncashed checks or undistributable funds will be paid over to a non-profit organization for the benefit of the settlement class.

### HOW YOU GET A PAYMENT

#### 8. How can I get a payment?

To receive payment you will need to complete and mail in the simple claim form at the end of this Notice. So long as you do not choose to exclude yourself from this case, you will remain a Class Member. You will receive a payment if the Court finally approves the settlement and you fill out the claim form attached. Delay in mailing your claim could result in denial of a claim.

#### 9. When would I get my payment?

The Court will hold a hearing on August 3, 2009, at 10:00 A.M. in Courtroom 12A, U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106 to decide whether to grant final approval to the settlement. If the Court approves the settlement, there is a period in which an appeal could be filed. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

#### 10. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will stay in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Unifund about the legal issues in *this* case. It also means that the Court's orders will apply to you and legally bind you. Unless you exclude yourself from this case, you will agree to a "Release of Claims" whether or not you submit a claim form and receive a payment.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to participate in the proposed settlement, but you want to keep the right to sue or continue to sue Unifund on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself – sometimes referred to as opting out of the settlement Class.

### 11. How do I get out of the settlement?

To exclude yourself from the settlement, you must send an “Exclusion Request” in the form of a letter sent by mail, stating that you want to be excluded from *Richard Rosenau v. Unifund Corp. a/k/a Unifund Group Corp. and Unifund CCR Partners*, Docket No. 06-cv-1355(CMR). Be sure to include your name, address, telephone number and your signature. You must mail your exclusion request postmarked no later than May 19, 2009 to:

**First Class, Inc. / J10170-Rosenau  
5410 W. Roosevelt Road, Unit 222  
Chicago IL 60644-1570**

If you ask to be excluded, you will not receive a payment from the settlement and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Unifund in the future. Whether and to what extent you could sue Unifund on your own if you exclude yourself is a matter to take up with your own lawyer, if you wish.

### 12. If I don't exclude myself, can I sue Unifund for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Unifund for the claims asserted in this class action lawsuit as more particularly described in paragraph 2 above. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is May 19, 2009.

### 13. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not receive any money from this lawsuit or settlement. But, you may sue, continue to sue, or perhaps be part of a different lawsuit against Unifund.

## OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

### 14. How do I tell the Court that I don't like the settlement?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send an “Objection” in the form of a letter by mail, stating that you object to the proposed settlement in *Richard Rosenau v. Unifund Corp. a/k/a Unifund Group Corp. and Unifund CCR Partners*, Docket No. 06-cv-1355. Be sure to include your name, address, telephone number, your signature, the reasons you object to the settlement, and any documents you will rely upon to pursue your objection. Mail the objection to the address below, postmarked no later than May 19, 2009.

**Clerk of the Court  
United States District Court for the  
Eastern District of Pennsylvania  
U.S. Courthouse, Room 2609  
601 Market Street  
Philadelphia, PA 19106**

A copy of your Objection must also be sent at the same time to Class Counsel and Defense Counsel at the following addresses:

Cary L. Flitter, Esq.  
Lundy, Flitter, Beldecos & Berger, PC  
450 N. Narberth Avenue  
Narberth PA 19072  
Counsel for Plaintiff and the Class

Richard Perr, Esq.  
Fineman Krekstein & Harris, P.C.  
Mellon Bank Center  
1735 Market Street, Suite 600  
Philadelphia, PA 19103  
Counsel for Defendant

**15. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you don't like something about the settlement, and that you, for that reason, want the settlement *not to* be approved. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE LAWYERS REPRESENTING YOU**

**16. Do I have a lawyer in this case?**

The Court decided that the law firm of Lundy, Flitter, Beldecos & Berger, P.C., in Narberth, PA is qualified to represent you and all Class Members and has been appointed Class Counsel. It is experienced in handling similar class cases against other lenders and debt collectors.

You do not need your own lawyer because Class Counsel is working on your behalf. If you want your own lawyer, you may engage one, but you will have to pay that lawyer. You can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you, but you will still be bound by the results of this action. If you engage your own lawyer, he or she must file an entry of appearance with the Clerk's office by May 19, 2009.

**17. How will the lawyers be paid?**

Class Counsel has not been paid any fees for its services during the three years of litigation including the appeal. Class Counsel will ask the Court to award fees and expenses not to exceed \$205,000.00 through the final approval hearing, to be paid by Unifund. Counsel fees and costs will not come out of the settlement fund to the Class. If there are objections, or appeals after the final approval hearing, Class Counsel may ask the Court to award an additional sum for Class Counsel's additional services under the federal law involved.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

**18. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Fairness Hearing at 10:00 A.M. on August 3, 2009, in Courtroom 12A at the United States Courthouse for the Eastern District of Pennsylvania, 601 Market Street, Philadelphia, PA 19106. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for its services and expenses. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

**19. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you mail an objection, you don't have to come to Court to talk about it. As long as you mailed your written Objection on time, the Court will consider it. While not necessary, either you or your own lawyer may attend at your cost.

**20. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in *Richard Rosenau v. Unifund Corp. a/k/a Unifund Group Corp. and Unifund CCR Partners*". Your Notice of Intention to Appear must be postmarked no later than June 19,

2009 and be sent to the Clerk of the Court, United States District Court for the Eastern District of Pennsylvania, U.S. Courthouse, Room 2609, 601 Market Street, Philadelphia, PA 19106. You cannot speak at the hearing if you excluded yourself.

**IF YOU DO NOTHING**

**21. What happens if I do nothing at all?**

If you do nothing, you will be a part of this settlement (assuming the Court gives final approval) and will be bound by the settlement. However, you will receive a settlement payment only if you timely file the claim form at the end of this Notice.

**GETTING MORE INFORMATION**

**22. How do I get more information?**

You may visit the Court’s website at [www.paed.uscourts.gov](http://www.paed.uscourts.gov) and search for any opinions or orders issued in the case. If you have further questions or need a copy of the settlement agreement or a copy of any document filed in the case, you may contact:

<u>CLASS ADMINISTRATOR</u>	<u>CLASS COUNSEL</u>
First Class Inc. / J10170-Rosenau 5410 Roosevelt Road, Unit 222 Chicago, IL 60644-1570  or	Cary L. Flitter Theodore E. Lorenz LUNDY, FLITTER, BELDECOS & BERGER, P.C. 450 N. Narberth Avenue Narberth, PA 19072 888-668-1225(toll free)

Remember, you will remain a Class Member unless you exclude yourself as noted in Paragraph 11 above. If you remain a class member and your address changes, or if this notice has reached you at an address other than the address to which it was mailed, please send a letter to the Class Administrator providing your current address.

This Notice is given at the direction of the Court. The Court has not expressed an opinion on the merits of the case. Do not call the Clerk or the Judge or Defense Counsel. Any questions should be directed to Class Counsel or the Class Administrator.

Dated: April 14, 2009

BY THE CLERK:

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 Michael E. Kunz  
 Clerk of the Court  
 United States District Court  
 Eastern District of Pennsylvania  
 Room 2609 U.S. Courthouse  
 601 Market Street  
 Philadelphia, PA 19106

