

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

Monroe v. AssetCare LLC, et al., Case No. 4:19-cv-05039

*A Federal Court authorized this Notice – This is not a solicitation from a lawyer.
THIS IS NOT A BILL OR NOTICE OF A LAWSUIT AGAINST YOU.*

THIS IS A NOTICE OF A SETTLEMENT IN A CLASS ACTION LAWSUIT.

You may benefit from this class action Settlement if you received a letter from AssetCare LLC seeking to collect a medical debt owed to CF Medical LLC.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

RETURN A CLAIM FORM BY <u>FEBRUARY 5, 2021</u>	If you are a Subclass Member and return a completed Claim Form by <u>February 5, 2021</u> you will remain in the Class and you will be entitled to receive a payment from the Settlement Fund.
DO NOTHING BUT STAY IN THE CLASS	By doing nothing, you will remain in the Class and be bound by the terms of the Settlement, but you will not receive a payment from the Settlement Fund.
EXCLUDE YOURSELF BY <u>FEBRUARY 5, 2021</u>	You will receive no benefits, but you will retain your legal claims, if any, against the Defendants.
OBJECT BY <u>FEBRUARY 5, 2021</u>	Write to the Court about why you do not like the Settlement. You may also appear at the Final Fairness Hearing.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.

1. Why did I receive this Notice?

You are receiving this Notice because you were identified as a person to whom AssetCare LLC (“AssetCare”) mailed a collection letter, which sought to collect a past due medical debt owed to CF Medical LLC (“CF Medical”) a company that purchases past due medical debts from original healthcare providers. AssetCare’s collection letter made a limited time Settlement offer to resolve your debt without disclosing the debt was allegedly no longer judicially enforceable because the statute of limitations to file a lawsuit had passed.

2. What is this lawsuit about?

This lawsuit alleges AssetCare and CF Medical violated a federal law known as the Fair Debt Collection Practices Act (“FDCPA”) and a Texas law known as the Texas Debt Collection Act (“TDCA”) by mailing collection letters to Texas consumers that made deceptive limited time settlement offers to resolve their debts (now owned by CF Medical) without disclosing those debts were no longer judicially enforceable because the statute of limitations to file a lawsuit had passed. The lawsuit also alleges AssetCare’s foregoing letters violated the FDCPA and TDCA, which AssetCare and CF Medical deny.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, Catherine Monroe), sue on behalf of a group (or a “Class”) of people who have similar claims (in this case, the claims are based on AssetCare’s collection letter). All these people are together called a “Class” or “Class Members.” The Court resolves the claims for all Class Members at the same time, except for those who timely exclude themselves from the Class.

4. Why is there a Settlement?

To avoid the cost, risk, and delay of litigation, the Parties reached a Settlement as to the Plaintiff’s and Class’s claims.

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

For Settlement purposes, the Court has certified a Class consisting of all people who meet the following definition:

All natural persons to whom AssetCare LLC mailed a letter to an address in the State of Texas between December 31, 2017 and January 21, 2020, which sought to collect a medical debt owed to CF Medical LLC, and offered a settlement of a debt on which the last payment or activity had occurred more than four years prior to the date of the letter without disclosing the debt was no longer legally enforceable.

And on behalf of a Subclass, defined as:

All persons who meet the foregoing Class definition, but whose letter was mailed between December 31, 2018 and January 21, 2020.

Based on the Defendants' electronic records, there are 28,569 people in the Class and 19,024 people in the Subclass. Their records indicate you are a member of the Class.

YOUR BENEFITS UNDER THE SETTLEMENT

6. What can I get from the Settlement?

The Class Recovery—TDCA Claims.

The Class Claims arise under the TDCA, which allows for recovery of injunctive relief but does not allow for recovery of statutory damages for the claims alleged in this Litigation. However, all Class Members will receive the following benefits unless they seek exclusion from the Settlement:

- **Deletion of Credit Reporting Tradelines.** As of August 28, 2020, Defendants requested deletion of all tradelines concerning Class Members' accounts from any credit reporting agency to whom they were reporting Class Members' accounts that are the subject of this Lawsuit.
- **Waiver of Debts.** Upon the Court's entry of an Order granting Final Approval of the Settlement, CF Medical will: (i) consider each Class Members' account(s) that are the subject of this Lawsuit as disputed; (ii) permanently waive the entire balance owed for each Class Members' account(s) that are the subject of this Lawsuit; (iii) suppress the filing/reporting of a 1099-C form for all Class Members' account(s) that are the subject of this Lawsuit; and (iv) never sell, assign, or subject to further collection activity any Class Members' account(s) that are the subject of this Lawsuit. The total value of Class Members' debt waiver is \$41.2 million.
- **Injunctive Relief.** Defendants agreed to the Court's entry of a mandatory injunction requiring them to provide disclosures in their future written communications to Texas consumers that seek payment of a time-barred debt owed to CF Medical.

As a Class Member, you do not need to do anything to receive the Class Recovery benefits.

The Subclass Recovery—FDCPA Claims.

The Subclass Claims arise under the FDCPA, which *does* allow for recovery of statutory damages. The FDCPA limits a debt collector's class liability in this case to 1% of its Net Worth. The Defendants agreed to establish a \$100,000 Subclass Recovery Fund, which represents nearly the maximum potential FDCPA statutory damages.

If you are a Subclass Member and postmark and return a claim form by **February 5, 2021**, to **Monroe v. AssetCare LLC, et al c/o Settlement Administrator, P.O. Box 60246 Philadelphia, PA 19102-0246** you will be entitled to an equal share of the Subclass Recovery (not to exceed \$30). This payment is *in addition to* the above-referenced Class Recovery benefits. No Subclass Member is eligible to receive more than one check for their share of the Subclass Recovery.

7. When will I receive these benefits?

The Defendants have already requested deletion of their credit reporting tradeline for your account(s) that is the subject of this Lawsuit. Unless you request exclusion from the Settlement, you will receive the other Class Recovery and Subclass Recovery benefits approximately 30 days after the Court enters a Final Approval Order. This estimation is premised on the assumption no objections are received.

8. I want to be a part of the Settlement. What do I do?

Class Recovery—TDCA Claims.

You do not need to do anything to receive the Class Recovery benefits.

Subclass Recovery—FDCPA Claims.

If you are a Subclass Member and would like to receive a payment from the Subclass Recovery, then you must complete, postmark, and mail a claim form to Monroe v. AssetCare LLC, et al c/o Settlement Administrator, PO Box 60246 Philadelphia, PA 19102-0246 by **February 5, 2021**.

9. What am I giving up if I remain in the Settlement?

By staying in the Class, all the Court's orders will apply to you, and you give AssetCare and CF Medical a "Release." A Release means you cannot sue or be part of any other lawsuit against AssetCare or CF Medical about the claims related to AssetCare's collection letters in this lawsuit.

10. How much will the Class Representative receive?

Subject to the Court's approval, the Plaintiff will receive a payment of \$1,000 for her individual FDCPA statutory damages plus an additional \$5,000 in recognition for her service to the Class.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to remain in the Settlement, but you want to keep your legal claims against AssetCare and CF Medical, then you must take steps to exclude yourself from this Settlement.

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 *Monroe v. AssetCare LLC, et al.*, Case No. 4:19-cv-05039. 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 February 5, 2021**, to:

Monroe v. AssetCare LLC, et al
c/o Settlement Administrator
P.O. Box 60246 Philadelphia, PA 19102-0246

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

No, you will not receive anything from the Settlement, but you will have the right to sue AssetCare and CF Medical over the claims alleged in this lawsuit. If you exclude yourself, the time you have in which to file your own lawsuit (called the “statute of limitations”) begins to run again. You will have the same amount of time to file a lawsuit that you had when this case was filed—you should contact a lawyer to help you determine your rights and when your statute of limitations will expire.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has appointed STERN•THOMASSON LLP and CIMENT LAW FIRM, PLLC to serve as Class Counsel. You will not be charged for these lawyers, however, they will receive a payment from AssetCare and CF Medical in an amount to be determined by and 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/she must file an appearance by **February 5, 2021**.

14. How will the lawyers be paid?

The proposed Settlement is not contingent on payment of attorneys’ fees, costs, or expenses to Class Counsel. Such fees, costs, and expenses shall be awarded by the Court and will *not* reduce the Class Recovery or Subclass Recovery. Class Counsel will file an application for an award of \$100,000 for their attorneys’ fees, costs, and expenses incurred in the lawsuit.

CLASS COUNSEL’S VIEWS ABOUT THE SETTLEMENT

15. Is this a fair Settlement?

Class Counsel believe this Settlement is fair.

The Class Recovery—TDCA Claims.

The Class Claims arise under the TDCA, which allows for recovery of injunctive relief for the claims asserted but, unlike the FDCPA, it does *not* allow recovery of statutory damages. Defendants agreed to the Court’s entry of a mandatory injunction requiring them to provide disclosures in their future written communications to Texas consumers that seek payment of time-barred debts owed to CF Medical.

Additionally, Defendants are providing Class Members with the following additional relief that is *not* otherwise recoverable under the TDCA or FDCPA:

- **Deletion of Credit Reporting Tradelines.** As of August 28, 2020, Defendants requested deletion of all tradelines concerning Class Members’ CF Medical accounts that are the subject of this Lawsuit from any credit reporting agency to whom they were reporting one or more of Class Members’ CF Medical accounts that are the subject of this Lawsuit.

- **Waiver of Debts.** Within seven (7) days of the Court’s entry of an Order granting Final Approval of the Settlement, CF Medical will: (i) consider each Class Members’ account(s) that are the subject of this Lawsuit as disputed; (ii) permanently waive the entire balance owed for each Class Members’ account(s) that are the subject of this Lawsuit; (iii) suppress the filing/reporting of a 1099-C form for all Class Members’ account(s) that are the subject of this Lawsuit; and (iv) never sell, assign, or subject to further collection activity any Class Members’ account(s) that are the subject of this Lawsuit. The total value of Class Members’ debt waiver is \$41.2 million.

You do not need to do anything to receive these Class Recovery benefits.

The Subclass Recovery—FDCPA Claims.

The *Subclass* Claims arise under the FDCPA, which *does* allow for recovery of statutory damages. The FDCPA provides for both individual actions and class actions. In an individual action, the person bringing the lawsuit may recover (i) any actual damages suffered; 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 debt collector’s Net Worth or \$500,000. The Court, in its discretion, could award a prevailing party anything from *zero* up to the maximum amount. In either an individual or class action, the person bringing the lawsuit may also recover reasonable attorneys’ fees and the expenses of prosecuting the lawsuit, if the lawsuit is successful.

In this case, Defendants agreed to establish a \$100,000 Subclass Recovery Fund, which represents nearly the maximum potential FDCPA statutory damages. The Subclass Recovery will be distributed on a claims-made basis—specifically, any Subclass Member who wishes to claim their share of the Subclass Recovery *must* submit a claim using the form enclosed with this Notice. The Subclass Recovery Fund will be apportioned and disbursed on an equal basis (up to \$30) to each Subclass Member who: (1) does not seek exclusion; and (2) timely submits a Claim Form.

16. What is the Defendants’ view of this Settlement?

As stated above, AssetCare and CF Medical deny that their collection letters violate the FDCPA or TDCA; they agreed to settle these claims to avoid the expense, burden, and uncertainty of further litigation, and to put to rest all claims related to their collection letters at issue in this lawsuit.

OBJECTING TO THE SETTLEMENT

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

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

To object to the Settlement, you must send a written objection (such as a letter or legal brief) stating that you object and the reasons why you think the Court should not approve the Settlement. Your objection must be personally signed by you and include: (1) your name, address, telephone number, and the last four digits of your Social Security Number; (2) a sentence stating that to the best of your knowledge you are a member of the Settlement Class; (3) the name and number of the case: *Monroe v.*

AssetCare LLC, et al., Case No. 4:19-cv-05039; (4) the factual basis and legal basis for your objection and whether it applies only to you, a specific subset of the class, or the entire class; (5) the identity of any witness you may call to testify at the Final Fairness Hearing; and (6) copies of any exhibits you will offer into evidence at the Final Fairness Hearing. The written objection must indicate whether you and/or your lawyer(s) intend to appear at the Final Fairness Hearing. Any lawyer who intends to appear at the Final Fairness Hearing also must enter a written Notice of Appearance of Counsel with the Clerk of the Court no later than the Court's objection deadline and shall include the full caption and case number of each previous class action case in which that lawyer(s) represented an objector. You must mail your objection so that it is postmarked no later than **February 5, 2021** to:

Clerk of the Court
United States District Court for the Southern District of Texas
515 Rusk Street, Houston, Texas 77002

You must also send a copy of your objection to:

Monroe v. AssetCare LLC, et al
c/o Settlement Administrator
P.O. Box 60246
Philadelphia, PA 19102-0246

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 Final Fairness Hearing?

The Court will hold a Final Fairness Hearing on **March 12, 2021 at 9:30 a.m.** in the courtroom of the Honorable Lee H. Rosenthal, Chief United States District Judge, 515 Rusk Street, Houston, Texas 77002. The purpose of the hearing is 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 Representative and Class Counsel. At that hearing, the Court will be available to hear any objections and arguments concerning the fairness of the proposed Settlement.

YOU ARE **NOT** REQUIRED TO ATTEND THIS HEARING TO BENEFIT FROM THE SETTLEMENT. The hearing may be postponed to a later date without Notice.

GETTING MORE INFORMATION – CONTACT CLASS COUNSEL:

Andrew T. Thomasson
Katelyn B. Busby
STERN•THOMASSON LLP
150 Morris Avenue, 2nd Floor
Springfield, NJ 07081-1315
E-mail: Andrew@SternThomasson.com
E-mail: Katelyn@SternThomasson.com

Daniel J. Ciment
CIMENT LAW FIRM PLLC
24275 Katy Freeway, Suite 400
Katy, TX 77494
E-Mail: Daniel@CimentLawFirm.com

You may obtain additional information about this lawsuit in several ways. Copies of all documents filed in this case which are public records may be:

- a) Reviewed during regular business hours at the U.S. District Court for the Southern District of Texas, 515 Rusk Street, Houston, Texas 77002. You will need the lawsuit name and docket number: *Monroe v. AssetCare LLC, et al.*, Case No. 4:19-cv-05039.
- b) Viewed and downloaded at <http://www.pacer.gov/>

Contacting Class Counsel by calling 833-537-1186 or by writing to: Monroe v. AssetCare LLC, et al
c/o Settlement Administrator, P.O. Box 60246 Philadelphia, PA 19102-0246.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE
LITIGATION TO THE CLERK OF THE COURT OR TO THE JUDGE.**

They are not permitted to answer your questions.