

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

ELIZABETH MEEKINS, on behalf of
herself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,

Defendant.

consolidated with

WILLIAM MOORE, on behalf of
himself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,
NCO PORTFOLIO MANAGEMENT, INC.,
and JOHN DOES 1 TO 25,

Defendants.

CIVIL CASE NO.

NO. 2:08-cv-01936

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (hereinafter referred to as the "Agreement"), dated April 30, 2009, is entered into between Elizabeth Meekins and William Moore (hereinafter collectively referred to as "Plaintiffs"), individually and on behalf of the "New Jersey Class Members" (as defined below), and defendants, NCO Financial Systems, Inc. (hereinafter individually referred to as "NCO") and NCO

Portfolio Management, Inc. (hereinafter individually referred to as "NCOP"), the defendants being hereinafter collectively referred to as the "NCO Defendants."

WITNESSETH:

WHEREAS, on April 21, 2008, Plaintiff Meekins filed a class action complaint in the above numbered and captioned matter (hereinafter sometimes referred to as the "Meekins Lawsuit") asserting class claims against NCO arising under the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. § 1692, *et seq.*;

WHEREAS, on March 4, 2008, Plaintiff Moore filed a class action complaint against the NCO Defendants in the Superior Court of New Jersey, Middlesex County Law Division, captioned as *William Moore, on behalf of himself and those similarly situated v. NCO Financial Systems, Inc., NCO Portfolio Management, Inc. and John Does 1 to 25*, Civil Action No. L-1685-8 (hereinafter the "Moore Lawsuit"), asserting class claims under the FDCPA substantially similar to those claims asserted in the Meekins Lawsuit;

WHEREAS, on May 6, 2008, the NCO Defendants removed the Moore Lawsuit to the United States District Court for the District of New Jersey, docketed as Civil Action No. 08-02204;

WHEREAS, on October 27, 2008, the Moore Lawsuit was consolidated with the Meekins Lawsuit. The resulting above-numbered and captioned consolidated matter is hereinafter referred to as the "Consolidated Class Action";

WHEREAS, the NCO Defendants denied all liability alleged in the Meekins Lawsuit, the Moore Lawsuit, and the Consolidated Class Action;

WHEREAS, the Parties wish to avoid the expense and uncertainty of litigation;

WHEREAS, the Parties believe that settlement by way of this Agreement is in their best interests;

WHEREAS, counsel for the Plaintiffs have evaluated the claims to determine how best to serve the interests of the Plaintiffs and the New Jersey Class Members;

WHEREAS, counsel for the Plaintiffs believe, in view of the costs, risks, and delays of continued litigation and appeals balanced against the benefits of settlement to the Plaintiffs and the New Jersey Class Members, that the class settlement as provided in this Agreement is in the best interest of the Plaintiffs and the New Jersey Class Members and is a fair, reasonable, and adequate resolution of the Consolidated Class Action;

WHEREAS, prior to entering into this Agreement, counsel for the Parties engaged in informal discovery and extensive arms-length settlement negotiations;

WHEREAS, the Parties desire and intend to seek court approval of the settlement of the Consolidated Class Action as set forth in this Agreement and, upon court approval, to seek a Final Order and Judgment from the Court dismissing this matter with prejudice as set forth herein;

WHEREAS, as detailed in this Agreement, the Parties specifically recognize with the proposed Fed R. Civ. P. 23(b)(2) injunction agreed to herein that no rights for any alleged damages for any New Jersey Class Member per the FDCPA, or any other law, have been waived and that the New Jersey Class Members are only giving up their rights to file, maintain, or participate in any class action against the NCO Defendants for any of the claims that were asserted in this Consolidated Class Action;

WHEREAS, the Parties and their counsel agree to recommend approval of this Agreement to the Court; and

WHEREAS, the Parties agree to undertake all steps necessary to effectuate the terms and purposes of this Agreement, to secure the Court's approval of same, and to oppose any appeals from any orders of final approval.

WHEREFORE, in consideration of the promises, representations, and warranties set forth, the Parties stipulate and agree:

1. DEFINITIONS – The following definitions shall apply to this Agreement:
 - A. "Effective Date" shall mean the next calendar day after "Final Judgment Day" (as defined below).
 - B. "Final Judgment Day" shall mean the day upon which the Final Order and Judgment becomes "Final" (as described herein). The Final Order and Judgment shall become "Final" upon the expiration of any available appeal period following entry of the Final Order and Judgment if any objections are timely filed as set forth herein, or on the day the Final Order and Judgment is filed if no objections are timely filed as set forth herein. If any appeal is filed from the Final Order and Judgment, then Final Judgment Day shall be the first date after the conclusion of all appeals, so long as the Final Order and Judgment is not reversed or vacated.
 - C. "Plaintiffs" shall mean Elizabeth Meekins and William Moore.
 - D. "Parties" shall mean Elizabeth Meekins, William Moore and the NCO Defendants.

- E. "New Jersey Class Members" shall mean all persons residing in the State of New Jersey who were sent an AT&T Letter (as defined below) between March 3, 2007, and the day the Order of Preliminary Approval of Class Action Settlement is entered.
- F. "AT&T Letter" shall mean any dunning or collection letter sent by NCO concerning an unpaid debt originally alleged to be owed to AT&T, which seeks to collect interest said to be due and owing on such alleged unpaid debt.
- G. "Released Claims" shall mean any and all claims, causes of action, suits, obligations, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorney's fees of any nature whatsoever, whether based on any federal law, state law, common law, territorial law, or foreign law right of action or of any other type or form (whether in contract, tort, or otherwise, including statutory, common law, property, and equitable claims), which Plaintiffs had, have, or will have, either individually, or as a member of a class relating to the conduct alleged in the Consolidated Class Action, including, but not limited to:
- i. Claims arising out of any of the facts, events, occurrences, acts or omissions mentioned or referred to in Counts 1-3 of the Complaint filed in the Meekins Lawsuit, as amended, Count 1 of the Complaint filed in the Moore Lawsuit, any of the complaints filed in the Consolidated Class Action or other matters that were alleged,

embraced, or otherwise referred to in the Consolidated Class Action, or which could have been brought against the "Released Parties" (as defined below), relating to any AT&T Letter; and

- ii. Claims arising out of the prosecution or defense of the Meekins Lawsuit, the Moore Lawsuit, or the Consolidated Class Action, including, but not limited to, claims related to the execution of this Agreement, such as claims of fraud in the inducement, negligent misrepresentation, or fraud, except that nothing herein releases any claim arising out of the violation or breach of this Agreement.

H. "Released Parties" shall mean the NCO Defendants and each of their past, present, and future directors, officers, employees, partners, principals, agents, underwriters, insurers, co-insurers, re-insurers, shareholders, attorneys, and any related or affiliated company, including any parent, subsidiary, predecessor, or successor company, and all assigns, licensees, divisions, clients, joint ventures, and any entities directly or indirectly involved in the Meekins Lawsuit, the Moore Lawsuit, or the Consolidated Class Action.

2. CLASS CERTIFICATION – Concurrent with seeking preliminary approval of the settlement, counsel for the Parties shall jointly seek certification, per Fed. R. Civ. P. 23(b)(2), of a New Jersey class as described in ¶ 1(E).
3. CLASS REPRESENTATIVE AND CLASS COUNSEL APPOINTMENTS – For settlement purposes, and subject to Court approval, Plaintiffs are jointly appointed

as the Class Representatives for the New Jersey Class Members, and Andrew R. Wolf (Galex Wolf, LLC), Glen H. Chulsky (Law Office of Glen H. Chulsky), and Joseph K. Jones (Law Offices of Joseph K. Jones, LLC) are appointed as counsel for the New Jersey Class Members (hereinafter referred to as "Class Counsel").

4. ORDER OF PRELIMINARY APPROVAL – Within 20 days after this Agreement is fully-executed, counsel for the Parties shall jointly request that the Court enter an Order of Preliminary Approval of Class Action Settlement in substantially the form attached as Exhibit A.
5. FINAL ORDER AND JUDGMENT – If the Court preliminarily approves the settlement, and all other conditions precedent to the settlement are satisfied, counsel for the Parties shall then jointly request that the Court enter a Final Order and Judgment in substantially the form attached as Exhibit B.
6. Upon entry of the Final Order and Judgment, the Parties expressly waive all rights to appeal any orders issued by the Court in connection with the Consolidated Class Action, except issues concerning attorney's fees, costs, and expenses pursuant to ¶¶ 22 to 24 of this Agreement.
7. Plaintiffs and Class Counsel agree that the execution of this Agreement and related documents, the certification of the New Jersey class, and any other act taken or court paper filed in furtherance of this Agreement shall not be used to urge that a "litigation class" pursuant to Fed. R. Civ. P. 23 is appropriate. In the event this settlement is not approved, the NCO Defendants retain all rights to object to the maintenance of this Consolidated Class Action, or any other action, as a class

action and to contest this Consolidated Class Action, or any other action, on any other grounds.

8. ADMINISTRATION AND NOTIFICATION PROCESS – NCO, at its sole cost and expense, shall administer or oversee the administration of the settlement including all the notice requirements of the Class Action Fairness Act (CAFA). Considering that the Parties propose certification of a Fed. R. Civ. P. 23(b)(2) settlement class, notice to the New Jersey Class Members is unnecessary.
9. REQUESTS FOR EXCLUSION AND OBJECTIONS – In compliance with Fed. R. Civ. P. 23(b)(2), the New Jersey Class Members will not be permitted to exclude themselves from the class.
10. Any New Jersey Class Member who intends to object to the fairness of the settlement must file a written objection with the Court within 30 days from the Court's entry of the Order of Preliminary Approval of Class Action Settlement. Further, any such New Jersey Class Member must, within the same time period, provide a copy of the written objection to Class Counsel and counsel for the NCO Defendants.
11. In the written objection, the New Jersey Class Member must set forth his or her full name, address, and telephone number, along with a statement of the reasons for his or her objection and whether he or she intends to appear at the fairness hearing on his or her own behalf or through counsel.

12. Any New Jersey Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.
13. When responding to any inquiry from a New Jersey Class Member, the Parties and their counsel will confirm that they believe the settlement is fair and reasonable.
14. Subject to approval by the Court, a fairness hearing will be conducted regarding the settlement within 60 days from the Court's entry of the Order of Preliminary Approval of Class Action Settlement.
15. THE EFFECTIVE DATE – As defined in ¶ 1(A), the "Effective Date" shall be the next calendar day after Final Judgment Day.
16. As of the Effective Date, Plaintiffs fully, finally, and forever settle, release, and discharge the Released Parties from the Released Claims, and are forever barred and enjoined from asserting any of the Released Claims in any court or forum whatsoever. Neither this Agreement, nor the settlement set forth herein, is intended to settle or release any of the New Jersey Class Members' individual claims for money damages. New Jersey Class Members will have the right to file only a separate individual action and not any form of a class action pursuant to Fed. R. Civ. P. 23 or any related state law against any of the Released Parties and bring a claim for only money damages relating to the Released Claims. Further, this Agreement is not intended to create any new rights, or expand any existing rights, that any New Jersey Class Member may have against any Released Party under any state or federal law. For example, this Agreement does not restart the

statute of limitations for any claim that any New Jersey Class Member may have against any Released Party under any state or federal law.

17. Upon execution of this Agreement, Plaintiffs fully, finally, and forever settle, release, and discharge the Released Parties from any and all claims that they may have against the Released Parties, including, but not limited to, the Released Claims and any other claims that were asserted in the Consolidated Class Action. This release includes the release of any claims asserted in the Consolidated Class Action for money damages or injunctive relief.

18. SETTLEMENT CONSIDERATION – In consideration for the foregoing releases, the Parties agree to the following:

A. Stipulated Injunction – When seeking entry of the Final Order and Judgment, the Parties will jointly request that the Stipulation and Order for Injunction (hereinafter referred to as the “Stipulated Injunction”), attached as Exhibit C, be entered by the Court. Within 60 days of the execution of this Agreement by all Parties but in any event no later than April 30, 2009, the NCO Defendants will eliminate any and all interest debt currently asserted to be due from the New Jersey Class Members for the alleged AT&T debts as set forth in the AT&T Letters. This debt waiver will not create any substantive right for any New Jersey Class Member that may have previously paid interest that was asserted to be owed in an AT&T Letter, nor will NCO have any affirmative notice obligations regarding this waiver of interest, except how NCO would communicate with New Jersey

Class Members in the normal course of NCO's business, and except that if any New Jersey Class Member makes a payment of the alleged interest after the date upon which an order preliminarily approving this settlement is entered by the Court. Under such latter exception, NCO will issue a refund to any such New Jersey Class Member within 45 days after an order finally approving this settlement is entered by the Court. Additionally, should any New Jersey Class Member make a payment which includes any of the allegedly owed interest after the date upon which the NCO Defendants eliminate the allegedly owed interest debt from its records, NCO shall issue a refund for the interest portion of the payment within 45 days of receipt thereof. Pursuant to the Stipulated Injunction, NCO will ensure that any future letters sent by NCO to the New Jersey Class Members accurately reflect the new and adjusted balance and the removal of all interest charges relating to the relevant accounts. Further, to the extent that NCO has initiated any credit reporting on any of the relevant accounts, NCO will update the accounts appropriately to reflect the new and adjusted balance and the removal of all interest charges within 60 days of the execution of this Agreement by all Parties. Within 30 days of the completion of such activities, the NCO Defendants will submit an affidavit from an NCO representative confirming that NCO has complied with its obligations in this Agreement at ¶ 18(A).

B. Class Representative Fees – Within 10 days after Final Judgment Day, NCO shall pay each Plaintiff the sum of \$2,500 in recognition of their services as the Class Representatives and in full settlement of their FDCPA claims against the Released Parties.

19. COVENANT NOT TO SUE – Plaintiffs agree and covenant not to sue any Released Party with respect to any of the Released Claims, or otherwise to assist others in doing so, and agree to be forever barred and enjoined from doing so, in any court of law or equity, or any other forum. Notwithstanding the foregoing, the New Jersey Class Members will have the right as set forth above to file only a separate individual action against any of the Released Parties.
20. TERMINATION – After completing a good faith negotiation, Class Counsel and the NCO Defendants shall each have the right to terminate this Agreement by providing written notice to the other within 7 days of:
- A. The Court's refusal to enter the Order of Preliminary Approval of Class Action Settlement in substantially the form attached as Exhibit A;
 - B. The Court's refusal to approve the settlement following the fairness hearing; or
 - C. The Court's refusal to enter the Final Order and Judgment in substantially the form attached as Exhibit B.
21. If either Class Counsel or the NCO Defendants terminates this Agreement as provided herein, this Agreement shall be of no force and effect and the Parties'

rights and defenses shall be restored, without prejudice, to their respective positions as if this Agreement had never been executed.

22. ATTORNEY'S FEES, COSTS, AND EXPENSES – The Parties and their respective counsel agree that they will negotiate in good faith in an attempt to reach an agreement regarding Class Counsel's attorneys' fees, costs, and expenses. If an agreement regarding such fees, costs, or expenses cannot be reached, then Class Counsel will file an Application for Attorneys' Fees, Costs, and Expenses with the Court. The NCO Defendants have agreed to pay reasonable attorneys' fees and costs as the Court may award. Class Counsel will file a motion for approval of reasonable attorneys' fees and costs for time spent and costs incurred through the date that a Final Approval Hearing is scheduled. Class Counsel will file a supplemental fee application for any time spent and costs incurred beyond that date to enforce the terms of the Settlement Agreement or to enforce the agreed upon injunctive relief. The NCO Defendants shall be afforded proper notice of such motions and an opportunity to file papers objecting to the reasonableness of Class Counsels' hourly rates, of the work conducted, of the hours spent and of the amount of attorneys' fees and costs requested by Class Counsel but not their entitlement to an award of attorneys' fees and costs. The award of fees and costs to Class Counsel shall be in addition and shall not in any way reduce the settlement amounts to be provided to all Settlement Class Members.

23. The NCO Defendants or their insurers shall pay the attorneys' fees, costs, and expenses awarded by the Court within 15 days after the Court's order related to such fees, costs, and expenses becomes final (non-appealable). The Court's order becomes final on the day after the date upon which any appeal may be filed is not filed, on the day when all appeals have been exhausted or on the day that class counsel and the NCO Defendants state in writing that they will not appeal the award of attorneys' fees, costs, and expenses. Upon payment of attorneys' fees, costs, and expenses to Class Counsel, neither the NCO Defendants nor their insurers shall have any further obligation, except as set forth herein, with respect to Class Counsel's fees, costs, and expenses, or the fees, costs, or expenses of any other attorney on behalf of Plaintiffs or any New Jersey Class Member limited to fees, costs or expenses incurred in this matter. This provision shall have no impact whatsoever on any Settlement Class Member in the event that any such member chooses to bring their own individual action against the Defendants.
24. The Parties and their counsel represent and agree that the consideration to be provided to the New Jersey Class Members is not contingent on the attorneys' fees to be awarded. The procedure for and the allowance or disallowance by the Court of any application by any Class Counsel member or other attorney for attorneys' fees, costs, or expenses, including the fees of experts and consultants, to be paid by the NCO Defendants or their insurers, are to be considered by the Court separately from the Court's consideration of the

fairness, reasonableness, and adequacy of the settlement, and any order or proceedings relating to the fee, cost, and expense application, or any appeal from any order relating thereto, or reversal or modification thereof, shall not operate to terminate or cancel this Agreement, or affect or delay the finality of the Final Order and Judgment approving this Agreement and the settlement of the Lawsuit.

25. PUBLICITY – The Parties agree that they will not discuss the facts of the Meekins Lawsuit, the Moore Lawsuit, or the Consolidated Class Action or terms of this Agreement with any media source, unless by Order of the Court. Further, this confidentiality limitation does not apply to any disclosures required by Court Order, or in conjunction with perfecting this settlement.
26. MISCELLANEOUS PROVISIONS – The exhibits to this Agreement, Exhibits A through C, are an integral part of the settlement and are expressly incorporated herein as part of this Agreement.
27. This Agreement is for settlement purposes only. The Parties acknowledge that this Agreement is not an admission of wrongdoing, negligence, or liability by the NCO Defendants. This Agreement shall not be offered or be admissible against NCO Defendants, or cited or referred to, in any action or proceeding, except in an action or proceeding brought to enforce its terms.
28. No representations, warranties, or inducements have been made to any of the Parties, other than those representations, warranties, and covenants contained in this Agreement.

29. This Agreement contains the entire agreement between the Parties and supersedes any and all other agreements between the Parties. The terms of this Agreement are contractual.
30. This Agreement shall be interpreted in accordance with New Jersey law.
31. Any dispute, challenge, or question relating to this Agreement that the Plaintiffs or the NCO Defendants have shall be heard only by this Court.
32. The Parties shall request that the Court retain continuing and exclusive jurisdiction over the Parties to this Agreement and over the administration and enforcement of this Agreement.
33. This Agreement shall be binding upon and inure to the benefit of the Parties and their representatives, heirs, successors, and assigns.
34. In the event that any of the provisions of this Agreement are held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect other provisions of this Agreement if the NCO Defendants and Class Counsel mutually elect to proceed as if the invalid or unenforceable provision had never been included in the Agreement.
35. This Agreement shall be deemed to have been drafted jointly by the Parties and, in construing and interpreting this Agreement, no provision of this Agreement shall be construed or interpreted against any party because such provision, or this Agreement as a whole, was purportedly prepared or requested by such party.

36. This Agreement may be signed in counterparts and the separate signature pages executed by the Parties and their counsel may be combined to create a document binding on all of the Parties and together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties and their duly authorized attorneys have caused this Agreement to be executed this 30 day of April 2009.

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EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

ELIZABETH MEEKINS, on behalf of
herself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,

Defendant.

consolidated with

WILLIAM MOORE, on behalf of
himself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,
NCO PORTFOLIO MANAGEMENT, INC.,
and JOHN DOES 1 TO 25,

Defendants.

CIVIL CASE NO.

NO. 2:08-cv-01936

ORDER OF PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

WHEREAS, the Court has been advised that the parties to this action, Elizabeth Meekins and William Moore (hereinafter referred to as "Plaintiffs" or "Class Representatives"), and NCO Financial Systems, Inc. (hereinafter referred to as "NCO") and NCO Portfolio Management, Inc. (hereinafter collectively the "NCO Defendants"), through their respective counsel, have agreed, subject to Court approval, to settle the

above-captioned lawsuit (hereinafter referred to as the "Consolidated Class Action") upon the terms and conditions set forth in the Class Action Settlement Agreement (hereinafter referred to as the "Agreement"), which has been filed with the Court, and the Court deeming that the definitions set forth in the Agreement are hereby incorporated by reference herein (with capitalized terms as set forth in the Agreement);

NOW, THEREFORE, based upon the Agreement and all of the files, records, and proceedings herein, and it appearing to the Court that upon preliminary examination the Agreement appears fair, reasonable, and adequate, and that a hearing should and will be held to confirm that the Agreement and settlement are fair, reasonable, and adequate, and to determine whether a Final Order and Judgment should be entered in this Consolidated Class Action;

IT IS HEREBY ORDERED:

1. The Court has jurisdiction over the subject matter of the Consolidated Class Action and over all settling parties hereto.
2. In compliance with the Class Action Fairness Act of 2005, Pub. L. No. 109-2, 119 Stat. 4, NCO served written notice of the proposed class settlement.
3. CLASS MEMBERS – Pursuant to Fed. R. Civ. P. 23(b)(2), the Consolidated Class Action is hereby preliminarily certified, for settlement purposes only, as a class action on behalf of the following class of plaintiffs (hereinafter referred to as the "New Jersey Class Members") with respect to the claims asserted in the Lawsuit:

All persons residing in the State of New Jersey who were sent an AT&T Letter between March 3, 2007, and the day this Order of Preliminary

Approval of Class Action Settlement is entered.

4. "AT&T Letter" means any dunning or collection letter sent by NCO concerning an unpaid debt originally alleged to be owed to AT&T, which seeks to collect interest said to be due and owing on such alleged unpaid debt.

5. CLASS REPRESENTATIVE AND CLASS COUNSEL APPOINTMENT

– Pursuant to Fed. R. Civ. P. 23, the Court preliminarily certifies Plaintiffs Elizabeth Meekins and William Moore as the Class Representatives; and Andrew R. Wolf (Galex Wolf, LLC), Glen H. Chulsky (Law Office of Glen H. Chulsky), and Joseph K. Jones (Law Offices of Joseph K. Jones, LLC) as Class Counsel.

6. PRELIMINARY CLASS CERTIFICATION – The Court preliminarily finds that the Consolidated Class Action satisfies the applicable prerequisites for class action treatment under Fed. R. Civ. P. 23, namely:

- A. The New Jersey Class Members are so numerous that joinder of all of them in the Consolidated Class Action is impracticable;
- B. There are questions of law and fact common to the New Jersey Class Members, which predominate over any individual questions;
- C. The claims of the Plaintiffs are typical of the claims of the New Jersey Class Members;
- D. The Plaintiffs and Class Counsel have fairly and adequately represented and protected the interests of all of the New Jersey Class Members; and
- E. Class treatment of these claims will be efficient and manageable, thereby

achieving an appreciable measure of judicial economy.

7. The Court preliminarily finds that the settlement of the Consolidated Class Action, on the terms and conditions set forth in the Agreement, is in all respects fundamentally fair, reasonable, adequate, and in the best interest of the New Jersey Class Members, especially in light of the benefits to the class members; the strength of the Plaintiffs' cases; the complexity, expense, and probable duration of further litigation; the risk and delay inherent in possible appeals; the risk of collecting any judgment obtained on behalf of the class; and, the limited amount of any potential total recovery for the class.

8. NOTICES – Considering that the Parties propose certification of a Fed. R. Civ. P. 23(b)(2) settlement class, the Court finds that notice to the New Jersey Class Members is unnecessary. Notice of the settlement to Plaintiffs shall constitute due and sufficient notice to the New Jersey Class Members.

9. EXCLUSIONS – In compliance with Fed. R. Civ. P. 23(b)(2), the New Jersey Class Members will not be permitted to exclude themselves from the class.

10. OBJECTIONS – Any New Jersey Class Member who intends to object to the fairness of the settlement must file a written objection with the Court within 30 days from the Court's entry of this Order of Preliminary Approval of Class Action Settlement. Further, any such New Jersey Class Member must, within the same time period, provide a copy of the written objection to Class Counsel and counsel for the NCO Defendants. In any written objection, the New Jersey Class Member must set forth his or her full name,

address, and telephone number, along with a statement of the reasons for his or her objection and whether he or she intends to appear at the fairness hearing on his or her own behalf or through counsel. Any New Jersey Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

11. STIPULATED INJUNCTION – The Court also preliminarily approves the Stipulation and Order for Injunction (hereinafter referred to as the “Stipulated Injunction”), attached to the Agreement as Exhibit C. Provided that the settlement is finally approved, the Court will enter the Stipulated Injunction upon entry of the Final Order and Judgment.

12. FINAL APPROVAL – The Court shall conduct a hearing (hereinafter referred to as the “Fairness Hearing”) on _____, at _____ commencing at _____ A.M., to review and rule upon the following issues:

- A. Whether this action satisfies the applicable prerequisites for class action treatment for settlement purposes under Fed. R. Civ. P. 23;
- B. Whether the proposed settlement is fundamentally fair, reasonable, adequate, and in the best interest of the New Jersey Class Members and should be approved by the Court;
- C. Whether the Final Order and Judgment, as provided under the Agreement, should be entered, dismissing the Consolidated Class Action with prejudice

and releasing the Released Claims against the Released Parties as set forth in the Agreement; and

D. To discuss and review other issues as the Court deems appropriate.

13. Attendance at the Fairness Hearing is not necessary. The New Jersey Class Members need not appear at the hearing or take any other action to indicate their approval of the proposed class action settlement. New Jersey Class Members wishing to be heard, however, are required to indicate in their written objection whether or not they intend to appear at the Fairness Hearing. The Fairness Hearing may be postponed, adjourned, transferred, or continued without further notice to the New Jersey Class Members.

14. SUPPORTING MEMORANDA – Submissions by the Parties, including memoranda in support of the proposed settlement and responses to any objections, shall be filed with the Court no later than 7 days prior to the Fairness Hearing.

15. ATTORNEY'S FEES, COSTS, AND EXPENSES – No later than 20 days prior to the Fairness Hearing, Class Counsel shall file an application for their attorney's fees, costs, and expenses. To the extent the NCO Defendants oppose such application, any responses or oppositions to Class Counsel's application shall be filed no later than 10 days prior to the Fairness Hearing. The Court will then enter an order as it deems appropriate for Class Counsel's attorney's fees, costs, and expenses.

16. The Agreement and this order shall be null and void if any of the following occur:

- A. The Agreement is terminated by any of the Parties, or any specified condition to the settlement set forth in the Agreement is not satisfied and the satisfaction of such condition is not waived in writing by the Parties;
- B. The Court rejects, in any material respect, the Final Order and Judgment substantially in the form and content attached to the Agreement and/or the Parties fail to consent to the entry of another form of order in lieu thereof;
- C. The Court rejects any component of the Agreement, including any amendment thereto approved by the Parties; or
- D. The Court approves the Agreement, including any amendment thereto approved by the Parties, but such approval is reversed on appeal and such reversal becomes final by lapse of time or otherwise.

17. If the Agreement and/or this order are voided per ¶ 16 of this order, then the Agreement shall be of no force and effect and the Parties' rights and defenses shall be restored, without prejudice, to their respective positions as if the Agreement had never been executed and this order never entered.

18. The Court retains continuing and exclusive jurisdiction over the action to consider all further matters arising out of or connected with the settlement, including the administration and enforcement of the Agreement.

IT IS SO ORDERED.

DATED: _____

UNITED STATES DISTRICT COURT JUDGE

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

ELIZABETH MEEKINS, on behalf of
herself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,

Defendant.

consolidated with

WILLIAM MOORE, on behalf of
himself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,
NCO PORTFOLIO MANAGEMENT, INC.,
and JOHN DOES 1 TO 25,

Defendants.

CIVIL CASE NO.

NO. 2:08-cv-01936

FINAL ORDER AND JUDGMENT

On April 21, 2008, Plaintiff Elizabeth Meekins filed a class action complaint in the above numbered and captioned matter (hereinafter sometimes referred to as the "Meekins Lawsuit") asserting class claims against NCO Financial Systems, Inc. ("NCO"), arising under the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. § 1692, *et seq.*

On March 4, 2008, Plaintiff William Moore filed a class action complaint against NCO and NCO Portfolio Management, Inc. (hereinafter collectively the "NCO Defendants") in the Superior Court of New Jersey, Middlesex County Law Division, captioned as *William Moore, on behalf of himself and those similarly situated v. NCO Financial Systems, Inc., NCO Portfolio Management, Inc. and John Does 1 to 25*, Civil Action No. L-1685-8 (hereinafter the "Moore Lawsuit"), asserting class claims under the FDCPA substantially similar to those claims asserted in the Meekins Lawsuit.

On May 6, 2008, the NCO Defendants removed the Moore Lawsuit to the United States District Court for the District of New Jersey, docketed as Civil Action No. 08-02204. On October 27, 2008, the Moore Lawsuit was consolidated with the Meekins Lawsuit. The resulting above-numbered and captioned consolidated matter is hereinafter referred to as the "Consolidated Class Action."

The NCO Defendants have denied all liability alleged in the Meekins Lawsuit, the Moore Lawsuit, and the Consolidated Class Action.

On April 30, 2009, after extensive arms-length negotiations, the Parties entered into a Class Action Settlement Agreement (hereinafter referred to as the "Agreement"), which is subject to review under Fed. R. Civ. P. 23. The proposed class action settlement relates to all claims in the Consolidated Class Action.

On _____, 2009, the Court entered an Order of Preliminary Approval of Class Action Settlement (hereinafter referred to as the "Preliminary Approval Order"). Pursuant to the Preliminary Approval Order, the Court, among other things, (i)

preliminarily certified (for settlement purposes only) a class of plaintiffs (hereinafter referred to as the "New Jersey Class Members") with respect to the Consolidated Class Action; (ii) appointed Plaintiffs Elizabeth Meekins and William Moore as the Class Representatives; (iii) appointed Andrew R. Wolf (Galex Wolf, LLC), Glen H. Chulsky (Law Office of Glen H. Chulsky), and Joseph K. Jones (Law Offices of Joseph K. Jones, LLC) as counsel for the New Jersey Class Members; and, (iv) set the date and time of the Fairness Hearing.

On _____, 2009, a Fairness Hearing was held pursuant to Fed. R. Civ. P. 23 to determine whether the Consolidated Class Action satisfied the applicable prerequisites for class action treatment and whether the proposed settlement was fundamentally fair, reasonable, adequate, and in the best interest of the settling class members and should be approved by the Court.

The Court has read and considered the Agreement and record. All capitalized terms used herein have the meanings defined herein and/or in the Agreement.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court has jurisdiction over the subject matter of the Consolidated Class Action and over all settling parties hereto.

2. Pursuant to Fed. R. Civ. P. 23, the Consolidated Class Action is hereby finally certified, for settlement purposes only, as a class action on behalf of the following New Jersey Class Members:

All persons residing in the State of New Jersey who were sent an AT&T Letter between March 3, 2007 and ___, i.e., the day the Order of

Preliminary Approval of Class Action Settlement was entered.

3. "AT&T Letter" shall mean any dunning or collection letter sent by NCO concerning an unpaid debt originally alleged to be owed to AT&T, which seeks to collect interest said to be due and owing on such alleged unpaid debt.

4. Pursuant to Fed. R. Civ. P. 23, the Court finally certifies Plaintiffs Elizabeth Meekins and William Moore as the Class Representatives; and Andrew R. Wolf (Galex Wolf, LLC), Glen H. Chulsky (Law Office of Glen H. Chulsky), and Joseph K. Jones (Law Offices of Joseph K. Jones, LLC) as Class Counsel.

5. The Court finds that the Consolidated Class Action satisfies the applicable prerequisites for class action treatment under Fed. R. Civ. P. 23, namely:

- A. The New Jersey Class Members are so numerous that joinder of all of them in the Consolidated Class Action is impracticable;
 - B. There are questions of law and fact common to the New Jersey Class Members, which predominate over any individual questions;
 - C. The claims of the Plaintiffs are typical of the claims of the New Jersey Class Members;
 - D. The Plaintiffs and Class Counsel have fairly and adequately represented and protected the interests of all of the New Jersey Class Members; and
 - E. Class treatment of these claims will be efficient and manageable, thereby achieving an appreciable measure of judicial economy.
6. The settlement of the Consolidated Class Action, on the terms and

conditions set forth in the Agreement, is in all respects fundamentally fair, reasonable, adequate, and in the best interest of the settling class members, especially in light of the benefits to the settling class members; the strength of the Plaintiffs' cases; the complexity, expense, and probable duration of further litigation; the risk and delay inherent in possible appeals; the risk of collecting any judgment obtained on behalf of the class; and, the limited amount of any potential total recovery for the class.

7. As explained in the Court's Preliminary Approval Order, notice to the New Jersey Class Members was not required because the proposed settlement was entered into per Fed. R. Civ. P. 23(b)(2).

8. The Agreement, which is attached hereto as Exhibit A and shall be deemed incorporated herein, and the proposed settlement are approved and shall be consummated in accordance with the terms and provisions thereof, except as amended by any order issued by this Court. The material terms of the Agreement include, but are not limited to, the following:

- A. The NCO Defendants will pay Plaintiffs Elizabeth Meekins and William Moore each \$2,500 for their services as the Class Representatives and in full settlement of their FDCPA claims against the Released Parties.
- B. Per the Agreement, the NCO Defendants will eliminate any and all interest debt currently asserted to be due from the New Jersey Class Members for the alleged AT&T debts as set forth in the AT&T Letters.

- C. Per the Agreement, the NCO Defendants will issue refunds to any New Jersey Class Members if they make any interest payment on the related accounts.
- D. Per the Agreement, NCO will ensure that any future letters it sends to the New Jersey Class Members accurately reflect the new and adjusted balance and the removal of all interest charges relating to the relevant accounts.
- E. Per the Agreement, to the extent that NCO has initiated any credit reporting on any of the relevant accounts, NCO will update the accounts appropriately to reflect the new and adjusted balance and the removal of all interest charges.

9. The Class Representatives (Elizabeth Meekins and William Moore) and their successors and assigns are permanently barred and enjoined from instituting or prosecuting, either individually or as a class, or in any other capacity, any of the Released Claims against any of the Released Parties, as set forth in the Agreement. Pursuant to the release contained in the Agreement, the Released Claims are compromised, settled, released, discharged, and dismissed with prejudice by virtue of these proceedings and this Final Order and Judgment. The release is contingent upon the NCO Defendants' performance of their obligations as set forth in the Agreement. Pursuant to the terms contained in the Agreement, the New Jersey Class Members will have the right to file only a separate individual action and not any form of a class action pursuant to Fed. R. Civ. P. 23 or any related state law against any of the Released Parties and bring a claim

for only money damages relating to the Released Claims.

10. The New Jersey Class Members were not permitted to exclude themselves from the class, but were given an opportunity to object to the settlement. No New Jersey Class Member objected to the settlement.

11. This Final Order and Judgment is binding on the Plaintiffs, the NCO Defendants, and all New Jersey Class Members.

12. Based upon the record and submissions to the Court, the Court awards Class Counsel attorneys' fees, costs, and expenses in the total amount of \$_____ to be paid to Andrew R. Wolf (Galex Wolf, LLC), Glen H. Chulsky (Law Office of Glen H. Chulsky), and Joseph K. Jones (Law Offices of Joseph K. Jones, LLC).

13. The Consolidated Class Action is hereby dismissed with prejudice in all respects.

14. This Final Order and Judgment is not, and shall not be construed as, an admission by the NCO Defendants of any liability or wrongdoing in this or in any other proceeding.

15. The Court hereby restrains and enjoins all persons who have appeared in these proceedings and any other person from taking any actions interfering or inconsistent with this Final Order and Judgment and the Agreement that the Court hereby approves.

16. The Court hereby retains continuing and exclusive jurisdiction over the

Parties and all matters relating to the Consolidated Class Action and/or Agreement, including the administration, interpretation, construction, effectuation, enforcement, and consummation of the settlement, Agreement, class membership, and Final Order and Judgment.

IT IS SO ORDERED.

DATED: _____

UNITED STATES DISTRICT COURT JUDGE

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

ELIZABETH MEEKINS, on behalf of
herself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,

Defendant.

consolidated with

WILLIAM MOORE, on behalf of
himself and all others similarly situated,

Plaintiff(s),

v.

NCO FINANCIAL SYSTEMS, INC.,
NCO PORTFOLIO MANAGEMENT, INC.,
and JOHN DOES 1 TO 25,

Defendants.

CIVIL CASE NO.

NO. 2:08-cv-01936

STIPULATION AND ORDER FOR INJUNCTION

For purposes of this Stipulation and Order for Injunction (hereinafter referred to as the "Stipulated Injunction"), the following definitions shall apply:

- A. "Plaintiffs" shall mean Elizabeth Meekins and William Moore.
- B. The "NCO Defendants" shall mean NCO Financial Systems, Inc. (individually referred to as "NCO") and NCO Portfolio Management, Inc. (individually

referred to as "NCOP"), and their predecessors, successors, representatives, and agents.

C. The "AT&T Letter" shall mean any dunning or collection letter sent by NCO concerning an unpaid debt originally alleged to be owed to AT&T, which seeks to collect interest said to be due and owing on such alleged unpaid debt.

D. "New Jersey Class Members" shall mean all persons residing in the State of New Jersey who were sent an AT&T Letter between March 3, 2007, and the day the Order of Preliminary Approval of Class Action Settlement is entered by the Court.

WHEREAS, Plaintiffs assert class claims against the NCO Defendants under the Fair Debt Collection Practices Act (hereinafter referred to as the "FDCPA"), 15 U.S.C. § 1692, *et seq.*;

WHEREAS, Plaintiffs allege, among other things, that the NCO Defendants violated the FDCPA by seeking to collect interest said to be due and owing on unpaid debt originally alleged to be owed to AT&T; and

WHEREAS, the NCO Defendants, without admitting any liability as to any of the allegations, acknowledge that Plaintiffs' claims are the sole catalyst for entering into this Stipulated Injunction.

WHEREFORE, IT IS HEREBY STIPULATED, by and between the Parties, that the following injunction be entered by the Court without further notice or process:

1. No later than April 30, 2009, the NCO Defendants will eliminate any and all interest debt currently asserted to be due from the New Jersey Class Members for the alleged AT&T debts as set forth in the AT&T Letters.

2. The interest debt waiver will not create any substantive right for any New Jersey Class Member that may have previously paid interest that was asserted to be owed in an AT&T Letter, nor will NCO have any affirmative notice obligations regarding this waiver of interest, except how NCO would communicate with New Jersey Class Members in the normal course of NCO's business.

3. If any New Jersey Class Member makes a payment of the alleged interest after the date upon which the Order of Preliminary Approval of Class Action Settlement is entered by the Court, then NCO will issue a refund to any such New Jersey Class Member within 45 days after an order finally approving this settlement is entered by the Court.

4. Additionally, if any New Jersey Class Member makes a payment which includes any of the allegedly owed interest after the date upon which the NCO Defendants eliminate the allegedly owed interest debt from its records, NCO shall issue a refund for the interest portion of the payment within 45 days of receipt thereof.

5. NCO will also ensure that any future letters sent by NCO to the New Jersey Class Members accurately reflect the new and adjusted balance and the removal of all interest charges relating to the relevant accounts.

6. To the extent that NCO has initiated any credit reporting on any of the relevant accounts, NCO will update the accounts appropriately to reflect the new and adjusted balance and the removal of all interest charges within 60 days of the execution of the Class Action Settlement Agreement (the "Agreement") by all Parties. Within 30 days of the completion of such activities, the NCO Defendants will submit an affidavit

from an NCO representative confirming that NCO has complied with its obligations in the Agreement at ¶ 18(A).

7. The Court shall retain jurisdiction to enter further orders as may be necessary or appropriate to implement and/or enforce the provisions of this Stipulated Injunction. The NCO Defendants specifically consent to personal jurisdiction and venue in this Court for that purpose.

IT IS SO STIPULATED.

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Management, Inc.

ORDER

IT IS SO ORDERED.

DATED: _____

UNITED STATES DISTRICT COURT JUDGE