

CLASS SETTLEMENT AND RELEASE AGREEMENT

It is hereby agreed by and among the undersigned Parties, subject to the approval of the Court pursuant to Rule 3.769 of the California Rules of Court, and California Code of Civil Procedure § 877.6, that settlement of this Action shall be effectuated pursuant to the terms and conditions set forth in this Settlement Agreement.

1. PARTIES

This Class Settlement and Release Agreement (the “Agreement”) is made and entered into by and between Plaintiffs Judith Reimann and Michael DaRonco (collectively “Plaintiffs” or “Class Representatives”), acting individually and as representatives of the Class, as defined herein (the “Class” or “Class Members”) and Defendants Midland Funding, LLC, Midland Funding NCC-2 Corp., and Midland Credit Management, Inc. (sued herein as “Midland Credit Management, LLC.”) (collectively “Defendant” or “Midland” (individually, a “Party,” and collectively the “Parties”) for the purpose of resolving by compromise and settlement all claims, controversies and alleged liabilities arising out of the disputes as set forth below.

2. RECITALS

2.1 On August 5, 2010, Plaintiffs filed an action entitled *Judith Reimann and Michael DaRonco v. Erica L. Brachfeld, The Brachfeld Law Group, PC, Midland Funding, LLC, Midland Credit Management, LLC, and Midland Funding NCC-2 Corp.*, Alameda County Superior Court Action No. RG-10-529702.

2.2 On October 6, 2019, the Court granted Plaintiffs’ Motion for Class Certification. Pursuant to an Order dated October 6, 2019, the Court certified a class defined as follows:

All California consumers who both: (1) from August 5, 2006, through February 2, 2015, either (a) were sent collection demand letters, debt collection letters, or dunning letters by Brachfeld Law Group regarding a debt allegedly owed to one of the Midland Entities or (b) were sued by the Midland Entities where Brachfeld Law Group was attorney of record and (2) if they were in the class in *Vassalle v. Midland Funding, LLC*, United State District Court, N.D. Ohio Co. 3:11-cv-0096, excluded themselves from the class;

2.3 On June 1, 2020, notice of pendency was duly distributed by first-class mail and a media campaign to the Class.

2.4 On April 29, 2022, the Court entered an Order on Subclasses, which created the following subclasses and sub-subclasses:

A. Letter Subclass: All class members whose membership in the class is based, at least in part, upon having been sent a debt collection letter by Brachfeld Law Group regarding a debt allegedly owed to Midland.

A-1. Non-Disclaimer Sub-Subclass: All Letter Subclass members that were sent a debt collection letter which did not contain an express disclaimer that no attorney had reviewed the file in question.

A-2. Disclaimer Sub-Subclass: All Letter Subclass members that were sent a debt collection letter which contained an express disclaimer that no attorney had reviewed the file in question.

B. Lawsuit Subclass: All class members whose membership in the class is based, at least in part, upon having been sued by Midland where Brachfeld Law Group was the attorney of record.

B-1. Judgment Sub-Subclass: All Lawsuit Subclass members as to whom a final judgment was entered in the suit against them by Midland.

B-2. Non-Judgment Sub-Subclass: All Lawsuit Subclass members as to whom a final judgment was not entered in the suit against them by Midland.

The Court also found that “no person may a member of any of the above subclasses if they were in the class in *Vassalle v. Midland Funding, LLC*, United States District Court, N.D. Ohio) Co. 3-11-cv-0096, unless such person properly excluded themselves from the *Vassalle* class.”

2.5 The Parties have engaged in lengthy settlement negotiations and five separate mediations and settlement conferences.

2.6 A settlement has previously been reached and finally approved by the Court following notice to the Class, resolving all claims as between Plaintiffs and Erica Brachfeld and the Brachfeld Law Group;

2.7 Midland does not in any way acknowledge, admit to or concede any of the allegations made in the Complaint, and expressly disclaims any fault or liability, or any charges of wrongdoing

that have been or could have been asserted in the Complaint, and maintains that it has a number of meritorious defenses to the claims.

2.8 Notwithstanding the above, the Parties recognize the risk and uncertainties inherent in litigation, the significant expense associated with prosecuting and defending this class action, the costs of appeals, and the disruption to Midland's business operations arising out of this litigation. Accordingly, the Parties believe that settlement is in their best interests. Nothing contained in this Agreement shall be used or construed as an admission of liability.

2.9 This Agreement shall not be offered or received into evidence in any action or proceeding in any court or other forum as an admission or concession of liability or wrongdoing of any nature other than to enforce the terms of this Agreement.

3. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

3.1 “**Action**” means Alameda County Superior Court Case No. RG-10-529702, entitled *Judith Reimann and Michael DaRonco v. Erica L. Brachfeld, The Brachfeld Law Group, PC, Midland Funding, LLC, Midland Credit Management, LLC, and Midland Funding NCC-2 Corp.*

3.2 “**Midland**” means Midland Funding, LLC, Midland Funding NCC-2 Corp., and Midland Credit Management, Inc. (sued herein as “Midland Credit Management, LLC.”).

3.3 “**Midland's Counsel**” means Holland & Knight.

3.4 “**Brachfeld**” or “**BLG**” means The Brachfeld Law Group, PC.

3.5 “**BLG Settlement**” means the settlement between Plaintiffs and BLG that was Finally Approved by the Court on December 17, 2021.

3.6 “**Class**” means the class previously certified by the Court as fully set forth in Section 2.2, as modified by the Court's subclassing rulings referenced in Section 2.4, consisting of, prior to confirmation of any exclusions, 23,433 members who meet the Class definition. The Class members are identified on the Class List previously provided to Class Counsel on January 14, 2020 as a spreadsheet entitled, “Copy of Reimann CA28 accounts subj to PROT ORDER.”.

3.7 “**Class Counsel**” means Bramson, Plutzik, Mahler, & Birkhaeuser, LLP; The National Consumer Law Center, and the Law Office Of Ian Chowdhury.

3.8 “**Class Representatives**” mean Judith Reimann and Michael DaRonco.

3.9 “**Costs of Notice and Administration**” means all costs and expenses reasonably and actually incurred by the Settlement Administrator or other third party in sending out Notice, holding and disbursing funds, and performing administrative functions related to the Settlement.

3.10 “**Court**” means the Superior Court of the State of California for the County of Alameda.

3.11 “**Effective Date**” means the first day by which all of the following events shall have occurred: (a) the Court has entered the Preliminary Approval Order as set forth in Section 3.20 of this Agreement; (b) the Court has entered the Final Approval Order and Judgment as set forth in Section 3.15 of this Agreement; and (c) the Final Approval Order and Judgment has become Final as defined in 3.13 of this Agreement.

3.12 “**Fee and Expense Application**” means the written motion or application by which Class Counsel requests that the Court award them fees and/or expenses.

3.13 “**Final**” with respect to the Final Approval Order and Judgment (as defined in Section 3.15), means that such order has been entered on the docket in the Action, and, if any objection has been made to the settlement, (a) the time to appeal from such order has expired and no appeal by any objector has been timely filed; (b) if such an appeal has been filed, it has been finally resolved and has resulted in an affirmance of the Final Approval Order and Judgment; or (c) this Court, following the resolution of the appeal, on remand, enters a further order or orders approving the settlement on the terms set forth herein, and either no further appeal is timely taken from such order(s) or any such appeal results in affirmance of such order(s). If no class member has objected to the settlement and moved to intervene in the Action for purposes of appeal, “Final” shall mean 10 days after entry of the Final Approval Order and Judgment.

3.14 “**Final Approval Hearing**” means the hearing at which the Court shall: (a) determine whether to grant final approval to this Settlement Agreement; and (b) consider any timely objections to this Settlement and all responses to objections by the Parties.

3.15 “**Final Approval Order and Judgment**” means an order in which the Court grants final approval of this Settlement Agreement and authorizes the entry of a final judgment.

3.16 “**Notice**” means the Court-approved form of Notice of the Settlement Agreement.

3.17 “**Notice Completion**” means the date that the Settlement Administrator completes dissemination of the Notice described in Section 8.

3.18 **“Party” or “Parties”** mean Midland, Judith Reimann, Michael DaRonco, and each Class Member.

3.19 **“Person” or “Persons”** means any natural person, firm, corporation, unincorporated association, partnership or other form of legal entity or government body, including its agents and representatives.

3.20 **“Preliminary Approval Order”** means the order in which the Court grants its preliminary approval to this Settlement Agreement and authorizes dissemination of Notice to the Settlement Class.

3.21 **“Released Claims”** means any and all claims, debts, liabilities, obligations, costs, expenses, attorneys’ fees, damages, rights or equitable, legal or administrative relief, of any basis or source, whether known or unknown, actually alleged or that could have been alleged, based upon, or arising out of, the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act alleged in the Action.

3.22 **“All Parties”** shall mean Midland, (and Midland’s past and present agents, directors, officers, shareholders, members, managers, insurers, representatives, vendors, independent contractors, assigns, employees, predecessors, successors, attorneys, and assigns, parents and subsidiaries, and affiliates and each of their respective past and present agents, directors, officers, employees, shareholders, insurers, representatives, attorneys, vendors, independent contractors, predecessors, successors and assigns, parents and subsidiaries, divisions and affiliates), on the one hand, and Judith Reimann, Michael DaRonco, and each Class Member, on the other.

3.23 **“Opt-Out Request”** means a request by a Class Member to opt out of the Settlement, submitted pursuant to the instructions set forth in the Notice.

3.24 **“Settlement Administrator”** means Angeion Group. If Angeion Group is unable to perform this function, the Parties shall select another mutually agreeable settlement administrator.

3.25 **“Settlement Agreement,” “Settlement,” or “Agreement”** means this Settlement Agreement.

3.26 **“Class Member(s)”** means any Person within the Class who does not submit a timely and valid Opt-Out Request.

3.27 **“Total Settlement Fund”** and **“Midland Settlement Fund”** means the fund described in Section 4.1.

4. CLASS RELIEF AND SETTLEMENT FUND

In consideration of a full, complete, and final settlement of the Released Claims and entry of Final Judgment by the Court, the Parties agree to the following:

4.1 Midland shall pay a total of Two Million Eight Hundred Thousand Dollars (\$2,800,000) as set forth in Section 4.2 (the “Midland Settlement Fund”), which sums shall be added to funds on deposit from the BLG Settlement (the “BLG Settlement Fund”) to create a Total Settlement Fund. The Total Settlement Fund shall be used to pay (i) Settlement Class members’ benefits; (ii) service awards to the Class Representatives in amounts to be approved by the Court but not greater than \$5,000 from the BLG Settlement Fund and \$5,000 from the Midland Settlement Fund for a total of \$10,000; (iii) attorneys’ fees and costs as approved by the Court; and (iv) Costs of Notice and Administration.

4.2 The Midland Settlement Fund shall be established through the deposit, into an account maintained by the Settlement Administrator separate from the account maintained by the Settlement Administrator for the BLG Settlement Fund, of Seventy Five Thousand Dollars (\$75,000) within 7 seven calendar days of the Preliminary Approval Order. Midland shall deposit the remaining Two Million Seven Hundred Twenty Five Thousand Dollars (\$2,725,000) as follows: within 10 calendar days of the Final Approval Order, if no class member has intervened and objected to the settlement, or within 30 calendar days of the Final Approval Order if any class member has intervened and objected to the settlement. The Settlement Administrator shall disburse funds pursuant to orders of the Court and shall not disburse funds earlier than the Effective Date. The definition of “Final” as set forth in section 3.13 above, shall not apply to this section 4.2.

4.3 The Court shall retain continuing jurisdiction over the Total Settlement Fund sufficient to satisfy the requirements of 26 C.F.R. § 1.468B-1. The Settlement Administrator shall at all times seek to have the Total Settlement Fund treated as a “qualified settlement fund” as that term is defined in 26 C.F.R. § 1.468B-1. The Settlement Administrator shall cause any taxes composed on the earnings of the Total Settlement Fund, if any, to be paid out of such earnings and shall comply with all tax reporting and withholding requirements imposed on the Total Settlement Fund under applicable tax laws. The Settlement Administrator shall be the “administrator” of the Total Settlement Fund pursuant to 26 C.F.R. § 1.468B-2(k)(3).

4.4 Should the Settlement not be approved by the Court, then all monies placed into the

Midland Settlement Fund shall be returned to Midland less any Costs of Notice and Administration.

5. DISTRIBUTION OF TOTAL SETTLEMENT AMOUNT

5.1 The Total Settlement Amount shall be distributed by the Settlement Administrator as follows:

(a) The amount available for distribution to Class Members shall be the Total Settlement Fund less Costs of Notice and Administration, any Court approved attorneys' fees and expenses, and service awards (the "Class Recovery"). Each Class Member shall be mailed a check equivalent to his/her share of the class recovery as set forth in the plan of allocation approved by the Court.

(b) Should the Settlement be approved by the Court, any monies that remain in the Settlement Class Recovery after disbursements of funds in accordance with the orders of the Court – including checks remaining uncashed for longer than the periods articulated in Sections 14.2 and 14.3 – shall not revert to Midland or Brachfeld Law Group. Any such remaining funds shall be distributed as a *cy pres* award to the Housing and Economic Rights Advocates ("HERA") or such other recipient approved by the Court.

6. RETENTION OF SETTLEMENT ADMINISTRATOR AND COSTS

6.1 Subject to the Court's approval, Angeion Group shall perform the duties of the Settlement Administrator as described in this Agreement. The Settlement Administrator shall, under the supervision of the Court, undertake the dissemination of Notice and distribution of the monetary relief provided by this Agreement, as well as any other duties specified in this Agreement. The Settlement Administrator will process claims, field calls and correspondence from Settlement Class Members, and disburse amounts from the Total Settlement Fund. The Settlement Administrator shall maintain reasonably detailed records of its activities under this Agreement. The Settlement Administrator shall provide reports and other information to the Court as it may require. Should the Court request, the Parties, in conjunction with the Settlement Administrator, shall submit a report to the Court summarizing the work performed by the Settlement Administrator.

6.2 All costs associated with providing notice to the Class Members and disbursement of the Total Settlement Fund, including all costs and expenses related to class notice, distribution of settlement proceeds, reasonable measures to locate potential Class Members, and retaining any class

or claims administrator shall be paid from the Total Settlement Fund. Midland's only responsibility regarding such costs is to fund the Midland Settlement Fund.

6.3 The Settlement Administrator shall administer the Settlement in a cost-effective and timely manner. Without limiting any of its other obligations as stated herein, the Settlement Administrator shall be responsible for mailing the class notice, as defined below, administration of the Total Settlement Fund, and providing all other related support, reporting and administration as further stated in this Agreement.

6.4 Midland will, if necessary, coordinate with the Settlement Administrator to provide the last known address and social security number of each of the Class Members, with Class Counsel's participation and oversight. Because the information about potential Class Members that will be provided to the Settlement Administrator will consist of confidential, non-public personal information, and other information protected by privacy laws, such information shall be deemed "Confidential-Attorneys' Eyes Only," and shall be used only for the purpose of administering this Settlement.

6.5 W-9 Forms. The Settlement Administrator shall complete and provide to Midland any W-9 forms as to the Midland Settlement Fund necessary for Midland to implement this Settlement.

7. PRELIMINARY APPROVAL MOTION

7.1 Plaintiffs will submit to the Court a Joint Motion for Preliminary Approval of Class Settlement no later than thirty (30) days after full execution of this Agreement. The Preliminary Approval Motion will request that the Court enter a Preliminary Approval Order that:

- (a) Finds the Class Representatives, and Class Counsel, fairly and adequately represent the interests of the Class;
- (b) Finds preliminarily that the Agreement is fair, reasonable and adequate to the Class;
- (c) Sets a schedule for proceedings with respect to a Final Approval Hearing to
 - (1) determine whether to grant final approval to this Settlement Agreement;
 - (2) consider any timely objections to this Settlement and the Parties' responses to such objections; and
 - (3) rule on the applications for the Class Representatives' service awards and for

payment of attorneys' fees and expenses.

(d) Approves the form notice to be provided to the members of the Class and permitting the distribution of the Notice described below to be disseminated to the Class; and

(e) Sets forth the proposed plan of allocation to the Class.

8. NOTICE TO SETTLEMENT CLASS MEMBERS

8.1 If the Court grants the Preliminary Approval Motion, the Settlement Administrator shall within twenty-one (21) days of the entry of the Preliminary Approval Order, perform a National Change of Address Registry search for each Class Member, mail to each Class Member the Class Settlement Notice ("Notice") approved by the Court, and publish the Notice on a settlement website. To assist the Settlement Administrator, if requested, Midland shall provide the Settlement Administrator with the social security number of each Class Member. Any Notices returned as undeliverable, but with a forwarding address, shall be promptly re-mailed to the forwarding address. Such Notices shall be re-mailed upon discovery of a valid mailing address for the Class Member.

8.2 The Notice shall apprise the potential Class Members of his/her right to opt out of the Class, of his/her right to object to the Class Settlement, of the fact that any objections must be served on Class Counsel and Midland's Counsel and opt outs must be sent to the Administrator and postmarked no later than fifteen (15) days, or such other number of days the Court shall order, prior to the Final Approval Hearing, and that any failure to object or to opt out in accordance with the applicable deadlines for opt outs and objections constitutes a knowing and voluntary waiver of any right to opt out of the Class or to appeal from the Final Approval Order. Any Settlement Class Member who fails to file a written statement of his or her intention to object or oppose, and the bases therefore (the "Opt-Out Request"), shall be foreclosed from making such objection or opposition, except as permitted by the Court. It is the responsibility of the Settlement Administrator to determine which individuals have filed a valid and timely Opt-Out Request.

8.3 It shall be the responsibility of Class Counsel to respond to all substantive inquiries from Class Members with respect to this Settlement. Class Counsel must provide notice to Midland's counsel of all objections to Class Settlement.

8.4 The Parties agree that compliance with the procedures described in this Section is the

best notice practicable in the circumstances and shall constitute due and sufficient notice to the Class of the terms of the Settlement Agreement, and the Final Approval Hearing, and shall satisfy the requirements of the California Rules of Court, the California Code of Civil Procedure, the Constitution of the State of California, the United States Constitution, and any other applicable law. The Court shall have the authority to amend this notice plan.

9. PROVISION OF OBJECTIONS AND NOTICES OF OPT OUT

At least fourteen (14) days prior to the Final Approval Hearing, the Settlement Administrator shall notify Class Counsel and Midland's counsel of any persons who have sent the Administrator objections to the Class Settlement or opted out of the Class, and shall provide Midland's counsel, Plaintiffs' counsel, and the Court with copies of all objections, notices of opt-out, and supporting documentation.

10. FINAL APPROVAL MOTION AND ORDER

10.1 Plaintiffs shall file with the Court (1) a motion in support of final settlement approval at least 30 days before the date of the Final Approval Hearing and (2) a response to any objections at least five days before the hearing. The Final Approval Motion will Request that the Court approve the Settlement and enter a Final Order and Judgment that will, among other things:

- (a) Adjudge and approve in all respects the settlement of this Action on the terms described in this Agreement;
- (b) Include all relief to be provided as part of this Settlement; and
- (c) Retain jurisdiction of all matters relating to the interpretation and enforcement of the Settlement and this Agreement.

10.2 This Agreement is subject to and conditioned upon the issuance by the Court of a Final Order and Judgment, which grants final approval of this Agreement in accordance with applicable jurisprudence, and provides the relief specified below, which relief shall be subject to the terms and conditions of this Agreement and the Parties' performance of their continuing rights and obligations hereunder. Such Final Order and Judgment shall:

(a) Enter judgment consistent with California Rule of Court 3.769(h) including a provision for the retention of the Court's jurisdiction over the parties to enforce the terms of the judgment;

(b) Release each Released Party from the Released Claims which any Parties have, had, or may have in the future, against such Released Party;

(c) Determine that this Agreement is entered into in good faith, is reasonable, fair and adequate, and is in the best interest of the Class;

(d) Preserve the Court's continuing and exclusive jurisdiction over the Parties to this Agreement, including Midland and all Class Members, to administer, supervise, construe and enforce this Agreement in accordance with its terms for the mutual benefit of the Parties, but without affecting the finality of the Judgment;

(e) Require the Settlement Administrator to maintain the Settlement Fund pursuant to the specific terms set forth in Section 6 of the Parties' Settlement Agreement; and

(f) Permit the Settlement Administrator to make ministerial, nonsubstantive changes to the implementation of the Settlement without requiring Court Approval, where necessary for ease of administration.

11. DISAPPROVAL, CANCELLATION, TERMINATION, OR NULLIFICATION OF SETTLEMENT AGREEMENT

11.1 Except as otherwise provided herein, if either (1) the Court, by a final ruling not subject to reconsideration, appellate review, or other further proceedings seeking judicial approval of this Settlement Agreement, denies preliminary approval or final approval of this Settlement Agreement, or (2) the Final Approval Order and Judgment does not become Final, then each Party shall have the right to terminate this Settlement Agreement. If a Party elects to terminate this Agreement under this paragraph, that Party must provide written notice ("Termination Notice") to the other Party's counsel within thirty (30) days of the occurrence of the condition permitting termination. Termination Notice shall be provided by hand delivery or first-class mail to the Party's counsel.

11.2 If this Settlement Agreement is terminated pursuant to its terms, then: (i) this Settlement Agreement shall be rendered null and void; (ii) this Settlement Agreement and all negotiations and proceedings relating hereto shall be of no force or effect, and without prejudice to the rights of the Parties, and (iii) all Parties shall be deemed to have reverted to their respective status in the Action as

of the date and time immediately preceding the execution of this Settlement Agreement and, except as otherwise expressly provided, the Parties shall stand in the same position and shall proceed in all respects as if this Settlement Agreement and any related orders had never been executed, entered into, or filed, and the Claims Administrator shall return to Midland all amounts remaining in the Settlement Fund. Midland shall not seek to recover from any party any fees, costs or expenses incurred in connection with this Settlement, including without limitation Costs of Notice and Administration actually expended pursuant to this agreement.

11.3 In the event that the Court or any appellate court enters an order altering this Agreement in a way that materially and adversely effects any of the Parties, within fifteen (15) business days from the date the Court or appellate court enters such an order, the affected Party or Parties may terminate this Agreement by giving written notice of its intent to do so to the opposing Party's counsel. Should the parties disagree whether the change is "material" or has an "adverse effect", the parties agree to submit the issue to the Honorable Robert McGuiness for resolution.

12. RIGHT TO DECLARE AGREEMENT NULL AND VOID

In the event that more than seven percent (7%) of the Settlement Class Members timely file Opt-Out Requests, Midland may, within ten (10) business days after notice of the same pursuant to Section 9 of the Agreement, in Midland's sole discretion, declare this Agreement, including all releases contained within this Agreement, null and void. In that event, the Action shall proceed as though no settlement had been negotiated or achieved.

13. PAYMENT OF ATTORNEYS' FEES, EXPENSES AND CLASS SERVICE AWARD

13.1 Class Counsel shall apply to the Court for an award of attorneys' fees and reimbursement of expenses. Class Counsel will not seek an amount in excess of 30% of the Total Settlement Fund. Any Class Members or Party may object, at the Final Approval Hearing, to the amount requested.

13.2 The Class Representatives will make an application for a service award in an amount not to exceed \$5,000 each from the Midland Settlement Fund (in addition to the \$5,000 each from the BLG Settlement Fund that was previously awarded). Midland will not oppose such an application.

13.3 Any order or proceedings relating to the amount of attorney's fees or expenses, or the Class Representatives' service awards shall not operate to modify, reverse, terminate, or cancel the Settlement Agreement, affect the Releases provided for in the Settlement Agreement, or affect whether the Final Approval Order and Judgment are Final. Except as otherwise provided herein, each Party shall bear its own costs.

14. PAYMENT OF SETTLEMENT AMOUNT

14.1 As soon as practicable after the payment of the Settlement Amount in accordance with Section 4 of the Agreement, the Settlement Administrator shall distribute the Settlement Amount to Settlement Class Members as provided in Section 5 of this Agreement, less that portion of the Settlement Amount the Court awards as Attorneys' Fees and Expenses, Administrative Costs, and the service awards to Plaintiffs. Distributions to the Settlement Class Members will be made to their last known address by first class mail, postage prepaid.

14.2 Checks made payable to each Settlement Class Member shall become stale and all right to payment on any such check shall end upon expiration of three (3) months from the date of the check (which will be within one calendar week of the date such check is mailed) and shall include a statement to inform the bearer of this validity period.

14.3 Any check that is not negotiated within three (3) months of the date of the check shall become stale, and all issued checks shall include a statement to inform the bearer of this validity period. The funds represented by stale checks shall be applied in accordance with Section 5.1(b). Any such application will have no effect on the validity of this Agreement against those Class Members who do not receive a Settlement Payment following reasonable efforts to deliver a payment to them.

15. FINAL REPORT OF DISTRIBUTION OF SETTLEMENT AMOUNT

Six (6) months after the Effective Date, or thirty (30) days after the distribution of the Settlement Amount is completed, whichever is later, Class Counsel shall file a report with the Court, and serve a copy on Midland's counsel, detailing the distribution of the Settlement Amount.

16. RELEASE

To effectuate the Parties' desire to fully, finally, and forever settle, compromise, and discharge

the instant litigation by way of compromise rather than by way of further litigation, the Parties agree to the following release:

16.1 In addition to the effect of any Final Judgment entered in accordance with this Agreement, on and as of the Effective Date, and without any further action by the Court or any party to this Agreement, except for the ability to enforce this agreement, All Parties shall be deemed to have released each other from the Released Claims.

16.2 By way of clarification, this Settlement Agreement may be pled as a full and complete defense to any Released Claims that may be instituted, filed, prosecuted, or attempted. All Parties covenant that they will not institute or prosecute against each other, any action, suit or other proceeding based in whole or in part upon any of the Released Claims.

16.3 All Parties, and each of them, covenant and agree that this Settlement Agreement may be used as a basis for a temporary restraining order, preliminary injunction and permanent injunction against any breach of this Agreement. As of the Effective Date, all Parties will be forever barred and enjoined from prosecuting any action asserting any and/or all Released Claims. All Parties judicially admit hereby for all purposes that time is of the essence as to all terms and conditions of the Settlement Agreement and that damages for a breach of this Settlement Agreement would be inadequate.

17. MISCELLANEOUS PROVISIONS

17.1 **No Assignment.** Each Party represents, covenants and warrants that he, she or it has not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, cause of action, or rights that he or she herein releases.

17.2 **Captions And Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

17.3 **Construction.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms'-length negotiations between the Parties with the assistance of a neutral, third-party mediator, and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party (or his, her, or its counsel) participated

in the drafting of this Agreement. The Parties specifically acknowledge, agree, and admit this Agreement, along with all related drafts, motions, pleadings, conversations, negotiations, correspondence, orders or other documents shall be considered a compromise under the California Rules of Evidence, or any other equivalent or similar rule of evidence, and shall not (a) constitute, be construed, be offered, or received into evidence as an admission of the validity of any claim or defense, or the truth of any fact alleged or other allegation in the Action or any other pending or subsequently filed action, or any of the wrongdoing, fault, violation of law, or liability of any kind on the part of any Party or (b) to be used to establish a waiver of any defense or right, or to establish or contest jurisdiction or venue. This Agreement is not a concession or admissions and shall not be used as an admission or indication with respect to any claim of fault, concession or omission against any of the Parties regardless of whether the Agreement is finally approved.

17.4 **Counterparts.** This Agreement, and any amendments hereto, may be executed in any number of counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument.

17.5 **Governing Law.** Construction and interpretation of the Agreement shall be determined in accordance with the laws of the State of California, irrespective of the choice of law principles of the State of California or any other state.

17.6 **Integration Clause.** This Agreement contains the entire understanding of the Parties in respect of the subject matter contained herein. There are no promises, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement other than those expressly set forth in this Agreement. This Agreement supersedes all prior agreements and understandings among the Parties with respect to the settlement of the Action. This Agreement may not be changed, altered, or modified, except in a writing signed by the Parties and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms, or by a writing signed by the Parties.

17.7 **Modification of Agreement and Dispute Resolution.** Before this Settlement Agreement is finally approved by the Court, the Parties agree, subject to the approval of the Court where required, that reasonable changes may be made to this Agreement by the consent of both Parties for the limited purposes of addressing any Notice or administration provisions or similar other

nonmaterial changes. The Parties further agree that there is a threshold requirement that any such changes must: (1) be reasonable; (2) not negatively change the benefits provided to Class Members; or (3) contradict any Orders of the Court, including Notice deadlines set by the Court.

17.8 **Jurisdiction.** The Court shall retain jurisdiction, after entry of the Final Approval Order, with respect to enforcement of the terms of this Settlement, and all Parties and Settlement Class Members submit to the exclusive jurisdiction of the Court with respect to the enforcement of this Settlement and any dispute with respect thereto.

17.9 **No Collateral Attack.** This Agreement shall not be subject to collateral attack by any Class Member at any time on or after the Effective Date. Such prohibited collateral attacks shall include claims that a Class Member's claim was improperly denied, that the payment to a Class Member was improperly calculated, and/or that a Class Member failed to receive timely notice of the Settlement Agreement.

17.10 **Parties' Authority.** The signatories hereto hereby represent that they are fully authorized to enter into this Agreement and bind the Parties to the terms and conditions hereof. Pursuant to the Court's Preliminary and Final Approval Orders, Class Counsel, on behalf of the Class Representatives, shall be expressly authorized to take all appropriate actions required or permitted to be taken by the Class pursuant to this Settlement Agreement to effectuate its terms.

17.11 **Receipt Of Advice Of Counsel.** The Parties acknowledge, agree, and specifically warrant to each other that they have read this Settlement Agreement, have received legal advice with respect to the advisability of entering into this Settlement, and fully understand its legal effect.

17.12 **Waiver Of Compliance.** Any failure by any Party to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

17.13 **Full and Final Settlement.** Each party agrees that the Action is being voluntarily settled after consultation with experience legal counsel of their choosing and that terms of the Agreement were negotiated at arm's length and in good faith. It is the intent and purpose of the Agreement to achieve a full and final settlement of the Released Claims. To effectuate that purpose,

the Parties agree to cooperate with one another and with the Settlement Administrator and use their best efforts to obtain Court approval of the Settlement and Settlement Agreement.

17.14 **Confidential Material.** The parties shall continue to abide by the Stipulation and Protective Order agreed to and entered by the Court on September 23, 2013, as it relates to the use, maintenance and destruction of materials produced pursuant to the Stipulation and Protective Order.

17.15 **Binding Nature.** This Settlement Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS SETTLEMENT AGREEMENT ON THE DATES SET FORTH BELOW:

DATED: October __, 2022

Michael DaRonco

DATED: October __, 2022



Judith Reimann

DATED: October __, 2022

Midland Funding, LLC

By: _____

Its: _____

DATED October __, 2022

Midland Funding NCC-2 Corp.

By: _____

Its: _____

DATED: October __, 2022

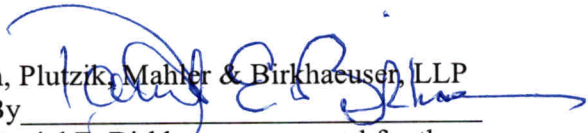
Midland Credit Management, Inc.

By: _____

Its: _____

APPROVED AS TO FORM:

DATED: October 29, 2022

Bramson, Plutzik, Mahler & Birkhaeuser, LLP
By 
Daniel E. Birkhaeuser, counsel for the
Class Representatives and the Class

DATED: October ___, 2022

Holland & Knight LLP

By _____
Counsel for Midland Funding, LLC,
Midland Funding NCC-2 Corp., and
Midland Credit Management, Inc.

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Its: _____

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Midland Credit Management, Inc.
By: _____
Its: _____

APPROVED AS TO FORM:

DATED: October __, 2022

Bramson, Plutzik, Mahler & Birkhaeuser, LLP

By _____

Daniel E. Birkhaeuser, counsel for the
Class Representatives and the Class

DATED: October __, 2022

Holland & Knight LLP



By _____

Counsel for Midland Funding, LLC,
Midland Funding NCC-2 Corp., and
Midland Credit Management, Inc.