

THE PROPOSED SETTLEMENT

Plaintiff and Defendant have agreed to the settlement described below.

Class Relief and Fees

1. The Court has preliminarily certified a class consisting of all Massachusetts residents who placed a call to Defendant in connection with an alleged student loan debt from August 5, 2006 – June 15, 2006.
2. Since: (i) the number and identities of class members cannot be determined from defendant's records; (ii) class members are unlikely to have suffered actual damages; and (iii) the amount of defendant's net worth would result in a nominal amount of statutory damages being paid to individual class members, the *cy pres* doctrine will be employed to put the statutory damages recovered by Class Members to the best use. Therefore, upon final approval of the settlement by the Court the Class will collectively convey their statutory damages of \$5,675.34 to the National Consumer Law Center, Boston, Massachusetts, a non-profit legal services organization. .
3. Plaintiff's counsel will petition the Court for an award of fees not to exceed \$9,000, plus costs of the Litigation, which Defendant has agreed is reasonable.
3. Plaintiff has decided to waive any right or claim she may have to receive an incentive award for services rendered and efforts expended on behalf of the class.

Costs. Defendant will pay the costs associated with class notice and administration of the settlement.

Release. Unless you exclude yourself from the settlement, you will be part of the class. By staying in the class, all of the Court's orders will apply to you, and you will give the Defendant a "release." A release means you cannot sue or be part of any other lawsuit against Defendant based on or arising out of the settled claim.

COUNSEL'S OPINION OF THE VALUE OF THE SETTLEMENT

The claim to be settled is brought under the FDCPA. The FDCPA is a federal statute which provides for both individual and class actions. In a class action under the FDCPA, the maximum possible recovery is (i) any actual damages suffered by the class members and (ii) statutory damages determined by the Court, based on the culpability of the defendant's conduct and the amount of harm caused by the defendant. The maximum statutory damages for which Defendant may be liable cannot exceed 1% of the defendant's net worth or \$500,000, whichever is greater. In this case, it is the opinion of Class Counsel that the alleged violation of the FDCPA at issue is unlikely to have resulted in any actual damages to class members. Counsel has also determined that defendant's net worth is \$850,876, and therefore the maximum liability for statutory damages is \$8,509. In a contested case, the Court, in its discretion, may award anything between nothing and that maximum amount, depending upon the egregiousness of the conduct.

While Class Counsel believes that Plaintiff would ultimately prevail at trial, there is no guarantee

of success. Therefore, in view of the defenses which have been raised to Plaintiff's claims, the limited funds available for recovery, and the costs, risks, and protracted nature of continued litigation, it is counsel's belief that this settlement is fair and reasonable and that the class members should accept this settlement. Class members who exclude themselves from settlement (see below) may still be able to file individual lawsuits for actual and/or statutory damages.

WHO REPRESENTS THE CLASS?

The following attorney represents Plaintiff Maria Brennan and all the members of the class described above ("Class Counsel"):

Kenneth D. Quat, Esq.
Quat Law Offices
9 Damonmill Square, Suite 4A-4
Concord, MA 01742

THE FAIRNESS HEARING

A hearing will be held on the fairness of the proposed settlement. At the hearing, the Court will hear any objections and arguments concerning the fairness of the proposed settlement, including the amount of the award to Plaintiff's Counsel for costs and attorney's fees. The hearing will take place on September 27, 2007 at 2:30 P.M. in Courtroom 2 of the John Joseph Moakley United States Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210. **YOU ARE NOT OBLIGATED TO ATTEND THIS HEARING.**

YOUR OPTIONS

1. **You have the right to exclude yourself from both the class action and the settlement by filing a written request for exclusion.** The request for exclusion should be sent to Class Counsel at the address above and must be postmarked no later than June 15, 2007. **If you choose to exclude yourself from the class action and settlement no payment will be made on your behalf, and no claims will be released by you. Any person who does not exclude himself or herself from the settlement, as described above, will be bound by the settlement agreement and release of claims against the Defendant, as approved by the Court.**

2. **You may participate in the settlement.** If you wish to participate in the settlement, you need not take any action. You will be represented by Class Counsel without additional charge. Or, if you prefer, you may enter your own appearance or ask the Court to allow you to participate in the settlement through your own attorney. If you wish to participate on your own or through your own attorney, an appearance must be filed with the Court or postmarked by June 15, 2007. If you participate through your own attorney, it will be at your expense. The settlement does not obligate Defendant to pay the fees of any attorney other than Class Counsel.

3. **You may object to the settlement.** If you wish to object to the settlement, you must submit your objection in writing to the Clerk of the United States District Court for the Eastern Division of Massachusetts, John Joseph Moakley United States Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210. The objection must be received by the Clerk of the Court or postmarked on or before June 15, 2007, and must refer to the name and number of the case. In addition, any written objection

must be signed by you and include your name and address, the name and number of the case, must be served upon Class Counsel and Defendant's Counsel and must include the following: (i) a statement of each objection being made; (ii) a description of the facts underlying each objection; (iii) a description of the legal authorities underlying each objection, if any; (iv) a statement of whether the objector intends to appear at the hearing; (v) a list of witnesses whom the objector may call by live testimony, oral deposition testimony or affidavit during the hearing, together with a summary of each witness' anticipated testimony; and (vi) a list of exhibits which the objector may offer during the hearing, together with true copies of all of the exhibits.

If you do file an objection, you are not required to appear at the hearing on September 27, 2007, at 2:30 P.M. If you intend to appear and object at the hearing, you must deliver a notice of your intention to the Clerk of the Court or have same postmarked by June 15, 2007. Please note that it is not sufficient to simply state that you object. You must comply with the above-stated requirements.

If this settlement is not approved, the case will proceed as if no settlement had been reached. There can be no assurance that if the settlement is not approved, the class will recover more than is provided in the settlement or, indeed, anything.

AVAILABILITY OF FILED DOCUMENTS

This description of the case is general and does not cover all of the issues and proceedings thus far. In order to see the you may visit the office of the Clerk of the United States District Court for the Eastern Division of Massachusetts, John Joseph Moakley United States Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210. The Clerk will make the files relating to this lawsuit available to you for inspection and copying at your own expense. In addition, the complaint and settlement agreement are posted on the website of Class Counsel: www.quatlaw.com.

INQUIRIES

Any questions you or your attorneys have concerning this notice should be directed to:

Kenneth D. Quat, Esq.
Quat Law Offices
9 Damonmill Square, Suite 4A-4
Concord, MA 01742
ken@quatlaw.com

All inquiries should be by first class mail or e-mail. Please include the case name and number, your name and your current return address on any regular or electronic correspondence.

DO NOT CONTACT THE COURT REGARDING THIS NOTICE.