

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Plaintiff MacKenzie Hise (“Hise” or “Plaintiff”), on behalf of herself and a putative class of persons (identified and defined below as the “Settlement Class”), and Defendant Enhanced Recovery Company, LLC, (“ERC”), subject to court approval. Hise and ERC are collectively referred to as the “Parties.”

WHEREAS, on February 16, 2021, Plaintiff filed a class action complaint against ERC in the Circuit Court of St. Clair County, Illinois, styled, *MacKenzie Hise f/k/a MacKenzie Brown v. Enhanced Recovery Company, LLC*, Case No. 21-L-0148, alleging that ERC violated the Fair Debt Collection Practices Act (“FDCPA”) by sending settlement letters that were misleading and which also attempted to collect debts beyond the statute of limitations;

WHEREAS, on March 19, 2021, ERC removed the case to the United States District Court for the Southern District of Illinois, Case No. 3:21-cv-00317-SPM, and denied the allegations in the complaint;

WHEREAS, on December 5, 2022, the Parties reached an agreement in principle to settle the Lawsuit after mediation before Retired United States District Court Magistrate Judge Stephen Williams and after subsequent arm’s length negotiations between counsel;

WHEREAS, on January 13, 2023, the Southern District of Illinois remanded the case to the Circuit Court of St. Clair County, Illinois (the “Circuit Court”);

WHEREAS, ERC denies and continues to deny the claims under the FDCPA asserted by Plaintiff, denies Plaintiff and/or the Settlement Class are entitled to damages and maintains that it has meritorious defenses to the claims alleged in the Lawsuit;

WHEREAS, while denying all liability and without admitting or conceding fault or liability or the validity of Plaintiff’s claims, or that Plaintiff or any individual in the Settlement Class is

entitled to any relief as a result of ERC's conduct, ERC has agreed to settle the claims that are the subject of the Lawsuit;

WHEREAS, the Settlement Class includes approximately 45,853 people;

WHEREFORE, the Parties stipulate and agree that the claims of Plaintiff and the Settlement Class should be and are hereby compromised and settled, subject to approval by the trial court, upon the following terms and conditions:

1. Recitals. The above described recitals are incorporated herein and made a part hereof.

2. For Settlement Only. This Agreement is entered into for purposes of resolving the disputes between ERC on one hand, and Plaintiff and the Settlement Class on the other, concerning the claims asserted in the Lawsuit. Assertions, statements, and representations herein are for settlement purposes only. The Parties desire and intend to seek the trial court's approval of the settlement and a final judgment dismissing with prejudice the claims of Plaintiff and the Settlement Class Members as set forth in this Agreement. The Parties agree to undertake all reasonable steps necessary to effectuate the purpose of the settlement, to secure the trial court's approval of the settlement, and to oppose in good faith any interventions and objections to the settlement. If the trial court does not finally approve this Agreement, the Parties expressly agree that this Agreement is null and void as described in Section 15.

3. Certification of the Settlement Class. For settlement purposes only, the Parties hereby stipulate to seek certification of the following settlement classes defined as follows: All individuals from February 15, 2020, until the date of preliminary approval to whom ERC sent a collection letter in which ERC made an offer of settlement and stated the residual balance would remain with the creditor. The class is limited to only letters sent by ERC to an Illinois address and

which were not returned as undeliverable. The class members bound by the class definition are those included on the class member spreadsheet to be produced by ERC and as agreed to by the parties. “Settlement Class Member” means any person included in the Settlement Class who does not timely and properly opt out of this settlement. ERC will not oppose the certification of the Settlement Class for settlement purposes only and reserves all of its defenses and objections to certification of the proposed class.

4. Representation of the Settlement Class. Plaintiff will request to be appointed as the “Class Representative” and attorneys David T. Butsch and Christopher E. Roberts of Butsch Roberts & Associates will request to be appointed as “Class Counsel.” ERC will not oppose these requests.

5. Notice Information: To the extent ERC can reasonably determine from its records, ERC will provide the Settlement Administrator (defined in section 10) and Class Counsel with the last known name and address of each individual in the Settlement Class. This information is referred to as “Notice Information.” The Notice Information shall not be used for any purpose, whatsoever, other than for the implementation of this Agreement. The Notice Information shall not be disclosed by the Settlement Administrator or Class Counsel to any other persons for any purpose whatsoever, aside from providing notice in relation to this class settlement. ERC and/or its counsel will provide an affidavit attesting to the authenticity of the information provided. ERC shall provide the Notice Information to the Settlement Administrator upon entry of an order by the Circuit Court in this case granting preliminary approval of this settlement, and shall deliver the information to the Settlement Administrator no later than seven days after the entry of the Circuit Court’s order granting preliminary approval of the settlement.

6. Preliminary Approval. Plaintiff will file a motion with the trial court for preliminary approval of this settlement within 10 days of ERC's execution of this Agreement. Plaintiff will confer with ERC on this motion, and the Parties will work in good faith to agree to its contents. The motion for preliminary approval will seek an order that: (a) preliminarily approves the settlement of the Lawsuit; (b) certifies a Settlement Class as defined in Section 3 above; (c) approves and appoints Plaintiff as representative of the Settlement Class; (d) approves and appoints attorneys David T. Butsch and Christopher E. Roberts of Butsch Roberts & Associates LLC as Class Counsel; (e) approves the forms prepared by the Parties for giving notice of the settlement to the Settlement Class; (f) approves the methods agreed to by the Parties for giving notice of the settlement to the Settlement Class; and, (g) sets deadlines for providing notice to the Settlement Class and for such persons within the Settlement Class to submit requests for exclusion/opt-out and objections to the proposed settlement. The Parties will thereafter seek final approval of the settlement and entry of a "Final Approval Order and Judgment" (as defined in section 11).

7. The Relief. ERC will pay \$450,000.00 (the "Settlement Fund") to pay the class members' payments, a class representative service award, class counsel's attorneys' fees and reasonable litigation expenses and the cost of settlement administration. In no event shall ERC pay any more than this amount. ERC will not oppose a pro rata payment of all amounts remaining from the Settlement Fund, after the cost of settlement administration, a class representative service award, and attorney's fees and reasonable litigation expenses to class counsel, to each class member who submits a valid claim as required by this Agreement. Once the Circuit Court enters an order of final approval of this Agreement, no portion of the Settlement Fund shall revert to ERC. The amount of the pro rata payment to class members will be determined by deducting the cost of settlement administration, the class representative service award and the reasonable

attorneys' fees and litigation expenses as awarded by the Court (the "Settlement Class Member Payments"). Payments may be made to the class members who submit a valid claim by check or electronic payment.

The amount of all uncashed checks or checks that are unable to be delivered 120 days after mailing to the Settlement Class members will be distributed by the Settlement Administrator to the Illinois State Treasurer with the necessary information to report the unclaimed property, consistent with the procedures established by the Treasurer for unclaimed property.

8. Notice to Settlement Class. In the event of an order granting preliminary approval of the settlement by the trial court as described in Section 6, notice of the settlement (the "Settlement Notice") will be mailed to the individuals in the Settlement Class within twenty-one (21) days after such order. The Settlement Administrator will send the class notice and claim form by first class U.S. mail to persons in the Settlement Class at such person's last known address, as listed in the Notice Information, and will also set up a dedicated website to advise such persons of the settlement, and through which class members can submit their claims. Prior to mailing the notice, the Settlement Administrator will update the address information provided by ERC or its counsel through the National Change of Address ("NCOA") database maintained by the U.S. Postal Service. Any mailed notice and claim form returned to the Settlement Administrator with a new forwarding address will be re-mailed one time to the individual at the new forwarding address. The mail notice to the Settlement Class will include a brief summary of the lawsuit, identify the Settlement Administrator, identify the settlement website, from which information about the settlement can also be obtained, and through which claims may also be submitted. The content and format of the notice and the website will be agreed upon by the Parties, and the website will be operational on the date the notice is mailed to the Settlement Class. Individuals in the

Settlement Class shall be able to opt-out and exclude themselves from the settlement or object to the settlement within sixty (60) days after the notice is first mailed to exclude themselves from or object to the settlement. The Settlement Administrator will provide an affidavit to file with the trial court, as part of the final approval papers, stating that these notice procedures were followed and stating the date on which the Settlement Notice was postmarked for purposes of the 60-day deadline referenced in Section 16, below. Class members shall have ninety days (90) to submit claims.

To receive a payment, each member of the settlement class must submit a valid claim form. The claim form will require the class member to include their name, address and a physical or digital signature confirming that they wish to receive payment.

9. Representative Service Award and Attorneys' Fees. Class Counsel will apply for an award (the "Fee Award") of \$150,000.00 in attorney's fees and reasonable litigation expenses (taxable costs and mediation expenses) (the "Cost Award"). Class Counsel will also request an incentive award for Plaintiff ("Representative Service Award") in the amount of \$8,000.00 for serving as the class representative in this case. The incentive award and attorney fee award will be set forth in the Final Approval Order and Judgment (defined below). ERC will not oppose awards of these amounts.

10. Settlement Administration and Expenses. The Parties shall select a settlement administrator for purposes of issuing notice to the Settlement Class and administering the settlement ("Settlement Administrator"), and ERC shall pay the administrator's reasonable expenses from the Settlement Fund. Any initial payment regarding class notice required by the Settlement Administrator to be paid before final approval shall be borne by Defendant. Said amount will be subtracted from the total \$450,000 Settlement Fund. If the court does not grant

final approval of the settlement, the parties shall bear equally the expenses of the administrator up to the date of the Order denying final approval of the settlement, including reimbursement of half of all such costs advanced by Defendant. Counsel for Plaintiff agrees to reimburse Defendant for such amounts within 14 days of the Court declining to approve the settlement.

The Parties will consult with the Settlement Administrator to design a notice campaign that satisfies due process. Upon the entry of an order granting preliminary approval of this Agreement, ERC, to the extent it may reasonably determine, shall provide the Settlement Administrator the names and last known addresses for each individual in the Settlement Class, pursuant to section 5 above. The Settlement Administrator shall also comply with all notice requirements set forth in this Agreement.

11. Final Approval. The preliminary approval order described in Section 6 will set a date for a Final Approval Hearing, at which the Parties will request that the trial court enter a Final Approval Order and Judgment, consistent with this Agreement and the Parties' efforts to consummate the settlement. ERC shall not be obligated to pay any sum pursuant to this Agreement except after a Final Approval Order and Judgment as described in Section 13. However, in the event that a Final Approval Order and Judgment are not granted, ERC will reimburse the Settlement Administrator for one half of any unpaid reasonable costs incurred to that point in administering the settlement, and Plaintiff's counsel shall be responsible for the other half of any such unpaid costs. The respective responsibilities of the parties for the costs of settlement administration are set forth in Section 10, above.

12. Effective Date. The "Effective Date" of this Agreement shall be the date that is five (5) calendar days after all of the following conditions have occurred and been satisfied:

(a) The trial court has entered: (i) a final order approving this Settlement Agreement under 735 ILCS 5/2-801 *et seq.*; and (ii) a final judgment granting the relief and releases described in this Agreement, including that in Sections 7 and 14; and

(b) The time for appeal or to seek permission to appeal from the trial court's approval of this Agreement and entry of final judgment described in subsection (a) of this paragraph has expired or, if appealed, approvals of this Agreement and any final judgment have been affirmed by the court of last resort to which such appeal can be taken, and such affirmance has become no longer subject to further appeal or review.

13. Payments.

- a. Within twenty-one (21) days of the execution of this Agreement, ERC shall transfer to its counsel's trust account an amount equal to its remaining deductible under its applicable insurance policy, to be held in trust, pending disbursement for payment of settlement administration costs consistent herewith, or pending disbursement of the Settlement Fund consistent herewith.
- b. Within twenty-one (21) days after the Effective Date, ERC or ERC through its insurer shall pay the \$450,000 Settlement Fund to the Settlement Administrator, less any amounts paid to the Settlement Administrator pursuant to this Agreement.
- c. The Settlement Administrator shall distribute the Settlement Class Member Payments within five days of receipt of the Settlement Fund from ERC.

- d. The Settlement Administrator shall pay the Representative Service Award by check or wire to “Butsch Roberts & Associates LLC Trust Account” within five days of receipt of the Settlement Fund from ERC.
- e. The Settlement Administrator shall pay the Fee Award and the Cost Award to an account as directed by Class Counsel within five days of receipt of the Settlement Fund from ERC.
- f. The Settlement Administrator shall provide to counsel for Plaintiff and Defendant an affidavit reflecting the calculation of the Settlement Class Member Payments and an accounting of the distribution of the Settlement Fund.

14. Agreement. As of the Effective Date, Plaintiff and each Settlement Class Member (any person included in the Settlement Class who does not timely and properly opt out of this settlement) (the “Releasing Parties”), will release ERC, its predecessors, successors, assigns, parents, subsidiaries, divisions, departments, vendors, clients, principals, and agents, and any and all past, present, and future officers, directors, employees, stockholders, successors, attorneys, insurers, reinsurers, claim service managers, and subrogees (the “Released Parties”), from any and all claims arising from or relating to the allegations in the Plaintiff’s Complaint which are the subject of the instant lawsuit from the beginning of time through the date of the execution of this Agreement (the “Released Claims”). The Releasing Parties will also release the creditors, Sprint and T-Mobile, and their respective affiliates (“Creditors”), from any and all claims arising from or relating to the allegations in the Plaintiff’s Complaint which are the subject of the instant lawsuit through the date of preliminary approval of the settlement for whom ERC was providing collection services, which services are the basis of the lawsuit, from all liability founded upon the conduct,

actions or omissions of Defendant, specifically including, but without limitation, any claims for which ERC would be obligated to indemnify the Creditors from the beginning of time through the date of the execution of this Agreement. The Releasing Parties further agree that they will not institute any action or cause of action (in law, in equity or administratively), suits, debts, liens, or claims, known or unknown, fixed or contingent, which they may have or claim to have, in state or federal court, in arbitration, or with any state, federal or local government agency or with any administrative or advisory body, arising from or reasonably related to the Released Claims. The Releasing Parties 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 from doing so, in any court of law or equity, or any other forum.

15. Effect of Trial Court's Denial of Preliminary or Final Approval. This Agreement is null and void if the trial court does not preliminarily approve the settlement or finally approve the settlement in substantially the same form as set forth herein, or if the settlement or the judgment approving the settlement is appealed and not approved on appeal in substantially the same form as set forth herein. In such event, and upon the trial court entering an order unconditionally and finally adjudicating that this Agreement and settlement will not be approved in substantially the same form as set forth herein, then: (a) this Agreement is terminated and is of no force and effect, and no party shall be bound by any of its terms, except for ERC's reimbursement of the Settlement Administrator's expenses; (b) to the extent applicable, any preliminary order approving the settlement, certifying the Settlement Class, approving the notice or notice procedure, and providing notice to the Settlement Class shall be vacated; (c) the Agreement and all of its provisions and all negotiations, statements, and proceedings shall be without prejudice to the rights of any of the Parties; (d) each of the Parties shall be restored to their respective positions as of the date this

Agreement was fully executed; and (e) neither the settlement nor any of its provisions or the fact that this Agreement has been made shall be admissible in this Lawsuit, or discoverable or admissible in any other action for any purpose whatsoever.

16. Requests by Individuals in Settlement Class.

- a. Requests for exclusion from the class settlement must be sent directly to the Settlement Administrator to be effective. Such requests must be postmarked within sixty (60) days of the date that the Settlement Administrator sent the Settlement Notice. Any such request postmarked after the deadline shall be untimely and of no force or effect. To be valid, a request for exclusion must include the name, address, telephone number and e-mail address of the person requesting exclusion. A request to be excluded that does not include all of the foregoing information, that is sent to an address other than that of the Settlement Administrator as designated in the Settlement Notice, or that is not postmarked within the time specified, shall be invalid, and the Person(s) serving such a request shall be deemed to remain members of the Settlement Class and shall be bound by this Agreement and the Court's final order approving this Agreement, once entered. Any member of the Settlement Class who is recognized by the Parties or the Court as validly excluded from the Settlement Class shall not: (1) be bound by the Final Judgment; (2) be entitled to any relief under this Agreement; (3) gain any rights by virtue of this Agreement; nor (4) be entitled to object to any aspect of this Agreement.

b. A class member who wishes to object to the settlement must file the objection with the Court within sixty (60) days of the date that the Settlement Administrator sent the Settlement Notice. Any such objection postmarked after the deadline shall be untimely and of no force or effect. To be valid, any such timely filed objection must include: (a) the name, address, telephone number and e-mail address of the person objecting and, if the person is represented by counsel, such information for his or her counsel; (b) proof the person objecting to the settlement is a class member; (c) the reasons for his or her objection; and, (d) a statement as to whether the objector intends to appear at the Final Approval Hearing. Any objector who fails to timely file his or her written objection with the Court, consistent with this Section 16, shall not be permitted to object to the Settlement. “Mass” or “class” requests for exclusion shall not be allowed. The Parties will have the same right to discovery from any objector, as if the objector was a party in the lawsuit, including the right to take the objector’s deposition. Such discovery shall be conducted on an expedited basis, and the objector is required to appear for a deposition within 15 days of the deposition being noticed.

17. Responsibility for Taxes on Distribution. Any person or entity that receives a distribution from the Settlement Fund pursuant to this Agreement shall be solely responsible for any taxes or tax-related expenses owed or incurred by that person or entity by reason of that distribution. Such taxes and tax-related expenses shall not be paid from the Settlement Fund. Plaintiffs acknowledge that ERC and its attorneys provided no tax advice related to this Agreement

and that ERC or the Settlement Administrator may be required to file certain Form 1099 or other information reports with the United States Internal Revenue Service. Plaintiff has been advised to consult with tax counsel of Plaintiffs' own choice to seek legal and tax advice regarding the taxability or non-taxability of consideration provided herein. In no event shall ERC or any of the other Released Parties have any responsibility or liability for taxes or tax related expenses arising in connection with the payment or distribution of the Settlement Fund to Plaintiffs, Class Counsel or any other person or entity.

18. No Admission of Liability. This Agreement affects the settlement of claims that are denied and contested, and nothing contained herein shall be construed as an admission by ERC of any liability of any kind. ERC denies any liability in connection with any such claims and intends merely to avoid further litigation.

19. Non-Waiver of Debts/Obligations Owning by Settlement Class Members. The Parties understand and agree that this Agreement and any terms herein shall not affect in any regard any debt or obligation owed by any Plaintiffs, Settlement Class Members, or other persons to ERC and/or its clients, principals and their related or affiliated entities. This Agreement does not operate to waive, extinguish, terminate, reduce or affect any debt or obligation owed by Plaintiffs, Settlement Class Members, or other persons and shall not impair or limit any right or cause of action or right to enforce or otherwise collect any underlying debt or amount owed to ERC and its clients, principals and their related or affiliated entities.

20. Entire Agreement. This Agreement contains the entire agreement and understanding between the Parties concerning the subject matter hereof, and any and all prior oral or written agreements or understandings between the Parties related hereto are superseded. This

Agreement may not be altered, amended or otherwise changed or modified, except in writing signed by all Parties.

21. Headings. Headings contained in this Agreement are for convenience of reference only and are not intended to alter or vary the construction and meaning of this Agreement.

22. Warranties. The Parties further represent, warrant, and agree that, in executing this Agreement, they do so with full knowledge of any and all rights they may have with respect to the claims released in this Agreement, and that they have received legal counsel from their attorneys with regard to the facts involved and the controversy herein compromised and with regard to their rights arising out of such facts. Each Party hereto represents such party has not assigned, transferred or granted, or purported to assign, transfer, or grant, any of the claims, demands and cause(s) of action asserted in the Lawsuit. Each of the Parties executing this Agreement warrant that they have the authority to enter into this Agreement and to legally bind the Party for which he or she is signing.

23. Successors and Assigns. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors, assigns, heirs, agents, employees, attorneys, representatives, officers, parents, affiliates, and subsidiaries.

24. Further Cooperation. The Parties agree to cooperate in good faith as shall be necessary or expedient to carry out the provisions of this Agreement, and shall in good faith undertake all reasonable acts to effectuate the provisions of this Agreement.

25. Governing Law. The contractual terms of this Agreement shall be interpreted and enforced in accordance with the substantive law of the State of Illinois, without regard to its conflict of laws or choice of law provisions. All suits to enforce this Agreement shall be brought in the Circuit Court of St. Clair County, Illinois.

26. Joint Drafting of Agreement. The Parties agree and stipulate that the settlement was negotiated on an “arm’s-length” basis between parties of equal bargaining power. The Agreement has been drafted jointly by Class Counsel and ERC’s counsel. Accordingly, this Agreement is mutually created, and no ambiguity shall be construed in favor of or against any of the Parties. This Agreement was prepared after an agreement in principle to resolve the case was reached after extensive negotiations between counsel and after a mediation with Retired United States District Court Magistrate Judge Stephen Williams.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, and such counterparts together shall constitute one instrument. Electronically scanned signatures are acceptable for the execution of this Agreement.

28. Severability. Each term and provision of this Agreement shall be construed and interpreted so as to render it enforceable. In the event any provision of this Agreement is held to be illegal or unenforceable, the remainder of this Agreement shall be binding and enforceable.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date(s) set forth below.

PLAINTIFF:

5/26/2023
Dated: _____

DocuSigned by:
MacKenzie Hise
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MacKenzie Hise f/k/a MacKenzie Brown

PLAINTIFF'S COUNSEL:

5/26/2023
Dated: _____

Butsch Roberts & Associates LLC

DocuSigned by:
[Signature]
8A4D3EA6C6DA463...

By: _____

Its: Partner

DEFENDANT:

Dated: 5/25/2023

Enhanced Recovery Company, LLC

By: 

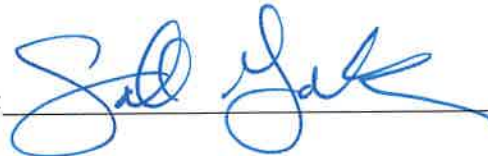
Printed Name Rocky Landoll

Title: VP of Legal

DEFENDANT'S COUNSEL:

Smith, Gambrell & Russell, LLP

Dated: 5/25/2023

By: 

Its: Partner