

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

**If You Received a Letter from the Law Firm of
Phelan Hallinan & Schmieg, LLP Dated between
October 23, 2009 and October 22, 2010 Which Related to a
Mortgage Foreclosure of Residential Real Estate in Pennsylvania,
You Could Be Affected by a Proposed Class Action Settlement.**

This is a Federal Court Authorized Notice. This is not a Solicitation.

A lawsuit called *McLaughlin v. Phelan Hallinan & Schmieg, LLP* is pending in the United States District Court for the Western District of Pennsylvania. As explained below, the lawsuit alleges that in attempting to collect an overdue debt related to a real estate mortgage, Phelan Hallinan & Schmieg, LLP (Defendants”) sent a letter known as a “Validation Letter” which contained statements that violated the Fair Debt Collection Practices Act. Any person who received such a letter dated between October 23, 2009 and October 22, 2010 is entitled to share in the proceeds of this settlement, should the Settlement be approved by the Court.

This Notice has been issued to inform you:

- (1) that the proposed Settlement has been reached with the Defendants that will resolve the lawsuit in its entirety;
- (2) that a Plan of Distribution has been proposed regarding how to distribute the proceeds from the proposed Settlement;
- (3) that Class Counsel will petition the Court for an award of attorney’s fees and litigation expenses that will be paid from a fund that is separate from the fund created to pay Class Members;
- (4) that Class Counsel will petition the Court for an incentive award for the Class Representative Plaintiff; and
- (5) how to obtain proceeds from the proposed Settlement by filing the Claim Form available on the website.

The proposed Settlement totals \$500,000. Defendants have asserted a number of defenses to Plaintiff’s claims but have settled to avoid the cost and risks of further litigation and trial. The details of the proposed Settlement are available by contacting the Claims Administrator or at www.MortgageValidationLetterSettlement.com.

To determine whether you are affected by the proposed Settlement, please read this Notice carefully. Your rights and options - and deadlines for exercising them - are explained in this Notice.

Please go to www.MortgageValidationLetterSettlement.com or contact the Claims Administrator for Court documents about the proposed Settlement, frequently asked questions and more information.

**DO NOT CONTACT THE COURT OR DEFENDANTS
WITH QUESTIONS REGARDING THIS NOTICE.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS PROPOSED SETTLEMENT

YOU MAY		DUE DATE
File a Claim Form	The only way to receive payment from the proposed Settlement.	Postmarked by Friday, January 15, 2016
Object to the Settlement	Write to the Court about why you do not like the proposed Settlement.	Postmarked by Monday, February 22, 2016
Go to a Hearing	Write to the Court and ask to speak at the hearing about the fairness of the proposed Settlement.	Postmarked by Monday, February 22, 2016
Do Nothing	You will be considered part of the settlement class and will be bound by the terms of the Settlement. If you do not submit a Claim Form, you will not receive a payment from the proposed Settlement.	Not Applicable
Exclude Yourself from the Proposed Settlement Class	You will <u>not</u> receive a payment from the Settlement. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims made in this case.	Postmarked by Monday, February 22, 2016

1. Why did I get this Notice?

You were identified by Defendants as having been sent a Validation letter related to a mortgage foreclosure of non-commercial property in Pennsylvania during the class period.

2. What is this lawsuit about?

Defendants are a law firm that represents various lenders and certain persons associated with the law firm. The lawsuit claims that Defendants sent a letter to people who were identified as borrowers or listed on a mortgage securing a home loan. The Plaintiff complains that statements made by Defendants in these letters were false and/or violated the Fair Debt Collection Practices Act (the "FDCPA"). The FDCPA creates a cause of action for violations of that Act. This lawsuit seeks to recover for violations of the FDCPA as well as for class attorneys' fees and costs. Defendants deny these allegations and maintain that they have acted lawfully at all times.

3. Who are the Defendants?

Defendants are the law firm of Phelan Hallinan & Schmieg, LLP, Lawrence T. Phelan, Francis S. Hallinan, Daniel G. Schmieg and Rosemarie Diamond.

4. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Timothy McLaughlin) sue on behalf of people or entities that have allegedly similar claims. All of these people are settlement class members and make up the proposed Settlement class. One Court resolves the issues for all class members, except for those who exclude themselves from the class. U.S. District Judge Bissoon is in charge of this class action.

5. Why is there a Proposed Settlement?

Defendants have not admitted any wrongdoing in this case, and the Court did not decide in favor of the Plaintiff or Defendants. Instead, both sides agreed to the proposed Settlement. That way, they avoid the cost and risk of further litigation and a trial, and the proposed class members affected will be able to file a claim against a settlement fund. The Class Representatives and Class Counsel think the proposed Settlement is best for all proposed class members.

6. Who is affected by the Proposed Settlement?

To see if you are affected by the proposed Settlement, you first have to determine if you are a Settlement Class Member.

7. How do I know if I am part of the Proposed Settlement?

Any natural person obligated or allegedly obligated to pay any debt who was mailed a Validation Letter from Phelan Hallinan & Schmieg, LLP dated between October 23, 2009 and October 22, 2010, inclusive, and which related to a mortgage secured by real property in Pennsylvania for personal, family, or household use. Excluded from the Class are Defendants, any parent, subsidiary, or affiliate of Defendants, and all governmental entities.

**RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT
YOU ARE A MEMBER OF THE SETTLEMENT CLASSES OR ARE
ENTITLED TO RECEIVE PROCEEDS FROM THE PROPOSED SETTLEMENT.**

8. I'm still not sure if I am included.

If you are still not sure whether you are a class member, you can ask for help. See Section 26 below.

WHAT THE PROPOSED SETTLEMENT MEANS TO YOU

9. What does the Settlement provide?

Under the Settlement, Defendants have agreed to pay \$500,000. In exchange for this settlement payment, Settlement Class Members give up all legal rights to sue Defendants for the released claims, which include any and all claims, demands, actions, suits and causes of action for any kind of relief whatsoever and liabilities of any nature whatsoever that the Settlement Class Members ever had, now have, or hereafter can, shall, or may have against Defendants which arise from statements made during the class period in the Validation Letters.

DISTRIBUTION OF THE SETTLEMENT PROCEEDS

10. How will the Settlement funds be distributed?

Settlement funds will be distributed only after the Court grants final approval to the proposed Settlement. According to the proposed Plan of Distribution, the Settlement Class will receive proceeds from the proposed Settlement, after payment of any incentive award paid to the Class Representative.

The available settlement funds will be distributed on a *pro rata* basis to Class Members who timely file a valid Claim Form. If there are two names on a single Validation Letter concerning a single property, that will be considered one claim. The amount of each payment will be between \$27 and \$1,000, depending on the total number of claims filed. A Class Member's *pro rata* share of the proposed Settlement will be determined by first subtracting any incentive award given by the Court and then dividing the total number of approved claims by the remaining settlement funds, but no claim will receive more than \$1,000 under any circumstance.

Once the Court grants final approval to the proposed Settlement, the distribution will take place as soon as practicable after review, determination, and audit of the Claim Forms by the Claims Administrator and a recommendation of the value of each claim is submitted to the Court.

11. How do I receive payment from the Proposed Settlement?

To obtain a payment from the proposed Settlement, you need to complete and submit the Claim Form, which is available online at www.MortgageValidationLetterSettlement.com. The Claim Form must be postmarked or submitted by January 15, 2016 to be considered for distribution. Any members of the Settlement Class who do not complete and timely return the Claim Form will not be entitled to share in any settlement proceeds.

WARNING: There are companies that may contact you upon learning of a pending class action distribution and offer to help you file your Claim Form in exchange for a share of the money that you may ultimately recover or for other compensation. Please be advised that you do not need to use these companies. Assistance is available from the Claims Administrator at no cost to you.

EXCLUDING YOURSELF FROM THE PROPOSED SETTLEMENT

12. How do I get out of the Proposed Settlement?

If you don't want a payment from the proposed Settlement, but you want to keep the right to sue or continue to sue Defendants, on your own, about the legal issues in this case, then you must take steps to remove yourself from the class. This is called excluding yourself or "opting out" of the class.

To exclude yourself from the proposed Settlement, you must send a letter saying that you want to be excluded from the class. The letter must include the following information:

- a statement that you want to be excluded from the class;
- the case name: TIMOTHY McLAUGHLIN, on Behalf of Himself and All Others Similarly Situated, Plaintiff, v. PHELAN HALLINAN & SCHMIEG, LLP, et al., Defendants; and
- your name, address, telephone number and your signature.

Your letter must be postmarked by February 22, 2016 and sent to:

Mortgage Validation Letter Settlement Claims Administrator
P.O. Box 43397
Providence, RI 02940-3397

If you ask to be excluded from the proposed Settlement, you will not get a payment from it, and you cannot object to the Settlement. You may be able to sue (or continue to sue) Defendants if you choose to be excluded from the Settlement. However, you should consult counsel of your choosing prior to requesting exclusion because in some jurisdictions your claim may be time barred.

13. If I do not exclude myself, can I sue Defendants later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that the Proposed Settlement resolves. If you have a pending lawsuit against Defendants involving the issues in this case, speak to your own lawyer in that case immediately. It may be necessary for you to exclude yourself from this class in order to continue your own lawsuit.

14. If I exclude myself, can I get money from the Proposed Settlement?

No. If you decide to exclude yourself, you will not be eligible to request money from the Proposed Settlement.

THE LAWYERS REPRESENTING YOU AS A CLASS MEMBER

15. Do I have a lawyer in this case?

Yes. The Court has appointed: John C. Evans, J. C. Evans Law, P.C., Trent Echard and Harry Kunselman, Strassburger McKenna Gutnick & Gefsky, and David P. Manogue, Manogue Law, P.C. to represent the class. These lawyers are called Class Counsel. Class Counsel's fees and costs will be paid as ordered by the Court. What they are paid will not affect what you are paid. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How will the lawyers be paid?

To date, Class Counsel has not been paid any attorneys' fees. As compensation for their time and risk in prosecuting the litigation on a wholly contingent fee basis, Class Counsel will petition the Court for an award of attorneys' fees and for reimbursement of litigation expenses incurred. Once filed, a copy of the motion will be available at www.MortgageValidationLetterSettlement.com. Class counsel will request an award of attorneys' fees that will not exceed \$500,000. Class Counsel's fees and expenses will be paid separately by Defendants in this case, if paid at all. What they are awarded by the Court, if anything, will not impact any payment to the class.

If you choose to hire an attorney to represent you, you will need to pay your attorney.

OBJECTING TO THE PROPOSED SETTLEMENT, ATTORNEYS' FEES OR EXPENSE REQUESTS

17. How do I tell the Court that I don't like the Proposed Settlement, attorneys' fees or expense requests?

If you are a Class Member, you can object to the proposed Settlement or any part of it. You may also object to Class Counsel's request for attorneys' fees, reimbursement of litigation expenses and/or the request for an incentive award for the Class Representative. You can give reasons why you think the Court should not approve one or all of the proposed Settlement or the fees, expenses, or incentive award requests. The Court will consider your views. To object, you must send a letter that includes the following:

- A statement saying what you object to (for example, the proposed Settlement, the request for attorneys' fees, the requests for reimbursement of litigation expenses, and/or the request for incentive award for the Class Representative);
- Your name, address, telephone number and your signature;
- The reasons you object to the proposed Settlement; and
- Proof of your membership in the class (such as a copy of the Validation Letter or Foreclosure Documents you received).

You must file the objection with the Court at the following address, postmarked by February 22, 2016:

Clerk of Court
United States District Court for the Western District of Pennsylvania
700 Grant Street
Pittsburgh, PA 15219

You must also mail copies of the objections to all of the following attorneys, postmarked by February 22, 2016:

John C. Evans
J. C. Evans Law, P.C.
Koppers Building, 26th Floor
Pittsburgh, PA 15219

Trent Echard
Harry Kunselman
Strassburger McKenna Gutnick & Gefsky
Four Gateway Center, Suite 2200
444 Liberty Avenue
Pittsburgh, PA 15222

David P. Manogue
Manogue Law, P.C.
5739 Meridian Rd. Rear
Gibsonia, PA 15044

18. Does the Class Representative get anything extra for being the Representative?

Class counsel will petition the Court to provide incentive awards to the class representative, which when combined with his class settlement payment will total \$5,000. You may object to this incentive award as set forth below.

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object to the proposed Settlement only if you stay in the class. If you exclude yourself, you have no basis to object because the proposed Settlement no longer affects you.

20. Will the Court hold a Fairness Hearing?

The Court will hold a hearing to decide whether to approve the proposed Settlement and the request for attorneys' fees and litigation expenses. You may attend, but you are not required to do so. If you attend, you may ask to speak, but you don't have to participate.

21. When and where will the Court decide whether to approve the Proposed Settlement?

The Court will hold a Fairness Hearing at 2:15 p.m. on March 3, 2016, in Courtroom 6B at the United States Courthouse, 700 Grant Street, Pittsburgh, PA 15219. At this hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate and whether to approve the request for attorneys' fees, incentive award, and litigation expenses. If there are objections, the Court will consider them. Judge Bissoon will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the proposed Settlement.

The Court may change the time and date of the Fairness Hearing. Notice of any change will be posted at the Courthouse or on the Court's website.

22. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Bissoon may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

23. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating the following:

- Notice of Intention to Appear in TIMOTHY McLAUGHLIN, on Behalf of Himself and All Others Similarly Situated, Plaintiff, v. PHELAN HALLINAN & SCHMIEG, LLP, et al., Defendants;
- The position you will take on the proposed Settlement and your reasons;
- Your name, address, telephone number and your signature; and
- Proof of your membership in the class (such as a copy of the Validation Letter or Foreclosure Documents you received).

Your Notice of Intention to Appear must be filed with the Court at the following address, postmarked by February 22, 2016:

Clerk of Court
United States District Court for Western District of Pennsylvania
700 Grant Street
Pittsburgh, PA 15219

You must also mail copies of the Notice of Intention to Appear to all of the attorneys listed in Question 17 above.

IF YOU DO NOTHING

24. What happens if you do nothing at all?

If you do nothing, you will remain in the class for the proposed Settlement, but you will not receive any proceeds from the Settlement. In order to obtain a share of the settlement proceeds, you must submit a Claim Form. The Claim Form must be postmarked or submitted online by January 15, 2016 to be considered for distribution.

GETTING MORE INFORMATION

25. Are there more details about the Proposed Settlement available?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by visiting www.MortgageValidationLetterSettlement.com.

26. How do I get more information?

If you have questions or want more information, you can visit the official settlement website at www.MortgageValidationLetterSettlement.com. If the answer to your question cannot be located on the website, you may contact the Claims Administrator by (1) email at admin@MortgageValidationLetterSettlement.com; (2) calling toll-free 1-866-545-7412; or (3) writing to Mortgage Validation Letter Settlement Claims Administrator, P.O. Box 43397, Providence, RI 02940-3397.

You may also write any of Class Counsel at the following addresses:

John C. Evans
J. C. Evans Law, P.C.
Koppers Building, The 26th Floor
Pittsburgh, PA 15219

Trent Echard
Harry Kunselman
Strassburger McKenna Gutnick & Gefsky
Four Gateway Center, Suite 2200
444 Liberty Avenue
Pittsburgh, PA 15222

David P. Manogue
Manogue Law, P.C.
5739 Meridian Rd. Rear
Gibsonia, PA 15044

27. Can I update my address?

Yes. If your address changes please enter your current information online at www.MortgageValidationLetterSettlement.com or send it to the Claims Administrator at:

Mortgage Validation Letter Settlement Claims Administrator
P.O. Box 43397
Providence, RI 02940-3397

Dated: December 1, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT for the
WESTERN DISTRICT OF PENNSYLVANIA