

FLORA L. BAILEY, et al.,
Plaintiffs,
v.
JAMOS FUND I, LP, et al.,
Defendants.

JEFFERSON CIRCUIT COURT
DIVISION SIX (6)
No. 10-CI-03403
CLASS ACTION

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

You may be entitled to payment under a proposed class action settlement because at any time from October 13, 2008, through the present day, you had a certificate of delinquency purchased against you or your property by JAMOS Capital, LLC, JAMOS Fund I, LP, or a subsidiary, agent, or partner thereof, within the Commonwealth of Kentucky, and were assessed the statutory maximum of prelitigation attorneys' fees and were assessed interest for the month in which the certificate of delinquency was purchased via a 50-day notice letter, and you actually paid to release the lien.

*A Kentucky Court has authorized this Notice.
This is not a solicitation from a lawyer. You are not being sued.*

- This settlement resolves a lawsuit over whether JAMOS Capital, LLC, JAMOS Fund I, LP, or a subsidiary, agent, or partner thereof (the "Jamos Entities"), which retained Defendants Steven Roland Smith, Steven Roland Smith, LLC, and Greg Dewey Voss (the "Attorney Defendants") to collect the debt owed to pay off a certificate of delinquency, charged attorneys' fees and interest that the class representatives allege were unearned.
- The Jamos Entities and the Attorney Defendants (collectively, the "Defendants") deny and dispute the claims asserted in the Litigation. The parties disagree about whether any money (and if so, how much) could have been awarded to you if the Plaintiffs were to prevail at trial. The settlement avoids the cost and risks to members of the Class (like you) from continuing with the lawsuit and provides relief to the Class.
- This settlement will provide a gross fund of \$2,000,000 to be distributed to Class Members before payment of administrative costs and Class Counsel fees and costs.
- Your rights are affected whether you act or not. Read this Notice carefully.

Your Legal Rights and Options in This Settlement	
Do Nothing	Remain in the Settlement Class and <i>receive payment</i> . You will not be able to bring any other claims against JAMOS or the Attorney Defendants for issues arising from or relating to the legal claims in this case.
Exclude Yourself	If you exclude yourself, you will receive no benefits of proceeds from this settlement, but you keep the right to file a lawsuit unless some other circumstance bars you from bringing suit. To exclude yourself, you must submit a signed request for exclusion no later than September 10, 2017 .
Object	Write to the Court about why you don't like the settlement and do not want it approved. Act by September 30, 2017 .
Go to a Hearing	Ask to speak in Court about the fairness of the settlement on October 26, 2017 .

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

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BASIC INFORMATION

1. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit, a person (“Class Representative”) sues on behalf of others who have the same claims. People with the same claims are called “Class Members,” or collectively, a “Class.” Because everyone in the Class has the same claims against the party being sued, one court can resolve the issues for everyone in the Class, except those who choose to exclude themselves from the Class. In this case, Flora Bailey, Mielen Hargrove, and Dartanya Hill are the Class Representatives.

2. WHAT IS THIS LAWSUIT ABOUT?

JAMOS Fund I, LP, and Jamos Capital, LLC, purchased certificates of delinquency on properties where the owner failed to timely pay taxes, and the Jamos Entities retained the Attorney Defendants to collect the debt owed to pay off the certificate. In collecting this debt, attorneys’ fees and interest were charged that the Class Representatives allege were unearned, unreasonable, and in violation of the law. The Jamos Entities and the Attorney Defendants deny the allegation and any wrongdoing, and the Court has not made a final decision either way.

3. WHY DID I GET THIS NOTICE?

The Court approved this Notice because you have a right to know about a proposed settlement of a class action lawsuit and about all of your options before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals, if any, are resolved, the Settlement Administrator will make the payments the settlement allows.

The Court in charge of the case is the Jefferson Circuit Court, Division Six, Commonwealth of Kentucky, and the case is known as *Bailey, et al. v. JAMOS Fund I, LP, et al.*, Case No. 10-CI-03403. The named person suing is a Class Representative and the named companies being sued, JAMOS Fund I, LP, and Jamos Capital, LLC, are each called a Defendant.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible, and how to get them.

The Jamos Entities' records reflect that you were assessed the statutory maximum of prelitigation attorneys' fees and were assessed interest for the month in which the certificate of delinquency was purchased via a 50-day notice letter, and you actually paid to release the lien, at any time from October 13, 2008, through the present day.

4. WHY IS THERE A SETTLEMENT?

Plaintiffs believe the Class might have won more money than the settlement amount had the case gone to trial, but substantial delays and risks would have occurred, including the risk of the suit not being certified as a class action. The Jamos Entities and the Attorney Defendants believe that the claims asserted in the case are without substantial merit and that the Plaintiffs may have recovered nothing if there had been a trial, but there has been no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost and uncertainty of a trial and appeal, and the people affected will get compensation and other settlement benefits promptly. The Class Representatives and the Class Counsel, defined below, believe that the settlement is best for all Class Members.

5. WHO IS IN THE SETTLEMENT CLASS?

The "Settlement Class" includes the following subclasses:

1. **Damages Subclass:** All persons who, at any time during the Class Period from October 13, 2008, through the present day, had a certificate of delinquency against his, her or its property within the Commonwealth of Kentucky purchased by the Jamos Entities, or a subsidiary, agent, partner or assignor thereof, as to which the Jamos Entities assessed (1) the statutory maximum of prelitigation attorneys' fees; and/or (2) interest for the month in which the certificate of delinquency was purchased, and who actually paid such fees and/or interest.
2. **Injunctive Relief Subclass:** All persons who, at any time during the Class Period from October 13, 2008, through the present day, had a certificate of delinquency purchased against his, her or its property within the Commonwealth of Kentucky by the Jamos Entities, or a subsidiary, agent, partner or assignor thereof, as to which the Jamos Entities assessed (1) the statutory maximum of prelitigation attorneys' fees; and/or (2) interest for the month in which the certificate of delinquency was purchased, and who did not pay such fees or interest, but against whom a claim for such fees or interest remains outstanding.

6. HAS THE COURT DECIDED WHO IS RIGHT?

No. The Court has not yet made any determination as to which side is right.

7. WHO REPRESENTS THE SETTLEMENT CLASS IN THIS CASE?

The proposed settlement provides that James Ballinger, Esq. of Ballinger Law, PLLC and Hans Poppe of the Poppe Law Firm are qualified to represent all Settlement Class Members and that the Court should appoint them as "Class Counsel."

You will not be charged for the services Class Counsel provides on behalf of the Settlement Class. You may choose to have your own attorney represent you in this matter; however, if you want to be represented by your own attorney, you will be responsible for paying his/her fees. Class Counsel's contact information is as follows:

Ballinger Law, PLLC
Attorneys at Law
3610 Lexington Road
Louisville, KY 40207
Office – 502-426-3215
Facsimile – 502-426-3216

The Poppe Law Firm
Justice Plaza
8700 Westport Road, Suite 201
Louisville, KY 40242
Office – 502-895-3400
Facsimile – 502-895-3420

Class Counsel James Ballinger previously took positions adverse to approximately 30 Class Members in unrelated representation of other certificate-of-delinquency purchasers. The Honorable Olu A. Stevens specifically found that Mr. Ballinger adequately represented the Class' interests and that his prior adverse representation had no material impact on his representation of the Class in this case.

THE TERMS OF THE PROPOSED SETTLEMENT

8. WHAT IS THE PROPOSED SETTLEMENT?

In exchange for releasing certain claims against the Attorney Defendants (see Question 9, below, for a description of the released claims), eligible Settlement Class Members will receive the settlement benefits described below.

Payments to Settlement Class Members

To resolve claims of all Settlement Class Members, the Attorney Defendants have agreed to pay approximately \$1 million to the Settlement Class, and the Jamos Entities have agreed to cease any attempts to collect additional unpaid amounts, which total approximately \$1.5 million.

Assuming the Court approves the proposed settlement at the Final Fairness Hearing, within seven (7) days after the entry of the Order Granting Final Approval of the Class Settlement Agreement, the Attorney Defendants will deposit approximately \$1 million into a non-interest-bearing escrow account established and maintained by the Settlement Administrator (the "Settlement Fund"), from which payments will be issued to eligible Settlement Class Members.

If all of the Settlement Class Members remain in the Settlement Class, each eligible Settlement Class Member shall be entitled to an individual award representing the member's pro rata share of the Net Settlement Proceeds. Each Settlement Class member's pro rata share shall be calculated according to the formula $A / B \times C$, where "A" represents the total in attorneys' fees and first month's interest actually paid by a Class Member, "B" represents the aggregate total of all such attorneys' fees and interest paid by the Settlement Class members, and "C" represents the Net Settlement Proceeds.

Relief checks will be mailed to all Settlement Class Members after the Court issues a final approval of the proposed settlement and that Order becomes effective. Relief checks will expire one hundred twenty (120) days after their date of issue.

Additional Settlement Benefits

The proposed settlement also includes the following terms:

Defendants Will Pay \$10,000.00 Each to the Settlement Class Representatives

Defendants will make a payment of \$10,000.00 to each of the Class Representatives to resolve their claims and also in recognition of their efforts on behalf of the Settlement Class.

Disbursement of Remainder of Settlement Fund/Cy Pres

In the event any portion of the Net Settlement Proceeds has not been disbursed as provided for in the Class Settlement Agreement, after a period of 180 calendar days has elapsed from the date on which the disbursement checks were issued by the Claims Administrator, then such remaining amounts may be disbursed in one or more of the following ways:

- Class Counsel may petition the Court for all or a portion of the funds as attorneys' fees in recognition of the amount of work performed on behalf of the Damages Subclass as well as the Injunctive Relief Subclass, who are not paying any attorneys' fees for the benefit they obtained.
- Remaining funds may be combined with any funds obtained through the bankruptcy estate of the Jamos Entities, which shall be distributed *pro rata* to those Damages Subclass members who received and negotiated their Settlement Award.
- Under no circumstances will any Damages Subclass members be compensated above the amount of disputed attorneys' fees and/or interest that those Class Members actually paid.

- *Cy pres*: If any Residual Funds remain in the Settlement Fund following the above process, no less than 25% of those funds may be disbursed to the Kentucky IOLTA Fund Board of Trustees, to be allocated to the Kentucky Civil Legal Aid Organizations based upon the current poverty formula established by the Legal Services Corporation to support activities and programs that promote access to the civil justice system for low-income Kentuckians. See Ky. CR 23.05(6)(6). Any additional remaining amounts shall be disbursed as approved by the Court.

9. WHAT CLAIMS AM I RELEASING IF I REMAIN IN THE SETTLEMENT CLASS?

If the Court approves the proposed settlement at the Final Fairness Hearing, Plaintiffs and each and every member of the Settlement Class, individually and as a Settlement Class, for themselves, their attorneys, spouses, executors, representatives, heirs, successors, successors-in-interest to property, and assigns, in consideration of the relief set forth in the Class Settlement Agreement, the sufficiency of which is acknowledged, will, to the extent permitted by law, fully and finally release all of the Defendants and all present and former members, officers, managers and employees, shareholders, directors, attorneys, and representatives of the Defendants, and their respective spouses, successors and assigns, from any and all past or present claims, debts, demands, causes of action, liabilities, losses, obligations, costs, fees, interest, attorneys' fees, expenses, damages, punitive damages, and injuries of every kind, nature and description that directly or indirectly relate to, or arise out of, or stem from the subject matter of the Action or any matters, transactions, occurrences, or omissions referred to in the pleadings or other papers filed or produced in the Action and will execute an order dismissing their claims against these parties with prejudice. The released claims include all those in Plaintiffs' Complaint, First Amended Complaint, and any other claim which could have been brought in the Action.

Those who exclude themselves from (opt out of) the Settlement Class will not be releasing any claims against Defendants.

YOUR RIGHTS REGARDING THE PROPOSED SETTLEMENT

10. HOW DO I PARTICIPATE IN THE FINAL SETTLEMENT?

No action is required by you to receive a class settlement payment.

Claims Administrator: A.B. Data, Ltd., shall serve as the administrator of the Settlement Trust subject to the jurisdiction of the Court and shall, for that purpose and for the purpose of providing notice to the proposed Settlement Class, be referred to as the "Claims Administrator."

Claims procedure: Members of the Damages Subclass shall receive a notice of the Settlement. Damages Subclass Members who do not opt out of the settlement within 60 days of receipt of notice will be entitled to a disbursement to the extent that the same is available under the terms of the Class Settlement Agreement.

Settlement Class Member Awards: The Claims Administrator shall disburse a settlement award from the Settlement Trust to each Settlement Class Member no later than 30 days from the Effective Date of the Class Settlement Agreement.

Individuals who timely exclude themselves from the Settlement Class shall not be entitled to any award under the terms of the Class Settlement Agreement.

Each check issued to a Class Member from the Settlement Trust shall be void if not negotiated within one hundred twenty (120) days after its date of issue and shall contain a legend to such effect.

11. HOW CAN I EXCLUDE MYSELF FROM (OPT OUT OF) THE SETTLEMENT CLASS?

If you want to be excluded (opt out), you must notify the Settlement Administrator. Your request for exclusion must **(i) be in writing; (ii) state the individual's current address; (iii) contain the following statement: "I/We hereby**

request that I/we be excluded from the Settlement Class in the case *Bailey, et al. v. JAMOS Fund I, LP, et al.*; (iv) be signed; and (v) be mailed to:

Settlement Administrator
Bailey v. JAMOS Fund
Attn: Exclusions
c/o A.B. Data, Ltd.
P.O. Box 173001
Milwaukee, WI 53217

To be excluded from (opt out of) the Settlement Class, your written request **must be postmarked by September 10, 2017**. If your request is postmarked after September 10, 2017, your request will be considered untimely and you will continue to be a member of the Settlement Class. Only members of the Damages Subclass, defined above in paragraph 5, may exclude themselves (opt out) from the settlement.

If your request to exclude yourself (opt out) is timely, you will no longer have rights under the proposed or final settlement. This means that you will receive no further notifications and you will not be entitled to share in any relief that may be awarded by the Court. If you exclude yourself (opt out), you will not release any claims and will not be bound by any final judgment in this matter approving and administering the proposed settlement and will not be a party to the Action.

12. WHAT IF I OBJECT TO THE TERMS OF THE PROPOSED SETTLEMENT?

Any Settlement Class Member may appear in person or through an attorney at the Final Fairness Hearing in order to oppose the fairness, reasonableness, and adequacy of the proposed settlement to the extent allowed by the Court, including the payment of Class Counsel's fees, reimbursement of expenses and costs, and the Settlement Class Representative incentive award.

In order to oppose any of the proposed settlement terms, you must send **written** notice to the Court that includes: (i) a statement of each objection being made; (ii) a description of the facts and legal basis for each objection; (iii) a statement of whether you intend to appear at the Final Fairness Hearing; (iv) a list of witnesses whom you may call by live testimony, oral-deposition testimony, or affidavit during the Final Fairness Hearing; and (v) a list of exhibits that you may offer during the Final Fairness Hearing, along with copies of all of the exhibits. **You must also provide a copy of that notice to Class Counsel as well as the attorneys representing Defendants in the case. All documents must contain a reference to *Bailey, et al. v. JAMOS Fund I, LP, et al.*, Case No. 10-CI-03403.**

Any Settlement Class Member who does not object in the manner provided above shall be deemed to have waived his/her/its objection and shall be foreclosed from opposing the fairness, reasonableness, or adequacy of the proposed settlement or payment of Class Counsel's fees and expenses or payment of the Settlement Class Representative incentive award.

Any written objection made by a Settlement Class Member **must** be sent to:

The Court
Office of Circuit Court Clerk
Jefferson County Judicial Center
700 W. Jefferson St.
Louisville, KY 40202

Class Counsel
Ballinger Law, PLLC
Attn: *Bailey v. JAMOS Fund I, LP*
3610 Lexington Road
Louisville, KY 40207

Defense Counsel(s)

L. Craig Kendrick
Chapter 7 Trustee
7000 Houston Rd.
Bldg. 300, Ste. 25
Florence, KY 41042

Rebecca Grady Jennings
Middleton Reutlinger
401 South Fourth Street
Suite 2600
Louisville, KY 40202

Wayne F. Collier
Kinkead & Stilz
PNC Bank Tower
301 East Main Street, Suite 800
Lexington, Kentucky 40507-1520

Your written objection and supporting documentation must be received by the Court, Class Counsel, and Defendants' attorneys no later than September 30, 2017.

13. IS THERE A DIFFERENCE BETWEEN OBJECTING TO THE PROPOSED SETTLEMENT AND EXCLUDING MYSELF FROM (OPTING OUT OF) THE SETTLEMENT CLASS?

Yes. By objecting, you are telling the Court that you will remain in the Settlement Class, but that you disagree with the proposed settlement. **You can object only if you remain in the Settlement Class, and you may not object first and exclude yourself (opt out) later.**

Excluding yourself (opting out) is telling the Court that you do not want to be part of the Settlement Class and do not wish to participate in the proposed settlement. **If you exclude yourself (opt out), you cannot object.** Once you exclude yourself from (opt out of) the Settlement Class, the case no longer affects you.

14. WHAT WILL HAPPEN AT THE FINAL FAIRNESS HEARING?

At the Final Fairness Hearing, the Court will decide whether or not the proposed settlement is fair, reasonable, and adequate, and also whether or not payment of the Settlement Class Representative incentive award should be approved. If there are objections, the Court may consider them. The Court will also decide, either at the Final Fairness Hearing or at a subsequent hearing, whether or not payment of Class Counsel's fees and reimbursement of Class Counsel's expenses and costs should be approved.

The Final Fairness Hearing is presently scheduled for 8:30 a.m. on October 26, 2017, before the Honorable Olu A. Stevens at the Jefferson Circuit Court, 8th Floor, which is located at 700 W. Jefferson St., Louisville, Kentucky 40202.

Unless you wish to object to the proposed settlement, you are not required to attend the Final Fairness Hearing. You are welcome to attend at your own expense. The Court may adjourn the Final Fairness Hearing without further written notice to Settlement Class Members.

ADDITIONAL INFORMATION

15. WHERE CAN I GET MORE DETAILS ABOUT THE CASE?

Do not contact the Court for legal questions or advice.

You may obtain copies of the Complaint and other documents filed in this lawsuit during regular business hours from the Circuit Civil File Desk of the Jefferson County Judicial Center. You will need to provide the name of the lawsuit and the docket number: *Bailey, et al. v. JAMOS Fund I, LP, et al.*, Case No. 10-CI-03403.

16. WHAT IF MY ADDRESS OR PHONE NUMBER CHANGES?

If your address or phone number has changed, or changes in the future, you should send your new address or telephone number to the Settlement Administrator at the address listed in the answer to Question 11, above. You may also contact the Settlement Administrator by calling 1-866-217-4459 or sending an email to info@JamosFundSettlement.com.

SO ORDERED by Jefferson Circuit Court, Division Six, Commonwealth of Kentucky.

s/Honorable Olu A. Stevens