

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

| | |
|--------------------------------------|---------------------|
| _____ | X |
| Robert Albanese, | : |
| on behalf of himself and all | : |
| others similarly situated. | : |
| | : C. A. No. 03-5697 |
| Plaintiff, | : |
| | : |
| vs. | : |
| | : Class Action |
| Portnoff Law Associates, Ltd. et al. | : |
| | : |
| Defendants. | : |
| _____ | X |

NOTICE OF CLASS ACTION AND OF PROPOSED SETTLEMENT

TO: All persons who as owners of real property located in the Commonwealth of Pennsylvania used primarily for personal, family or household purposes, received communications from Portnoff Law Associates, Ltd. between January 3, 2002 and November 11, 2003 relating to municipal claims for trash assessments.

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.

THIS NOTICE IS NOT A NOTIFICATION THAT YOU HAVE BEEN SUED. INSTEAD, IT IS A NOTICE THAT YOU MAY BE ENTITLED TO RECOVER MONEY.

This is a notification that you may be a member of a plaintiff class (the "Class") in the above-captioned civil action against Portnoff Law Associates, Inc., Michelle R. Portnoff, Esquire and Dawn M. Schmidt, Esquire ("Defendants") now pending in the United States District Court for the Eastern District of Pennsylvania (the "Lawsuit").

Defendants' records show that you may be a member of the Class defined above. The purpose of this Notice is to advise you of a proposed settlement of certain claims raised in the Lawsuit and of a hearing ("Fairness Hearing") to consider the settlement to be held on September 8, 2005, at 11:00 a.m., before the Honorable Marvin Katz, in Courtroom 13B, United States Courthouse, 601 Market Street, Philadelphia, Pennsylvania 19106.

I. DESCRIPTION OF THE LAWSUIT

In the Lawsuit, Plaintiff alleges that Defendants violated the federal Fair Debt Collections Practices Act, 15 U.S.C. §1692 *et seq.* and Pennsylvania law by sending certain debt collection communications to consumers that, among other things, attempted to collect attorney fees and interest in excess of that permitted by the agreement underlying the debt or by law.

The Defendants deny all allegations of wrongdoing and liability asserted in the Lawsuit and maintain that they conducted their dealings with Plaintiff and Class members in conformity with all applicable laws.

Plaintiff's counsel has conducted a thorough study and investigation of the law and the facts relating to the claims asserted in the Lawsuit and has concluded that, taking into account the substantial benefits that the Class will receive as a result of this settlement and the considerable risks and delays of further litigation, the settlement provided herein is fair and reasonable and in the best interest of Plaintiff and Class members. This Notice should not be understood as an expression of any opinion by the Court as to the merits of any of the claims asserted by Plaintiff or any defenses asserted by the Defendants.

II. THE CLASS

The Court has certified a "Class" consisting of all natural persons who, as owners of real property located in the Commonwealth of Pennsylvania used primarily for personal, family or household purposes, received communications from Defendants between January 3, 2002 and November 11, 2003 relating to municipal claims for trash assessments.

If you fall within the foregoing Class definition, you will be a Class member. **YOU DO NOT NEED TO TAKE ANY ACTION IN ORDER TO REMAIN IN THE CLASS. TO BENEFIT FROM THE SETTLEMENT AS A MEMBER OF THE CLASS YOU MUST SUBMIT THE CLAIM FORM ACCOMPANYING THIS NOTICE, AS SET FORTH BELOW.**

Being a Class member means that if the settlement is approved by the Court, you will have the right to participate in the settlement and become eligible for the settlement benefits described in this Notice. If the settlement is approved, all Class members will release all claims, actions and causes of action that were asserted in the Lawsuit.

The Court has certified as Class representative (the "Class Representative") Plaintiff Robert Albanese. It is estimated that the number of Class members is approximately three thousand eight hundred (3,800) members.

III. THE PROPOSED SETTLEMENT

Under the terms of the settlement, Defendants will pay the sum of two hundred fifty thousand dollars (\$250,000.00) in full settlement of the claims asserted in the Lawsuit.

A. Eighty thousand dollars (\$80,000.00) will be used to pay distributions to Class members who submit valid Claim Forms on time ("Claiming Class Members"). The \$80,000 payment shall be allocated as follows:

(1) All Claiming Class Members shall receive a minimum allocation represented by an equal share of the sum of thirty thousand dollars (\$30,000.00).

(2) All Claiming Class Members who allege to have paid attorney fees to Defendants as a result of receiving a communication during the applicable time period, where Defendants' records confirm payment by the Claiming Class Member, will receive, in addition to the minimum allocation, a portion of the sum of forty-five thousand dollars (\$45,000.00), calculated under the following formula: the amount of attorney fees paid by the individual Claiming Class Member, divided by the amount of attorney fees paid by all Claiming Class Members, times the sum of \$45,000.00.

(3) All Claiming Class Members who are residents of Lower Mount Bethel Township and who paid interest charges assessed on delinquent trash fees prior to the placement of the account with Defendants for collection shall receive, in addition to the sums described above, an equal share of the sum of five thousand dollars (\$5,000.00).

To the extent that any funds remain after distribution to Claiming Class Members, including funds covered by returned checks and checks not cashed within 90 days from mailing, such remaining funds shall be directed to an appropriate consumer protection organization as a *cy pres* recipient.

B. Class Counsel will apply for an award for the Representative Plaintiff in the amount of ten thousand dollars (\$10,000.00) to be paid by Defendants, subject to approval by the Court. To the extent the Court approves an individual settlement award for the Representative Plaintiff in an amount less than \$10,000, the difference will not revert to Defendants but shall be paid to a *cy pres* recipient as described herein.

C. Defendants shall also pay all costs of notice and claims and settlement administration, as well as Plaintiff's reasonable attorney fees and costs (see below).

IV. THE CLAIM FORM

A Claim Form is included with this Notice.

CLASS MEMBERS WHO WISH TO RECEIVE THEIR SHARE OF THE SETTLEMENT FUND MUST COMPLETE THE CLAIM FORM AND RETURN IT TO:

Albanese v. Portnoff Law Associates, Ltd.
Settlement Administrator
P.O. Box 1327
Blue Bell, PA 19422

THE CLAIM FORM MUST BE RETURNED IN AN ENVELOPE POSTMARKED NO LATER THAN AUGUST 8, 2005.

IF YOU NEED HELP IN FILLING OUT THE CLAIM FORM OR HAVE ANY QUESTIONS, YOU MAY CALL CLASS COUNSEL, THE LAW FIRM OF DONOVAN SEARLES, LLC AT 1-800-619-1677.

V. ATTORNEYS' FEES AND EXPENSES

Class members will have no obligation to pay Class Counsel, or other attorneys who have represented the Representative Plaintiff, any attorneys' fees or expenses, and will have no obligation to pay for the administration of the settlement or the cost of notice. Class Counsel shall apply for an award of attorneys' fees and expenses in an amount not to exceed one hundred sixty thousand dollars (\$160,000.00) to be paid by Defendants or their insurer. All such fees and expenses will be subject to review and approval by the Court. To the extent the Court awards a lesser sum, the difference will be paid to an appropriate *cy pres* recipient, and will not revert to Defendants.

VI. RELEASE

In exchange for the settlement benefits provided by Defendants, all Class members shall be deemed to release Defendants from all claims, actions and causes of action that were asserted in the Lawsuit by the Representative Plaintiff and the Class. Excepted from the release are any such claims that a Class member may assert affirmatively or defensively with respect to Defendants' collection of debt or enforcement of liens on real property in an effort to defeat any debt collection or lien enforcement activity (whether judicial or nonjudicial) taking place after April 25, 2005.

Further, Defendants shall release the Representative Plaintiff, the Class and their attorneys, from all claims, actions and causes of action relating in any way to, the institution, prosecution, or resolution of the Lawsuit. However, nothing in the Settlement Agreement shall prevent Defendants from engaging in any lawful collection efforts to collect debts allegedly owed by Class members.

A full copy of the Release is on file with the Court.

When the settlement is approved and becomes final, you will be deemed to have entered into this Release.

VII. OPT-OUT PROCEDURE

If you do not wish to remain in the Class, then you must timely request in writing to be excluded from the Class. If you exclude yourself from the Class, you will not be entitled to participate in any recovery by the Class, and you will not be bound by any settlement or favorable or unfavorable judgment in the Lawsuit. Any request for exclusion must legibly set forth your name and address and a statement that you wish to be excluded from the Class in Albanese v. Portnoff Law Associates, Ltd., and must be sent by first-class mail, post-marked not later than August 8, 2005 to:

Albanese v. Portnoff Law Associates, Ltd.
Settlement Administrator
P.O. Box 1327
Blue Bell, PA 19422

If you request exclusion on behalf of any entity or any individual other than yourself (such as, for example, a trust, a minor or a pension fund), you are requested to set forth your legal authority to execute the request on behalf of that entity or other individual.

VIII. HEARING ON THE SETTLEMENT

The Court will hold the Fairness Hearing in Courtroom 13B before the Honorable Marvin Kaiz, United States Courthouse, 601 Market Street, Philadelphia, Pennsylvania 19106 on September 8, 2005 at 11:00 a.m. to determine whether the proposed settlement should be approved as fair, adequate and reasonable and to determine the amount of attorneys' fees and expenses that should be awarded to Class Counsel. The hearing may be continued without further notice. It is not necessary for you to appear at the hearing.

If You Wish to Object to the Settlement: If you are a member of the Class, and do not exclude yourself from the settlement (see above), you may choose to appear in person or through an attorney (at your own expense) at the Fairness Hearing and be heard in support of, or in opposition to, the fairness, reasonableness and adequacy of the proposed settlement, as well as any other topics addressed at the hearing (as enumerated above). Objections to the settlement by Class members will be considered by the Court if received by Class Counsel on or before August 8, 2005. Class Counsel shall serve Defendants' counsel and file with the Court copies of all such objections on or before August 29, 2005 together with a statement of reasons, if any, why the objection should be overruled. At the hearing, Class members may be heard orally in support of, or in opposition to the settlement, provided that such persons file with Defendants' counsel, Class Counsel and the Clerk of Court, U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106, on or before August 24, 2005, notification of the desire to appear personally at the Fairness Hearing. No person will be heard in opposition to the proposed settlement, and no papers or brief submitted by any person will be accepted or considered by the Court unless these instructions are followed.

Any member of the Class who does not make and serve written objections in the manner provided above shall be deemed to have waived such objections and shall be forever foreclosed from making any objections (by appeal or otherwise) to the proposed settlement. Any member of the Class who is satisfied with the settlement **NEED NOT APPEAR AT THE HEARING**. Any member who has filed objections may, but need not, appear at the hearing.

Attorneys To Whom Copies Of Objections And Notice Of Your Desire To Appear Personally At The Hearing Should Be Sent:

Class Counsel:

David A. Searles, Esq.
DONOVAN SEARLES, LLC
1845 Walnut Street, Suite 1100
Philadelphia, PA 19103
Fax: (215) 732-8060

Defendants' Counsel:

James W. Christie, Esq.
William F. McDevitt, Esq.
CHRISTIE, PABARUE, MORTENSEN AND YOUNG
1880 JFK Blvd., 10th Floor
Philadelphia, PA 19103
Fax: (215) 587-1699

IX. ADDITIONAL INFORMATION

The pleadings and other records in this litigation, including copies of the Settlement Agreement, may be examined any time during regular office hours at the Office of the Clerk. If you need additional information, you should write to Class Counsel at the addresses set forth above.

PLEASE DO NOT CALL THE COURT OR THE CLERK OR DEFENDANT.

Dated: July 8, 2005

BY THE CLERK:

/s/ _____
Michael E. Kunz
Clerk of Court
U.S. Courthouse
601 Market Street
Philadelphia, PA 19106

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

_____ X
Robert Albanese,
on behalf of himself and all
others similarly situated,
Plaintiff,
vs.
Portnoff Law Associates, Ltd. et al,
Defendants.
_____ X

C. A. No. 03-5697
Class Action

CLAIM FORM

Name: _____ Telephone #: _____
(First) (M.I.) (Last)

Address: _____ (Apt./Unit#)

(City) (State) (Zip)

I wish to participate in the class settlement in the above-entitled and numbered case. I declare under penalty of perjury that, as an owner of real property located in the Commonwealth of Pennsylvania used primarily for personal, family or household purposes, I received a communication from Portnoff Law Associates, Ltd. between January 3, 2002 and November 11, 2003 relating to municipal claims for trash assessments.

I also declare under penalty of perjury that I DID _____ DID NOT _____ (check one) pay attorney fees to Portnoff Law Associates, Ltd. as a result of receiving such a communication.

My right to a distribution has not been assigned to any third party nor become the property of any Bankruptcy Trustee.

(Signature)

(Date)

NOTE: THIS CLAIM FORM WILL NOT BE VALID WITHOUT YOUR NAME AND COMPLETE ADDRESS. IF YOU SUBMIT THE FORM WITHOUT THAT INFORMATION YOU WILL NOT RECEIVE A DISTRIBUTION IN THIS CASE.