

If you received a wrong-number call related to a Verizon debt, you could get benefits and your rights may be affected by a class action settlement

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- There is a proposed Settlement of claims against Verizon Wireless (VAW) LLC (“Verizon”). The Settlement would resolve a lawsuit in which the Plaintiff, John Lofton, alleges that Defendant Verizon (1) violated the Telephone Consumer Protection Act (“TCPA”) (47 U.S.C. § 227), when its debt collector, Collecto, Inc. (“Collecto”) called cellular telephones with an autodialer without authorization, and (2) violated the California Invasion of Privacy Act (“IPA”) (Cal. Pen. Code § 632.7) when Collecto recorded calls to cellular telephone users in California without authorization. Verizon denies the claims. The Court has not decided who is right. Instead, the parties have agreed to settle the case.
- You are included in the Settlement if you are a member of the “IPA Class” and/or the “TCPA Class,” defined as follows:
 - The **TCPA Class** includes all natural persons residing in the United States who, between June 14, 2008 and the date on which Notice is completed, received one or more telephone calls to their cellular telephone number from a representative of Collecto in its capacity as a third-party vendor engaged by Verizon to collect Pre-Writeoff Debts. The TCPA Class excludes any person which Verizon’s records identify as a current or past Verizon subscriber.
 - The **IPA Class** includes all California residents who, between September 10, 2010 and the date on which Notice is completed, and while located within the state of California, received on their cellular telephone one or more telephone calls from Collecto in its capacity as a third-party vendor engaged by Verizon to collect Pre-Writeoff Debts, where the call was answered by the recipient. The IPA Class excludes any person which Verizon’s records identify as a current or past Verizon subscriber.

The term “Pre-Writeoff Debts” means outstanding debts on Verizon accounts that had not yet been written off by Verizon and had not been reported to a credit bureau at the time of the call. In calls to collect Pre-Writeoff Debts, representatives of Collecto, in its capacity as a third-party vendor engaged by Verizon, identified themselves as representatives of Verizon.

If you received a notice in the mail, the parties identified you through call data they obtained from Collecto.

- If you are included in the IPA Class and/or TCPA Class **and you submit a Claims Form by May 4, 2016**, you may qualify for a cash payment from the \$4 million cash settlement fund.
- **Your legal rights are affected whether you act or don’t act. Please read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIMS FORM Deadline: May 4, 2016	You must submit a Claims Form to qualify for a cash payment. For further information about how to submit a claim form, please refer to Question No. 8 below.
EXCLUDE YOURSELF Deadline: May 4, 2016	Excluding yourself from the Settlement is the only option that allows you to ever be part of another lawsuit against Verizon and related parties about the legal claims resolved by this Settlement. If you exclude yourself from this Settlement, then you will not be able to obtain any of the benefits that it provides. For further information about how to exclude yourself, please refer to Question Nos. 12-14 below.
OBJECT	You can object to the Settlement by writing to the Court about why you do not like the Settlement. For further information about how to object, please refer to

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Deadline: May 4, 2016	Question No. 15 below.
ATTEND THE HEARING Deadline: May 4, 2016 (deadline to note your intent to appear at the hearing in your written objection)	You can ask to speak to the Court about the fairness of the Settlement. For further information about how to do this, please refer to Question Nos. 19-21 below.
DO NOTHING	If you do nothing, you will give up your right to ever be part of another lawsuit against Verizon and related parties about the legal claims resolved by this Settlement. If you do not submit a Claims Form, then you will not receive any benefits from this Settlement. For further information, please refer to Question No. 22 below.

- These rights and options are explained further below.
- The Court in charge of this case still has to decide whether to approve the Settlement. Benefits will be provided if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **NOTE:** Until the Court makes a final decision about whether the Settlement should be approved, you cannot file a lawsuit against Verizon and related parties that relates to the Released Claims described in Question No. 11 below.

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BASIC INFORMATION

1. Why was this notice issued?

A federal court authorized this notice because you have a right to know about the proposed Settlement of this lawsuit and about all of your options, before the court decides whether to approve the Settlement. This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, and who can get them.

Judge Yvonne Gonzales Rogers of the United States District Court for the Northern District of California is overseeing this case and the Settlement. The case is known as *Lofton v. Verizon Wireless (VAW) LLC*, U.S. District Court for the Northern District of California, Case No. 13-cv-05665. The person who sued, John Lofton, is called the Plaintiff, and the company sued, Verizon Wireless (VAW) LLC, is called the Defendant or Verizon.

2. What is this lawsuit about?

The lawsuit claims that Collecto recorded debt collection calls it placed on behalf of Verizon which reached wrong cellular telephone numbers without warning to the recipient or the recipient's authorization, in violation of California's IPA. The lawsuit also claims that Collecto placed calls to cellular telephones with an automatic dialer without the recipient's authorization, in violation of the federal TCPA.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called Plaintiffs or Class Representatives (in this case, Plaintiff John Lofton) sue on behalf of other people who have similar claims (a "Class" or "Class Members"). The people included in the settlement of this class action, and who choose not to opt out or exclude themselves, are called a "Settlement Class" or "Settlement Class Members". One court resolves these claims for all Class Members, except for those who choose to exclude themselves from the Settlement Classes.

4. Why is there a Settlement?

The Court did not decide in favor of the Plaintiff or Verizon. Instead, both sides agreed to a Settlement in order to resolve the lawsuit. The Plaintiff and his attorneys think the Settlement is best for all Class Members.

5. How do I know if I am included in the Settlement?

If you received a notice in the mail, you have been identified as a potential Class Member. You may be a member of one or both of the Classes in this lawsuit. You are included in the Settlement if you meet one or both of the following definitions:

- The **TCPA Class** includes all natural persons residing in the United States who, between June 14, 2008 and the date on which Notice is completed, received one or more telephone calls to their cellular telephone number from a representative of Collecto in its capacity as a third-party vendor engaged by Verizon to collect Pre-Writeoff Debts. The TCPA Class excludes any person which Verizon's records identify as a current or past Verizon subscriber.
- The **IPA Class** includes all California residents who, between September 10, 2010 and the date on which Notice is completed, and while located within the state of California, received on their cellular telephone one or more telephone calls from Collecto in its capacity as a third-party vendor engaged by Verizon to collect Pre-Writeoff Debts, where the call was answered by the recipient. The IPA Class excludes any person which Verizon's records identify as a current or past Verizon subscriber.

The term "Pre-Writeoff Debts" means outstanding debts on Verizon accounts that have not yet been written off by Verizon and have not been reported to a credit bureau. In calls to collect Pre-Writeoff Debts, representatives of Collecto, in its capacity as a third-party vendor engaged by Verizon, identified themselves as representatives of Verizon.

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THE SETTLEMENT BENEFITS—WHAT YOU CAN RECEIVE

6. What does the Settlement provide?

Under the Settlement, Verizon will pay \$4 million into a settlement fund. Under the Plan of Allocation proposed by Class Counsel, the Settlement Fund will be paid to Settlement Class Members on a per share basis after payment of Court-approved expenses like attorneys' fees and administration costs. The Court may modify the Plan of Allocation to ensure it is fair. The Court also decides how much to award Class Counsel for fees and expenses.

7. Tell me more about the \$4 million cash settlement fund and proposed allocation.

Under the Plan of Allocation proposed by Class Counsel, the Court first decides how much to pay for the costs of notice and settlement administration from the settlement fund. The Court then decides how much to pay Class Counsel for attorneys' fees and expenses and to Plaintiff as an incentive award. (Class Counsel may apply for up to 33.75 percent of the settlement fund.) After these deductions, the proposed Plan of Allocation distributes the remainder of the settlement to IPA Settlement Class Members and TCPA Settlement Class Members according to the number of shares in their Claims Forms that are approved. Settlement Class Members will receive shares according to the number and type of calls received. One IPA violation is equal to ten shares and one TCPA violation is equal to one share because the statutory damages under the IPA are ten times more than statutory damages under TCPA.

Based on the information we have now (including claims rates in similar cases), each share is likely to be worth at least \$100 and could be much more. The Plan restricts any payments to Class Members over \$500 per share, and prohibits any payments to Class Members under \$15. Class Counsel believe the estimate of \$100 per share is conservative, but the final amount may be higher or lower depending on the number of valid claims filed and how the Court decides to distribute the settlement fund. Again, the Court may modify the Plan of Allocation to ensure it is fair.

8. How do I get the benefits that the Settlement provides?

You must complete and submit a claim form to receive any money under the Settlement. Claim forms are available and may be submitted online at www.DebtCollectionSettlement.com. Claim forms are also available by calling 1-866-540-4949.

9. When will I receive my Settlement benefits?

The Court will hold a hearing on **May 24, 2016 at 2:00 p.m.** in Courtroom 1 of the U.S. District Court for the Northern District of California, located at 1301 Clay Street, Oakland, California 94612 (subject to schedule changes ordered by the Court) to decide whether to approve the Settlement and, separately, whether to approve the Plan of Allocation and requests for attorneys' fees, expenses, and an award to the Plaintiff. Settlement benefits will be distributed if and when the Court grants approval to the Settlement and the Plan of Allocation, and after any appeals are resolved.

10. What rights am I giving up to receive Settlement benefits and stay in the Settlement Class(es)?

If you are a Class Member in either class, then, unless you exclude yourself, you will be in the Settlement Class (or both Settlement Classes). If the Settlement is approved and becomes final, then all of the Court's orders will apply to you and legally bind you. That means you won't be able to sue, continue to sue, or be part of any other lawsuit against Verizon or other released parties for the legal issues and claims resolved by the Settlement. The specific rights you are giving up are called Released Claims (see Question 11).

11. What are the Released Claims and Released Parties?

The "IPA Released Claims" mean that in exchange for the Settlement, all IPA Settlement Class Members will give up any and all actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions, proceedings, and/or rights of any nature and description whatsoever that relate to the recording of telephone calls made by Collecto in its capacity as a third-party vendor engaged by Verizon to collect Pre-Writeoff Debts, and that have been, or could have been, asserted in the Action. IPA Released Claims include, without limitation, violations of any state or federal statutes, rules or regulations, including but not limited to California Penal Code section 632.7, the unfair competition law (California

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Business & Professions Code section 17200), or principles of common law, whether liquidated or unliquidated, known or unknown, in law or in equity, whether or not concealed or hidden.

The “TCPA Released Claims” mean that in exchange for the Settlement, all TCPA Settlement Class Members will give up any and all actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions, proceedings, and/or rights of any nature and description whatsoever that relate to the use by Collecto, in its capacity as a third-party vendor engaged by Verizon to collect Pre-Writeoff Debts, of a dialer allegedly prohibited under the TCPA, and that have been, or could have been, asserted in the Action. TCPA Released Claims include, without limitation, violations of any state or federal statutes, rules or regulations, including but not limited to the TCPA or unfair competition law (California Business & Professions Code section 17200) or principles of common law, whether liquidated or unliquidated, known or unknown, in law or in equity, whether or not concealed or hidden.

The “Released Parties” against whom claims are being released are (a) Verizon; (b) Verizon’s Counsel; (c) Verizon’s past, present, and future direct and indirect owners, parents, subsidiaries, and other corporate affiliates; (d) Verizon’s successors and predecessors and their past, present, and future direct and indirect owners, parents, subsidiaries, and other corporate affiliates; and (e) for each of the foregoing, each of their past, present, or future officers, directors, shareholders, owners, employees, representatives, agents, principals, partners, members, administrators, legatees, executors, heirs, estates, predecessors, successors, or assigns. Notwithstanding the foregoing, Collecto, its employees, officers, and directors, and Collecto’s successors and predecessors and their past, present, and future direct and indirect owners, parents, subsidiaries, and other corporate affiliates are not Released Parties under the Agreement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue Verizon or related parties about the legal claims in the lawsuit, and if you don’t want to receive benefits from this Settlement, then you must take steps to exclude yourself. This is sometimes called opting out of the Settlement.

12. How do I exclude myself from the Settlement?

To ask to be excluded, you must send a letter to the Settlement Administrator, Verizon Settlement, c/o A.B. Data, Ltd., PO Box 170500, Milwaukee, WI 53217. Your letter must be postmarked by **May 4, 2016** and include your name, address, and telephone number and your signature. You may also use the “Request for Exclusion” form that is available online at www.DebtCollectionSettlement.com or that can be obtained by calling 1-866-540-4949. Online submissions are due by **May 4, 2016**.

13. If I exclude myself, will I still receive a payment from the Settlement?

No. If you exclude yourself, you are telling the Court that you don’t want to be Settlement Class Member in this Settlement. You can receive a payment only if you stay in the Settlement Class.

14. If I don’t exclude myself, can I sue Verizon in a different lawsuit for the same claims?

No. Unless you exclude yourself, you are giving up the right to sue Verizon or other released parties for the claims that this Settlement resolves. You must exclude yourself from *this* Settlement to start or continue with your own lawsuit or be part of any other lawsuit. If you are a member of either the IPA Class or the TCPA Class (or both) and you already have your own lawsuit or arbitration against Verizon for the claims made in this lawsuit, and want to continue with it, you must exclude yourself from the Settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you don’t agree with the Settlement or any part of it.

15. How do I tell the Court if I don’t like the Settlement?

If you are a Settlement Class Member, then you can tell the Court that you don’t agree with the Settlement or some part of it. You can give reasons why you think the Court should not approve it. You can also object to the Plan of Allocation or the attorneys’ or Plaintiff’s requests for a portion of the settlement fund. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Lofton v. Verizon Wireless (VAW) LLC*, U.S. District Court for the Northern District of California, Case No. 13-cv-05665, and give a detailed statement of the reasons for your

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objection. You must include your name, address, telephone number and your signature. You must either mail your objection to the address below, postmarked no later than **May 4, 2016**, or file it in person no later than **May 4, 2016** at any location of the United States District Court for the Northern District of California:

Class Action Clerk
U.S. District Court
Northern District of California
1301 Clay Street
Oakland, CA 94612

If you do not file an objection to the settlement that meets these requirements, you may waive your right to further challenge or appeal the settlement.

16. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class(es) (that is, if you do not exclude yourself). Excluding yourself is telling the Court that you don't want to be part of the Settlement Class(es). If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

Yes. The Court appointed the law firms of Preston Law Offices and Parisi & Havens LLP to represent you and other Settlement Class Members as "Class Counsel." You will not be charged personally for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. For example, you can hire your own lawyer to appear in Court for you if you want someone other than Class Counsel to speak for you. Class Counsel cannot represent you if you exclude yourself from the Settlement or if you object to the Settlement.

18. How will the lawyers be paid?

If the Settlement is approved by the Court, then Class Counsel will ask the Court to award them attorneys' fees and litigation expenses to compensate them for their efforts in achieving the Settlement, as well as an incentive award for the Plaintiff to compensate him for pursuing this case on behalf of all of the Settlement Class Members. If the Court grants their request, then the attorneys' fees, litigation expenses and the incentive awards will be deducted from the cash portion of the settlement fund. Class Counsel has agreed not to seek more than 33.75% of the \$4 million settlement fund for their attorneys' fees and expenses, and not to seek more than \$499,342 for costs of notice and settlement administration. Lofton does not intend to seek more than \$15,000 for his incentive award.

THE COURT'S FAIRNESS HEARING

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

A hearing will be held on **May 24, 2016**, at 2:00 p.m. at the U.S. District Court for the Northern District of California, located at 1301 Clay Street, Oakland, California 94612. This date may change without further notice to you. You should check www.DebtCollectionSettlement.com, or the Court's website at <https://ecf.cand.uscourts.gov>, to confirm that the date has not been changed. At the hearing, the Court will determine whether the Settlement should be approved as fair, reasonable, and adequate, and whether final judgment should be entered. The Court will also consider Class Counsel's request for attorneys' fees and reimbursement of expenses, and the Plaintiff's incentive award. The Court will also be asked to approve a Plan of Allocation of the benefits available under the Settlement to the Settlement Class Members. All papers that will be filed with the Court in connection with the fairness hearing (also called a Final Approval Hearing) will be available for review online at www.DebtCollectionSettlement.com.

20. Do I have to come to the hearing?

No. Unless you exclude yourself from the Settlement or object to the Settlement, Class Counsel will continue to represent you and will answer any questions the Court may have about the Settlement, although you are welcome to attend the

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hearing at your own expense. If you file an objection to the Settlement, you may attend the hearing and request to speak to the Court about your objection, but you are not required to do so. As long as you mailed your written objection to all three addresses on time, signed it and provided all of the required information (see Question No. 15), the Court will consider your objection. You may, if you wish, pay your own lawyer to attend the hearing, but you are not required to do so.

21. May I speak at the hearing?

Yes. You may ask the Court to speak at the fairness hearing, either personally or through an attorney retained at your own expense. If you intend to appear at the fairness hearing, you must so indicate in your written objection. The failure to indicate an intention to appear in person may result in the Court declining to hear you or your counsel's objection. The written objection must be mailed or filed no later than May 4, 2016 (see Question No. 15).

IF YOU DO NOTHING

22. What happens if I do nothing?

If you do nothing, you will automatically remain in the Settlement and will release claims (see Question Nos. 10-11, above), but you will not receive any benefits unless you submit a Claims Form. Claims Forms are available and may be submitted online at www.DebtCollectionSettlement.com. Claims Forms are also available by calling 1-866-540-4949.

Keep in mind that if you do nothing, then you will not be able to sue, or continue to sue, Verizon or other released parties—as part of any other lawsuit—under state or federal law about any issues within the scope of the releases in the settlement. The releases are described in detail in the response to Question No. 11 above.

OBTAINING MORE INFORMATION

23. How do I obtain more information?

This notice summarizes the Settlement. More details are in the Stipulation and Settlement Agreement, the Fourth Amended Complaint and the Court's Preliminary Approval Order – all of which are available at www.DebtCollectionSettlement.com or the Court's website at <https://ecf.cand.uscourts.gov>. You may also access the Court docket by visiting the office of the Clerk of the Court for the U.S. District Court for the Northern District of California, 1301 Clay Street, Oakland, California 94612, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

You may also contact Class Counsel by sending an email to vznsettle@parisihavens.com or vznsettle@eplaw.us, or by writing to Parisi & Havens LLP, 212 Marine Street, No. 100, Santa Monica, California 90405, or Preston Law Offices, 4054 McKinney Avenue, No. 310, Dallas, Texas 75204.

Please do not contact the Court, Verizon or the lawyers for Verizon. They cannot answer your questions.

DATE: February 22, 2016