

JUL 24 2019

DAVID H. YAMASAKI, Clerk of the Court

BY: CEH, DEPUTY

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5

6 Attorneys for Plaintiff RICARDO MELENDEZ, ANDRES OROZCO; MARTHA LOMELI; and
CARLOS CRUZ and the certified class
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9

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF ORANGE

12 RICARDO MELENDEZ; ANDRES
OROZCO; MARTHA LOMELI; and
13 CARLOS CRUZ,

14 Plaintiffs

15 vs.

16 K STREET FINANCE, INC. dba MULLEN
FINANCE PLAN; and DOES 1 through 50,
17 inclusive,

18 Defendants

Case No. 30-2014-00722412-CU-BT-CXC

CLASS ACTION

**THIRD REVISED ~~[PROPOSED]~~ ORDER
CERTIFYING CLASS SETTLEMENT,
GRANTING PRELIMINARY
APPROVAL OF SETTLEMENT**

Unlimited Civil Case

Date: July 12, 2019

Time: 1:30 p.m.

Dept: CX104

Hon. William Claster

Assigned for all purposes to Hon. William
Claster – Dept. CX104

21 _____ /
22 **THIS MATTER HAVING** come before this Court for an Order preliminarily certifying
23 a Settlement Class and preliminarily approving a settlement between Plaintiffs RICARDO
24 MELENDEZ, ANDRES OROZCO, MARTHA LOMELI and CARLOS CRUZ individually and
25 on behalf of the proposed Settlement Class and Defendant K STREET FINANCE, INC. dba
26 MULLEN FINANCE PLAN, and this Court having reviewed the Settlement Agreement and
27 Release executed by the Parties and the exhibits thereto, that were submitted to the Court with
28 the Motion for Preliminary Approval of Class Action Settlement, and the Parties having

1 consented to the entry of this Order:

2 **IT IS HEREBY ORDERED** this 12th day of July, 2019 as follows:

3 1. The Court Grants the Motion. This Order of Preliminary Approval incorporates the
4 Agreement, and the defined terms used in this Order shall have the meanings and/or definitions
5 given to them in the Agreement, as submitted to the Court with the Motion for Preliminary
6 Approval of Class Action Settlement.

7 2. For purposes of the settlement, and conditioned upon the settlement receiving final
8 approval at or following the Final Approval hearing, this Court hereby conditionally certifies a
9 Settlement Class, defined as follows and subject to the stated exclusions below:

10 "Settlement Class" means all persons:

- 11 (a) who purchased a motor vehicle and, as part of that transaction, entered
12 into an agreement subject to California's Rees-Levering Automobile Sales
Finance Act, Civil Code §2981, *et seq.*;
- 13 (b) whose motor vehicle was repossessed or voluntarily surrendered;
- 14 (c) who were issued a Notice of Intent to Dispose of Motor Vehicle ("NOI")
15 by Mullen Finance from May 5, 2010 through August 4, 2016 that gave
the consumer the right to reinstate the loan; and
- 16 (d) against whose account a deficiency balance was assessed.

17 Excluded from the Class are persons (1) whose account were discharged in
18 bankruptcy, (2) against whom Mullen Finance obtained a judgment in Superior
Court, and (3) those consumers who appear on the Stipulation of Parties to
19 Exclude Certain Class Members, filed on January 9, 2019.

20 3. The settlement is preliminarily approved by this Court as being fair, reasonable and
adequate, free of collusion or indicia of unfairness, and within the range of possible final judicial
21 approval. This Court specifically finds that the settlement resulted from extensive arms-length
22 negotiation, the settlement is sufficient to warrant dissemination of notice of the settlement and
23 of the Final Approval Hearing on said settlement, to the Settlement Class. This Court further
24 finds that Settlement Class Representative and Settlement Class Counsel provisionally are found
25 to fairly and adequately represent the interests of the Settlement Class and to satisfy the
26 requirements to be representatives of and counsel to the Settlement Class, respectively.

27 4. A Final Approval Hearing shall be held on December 18, 2019 at 8:30 a.m. before the
28

1 Honorable William Claster in Courtroom CX104 of the Superior Court of the State of California,
2 County of Orange, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, to consider: (a)
3 the fairness, reasonableness and adequacy of the proposed settlement; (b) whether the settlement
4 should be finally approved by this Court; (c) the application of Settlement Class Counsel for an
5 award of attorneys' fees and expenses; (d) the application for a service award to the Settlement
6 Class Representatives; (e) designation of one or more *cy pres* recipients, conditioned upon the
7 existence of a residue after distribution is completed; (f) and such other matters as this Court may
8 deem proper and necessary.

9 5. The Court approves Kurtzman Carson Consultants as the Settlement Class Administrator,
10 to perform the duties set forth in the Agreement. The Class Representatives, through Class
11 Counsel shall engage Kurtzman Carson Consultants LLC as the Settlement Class Administrator.
12 The fees, costs and expenses of the Settlement Class Administrator shall be subject to
13 reimbursement from the residue, subject to Paragraphs 5.06 and 5.07 of the Agreement. Within
14 fourteen (14) days of the execution of the Settlement Agreement, MULLEN FINANCE shall
15 identify from their records, and provide to the Settlement Class Administrator the Settlement
16 Class member information in electronic form, pursuant to section 3.07. Individual notice shall be
17 sent each member of the Settlement Class via first class postage pre-paid U.S. Mail on or before
18 fourteen (14) days from the issuance of this Order.

19 6. The Settlement Administrator shall provide notice to the Settlement Class substantially in
20 the form as the Settlement Class Notice attached as Exhibit B to the Agreement.

21 7. The Class Notice, as set forth in **Exhibits A and B**, attached hereto, and approved by this
22 Order, is the best notice practicable, and is reasonably calculated, under the circumstances, to
23 apprise the Settlement Class of the pendency of the Action and their right to participate in, object
24 to, or exclude themselves from the settlement. This Court further finds that the Class Notice is
25 due and sufficient notice of the Final Approval Hearing, the settlement, the application for
26 attorneys' fees, and expenses, and service awards, and other matters set forth therein, and that the
27 Class Notice fully satisfies California Rules of Court and due process of law, to all persons
28 entitled thereto.

1 8. Not less than ten (10) days prior to the Final Approval hearing, the Settlement Class
2 Administrator shall provide a declaration to the Parties, to be filed with the Court, attesting to the
3 measures undertaken to provide the Settlement Class Notice to the members of the Settlement
4 Class, and informing the Court of Settlement Class members who requested exclusion, objected
5 to the settlement and/or plan on attending the Final Approval Hearing, along with a copy of the
6 requested exclusion, objection to the settlement, and/or plan to attend.

7 9. Any Settlement Class Member who intends to object to the fairness, reasonableness and
8 adequacy of the settlement must send a written Objection to the Settlement Class Administrator
9 postmarked no later than forty-five (45) days after the date the Class Notice is mailed. Any
10 Objector must set forth his/her full name, current address, dated signature, and telephone
11 number. Objections must be served upon the Settlement Administrator at:

12 KURTZMAN CARSON CONSULTANTS
13 75 Rowland Way
14 Novato, CA 94945
(415) 798-5900

15 10. Objectors must state in writing all objections and the reasons therefor, and whether the
16 Objector intends to appear at the Final Approval hearing. No Objector shall be entitled to be
17 heard at the Final Approval hearing, and no written objections or briefs submitted by an Objector
18 shall be received or considered by this Court at the Final Approval hearing, unless the Objector
19 has fully complied with all terms and conditions set forth in the Settlement Class Notice as
20 approved herein. If an Objection is overruled, the Objector will be bound by the terms of the
21 Settlement Agreement and may not exclude himself or herself later. Members of the Settlement
22 Class who fail to file and serve timely written objections in the manner specified above shall be
23 deemed to have waived any objections and shall be foreclosed from making any objection
24 (whether by appeal or otherwise) to the settlement.

25 11. Settlement Class members may elect to exclude themselves from the Settlement
26 Agreement, relinquishing their rights to any and all benefits under the Settlement Agreement.
27 Settlement Class members who exclude themselves from the settlement will not release their
28 claims pursuant to the release set forth in the Settlement Agreement. A Settlement Class

1 member wishing to exclude himself/herself from the settlement must mail a letter to the
2 Settlement Administrator at the address set forth in ¶ 9, postmarked no later than forty-five (45)
3 days after the date the Class Notice is mailed, which in all respects complies with the terms and
4 conditions for exclusion as set forth in the Class Notice, approved herein, and Settlement
5 Agreement. Settlement Class members who fail to submit a valid and timely request for
6 exclusion shall be bound by all terms of the Settlement Agreement and the Final Approval Order
7 and Judgment, regardless of whether they have requested exclusion from the settlement.

8 12. Any Settlement Class member who submits a timely and complete request for exclusion
9 may not file an Objection to the settlement and shall be deemed to have waived any rights or
10 benefits under the Settlement Agreement.

at 9:00 a.m. in Rpt CX-104
NWPL

11 13. The Court shall hold a Final Approval hearing in this matter on December 18, 2019.
12 Settlement Class Counsel shall file their Motion for Final Approval and all supporting papers not
13 later than sixteen (16) Court days before the Final Approval hearing. Should MULLEN
14 FINANCE's counsel file briefing in relation to Final Approval, such briefing shall be filed no
15 later than nine (9) Court days before the Final Approval hearing.

16 14. Settlement Class Counsel shall file their motion for award of attorneys' fees and costs
17 pursuant to the terms of the Parties' Agreement at least ten (10) days prior to the date for
18 Settlement Class Members to object to the settlement. In the event that Class Counsel seeks a fee
19 and cost award that does not exceed the amount stated in the Settlement Agreement and Release,
20 MULLEN FINANCE agrees not to negatively comment, oppose, or appeal Class Counsel's
21 application for fees and costs.

22 15. In the event that (a) this Court does not finally approve the settlement substantially as
23 provided in the Agreement; (b) this Court does not enter the Final Order and Judgment as
24 provided in all material respects and substantially in the form set forth in the Agreement and
25 Exhibit C thereto; or (c) the settlement does not become final for any other reason; and if the
26 Parties following reasonable efforts, do not agree in writing to modify the Agreement and the
27 settlement is not consummated, the Agreement shall be null and void and any order entered by
28 this Court in furtherance of this settlement shall be vacated *nunc pro tunc*. In such a case, the

1 Parties shall proceed in all respects as if the Agreement had not been executed and the Parties
2 shall in no way be prejudiced in proceeding with or defending this litigation.

3 16. For the benefit of the Settlement Class and to protect this Court's jurisdiction, this Court
4 retains continuing jurisdiction over the settlement proceedings to ensure the effectuation thereof
5 in accordance with the settlement preliminarily approved herein and the related orders of this
6 Court.

7 17. The parties are directed to carry out their obligations under the Agreement.

8 18. Settlement Class Counsel shall serve a copy of this Order on all named parties or their
9 counsel within five (5) days of receipt.

10 **Summary of Applicable Dates**

11	1.	Preliminary Approval Order approved by the Court	July 12, 2019
12	2.	Settlement Class Notice to be Sent by Settlement Class Administrator (¶3.10) (Preliminary Approval Order + 14 days)	August 2, 2019
13	3.	Motion for Attorneys' Fees and Costs (¶5.08) (10 days prior to the expiration of the deadline for Settlement Class members to object)	September 6, 2019
14	4.	Exclusion from the Settlement Class postmarked by (¶3.11) (Mailing of Settlement Class Notice + 45 days)	September 16, 2019
15	5.	Objection from the Settlement Class postmarked by (¶3.12) (Mailing of Settlement Class Notice + 45 days)	September 16, 2019
16	6.	Motion for Final Approval filed by (¶4.01) (CCP §1005) (16 Court days prior to hearing date)	November 22, 2019
17	7.	MULLEN FINANCE response, if any, regarding Final Approval (¶4.01) (9 Court days prior to hearing date)	December 5, 2019
18	8.	Class Administrator Declaration (¶3.06(xi)) (10 days prior to hearing date)	December 9, 2019
19	9.	Final Approval Hearing (¶ 4.01)	December 18, 2019

22
23 **SO ORDERED**

24
25 Dated: July ²⁴12, 2019

26 *W.D. Claster*
HON. WILLIAM CLASTER

EXHIBIT A

California Superior Court – County of Orange

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

IF YOUR VEHICLE WAS REPOSSESSED IN CALIFORNIA AND YOU RECEIVED A “NOTICE OF OUR PLAN TO SELL VEHICLE” (“NOI”) FROM K STREET FINANCE, INC. dba MULLEN FINANCE PLAN (“MULLEN FINANCE”), THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT MAY AFFECT YOU
-PLEASE READ IT CAREFULLY-

The Court Ordered This Notice – It Is Not From A Lawyer, And You Are Not Being Sued

This notice summarizes the terms of a proposed class action settlement. This notice also describes what you can do to object to the proposed settlement. If you wish to remain in the Settlement Class, be bound by the settlement and receive the benefits of the settlement, you do not need to do anything. **Please do not contact the Judge, the Court, or Mullen Finance about the settlement.**

Usted puede llamar a 1-800-_____ para solicitar un aviso de clase Settlement mandado en Español.

Basic Information – This Action

A lawsuit entitled *Melendez et al. v. K Street Finance, Inc. dba Mullen Finance Plan* was filed in Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC. Plaintiffs Ricardo Melendez, Andres Orozco, Martha Lomeli, and Carlos Cruz (“Plaintiffs”) filed a class action complaint against Mullen Finance. Plaintiffs allege that some of the Notices of Intent to Dispose of Motor Vehicle (“NOI”) sent by Mullen Finance between May 5, 2010 and August 4, 2016 regarding repossessed vehicles did not comply with California law, and that Mullen Finance is not entitled to collect the deficiency if a deficiency balance remained after a subsequent sale of the vehicle. Plaintiffs brought claims for violation of Civil Code §2983.2, Business & Professions Code §17200, and Declaratory Relief. The Court certified this case as a class action on February 3, 2017.

The Court in charge of the lawsuit is the California Superior Court for the County of Orange. The Court has not decided who is right or wrong in this lawsuit. Mullen Finance is willing to enter into this settlement to end further litigation. The settlement resolves Class Representatives and Settlement Class members claims. By this settlement, Mullen Finance is agreeing not to collect deficiency balances from class members.

The Action is called a “Class Action,” because Plaintiffs are the Settlement Class Representatives suing on behalf of other people with similar claims, called “Settlement Class Members.”

Who Is A Settlement Class Member?

Under the terms of the proposed settlement, you are a Settlement Class Member if all of the following apply to you, and the Court grants final approval of this Settlement.

The term “Settlement Class” is defined as all persons:

- (a) who purchased a motor vehicle and, as part of that transaction, entered into an agreement subject to California’s Rees-Levering Automobile Sales Finance Act, Civil

Code §2981, *et seq.*;

- (b) whose motor vehicle was repossessed or voluntarily surrendered;
- (c) who were issued a Notice of Intent to Dispose of Motor Vehicle ("NOI") by Mullen Finance from May 5, 2010 through August 4, 2016 that gave the consumer the right to reinstate the loan; and
- (d) against whose account a deficiency balance was assessed.

Excluded from the Class are persons (1) whose account were discharged in bankruptcy, (2) against whom Mullen Finance obtained a judgment in Superior Court; and (3) those consumers who appear on the Stipulation of Parties to Exclude Certain Class Members.

The Settlement Benefits – What You Will Get

If the Settlement is approved by the Court, all Settlement Class Members will receive debt relief and other non-cash monetary benefits. In addition, some Settlement Class Members will be eligible to receive monetary benefits, as described below. If the Settlement is not approved by the Court, Settlement Class Members will not get any benefits and the parties will go back to Court for a trial on the merits of the Action. The parties have made their best efforts to negotiate a settlement that is fair and reasonable under the circumstances.

After diligent investigation of their records, the Parties stipulate that there are 1,174 members of the Settlement Class. According to Mullen Finance's records, Settlement Class members have a total outstanding deficiency balance of \$2,647,192.28, and a total outstanding Deficiency Balance on Small Claims Actions of \$1,691,058.24. The total Deficiency Balance collected is \$957,627.83, and the total collected from Small Claims Actions is \$811,718.17. The total collected from Settlement Class members other than from Small Claims Actions is \$145,909.66.

Settlement Class Benefits:

- (1) For all Settlement Class Members, Mullen Finance agrees not to attempt to collect any remaining deficiency balance and will instruct the three credit reporting bureaus, TransUnion, Equifax, and Experian, to delete the trade line referencing Settlement Class members' accounts.
- (2) Mullen Finance has agreed to refund a total of \$475,000, including the amount of Service Awards, discussed below. If you are a Settlement Class Member who paid any amount toward a deficiency balance after repossession, including but not limited to amounts you were ordered to pay after a small claims court judgment, you will receive the non-monetary benefits described above, **and in addition**, you will receive a check for the pro-rata portion of the \$475,000.00 of the amount you actually paid Mullen Finance toward your deficiency balance. The check will be made out to the first-named borrower on the account.
- (3) If Mullen Finance filed a small claims court action against you, and that small claims court action is still pending, Mullen Finance will dismiss that action with prejudice. If Mullen Finance filed a small claims court action against you and obtained a judgment against you, Mullen Finance will file an acknowledgement of satisfaction of judgment in that small claims action.

You do NOT need to do anything to receive these benefits.

Resolution of Disputes: If you wish to dispute whether or not you are entitled to receive a refund, you must provide the following information, in writing, to both Class Counsel and the Class Administrator at the addresses listed below. Your notice of dispute must contain all of the following information: (1) The name of the Action "*Melendez v. K Street Finance, Inc. dba Mullen Finance Plan, Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC*" (2) Your full name, current address, telephone number, and the last 4 digits of your Mullen Finance Account number; (3) A statement of why you believe the total payment towards deficiency and total anticipated refund is inaccurate; (4) Any and all written documentation and receipts to support your dispute; and (5) Your signature and the date you signed it. If you do not follow these procedures to dispute your refund, the parties will not be able to commence the dispute resolution procedures pursuant to Paragraph 3.08 of the Settlement Agreement and Release.

Pursuant to Paragraph 3.08 of the Settlement Agreement and Release, any disputes regarding payments to the Settlement Class – such as a dispute about a payment amount or the proper recipient of a payment – will be resolved in the following manner. Settlement Class Counsel and Mullen Finance's Counsel will first meet and confer in a good faith attempt to resolve that dispute. In the event the dispute cannot be resolved informally between the Parties' counsel, the Settlement Class Administrator will resolve the dispute and such resolution shall be final and binding on the Settlement Class member. In resolving such disputes, Mullen Finance's records shall be presumed to be accurate and correct, and shall be final and binding, unless information provided by the Settlement Class member proves otherwise. Any such disputes shall be resolved and all checks must be negotiated within ninety (90) days of the Distribution Date.^[A1]

Attorneys' Fees and Award to Settlement Class Representatives. Settlement Class Counsel may apply to the Court for an award of attorneys' fees and costs in an amount of \$475,000.00. Plus, Settlement Class Counsel may request from the Court at the time of Final Approval that they be reimbursed up to \$75,000 for costs and expenses, including the costs of settlement administration, from any unclaimed settlement payments. Settlement Class Counsels' fee application will be filed with the Court no later than _____ . Mullen Finance has agreed not to negatively comment on the attorneys' fees and costs award, as long as it does not exceed \$475,000.00, plus the \$75,000 for costs and expenses from any unclaimed settlement payments the residue at the time of Final Approval. If any unclaimed settlement payments remain after reimbursing Settlement Class Counsel's costs and expenses, the balance will be paid to the Public Law Center of Santa Ana. In addition, the Settlement Class Representatives Andres Orozco, Martha Lomeli, and Carlos Cruz will request a service awards of \$1,000 each and Ricardo Melendez will request a service award of \$5,000. Any award of attorneys' fees and costs, and any service award, must be approved by the Court at the Final Approval hearing referenced below. Any award of attorneys' fees will be paid by Mullen Finance separate and apart from any benefits you may receive under the settlement, which any service award will be deducted from the total amount to be refunded before calculating your pro-rata refund share.

Tax Consequences of Settlement

Any benefits you receive may or may not be the subject of state or federal taxation, depending on your circumstances. Counsel for the Parties in this lawsuit are not tax attorneys and you are advised to seek separate legal advice on matters of taxation.

The Settlement Release – What You Will Give Up

In exchange for the benefits described above, you must give up the right to sue or be part of any other lawsuit against Mullen Finance about claims based on the facts alleged in this lawsuit. In addition, you will be bound by all orders of the Court and any judgment in this case. The settlement agreement includes a “Release of Claims,” which describes exactly what you will give up to receive the settlement benefits.

Your Rights – Exclusion

If you are a Class Member, you are automatically included in the settlement, unless you request to be excluded. If you exclude yourself, you will not receive any benefits of the settlement, but you will not be bound by any judgment or release in this Action and will keep your right to sue Mullen Finance on your own if you want. If you exclude yourself, you may not object to the Settlement.

To exclude yourself from the settlement, you must send a request for exclusion to the Class Administrator at the address below postmarked no later than _____, 2019 [45 days from mailing of class notice], and containing all of the following: (1) The name of the Action “*Melendez v. K Street Finance, Inc. dba Mullen Finance Plan*, Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC” (2) Your full name, current address, telephone number, and the last 4 digits of your Mullen Finance Account number; (3) A statement of your intent to exclude yourself; (4) Your signature and the date you signed it. If you do not follow these procedures to exclude yourself, your rights will be determined in this Action if this settlement receives final judicial approval.

Your Rights – Objection to the Settlement

You may object to the settlement. To object to the settlement, you must send your objection to the Settlement Class Administrator, Kurtzman Carson Consultants at the address provided below, by First Class Mail postmarked no later than _____, 2019 [45 days after the Preliminary Approval Order issues], and provide all of the following: (1) The name of the Action “*Melendez v. K Street Finance, Inc. dba Mullen Finance Plan*, Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC” (2) Your full name, current address, and telephone number, (3) A clear statement of each objection, (4) All supporting evidence and briefing you wish to have considered in support of the objection, and (5) Your signature and the date of your signature. Objectors are not required to attend the Final Approval Hearing but may do so.

The Final Approval Hearing

The proposed settlement must be finally approved by the Court. The Court has set the Final Approval hearing for _____, 2019 at _____ (subject to change by the Court without further notice), in _____ Courtroom _____, _____ [address] _____ to determine whether the proposed settlement should be approved as fair, reasonable and adequate, whether certification of the Settlement Class is proper, the amount of reasonable attorneys’ fees, costs and expenses, the amount of the Settlement Class Representatives’ service award, and whether the settlement should be finally approved.

You do not need to hire a lawyer but may do so if you want to. You and the Settlement Class are already represented by Settlement Class Counsel listed below, at no out-of-pocket cost to you.

The settlement will not take effect unless and until: (1) the Court approves the settlement at the Final Approval hearing, and (2) a Final Order and Judgment is entered by the Court and no longer subject to appeal. After the Court rules on Final Approval and the time to appeal has expired or appeals are exhausted, the settlement will become final, and you will receive the class benefits set forth above. If the Court does not approve the settlement, Settlement Class members will not receive any benefits described in this notice. It will be as if no settlement had been reached.

More Information

This Notice, which has been approved by the Court, is only a summary. You may call the Settlement Class Administrator (Kurtzman Carson Consultants) directly for updates regarding the Court hearing date, at 1-800-____-_____. If you have additional questions concerning this Action, Notice, or Settlement, you may contact Settlement Class Counsel. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online at the Orange County Superior Court's website, at _____, or in person in Room-_____ at the Court _____ Building at: _____, between the hours of _____ a.m. and _____ p.m. Monday through Friday, excluding Court holidays. **Please do not contact the Judge, the Court, or Mullen Finance.**

Usted puede llamar a 1-800-_____ para solicitar un aviso de clase Settlement mandado en Español.

<p>Settlement Class Administrator: KURTZMAN CARSON CONSULTANTS 75 Rowland Way Novato, CA 94945</p>	<p>Settlement Class Counsel: KEMNITZER, BARRON & KRIEG LLP Bryan Kemnitzer Nancy Barron Kristin Kemnitzer 354 Pine St., 5th Floor San Francisco, CA 94104 (800) 520-4525</p>	<p>Counsel for Mullen Finance: CARROL, KELLY, TROTTER, FRANZEN, MCBRIDE & PEABODY Michael Trotter David Pruet 111 W. Ocean Blvd., 14th Floor Long Beach, CA 90802-4646</p>
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[Complete this form **ONLY IF** you choose not to participate in this settlement]

Request for Exclusion from Class Action Settlement

In the matter of:

Melendez et al. v. K Street Finance, Inc. dba Mullen Finance Plan
Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC

If you are a Class Member, you are automatically included in the settlement, unless you request to be excluded. If you exclude yourself, you will not receive any benefits of the settlement, but you will not be bound by any judgment or release in this Action and will keep your right to sue Mullen Finance on your own if you want. If you exclude yourself, you may not object to the Settlement.

If you wish to exclude yourself from this Settlement, you must complete, sign, and mail this form by first class U.S. mail or equivalent, postage paid, postmarked on or before _____ addressed as follows:

Melendez et al. v. K Street Finance, Inc. dba Mullen Finance Plan
c/o KURTZMAN CARSON CONSULTANTS
75 Rowland Way
Novato, CA 94945

Claimant Information (please fill in all of the following information):

NAME:

STREET ADDRESS:

CITY, STATE, ZIP CODE:

PHONE NUMBER:

LAST FOUR DIGITS OF ACCOUNT NUMBER:

Claimant Certification:

By signing below, I certify that I wish to be excluded and not participate in the Settlement.

Signature of Claimant: _____

Date: _____

EXHIBIT B

California Superior Court – County of Orange

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

IF YOUR VEHICLE WAS REPOSSESSED IN CALIFORNIA AND YOU RECEIVED A “NOTICE OF OUR PLAN TO SELL VEHICLE” (“NOI”) FROM K STREET FINANCE, INC. dba MULLEN FINANCE PLAN (“MULLEN FINANCE”), THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT MAY AFFECT YOU
-PLEASE READ IT CAREFULLY-

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The Court in charge of the lawsuit is the California Superior Court for the County of Orange. The Court has not decided who is right or wrong in this lawsuit. Mullen Finance is willing to enter into this settlement to end further litigation. The settlement resolves Class Representatives and Settlement Class members claims. By this settlement, Mullen Finance is agreeing not to collect deficiency balances from class members.

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The term “Settlement Class” is defined as all persons:

- (a) who purchased a motor vehicle and, as part of that transaction, entered into an agreement subject to California’s Rees-Levering Automobile Sales Finance Act, Civil

Code §2981, *et seq.*;

- (b) whose motor vehicle was repossessed or voluntarily surrendered;
- (c) who were issued a Notice of Intent to Dispose of Motor Vehicle ("NOI") by Mullen Finance from May 5, 2010 through August 4, 2016 that gave the consumer the right to reinstate the loan; and
- (d) against whose account a deficiency balance was assessed.

Excluded from the Class are persons (1) whose account were discharged in bankruptcy, (2) against whom Mullen Finance obtained a judgment in Superior Court; and (3) those consumers who appear on the Stipulation of Parties to Exclude Certain Class Members.

The Settlement Benefits – What You Will Get

If the Settlement is approved by the Court, all Settlement Class Members will receive debt relief and other non-cash monetary benefits. In addition, some Settlement Class Members will be eligible to receive monetary benefits, as described below. If the Settlement is not approved by the Court, Settlement Class Members will not get any benefits and the parties will go back to Court for a trial on the merits of the Action. The parties have made their best efforts to negotiate a settlement that is fair and reasonable under the circumstances.

After diligent investigation of their records, the Parties stipulate that there are 1,174 members of the Settlement Class. According to Mullen Finance's records, Settlement Class members have a total outstanding deficiency balance of \$2,647,192.28, and a total outstanding Deficiency Balance on Small Claims Actions of \$1,691,058.24. The total Deficiency Balance collected is \$957,627.83, and the total collected from Small Claims Actions is \$811,718.17. The total collected from Settlement Class members other than from Small Claims Actions is \$145,909.66.

Settlement Class Benefits:

- (1) For all Settlement Class Members, Mullen Finance agrees not to attempt to collect any remaining deficiency balance and will instruct the three credit reporting bureaus, TransUnion, Equifax, and Experian, to delete the trade line referencing Settlement Class members' accounts.
- (2) Mullen Finance has agreed to refund a total of \$475,000, including the amount of Service Awards, discussed below. If you are a Settlement Class Member who paid any amount toward a deficiency balance after repossession, including but not limited to amounts you were ordered to pay after a small claims court judgment, you will receive the non-monetary benefits described above, **and in addition**, you will receive a check for the pro-rata portion of the \$475,000.00 of the amount you actually paid Mullen Finance toward your deficiency balance. The check will be made out to the first-named borrower on the account.
- (3) If Mullen Finance filed a small claims court action against you, and that small claims court action is still pending, Mullen Finance will dismiss that action with prejudice. If Mullen Finance filed a small claims court action against you and obtained a judgment against you, Mullen Finance will file an acknowledgement of satisfaction of judgment in that small claims action.

Total Refund Amount

Please note that you will only receive a refund if you paid some amount towards your alleged deficiency balance. Many Settlement Class members did not pay any amount towards the alleged deficiency balance and therefore will receive the other Settlement Class benefits, but not a refund.

Total Payment Towards
Deficiency: Total Anticipated

You do NOT need to do anything to receive these benefits.

Resolution of Disputes: If you wish to dispute the total refund amount listed above, you must provide the following information, in writing, to both Class Counsel and the Class Administrator at the addresses listed below. Your notice of dispute must contain all of the following information: (1) The name of the Action "*Melendez v. K Street Finance, Inc. dba Mullen Finance Plan*, Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC" (2) Your full name, current address, telephone number, and the last 4 digits of your Mullen Finance Account number; (3) A statement of why you believe the total payment towards deficiency and total anticipated refund is inaccurate; (4) Any and all written documentation and receipts to support your dispute; and (5) Your signature and the date you signed it. If you do not follow these procedures to dispute your refund, the parties will not be able to commence the dispute resolution procedures pursuant to Paragraph 3.08 of the Settlement Agreement and Release.

Pursuant to Paragraph 3.08 of the Settlement Agreement and Release, any disputes regarding payments to the Settlement Class – such as a dispute about a payment amount or the proper recipient of a payment – will be resolved in the following manner. Settlement Class Counsel and Mullen Finance’s Counsel will first meet and confer in a good faith attempt to resolve that dispute. In the event the dispute cannot be resolved informally between the Parties’ counsel, the Settlement Class Administrator will resolve the dispute and such resolution shall be final and binding on the Settlement Class member. In resolving such disputes, Mullen Finance’s records shall be presumed to be accurate and correct, and shall be final and binding, unless information provided by the Settlement Class member proves otherwise. Any such disputes shall be resolved and all checks must be negotiated within ninety (90) days of the Distribution Date.^[A1]

Attorneys’ Fees and Award to Settlement Class Representatives. Settlement Class Counsel may apply to the Court for an award of attorneys’ fees and costs in an amount of \$475,000.00. Plus, Settlement Class Counsel may request from the Court at the time of Final Approval that they be reimbursed up to \$75,000 for costs and expenses, including the costs of settlement administration, from any unclaimed settlement payments. Settlement Class Counsels’ fee application will be filed with the Court no later than _____ . Mullen Finance has agreed not to negatively comment on the attorneys’ fees and costs award, as long as it does not exceed \$475,000.00, plus the \$75,000 for costs and expenses from any unclaimed settlement payments the residue at the time of Final Approval. If any unclaimed settlement payments remain after reimbursing Settlement Class Counsel’s costs and expenses, the balance will be paid to the Public Law Center of Santa Ana. In addition, the Settlement Class Representatives Andres Orozco, Martha Lomeli, and Carlos Cruz will request a service awards of \$1,000 each and Ricardo Melendez will request a service award of \$5,000. Any award of attorneys’ fees and costs, and any service award, must be approved by the Court at the Final Approval hearing referenced below. Any award of attorneys’ fees will be paid by Mullen Finance separate and apart from any benefits you may receive under the settlement, which any service award will be deducted from the total amount to be refunded before calculating your pro-rata refund share.

Tax Consequences of Settlement

Any benefits you receive may or may not be the subject of state or federal taxation, depending on your circumstances. Counsel for the Parties in this lawsuit are not tax attorneys and you are advised to seek separate legal advice on matters of taxation.

The Settlement Release – What You Will Give Up

In exchange for the benefits described above, you must give up the right to sue or be part of any other lawsuit against Mullen Finance about claims based on the facts alleged in this lawsuit. In addition, you will be bound by all orders of the Court and any judgment in this case. The settlement agreement includes a “Release of Claims,” which describes exactly what you will give up to receive the settlement benefits.

Your Rights – Exclusion

If you are a Class Member, you are automatically included in the settlement, unless you request to be excluded. If you exclude yourself, you will not receive any benefits of the settlement, but you will not be bound by any judgment or release in this Action and will keep your right to sue Mullen Finance on your own if you want. If you exclude yourself, you may not object to the Settlement.

To exclude yourself from the settlement, you must send a request for exclusion to the Class Administrator at the address below postmarked no later than _____, 2019 [45 days from mailing of class notice], and containing all of the following: (1) The name of the Action “*Melendez v. K Street Finance, Inc. dba Mullen Finance Plan*, Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC” (2) Your full name, current address, telephone number, and the last 4 digits of your Mullen Finance Account number; (3) A statement of your intent to exclude yourself; (4) Your signature and the date you signed it. If you do not follow these procedures to exclude yourself, your rights will be determined in this Action if this settlement receives final judicial approval.

Your Rights – Objection to the Settlement

You may object to the settlement. To object to the settlement, you must send your objection to the Settlement Class Administrator, Kurtzman Carson Consultants at the address provided below, by First Class Mail postmarked no later than _____, 2019 [45 days after the Preliminary Approval Order issues], and provide all of the following: (1) The name of the Action “*Melendez v. K Street Finance, Inc. dba Mullen Finance Plan*, Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC” (2) Your full name, current address, and telephone number, (3) A clear statement of each objection, (4) All supporting evidence and briefing you wish to have considered in support of the objection, and (5) Your signature and the date of your signature. Objectors are not required to attend the Final Approval Hearing but may do so.

The Final Approval Hearing

The proposed settlement must be finally approved by the Court. The Court has set the Final Approval hearing for _____, 2019 at _____ (subject to change by the Court without further notice), in _____ Courtroom _____, _____ [address] _____ to determine whether the proposed settlement should be approved as fair, reasonable and adequate, whether certification of the

Settlement Class is proper, the amount of reasonable attorneys' fees, costs and expenses, the amount of the Settlement Class Representatives' service award, and whether the settlement should be finally approved.

You do not need to hire a lawyer but may do so if you want to. You and the Settlement Class are already represented by Settlement Class Counsel listed below, at no out-of-pocket cost to you.

The settlement will not take effect unless and until: (1) the Court approves the settlement at the Final Approval hearing, and (2) a Final Order and Judgment is entered by the Court and no longer subject to appeal. After the Court rules on Final Approval and the time to appeal has expired or appeals are exhausted, the settlement will become final, and you will receive the class benefits set forth above. If the Court does not approve the settlement, Settlement Class members will not receive any benefits described in this notice. It will be as if no settlement had been reached.

More Information

This Notice, which has been approved by the Court, is only a summary. You may call the Settlement Class Administrator (Kurtzman Carson Consultants) directly for updates regarding the Court hearing date, at 1-800-____-_____. If you have additional questions concerning this Action, Notice, or Settlement, you may contact Settlement Class Counsel. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online at the Orange County Superior Court's website, at _____, or in person in Room-_____ at the Court _____ Building at: _____, between the hours of _____ a.m. and _____ p.m. Monday through Friday, excluding Court holidays. **Please do not contact the Judge, the Court, or Mullen Finance.**

Usted puede llamar a 1-800-_____ para solicitar un aviso de clase Settlement mandado en Español.

Settlement Class Administrator: KURTZMAN CARSON CONSULTANTS 75 Rowland Way Novato, CA 94945	Settlement Class Counsel: KEMNITZER, BARRON & KRIEG LLP Bryan Kemnitzer Nancy Barron Kristin Kemnitzer 354 Pine St., 5 th Floor San Francisco, CA 94104 (800) 520-4525	Counsel for Mullen Finance: CARROL, KELLY, TROTTER, FRANZEN, MCBRIDE & PEABODY Michael Trotter David Pruet 111 W. Ocean Blvd., 14 th Floor Long Beach, CA 90802-4646
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[Complete this form **ONLY IF** you choose not to participate in this settlement]

Request for Exclusion from Class Action Settlement

In the matter of:

Melendez et al. v. K Street Finance, Inc. dba Mullen Finance Plan
Orange County Superior Court, Case No. 30-2014-00722412-CU-BT-CXC

If you are a Class Member, you are automatically included in the settlement, unless you request to be excluded. If you exclude yourself, you will not receive any benefits of the settlement, but you will not be bound by any judgment or release in this Action and will keep your right to sue Mullen Finance on your own if you want. If you exclude yourself, you may not object to the Settlement.

If you wish to exclude yourself from this Settlement, you must complete, sign, and mail this form by first class U.S. mail or equivalent, postage paid, postmarked on or before _____ addressed as follows:

Melendez et al. v. K Street Finance, Inc. dba Mullen Finance Plan
c/o KURTZMAN CARSON CONSULTANTS
75 Rowland Way
Novato, CA 94945

Claimant Information (please fill in all of the following information):

NAME:

STREET ADDRESS:

CITY, STATE, ZIP CODE:

PHONE NUMBER:

LAST FOUR DIGITS OF ACCOUNT NUMBER:

Claimant Certification:

By signing below, I certify that I wish to be excluded and not participate in the Settlement.

Signature of Claimant: _____

Date: _____

1 PROOF OF SERVICE

2 **Re: *Melendez v. Mullen Finance Plan, et al.***
3 **Orange County Superior Court Case No. 30-2014-00722412-CU-BT-CXC**

4 I, Sean R. Barry, certify that I am not a party to the proceeding herein, that I am and was
5 at the time of service over the age of 18 years old, and a resident of the State of California. My
6 business address is 354 Pine St., 5th Floor, San Francisco, CA 94104.

7 On July 12, 2019, I served the following:

8 **THIRD REVISED [PROPOSED] ORDER CERTIFYING CLASS SETTLEMENT,**
9 **GRANTING PRELIMINARY APPROVAL OF SETTLEMENT**

10 by depositing true copies thereof, enclosed in separate, sealed envelopes, each of which was
11 addressed respectively to the person(s) and address(es) shown below, for collection and
12 processing for mailing following this business' ordinary practice with which I am readily
13 familiar. On the same day correspondence is placed for collection and mailing, it is deposited in
14 the ordinary course of business with the United States Postal Service with the postage thereon
15 fully prepaid, in the United States mail at San Francisco, California.

16 **Michael J. Trotter**
17 **David P. Pruett**
18 **CARROLL, KELLY, TROTTER, FRANZEN, McBRIDE & PEABODY**
19 **111 West Ocean Blvd., 14th Floor**
20 **P.O. Box 22636**
21 **Long Beach, CA 90801**
22 **Attorneys for Defendant K STREET FINANCE, INC. dba MULLEN FINANCE PLAN**

23 I declare under penalty of perjury that the foregoing is true and correct.

24 Dated: July 12, 2019



25 _____
26 Sean R. Barry
27
28