

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

NESTOR SAROZA, on behalf of
himself and those similarly
situated,

Plaintiff,

vs.

LTD FINANCIAL SERVICES,
L.P.,

Defendant.

Civil Action No.:
2:16-cv-06259-JMV-JAD

NOTICE OF PENDENCY OF CLASS ACTION

*A Federal court authorized this notice – This is not a solicitation from a lawyer.
Do not be alarmed, you are NOT being sued.*

According to LTD FINANCIAL SERVICES, L.P., it sent you a collection letter. A sample copy of the letter appears at the end of this Notice.

A class action lawsuit concerning that letter may affect your rights.

It is important that you read this Notice.

If you do *not* want to be part of the Class, you must request, in writing, to be excluded NO LATER THAN February 17, 2021.

A New Jersey resident sued LTD Financial Services, L.P. (“LTD”) alleging deceptive collection practices based on a form letter.

- The Court has allowed the lawsuit to be a class action on behalf of all individuals who received the same form letter.
- The Court has not decided whether LTD did anything wrong. There is no money available now, and no guarantee there ever will be. However, your legal rights are affected and, therefore, you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

DO NOTHING	Stay in this lawsuit. Await the outcome. Give up certain rights. By doing nothing, you keep the possibility of getting money that may come from a trial or a settlement. But, you give up any rights to sue LTD separately about the same legal claims in this lawsuit.
ASK TO BE EXCLUDED	Get out of this lawsuit. Get no benefits from it. Keep rights. If you ask to be excluded and money is later awarded, you won't share in the award. But, you keep any rights to sue LTD separately about the same legal claims in this lawsuit.

- Your options are explained in this Notice. To ask to be excluded, ***you must act by February 17, 2021***.
- Lawyers must prove the claims against LTD at a trial. If money or benefits are obtained from LTD and you have not asked to be excluded, your share will be sent to you.
- **Any questions? Read on.**

[Questions? Call (888) 267-0132 or go to Saroza-LTD-FDCPAClassAction.com]

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BASIC INFORMATION

1. Why did I get this notice?

This Notice explains that the Court has allowed this lawsuit to continue as a class action that may affect you. The lawsuit was filed against LTD. The individual who brought the case alleged claims because LTD used a certain form collection letter.

According to LTD's records, you received a letter using the same form letter. A sample copy of the letter is at the end of this Notice.

You have legal rights and options that you may exercise *before* the Court holds a trial. For more information about the trial, see "The Trial" section (below).

The trial is to decide whether the claims being made against LTD are correct. Judge John Michael Vazquez of the United States District Court for the District of New Jersey is overseeing this class action. The case is known as:

Saroza v. LTD Financial Services, L.P., et al.
Civil Action No. 2:16-cv-06259-JMV-JAD

2. What is this lawsuit about?

This lawsuit is about whether LTD violated a Federal statute which regulates debt collection practices. The Federal statute is the Fair Debt Collection Practices Act ("FDCPA"). Details of the FDCPA claims against LTD are discussed under Question 5.

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

In a class action lawsuit, the individual who brought the case is called the Plaintiff. In this case, Nestor Saroza is the Plaintiff. The company that he sued is called the Defendant. Here, LTD is the Defendant.

The Plaintiff brings a class action lawsuit because he wants to act on behalf of other people who have similar claims and recover damages for those persons. When the Court agrees the claims are similar, it "certifies" the case as a class action lawsuit. The people who have similar claims are together called the "Class" or the "Class Members."

After certifying the class action, the Court appoints a "Class Representative," who is often the Plaintiff(s). The Court also appoints "Class Counsel," who can be the Plaintiff's attorney.

In this case, after the Court certified the lawsuit as a class action, it appointed Mr. Saroza as the Class Representative and his attorney as Class Counsel. ***You are a member of the Class.***

In a class action, one court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class. The Court has set **February 17, 2021** as the last day for Class Members to exclude themselves from the Class. For more information about how to exclude yourself, see Question 13.

The Court will decide who wins this lawsuit sometime *after* **February 17, 2021**.

4. Why is this lawsuit a class action?

On September 4, 2018, the Court decided this lawsuit will proceed as a class action and move towards a trial because the lawsuit meets all the requirements to be a class action. Specifically, the Court found that:

- There are 1,151 individuals to whom LTD sent a particular form letter in an attempt to collect a debt.
- There are legal questions and facts that are common to each Class Member.
- The Class Representative's claims are typical of the claims of the rest of the Class.
- Mr. Saroza and his lawyer will fairly and adequately represent the Class's interests.

- The common legal questions and facts are more important than questions that affect only individual Class Members.
- This class action will be more efficient than having many individual lawsuits.

More information about why the Court is allowing this lawsuit to be a class action is in the Court's Order Certifying the Class. You may obtain a copy of that Order and other information by following the instructions under Question 20.

5. What does the lawsuit complain about?

In his Class Action Complaint, the Plaintiff says that LTD violated the FDCPA. He claims that LTD's form collection letter was false, deceptive or misleading to the least sophisticated consumer. You may obtain a copy of the Plaintiff's Class Action Complaint and other information by following the instructions under Question 20.

Plaintiff's lawsuit contends that:

- Chase Bank USA, N.A. hired LTD to collect defaulted debts from Class Members including you.
- LTD mailed you and each Class Member a collection letter similar to the letter at the end of this Notice. That letter offered to settle your alleged debt for a reduced amount, and included the following "IRS Reporting Language":
IRS requires certain amounts that are discharged as a result of the cancellation of debt to be reported on a Form 1099-C.
- The IRS Reporting Language in LTD's letter was false, deceptive or misleading because it misstated controlling tax law, failed to advise of applicable exceptions to IRS reporting, and otherwise misrepresented the IRS reporting obligations and your potential tax and legal consequences of settling your alleged debt for an amount lower than the full balance they claim was owed.
- This IRS Reporting Language in LTD's letter was a collection ploy designed to scare Class Members into paying the full amount of their debts.

6. What is Defendant's answer?

LTD denies that it did anything wrong. It contends that the letter was not false, deceptive, or misleading. It also contends that it did not violate the FDCPA.

7. Has the Court decided who is right?

The Court hasn't decided yet whether Plaintiff is correct. By certifying the Class and issuing this Notice, the Court is not suggesting that the Plaintiff will win or lose.

The Plaintiff must still prove his claims at a trial. For more information about the trial, see "The Trial" section.

8. What is the Plaintiff asking for?

The FDCPA permits the Court to enter a judgment in an amount of money for damages when a debt collector unlawfully attempts to collect a debt. There are two types of damages allowed when there is a violation of the FDCPA.

One type of damages pays you for the harm caused by the debt collector. Those are called "compensatory damages." Plaintiff is not asking for compensatory damages because, according to LTD, no one was harmed by receiving the letter.

The FDCPA also allows the Court to award a limited amount of damages when a debt collector acts unlawfully. Those are called "statutory damages." The limits are different for the Class Representative and for the Class. The limits are:

- Up to \$1,000 to each Class Representative; and

- Up to 1% of LTD’s net worth or \$500,000, whichever is less, to be shared equally by the Class Members who do not exclude themselves.

When a jury decides the amount of statutory damages, the FDCPA requires it to consider five factors: (1) the frequency and persistence of noncompliance by the debt collector, (2) the nature of such noncompliance, (3) the resources of the debt collector, (4) the number of persons adversely affected, and (5) the extent to which the debt collector’s noncompliance was intentional.

If a jury concludes LTD violated the FDCPA, it will then decide whether to award statutory damages and, if so, how much.

If a jury concludes LTD did not do anything wrong, then it will not award any damages.

9. Is there any money available now?

No money or benefits are available now because the Court has not yet decided whether LTD did anything wrong, and the Parties have not settled the case. There is no guaranty money or benefits will be obtained. If you do not exclude yourself and the Court awards statutory damages, you will be sent your share.

WHO IS IN THE CLASS

You are a member of the Class. You need to decide whether you want to remain a member of the Class.

10. Am I part of this Class?

Judge Jose L. Linares decided that the Class consists of each person who meets the following definition:

All consumers located in New Jersey that were sent a letter or notice by LTD FINANCIAL SERVICES, L.P., during the Class Period, similar to Exhibit A to the Complaint that included the language, “IRS requires certain amounts that are discharged as a result of the cancellation of debt to be reported on a Form 1099-C.”

where the Class Period is the continuous period beginning October 1, 2015 and ending October 1, 2016.

***You are receiving this Notice because LTD identified
you as a member of the Class.***

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class or ask to be excluded, and you have to decide this now.

11. What happens if I do nothing at all?

You don’t have to do anything now if you want to keep the possibility of getting money or benefits from this class action lawsuit. By doing nothing, you are staying in the Class.

If you stay in the Class and the Plaintiff obtains money or benefits, either as a result of the trial or a settlement, you will be notified about receiving your share.

Keep in mind that if you do nothing now, regardless of whether the Plaintiff wins or loses the trial, you will not be able to sue, or continue to sue LTD—as part of any other lawsuit—about the same legal claims that are the subject of this lawsuit. This means that if you do nothing, you will not be able to sue for violations of the FDCPA based on the letter. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

12. Why would I ask to be excluded?

You must decide whether you want to be legally bound by the Court's judgment in this class action.

If you do not want to be bound, then you must exclude yourself from the Class. If you exclude yourself from the Class—which also means to remove yourself from the Class, and is sometimes called “opting-out” of the Class—you won't get any money or benefits from this lawsuit even if the Plaintiff obtains them as a result of the trial or from any settlement (that may or may not be reached) between the Defendant and the Plaintiff. You also will not be bound if LTD wins.

You may want to exclude yourself if you already have your own lawsuit or want to start one against LTD. If you start your own lawsuit after you exclude yourself, you'll have to hire your own lawyer and you'll have to prove your claims. If you exclude yourself to start your own lawsuit against LTD, you should talk to your own lawyer soon because your claims may be subject to a statute of limitations.

13. How do I exclude myself from the Class?

To exclude yourself from the Class, you **MUST** mail a letter to the court-appointed Third-Party Class Administrator.

DO NOT WRITE TO THE COURT.

Your letter **MUST** include:

- a) your name,
- b) your address, and
- c) your request that you want to be excluded from the Class in *Saroza v. LTD Financial Services, L.P.*

Please address the envelope to the Administrator as follows:

Saroza v LTD Financial Services, L.P
c/o Settlement Administrator
P.O. Box 23680
Jacksonville, FL 32241

You **MUST** mail your letter no later than **February 17, 2021**.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has decided that Lawrence Hersh, Esq. is qualified to represent you and all Class Members. He is called “Class Counsel” and is experienced in handling similar cases against debt collectors.

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

16. How will the lawyers be paid?

If Plaintiff is successful in proving LTD violated the FDCPA, then Class Counsel is permitted to ask the Court for fees and expenses. You won't have to pay these fees and expenses. If the Court grants Class Counsel's request, the fees and expenses will be paid separately by LTD.

If the Court awards statutory damages to either the Plaintiff or to the Class, no portion of those damages will be used to pay Class Counsel's fees or expenses.

THE TRIAL

The Court has not yet scheduled a trial date. If the Court decides a trial is needed, it will be held in the United States District Court for the District of New Jersey at the United States Post Office and Courthouse, 2 Federal Square, Newark, New Jersey.

You may obtain information about whether there will be a trial and, if so, the trial date by following the instructions under Question 20.

17. How and when will the Court decide who is right?

As long as this case isn't resolved by a settlement, Class Counsel will have to prove the Plaintiff's claims at a trial. No date has been set for the trial.

18. Do I have to come to the trial?

No. You do not need to attend the trial. Class Counsel will present the case for the Plaintiff, and LTD will present its defenses. You, or your own lawyer, are welcome to come at your own expense.

19. Will I get money after the trial?

You will be notified if the Plaintiff obtains money or benefits as a result of a trial or settlement. We do not know how long this will take.

GETTING MORE INFORMATION

20. Are more details available?

Do not contact the Court for legal questions or advice—**the Court and its staff are not allowed to answer your questions.** You may obtain information about this case in several ways.

- a) Copies of all documents filed in this case which are public records may be:
 - Reviewed during regular business hours at the Office of the Clerk of the United States District Court for the District of New Jersey, Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Room 4015, Newark, NJ 07101. You will need to provide the name of the lawsuit and the docket number: *Saroza v. LTD Financial Services, L.P.*, Civil Action No. 2:16-cv-06259-JMV-JAD.
 - Viewed and downloaded at <http://www.pacer.gov/>
- b) Contacting Class Counsel by calling (201) 507-6300 or by writing to:

Saroza v LTD Financial Services, L.P
c/o Settlement Administrator
P.O. Box 23680
Jacksonville, FL 32241

SAMPLE LETTER



7322 Southwest Freeway Suite 1600
Houston, TX 77074-2053

MON thru THU 8:00A.M. until 9:00P.M. CT
FRI 8:00A.M. until 5:00P.M. CT
SAT 8:00A.M. until 12:00 Noon CT

Toll Free: 1-866-285-2186
Phone: (713) 773-3100
Fax: (713) 414-2126

CREDITOR:
CHASE BANK USA, N.A.
CREDITOR ACCOUNT #:

LTD REF NO:
BALANCE: \$14,256.63

October 1, 2015

***** SETTLEMENT IN FULL OFFER *****

This letter is from LTD Financial Services, L.P., a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose. Acceptance of this settlement offer, selecting a repayment option and payment by the due date will satisfy this debt with the current creditor.

IRS requires certain amounts that are discharged as a result of the cancellation of debt to be reported on a Form 1099-C. You will receive a copy of the Form 1099-C if one is required to be filed with the IRS.

Chase wants you to know that this debt settlement may affect your ability to open a new account or borrow money from Chase in the future. In most cases, Chase does not approve applications from customers who haven't paid the account balance back in full – even when an agreement is made for a partial payment to satisfy a debt.

Make 1 payment of \$3,564.16 by 10/30/2015 and save \$10,692.47.

If you need information, please call today at 1-866-285-2186. We are not obligated to renew this offer.

Visit <https://payments.ltdfin.com> to pay online.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

Tear along dotted line

7322 Southwest Freeway Suite 1600
Houston, TX 77074-2053

LTD REF NO:
CREDITOR ACCOUNT #:

BALANCE: \$14,256.63



Our TOLL FREE Number is 1-866-285-2186