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Attorneys for Plaintiffs

U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

KAREN SOLBERG, NANCY MORIN, and
NARISHA BONAKDAR, on their own behalf
and on behalf of others similarly situated,

Plaintiffs,

v.

VICTIM SERVICES, INC., d/b/a
CorrectiveSolutions, NATIONAL
CORRECTIVE GROUP, INC., d/b/a
CorrectiveSolutions, AMERICAN JUSTICE
SOLUTIONS, INC., d/b/a CorrectiveSolutions,
BIRCH GROVE HOLDINGS, INC., MATS
JONSSON and KARL THOMAS JONSSON,

Defendants.

Case No. 3:14-cv-05266-VC

**PLAINTIFFS' POST-
DISTRIBUTION ACCOUNTING
AND MOTION FOR FINAL
DISTRIBUTION**

Honorable Vince Chhabria

CLASS ACTION

DEMAND FOR TRIAL BY JURY

DATE: February 11, 2022

TO: THE CLERK OF THE COURT; and

TO: DEFENDANTS VICTIM SERVICES, INC., d/b/a CorrectiveSolutions,
NATIONAL CORRECTIVE GROUP, INC., d/b/a CorrectiveSolutions,
AMERICAN JUSTICE SOLUTIONS, INC., d/b/a CorrectiveSolutions, BIRCH
GROVE HOLDINGS, INC., MATS JONSSON and KARL THOMAS JONSSON,
AND ITS ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that Plaintiffs are submitting their Post-Distribution Accounting and administrative motion for approval of a second distribution of class settlement funds. Defendants have confirmed that they do not oppose this motion. The motion is based on this notice of motion, the memorandum of points and authorities, the declarations of Blythe H. Chandler and Gretchen Eoff, the records and file in this action.

RESPECTFULLY SUBMITTED AND DATED this 11th day of February, 2022.

TERRELL MARSHALL LAW GROUP PLLC

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Attorneys for Plaintiffs

I. INTRODUCTION

This is a class action involving claims that the Defendants operated check diversion programs in violation of the Fair Debt Collection Practice Act and California Unfair Competition law. The Court granted final approval of the class settlement on August 23, 2021. Dtk. No. 423. Checks were mailed to claimants on October 22, 2021. Checks were valid for 90 days and became void on January 20, 2022. Plaintiffs submit this Distribution Accounting within 21 days¹ of the void date on first round checks in accordance with the Northern District of California's Procedural Guidance for Class Actions and this Court's Standing Order for Civil Cases.

Summary of the distribution:²

		Percentage or Value of Checks
Total settlement fund	\$1,100,000	
Total number of class members	50,473	
Total number of class members sent notice not returned undeliverable or bounced	47,213	94%
Number and percentage of opt-outs	2	< .001%
Number and percentage of objections	0	0%
Number of claims forms submitted	2,533	5%
Valid claims submitted	2,054	4%
Number of checks mailed	2,054	\$570,103.09
Number of checks cashed	1,889	\$547,779.51
Number of uncashed checks	160	\$21,674.32
Average award amount	\$277.56	
Median award amount	\$311.83	
Largest award amount	\$2,165.86	

¹ As Class Counsel was preparing to file this submission on the afternoon of February 10, 2022 (21 days after completion of the first distribution), their entire office lost power for more than two hours. As a result, Class Counsel was unable to file until the morning of February 11.

² This information is supported by the Settlement Administrator's declaration regarding distribution and Settlement Administrator's declarations filed at Dkt. Nos. 418 and 420.

Smallest award amount	\$9.76	
Amount remaining in fund	\$22,184.58	
		Percentage of fund
Attorneys' fees	\$275,000	25% (negative multiplier)
Litigation costs	\$130,151	11.8%
Administration costs	\$113,768.68 (\$46,768.68 for certification notice; \$67,000 for settlement administration)	10.3%

II. BACKGROUND

Notice was provided via email and first-class mail. Sub. No. 318 ¶ 18. Settlement award payments were made by check. As reported before Final Approval, there were 511 invalid claims filed online by non-class members. These claims were not valid because neither the claimant's name nor contact information was not included in Defendants' records. Dkt. No. 420 ¶ 4. The classes are defined as people to whom Defendants sent letters so persons who do not appear in Defendants' records are not class members.

After the Court entered the Final Approval Order, Dtk. No. 423, Class Counsel worked with the Settlement Administrator, JND Legal Administration, to review claims submitted by claimants whose names that did not exactly match a class member's name in Defendants' records but appeared valid based on address or other identifying information. For the 35 claims pending review at final approval (*id.*), Class Counsel attempted to contact each claimant and succeeded in verifying that 17 claims were from class members. Those claims were accepted. Chandler Decl. ¶ 2. The validation process took longer than expected and delayed the date checks were mailed from October 14 (*see* Sub. No. 423 ¶ 6), to October 22. The void date for checks mailed on October 22 was January 20, 2022. In addition, there are five (5) checks that were re-issued in response to class member requests that will become void on February 28, 2022.

Class Counsel and JND have also received 8 late claim forms. Chandler Decl., Ex. 1. Class Counsel have verified that these individuals are class members. Class Counsel request that the Court approve the 8 late forms and allow those individuals to receive settlement award

checks as part of a second distribution. Assuming the still active re-issued checks are cashed, there will be \$23,651.35 remaining in the fund. Eoff Decl. ¶ 9. Since the Court entered the Final Approval Order, Class Counsel's office has spoken with about 60 class members. Other than the late claimant requests, the calls involved questions about when checks would arrive, address updates and explanation of the payment amounts. There have been no persistent issues. Chandler Decl. ¶ 4.

III. PROPOSAL TO COMPLETE DISTRIBUTION

The Settlement Administrator estimates issuing a second round of checks to claimants who cashed checks would cost approximately \$4,000. Eoff Decl. ¶ 9.

Having considered the costs associated with a second distribution, Class Counsel recommend that the Court authorize a second distribution to the approximately 1,315 UCL Class members who cashed their first-round distribution checks (class members who paid Defendants' fees). There is approximately \$14.94 per UCL Class claimant who cashed a check available ($((\$23,651.35 - \$4,000) / 1,315 = \$14.94)$). Class Counsel recommend that the payments be pro-rata based on the amount the claimant paid Defendants in fees, and that checks only be sent to people whose second distribution would be at least \$10 in order to increase the likelihood of check cashing. Class Counsel propose that second round distribution checks be valid for 60 days from issuance. Class Counsel request that the Court approve distribution of funds remaining in the settlement fund after the void date for second round checks to *cy pres* recipient East Bay Community Law Center.

Class Counsel also request that the Court approve payment of the remaining 10% of the attorneys' fee award, or \$27,500 either now or after completion of the second distribution.

RESPECTFULLY SUBMITTED AND DATED this 11th day of February, 2022.

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Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I, Beth E. Terrell, hereby certify that on February 11, 2022, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification to all registered CM/ECF users:

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Attorneys for Defendants

DATED this 11th day of February, 2022.

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VICTIM SERVICES, INC., d/b/a
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SOLUTIONS, INC., d/b/a CorrectiveSolutions,
BIRCH GROVE HOLDINGS, INC., MATS
JONSSON and KARL THOMAS JONSSON,

Defendants.

Case No. 3:14-cv-05266-VC

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' MOTION FOR FINAL
DISTRIBUTION**

Honorable Vince Chhabria

CLASS ACTION

DEMAND FOR TRIAL BY JURY

THIS MATTER came before the Court on Plaintiffs' Post-Distribution Accounting and Motion for Final Distribution. Prior to ruling, the Court considered the following documents:

1. Plaintiffs' Post-Distribution Accounting and Motion for Final Distribution;

2. Declaration of Blythe H. Chandler in Support of Plaintiffs' Post-Distribution Accounting and Motion for Final Distribution; and

3. Declaration of Gretchen Eoff regarding distribution.

Based on the foregoing, it is hereby ORDERED that Plaintiffs' Motion for Final Distribution is GRANTED.

The Court approves payment from the settlement fund the eight (8) class members who submitted late claim forms. JND Legal Administration shall make a second distribution to UCL Class members who cashed checks and whose pro rata second distribution share is at least \$10. Second distribution checks shall be valid for 60 days from issuance. Any funds remaining after the second distribution check cashing period shall be distributed in *cy pres* to the East Bay Community Law Center. Class Counsel shall file a final Post-Distribution Accounting within 21 days after completion of the *cy pres* distribution.

JND Legal Administration shall pay the remaining \$27,500 in attorneys' fees to Class Counsel within 5 days of [the date of this order]/[submission of the final Post-Distribution accounting].

IT IS SO ORDERED.

DATED this _____ of _____, 2022.

VINCE CHHABRIA
United States District Judge

CERTIFICATE OF SERVICE

I, Beth E. Terrell, hereby certify that on February 10, 2022, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification to all registered CM/ECF users:

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Attorneys for Defendants

DATED this 10th day of February, 2022.

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