UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE: Jeremiah F. Jones Teri Denice Mayers Debtors.	Case Nos. (respectively) 18-06304-dd, Chapter 7 14-00864-dd, Chapter 7
Jeremiah Jones and Teri Denice Mayers, individually and on behalf of all others similarly situated, Plaintiffs, vs. Lexington Health Services District, Inc. d/b/a Lexington Medical Center, Defendant.	Adv. Pro. No. 20-80002-dd **PLAINTIFFS' UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT**

Pursuant to Rule 7023 of the Federal Rules of Bankruptcy Procedure and Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs Jeremiah Jones and Teri Denice Mayers ("Plaintiffs"), by and through their counsel, respectfully move the Court to enter the Final Approval Order, granting final approval to the parties' Settlement and approving the funds for distribution.

Defendant Lexington Health Services District, Inc. d/b/a Lexington Medical Center does not oppose this Motion.

Plaintiffs' Motion is based upon the pleadings, files, records, and proceedings in this case, Plaintiffs' Memorandum of Law in support, and the Declarations of Joseph C. Hashmall and the Settlement Administrator. This Motion is to be decided at the Final Fairness Hearing, along with the Motion for Attorneys' Fees, Costs, and Service Awards.

Respectfully submitted,

DAVE MAXFIELD, ATTORNEY, LLC

Dated: March 22, 2022

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Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that on March 22, 2022, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record.

Respectfully submitted,

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Dated: March 22, 2022

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MEMORANDUM IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

Plaintiffs Jeremiah Jones and Teri Denice Mayers ("Plaintiffs" or "Class Representatives") submit this memorandum in support of their Motion for Final Approval of Class Action Settlement. The Settlement,[1] which the parties reached following adversarial litigation, extensive discovery, and fulsome arms' length negotiations between experienced counsel, provides substantial relief to the Settlement Class. The Settlement provides monetary relief in the form of a common fund of $110,000 established by Defendant Lexington Health Services District, Inc. d/b/a Lexington Medical Center ("Defendant"), which even with the requested deductions for Class Representative

[1] The capitalized terms used herein have the same meaning as the terms defined in the Settlement Agreement. (ECF No. 60-2.)

Service Awards and reimbursement of administration expenses, will provide recovery to the Settlement Class that is greater than the amount alleged to have been wrongfully collected by Defendant. Further, the Settlement Class Members will receive a payment from the fund automatically, without having to return a claim form, and in an amount directly proportionate to the amount alleged to have been wrongfully seized from them by Defendant.

The Settlement satisfies all Fourth Circuit criteria for final approval. Indeed, this Court has preliminarily found the Settlement to be "fair, reasonable, and adequate." (ECF No. 61.) Since that finding, the reasonableness has only been further supported by the Settlement Class's overwhelmingly positive reaction to notice – there have been *zero* opt-outs and *zero* objections. (Settlement Administrator Declaration ("Admin. Decl.") ¶¶ 10, 11.)

Plaintiffs now respectfully request the Court grant final approval of the Settlement and approve the distribution of the Settlement Fund. Defendant does not oppose the relief sought by this Motion.

BACKGROUND

I. Procedural History

On January 10, 2020, Plaintiffs filed their class action Adversary Complaint against Defendant, alleging Defendant collected debts from Plaintiffs and putative class members in violation of the Court's orders staying such collections in bankruptcy proceedings and/or in violation of a bankruptcy discharge. (ECF No. 1.) Defendant moved to dismiss the Complaint on March 4, 2020, arguing that it cannot be named in a class action suit, that Defendant has sovereign immunity from the class claims, and that Plaintiffs had failed to exhaust administrative remedies. (ECF No. 11.) The Court denied Defendant's motion in full on July 8, 2020 (ECF No. 25), and Defendant filed its Answer on July 22, 2020 (ECF No. 27).

Following Defendant's Answer, the parties began engaging in discovery – exchanging written requests and responses, making productions, and taking depositions. During this exchange of discovery, Defendant performed a search of its records for members of the proposed class. In order to generate that list, Defendant first gave the list of accounts it provided to the South Carolina Debt Setoff Program from 2017 through 2019, to LexisNexis, a third-party provider of bankruptcy data. (ECF No. 50-1 at 2-3.) LexisNexis cross-referenced that list with bankruptcy court filing records and identified the individuals on Defendant's list who had also filed a bankruptcy proceeding. Defendant then reviewed those debtors' bankruptcy filings to determine (1) if the date of service pre- or post-dated the bankruptcy filing, (2) if Defendant was listed as a debtor and the debt to Defendant was scheduled, and (3) if the debt was subsequently reduced or eliminated via money received via the Debt Setoff Program, or other subsequent payment on the debt. (*Id.*) Defendant produced the resulting identifying information for these individuals and information on payment totals. (*Id.*) This production ultimately served as the basis for the Settlement Class list.

Beginning in early 2021, the parties' respective counsel began exchanging settlement demands, offers, and counter-offers via email and telephone. In October 2021, the parties reached a settlement in principle for classwide monetary relief, and subsequently, for attorneys' fees and costs. On November 24, 2021, Plaintiffs filed the unopposed Motion for Preliminary Approval of the Class Settlement (ECF No. 60), and the Court granted preliminary approval on December 8, 2021. (ECF No. 61.) With that Order, the Court approved the distribution of notice of the Settlement to the Settlement Class Members. (*Id.*)

II. Settlement Terms

The Settlement Class is defined as:

> Every person who declared bankruptcy within South Carolina whose discharged or stayed debt to Lexington Medical was collected by Lexington Medical through the

> Setoff Debt Collection Program or who made a payment to Lexington Medical on a discharged or stayed debt after receiving a Setoff Debt Collection Program notice in the tax years 2017, 2018 and 2019.

(ECF No. 60-2 ¶ 29.) Based on Defendant's records, there are 171 Settlement Class Members.[2]

Defendant will pay $110,000.00 as a settlement fund. (*Id.* ¶ 21.) Pursuant to the Settlement, Settlement Class Members who do not exclude themselves will receive a payment from the fund, after any Court-approved deductions for settlement administration expenses and Class Representative Awards. (*Id.* ¶ 34.) This amount is larger than the roughly $77,000 total that the Class Members cumulatively paid to Defendant, as disclosed by Defendant in discovery. The payments to Class Members will be in proportion to the amount collected from each Class Member. Class Counsel will calculate each Settlement Class Member's recovery by determining the Class Member's payments to Defendant in comparison to the total payments made by all Settlement Class Members, and will use that calculation to proportionately distribute the settlement fund to Settlement Class Members who do not opt out (e.g., Class Member A's debt payments to Defendant total 1% of total payments, Class Member A's settlement distribution will be 1% of the Net Settlement Fund). (*Id.*) Class Members will have ninety (90) days in which to negotiate their checks. After the check negotiation period, should the balance of funds be enough to provide for a *pro rata* redistribution of at least $5 each to Class Members who cashed their initial check, less expenses associated with such a second distribution, then the Settlement Administrator will issue such second checks. (*Id.* ¶ 38.)

Should any funds remain after the close of the check negotiation period(s), the balance will be donated to the designated charitable *cy pres* recipient, United Way of the Midlands, a non-profit

[2] Initial estimate was 172, but during the process of preparing the Class List for notice distribution, the Administrator identified one duplicate and removed from the list. (Admin. Decl. ¶ 4.)

organization dedicated to the promotion of education, stability, and access to healthcare for South Carolina citizens. (*Id.* ¶ 17.)

In exchange for the monetary benefits, Settlement Class Members will release claims that were or could have been asserted in the Complaint regarding Defendant's collection of Class Members' debts that were scheduled in bankruptcy proceedings and/or discharged by bankruptcy. This includes claims for actual and punitive damages, as well as attorneys' fees and costs. (*Id.* ¶ 47.)

III. Notice to the Class

On December 22, 2021, the Settlement Administrator mailed the Court-approved Notice to the 171 Settlement Class Members via U.S. mail, at their last-known addresses, as updated by the U.S. Postal Service's National Change of Address System and any other appropriate databases the Settlement Administrator utilizes. (Admin. Decl. ¶¶ 4-6.) Three Notices were returned, and all three were able to be remailed successfully based on forwarding address information, resulting in a 100% successful notice rate. (*Id.* ¶¶ 7-9.)

The mailed Notice contained summary information about the Settlement, including the date and time of the Final Fairness Hearing, and directed the Settlement Class Members to the Settlement Website, established by the Settlement Administrator prior to Notice mailing, for additional information. (*Id.* ¶ 13.) At the Settlement Website, the Settlement Administrator posted the Complaint, the Answer, the Motion for Preliminary Approval and resulting Order, as well as the Settlement Agreement, the Long Form Notice, and a summary of Key Dates, including the Final Fairness Hearing date and its Zoom connection information. (*Id.*) These components of the Notice Plan together provided the Settlement Class with comprehensive information regarding the Settlement's terms, their rights and the deadlines by which to exercise them, the claims they would

release should they not exclude themselves, and gave notice of the Final Fairness Hearing.

Additionally, the Settlement Administrator assisted Defendant in complying with the notice requirements of CAFA, 28 U.S.C. § 1715. (*Id.* ¶ 3.)

Further, on January 21, 2022, Plaintiffs filed their Motion for Attorneys' Fees, Costs, and Class Representative Service Awards (ECF No. 64), which the Administrator posted to the Settlement Website on the same date for Class Members to review. (Admin. Decl. ¶ 13.)

There have been zero objections and zero requests for exclusion received from the Settlement Class. (*Id.* ¶¶ 10, 11.)

ARGUMENT

I. Legal Standard for Final Approval

Pursuant to Rule 7023 of the Federal Rules of Bankruptcy Procedure, Fed. R. Civ. P. 23 applies in adversary proceedings such as this one. Court approval of class action settlements is required under Fed. R. Civ. P. 23(e). "There is a strong judicial policy in favor of settlement to conserve scarce resources that would otherwise be devoted to protracted litigation." *Robinson v. Carolina First Bank NA*, 2019 WL719031, *8 (D.S.C. Feb. 14, 2019) (collecting cases in support). "It has long been clear that the law favors settlement," *U.S. v. Manning Coal Corp.*, 977 F.2d 117, 120 (4th Cir. 1992), and this is "particularly true in class actions," *Reynolds v. Fid. Investments Inst'l Ops. Co.*, No. 18-423, 2020 WL 91874, at *3 (M.D.N.C. Jan. 8, 2020). Thus, there is a strong initial presumption that the compromise is fair and reasonable. *See In re MicroStrategy, Inc. Sec. Litig.*, 148 F. Supp. 2d 654, 663 (E.D. Va. 2001). Ultimately, approval of the settlement is committed to the sound discretion of the trial court. *Id.*

Courts in the Fourth Circuit look to specific factors to determine whether a settlement is fair, adequate, and appropriate for final approval. *See In re Jiffy Lube Sec. Litig.*, 927 F.2d 155,

158 (4th Cir. 1991). The "fairness" inquiry ensures "that the settlement was reached as a result of good-faith bargaining at arm's length, without collusion, on the basis of (1) the posture of the case at the time settlement was proposed, (2) the extent of discovery that had been conducted, (3) the circumstances surrounding the negotiations, and (4) the experience of counsel." *Id.* at 159. Adequacy is assessed through "(1) the relative strength of the plaintiffs' case on the merits, (2) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial, (3) the anticipated duration and expense of additional litigation, (4) the solvency of the defendants and the likelihood of recovery on a litigated judgment, and (5) the degree of opposition to the settlement." *Id.*[3]

II. The Settlement Satisfies the Criteria for Final Approval.

As detailed below, each of the *Jiffy Lube* factors weighs in favor of final approval of the Settlement here. The Settlement is the result of good-faith, informed, arm's length negotiations between experienced counsel, and was reached only after adversarial litigation and extensive discovery had been conducted. Any settlement requires the parties to balance the merits of the claims and defenses asserted and the attendant risks of continued litigation and delay. Plaintiffs

[3] The 2018 amendments to Rule 23 also provide specific guidance to federal courts considering whether to approve a class settlement. *See* Fed. R. Civ. P. 23(e), Committee Notes. The factors that the Rules contemplate a court to consider include whether: (A) the class representative and class counsel have adequately represented the class; (B) the proposal was negotiated at arm's length; (C) the relief provided for the class is adequate, taking into account: (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class member claims; (iii) the terms of any proposed award of attorney's fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3); and (D) the proposal treats class members equitably relative to each other. *See* Fed. R. Civ. P. 23(e)(2). The Fourth Circuit has held that the *Jiffy Lube* standards "almost completely overlap with the new Rule 23(e)(2) factors, rendering the analysis the same." *See Herrera v. Charlotte School of Law, LLC*, 818 Fed. App'x 165, 176 n.4 (4th Cir. 2020) (citing *In re Lumber Liquidators Chinese-Manufactured Flooring Prods. Mktg., Sales Practices & Prods. Liab. Litig.*, 952 F.3d 471, 474 n.8 (4th Cir. 2020)).

believe their claims were meritorious, and indeed had prevailed at least past the motion to dismiss stage of litigation. But Defendant denies liability and has demonstrated its willingness to litigate vigorously. Should litigation continue, there would be a decision on class certification which likely would be appealed by the losing party, motions for summary judgment, and trial. Any potential recovery for the Settlement Class Members would be significantly delayed and at risk of being diminished. Thus the benefits of the Settlement, significant in their own right, and given that they would be provided to Settlement Class Members now, far outweigh the uncertainties of continued litigation.

A. The Settlement is Fair.

When evaluating the fairness of a settlement, the Court must evaluate the (1) the posture of the case at the time the settlement was proposed; (2) the extent of discovery conducted; (3) the circumstances surrounding the negotiations; and (4) the experience of counsel. *In re Jiffy Lube*, 927 F.2d at 159; *see also* Fed. R. Civ. P. 23(e)(2)(A) and (B).

Here, when the Settlement was reached, meaningful discovery had been conducted, including depositions, database productions and related analysis. Additionally, the parties had litigated through the motion to dismiss phase and had fully briefed class certification. Given this litigation history, and the extent of discovery conducted, both sides had had ample opportunity to develop and evaluate the strength of the claims and defenses. Moreover, both sides are represented by experienced counsel. (*See* ECF Nos. 50-4, 50-7; *see also* www.nelsonmullins.com.) Only after this fulsome development of their respective positions, and with the benefit of representation by counsel experienced in valuing class actions, did the parties negotiate this Settlement through arms' length negotiations. This set of circumstances weighs in favor of a finding of fairness. *See Jiffy Lube*, 927 F.2d at 159; *accord* Fed. R. Civ. P. 23(e)(2); *see also US Airline Pilots Ass'n v.*

Velez, No. 14-577, 2016 WL 4698540 at *4 (W.D.N.C. Sept. 7, 2016) (extensive formal and informal discovery, and skilled counsel well-versed in issues meant settlement met the fairness factor).

Courts afford substantial consideration to Class Counsel's view in considering whether a class settlement is fair. *See In re The Mills Corp. Secs. Litig.*, 265 F.R.D. 246, 255 (E.D. Va. 2009) (stating that it is "entirely warranted" for the court to "pay heed to" the judgment of experienced class counsel). Based on their substantial class action experience, Class Counsel endorse the Settlement as fair and adequate. (Declaration of Joseph Hashmall ("Hashmall Decl.") ¶ 2.) Class Counsel's decision to settle the case is "the product of thorough exploration and deliberation and as such, their representations to the court that the settlement provides class relief which is fair, reasonable and adequate should be given significant weight." *In re The Mills Corp.*, 265 F.R.D. at 255 (internal quotation omitted).

B. The Settlement is Adequate & Reasonable.

The adequacy portion of the *Jiffy Lube* analysis weighs the likelihood of recovery on the merits against the amount offered in settlement. *Brown v. Transurban USA, Inc.*, 318 F.R.D. 560, 573 (E.D. Va. 2016). In assessing the adequacy of the Settlement, the Court looks to (1) the relative strength of the merits of the plaintiff's claims; (2) the existence of any difficulties of proof or strong defenses the plaintiff will encounter at trial; (3) the anticipated duration and expense of additional litigation; (4) the solvency of the defendant and likelihood of recovery; and (5) the degree of opposition to the Settlement. *In re Jiffy Lube*, 927 F.2d at 159. In evaluating adequacy, it is important to remember that "[a] compromise is the essence of a settlement and the trial court should not make a proponent of a proposed settlement justify each term of a settlement agreement against a hypothetical or speculative measure of what concessions might have been gained since

inherent in compromise is a yielding of absolutes and an abandonment of highest hopes." *Houston v. URS Corp.*, No. No. 08-203, 2009 WL 2474055, at *5 (E.D. Va. Aug. 7, 2009) (citing *Cotton v. Hinton*, 559 F.2d 1326, 1330 (5th Cir. 1977)); *see also Deem v. Ames True Temper, Inc.*, No. 6:10-cv-01339, 2013 WL 2285972, at *3 (S.D. W. Va. May 23, 2013) ("A settlement compromising conflicting positions in class action litigation serves the public interest"). The role of the Court is not to second-guess the settlement but to decide whether its overall terms are reasonable. *Id*. Here, each relevant factor is satisfied.

The Settlement provides monetary relief to the Settlement Class in a gross amount ($110,000) that totals *more than* the aggregate total of the alleged wrongfully collected amounts at issue here ($77,000). This relief is significant, and when viewed against what remained in the case for Plaintiffs to achieve, is more than adequate. Plaintiffs prevailed at the motion to dismiss stage, but their motion for class certification was vigorously opposed by Defendant and there was no guarantee of future success, particularly in light of inevitable appeals. As noted above, at the time Settlement was reached, beyond a decision on the pending motion for class certification, Plaintiffs additionally had further litigation ahead, including motions for summary judgment and ultimately trial. Any hypothetical additional benefit to the Settlement Class from continued litigation would be offset by substantial costs, delay and risk from protracted litigation. *See Brown*, 318 F.R.D. at 573 (finding first and second factors warranted final approval where defendants "vigorously and consistently argued that Plaintiffs' claims lack merit" and further litigation posed substantial risks).

With the Settlement, Settlement Class Members are to receive automatic payments, without returning a claim form, that will be directly proportionate to the amounts collected from them by Defendant. This substantial and immediate relief is especially valuable to this particular group of

consumers, who by definition were in personal bankruptcy and saddled with medical debts. Considering the burden to the class should the case continue in litigation, the likely duration and expense of continued litigation are substantial, with no guarantee of additional benefit to the Settlement Class. *See Brown*, 318 F.R.D. at 573 (finding factor satisfied where "completion of merits and expert discovery, class certification briefing, dispositive motions, trial, post-trial motions, and possible appeals would entail substantial time and expense" while the proposed settlement "would provide significant … relief quickly").[4]

Further, the complete lack of opposition to the Settlement strongly supports a finding of adequacy. Following the 100% successful issuance of Notice, the Settlement Class had ample opportunity to object to the Settlement. No Settlement Class Member has objected, or even requested to opt-out. "Therefore, all Parties and the unanimity of potential Class members . . . agree that the Settlement is sufficiently adequate." *Brown*, 318 F.R.D. at 574; *see also In re The Mills Corp.*, 265 F.R.D. at 257–58 ("After receiving the notices, not a single putative class member objected . . . . This gives the Court a great deal of confidence in the settlement[']s adequacy, which is further bolstered by the paucity of opt-outs from the Class.").

C. Proposed Method of Distribution to the Class Satisfied Fed. R. Civ. P. 23

Federal Rule of Civil Procedure 23(e)(2)(C) provides that the Court consider the effectiveness of any proposed method of distributing relief to the class, including the method of processing class member claims; the terms of any proposed award of attorney's fees, including the timing of payment; any agreement required to be identified under Rule 23(e)(3), and whether the proposal treats class members equitably relative to each other. Fed. R. Civ. P. 23(e)(2)(D).

[4] There is no indication that Defendant would be unable to satisfy a judgment. Thus, "this factor does not impact the Court's approval of the Settlement." *Robinson*, 2019 WL 2591153, *11.

Here, these considerations are easily satisfied. First, there is no claims process. The Settlement Administrator will mail checks directly to the Settlement Class Members upon final approval. Second, the requested attorneys' fees are to be paid separately from the Settlement Fund, and are contemplated to be distributed at the same time as Class Members' payments. (ECF No. 60-2 ¶¶ 36, 53-54.) Plaintiffs filed the Motion for Attorneys' Fees, Costs, and Class Representative Service Awards (ECF No. 64) fourteen (14) days prior to the deadline for Class Members to object to the Settlement and the Administrator posted the Motion papers on the Settlement Website the same date for Class Members to review. No objections were received. (Admin. Decl. ¶¶ 11, 13.) Third, the only Rule 23(e)(2)(C) agreements are the Settlement Agreement (ECF No. 60-2), which the Court has preliminarily approved. Finally, the Settlement treats the Settlement Class Members equitably – the Settlement Class Members' payments will be in direct proportion to the amounts collected from each by Defendant that are at issue in the case. This differential in payments is justified given that some Class Members had more collections by Defendant than others. *See, e.g.*, *Clark v. Duke Univ.*, No. 16-1044, 2019 WL 2588029, *6 (M.D.N.C. June 24, 2019) (settlement treated class members equitably relative to each other where class members' recovery was proportional to their account balances in ERISA action); *Reynolds v. Fid. Inv. Inst. Op. Co., Inc.*, No. 18-423, 2020 WL 91874, *6 (M.D.N.C. Jan. 8, 2020) (different payments to class members based on availability of greater damages due to state law claims justified in FLSA action).

III. Notice Satisfies Due Process

Due process and Fed. R. Civ. P. 23 require that class members receive notice of the settlement and an opportunity to be heard and participate in the litigation. *See* Fed. R. Civ. P. 23(c)(2)(B); *Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 812 (1985); *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 175–75 (1974). The interests of class members are protected when class

members are provided with notice conveying the nature of the actions and claims, the opportunity and manner of opting out, the binding effect of the judgment, and the opportunity to enter an appearance through counsel. *Brown*, 318 F.R.D. at 574.

The Notice Plan approved here, including direct mail Notice and a long form Notice on the Settlement Website, was clear and straightforward, providing the Settlement Class Members with enough information to evaluate whether to participate in the settlement, as well as directions on how to seek further information, and met all of the requirements of Fed. R. Civ. P. 23(c)(2). The manner of providing notice also met the standards of Fed. R. Civ. P. 23 (c)(2). *Brown*, 318 F.R.D. at 574 (mailed postcard notice, and long form notice posted on website, "fulfilled the requirements of due process"); *Robinson*, 2019 WL 2591153, *8 (finding "form and manner of notice were the best practicable notice to Class Members and satisfies due process" where notice plan consisted of direct mail notice and publication on class website).

IV. The Requests for Attorneys' Fees and Costs, Class Representative Service Awards, and Settlement Administration Expenses Should be Approved

On January 21, 2022, Plaintiffs filed the Motion for Attorneys' Fees, Costs, and Class Representative Service Awards (ECF No. 64), requesting $170,000 as attorneys' fees and costs, to be paid separately by Defendant, and $4,000 to each of the two Class Representatives as Service Awards, as well as $10,886 for the Settlement Administrator's expenses, to be paid from the Settlement Fund. The Motion papers were promptly posted to the Settlement Website and there have been no objections to the requested amounts. (Admin. Decl. ¶¶ 11, 13.) These requests should be granted.

CONCLUSION

Based on the foregoing, the Court should grant final approval of the parties' Settlement and approve the funds for distribution.

Date: March 22, 2022

Respectfully submitted,

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UNITED STATES BANKRUPTCY COURT
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Jeremiah Jones and Teri Denice Mayers, individually and on behalf of all others similarly situated, Plaintiffs, vs. Lexington Health Services District, Inc. d/b/a Lexington Medical Center, Defendant.	Adv. Pro. No. 20-80002-dd **DECLARATION OF JOSEPH HASHMALL**

I, Joseph Hashmall, hereby declare as follows:

1. I am one of Class Counsel in the above-captioned matter. I submit this Declaration in support of Plaintiffs' Motion for Final Approval.

2. Based on our substantial class action experience, Class Counsel fully endorse this Settlement as fair and adequate.

The foregoing statement is made under penalty of perjury and is true and correct to the best of my knowledge and belief.

Date: March 22, 2022

/s/Joseph Hashmall
Joseph Hashmall

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DECLARATION OF AMERICAN LEGAL CLAIM SERVICES, LLC
DUE DILIGENCE IN SETTLEMENT ADMINISTRATION

I, Keith Salhab, declare as follows:

1. I am a competent adult, over the age of eighteen, and this declaration is based on my personal knowledge.

2. I am Director of Operations at American Legal Claim Services, LLC ("ALCS"). ALCS was appointed by the Court to serve as the Settlement Administrator to administer the terms of the Settlement Agreement. I am responsible for overseeing the dissemination of notice to the Class, and processing requests for exclusion and objection.

CAFA Noticing

3. On December 8, 2021, ALCS mailed, via certified mail, a Notice of Proposed Class Action Settlement pursuant to 28 U.S.C. § 1715 (the "CAFA Notice") to the United States Attorney General and the Attorneys General of the following states: Arkansas, Georgia, Ohio, South Carolina, and Texas. The CAFA Notice package contained a cover letter on behalf of the Defendants Lexington Health Services District, Inc. as well as a CD-ROM that included the following exhibits: (1) the Class Action Complaint; (2) Answer to Class Action Complaint; (3) Class Action Settlement Agreement; (4) Plaintiff's Unopposed Motion for Preliminary Approval of Proposed Class Action Settlement; and (5) List of Estimated Number of Class Members in Each State.

Data Preparation & Analysis

4. Counsel for Defendant provided ALCS with a spreadsheet representing the Settlement Class. The Class List contained names associated with 172 individuals and their mailing addresses. During preparation of the Class List for mailing, ALCS identified 1 duplicative record based on name, address, and social security number. This duplicate was removed from the mailing list for a final count of 171 individuals ("Class Members"). Throughout the noticing process, ALCS utilized several means of ensuring the most accurate addresses for class members. These methods included National Change of Address through the USPS, skip-tracing, and manual updates from class members.

Notice Campaign

5. Prior to mailing, all mailing addresses were checked against the National Change of Address (NCOA) database maintained by the USPS. In addition, the addresses were also certified via the Coding Accuracy Support System (CASS) to ensure the quality of the zip code and verified through Delivery Point Validation (DPV) to verify the accuracy of the address.

6. On December 22, 2021, ALCS directed the Class Notice to be mailed to 171 Class Members. The Class Notice consisted of a short-form postcard which instructed Class Members to the settlement website for more information.

7. ALCS processed mail returned by the USPS. Class Notices returned to ALCS as non-delivered were re-mailed to the forwarding address affixed thereto. If no forwarding information was provided by the USPS, ALCS utilized Lexis Nexis batch address search to obtain a current address and promptly re-mailed Class Notices where updated current addresses were found. If an updated address was not found or if the re-mailed postcard was returned by the USPS a second time it was not re-mailed a third time and was deemed undeliverable.

8. Of the 171 Notices mailed, 3 Notices were returned by the USPS and processed by ALCS, as of the date of this declaration. Of those, 3 had forwarding information attached or an updated address was found using commercially reasonable means. ALCS re-mailed the Notice Packages to the updated address. As of the date of this declaration, 0 notices are deemed undeliverable.

Noticing Campaign Summary

9. The following is a summary of the noticing, as of the date of this declaration:

Mail Notices	Volume (#)	Percentage of Class Members (%)
Total Class Members	171	100.00%
Class Members to Whom Notice Was Deemed Delivered	171	100.00%
Class Members to Whom Notice Was Deemed Undeliverable[1] or for Whom No Address Was Located	0	0.00%

[1] ALCS continues to receive and process mail, for which no forwarding address is available. The number of pieces of this type of mail will likely increase and the presumed delivery rate will be reduced as processing continues.

Exclusions

10. The Class Notice informed each respective Class Members that they may exclude from the proposed class action settlement. The notice further states that Class Members who wish to exclude themselves must submit a written statement requesting exclusion. The postmark deadline for valid Requests for Exclusion is February 5, 2022. As of the date of this declaration, ALCS has not received any requests for exclusions from Class Members.

Objections

11. The Class Notice informed Class Members that if they wish to object to the Agreement, they must provide a written statement to the Court and serve it upon Counsel for the Parties postmarked by February 5, 2022. As of the date of this declaration, ALCS is not aware of any Objections.

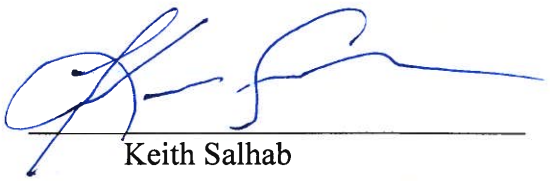
Telephonic Assistance Program

12. On December 22, 2021, ALCS published a dedicated toll-free phone number to provide answers to Class Member questions. The toll-free number provided a voice response unit listing of questions and answers to frequently asked questions.

Case Information Website

13. On December 22, 2021, ALCS established a case information website at www.jonesclassaction.com. The site provided access to view and download the settlement agreement, preliminary approval order, order extending deadline to object to attorney fees and other documents deemed important by the Parties. Further the site provided Class Members to view answers to frequently asked questions and to see key dates relating to the case. On January 21, 2022, ALCS posted Plaintiff's Motion for Attorneys' Fees, Costs, and Named Plaintiff Service Awards to the settlement website.

I declare under penalty of perjury pursuant to the laws of the State of Florida that the foregoing is true and correct to the best of my knowledge. Executed on March 15, 2022, at Jacksonville, Florida.



Keith Salhab

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE: Jeremiah F. Jones Teri Denice Mayers Debtors.	Case Nos. (respectively) 18-06304-dd, Chapter 7 14-00864-dd, Chapter 7
Jeremiah Jones and Teri Denice Mayers, individually and on behalf of all others similarly situated, Plaintiffs, vs. Lexington Health Services District, Inc. d/b/a Lexington Medical Center, Defendant.	Adv. Pro. No. 20-80002-dd

FINAL APPROVAL ORDER

This matter, having come before the Court on Plaintiffs' Motion for Final Approval of the proposed class action settlement with Defendant Lexington Health Services District, Inc. d/b/a Lexington Medical Center ("LMC"), the Court having considered all papers filed and arguments made with respect to the settlement, and having provisionally certified a Settlement Class, and the Court, being fully advised finds that:

1. On April 5, 2022, the Court held a Final Approval Hearing, via public Zoom, at which time the parties were afforded the opportunity to be heard in support of or in opposition to the settlement.

2. Certification for settlement purposes of the Settlement Class, as defined by the Settlement Agreement and the Preliminary Approval Order, is appropriate pursuant to Rule 23(a), and (b) of the Federal Rules of Civil Procedure.

3. Notice to the Settlement Class required by Fed. R. Civ. P. 23(e) has been provided in accordance with the Settlement Agreement and the Preliminary Approval Order. Such Notice has been given in an adequate and sufficient manner, constitutes the best notice practicable under the circumstances, and satisfies Fed. R. Civ. P. 23(e) and due process.

4. The Settlement Agreement was arrived at as a result of arms' length negotiations conducted in good faith by counsel for the Parties, and is supported by the Parties.

5. The settlement, as set forth in the Settlement Agreement, is fair, reasonable, and adequate to the members of the Settlement Class, in light of the complexity, expense, and duration of litigation, and the risks involved in establishing liability, damages, and in maintaining the class action through trial and appeal.

6. The relief provided in the settlement constitutes fair value given in exchange for the release of claims.

7. No persons have excluded themselves from the Settlement Class in accordance with the provisions of the settlement and the Preliminary Approval Order.

8. The Parties and each Class Member have irrevocably submitted to the exclusive jurisdiction of this Court for any suit, action, proceeding, or dispute arising out of the Settlement Agreement.

9. It is in the best interests of the Parties and the Settlement Class Members and consistent with principles of judicial economy that any dispute between any Settlement Class Member (including any dispute as to whether any person is a Settlement Class Member) and any

Released Party, which in any way relates to the applicability or scope of the Settlement Agreement or the Final Approval Order, should be presented exclusively to this Court for resolution.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

10. This action is a class action against LMC on behalf of a class of consumers that has been defined as follows: every person who declared bankruptcy within South Carolina whose discharged or stayed debt to Lexington Medical was collected by Lexington Medical through the Setoff Debt Collection Program or who made a payment to Lexington Medical on a discharged or stayed debt after receiving a Setoff Debt Collection Program notice in the tax years 2017, 2018 and 2019. The Settlement Class does not include Defendant's officers, directors, and employees; Defendant's attorneys; Plaintiff's attorneys; any Judge overseeing or considering the approval of the Settlement together with members of their immediate family and any judicial staff.

11. The Settlement Agreement submitted by the Parties for the Settlement Class is finally approved pursuant to Rule 23(e) of the Federal Rules of Civil Procedure as fair, reasonable, and adequate and in the best interests of the Settlement Class. The Settlement Agreement shall therefore be deemed incorporated herein and the proposed settlement is finally approved and shall be consummated in accordance with the terms and provisions thereof, except as amended or clarified by any subsequent order issued by this Court.

12. There were no objections to the settlement.

13. This action is hereby dismissed on the merits, with prejudice and without costs.

14. As agreed by the parties in the Settlement Agreement, upon the Effective Date, the Released Parties shall be released and discharged in accordance with the Settlement Agreement.

15. Each Settlement Class Member is permanently barred and enjoined from instituting, maintaining, or prosecuting, either directly or indirectly, any lawsuit that asserts Released Claims against the Released Parties.

16. Without affecting the finality of this judgment, the Court hereby reserves and retains jurisdiction over this settlement, including the administration and consummation of the settlement. In addition, without affecting the finality of this judgment, the Court retains exclusive jurisdiction over Defendant and each member of the Settlement Class for any suit, action, proceeding or dispute arising out of or relating to this Order, the Settlement Agreement or the applicability of the Settlement Agreement. Without limiting the generality of the foregoing, any dispute concerning the Settlement Agreement, including, but not limited to, any suit, action, arbitration or other proceeding by a Settlement Class Member in which the provisions of the Settlement Agreement are asserted as a defense in whole or in part to any claim or cause of action or otherwise raised as an objection, shall constitute a suit, action or proceeding arising out of or relating to this Order. Solely for purposes of such suit, action or proceeding, to the fullest extent possible under applicable law, the parties hereto and all members of the Settlement Class are hereby deemed to have irrevocably waived and agreed not to assert, by way of motion, as a defense or otherwise, any claim or objection that they are not subject to the jurisdiction of this Court, or that this Court is, in any way, an improper venue or an inconvenient forum.

17. Upon consideration of Class Counsel's application for fees and costs, the Court awards $170,000 as reasonable attorneys' fees and reimbursement for reasonable out-of-pocket expenses, to be paid separately from the Class' Settlement Fund.

18. Upon consideration of the application for individual service awards, Named Plaintiff Jeremiah Jones and Named Plaintiff Teri Denice Mayers are each awarded the sum of

$4,000 to be paid from the Settlement Fund, in consideration for the service they performed for and on behalf of the Settlement Class.

19. The Settlement Administrator is approved for reimbursement of $10,886 in its out-of-pocket expenses in the administration of the Settlement, to be paid from the Settlement Fund.

20. The Parties' distribution plan of payments to the Settlement Class, in *pro rata* allocations of the Settlement Fund based on each Class Member's amount of debt paid in comparison to total debts paid by the Class, following the above approved deductions, is approved for implementation. Should funds remain after all distributions are made, and the check negotiation period provided for in the Settlement Agreement has passed, the Parties' chosen *cy pres,* United Way of the Midlands, is approved for receiving such balance.

21. The Court finds, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, that there is no just reason for delay, and directs the Clerk to enter final judgment.

It is so ORDERED.