

NOTICE OF PENDING CLASS ACTION

Randy Merle Holte, et. al. v. Payday America, Inc.,
Hennepin County District Court, Fourth Judicial District, State of Minnesota
Case File No. 27-cv-15-18990

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are **not** being sued. This Notice is for your information only. You are receiving this Notice because you have been identified in records maintained by Payday America, Inc. as a Plaintiff Class Member in the above-referenced lawsuit.

THIS NOTICE IS NOT TO BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE VALIDITY OF THE CLAIMS OR DEFENSES ASSERTED BY EITHER SIDE. THERE HAS BEEN NO DETERMINATION BY THE COURT ON THE MERITS OR LIKELY OUTCOME OF THE CASE.

TO: All persons residing in Minnesota who, from October 2, 2013 to December 31, 2016:

(a) Entered into one or more consumer short-term loans with Payday America, Inc., wherein each loan contained a principal amount, or an advance on a credit limit, of \$1,000 or less and required a minimum payment within 60 days of loan origination or credit advance of more than 25 percent of the principal balance or credit advance; and

(b) At the time of origination for each loan transaction, was assessed a finance charge consisting of the following components: "Financing Charge resulting from application of Monthly Periodic Rate," "Cash Advance Charge," and "Annual Fee Applicable to Advances," and

(c) Received a standard form "Periodic Statement with Cash Advance Feature" at the time of each loan origination or cash advance that stated the actual annual percentage rate (APR) for each loan in less than 24 point type.

In addition, all persons in the following subclass:

All those persons identified in (a) - (c) of this definition and who were sent letters by Payday America, Inc., informing the class member of loan default and/or who were served with process in one or more collection lawsuits in a Conciliation Court in Minnesota.

This Notice is to inform you of a class action lawsuit that is currently pending against Defendant, Payday America, Inc. in the Hennepin County District Court in Minneapolis, Minnesota. You have received this Notice because Payday America's records suggest you may be one of the people whose rights could be affected by this lawsuit. You are entitled to remain in the lawsuit as a Class Member or you may elect to exclude yourself (also known as opting-out) from participating in, or being covered by, the lawsuit in the manner described below.

You do not need to do anything at this time to continue to participate as a class member in this lawsuit.

If your present address is different from the address on this Notice, or if the person to whom this Notice is addressed is deceased, you should provide the Class Administrator with an updated address and/or the name and address of the deceased person's executor or personal representative. This information should be provided to *Holte v. Payday America, Inc.* Class Administrator, 1801 Market Street, Suite 660, Philadelphia, PA 19103.

The remainder of this Notice contains important information. You should read the entire Notice carefully, because the lawsuit described in this Notice may affect your rights.

I. The Purpose of this Notice.

This Notice is being sent to you pursuant to an order of the Fourth Judicial District Court, Hennepin County, Minnesota. This Notice tells you about the Plaintiff Class, the lawsuit, your right to participate in the lawsuit and your right to opt-out as a Class Member of this lawsuit. Nothing in this Notice should be taken as an expression by the Court of any opinion as to the ultimate outcome of the lawsuit, and nothing in this Notice should be taken to mean that there would necessarily be any recovery or benefit (either monetary or non-monetary) in the lawsuit.

II. Background and Description of the Class Action Lawsuit: What is this case about?

In October 2015, Plaintiff, Randy Merle Holte, commenced this lawsuit against Payday America on behalf of himself and all others similarly situated asserting that the loans entered into were unlawful under Minnesota state law because (1) certain fees that were assessed exceeded the maximum allowed by law; (2) that the annual percentage rates calculated for each loan were not properly disclosed; and (3) that Payday America engaged in prohibited debt collection practices in connection with loans in default.

Payday America denies the claims in this lawsuit and maintains that Plaintiff and Class Members are not entitled to any relief. Payday America further contends that the fees it charged are permissible under Minnesota law, that it has properly disclosed the annual percentage rate, and that it has not engaged in any prohibited debt collection practice.

The Court has not ruled on the merits of the Plaintiff's or any Class Member's claims or on Payday America's defenses to Plaintiff's or any Class Member's claims.

On April 26, 2017, the Honorable Daniel H. Mabley, District Judge of the Fourth Judicial District Court in Hennepin County, Minnesota, certified this lawsuit to proceed as a class action and ordered that this Notice be sent to individuals who may be members of the class described above.

Per the April 26, 2017 order of the Court, the named Plaintiff, Randy Merle Holte, was appointed Class Representative, and the following attorneys were appointed Class Counsel:

Vildan Teske & Marisa Katz
TESKE, MICKO, KATZ, KITZER & ROCHEL, PLLP
222 South Ninth Street, Suite 4050
Minneapolis, MN 55402

III. Your Right to Opt-Out of the Class Action Lawsuit.

You are a Class Member *unless you expressly request to be excluded from this lawsuit*. As a Class Member, you will be legally bound by the outcome of this lawsuit whether the issues are decided by pretrial motions regarding liability, trial or settlement, AND whether the outcome is favorable or unfavorable. As a Class Member, any claims that you may have relating to the law and/or facts at issue in this lawsuit cannot be brought in any other lawsuit.

If you wish to remain a Class Member, you do not have to do anything and your interests and rights in the lawsuit will be represented by the Class Representative and by Class Counsel.

Class Members may hire their own lawyer of their choosing and at their own expense, but are **not** required to do so.

If you wish to opt-out of this class action lawsuit, you must file with the Class Administrator a Statement of Exclusion no later than October 10, 2017. The Statement of Exclusion must state: “I [or We] request to be excluded from the Class in the *Holte v. Payday America, Inc.* litigation, case number 27-cv-15-18990, Fourth Judicial District Court, MN” and must be signed by you. A Statement of Exclusion shall be considered filed with the Class Administrator on the date it is post-marked, first class mail, postage prepaid, to: *Holte v. Payday America, Inc.* Class Administrator, 1801 Market Street, Suite 660, Philadelphia, PA 19103.

If you exclude yourself from the Plaintiff Class, you will not be entitled to share in the benefits of any settlement or award of judgment that may be reached in this case, nor will you be bound by any settlement or judgment. If you elect to be excluded from the Class, you may pursue at your own expense whatever legal rights you may have.

For more information about this class action, please visit www.MinnesotaPaydayClassAction.com.

QUESTIONS ABOUT THIS NOTICE MAY BE DIRECTED TO CLASS COUNSEL:

Vildan Teske & Marisa Katz
TESKE, MICKO, KATZ, KITZER & ROCHEL, PLLP
222 South Ninth Street, Suite 4050
Minneapolis, MN 55402

PLEASE DO NOT CONTACT THE COURT OR THE DEFENDANT WITH QUESTIONS.