

TINA ZAWISLAK, individually and on behalf of all others similarly situated,	COURT OF COMMON PLEAS PHILADELPHIA COUNTY
Plaintiff,	
vs.	NO. 110303622
BENEFICIAL SAVINGS BANK,	
Defendant.	CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

**You may be entitled to receive a settlement payment and forgiveness of debt in connection with a class action against Beneficial Savings Bank**

*A Pennsylvania Court has authorized this notice.  
This is not a solicitation from a lawyer.  
You are not being sued.*

- This settlement resolves a lawsuit over whether Beneficial Mutual Savings Bank ("Beneficial") sent borrowers proper notice of their rights after vehicle repossession.
- Beneficial denies and disputes the claims asserted in the Litigation. The settlement avoids the cost and risks to members of the class (like you) from continuing with the lawsuit, pays money to class members, releases deficiency balances, and releases Beneficial from liability.
- This settlement will (a) provide a gross fund of \$1,200,000.00 to be distributed to class members after payment of administrative costs and Class Counsel fees and costs, (b) release you from any post-repossession deficiency balances claimed due to Beneficial in class-wide amount exceeding approximately \$3,000,000.00, and (c) require Beneficial to request either that its credit reporting of your vehicle loan account be deleted or report the account balance as satisfied on covered contracts.
- The parties disagree about whether any money (and if so, how much) could have been awarded to you if the Plaintiff were to prevail at trial.
- Your rights are affected whether you act or not. Read this notice carefully.

**Your Legal Rights and Options in this Settlement:**

<b>Do Nothing</b>	You will be paid a <i>pro rata</i> share of the net settlement proceeds which will come to approximately \$805.00, have your entire auto repossession deficiency debt to Beneficial, if any, waived, and have corrections made to your credit report if the settlement is approved by the Court as presented. If you also received a "deficiency letter" after your repossessed car was sold and are in the Subclass, you will receive about \$135.00 more.
<b>Exclude Yourself</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Beneficial concerning repossession or financing of your vehicle. <b>Act by May 21, 2012.</b>
<b>Object</b>	Write to the Court about why you don't like the settlement and do not want it approved. <b>Act by May 21, 2012.</b>
<b>Go to a Hearing</b>	Ask to speak in Court about the fairness of the settlement on June 26, 2012.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

## WHAT THIS NOTICE CONTAINS

	<u>Page</u>
<b>BASIC INFORMATION</b> .....	<b>1</b>
1.    Why did I get this notice package? .....	1
2.    What is this lawsuit about? .....	1
3.    Why is this a class action? .....	1
4.    Why is there a settlement? .....	2
<b>WHO IS IN THE SETTLEMENT</b> .....	<b>2</b>
5.    How do I know that I am part of the settlement? .....	2
6.    Does this affect my vehicle finance agreement or any obligation to Beneficial? .....	3
<b>THE SETTLEMENT BENEFITS – WHAT YOU GET</b> .....	<b>3</b>
7.    What does the settlement provide? .....	3
8.    How much will my settlement benefit be? .....	3
<b>HOW YOU GET THE BENEFITS OF THE SETTLEMENT</b> .....	<b>3</b>
9.    How can I get a payment or other settlement benefits?.....	3
10.   When would I get my payment? .....	4
11.   What am I giving up to get a payment or stay in the Class? .....	4
<b>EXCLUDING YOURSELF FROM THE SETTLEMENT</b> .....	<b>4</b>
12.   How do I get out of the settlement? .....	4
13.   If I don't exclude myself, can I sue Beneficial for the same thing later?.....	5
14.   If I exclude myself, can I get money from this settlement?.....	5
<b>THE LAWYERS REPRESENTING YOU</b> .....	<b>5</b>
15.   Do I have a lawyer in this case?.....	5
16.   How will the lawyers be paid? .....	5
<b>OBJECTING TO THE SETTLEMENT</b> .....	<b>5</b>
17.   How do I tell the Court that I don't like the settlement?.....	5
18.   What's the difference between objecting and excluding? .....	6
<b>THE COURT'S FAIRNESS HEARING</b> .....	<b>6</b>
19.   When and where will the Court decide whether to approve the settlement? .....	6
20.   Do I have to come to the hearing?.....	6
21.   May I speak at the hearing?.....	7
<b>IF YOU DO NOTHING</b> .....	<b>7</b>
22.   What happens if I do nothing at all?.....	7
<b>GETTING MORE INFORMATION</b> .....	<b>7</b>
23.   Are there more details about the settlement?.....	7

## BASIC INFORMATION

### 1. Why did I get this notice package?

The Court approved this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals, if any, are resolved, the Settlement Administrator will make the payments the settlement allows.

The Court in charge of the case is the Court of Common Pleas of Philadelphia County, Pennsylvania and the case is known as *Tina Zawislak, individually and on behalf of all others similarly situated v. Beneficial Savings Bank*, Docket No. 110303622. The person suing is Tina Zawislak, the Plaintiff, and the company being sued, Beneficial Mutual Savings Bank, doing business as Beneficial Savings Bank, is called the Defendant, or "Beneficial."

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible, and how to get them.

Beneficial's records reflect that you and/or a co-borrower on your vehicle loan received one or more notices from Beneficial following the repossession of your vehicle between March 31, 2007 and March 22, 2012. These post-repossession notices form the basis for this lawsuit.

### 2. What is this lawsuit about?

The lawsuit claims that Beneficial violated Pennsylvania's Uniform Commercial Code and Motor Vehicle Sales Finance Law by failing to send its borrowers in Pennsylvania proper notice of their rights after repossession of a financed vehicle. Plaintiff says the notices failed to a) tell consumers that they could redeem their vehicles up through the sale date; b) that the consumer is entitled to an "accounting"; or c) that the consumer can obtain redemption or additional information by calling a specified telephone number. Plaintiff also says that the notice issued after auction of the repossessed car (the "Deficiency Notice") was insufficient and failed to disclose the amount secured, and various expenses and credits – or no notice(s) was sent at all. Beneficial denies that its disclosures violated any law, and Beneficial asserts that it satisfied the legal requirements as to both notices. Beneficial asserts other defenses, too, such as that some borrowers signed releases of liability, reinstated their vehicle loans, or filed bankruptcy. Beneficial further contends that many of the members of the Class owe Beneficial money for balances still allegedly due on their accounts following the sale of their vehicle(s) at auction.

### 3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Tina Zawislak), sue on behalf of all people who have similar claims. All these people are "Class Members" and grouped together they are a "Class". One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. The Court of Common Pleas of Philadelphia County, Pennsylvania is overseeing this class action.

Beneficial has challenged whether this case should proceed as a class action but has agreed not to oppose certification of a class for settlement purposes only.

#### 4. Why is there a settlement?

Plaintiff believes the Class might have won more money than the settlement amount had the case gone to trial, but she would not necessarily have obtained waiver of substantial deficiency balances, or valuable modifications to credit reports and satisfaction of judgments. Also, substantial delays and risks would have occurred, including the risk of the lawsuit not being certified as a class. Beneficial believes that the claims asserted in the case are without merit, and that the Plaintiff would have recovered nothing if there had been a trial. But, there has been no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial and appeal, and the people affected will get compensation and other settlement benefits promptly. The Class Representative and the class attorneys think the settlement is best for all Class Members.

### WHO IS IN THE SETTLEMENT

#### 5. How do I know that I am part of the settlement?

The Court has preliminarily certified the following two groups as a Class and Sub-Class:

“Class” means all persons who purchased a motor vehicle primarily for consumer use; who financed the vehicle through Beneficial or whose Motor Vehicle Installment Sales Contract was assigned to Beneficial; who had a Pennsylvania address as of the date of repossession; from whom Beneficial, as secured party, repossessed the vehicle, or ordered it repossessed; and who were not sent a Notice of Repossession and Sale (“NORS”) which: (1) provided the ability to redeem the vehicle up through the date of sale; (2) stated that the debtor is entitled to an accounting of the unpaid indebtedness and the charge, if any, for such an accounting; (3) stated a telephone number from which the consumer could learn an up-to-date redemption amount; or (4) stated a telephone number or mailing address from which the consumer could learn additional information about the sale of the vehicle and their obligation; or, were sent no notice at all; in the period from March 31, 2007, through March 22, 2012.

“Subclass” means all Class Members who purchased a motor vehicle primarily for consumer use; who financed the vehicle through Beneficial or whose Motor Vehicle Installment Sales Contract was assigned to Beneficial; who had a Pennsylvania address as of the date of repossession; from whom Beneficial, as secured party, repossessed the vehicle, or ordered it repossessed; and who were sent an explanation of an alleged deficiency or surplus (“Deficiency Notice”) that failed to state: (1) the aggregate amount of obligations secured; (2) the amount the vehicle brought at disposition; (3) the amount and types of expenses related to the disposition; or (4) the amount and types of credits; or, were sent no Deficiency Notice at all; in the period from March 31, 2007, through March 22, 2012.

## 6. Does this affect my vehicle finance agreement or any obligation to Beneficial?

Yes. As part of the settlement, Beneficial has agreed to release any deficiency claimed due by each Class Member under his or her auto installment sale contract following the sale of their repossessed car at auction. Beneficial will also report such accounts as satisfied to the credit bureaus or delete its reporting all together on covered accounts. Beneficial has calculated that the deficiency balance for the entire Class is about \$3 million (approximately \$3,800.00 average per Class Member). However, if you reclaimed your car after it was repossessed and it was not sold at sale or auction, you will receive a monetary payment, but the loan balance will not be satisfied, your credit report will not be changed, and you must continue making the remaining payments on your contract.

### THE SETTLEMENT BENEFITS – WHAT YOU GET

## 7. What does the settlement provide?

Beneficial has agreed to create a settlement fund in the total amount of \$1,200,000.00. Beneficial will also waive and release any claim to deficiency balances of over \$3 million in the aggregate and ask the credit reporting bureaus to fix or remove their negative Beneficial reporting. Beneficial has also agreed, if the Court approves, to pay \$5,000.00 to Ms. Zawislak for her services as Class Representative, which payment is over and above (and will not reduce) the settlement fund.

## 8. How much will my settlement benefit be?

You will receive a *pro rata* share of the total amount of settlement funds available. There are approximately 772 Class Members. If fees and expenses are allowed as requested, it is expected that your cash payment will be approximately \$805.00. If you are one of the approximately 419 Sub-Class Members that received a challenged deficiency notice, it is expected you will receive an additional sum of about \$135.00. An additional benefit will be a complete release from any obligation to Beneficial on the vehicle contract in a sum that averages approximately \$3,800.00 per Class Member. You will not be released from your obligation if you reclaimed your car following repossession, although you will receive the cash payment.

Any settlement funds remaining from uncashed or undistributable checks or unapproved fees or costs will, subject to Court approval, be paid in equal shares to *cy pres* beneficiaries: Villanova University School of Law, Consumer Clinic; The National Association of Consumer Advocates; and Legal Aid of Southeastern Pennsylvania.

### HOW YOU GET THE BENEFITS OF THE SETTLEMENT

## 9. How can I get a payment or other settlement benefits?

You do not need to do anything further to get a payment, be released from a deficiency balance, obtain a credit report modification or otherwise remain in the Class. So long as you do not choose to opt-out (exclude yourself) from this case, you will remain a Class Member and will receive a payment and other benefits, after court approval of the settlement.

## 10. When would I get my payment?

The Court will hold a hearing on June 26, 2012 at 3 pm. in Courtroom 682, City Hall, Philadelphia, Pennsylvania to decide whether to approve the settlement. If the Court approves the settlement after that, there may be appeals. It is always uncertain whether there will be an appeal and if so, when it will be resolved. Resolving them can take time, often well more than a year. Please be patient.

## 11. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will stay in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Beneficial for any claims, damages or any other amounts or relief of any kind, whether known or unknown, alleged or not alleged in the Litigation, suspected or unsuspected, contingent or vested, which the Class Representative or any Class Member has had, or now has, which were or could have been raised in the Litigation, which arise out of or relate to the Statutory Repossession Notices or redemption notices issued by Beneficial, the sale of any repossessed motor vehicles, the conditions of reinstatement and/or redemption, the collection of deficiencies allegedly owed by Class Members, the calculation, collection or payment of any balance, surplus or other amount of any kind, or the reporting of deficiency balances to any credit reporting agencies. It also means that the Court's orders will apply to you and legally bind you. Unless you "opt-out" or exclude yourself from this case, you will automatically be deemed to have agreed to a "Release of Claims" which describes exactly the legal claims that you give up if you remain in the Class.

### EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment or other benefits from this settlement but you want to keep the right to sue or continue to sue Beneficial on your own about any of the subjects or issues set forth in the paragraph above, then you must take steps to get out. This is called excluding yourself – sometimes referred to as "opting out" of the Class.

## 12. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter to the Settlement Administrator (with copies to counsel) by mail (first class, postage pre-paid) saying that you, as well as any and all other person(s) who signed your retail installment contract, want to be excluded from *Tina Zawislak, individually and on behalf of all others similarly situated v. Beneficial Savings Bank*, Docket No. 110303622. Be sure to include your name, address, email (if available), telephone number and your signature. Mail your exclusion request **postmarked no later than May 21, 2012** to all of three different places below.

**Settlement Administrator**  
Strategic Claims Services  
600 N. Jackson Street  
Suite 3  
Media, PA 19063

**Class Counsel**  
Cary L. Flitter, Esq.  
Theodore E. Lorenz, Esq.  
Andrew M. Milz, Esq.  
FLITTER LORENZ, PC  
450 N. Narberth Avenue, Suite 101  
Narberth, PA 19072

**Beneficial Counsel**  
Jeffrey A. Lutsky, Esq.  
Christine M. Debevec, Esq.  
STRADLEY, RONON, STEVENS &  
YOUNG, LLP  
2005 Market Street, Ste. 2600  
Philadelphia, PA 19103-7018

If you ask to be excluded, you will not get any settlement payment or other relief, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Beneficial in the future.

**13.If I don't exclude myself, can I sue Beneficial for the same thing later?**

No. Unless you exclude yourself, you give up any right to sue Beneficial for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit.

**14.If I exclude myself, can I get money from this settlement?**

No. If you exclude yourself, you will not receive any money from this lawsuit or settlement, a release of any deficiency balance, or other relief.

**THE LAWYERS REPRESENTING YOU**

**15.Do I have a lawyer in this case?**

The Court approved Cary L. Flitter, Theodore E. Lorenz and Andrew M. Milz of the law firm of Flitter Lorenz, P.C., in Narberth, Pennsylvania to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged individually for these lawyers. See ¶ 16 below. If you want to be represented by your own lawyer, you may hire a firm at your own expense.

**16.How will the lawyers be paid?**

Class Counsel will ask the Court to approve a payment out of the settlement fund in the amount of \$480,000.00 for Class Counsel fees and up to \$15,000.00 for reimbursement of expenses. Class Counsel estimates this at about 11.5% of the value of the settlement (before accounting for the benefit of credit report correction). The fees would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement and oversight of future implementation of the settlement including fielding inquiries from Class Members. Class Counsel has not been paid for their time or services since this case was originally filed in March of 2011. The Court could award less than this amount.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you don't agree with the settlement or some part of it.

**17.How do I tell the Court that I don't like the settlement?**

If you are a Class Member, you can object to the settlement if you don't like any part of it. You should state why you object and why you think the Court should not approve the settlement. The Court will consider your views. To object, you must electronically file an objection, or send a letter saying that you object to the settlement in *Zawislak v. Beneficial Savings Bank*, Docket No. 110303622. Please be sure to include your name, address, email address (if available), telephone number, your signature, and the reasons you object

to the settlement. Mail the objection to all of the three different places below, **postmarked no later than May 21, 2012**, and if possible, file electronically with the Prothonotary (Clerk of Civil Court).

**Court**

Prothonotary  
Court of Common Pleas of  
Philadelphia County  
City Hall, Room 278  
Philadelphia, PA 19107

**Class Counsel**

Cary L. Flitter, Esq.  
Theodore E. Lorenz, Esq.  
Andrew M. Milz, Esq.  
FLITTER LORENZ, P.C.  
450 N. Narberth Avenue  
Suite 101  
Narberth, PA 19072

**Defense Counsel**

Jeffrey A. Lutsky, Esq.  
Christine M. Debevec, Esq.  
STRADLEY, RONON,  
STEVENS & YOUNG, LLP  
2005 Market Street, Ste.  
2600  
Philadelphia, PA 19103-  
7018

**18. What's the difference between objecting and excluding?**

Objecting is telling the Court that you don't like something about the settlement, and that you, for that reason, want the settlement not to be approved. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

**19. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Fairness Hearing on June 26, 2012 in Courtroom 682, at 3 pm, City Hall, Philadelphia, Pennsylvania 19107. At this hearing, the Court will consider whether the settlement is fair, reasonable and adequate and meets the test for class action settlements. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay the Class Representative for her individual settlement award and Class Counsel for their services and expenses. Following the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

**20. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you file an objection, you don't have to come to Court to talk about it, but you may. As long as you mailed (or electronically filed) your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, if you wish.

**21. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in *Zawislak v. Beneficial Savings Bank*." Your Notice of Intention to Appear must be electronically filed, or mailed so as to be **postmarked no later than May 21, 2012** and be sent to the Prothonotary of the Court, to Class Counsel and Defense Counsel, at the three addresses in Section 17 above. You cannot speak at the hearing if you exclude yourself from the settlement.

**IF YOU DO NOTHING**

**22. What happens if I do nothing at all?**

If you do nothing, you will be a part of this settlement (if the Court approves it) and will receive a settlement payment and, if you did not reclaim your car, you will also receive debt forgiveness and credit reporting relief. You will also give up the right to bring your own lawsuit.

**GETTING MORE INFORMATION**

**23. Are there more details about the settlement?**

This notice summarizes the proposed settlement. The pleadings and other records in this litigation, including a copy of the Settlement Agreement, may be examined at any time during regular office hours at the Office of the Prothonotary, City Hall, Philadelphia, Pennsylvania 19107. You may also review the case docket at [www.courts.phila.gov](http://www.courts.phila.gov).

You may also call or write to the following:

**Beneficial Settlement Administrator  
Strategic Claims Services  
600 N. Jackson Street, Suite 3  
Media, PA 19063  
1-866-274-4004  
or  
Class Counsel  
Cary L. Flitter, Esq.  
Theodore E. Lorenz, Esq.  
Andrew M. Milz, Esq.  
FLITTER LORENZ, P.C.  
450 N. Narberth Avenue, Suite 101  
Narberth, PA 19072  
1-888-668-1225**

Please **do not** call the Court, Beneficial, or Beneficial's counsel.

Dated April 11, 2012

BY THE COURT

\_\_\_\_\_  
, PROTHONOTARY