

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

If you were sued by a National Collegiate Student Loan Trust and Patenaude & Felix, APC you could be entitled to benefits under a class action settlement.

The United States District Court for the Southern District of California authorized this Notice.

This is not a solicitation from a lawyer.

- A proposed settlement of a class action lawsuit relates to allegations that, Law Offices of Patenaude & Felix, A.P.C. and its client, National Collegiate Student Loan Trusts¹ (collectively “Defendants”) filed certain collection complaints, throughout the state courts of California, Nevada, Oregon, and Washington which allegedly did not properly set forth the identity of the original creditor. The case is known as *Zoerb v. National Collegiate Student Loan Trust 2006-3*, and *Law Office of Patenaude & Felix, APC 14-CV-0468-BAS-KSC* (S.D.Cal.).
- Defendants deny all allegations of wrongdoing in the lawsuit. As part of the proposed settlement, Defendants do not admit to any wrongdoing and continue to deny the allegations against it.
- The proposed settlement provides that the Trust Defendants will request the following national credit reporting agencies to delete any reporting of the trade lines associated with the student loan accounts which are the subject of the Lawsuits: Trans Union, Experian, and/or Equifax (“Credit Bureaus”). By removal of the negative tradeline, Class Members may enjoy an increase in credit score and a greater ability to obtain credit at a lower cost.
- Patenaude & Felix, A.P.C. also will pay the costs to administer the settlement.
- Your legal rights are affected whether you act or don’t act. Please read this Notice carefully. This Notice explains these rights and options—**and the deadlines to exercise them.**
- The Court must decide whether to approve the settlement as part of the process described in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
OPT-OUT	Remove yourself as a Class Member and retain your individual right to sue Defendants. You will not receive the tradeline deletion.
OBJECT	Write to the Court about why you don’t like the settlement.
GO TO THE HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	You will automatically receive the tradeline deletion and will give up your rights to assert any claims against Defendants regarding the allegations in the case.

¹ National Collegiate Master Student Loan Trust I; National Collegiate Student Loan Trust 2003-1; National Collegiate Student Loan Trust 2004-1; National Collegiate Student Loan Trust 2004-2; National Collegiate Student Loan Trust 2005-1; National Collegiate Student Loan Trust 2005-2; National Collegiate Student Loan Trust 2005-3; National Collegiate Student Loan Trust 2006-1; National Collegiate Student Loan Trust 2006-2; National Collegiate Student Loan Trust 2006-3; National Collegiate Student Loan Trust 2006-4; National Collegiate Student Loan Trust 2007-1; National Collegiate Student Loan Trust 2007-2; National Collegiate Student Loan Trust 2007-3; National Collegiate Student Loan Trust 2007-4 (“Trust Defendants”)

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Basic Information

1. Why was Notice provided?

Notice was provided to the Settlement Class Members by direct mail notice. The law requires that Notice be made available to Class Members because their rights will be affected and they have a right to know about a proposed settlement of the class action against Defendants and about their options before the Court decides whether to approve the settlement. If the Court approves the settlement, the Trust Defendants will request from each of the three credit bureaus (Trans Union, Experian, and/or Equifax) that they delete any tradeline(a) associated with the Class Members' student loan accounts owing to Trust Defendants.

The Notice explains the lawsuit, the settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them. Please read this Notice carefully.

The United States District Court for the Southern District of California has jurisdiction over this proposed settlement. The person who sued is called the Plaintiff, and the companies they sued are called the Defendants.

2. What is the lawsuit about?

Plaintiff filed a proposed class action lawsuit against Trust Defendants and the Law Offices of Patenaude & Felix, APC, under the caption *Dawn Zoerb, individually and on behalf of all others similarly situated vs. National Collegiate Student Loan Trust 2006-3, and Law Office of Patenaude & Felix, 14-CV-0468-BAS-KSC (S.D. Cal.)* (the "Action").

In the Action, Plaintiff claimed, that between November 9, 2010, and February 13, 2014, Defendants filed certain collection complaints, throughout the state courts of California, Nevada, Oregon, and Washington, which allegedly did not properly set forth the identity of the original creditor. Defendants deny all allegations of wrongdoing and have asserted many defenses. The settlement is not an admission of wrongdoing.

3. Why is this a class action?

In a class action, one or more people, called Class Representative(s), sue on behalf of people who have similar claims. In this case, the Class Representative is the Plaintiff, Dawn Zoerb. One court resolves the issues for all Class Members. United States District Court Judge Cynthia Bashant has jurisdiction over the case in which the parties have submitted this settlement for approval.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and settlement benefits go to the Class Members. The Class Representative and her attorneys think the settlement is best for the Class Members.

WHO IS IN THE SETTLEMENT

To see if you may qualify for a tradeline deletion, you first have to determine whether you are a Class Member.

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

Judge Bashant has preliminarily decided that everyone who fits this description is a Class Member:

California, Nevada, Oregon, and Washington residents who have an alleged delinquent student loan account with Defendant Trusts and who were sued by P&F through a state court collections action in which P&F allegedly failed to properly disclose the identity of the original creditor. Included in the class are those persons who have pending litigation as described above, or have had the lawsuit reduced to a judgment. The class period is November 1, 2010, through April 1, 2014. Excluded from the class will be any student loan borrower who has resolved his or her account with Defendant Trusts. As stated above, the named Plaintiffs in this action, including Sandi Parra, Reynaldo Raquel, Lisa Alward, Madeline Montry, Rebecca Burlingame, Joel Benoit, Janice Benoit, Robin Goret, Charlene Baxter, Lora Mayhugh, Laurie Alderman, Andrew Toney and Tricia Benavente are included in the class, even if they have resolved their account with Defendant Trusts.

6. Who is not included in the Class?

The Class does *not* include Defendants, any entity that has a controlling interest in Defendants, or Defendants' current or former directors, officers, counsel, and their immediate families. The Class will *not* include anyone who "Opts-Out" based on this Notice.

7. I'm still not sure if I am included.

If you are still not sure whether you are included, you may call 866-340-1498 for more information, or visit the website westcoastlitigation.com/NCTsettlement.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

Under the proposed settlement, the Trust Defendants will request that the three Credit Reporting Agencies Trans Union, Experian, and Equifax (“CRAs”) delete any reporting of the tradelines associated with the individual Class Member’s student loan account(s) which are the subject of the lawsuits.

Trust Defendants’ sole obligation shall be to make the request to suppress reporting of the trade lines associated with the student loan accounts. The CRAs are separate entities from Trust Defendants. Accordingly, Trust Defendants cannot guarantee, warrant, or take responsibility for the performance of any Credit Bureau with respect to changing, deleting, suppressing, or making entries regarding any credit information or other information regarding the accounts.

The CRAs processes for acting on Trust Defendants’ request may take up to 120 days to be completed. Trust Defendants shall not have any obligation to follow up with the CRAs to insure deletion of any trade line.

9. What can I get from the settlement?

Each class member will automatically receive the same benefit, unless they Opt-Out. The benefit is deletion of the tradelines associated with the individual Class Member’s student loan account(s) which are the subject of the lawsuits.

The request for deletion of the credit reporting is a material and significant benefit to consumers. The reporting of debts to the credit bureaus is a powerful tool used by debt collectors, and reporting those debts to the CRAs has an adverse impact on the consumer as it could damage the consumer’s credit rating and ability to obtain credit. By removal of the negative tradeline, Class Members may enjoy an increase in credit score and a greater ability to obtain credit.

HOW YOU GET YOUR TRADELINE DELETION

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10. Do I need to do anything to get my Tradeline Deletion?

As a member of the Class, you do not need to take any action to receive the benefit of this proposed Settlement.

11. When would I get my Tradeline Deletion?

The Court will hold a hearing on **April 3, 2017**, to decide whether to approve the settlement. If Judge Bashant approves the settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

Once Trust Defendants make the request to the CRAs for each Class member it may take up to 120 days for the CRAs to process the deletion.

12. What am I giving up by being in the Class?

Each Class Member as a right to exclude themselves from this Class. As a Class Member you cannot separately sue, continue to sue, or be part of any other lawsuit against Defendants about the same legal issues in this case. If the settlement is approved and becomes final and not subject to appeal, then you and all Class Members release all “Released Claims” against all “Released Parties.”

“Released Claims” with respect to Plaintiff Class Members, means any and all claims, causes of action, suits, obligations, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys’ fees of any nature whatsoever, whether based on any federal law, state law, common law, territorial law, or foreign law right of action or of any other type or form (whether in contract, tort, or otherwise, including statutory, common law, property, and equitable claims), and also including all “Unknown Claims” (as defined below) which Plaintiff or a Class Member has against “Released Parties” (as defined below) arising out of, based upon, or in any way relating to the claims asserted in the Lawsuits, including, but not limited to the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 *et seq.* (“FDCPA”), California’s Rosenthal Fair Debt Collection Practices Act, California Civil Code §§ 1788 *et seq.* (“RFDCPA”), and the Washington Collection Agency Act, RCW 19.16.100 *et seq.* (“WCAA”), and any other claim arising out of the content of Defendants’ state court collection complaints.

Each Class Member releases any right to file, prosecute or participate in an individual lawsuit against Defendants, if that lawsuit alleges claims similar to those asserted in the Lawsuits arising under the FDCPA, RFDCPA, or WCAA for alleged violations arising during the Class Period. This release precludes Class Members from bringing individual actions against “Released Parties” for same or similar facts alleged.

“Unknown Claims” means any and all claims that Plaintiff or any Class Member does not know or even suspect to exist against any of the Released Parties, which, if known, might have affected his or her decision regarding the settlement of this Lawsuit. Class Members shall be deemed to acknowledge, that they may hereafter discover facts in addition to or different from those that they now know or believe to be true concerning the subject matter of this release, but nevertheless fully, finally, and forever settle and release any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, may hereafter exist, or heretofore have existed based upon actions or conduct occurring on or before the date of this Agreement, without regard to subsequent discovery or existence of such different or additional facts concerning each of the Released Parties.

“Released Parties” includes Law Offices of Patenaude & Felix, A.P.C., Trust

Defendants, and each of their past, present, and future directors, officers, employees, partners, principals, agents, underwriters, insurers, co-insurers, re-insurers, shareholders, attorneys, and any related or affiliated company, including any parent, subsidiary, predecessor, or successor company, and all assigns, licensees, divisions, clients, joint ventures, and any entities directly or indirectly involved in the Lawsuits, and all of their subsidiary entities.

AUTOMATIC INCLUSION IN THE SETTLEMENT

13. Do I need to take action to include myself?

You are automatically included, and do not need to take any action to receive the benefits of this settlement.

14. What is the effect of being included in this settlement?

As stated above, Trust Defendants will instruct the CRAs delete any reporting of the tradelines associated with the individual Class Member's student loan account(s) which are the subject of the lawsuits. Additionally, you will not be permitted to sue Defendants for similar actions as discussed in Section 12 above.

15. If I don't Opt-Out, can I sue Defendants for the same thing later?

No. Unless you Opt-Out, you are automatically included and cannot pursue claims against Defendants for the same or similar conduct.

16. How do I Opt-Out?

In addition to your right to object to the fairness of this settlement, you also have a right to exclude yourself, or Opt-Out, from the Class. If you do nothing, you will remain a class member and you cannot separately sue, continue to sue, or be part of any other lawsuit against Defendants about the same legal issues in this case. If the settlement is approved and becomes final and not subject to appeal, then you and all Class Members release all "Released Claims" against all "Released Parties."

If you wish to Opt-Out and retain any claims you may have against the Defendants, you must complete and submit the Opt-Out Form that is being distributed with this Notice and it must be postmarked no later than February 13, 2017.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in the case?

The Court appointed the law firms of Kazerouni Law Group, APC; and Hyde & Swigart to represent the Class. These lawyers are called Class Counsel. You will not be charged for these lawyers. The Court will determine the amount of Class Counsel's fees and expenses, which the Law Offices of Patenaude & Felix, A.P.C will pay, as part of the settlement (up to \$125,000.00 for attorneys' fees, up to \$7,500.00 in costs, and expenses and up to \$6,000.00 to pay the cost to administer the settlement). If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Class Counsel will request from the Court an award of attorneys' fees and expenses (up to \$125,000.00 for attorneys' fees, up to \$7,500.00 in costs, and expenses). The total amount sought for attorneys' fees, costs, and expenses will not exceed \$132,500.00. Class Counsel's fees and expenses will be paid by and on behalf of Patenaude & Felix, A.P.C. Law Offices of Patenaude & Felix, A.P.C. has agreed not to oppose these fees and expenses. You have the right to object to the requested fees and expenses. Law Offices of Patenaude & Felix, A.P.C. will also pay the costs to administer the settlement, up to \$6,000.00.

Class Counsel will file their papers in support of final approval of the settlement and their application for attorneys' fees and reimbursement of expenses and for service awards to the Representative Plaintiff, by no later than thirty (30) before objections are due to the court.

OBJECTING TO THE SETTLEMENT

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

19. How do I tell the Court if 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 can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a signed letter saying you object to the proposed settlement in *Dawn Zoerb, individually and on behalf of all others similarly situated vs. National Collegiate Student Loan Trust 2006-3, and Law Office of Patenaude & Felix, 14-CV-0468-BAS-KS (S.D.Cal.)*.

To be valid, the objection must attach documents establishing, or provide information sufficient to allow the parties to confirm, that you are a Settlement Class Member, including but not limited to:

- (a) your full name and address;
- (b) a statement of the specific objections;
- (c) a statement of the grounds for objection, as well as identify any documents which the objector desires the Court to consider;
- (d) a statement of whether the objector intends to appear at the Final Approval Hearing on his or her own behalf or through counsel; and
- (e) a statement disclosing every prior objection to any class action settlement ever made by the objector including the case name, case number, and disposition of the prior objection(s).

Your objection and any supporting papers must be mailed to and actually received by the following addressee no later than **February 13, 2017**:

Abbas Kazerounian, Esq.
Kazerouni Law Group, APC
245 Fischer Avenue, Suite D1
Costa Mesa, CA 92626

Joshua B. Swigart, Esq.
Hyde & Swigart
2221 Camino Del Rio South, Suite 101
San Diego, CA 92108

Counsel for Trust Defendants:

Damian P. Richard, Esq.
Sessions, Fishman, Nathan & Israel, LLP
1545 Hotel Circle South, Suite 150
San Diego, CA 92108-3426

Counsel for P&F:

Jeffrey W. Speights, Esq.
Patenaude & Felix, APC
4545 Murphy Canyon Road, 3rd Fl.
San Diego, CA 92123

Mary Pendleton, Esq.
Ford, Walker, Haggerty & Behar, LLP
501 West Broadway, Suite 2060
San Diego, CA 92101

First Class, Inc./ J13373- Zoerb
5410 W. Roosevelt Rd, Suite 222
Chicago, IL 60644-1490

20. What's the difference between objecting and Opting-Out?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself or Opting-Out is telling the Court that you don't want to be part of the Class.

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.

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

The Court will hold a Fairness Hearing at **10:30 a.m.** on **Monday, April 3, 2017**, at the U.S. Courthouse, 221 West Broadway, San Diego, CA 92101, Courtroom 4B. The hearing will either be before the Honorable District Judge Cynthia Bashant, or the Special Master Honorable Herbert B. Hoffman (Ret.). At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The presiding official will listen to people who have asked to speak at the hearing. The Court may also consider how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

22. Do I have to come to the hearing?

No. Class Counsel will answer any questions. You are welcome to come at your own expense. If you send an objection, you do not have to come to Court and talk about it. As long as your written objection is received on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary. Finally, you may seek to intervene in the Action, but you do not need to do so.

23. 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 saying that it is your “Notice of Intention to Appear” in “*Dawn Zoerb, individually and on behalf of all others similarly situated vs. National Collegiate Student Loan Trust 2006-3, and Law Office of Patenaude & Felix, 14-CV-0468-BAS-KS.*” Be sure to include your name, address, telephone number, that you are a Class Member, and your signature. Your Notice of Intention to Appear must be received by counsel at the addresses above, no later than **February 13, 2017**. You cannot speak at the hearing if you Opt-Out.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you will be included as a Class Member and if the settlement is approved by Judge Bashant, you will receive deletion of any reporting of the tradelines associated with the individual Class Member’s student loan account(s) which are the subject of the lawsuits. You will not be able to start a similar lawsuit, continue with an essentially similar claim, or be part of any other similar lawsuit against Defendants, or the Released Parties about the legal issues in this case, ever again.

GETTING MORE INFORMATION

25. Are there more details about the settlement?

This Notice summarizes the proposed settlement. For more information, you should visit the website www.westcoastlitigation.com/NCTsettlement. More details appear in the Amended Class Action Settlement Agreement (the “Agreement”). Copies of the Agreement and the pleadings and other documents relating to the case are on file at the United States District Court for the Southern District of California and may be examined and copied at any time during regular office hours at the Office of the Clerk, U.S. Courthouse, 221 West Broadway, San Diego, CA 92101.

26. How do I get more information?

You can get more information by visiting the website www.westcoastlitigation.com/NCTsettlement, or by calling the following toll-free number: 1-866-340-1498. You may also write to: First Class, Inc./ J13373- Zoerb, 5410 W. Roosevelt Rd, Suite 222, Chicago, IL 60644-1490.

You should not direct questions to the Court.

*Zoerb v. National Collegiate Student Loan Trust 2006-3,
and Law Office of Patenaude & Felix,
14-CV-0468-BAS-KSC (S.D. Cal.)*

Opt-Out Form

In order to Opt-Out of this Class Action Settlement, you must complete this form and mail to the Class Administrator at the following address:

First Class, Inc./ J13373- Zoerb
5410 W. Roosevelt Rd, Suite 222
Chicago, IL 60644-1490

I,

Name: _____

Address: _____

Telephone Number: _____

wish to opt-out of this class action. I do not wish to participate in the settlement in respect to the allegations against the National Collegiate Student Loan Trusts and the Law Offices of Patenaude & Felix, A.P.C.

I understand that this class action is brought on behalf of all defaulted student loan borrowers who between November 9, 2010, and February 13, 2014, were named in certain collection complaints, throughout the state courts of California, Nevada, Oregon, and Washington, which allegedly did not properly set forth the identity of the original creditor.

I understand that because I Opt-Out and complete this form, I will not take part in this class action, agree to be excluded from the class proceedings, and will not be bound by the result whether favorable or unfavorable.