

Release Language for Mel Harris Defendants and Samserv Defendants

Excerpted from November 12, 2015 Stipulation of Settlement

H. Releases and Waivers, and Order of Dismissal

1. Releases and Waivers

a. Pursuant to the terms of the Settlement Agreement, the Approval Order and the Judgment, without further action by anyone, and subject to Section III.H.1.f, on and after the Final Settlement Date, Lead Plaintiffs and all other Rule 23(b)(3) Class Members, on behalf of themselves and all other Rule 23(b)(3) Releasers, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and the Judgment shall have fully, finally, and forever released, relinquished, settled and discharged:

(1) all Released Rule 23(b)(3) Class Members' Claims against each and every one of the Releasees;

(2) all Released Class Members' Settlement Claims against each and every one of the Releasees and Releasers; and

(3) except to the extent otherwise specified by the Settlement Agreement, all Claims that have been, could have been or could be asserted by any Rule 23(b)(3) Releaser against any Releasee for attorneys' fees, costs or disbursements incurred by Lead Plaintiffs' Counsel (including Class Counsel) or any other counsel representing any Lead Plaintiff or any other Rule 23(b)(3) Class Member in connection with or related in any manner to (i) any collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt from any Rule 23(b)(3) Class Member and (ii) the Action, the settlement of the Action or the administration of the Action and/or the Settlement.

b. Pursuant to the terms of the Settlement Agreement, the Approval Order and the Judgment, without further action by anyone, and subject to Section III.H.1.f, on and after the Final Settlement Date, all Rule 23(b)(2) Nominal Restitution Recipients, on behalf of themselves and all other Rule 23(b)(2) Nominal Restitution Releasers, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and the Judgment shall have fully, finally, and forever released, relinquished, settled and discharged:

(1) all Released Rule 23(b)(2) Class Members' Nominal Restitution Claims against each and every one of the Releasees;

(2) all Released Class Members' Settlement Claims against each and every one of the Releasees and Releasers; and

(3) except to the extent otherwise specified by the Settlement Agreement, all Claims that have been, could have been or could be asserted by any Rule 23(b)(2) Nominal Restitution Releaser against any Releasee for attorneys' fees, costs or disbursements incurred by any counsel (including Class Counsel) representing any Rule 23(b)(2) Nominal Restitution Recipient in connection with or related in any manner to (i) any collection of or attempts to collect Consumer Debt from any Rule 23(b)(2) Nominal Restitution Releaser and (ii) the Action, the settlement of the Action or the administration of the Action and/or the Settlement.

c. Pursuant to the terms of the Settlement Agreement, the Approval Order and the Judgment, without further action by anyone, and subject to Section III.H.1.f, on and after the Final Settlement Date, all Rule 23(b)(2) Injunction Only Beneficiaries, on behalf of themselves and all other Rule 23(b)(2) Injunction Only Releasers, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and the Judgment shall have fully, finally, and forever released, relinquished, settled and discharged:

(1) all Released Rule 23(b)(2) Class Members' Injunction Only Claims against each and every one of the Releasees;

(2) all Released Class Members' Settlement Claims against each and every one of the Releasees and Releasers; and

(3) except to the extent otherwise specified by the Settlement Agreement, all Claims that have been, could have been or could be asserted by any Rule 23(b)(2) Injunction Only Releaser against any Releasee for attorneys' fees, costs or disbursements incurred by any counsel (including Class Counsel) or any other counsel representing any Rule 23(b)(2) Injunction Only Beneficiary in connection with or related in any manner to (i) attempts to collect Consumer Debt from any Rule 23(b)(2) Injunction Only Beneficiary and (ii) the Action, the settlement of the Action or the administration of the Action and/or the Settlement.

d. Pursuant to the terms of the Settlement Agreement, the Approval Order and the Judgment, without further action by anyone, and subject to Section III.H.1.f, on and after the Final Settlement Date and, with respect to the Leucadia Released Parties, conditioned upon the occurrence of the Leucadia Settlement Agreement becoming Final and not terminating: each and all Releasees, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and the Judgment shall have fully, finally, and forever released, relinquished, settled and discharged all Released Releasees' Claims

against each and every one of the Releasors, Leucadia Released Parties, and Releasees (with respect to each Releasee, subject to such Releasee not having terminated the Settlement Agreement).

e. Pursuant to the terms of the Settlement Agreement, the Approval Order and the Judgment, without further action by anyone, and subject to Section III.H.1.f and the Settlement Agreement not being terminated by any of the Settling Parties, on and after the Final Settlement Date:

(1) each and all Samserv Defendants for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and the Judgment shall have fully, finally, and forever released, relinquished, settled and discharged all Released Samserv Claims against each and every one of the Mel Harris Defendants and any other Releasee.

(2) each and all the Mel Harris Defendants for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Approval Order and the Judgment shall have fully, finally, and forever released, relinquished, settled and discharged all Released Mel Harris Defendants' Claims Against Samserv with respect to each and every one of the Samserv Defendants and any other Releasee.

f. Notwithstanding any other provision of Section III.H of the Settlement Agreement, nothing in the Settlement Agreement, the Approval Order or the Judgment shall bar any Claim:

(1) by any of the Settling Parties, Class Counsel, Samserv Defendants' Counsel, or Mel Harris Defendants' Counsel to enforce the terms of the Settlement Agreement, the Approval Order or the Judgment;

(2) by Mel Harris Defendants or Samserv Defendants' Counsel seeking reimbursement from its client(s) for fees and expenses incurred in representing one or more Mel Harris Defendant in connection with the Action or the Settlement;

(3) by any Releasee who is or was employed or associated with one or more other Releasee, with respect to any such individual's rights under or to pension plans, 401(k) plans, separation agreements, employment agreements, stock options, salary benefits or any other benefit plan, including health plans, in which such Releasee participates as a result of his or her current or former employment or association with such Releasee;

(4) by any Releasee for indemnification coverage with respect to any claim made as to a Releasee that arises by reason of the fact that he or she is or was a director, member, officer or employee of a Mel Harris or Samserv Defendant; or

(5) subject to Section XIII.B and the Complete Bar Order (as set out in Paragraph 26 of the Approval Order, Exhibit B attached to the First Amendment), by any Releasee for coverage under an applicable insurance policy.

g. The releases and waivers in Section III.H.1 of the Settlement Agreement were separately bargained for and are essential elements of the Settlement Agreement.

Principal Relevant Definitions¹

1. “Claim” means any and all actions, causes of action, proceedings, adjustments, executions, offsets, contracts, judgments, obligations, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, variances, covenants, trespasses, damages, demands (whether written or oral), agreements, promises, liabilities, controversies, costs, expenses, attorneys’ fees and losses of any sort whatsoever, whether in law or in equity (including, without limitation, injunctions, accountings, restitution and disgorgement), and whether based on any federal, state or foreign statutory or common-law right of action or otherwise (including, without limitation, claims based upon the FDCPA, RICO, the GBL, and/or the NY Judiciary Law), foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued, existing now or sought to be created in the future, including Unknown Claims.

2. “L-Credit” means L-Credit, LLC and each and all of its members, including, without limitation, Luman, LLC and PLRC, LLC.

3. “L-Credit, LLC” means the limited liability company formed pursuant to the November 7, 2003 Limited Liability Company Agreement of L-Credit, LLC.

4. “Leucadia” means Leucadia National Corporation and each and all of (i) its parents, predecessors, and successors, (ii) its current and former Affiliates, divisions, business units, joint ventures (regardless of percentage of interest), subsidiaries, and assigns and (iii) all other entities in which Leucadia has or had a Controlling Interest or that have or had a Controlling Interest in Leucadia; provided that Leucadia includes, without limitation, L-Credit, LR Credit, Jefferies Group, Inc. and Jefferies Group LLC.

¹ All other capitalized terms are defined in the November 12, 2015 Stipulation of Settlement.

5. “Leucadia Defendants” means Leucadia National Corporation, L-Credit, LLC, LR Credit, LLC, LR Credit 10, LLC, LR Credit 14, LLC, LR Credit 18, LLC, LR Credit 21, LLC, Joseph A. Orlando and Philip M. Cannella.

6. “Leucadia Released Party” means each and every one of, and “Leucadia Released Parties” mean all of, the Leucadia Defendants and for each of the foregoing Leucadia Released Parties, (x) the Leucadia Released Party’s agents, representatives, attorneys, advisors, administrators, accountants, consultants, assigns, partners, successors-in-interest and insurance carriers, (y) to the extent the foregoing Leucadia Released Party is an entity, each of such Leucadia Released Party’s past and present officers, directors, employees, officials, members, principals, any and all in-house counsel and outside counsel, auditors (including any and all internal and external auditors) and service providers and (z) to the extent the foregoing Leucadia Released Party is a person, each of such Leucadia Released Party’s estates, heirs, executors, beneficiaries, trusts and trustees.

7. “LR Credit” means LR Credit, LLC, and each and all of (i) its parents, predecessors, successors and members, (ii) its current and former Affiliates, divisions, business units, joint ventures (regardless of percentage of interest), subsidiaries, and assigns and (iii) all other entities in which LR Credit has or had a Controlling Interest or that have or had a Controlling Interest in LR Credit, including, without limitation, the Subsidiaries.

8. “LR Credit, LLC” means the limited liability company formed pursuant to the November 12, 2003 Joint Venture and Limited Liability Company Agreement.

9. “Mel Harris Defendants” means Mel S. Harris and Associates, L.L.C., Mel S. Harris, Michael Young, David Waldman, Kerry Lutz and Todd Fabacher.

10. “Mel Harris Defendants’ Counsel” means the law firms of Quinn Emanuel Urquhart & Sullivan, LLP and Kaufman Dolowich & Voluck, LLP.

11. “Mel Harris Firm” means the law firm of Mel S. Harris and Associates, L.L.C.

12. “Operative Facts” means those facts and circumstances that provide the factual predicate for the claims asserted in the Action.

13. “Release” means the Rule 23(b)(3) Release, the Rule 23(b)(2) Injunction Only Release, the Rule 23(b)(2) Nominal Restitution Release, the Settlement Release and the Releasees’ Release as forth in Section III.H.

14. “Released Class Members’ Claims” means Released Rule 23(b)(3) Class Members’ Claims, Release Ruled 23(b)(2) Class Members’ Injunction Only Claims,

Released Rule 23(b)(2) Class Members' Nominal Restitution Claims and Released Class Members' Settlement Claims.

15. "Released Class Members' Settlement Claims" means each and every Claim that one or more of the Lead Plaintiffs, any other Rule 23(b)(2) Class Member or any other Rule 23(b)(3) Class Member have asserted, could have asserted or could assert against any of the Releasees (including Mel Harris Defendants' and Samserv Defendants' Counsel) or any Releasor (including Class Counsel) under any national, state, territorial, or other local law of the United States or of any other country, or any principle of federal or common law, in any court, tribunal, agency or other forum, that arises out of or relates in any way to any acts, omissions, nondisclosures, facts, matters, transactions, occurrences, or oral or written statements or representations in connection with, or directly or indirectly relating to, the prosecution, defense or settlement of the Action or the implementation of the Settlement Agreement, including (without limitation) (i) the provision of Notice, (ii) the amount distributed to Rule 23(b)(3) Class Members and Rule 23(b)(2) Nominal Restitution Recipients in connection with the Settlement and (iii) any tax consequence to any Class Member resulting from or arising out of the Settlement.

16. "Released Mel Harris Defendants' Claims Against Samserv" means each and every Claim that one or more of the Mel Harris Defendants, or any of the foregoing's respective estates, heirs, executors, agents, attorneys (including in-house counsel, outside counsel and the Mel Harris Defendants' Counsel), beneficiaries, accountants, professional advisors, trusts, trustees, administrators and assigns might have against any or all of the Samserv Defendants or any other Releasee for indemnification, contribution or payment of attorneys' fees.

17. "Released Releasees' Claims" means each and every Claim that one or more of the Mel Harris Defendants or Samserv Defendants, any other Releasee or any of the foregoing's respective estates, heirs, executors, agents, attorneys (including in-house counsel, outside counsel and Mel Harris Defendants' Counsel and Samserv Defendants' Counsel), beneficiaries, accountants, professional advisors, trusts, trustees, administrators and assigns have asserted, could have asserted or could assert against Lead Plaintiffs, any other Class Member or any of their respective attorneys (including, without limitation, Class Counsel) or any Releasee or any Leucadia Released Parties under any national, state, territorial, or other local law of the United States or of any other country, or any principle of federal or common law, in any court, tribunal, agency or other forum, that arises out of or relates in any way to any acts, omissions, nondisclosures, facts, matters, transactions, occurrences, or oral or written statements or representations in connection with, or directly or indirectly relating to, the initiation, prosecution, or settlement of the Action or the implementation of the Settlement and the Settlement Agreement, including, without limitation, any Claim that the Mel Harris Defendants or any other Releasee might have against any or all of the Leucadia Defendants for indemnification, contribution or payment of attorneys' fees or based upon the facts and/or allegations that gave rise to the Action.

18. “Released Rule 23(b)(2) Class Members’ Injunction Only Claims” means each and every Claim that Lead Plaintiffs or any other Rule 23(b)(2) Members have as of, on or before the Final Settlement Date for injunctive relief or ancillary non-monetary equitable relief attendant to such injunctive relief that any Rule 23(b)(2) Class Member (i) asserted in the Action against any of the Releasees (including all claims alleged in the Complaint or in earlier complaints filed in the Action) or (ii) could have asserted or could assert against any of the Releasees, under any national, state, territorial, or other local law of the United States or of any other country, or any principle of federal or common law, in any court, tribunal, agency or other forum, that arises out of or relates in any way to the Operative Facts alleged in the Action regarding (x) the purchase of Consumer Debt owed or alleged to be owed by any Rule 23(b)(2) Class Member, (y) attempts to collect (pursuant to Default Judgment or otherwise) Consumer Debt from any Rule 23(b)(2) Class Member and (z) Default Judgments or attempts to obtain any default judgments. Without limiting the generality of the foregoing, Released Rule 23(b)(2) Class Members’ Injunction Only Claims shall specifically include, without limitation, Claims for injunctive relief or ancillary non-monetary equitable relief attendant to such injunctive relief arising out of the Operative Facts alleged in the Action respecting:

- a. the procurement of a Default Judgment against any Rule 23(b)(2) Injunction Only Beneficiary by or on behalf of any Releasee;
- b. any statement(s) or omission(s) by or on behalf of any Releasee in connection with attempts to collect (pursuant to Default Judgment or otherwise) Consumer Debt from any Rule 23(b)(2) Class Member, including (without limitation) any statement(s) or omission(s) in any affidavit of merit and/or affidavit of service filed with any New York State Court in support of attempts to collect (pursuant to Default Judgment or otherwise) Consumer Debt from any Rule 23(b)(2) Class Member;
- c. service of process, including (without limitation) allegations of defective service of process, in connection with attempts to collect (pursuant to Default Judgment or otherwise) Consumer Debt from any Rule 23(b)(2) Class Member;
- d. use of process in connection with attempts to collect (pursuant to Default Judgment or otherwise) Consumer Debt from any Rule 23(b)(2) Class Member, including (without limitation) execution on any Default Judgment;
- e. attempts to collect from any Rule 23(b)(2) Class Member (pursuant to Default Judgment or otherwise) any Consumer Debt allegedly in excess of the amount owed by such Rule 23(b)(2) Class Member;

f. attempts to collect from any Rule 23(b)(2) Class Member (pursuant to Default Judgment or otherwise) any Consumer Debt that was allegedly not owed by such Rule 23(b)(2) Class Member; and

g. the calculation of and/or attempt to collect any interest, attorneys' fees and/or expenses (pursuant to Default Judgment or otherwise) respecting Consumer Debt owed or alleged to be owed by any Rule 23(b)(2) Class Member;

provided however, that Released Rule 23(b)(2) Class Members' Injunction Only Claims shall not include any Claim for injunctive relief or ancillary non-monetary equitable relief attendant to such injunctive relief that any Rule 23(b)(2) Class Member or any other Rule 23(b)(2) Releasor has as to Rushmore and/or one or more of the Mel Harris Defendants or Samserv Defendants arising out of any debt portfolio(s) owned in whole or in part by Rushmore and/or one or more of the Mel Harris Defendants, but in which the Leucadia Defendants have no financial interest.

19. "Released Rule 23(b)(2) Class Members' Nominal Restitution Claims" means each and every Claim that one or more Rule 23(b)(2) Nominal Restitution Recipients (*i*) asserted in the Action against any of the Releasees as of, on or before the Final Settlement Date (including all claims alleged in the Complaint or in earlier complaints filed in the Action) or (*ii*) could have asserted or could assert against any of the Releasees as of, on or before the Final Settlement Date, under any national, state, territorial, or other local law of the United States or of any other country, or any principle of federal or common law, in any court, tribunal, agency or other forum, that arises out of or relates in any way to the Operative Facts alleged in the Action regarding (*a*) attempts to obtain any default judgments, (*b*) the purchase of Consumer Debt owed or alleged to be owed by any Rule 23(b)(2) Nominal Restitution Recipients, (*c*) the collection of or attempts to collect Consumer Debt from any Rule 23(b)(2) Nominal Restitution Recipient or (*d*) the payment in total or in part of any Consumer Debt by any Rule 23(b)(2) Nominal Restitution Recipient. Without limiting the generality of the foregoing, Released Rule 23(b)(2) Class Members' Nominal Restitution Claims shall specifically include, without limitation, Claims arising out of the Operative Facts alleged in the Action respecting:

a. any attempt to procure a Default Judgment against any Rule 23(b)(2) Nominal Restitution Recipient by or on behalf of any Releasee;

b. any costs incurred by any Rule 23(b)(2) Nominal Restitution Recipient defending any action (including one for default judgment) in connection with the collection of or attempts to collect Consumer Debt, including (without limitation) copying costs, travel costs, costs arising out of the time spent in defending any action (including lost wages of the Rule 23(b)(2) Nominal Restitution Recipient and/or of his or her family member(s)), court-related costs, attorneys' fees or expenses;

c. any bank costs (including bounced-check fees or legal process fees) and/or costs arising from the use of check-cashing services incurred by a Rule 23(b)(2) Nominal Restitution Recipient arising from or related to the collection of or attempts to collect Consumer Debt;

d. any costs associates with any loan(s) (including interest costs) that a Rule 23(b)(2) Nominal Restitution Recipient allegedly had to take as a result of the collection of or attempts to collect Consumer Debt;

e. the allegedly forced use of a government credit and/or debit card or of money orders for financial transactions and any fees and expenses associated with such use as a result of the collection of or attempts to collect Consumer Debt;

f. any adverse effect on a Rule 23(b)(2) Nominal Restitution Recipient's credit rating or report relating to the collection of or attempts to collect Consumer Debt;

g. any adverse effect allegedly arising out of a credit rating or report negatively affected by the collection of or attempts to collect Consumer Debt, including (without limitation) an adverse effect on the Rule 23(b)(2) Nominal Restitution Recipient's ability to find housing or employment;

h. any emotional distress experienced by a Rule 23(b)(2) Nominal Restitution Recipient arising out of collection of or attempts to collect Consumer Debt, including any alleged pressure on a Rule 23(b)(2) Nominal Restitution Recipient to enter into a settlement agreement (including but not limited to a payment plan) in connection with a Consumer Debt;

i. any statement(s) or omission(s) by or on behalf of any Releasee in connection with the collection of or attempts to collect Consumer Debt from any Rule 23(b)(2) Nominal Restitution Recipient, including (without limitation) any statement(s) or omission(s) in any complaint, petition, affidavit of merit and/or affidavit of service filed with any New York State Court in support of the collection of or attempts to collect Consumer Debt from any Rule 23(b)(2) Nominal Restitution Recipient;

j. service of process, including (without limitation) allegations of defective service of process, in connection with the collection of or attempts to collect Consumer Debt from any Rule 23(b)(2) Nominal Restitution Recipient;

k. use of process in connection with the collection of or attempts to collect Consumer Debt from any Rule 23(b)(2) Nominal Restitution Recipient;

l. payment(s) by any Rule 23(b)(2) Nominal Restitution Recipient of any Consumer Debt allegedly in excess of the amount owed by such Rule 23(b)(2) Nominal Restitution Recipient;

m. payment(s) of by any Rule 23(b)(2) Nominal Restitution Recipient of any Consumer Debt allegedly not owed by such Rule 23(b)(2) Nominal Restitution Recipient;

n. the calculation of, attempt to collect and/or collection of any interest, attorneys' fees and/or expenses respecting Consumer Debt owed or alleged to be owed by any Rule 23(b)(2) Nominal Restitution Recipient; and

o. any other adverse effect or consequential damages allegedly borne by any Rule 23(b)(2) Nominal Restitution Recipient arising out of the collection of or attempts to collect Consumer Debt, including (without limitation) a loss or threatened loss of employment or a loss or threatened loss of housing;

provided however, that Released Rule 23(b)(2) Class Members' Nominal Restitution Claims shall not include any Claim that any Rule 23(b)(2) Nominal Restitution Recipient or any other Rule 23(b)(2) Nominal Restitution Releasor has as to Rushmore and/or one or more of the Mel Harris Defendants or Samserv Defendants arising out of any debt portfolio(s) owned in whole or in part by Rushmore and/or one or more of the Mel Harris Defendants, but in which the Leucadia Defendants have no financial interest.

20. "Released Rule 23(b)(3) Class Members' Claims" means each and every Claim that one or more of the Lead Plaintiffs or any other Rule 23(b)(3) Class Member (i) asserted in the Action against any of the Releasees as of, on or before the Final Settlement Date (including all claims alleged in the Complaint or in earlier complaints filed in the Action) or (ii) could have asserted or could assert against any of the Releasees as of, on or before the Final Settlement Date, under any national, state, territorial, or other local law of the United States or of any other country, or any principle of federal or common law, in any court, tribunal, agency or other forum, that arises out of or relates in any way to the Operative Facts alleged in the Action regarding (a) the Default Judgments, (b) the purchase of Consumer Debt owed or alleged to be owed by any Rule 23(b)(3) Class Member, (c) the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt from any Rule 23(b)(3) Class Member or (d) the payment in total or in part of any Consumer Debt by any Rule 23(b)(3) Class Member. Without limiting the generality of the foregoing, Released Rule 23(b)(3) Class Members' Claims shall specifically include, without limitation, Claims arising out of the Operative Facts alleged in the Action respecting:

a. the procurement of a Default Judgment against any Rule 23(b)(3) Class Member by or on behalf of any Releasee;

b. any costs incurred by any Rule 23(b)(3) Class Member in (i) defending any action in connection with the collection of or attempts to collect Consumer Debt or (ii) challenging any Default Judgment entered against the Rule 23(b)(3) Class Member, including (without limitation) copying costs, travel costs, costs arising out of the time spent in defending any action or challenging any Default Judgment (including lost wages of the Rule 23(b)(3) Class Member and/or of his or her family member(s)), court-related costs, attorneys' fees or expenses;

c. any bank costs (including bounced-check fees or legal process fees) and/or costs arising from the use of check-cashing services incurred by a Rule 23(b)(3) Class Member arising from or related to the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt;

d. the loss of the use of any funds or ability to use a bank account for any period of time allegedly arising from or related to the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt, including (without limitation) the freezing of any bank account or the delayed receipt of any funds (including unemployment, Social Security or other benefits) by a Rule 23(b)(3) Class Member;

e. any costs associated with any loan(s) (including interest costs) that a Rule 23(b)(3) Class Member allegedly had to take as a result of the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt;

f. the allegedly forced use of a government credit and/or debit card or of money orders for financial transactions and any fees and expenses associated with such use as a result of the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt;

g. any adverse effect on a Rule 23(b)(3) Class Member's credit rating or report relating to the entry of a Default Judgment or the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt;

h. any adverse effect allegedly arising out of a credit rating or report negatively affected by the entry of a Default Judgment or the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt, including (without limitation) an adverse effect on the Rule 23(b)(3) Class Member's ability to find housing or employment;

i. any emotional distress experienced by a Rule 23(b)(3) Class Member arising out of the entry of a Default Judgment or the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt, including any alleged pressure on a Rule 23(b)(3) Class Member to enter into a settlement agreement (including but not limited to a payment plan) in connection with a Consumer Debt;

j. any statement(s) or omission(s) by or on behalf of any Releasee in connection with the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt from any Rule 23(b)(3) Class Member, including (without limitation) any statement(s) or omission(s) in any complaint, petition, affidavit of merit and/or affidavit of service filed with any New York State Court in support of the collection of or attempts to collect Consumer Debt from any Rule 23(b)(3) Class Member;

k. service of process, including (without limitation) allegations of defective service of process, in connection with the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt from any Rule 23(b)(3) Class Member;

l. use of process in connection with the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt from any Rule 23(b)(3) Class Member, including (without limitation) execution on any Default Judgment;

m. payment(s) by any Rule 23(b)(3) Class Member of any Consumer Debt allegedly in excess of the amount owed by such Rule 23(b)(3) Class Member;

n. payment(s) by any Rule 23(b)(3) Class Member of any Consumer Debt allegedly not owed by such Rule 23(b)(3) Class Member;

o. the calculation of, attempt to collect and/or collection of any interest, attorneys' fees and/or expenses respecting Consumer Debt owed or alleged to be owed by any Rule 23(b)(3) Class Member; and

p. any other adverse effect or consequential damages allegedly borne by any Rule 23(b)(3) Class Member arising out of the collection of (through Default Judgment or otherwise) or attempts to collect Consumer Debt, including (without limitation) a loss or threatened loss of employment or a loss or threatened loss of housing;

provided however, that Released Rule 23(b)(3) Class Members' Claims shall not include any Claim that any Rule 23(b)(3) Class Member or any other Rule 23(b)(3) Releaser has as to Rushmore and/or one or more of the Mel Harris Defendants or Samserv Defendants arising out of any debt portfolio(s) owned in whole or in part by Rushmore and/or one or more of the Mel Harris Defendants, but in which the Leucadia Defendants have no financial interest.

21. "Released Samserv Claims" means each and every Claim that one or more of the Samserv Defendants, or any of the foregoing's respective estates, heirs, executors, agents, attorneys (including in-house counsel, outside counsel and the Samserv Defendants' Counsel), beneficiaries, accountants, professional advisors, trusts, trustees, administrators and assigns might have against any or all of the Mel Harris Defendants or any other Releasee for indemnification, contribution or payment of attorneys' fees.

22. “Releasee” means each and every one of, and “Releasees” mean all of, the Mel Harris Defendants, Rushmore, and Samserv Defendants and for each of the foregoing Releasees, (x) the Releasee’s agents, representatives, attorneys, advisors, administrators, accountants, consultants, assigns, partners, successors-in-interest and insurance carriers, (y) to the extent the foregoing Releasee is an entity, each of such Releasee’s past and present officers, directors, employees, officials, members, principals, any and all in-house counsel and outside counsel, auditors (including any and all internal and external auditors) and service providers and (z) to the extent the foregoing Releasee is a person, each of such Releasee’s estates, heirs, executors, beneficiaries, trusts and trustees.

23. “Releasor” means Rule 23(b)(2) Injunction Only Releasors, Rule 23(b)(2) Nominal Restitution Releasors and Rule 23(b)(3) Releasors.

24. “Rule 23(b)(2) Injunction Only Beneficiaries” means those Members of the Rule 23(b)(2) Class who (i) did not make any payments whatsoever to the Leucadia Defendants, LR Credit, LLC or any of its Subsidiaries and/or the Mel Harris Firm in full or partial satisfaction of the amount due or allegedly due regarding Consumer Debt, (ii) were putative Rule 23(b)(2) Nominal Restitution Recipients but submitted a timely and valid Nominal Restitution Declination or (iii) were putative Rule 23(b)(3) Class Members but submitted a timely and valid Request for Exclusion.

25. “Rule 23(b)(2) Injunction Only Releasor” means each and every one of, and “Rule 23(b)(2) Injunction Only Releasors” means all of, Lead Plaintiffs and all other Rule 23(b)(2) Injunction Only Beneficiaries and, for each such Rule 23(b)(2) Injunction Only Releasor, (i) the Rule 23(b)(2) Injunction Only Releasor’s agents, representatives, attorneys, advisors, administrators, accountants, consultants, assigns, partners, successors-in-interest, insurance carriers, and any other person or entity (including any person or entity purporting to act *parens patriae* for Class Members) claiming by or through, on behalf of, for the benefit of, derivatively for, or as representative of any other Rule 23(b)(2) Injunction Only Releasor, (ii) to the extent the foregoing Rule 23(b)(2) Injunction Only Releasor is an entity, each of such Rule 23(b)(2) Injunction Only Releasor’s parents, predecessors, successors, current and former Affiliates, divisions, business units, joint ventures (regardless of percentage of interest), subsidiaries and assigns, and all other entities in which any such Rule 23(b)(2) Injunction Only Releasor has or had a Controlling Interest or that have or had a Controlling Interest in any Rule 23(b)(2) Injunction Only Releasor, and past and present officers, directors, employees, officials, members, principals, any and all in-house counsel and outside counsel, auditors (including any and all internal and external auditors) and service providers of any or all of the foregoing, and (iii) to the extent the foregoing Rule 23(b)(2) Injunction Only Releasor is a person, each of such Rule 23(b)(2) Injunction Only Releasor’s estates, heirs, executors, beneficiaries, trusts and trustees.

26. “Rule 23(b)(2) Nominal Restitution Recipients” means those Members of the Rule 23(b)(2) Class against whom a Default Judgment was not obtained, but who nevertheless made payments to one or more of the Leucadia Defendants, LR Credit, LLC or any of its Subsidiaries and/or the Mel Harris Firm in full or partial satisfaction of the amount due or allegedly due regarding Consumer Debt; provided that potential Rule 23(b)(2) Class Members who would be Rule 23(b)(2) Nominal Restitution Recipients may decline to accept Nominal Restitution by submitting a timely and valid Nominal Restitution Declination, in which case they shall not be bound by the Rule 23(b)(2) Nominal Restitution Release, but shall remain Rule 23(b)(2) Injunction Only Beneficiaries bound by the Rule 23(b)(2) Injunction Only Release and the Settlement Release.

27. “Rule 23(b)(2) Nominal Restitution Releasor” means each and every one of, and “Rule 23(b)(2) Nominal Restitution Releasors” means all of, Rule 23(b)(2) Nominal Restitution Recipients and, for each of the Rule 23(b)(2) Nominal Restitution Releasor, (x) his, her or its agents, representatives, attorneys, advisors, administrators, accountants, consultants, assigns, partners, successors-in-interest, insurance carriers, and any other person or entity (including any person or entity purporting to act *parens patriae* for Class Members) claiming by or through or on behalf of, for the benefit of, derivatively for, or as representative of any Rule 23(b)(2) Nominal Restitution Releasor, (y) to the extent the foregoing Rule 23(b)(2) Nominal Restitution Releasor is an entity, each of such Rule 23(b)(2) Nominal Restitution Releasor’s parents, predecessors, successors, current and former Affiliates, divisions, business units, joint ventures (regardless of percentage of interest), subsidiaries and assigns, and all other entities in which any such Rule 23(b)(2) Nominal Restitution Releasor has or had a Controlling Interest or that have or had a Controlling Interest in any Rule 23(b)(2) Nominal Restitution Releasor, and the past and present officers, directors, employees, officials, members, principals, any and all in-house counsel and outside counsel, auditors (including any and all internal and external auditors) and service providers of each of the foregoing, and (z) to the extent the foregoing Rule 23(b)(2) Nominal Restitution Releasor is a person, each of such Rule 23(b)(2) Nominal Restitution Releasor’s estates, heirs, executors, beneficiaries, trusts and trustees.

28. “Rule 23(b)(3) Class” means the settlement class of all persons or entities who have been sued by the Mel Harris Firm (or by any other counsel as directed by the Mel Harris Firm) as counsel for the Leucadia Defendants, including LR Credit, in actions commenced in any court located in the state of New York and where Default Judgments were obtained; provided that, for the avoidance of doubt, all members of the Rule 23(b)(3) Class are also members of the Rule 23(b)(2) Class. Excluded from the Rule 23(b)(3) Class are such persons or entities who submit valid and timely requests for exclusion; provided that, even if excluded from the Rule 23(b)(3) Class, such persons or entities shall be Rule 23(b)(2) Injunction Only Beneficiaries and bound by the Rule 23(b)(2) Injunction Only Release and the Settlement Release.

29. “Rule 23(b)(3) Releasors” means each and every one of, and “Rule 23(b)(3) Releasors” means all of, Lead Plaintiffs and all other Rule 23(b)(3) Class Members and, for each such Rule 23(b)(3) Releasor, (i) the Rule 23(b)(3) Releasor’s agents, representatives, attorneys, advisors, administrators, accountants, consultants, assigns, partners, successors-in-interest, insurance carriers, and any other person or entity (including any person or entity purporting to act *parens patriae* for Class Members) claiming by or through, on behalf of, for the benefit of, derivatively for, or as representative of any other Rule 23(b)(3) Releasor, (ii) to the extent the foregoing Rule 23(b)(3) Releasor is an entity, each of such Rule 23(b)(3) Releasor’s parents, predecessors, successors, current and former Affiliates, divisions, business units, joint ventures (regardless of percentage of interest), subsidiaries and assigns, and all other entities in which any such Rule 23(b)(3) Releasor has or had a Controlling Interest or that have or had a Controlling Interest in any Rule 23(b)(3) Releasor, and past and present officers, directors, employees, officials, members, principals, any and all in-house counsel and outside counsel, auditors (including any and all internal and external auditors) and service providers of any or all of the foregoing, and (iii) to the extent the foregoing Rule 23(b)(3) Releasor is a person, each of such Rule 23(b)(3) Releasor’s estates, heirs, executors, beneficiaries, trusts and trustees.

30. “Rushmore” means Rushmore Recovery Management LLC, a limited liability company formed pursuant to the March 27, 2003 Operating Agreement Rushmore Recovery Management, LLC.

31. “Samserv Defendants” shall mean Samserv Inc., William Mlotok, Benjamin Lamb, Michael Mosquera, and John Andino.

32. “Samserv Defendants’ Counsel” means Babchik & Young LLP.

33. “Settling Parties” means Lead Plaintiffs (on behalf of themselves and the Class Members), the Mel Harris Defendants, and Samserv Defendants.

34. “Unknown Claim” means any and all (i) Released Rule 23(b)(3) Class Members’ Claims that any Rule 23(b)(3) Releasor does not know or suspect exist with respect to one or more Releasees at the time of the release of the Releasees, (ii) Released Rule 23(b)(2) Class Members’ Injunction Only Claims that any Rule 23(b)(2) Injunction Only Releasor does not know or suspect exist with respect to one or more Releasees at the time of the release of the Releasees, (iii) Released Rule 23(b)(2) Class Members’ Nominal Restitution Claims that any Rule 23(b)(2) Nominal Restitution Releasor does not know or suspect exist with respect to one or more Releasees at the time of the release of the Releasees, (iv) Released Class Members’ Settlement Claims that any Releasor does not know or suspect exist with respect to one or more Releasees or any other Releasor at the time of the release of the Releasees and Releasors and (v) Released Releasees’ Claims that any Releasee does not know or suspect exist with respect to one or more Releasors or any

other Releasee at the time of the release of the Releasors and Releasees, which, if known by such Releasee or Releasor (as the case may be), might have affected his, her or its decision(s) concerning the Settlement Agreement. As to any and all Released Rule 23(b)(3) Class Members' Claims, Released Rule 23(b)(2) Class Members' Injunction Only Claims, Released Rule 23(b)(2) Class Members' Nominal Restitution Claims, Released Class Members' Settlement Claims and Released Releasees' Claims, each of the Settling Parties and Settlement Counsel stipulate and agree that, upon the Final Settlement Date, they shall expressly waive, and each other Class Member, Releasee and Releasor shall be deemed to have waived, and by operation of the Approval Order and the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any national, state, territorial, or other local law of the United States or of any other country, or any principle of federal or common law, that is similar, comparable, or equivalent to California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Settling Parties and Settlement Counsel acknowledge, and all other Class Members, Releasees and Releasors by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the Claims released pursuant to the Settlement Agreement was separately bargained for and is a key element of the Settlement Agreement.