

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
VIRGINIA
NORFOLK DIVISION

If you applied for credit from Haynes Furniture Company, Inc., were denied and agreed to accept a counter-offer of credit on less favorable terms, you are entitled to receive a copy of the credit report on which the credit decision was based and may receive a discount coupon for future purchases as a result of a legal settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer or from Haynes Furniture.

A settlement has been proposed in class action litigation concerning whether Haynes Furniture Company was obligated to advise applicants who were denied the credit applied for but who accepted a counter-offer of credit, that they were entitled to obtain a copy of the credit report used by Haynes in making the determination.

Under the proposed settlement, each person who applied for credit from Haynes; who was denied the credit applied for; who was made a counter-offer of credit on less favorable terms; and who accepted that credit, will be able to receive a notice explaining how to obtain a copy of the credit report used by Haynes at the time of the transaction as well as notice of certain rights to contact the credit reporting agency. In addition, each such person will also receive a coupon good for a discount off future purchases at any Haynes store. Legal fees for lawyers appointed by the Court, plus expenses and the costs of the notices and settlement administration are also covered by the settlement.

Your Legal Rights and Options in this Settlement:	
Exclude Yourself	Get no payment. This is the only option that allows you to start any other lawsuit against the Defendant about the impropriety of the Notice.
Object	Write to the Court about why you don't like the settlement.
Go to a Hearing	Ask to speak in Court about the settlement.
Do Nothing	Receive the coupon and the notice. Give up your right to receive the credit report and your right to be part of any other lawsuit against the Defendant about the Notice.

- These rights and options –and the deadlines to exercise them—are explained in this notice.
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- The Court in charge of this case has to decide whether to approve the settlement.
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1. Why was this notice issued?

A Court authorized this notice because you have a right to know about a proposed settlement of this class action, including the right to receive additional information about your credit and a coupon for a discount for a future purchase, and about all of your options, before the Court decides whether to give “final approval” to the settlement. If the Court approves the settlement, and after any appeals are resolved, an appropriate credit notice and coupon will be sent to everyone who does not opt out of the suit. This notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who may be eligible for them, and how to get them.

Judge Walter D. Kelley, Jr. of the United States District Court for the Eastern District of Virginia (Norfolk Division) is overseeing this class action. The case is known as *Eddie C. Silva v. Haynes Furniture Company, Inc.*, Case No. 4:04CV82. The person who sued on behalf of the class is called the “Plaintiff,” and the company they sued, Haynes Furniture Company, Inc. d/b/a Home Furnishings, the Dump and The North Carolina Company, is called the “Defendant.”

2. What is the litigation about?

This case involves Haynes Furniture Company’s potential liability under the Fair Credit Reporting Act (“FCRA”). The FCRA requires a creditor to notify an applicant of an adverse action. Plaintiff contends that he applied for credit from Haynes, that Haynes

denied the credit applied for and that Haynes then offered credit on less favorable terms which Plaintiff accepted. Plaintiff contends that the initial rejection of credit was an adverse action and that he should have received notice of that action under FCRA, including his right to obtain a copy of the credit report Haynes used in making its credit determination. Haynes contends that because of the acceptance of the counter-offer of credit, Haynes was not obligated under FCRA or any other federal or state law to provide any such notice.

You have been identified by Haynes as having accepted credit on less favorable terms than those applied for.

3. Why is this a class action?

In a class action, one or more persons or entities like you, called Class Representatives, sue on behalf of people who have similar claims. All these people are a “Class” or “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

Both sides agreed to a settlement to avoid the cost and risk of a trial, and so that the people affected can get relief, in exchange for releasing the Defendant from all liability. The Class Representatives and the lawyers representing them think the settlement is best for all Class Members.

Who is in the Settlement?

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

The Court decided that Class Members in the settlement include: All persons (1) who applied for credit from Haynes between _____ and _____; (2) whose credit reports were used by Haynes to determine whether credit should be extended; (3) to whom Haynes did not offer credit on the best available terms; and (4) to whom Haynes did not provide a FCRA adverse action notice. You have been identified by Haynes as falling within this class of persons.

The Settlement Benefits—What You Get

6. What does the settlement provide?

If the settlement is approved by the Court, Defendant has agreed to provide each Class Member with a notice under FCRA which explains the Class Member’s right to obtain a copy of the credit report Haynes used to make its credit determination and describes the Class Members rights to contact the credit reporting agency who provided the report in order to contest any errors in the report. Each member of the Class will also receive, without the need to contact Defendant, a coupon offering the following specific dollar amounts off a purchase made at any Haynes store. The coupon has a 3-year window and

may only be used by the class member or an immediate family member. The coupon amounts are as follows:

Purchases between: \$250-\$499 - \$25
 \$500-\$749 - \$50
 \$750-\$999 - \$75
 \$1000-\$1,249 - \$100
 \$1,250-\$1499 - \$125
 \$1500 and above \$150

7. What am I giving up as part of the settlement?

If the settlement becomes final, Class Members will be releasing the Defendant for all the claims described and identified in Paragraph 6 of the Settlement Agreement. The Settlement Agreement is available for review at www._____. The Settlement Agreement describes the released claims with specific descriptions, in necessarily accurate legal terminology, so read it carefully.

How do you Get a Notice and Coupon

8. How do I get a notice and coupon?

If the settlement becomes final, you will receive the coupon in the mail along with a notice advising you that if you contact defendant in writing or by telephone, you will be advised of the specific reasons why your request for credit was denied.

9. When would I get my notice and coupon?

The notice and coupon will be mailed to Class Members after the Court grants “final approval” of the settlement and any appeals are resolved. The Court is scheduled to consider the final approval at a hearing on _____. (See section called “The Court’s Fairness Hearing” below).

Excluding Yourself From the Settlement

If you don’t want to participate in this settlement, but you want to keep the right to sue Defendant over the legal issues involved in this case, then you must take steps to get out. This is called asking to be excluded from—or sometimes called “opting out” of—the Class. The deadline for exclusions to be received is _____.

10. If I exclude myself, can I participate in the settlement?

No. If you exclude yourself, you cannot participate in the settlement. If you ask to be excluded, you will not get the coupon and you cannot object to the settlement. But you may sue the Defendant in the future. You will not be bound by anything that happens in this lawsuit or settlement.

11. If I don't exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue the Defendant for all the claims that this settlement resolves. You must exclude yourself from this Class to start your own lawsuit.

12. How do I get out of the settlement?

If you wish to be excluded from the settlement you must, in writing, state that you want to be excluded from the *Eddie C. Silva v. Haynes Furniture Company, Inc.* litigation, Case No. 4:04CV82, include your name, address, taxpayer identification number, telephone number, fax number (if any), and your signature. All exclusion requests must be received on or before _____ at the following address:

Leonard A. Bennett
Leonard A. Bennett, P.C.
12515 Warwick Blvd, Ste 100
Newport News, VA 23606

The Lawyers Representing You

13. Do I have a lawyer in the case?

The Court has appointed Leonard A. Bennett, Leonard A. Bennett, P.C., Newport News, VA and Ian B. Lyngklip, Lyngklip and Taub Consumer Law Group, PLC, of Southfield, Michigan to represent you and other Class Members as "Class Counsel." You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own cost.

14. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and litigation expenses not to exceed \$120,000. The Defendant has agreed not to oppose these fees and expenses. Class Counsel will also ask for a total of \$5,000 for the Class Representative, who helped the lawyers on behalf of the whole Class. The Court may award less than these amounts to Class Counsel or to the Class Representative.

Objecting to the Settlement

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

15. How do I tell the Court if I don't like the settlement?

If you are a Class Member and you do not exclude yourself, you can object to the settlement if you don't like any part of it. If you decide to object to the settlement you should give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must do so in writing. Be sure to include your

name, address, telephone number, your signature, and the reasons why you object to the settlement, and any documentation supporting your objection. Send the objection to these three different places postmarked no later than _____:

Court	Class Counsel	Defense Counsel
Clerk of Court United States District Court Eastern District of Virginia Norfolk Division Walter E. Hoffman United States Courthouse 600 Granby Street Norfolk, VA 23510	Leonard A. Bennett Leonard A. Bennett, P.C. 12515 Warwick Blvd, Ste 100 Newport News, VA 23606	Paul S. Schleifman Shook, Hardy, & Bacon L.L.P. 600 14 th Street, NW, Suite 800 Washington, DC 20005-2004

16. What's the difference between objecting and excluding?

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 is telling the Court that you don't want to be part of the Class. If you exclude yourself, you cannot object to the settlement or to the attorneys' fees 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, but you don't have to. You may also ask to speak at the hearing.

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

The Court will hold a Fairness Hearing at ____:____.m. on _____, at the United States District Court for the District of Virginia – Norfolk Division, Court Room No. ____, Walter E. Hoffman United States Courthouse, 600 Granby Street, Norfolk, VA 23510. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will consider whether to approve the settlement and request for attorneys' fees and expenses, as well as the award for the Class Representative. If there are objections, the Court will consider them. The hearing may be moved to a different date without additional notice, so it is a good idea to check with the Court for updated information.

18. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to attend the hearing at your own expense. If you send a written objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. May I speak at the hearing?

To speak at the Fairness Hearing, you must send a letter or other written document saying that the letter or document is your "Notice of Intention to Appear" in *Eddie C. Silva v. Haynes Furniture Company, Inc.*, Case No. 4:04CV82. Be sure to include your name, address, telephone number, and you signature. You must also include the information on what you intend to say a the hearing. You must send your "Notice of Intention to Appear" to the three addresses listed in Question 15 above. It must be postmarked no

Speak at the hearing.

If You Do Nothing

20. What happens if I do nothing at all?

If you do nothing, you will be included in the settlement.

Getting More Information

This notice summarizes the proposed settlement. You can get a copy of the Settlement Agreement at www._____.