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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION

ALYSSA POLACSEK, individually,
on behalf of the classes of similarly
situated persons, et al.

Plaintiffs,

v.

DEBTICATED CONSUMER
COUNSELING, INC. et al.

Defendants.

FILED _____ ENTERED _____
LODGED _____ RECEIVED _____

SEP 18 2006

AT GREENBELT
CLERK U.S. DISTRICT COURT
DISTRICT OF MARYLAND DEPUTY

Case No. 8:04-cv-00631PJM

**ORDER GRANTING FINAL APPROVAL OF CLASS ACTION SETTLEMENTS
AND FINAL JUDGMENT AS TO PAMELA PUKKE**

Plaintiff Alyssa Polacsek, along with plaintiffs-in-intervention, Sarah Leoni and Felecia Robinson (collectively referred to as "Plaintiffs") have moved the Court pursuant to Rule 23(e) for final approval of two class action settlements, and in support thereof have presented the Court with (1) a Stipulated Final Judgment and Permanent Injunction as to Defendants DebtWorks, Inc., Andris Pukke, Eriks Pukke, Debticated Consumer Counseling, Inc. and Infinity Resources Group, Inc. (Document # 420-2, the "Stipulated Final Judgment and Permanent Injunction"), and (2) a Settlement Agreement and Stipulated Findings of Fact (Document #419-2, the "Settlement Agreement") with Defendant Pamela Pukke (collectively the "Settlements").¹ These defendants will be referred to as the "Remaining Defendants." This motion is supported

¹ There are technically two distinct "settlements" that have been placed before the Court for approval by the Plaintiffs. The first is in the form of a proposed consent order that is applicable to all of the defendants except for Pamela Pukke/Shuster. (Document 420-2 and 436-1). The second is a contractual settlement agreement with Mrs. Pukke. (Document #419). However, since the funds from both settlements are proposed to be distributed together and since both settlements are expressly linked with the coordinated settlements that these same defendants entered into with the Federal Trade Commission in the consolidated case, the Court finds it appropriate to consider both settlements collectively for the purposes of Rule 23(e) approval. Finally, the Court notes that there is a third settlement instrument styled, Stipulation and Order Regarding Division of Settlement Funds (Document #438) which addresses the ultimate disposition of the settlement proceeds in light of the claims of the United States' Internal Revenue Service. It was necessary for this Court to approve that settlement as it presided over Mr. Pukke's bankruptcy case, before it could consider before the Stipulated Final Judgment and Permanent Injunction as to Mr. Pukke. The term "Settlements" as used herein shall also refer to that agreement.

by the uncontroverted facts that were presented in support of the grant of preliminary approval (Document # 442) and by the recent declaration of Dan Rosenthal (Document # ___) describing his firm's execution of the Court's approved notice plan. The original motion for preliminary approval was unopposed, and granted on June 23, 2006 (Document # 442).

For the reasons stated in open Court, and set forth in the papers filed by Plaintiffs in support of both preliminary and final approval of the Settlements, the Court finds as follows:

1. The Plaintiffs and Remaining Defendants have complied with all of the requirements of Rule 23(e). In particular, Rosenthal & Co.'s execution of the Plaintiffs' notice plan has satisfied the requirement of the Court's preliminary approval order (as modified by Document #449) that notice be directed in a reasonable manner to all class members who would be bound by the Court's approval of the Settlements.

2. Members of the classes defined in this action and below have had a reasonable opportunity to object to the Settlements. The Court has carefully considered any objections on file, and has provided an opportunity for objectors to present argument to the Court in writing or at the Fairness Hearing. However, no papers which could fairly be called meritorious objections compliant with the terms of the class notice were timely filed with the Court. The Settlements are unopposed.

3. A final approval hearing required by Rule 23(e)(1)(C) was conducted on September 18, 2006, at 11:30 AM, and no argument was presented in opposition to the Settlements.

4. The Settlements conclude three (3) years of adversarial litigation and provides substantial monetary and non-monetary relief to the class. The Court now holds based on the evidence, the execution of the notice plan, and the absence of any meritorious objection that the Settlements are fair, reasonable, and adequate to the members of the class who will be bound by them.

Accordingly, the Court will separately enter the Stipulated Final Judgment and Permanent Injunction (Document # 420-2) previously filed herein, and as to all matters not

resolved by that instrument, as to the Settlement Agreement with Pamela Pukke, it should be, and hereby is, ORDERED that :

(a) The Court hereby grants final approval as a class action settlement to the Stipulated Final Judgment and Permanent Injunction (Document # 420-2).

(b) The Court hereby grants final approval as a class action settlement to the Settlement Agreement and Stipulated Findings of Fact (Document # 419-2), and this Order shall constitute final judgment as to the claims against Pamela Pukke.

(c) The temporary settlement class defined in the Stipulated Final Judgment and Permanent Injunction, and preliminarily approved by the Court's Order dated June 23, 2006 (Document # 442) shall be Permanent Settlement Class as to all of the Remaining Defendants. The Permanent Settlement Class is defined as follows, subject to the exclusion of the persons identified in section (d):

“The DebtWorks National Class is defined as including all consumers in the United States, who at any time after January 31, 1998, and through October 7, 2004, paid an ostensibly non-profit credit counseling agency, directly or indirectly, any money or other valuable consideration whatsoever (whether denominated as a “voluntary contribution” or otherwise), in consideration of or relating in any way to the performance by DebtWorks of any service for or on behalf of the non-profit credit counseling agency, including, without limitation, debt consolidation or debt management plan services.”

(d) Consistent with section V. A. of the Stipulated Final Judgment and Permanent Injunction, the individuals that properly excluded themselves from the classes and from the earlier settlement with Defendant The Ballenger Group, LLC and who were identified in Documents # 340 and # 341 filed in this action have also effectively opted out of the class and excluded themselves from the Settlement Agreement and Stipulated Findings of Fact pertaining to Pamela Pukke.

(e) This Order approving the Settlement Agreement and Stipulated Findings of Fact (Document #419-2) pertaining to Pamela Pukke finally resolves the rights and liabilities of Plaintiffs and Pamela Pukke in this action. As to Pamela Pukke, this is a final judgment, within the meaning of Rule 54(b) of the Federal Rules of Civil Procedure.

(f) The Stipulated Final Judgment and Permanent Injunction shall also be a final judgment in accordance with its terms.

(g) As to Pamela Pukke, all class members defined in paragraph (b) and not identified in Document # 341 shall be, and hereby are, barred from prosecuting, and shall be deemed to have covenanted and agreed to release, waive and forever discharge, and refrain from instituting, maintaining, prosecuting or continuing to maintain or prosecute any suit or action, or collecting from or proceeding against the Remaining Defendants, the following claims (the "Claims"):

(1) Any claim or claims in law or equity arising under any federal or state laws between January 31, 1998 and October 7, 2004, based upon the facts alleged in the Complaints as amended in this case or based upon the provision of credit counseling, credit repair, debt consolidation and/or debt management services to the Plaintiffs, including but not limited to claims that the Remaining Defendants:

(i) violated the Credit Repair Organizations Act ("CROA");
(ii) aided and abetted violations of CROA;
(iii) are liable as successor-in-interest to, or an alter ego of, the Remaining Defendants.

(2) With respect to the Claims described in subpart (1) of this paragraph (e), above, this covenant, waiver and release shall apply to any suits, debts, liens, contracts, agreements, promises, liability claims, demands, damages, losses, costs, expenses, or attorneys' fees of any nature whatsoever, known or unknown, fixed or

contingent, suspected or claimed, which Plaintiffs ever had or now have against the Remaining Defendants.

(h) The Court reserves jurisdiction to enforce or modify this Order, to implement the Settlements, and to resolve any disputes that may arise.

DATED: September 18, 2006



Peter J. Messitte, United States District Judge