

# Exhibit 1

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

WILFREDO AROCHO,	)	
individually and as representative of the	)	
classes,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 1:14-cv-01549-JEB
	)	
PEPCO HOLDINGS, INC.	)	
701 Ninth Street, NW	)	
Washington, DC 20068	)	
	)	
Defendant.	)	

Case No. 1:14-cv-01549-JEB

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (“Settlement Agreement”) is made and entered into by and among plaintiff Wilfredo Arocho (“Plaintiff”), on behalf of himself and the members of a certain settlement class defined below, which class Plaintiff shall be deemed to represent for purposes of this Settlement Agreement (collectively, “Class Members” or “Settlement Class”), and Pepco Holdings, Inc. (“PHI”).

RECITALS

WHEREAS, on September 11, 2014, Plaintiff filed a putative class action lawsuit captioned *Wilfredo Arocho v. Pepco Holdings, Inc.*, Case No. 1:14-cv-01549, in the United States District Court for the District of Columbia (the “Litigation”);

WHEREAS, Plaintiff has asserted causes of action against PHI based on alleged violations of the Fair Credit Reporting Act (“FCRA”) and the New Jersey Fair Credit Reporting Act (“NJFCRA”) relating to PHI’s alleged failure to provide a disclosure that complies with 15 U.S.C. § 1681b(b)(2)(A)(i) and N.J. Stat. § 56:11-31(c)(1) prior to procuring consumer reports

for employment purposes, and has brought the Litigation individually and as a representative of a putative class;

WHEREAS, Plaintiff and PHI engaged in arm's-length negotiations and reached a compromise in principle of the Litigation on a class basis, contingent upon the negotiation and execution by the parties of a final agreement that is approved by the Court;

WHEREAS, PHI denies that it has engaged in any wrongdoing, does not admit or concede any actual or potential fault, wrongdoing, or liability in connection with any facts or claims that have been or could have been alleged against it in the Litigation, denies that the claims asserted by Plaintiff are suitable for class treatment other than for settlement purposes, and denies that it has any liability whatsoever, but has agreed to this Settlement Agreement because of the substantial expense of litigation, the length of time necessary to resolve the issues presented, the inconvenience involved, and the disruption to its business operations;

WHEREAS, Plaintiff's counsel, who seeks to represent the Settlement Class in connection with this Settlement Agreement ("Class Counsel"), are aware that PHI has defenses to Plaintiff's allegations and causes of action, including with respect to class certification;

WHEREAS, based upon their analysis and evaluation of a number of factors, Class Counsel recognize the substantial risks of continued litigation and delays, including the likelihood that the claims in the Litigation, if not settled now, might not result in any recovery whatsoever for Plaintiff or the Settlement Class;

WHEREAS, Class Counsel have conducted a thorough investigation of the law and facts relating to the claims that were asserted and that could have been asserted in the Litigation, as well as a thorough investigation of the scope and identity of the Settlement Class, and have concluded, taking into account the benefits of this Settlement, as set forth below, and the risks

and delays of further litigation, that this Settlement is fair and reasonable and in the best interests of the Settlement Class; and

WHEREAS, subject to the approval of the Court, the parties wish to terminate the Litigation and effect a compromise (the “Settlement”).

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the undersigned parties that the claims asserted in the Litigation shall be settled, compromised, released, and dismissed with prejudice, subject to the approval of the Court, upon and subject to the following terms and conditions:

THE SETTLEMENT CLASS AND ADMINISTRATION

1. The Settlement Class shall be defined as all individuals as to whom PHI obtained a “consumer report,” as defined by the FCRA, for employment purposes during the period September 11, 2012 through October 10, 2014, which Settlement Class does not include those individuals who only received background checks that were (1) mandated by the Department of Transportation, and/or (2) mandated by the North American Electric Reliability Corporation and conducted by PHI outside PHI’s staffing process, and further does not include those individuals who timely and properly opt out pursuant to the procedures of this Settlement Agreement. The settlement class consists of approximately 906 individuals.

2. PHI will administer the Settlement at its own expense, and it may subcontract all or some of the administration of the Settlement in its sole discretion.

THE PRELIMINARY APPROVAL ORDER

3. As soon as practicable after the execution of this Settlement Agreement, Plaintiff shall present this Settlement Agreement to the Court and request by unopposed motion that the Court enter an order substantially in the form and content of **Exhibit A** (the “Preliminary

Approval Order”): (a) preliminarily approving the Settlement; (b) granting preliminary certification of the Settlement Class solely for the purposes of the Settlement, and appointing Plaintiff as Class Representative and Plaintiff’s counsel as Class Counsel for purposes of such preliminary certification; (c) approving for distribution the class notice substantially in the form and content of **Exhibit B** (the “Class Notice”); and (d) setting a time and date for the final hearing for the court to approve the Settlement (the “Final Fairness Hearing”). If the Court rejects or materially alters the parties’ agreed-upon proposed Preliminary Approval Order or Class Notice, the parties will have the option of voiding the Settlement in its entirety if the parties are unable, after good faith negotiations, to agree on a form of Preliminary Approval Order and Class Notice acceptable to the Court.

NOTICE

4. Determination of the Class Members in the Litigation shall in all cases be based exclusively upon PHI’s records. Within fifteen (15) business days of entry of the Preliminary Approval Order described above, PHI shall mail the Class Notice by U.S. mail, postage prepaid, to the last known addresses for Class Members identified from PHI’s records. The Class Notice, attached as **Exhibit B**, shall:

- a. Inform Class Members of the material terms of the Settlement Agreement;
- b. Inform Class Members of their right to object to the proposed Settlement, and that any objection to the proposed Settlement must be filed with the Court (via the Clerk of the U.S. District Court for the District of Columbia, 333 Constitution Avenue N.W., Washington, D.C. 20001) and served upon all counsel of record by first class mail, postage pre-paid, by a date specified by the Court, but no more than forty-five (45) days after the date of mailing of the Class Notice;

c. Inform Class Members that any person who seeks to exclude himself or herself or “opt out” from the Settlement Class must do so in writing, sent by first class mail, postage prepaid, by a date specified by the Court, but no more than forty-five (45) days after the date of mailing of the Class Notice;

d. Inform Class Members that if they do not opt out of the Settlement Class, they will be bound by the Settlement;

e. Inform Class Members that a Final Fairness Hearing to determine the fairness, reasonableness, and adequacy of the proposed Settlement will be held on a date fixed by the Court not fewer than seventy (70) days after the date of mailing of the Class Notice, and provide the date, time, and location of the Final Fairness Hearing; and

f. Inform Class Members that the Court retains the right to reschedule the Final Fairness Hearing without further notice.

5. Prior to mailing the Class Notice, PHI shall verify addresses by checking the list against the U.S. Postal Service’s National Change of Address Database. Once the Class Notice is mailed to Class Members, no further notice, whether by mail, publication, or otherwise, shall be required, except that, for any Class Notice returned by the U.S. Postal Service with a forwarding address, PHI shall mail the Class Notice to the forwarding address.

6. PHI shall serve a notice of the proposed settlement upon the appropriate State official of each State in which a Class Member resides and the United States Attorney General, in accordance with 28 U.S.C. § 1715, no later than ten (10) days after the parties have presented this Settlement Agreement to the Court.

OPT-OUT PROCEDURES

7. Any Class Member shall have the right to be excluded (*i.e.*, to “opt out”) from the Settlement. On or before the opt-out deadline established by the Court (but no more than forty-five (45) days after the mailing date of the Class Notice), each Class Member electing to opt out of the Settlement must send by first class mail, postage pre-paid, written notice to PHI at the address provided in the Class Notice, stating his or her name and address and that he or she desires to be excluded from the Settlement Class. Class Members who do not timely (as measured by the postmark on each Class Member’s Class Notice) opt out of the Settlement by written notice correctly directed and containing the requisite information shall remain members of the Settlement Class and shall be bound by any order(s) of the Court regarding the Settlement Class and/or the Settlement. PHI shall provide copies of any opt-out notices to Class Counsel within a reasonable time of receipt of the same but no later than fourteen (14) days after the deadline for submission of requests for opt-out.

8. In the event that Class Members representing three percent (3%) or more of the Settlement Class elect to opt out of the Settlement, PHI shall have the right, in its sole discretion, to void the Settlement in its entirety.

FINAL FAIRNESS HEARING AND FINAL JUDGMENT AND ORDER

9. The parties agree to petition the Court to hold a Final Fairness Hearing and for the Court to enter an order finally approving the Settlement (“Final Judgment and Order”).

10. Pursuant to 28 U.S.C. § 1715(d), the parties agree that the Final Fairness Hearing shall not be held, and no Final Judgment and Order shall issue, prior to ninety (90) days after completion by PHI of the notice requirement in 28 U.S.C. § 1715.

11. The parties agree to petition the Court for a Final Judgment and Order, substantially in the form of **Exhibit C**, that shall:

a. Approve this Settlement Agreement without modification (except insofar as agreed upon by the parties) as fair, reasonable, and adequate to the Settlement Class, direct its consummation according to its terms, and finally certify, for settlement purposes only, the Settlement Class and the appointment of Plaintiff as Class Representative and Plaintiff's Counsel as Class Counsel;

b. Find that the form and manner of Class Notice implemented pursuant to this Settlement Agreement: (i) constitutes reasonable and the best practicable notice; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Litigation, the terms of the proposed Settlement, the right to object to or exclude themselves from the proposed Settlement, and the right to appear at the Final Fairness Hearing; (iii) constitutes due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) meets the requirements of state and federal due process, the Federal Rules of Civil Procedure, and any other applicable state and/or federal laws;

c. Find that all Class Members except those who have properly excluded themselves shall be bound by the Settlement Agreement, including the release provisions and covenant not to sue;

d. Direct that judgment be entered immediately dismissing with prejudice all individual and class claims asserted in the Litigation and ruling that no costs or

fees be assessed on either party in excess of the attorneys' fees and expenses provided for in Paragraph 18(b) of this Settlement Agreement;

e. Incorporate the release and related provisions set forth below in Paragraphs 22 through 30 of this Settlement Agreement and forever bar any claims or liabilities related to the Litigation or any Class Member Released Claims or Plaintiff Released Claims (as defined below) against the Released Parties (as defined below); and

f. Approve payment of the benefits to the class members and the incentive award to the Plaintiff described below, approve the agreed amount of attorneys' fees and costs described and limited below, and make any necessary findings with regard to those approvals.

12. Subject to the provisions of Paragraph 16, this Settlement Agreement shall become effective and be deemed final only after the expiration of ten (10) days after the date the Court issues the Final Judgment and Order and any appeals from, or other challenges to, the Final Judgment and Order have been exhausted or the time periods for filing such appeal(s) or challenge(s) have expired ("Effective Date").

13. The parties agree that the intent of this Settlement Agreement is that all claims in the Litigation will be dismissed with prejudice on the Effective Date, and further agree that each party will take all actions necessary to accomplish that objective.

14. Any objection to the Settlement or petition to intervene in the Litigation must be in writing, and must include: (a) a notice of intent to appear at the Final Fairness Hearing, if the Class Member intends to appear; (b) a statement of the objection(s) being asserted; (c) a description of the facts and legal authorities underlying each objection; (d) a list of any witnesses

who may be called to testify at the Final Fairness Hearing, whether in person, by deposition, or affidavit; and (e) a list of any exhibits, and copies of same, which the objector may offer at the Final Fairness Hearing. Such objection must be filed with the Court (via the Clerk of the U.S. District Court for the District of Columbia, 333 Constitution Avenue N.W., Washington, D.C. 20001) and served upon counsel for all parties by first class mail, postage pre-paid, no later than forty-five (45) days after the date of mailing of the Class Notice.

15. No Class Member shall be entitled to contest in any way the approval of the terms and conditions of this Settlement Agreement or the Final Judgment and Order except by filing and serving written objections in accordance with the provisions of this Settlement Agreement. Any Class Member who fails to object in the manner prescribed shall be deemed to have waived, and shall be foreclosed forever from raising, objections to the Settlement. Any Class Member who fails to timely and properly opt out of the Settlement Class in accordance with this Settlement Agreement shall be bound by the terms of this Settlement.

16. In the event the Court or any other court disapproves or sets aside this Settlement Agreement or any material part hereof for any reason, or holds that it will not enter or give effect to the Final Judgment and Order, or holds that the Final Judgment and Order should be modified in any material way, then: (a) the parties may jointly agree to accept the Settlement Agreement as judicially modified; or (b) if all parties do not jointly agree to accept the Settlement Agreement as judicially modified, any party may appeal or otherwise challenge such ruling. If any such appeal or challenge is filed and the Settlement Agreement and Final Judgment and Order or its equivalent in all material respects are not in effect after the termination of all proceedings arising out of such appeal, then unless the parties jointly agree otherwise, this Settlement Agreement shall become null and void, the Parties will return to the status quo ante.

BENEFITS TO THE SETTLEMENT CLASS, PLAINTIFF, AND ATTORNEYS' FEES  
AND EXPENSES

17. In exchange for the releases and waivers of claims described below, PHI will pay the amount of \$110.00 per each Class Member, who has not timely and properly opted out of the Settlement Class, in settlement of all claims in this Litigation and in exchange for the releases from the Plaintiff in his individual capacity and as representative of the Class Members. The total amount of this payment will constitute the Settlement Fund, which shall be a common fund from which the Class Members will be paid, from which Class Counsel's court-approved attorneys' fees will be paid, and from which the Plaintiff's court-approved payment will be paid.

18. The Settlement Fund will be distributed as follows:

a. Class Counsel may apply to the Court to award Plaintiff \$1,000.00, paid from the Settlement Fund, as consideration for his service as named Plaintiff and as consideration for the general release he is giving PHI pursuant to this Settlement Agreement. PHI agrees not to oppose a motion for such payment. By signing this Agreement, the parties warrant the payment to Plaintiff was negotiated only after the \$110.00 per Class Member amount used to calculate the Settlement Fund had been agreed upon.

b. Class Counsel may apply to the Court for an award of fees and costs to be paid from the Settlement Fund. The application for attorneys' fees shall be for a sum not to exceed one-third of the Settlement Fund, and the application for costs shall not exceed Class Counsel's actual out-of-pocket expenses, or \$5000, whichever is lower. PHI agrees not to oppose an application for fees and costs consistent with these limitations. By signing this Agreement, the Parties warrant

that Class Counsel's attorneys' fees and costs to be paid pursuant to this Settlement were negotiated only after the \$110.00 per Class Member amount used to calculate the Settlement Fund had been agreed upon.

c. The remainder of the Settlement Fund (*i.e.*, the amount remaining after deducting the amounts set forth in Paragraphs 18(a) and 18(b), to the extent such amounts are approved by the Court) will be distributed pro rata in the form of a check to each Class Member who has not timely and properly opted out of the Settlement Class.

19. The payments set forth in Paragraph 18, to the extent approved by the Court, shall be paid by PHI by check and sent by first class mail, postmarked within fourteen (14) days of the Effective Date. PHI will send both Plaintiff's check and Class Counsel's check to Nichols Kaster, PLLP 4600 IDS Center, 80 S. 8th St. Minneapolis, MN 55402. PHI will send each Class Member's check to the last known mailing address that it possesses for each Class Member. Along with each check, PHI will issue to the recipient an IRS Form 1099. All checks will expire 180 days after they are issued and will state this on their face. Any unclaimed portion of the Settlement Fund after the 180 day period for negotiating checks will be donated to the Salvation Army as a *cy pres* donation solely for the purpose of continuing that organization's programs that provide re-entry assistance to individuals.

20. Upon mailing of the checks issued pursuant to Paragraphs 18 and 19, PHI shall have no further obligations to Plaintiff, Class Counsel, or any Class Member. If any such payment is returned by the U.S. Postal Service as undeliverable, or is uncashed or not negotiated before it expires, PHI shall not have any further obligations to the intended recipient, except that: (a) for any check returned by the U.S. Postal Service with a forwarding

address before the check's expiration date, PHI will mail the check to the forwarding address within three business days; (b) for any check returned by the U.S. Postal Service without a forwarding address before the check's expiration date, PHI will consult the National Change of Address Database, and if a valid address can be found, mail the check to that address within five business days; and (c) if Plaintiff or a Class Member contacts PHI or Class Counsel to request a replacement check, PHI will comply with that request by canceling the initial check and issuing a replacement check, but the replacement check shall expire on the same date as the original check.

21. The parties agree that all payments made pursuant to this Settlement Agreement are not wages, and that Plaintiff, each Class Member, and Class Counsel will be solely responsible for correctly characterizing the payment for tax purposes and for paying any taxes owed on this payment.

THE RELEASE AND COVENANT NOT TO SUE

22. On the Effective Date, for the payments set forth above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all Class Members who have not timely and properly opted out of the Settlement Class, and their respective current and former spouses, assigns, heirs, successors, attorneys, executors, trustees, agents, and personal and legal representatives (collectively, the "Class Member Releasing Parties") fully and forever release, acquit, and discharge PHI and its affiliates, parents, and subsidiaries, its and their respective owners, shareholders, parents, affiliates, subsidiaries, divisions, predecessors, successors, assigns, insurers, employees, contractors, administrators, brokers, vendors, agents, officers, directors, principals, law firms, and legal representatives, as well as the heirs, personal representatives, executors, administrators, predecessors, successors,

and assigns of each of the foregoing, in each case past, present, and future (collectively referred to as the “Released Parties”), collectively, separately, individually and severally, from any and all claims, grievances, controversies, allegations, accusations, demands, judgments, causes of action, actions, suits, whether class, representative, individual or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever as well as all forms of relief, including all remedies, costs, losses, liabilities, damages, debts, expenses, penalties, interest, and attorneys' and other professionals' fees and related disbursements, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, asserted or unasserted, whether: (a) claiming compensation, money damages, equitable or other type of relief; (b) based on any federal, state, or municipal statute, law, ordinance, or regulation; (c) based on common law or public policy; or (d) sounding in tort or contract, whether oral or written, express or implied, law or equity, statutory or common law, or any other causes of action (hereinafter “Claims”) the Class Member Releasing Parties have arising out of or relating directly or indirectly in any manner whatsoever to the facts alleged or which could have been alleged or asserted in the Litigation, including but not limited to any and all Claims under 15 U.S.C. § 1681b(b) and N.J. Stat. § 56:11-31 (collectively, the “Class Member Released Claims”). It is expressly intended and understood by the parties that this Settlement Agreement is to be construed as a complete settlement, accord, and satisfaction of the Class Member Released Claims, that all of the Class Member Released Claims will be dismissed with prejudice, and that this Paragraph will apply to all Class Members.

23. On the Effective Date, for the payment set forth above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Plaintiff and his respective current and former spouses, assigns, heirs, successors, attorneys, executors, trustees, agents, and personal and legal representatives (collectively, the “Plaintiff Releasing

Parties”) fully and forever release, acquit, and discharge the Released Parties, collectively, separately, individually and severally, from any and all manner of Claims that any Plaintiff Releasing Party, whether directly, representatively, derivatively, or in any other capacity, ever had, now has, or hereafter can, shall, or may have against the Released Parties from the beginning of time through the Effective Date (collectively, the “Plaintiff Released Claims”). It is expressly intended and understood by the parties that this Settlement Agreement is to be construed as a complete settlement, accord, and satisfaction of the Plaintiff Released Claims, and that such Claims will be dismissed with prejudice.

24. The Class Member Releasing Parties and Plaintiff Releasing Parties acknowledge that they are releasing both known and unknown and suspected and unsuspected claims and causes of action and are aware that they may hereafter discover legal or equitable claims or remedies presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true with respect to the allegations in and subject matter of the Litigation or otherwise with respect to the Released Claims. Nevertheless, it is the intention of the Class Member Releasing Parties and Plaintiff Releasing Parties to fully, finally, and forever settle and release all such matters, and all claims and causes of action relating thereto, which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in the Litigation) from the beginning of time through the Effective Date.

25. The releases by the Class Member Releasing Parties and Plaintiff Releasing Parties in Paragraphs 22 through 24 shall be jointly termed the “Release.” The Release shall be self-executing as of the Effective Date.

26. The Class Member Releasing Parties and Plaintiff Releasing Parties hereby expressly acknowledge certain principles of law applicable in some states that limit the

application of a release, including statutes or laws similar, comparable or equivalent to Section 1542 of the Civil Code of the State of California, which provides:

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

To the full extent that California or any other law may be applicable to this Settlement Agreement, the Class Member Releasing Parties and Plaintiff Releasing Parties hereby agree that the provisions of Section 1542 of the Civil Code of the State of California and all similar, comparable or equivalent federal or state laws, rights, rules, or legal principles of any other jurisdiction that may be applicable, are hereby knowingly and voluntarily waived and relinquished by the Class Member Releasing Parties and Plaintiff Releasing Parties, and the Class Member Releasing Parties and Plaintiff Releasing Parties agree and acknowledge that this provision and the inclusion of unknown and unsuspected claims in the Release were separately bargained for and are essential terms of this Settlement Agreement and Release.

27. The Class Member Releasing Parties and Plaintiff Releasing Parties further agree that no third party shall bring any claim released herein on their behalf.

28. The Class Member Releasing Parties and Plaintiff Releasing Parties further covenant and agree that: (a) they will not sue or bring any action or cause of action, including by way of third-party claim, cross-claim, or counterclaim, against any of the Released Parties in respect of any of the Class Member Released Claims or Plaintiff Released Claims, respectively; (b) they will not initiate or participate in bringing or pursuing any class action against any of the Released Parties in respect of any of the Class Member Released Claims or Plaintiff Released Claims, respectively; and (c) if involuntarily included in any such class action encompassing

Class Member Released Claims or Plaintiff Released Claims, respectively, they will opt out of the class action if possible.

29. The Release may be raised as a complete defense to bar any action, claim, or demand brought in contravention of this Settlement Agreement. In the event any such action, claim, or demand is brought or pursued in violation of the Release, any party seeking to rely on this Release shall provide written notice to the person bringing or pursuing such barred action, claim, or demand indicating that the party asserting the Release believes the action, claim or demand is barred by the Release. The person bringing or pursuing such barred action, claim, or demand, shall have a reasonable opportunity to cure. If the person bringing or pursuing such barred action, claim, or demand fails to cure, it shall indemnify and hold harmless the party against whom such action, claim, or demand is brought from and against any and all judgments, costs, and expenses arising therefrom (including but not limited to reasonable attorneys' fees and disbursements of counsel and other professionals and court costs incurred in connection therewith).

30. The Release does not bar any Class Member Releasing Party, Plaintiff Releasing Party, Released Party, or PHI from bringing an action, claim, or demand to enforce the terms of this Settlement Agreement. In the event of any action, claim, or demand brought to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to any and all costs and expenses arising therefrom (including but not limited to reasonable attorneys' fees and disbursements of counsel and other professionals and court costs incurred in connection therewith).

NO ADMISSION OF LIABILITY

31. PHI denies Class Members' allegations, denies that the Litigation is suitable for class treatment under any circumstances other than settlement, and further denies liability to Plaintiff or to any other person who may be similarly situated, including all members of the Settlement Class. It is specifically agreed that the execution of this Settlement Agreement is not, and shall not be construed as, an admission of wrongdoing or liability by PHI, an admission that PHI violated any provision of any federal or state law, or an admission that PHI concedes that class treatment of the Litigation is appropriate under any circumstances other than settlement. PHI considers it desirable that this action and the claims alleged therein be settled upon the terms and conditions set forth in this Settlement Agreement in order to avoid further expense and burdensome, protracted litigation, to avoid disruption to its business operations, and to put to rest the Class Member Released Claims and Plaintiff Released Claims described herein.

TOTAL RELIEF

32. The parties expressly agree that under no circumstances whatsoever shall PHI be responsible for paying any monies, benefits, costs, expenses, or attorneys' fees in settlement of this Litigation other than as expressly provided for in this Settlement Agreement, nor will PHI be required to take any action or incur any liability or pay any expense or be required to do any other thing, except as expressly provided herein.

EVIDENTIARY EFFECT OF SETTLEMENT AGREEMENT

33. Neither this Settlement Agreement nor any related documents, negotiations, statements, or court proceedings shall be construed as, received as, used as, or deemed to be evidence or an admission or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including but not limited to the Released Parties, or as a waiver by the

Released Parties of any applicable defense to the merits of the claims asserted or to Class Members' ability to maintain this action as a class action.

CONFIDENTIALITY AND NON-DISPARAGEMENT

34. Counsel for either party, as well as Plaintiff, shall not make any public announcement or press release regarding this Settlement nor initiate any contact of any kind with the press regarding this Litigation or Settlement. If, after the motion for preliminary approval has been publicly filed, counsel for either party or Plaintiff receives any inquiry regarding this Settlement from a person who is not the counsel for either party, a Class Member, Plaintiff, or the Court, such party or counsel shall make no comment. Class Counsel shall not initiate communications with Class Members who are not already individually represented by Class Counsel regarding this Settlement in any manner other than in accordance with the terms of this Settlement Agreement. Notwithstanding the foregoing, with respect to any inquiries regarding this Settlement which are initiated by Class Members, Class Counsel may respond to such class members in accordance with their professional duties and responsibilities. Nothing herein is intended to limit or waive the attorney-client privilege between Class Counsel and their current clients and/or class members, nor is anything herein intended to limit the ability of Class Counsel to make truthful representations to judicial authorities regarding either their appointment as Class Counsel or the settlement of this Litigation.

CHOICE OF LAW

35. This Settlement Agreement and its exhibits shall be governed by the laws of the District of Columbia without regard to application of the choice of law rules of any jurisdiction, except insofar as federal law applies. So long as this Settlement Agreement is valid and enforceable under the laws of the District of Columbia (and to the extent applicable, federal law),

the Parties agree that no statutory or common law of any other jurisdiction shall be used to invalidate or render unenforceable any part of this Settlement Agreement.

MISCELLANEOUS PROVISIONS

36. The failure of any party to exercise any rights hereunder shall not constitute waiver of the right to the later exercise thereof, except as expressly provided herein. No delay on the part of any party in exercising any power or right hereunder will operate as a waiver thereof nor will any single or partial exercise of any power or right hereunder preclude other or further exercises thereof or the exercise of any other power or right, except as expressly provided herein.

37. The parties agree to undertake their reasonable best efforts, including all steps and efforts contemplated by this Settlement Agreement and any other steps and efforts that may be necessary or appropriate, by court order or otherwise, to carry out the terms and objectives of this Settlement Agreement.

38. The headings used in this Settlement Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

39. None of the parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

40. This Settlement Agreement constitutes the full and entire agreement among the parties with regard to the subject matter hereof, and supersedes all prior representations, agreements, promises, or warranties, written, or oral or otherwise, made by any party. No party shall be liable or bound to any other party for any prior representation, agreement, promise, or

warranty, oral or otherwise, except for those that are expressly set forth in this Settlement Agreement. This Settlement Agreement may not be modified in any respect except by a writing executed by and among the parties. Each party has undertaken its own investigation of the relevant facts and law and has concluded that this Settlement Agreement is in the best interests of that party. No party has relied on any representation made by any other party in deciding whether to enter into this Settlement Agreement.

41. Each party hereto warrants and represents to the other that the party signing this Settlement Agreement on behalf of the respective parties is duly authorized to sign this Settlement Agreement and that this Settlement Agreement is binding and enforceable as to each of the respective parties. This Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, trustee, executors, administrators, successors, and assigns.

42. This Settlement Agreement may be executed in separate counterparts without each party signing the same, and execution of counterparts shall have the same force and effect as if all parties had signed the same instrument, and each such counterpart shall constitute one and the same agreement; provided, however, this Settlement Agreement shall not be binding until it has been executed by everyone for whom a signature line has been provided. This Settlement Agreement shall become effective upon the Effective Date.

43. As agents for the receipt of communications among the parties relating to this Settlement Agreement, Class Members appoint E. Michele Drake, Nichols Kaster, PLLP, drake@nka.com; and PHI appoints George W. Ingham, Hogan Lovells US LLP, george.ingham@hoganlovells.com. Any communication made in connection with this Settlement Agreement shall be deemed to have been served when sent by e-mail to the addresses provided in this Paragraph.

44. Plaintiff, individually and on behalf of the Class Members, represents, covenants, and warrants that he has not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released or discharged in this Settlement except as set forth in this Agreement.

45. The Parties agree that because the Settlement Class Members are so numerous, it is impossible and impracticable to have each Settlement Class Member execute this Agreement. Therefore, the Notice will advise all Settlement Class Members of the binding nature of the release and will have the same force and effect as if this Agreement were executed by each Settlement Class Member.

IN WITNESS WHEREOF, the parties hereto have executed this Class Action Settlement Agreement on the respective dates set forth below.

DATED: 5/4/2015

WILFREDO AROCHO



Individually and on Behalf of the Settlement Class

DATED: \_\_\_\_\_

Counsel for WILFREDO AROCHO

\_\_\_\_\_  
E. Michelle Drake  
NICHOLS KASTER, PLLP  
4600 IDS Center  
80 South 8th Street  
Minneapolis, MN 55402

DATED: \_\_\_\_\_

PEPCO HOLDINGS, INC.

\_\_\_\_\_  
By:

Its: \_\_\_\_\_

DATED: \_\_\_\_\_

Counsel for PEPCO HOLDINGS, INC.

\_\_\_\_\_  
William P. Flanagan  
HOGAN LOVELLS US LLP  
555 Thirteenth Street, NW  
Washington, DC 20004

IN WITNESS WHEREOF, the parties hereto have executed this Class Action Settlement Agreement on the respective dates set forth below.

DATED: \_\_\_\_\_

WILFREDO AROCHO

\_\_\_\_\_  
Individually and on Behalf of the Settlement Class

DATED: 5/4/15

Counsel for WILFREDO AROCHO



E. Michelle Drake  
NICHOLS KASTER, PLLP  
4600 IDS Center  
80 South 8th Street  
Minneapolis, MN 55402

DATED: \_\_\_\_\_

PEPCO HOLDINGS, INC.

\_\_\_\_\_  
By:

Its: \_\_\_\_\_

DATED: \_\_\_\_\_

Counsel for PEPCO HOLDINGS, INC.

\_\_\_\_\_  
William P. Flanagan  
HOGAN LOVELLS US LLP  
555 Thirteenth Street, NW  
Washington, DC 20004

IN WITNESS WHEREOF, the parties hereto have executed this Class Action Settlement Agreement on the respective dates set forth below.

DATED: \_\_\_\_\_

WILFREDO AROCHO

\_\_\_\_\_  
Individually and on Behalf of the Settlement Class

DATED: \_\_\_\_\_

Counsel for WILFREDO AROCHO

\_\_\_\_\_  
E. Michelle Drake  
NICHOLS KASTER, PLLP  
4600 IDS Center  
80 South 8th Street  
Minneapolis, MN 55402

DATED: 5/11/2015

PEPCO HOLDINGS, INC.

By: *John D. Flock*

Its: *Counsel*

DATED: 5/11/2015

Counsel for PEPCO HOLDINGS, INC.

*William P. Flanagan*

William P. Flanagan  
HOGAN LOVELLS US LLP  
555 Thirteenth Street, NW  
Washington, DC 20004

**EXHIBIT A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

WILFREDO AROCHO, )  
individually and as representative of the )  
classes, )

Plaintiff, )

v. )

Case No. 1:14-cv-01549-JEB

PEPCO HOLDINGS, INC. )  
701 Ninth Street, NW )  
Washington, DC 20068 )

Defendant. )

**[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL**

This matter came before the Court on Plaintiff’s Unopposed Motion For Preliminary Approval Of Class Action Settlement. The Court has considered the papers submitted by Plaintiff in support of the Motion. Upon careful consideration, the Motion is GRANTED. ACCORDINGLY, IT IS ORDERED THAT:

1. The Agreement, including all exhibits thereto, is preliminarily approved as fair, reasonable and adequate and within the range of reasonableness for preliminary settlement approval. The Court finds that: (a) the Agreement resulted from extensive arm’s length negotiations; and (b) the Agreement is sufficient to warrant notice of the Settlement to persons in the Settlement Class and a final hearing on the approval of the Settlement;

2. Pursuant to Federal Rule of Civil Procedure 23(c), the Court preliminarily certifies, for settlement purposes only, the following Settlement Class:

All individuals as to whom PHI obtained a “consumer report,” as defined by the FCRA, for employment purposes during the period September 11, 2012 through October 10, 2014, which Settlement Class does not include those individuals who

only received background checks that were (1) mandated by the Department of Transportation, and/or (2) mandated by the North American Electric Reliability Corporation and conducted by PHI outside PHI's staffing process, and further does not include those individuals who timely and properly opt out pursuant to the procedures of the Settlement Agreement.

In connection with this preliminary certification, the Court makes the following preliminary findings for settlement purposes only:

(a) The Settlement Class appears to be so numerous that joinder of all members is impracticable;

(b) There appear to be questions of law and fact common to the Settlement Class for purposes of determining whether this Settlement should be approved;

(c) Plaintiff's claims appear to be typical of the claims being resolved through the proposed settlement;

(d) Plaintiff appears to be capable of fairly and adequately protecting the interests of the Settlement Class Members in connection with the proposed settlement;

(e) Common questions of law and fact appear to predominate over questions affecting only individual persons in the Settlement Class. Accordingly, the Settlement Class appears to be sufficiently cohesive to warrant settlement by representation; and

(f) Certification of the Settlement Class appears to be superior to other available methods for the fair and efficient resolution of the claims of the Settlement Class.

3. Nichols Kaster, PLLP is hereby APPOINTED as Class Counsel for purposes of settlement. The Court preliminarily finds that Nichols Kaster, PLLP have and will fairly and adequately represent and protect the interests of the Settlement Class.

4. Plaintiff Wilfredo Arocho is hereby APPOINTED as Class Representative for purposes of settlement. The Court preliminarily finds that Mr. Arocho has no conflicts with the

Settlement Class and will fairly and adequately represent and protect the interests of the Settlement Class.

5. The parties' Class Notice is APPROVED for distribution in accordance with the schedule included in the Settlement Agreement.

6. Class Members shall have the right to either opt-out or object to this Settlement pursuant to the procedures and schedule included in the Settlement Agreement; and

7. A Final Approval Hearing is set for \_\_\_\_\_, 2015, at the United District Court for the District of Columbia at 333 Constitution Avenue, NW, Washington, DC 20001.

It is SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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The Honorable James E. Boasberg  
United States District Judge

EXHIBIT B

**NOTICE OF CLASS ACTION LAWSUIT AND PROPOSED SETTLEMENT**

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE EXPLAINS THAT  
YOU MAY BE ENTITLED TO RECEIVE A SETTLEMENT PAYMENT.  
YOU ARE NOT BEING SUED.**

*This Notice is from the United States District Court for the District of Columbia.*

**Why did I get this notice?**

This notice relates to a proposed settlement in a class action lawsuit against Pepco Holdings, Inc. (“PHI”), entitled *Wilfredo Arocho v. Pepco Holdings, Inc.*, 1:14-cv-1549-JEB. Plaintiff Wilfredo Arocho (“Plaintiff”) brought a lawsuit contending that PHI violated the Fair Credit Reporting Act (“FCRA”) and New Jersey Fair Credit Reporting Act (“NJFCRA”). PHI denies that it violated the law in any way whatsoever. The two sides disagree as to a number of issues, including whether PHI’s conduct complied with the FCRA and NJFCRA, the suitability of this case for class treatment, whether PHI may be liable under the FCRA and NJFCRA, and, if so, the extent of any such liability. The parties have agreed to resolve the lawsuit through a settlement.

The proposed settlement includes all individuals as to whom PHI obtained a “consumer report,” as defined by the FCRA, for employment purposes during the period September 11, 2012 through October 10, 2014, which Settlement Class does not include those individuals who only received background checks that were (1) mandated by the Department of Transportation, and/or (2) mandated by the North American Electric Reliability Corporation and conducted by PHI outside PHI’s staffing process, and further does not include those individuals who timely and properly opt out pursuant to the procedures of the Settlement Agreement.

You have been identified as a Class Member. Your legal rights will be affected by the settlement of this lawsuit. Please read this notice carefully. It explains the lawsuit, the settlement, and your legal rights, including the process for excluding yourself from the settlement, or objecting to the settlement.

**SUMMARY OF OPTIONS:**

**YOU HAVE THREE OPTIONS:**

1. **DO NOTHING:** If you do nothing and the Court approves this settlement, you will receive a check in the approximate amount of \$70. You will not be able to sue PHI over the issues involved in this lawsuit.
2. **OPT OUT:** If you do not want to be included in the case and the settlement, you must exclude yourself. This is called “opting out.” To opt out, you must send PHI’s lawyers a letter. The letter must include the information described below and must be postmarked on or before forty-five (45) days from the date this notice was mailed to you.

If you submit a valid and timely opt-out letter, you will not get paid through this settlement. You will be able to sue PHI on your own for the claims this settlement resolves if you wish.

3. **OBJECT:** If you want to object to this settlement, you cannot opt out of this lawsuit. Instead, you can tell the Court why you do not like this settlement by following the process described below. The Court may consider your objection before ruling on this settlement. If this settlement is approved, you will still receive a check in the approximate amount of \$70. You will not be able to sue PHI over the issues involved in the lawsuit.

### **What is this lawsuit about?**

This lawsuit was filed on September 11, 2014 in the United States District Court for the District of Columbia. Plaintiff claims that PHI violated the FCRA and NJFCRA, because before running background checks on employees and applicants, it allegedly failed to comply with the disclosure requirements of 15 U.S.C. § 1681b(b)(2)(A)(i) and N.J. Stat. § 56:11-31(c)(1). PHI denies that it violated the FCRA or any other law or regulation.

### **Why is this a class action?**

In a class action, one or more people, called “Class Representatives” (in this case, Wilfredo Arocho), sue on behalf of others who have similar claims. All of these people together are a “Class” or “Class Members.” The settlement provides relief for all persons who are members of the Class. The Court resolves the issues for all Class Members, except for those who opt out.

### **Why is there a settlement?**

The Plaintiff and PHI have agreed to settle the lawsuit to avoid the time, risk, uncertainty and expense of litigating the lawsuit and to achieve a final resolution of the claims. Under the proposed settlement, Class Members have the opportunity to obtain a payment in exchange for giving up certain legal rights. The Plaintiff and his lawyers think the settlement is best for all Class Members.

### **How do I know if my claims are included in the settlement?**

You received this notice because PHI’s records identified you as a Class Member. That means you fall within the description of the Class included above.

### **What does the settlement provide?**

PHI has agreed to pay approximately \$99,000 into a settlement fund to compensate the approximately 900 class members. The fund will be divided pro rata among all Settlement Class members who do not opt out, after any awarded attorneys’ fees and expenses and Plaintiff Arocho’s compensation have been deducted. If the expected requests for attorneys’ fees and expenses and the Plaintiffs’ awards are granted by the Court, your share of the fund will be approximately \$70.

### **How much will I be paid?**

If the Court approves this settlement and you do not opt out, you will receive a check in the approximate amount of \$70. If the Court approves the settlement, your check will be mailed within fourteen (14) days following Court approval and the expiration of any appeals period. If there is an appeal of the settlement, payment may be delayed.

If you do not cash your check within one hundred twenty (180) days of issuance, the check will be voided and PHI will have no other obligation with respect to you.

### **How was the amount of my payment determined?**

After evaluating the costs, risks, and expense of further litigation the parties would have encountered bringing this case to trial, and the significant probability that no recovery at all would be had after trial, the parties arrived at the settlement amount.

### **How can I get a payment?**

You do not have to do anything to get paid. Unless you exclude yourself from the settlement by opting out, you will receive your payment as set forth above only after the expiration of ten (10) days after the Court approves the settlement agreement, and its approval order is rendered not subject to any appeal or, if an appeal had been sought, the expiration of ten (10) days after the last of (i) the final disposition of any such appeal and (ii) any further proceedings in the trial court or on subsequent appeal, which ultimate disposition approves the Court's approval order.

If you need to update the address to which your check should be mailed, please contact [third party administrator.]

### **What rights am I giving up in this settlement?**

Unless you exclude yourself from this settlement, you will be considered a member of the Class, which means you give up your right to sue or continue a lawsuit against PHI regarding the legal issues that were raised or could have been raised in this case. Giving up your legal claims is called a release. Unless you formally exclude yourself from this settlement, you will release your claims and receive a settlement payment.

The released parties include: PHI and its affiliates, parents, and subsidiaries, its and their respective owners, shareholders, parents, affiliates, subsidiaries, divisions, predecessors, successors, assigns, insurers, employees, contractors, administrators, brokers, vendors, agents, officers, directors, principals, law firms, and legal representatives, as well as the heirs, personal representatives, executors, administrators, predecessors, successors, and assigns of each of the foregoing, in each case past, present, and future.

You will be releasing these parties from any and all claims you have arising out of or relating directly or indirectly in any manner whatsoever to the facts alleged or which could have been alleged or asserted in this case, including but not limited to any and all claims under the FCRA

or NJFCRA, and including but in no way limited to any claims related directly or indirectly in any manner whatsoever to those claims specifically raised in this case.

For more information on the release, released parties, and released claims, you may obtain a copy of the Settlement Agreement from PHI by contacting [third party administrator].

### **Can I exclude myself from the settlement?**

You may exclude yourself from the settlement. If you exclude yourself from the settlement, you will not receive any payment, but you will retain the right to sue PHI separately, at your own expense, for any claims you might have.

### **How do I exclude myself from the settlement?**

If you wish to be excluded, you must mail a written request to PHI at:

*Arocho v. Pepco Holdings, Inc.*  
c/o George W. Ingham  
Hogan Lovells US LLP  
7930 Jones Branch Drive  
9th Floor  
McLean, VA 22102

Your request for exclusion must be in writing and postmarked on or before forty-five (45) days from the date this notice was mailed to you. The request must state: "I do not want to be part of the Class in *Arocho v. Pepco Holdings, Inc.*" The request should be signed, with your name, address, and telephone number printed below your signature. You should use the address to which this notice was mailed, so that you can be properly identified.

### **What if I want to object to the settlement?**

If you have not excluded yourself from the settlement, you can object to any aspect of the proposed settlement by filing and serving a written objection in *Wilfredo Arocho v. Pepco Holdings, Inc.*, 1:14-cv-1549-JEB. Your written objection must include: (1) a statement that you are a member of the Settlement Class; (2) a notice of your intent to appear at the fairness hearing, if you intend to appear; (3) a statement of the objection(s) being asserted; (4) a description of the facts and legal authorities underlying each objection; (5) a list of any witnesses who may be called by you to testify at the fairness hearing, whether in person, by deposition, or affidavit; and (6) a list of any exhibits, and copies of the same, which you may offer at the fairness hearing.

You must file any objection with the Clerk of the Court at the address below within forty-five (45) days after this notice was mailed to you. You must also send your objection by first class mail, postmarked on or before the same date, to Counsel for the Settlement Class and counsel for PHI at the addresses below.

<b>Court</b>	<b>Class Counsel</b>	<b>Defense Counsel</b>
Clerk of the Court U.S. District Court District of Columbia 333 Constitution Ave., N.W., Washington, DC 20001	E. Michelle Drake NICHOLS KASTER, PLLP IDS Center, 80 S 8th St #4600, Minneapolis, MN 55402	William P. Flanagan HOGAN LOVELLS US LLP 555 Thirteenth Street, NW, Washington DC 20004

Any member of the Settlement Class who does not file and serve an objection in the time and manner described above will not be permitted to raise that objection later.

### **What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the settlement. Excluding yourself is telling the Court that you do not want to be part of the settlement and want to opt-out of it instead. If you exclude yourself, you have no basis to object because the lawsuit no longer affects you.

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

The Court will hold a fairness hearing on \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_ in Washington, DC. The hearing will be held at the United States District Court, District of Columbia, 333 Constitution Avenue, NW, Washington, DC 20001. At the fairness hearing, the Court will consider whether the proposed settlement is fair, reasonable, and adequate. The Court will hear objections to the settlement, if any. The Court may decide to reschedule the hearing, and may do so without further notice.

After the hearing, the Court will decide whether to approve the settlement. We do not know how long the Court will take to make its decision. In addition, the hearing may be continued at any time by the Court without further notice to you.

### **Do I have to attend the hearing?**

No. You are not required to attend the hearing. Plaintiff's counsel will represent the Settlement Class at the hearing, but you are welcome to attend the hearing at your own expense. You may ask the Court for permission to speak at the hearing. To do so, you must send with your objection a notice of intention to appear at the hearing as described above. You cannot speak at the hearing if you have excluded yourself from the settlement. Once you have excluded yourself, the settlement does not affect your legal rights.

### **What if I do nothing?**

If you do nothing, you will get a check for approximately \$70 after the Court approves the settlement and any appeals have been resolved. You will not be able to sue PHI over the issues involved in this lawsuit.

**What will happen if the Court does not approve the settlement?**

If the Court does not approve the settlement, or if it approves the settlement and the approval is reversed on appeal, or if the settlement does not become final for some other reason, you will not be paid and the case will continue. The parties may negotiate a different settlement or the case may proceed in litigation.

**Where can I get additional information?**

This notice is only a summary of the proposed settlement of this lawsuit. All pleadings and documents filed in Court, including the Settlement Agreement, may be reviewed or copied in the office of the Clerk of Court, United States District Court, District of Columbia, 333 Constitution Avenue, N.W., Washington, DC 20001. **Please do not call the Judge about this case.** Neither the Judge nor the Clerk of Court will be able to give you advice about this case.

You may also contact the Plaintiff's lawyers who are representing you in this case at the following address, by telephone, or e-mail:

Joseph C. Hashmall  
NICHOLS KASTER, PLLP  
4600 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
(612) 256-3200  
jhashmall@nka.com

**EXHIBIT C**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

WILFREDO AROCHO,	)
individually and as representative of the	)
classes,	)
	)
Plaintiff,	)
	)
v.	)
	)
PEPCO HOLDINGS, INC.	)
701 Ninth Street, NW	)
Washington, DC 20068	)
	)
Defendant.	)

Case No. 1:14-cv-01549-JEB

**[PROPOSED] FINAL JUDGMENT AND ORDER APPROVING  
CLASS ACTION SETTLEMENT**

Based on the parties’ Joint Motion for Final Approval of the Proposed Settlement, the Final Fairness Hearing, any objections made, and good cause shown, IT IS HEREBY ORDERED:

1. The Settlement Agreement, including its exhibits (the “Settlement Agreement”), and the definition of words and terms contained therein are incorporated by reference in this Order. The terms of this Court’s Preliminary Approval Order are also incorporated by reference in this Order.
2. This Court has jurisdiction over the subject matter of the Action and over the Parties, including all members of the following Settlement Class certified for settlement purposes in this Court’s Preliminary Approval Order:

All individuals as to whom PHI obtained a “consumer report,” as defined by the FCRA, for employment purposes during the period September 11, 2012 through October 10, 2014, which Settlement Class does not include those individuals who only received background checks that were (1) mandated by the Department of

Transportation, and/or (2) mandated by the North American Electric Reliability Corporation and conducted by PHI outside PHI's staffing process, and further does not include those individuals who timely and properly opt out pursuant to the procedures of the Settlement Agreement.

The Court hereby finds that the Settlement Agreement is the product of arm's length settlement negotiations among Plaintiff, Class Counsel, and PHI.

3. The Court hereby finds and concludes that Class Notice was disseminated to Class Members in accordance with the terms set forth in the Settlement Agreement in compliance with this Court's Preliminary Approval Order.

4. The Court further finds and concludes that the Class Notice and payment distribution procedures set forth in the Settlement Agreement fully satisfy Rule 23 of the Federal Rules of Civil Procedure and the requirements of due process, were the best notice practicable under the circumstances, provided individual notice to all members of the Settlement Class who could be identified through reasonable effort, and support the Court's exercise of jurisdiction over the Settlement Class as contemplated in the Settlement and this Order.

5. Nichols Kaster, PLLP is hereby FINALLY APPOINTED as Class Counsel for purposes of settlement. The Court finds that Nichols Kaster, PLLP has fairly and adequately represented and protected the interests of the Settlement Class.

6. Plaintiff Wilfredo Arocho is hereby FINALLY APPOINTED as Class Representative for purposes of settlement. The Court finds that Mr. Arocho has no conflicts with the Settlement Class and has fairly and adequately represented and protected the interests of the Settlement Class.

7. This Court hereby finds and concludes that the notice provided by PHI to the appropriate state and federal officials pursuant to 28 U.S.C. § 1715 fully satisfied the requirements of that statute.

8. The Court hereby finally approves the Settlement Agreement and the Settlement contemplated thereby, and finds that the terms and conditions constitute, in all respects, a fair, reasonable and adequate settlement as to all Class Members in accordance with Rule 23(e) of the Federal Rules of Civil Procedure, and directs its consummation pursuant to its terms and conditions.

9. The Court reserves jurisdiction over all matters arising out of the Settlement Agreement, except as expressly stated therein.

10. The Court approves Class Counsel's application for \$\_\_\_\_\_ in attorneys' fees and costs, and for a service award to Plaintiff in the amount of \$\_\_\_\_\_.

11. This Court hereby dismisses this Litigation and all claims with prejudice, without costs or attorneys' fees to any party, except as expressly provided for in the Settlement Agreement. All Class Members except those who have properly excluded themselves shall be bound by the Settlement Agreement, including the release provisions and covenant not to sue set forth in Paragraphs 22 through 30.

12. Finding that there is no just reason for delay, the Court orders that this Final Judgment and Order shall constitute a final judgment pursuant to Rule 54 of the Federal Rules of Civil Procedure that is binding on the parties and the Settlement Class. The Clerk of the Court is directed to enter this Order on the docket forthwith.

It is SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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The Honorable James E. Boasberg  
United States District Judge