

IN THE CIRCUIT COURT OF CLARK COUNTY, ARKANSAS
CIVIL DIVISION

BRENDA McGINNIS, individually and o/b/o a class of similarly situated persons,	PLAINTIFF
v.	Case No. 2007-32
ADVANCE AMERICA SERVICING OF ARKANSAS, INC., d/b/a ADVANCE AMERICA CASH ADVANCE; ADVANCE AMERICA CASH ADVANCE CENTERS OF ARKANSAS, INC.; and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC.	DEFENDANTS.

STIPULATION AND AGREEMENT OF SETTLEMENT

This Settlement Agreement is entered as of the date set forth on the signature pages hereto by the Class Representative (on behalf of herself and each of the Class Members who do not validly and timely request to opt out of this Settlement Agreement), by and through their counsel of record, and the Defendants ADVANCE AMERICA SERVICING OF ARKANSAS, INC., d/b/a ADVANCE AMERICA CASH ADVANCE; ADVANCE AMERICA, CASH ADVANCE CENTERS OF ARKANSAS, INC.; and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC., by their counsel of record. The Parties intend this Settlement Agreement to resolve and settle this Action fully, finally and forever according to the terms and conditions set forth below:

HISTORY OF THE LITIGATION

This Action was initially filed in the Circuit Court of Clark County, Arkansas on February 27, 2007 as a putative class action on behalf of all Arkansas residents who obtained so-called "Check Cashing" or "Deferred Presentment Transactions" by or through the Defendants, as such class is more fully defined and described in Paragraph 2,

below. Typically, Defendants would advance to a borrower \$500 or less, which was due to be repaid within a short period of time, usually on the borrower's next payday. Defendants extended such Deferred Presentment Transactions under the auspices of the Arkansas Check Cashers Act, Ark. Code Ann. § 23-52-101, *et seq.*, which Plaintiffs challenged as unconstitutional. Defendants answered that their conduct was lawful and authorized by the Act and denied all liability to Plaintiffs.

After the Defendants unsuccessfully moved to compel arbitration, the Circuit Court certified the case as a class action on April 11, 2008. Following extensive litigation, the Parties have agreed that a full and final settlement is in the best interests of the Parties and the Settlement Class.

RECITALS

WHEREAS, Plaintiffs commenced an Action against Defendants in February 2007, and the matter is pending in the Circuit Court of Clark County, Arkansas (Case No. 2007-32); and

WHEREAS, Plaintiffs have alleged, among other things, that Defendants were engaged in extending, marketing or servicing Deferred Presentment Transactions, also known as "payday" cash advances, that are contrary to the requirements of Arkansas law; and

WHEREAS, Defendants deny all the material allegations of the Complaint in this Action, deny any and all liability or wrongdoing in connection with the conduct described in the Complaint, and have asserted and continue to assert that the alleged conduct was in all respects, and at all times, proper and lawful; and

WHEREAS, Defendants are no longer engaging in offering so-called Check Cashing or Deferred Presentment Transactions in the State of Arkansas; and

WHEREAS, The Parties consider it desirable to compromise and settle the claims alleged in the Action, and any and all claims that were or could have been alleged in the Action, in the manner and upon the terms and conditions hereinafter set forth, to avoid further risk, expenses, inconvenience, and the distraction of burdensome litigation;

NOW THEREFORE, the Parties agree to petition the Circuit Court of Clark County for Preliminary Approval of this Agreement.

DEFINITIONS

- a) "Action" means the above-styled civil action filed by Plaintiffs against Defendants.
- b) "Administrator" means The Garden City Group, Inc.
- c) "Agreement" means this Stipulation and Agreement of Settlement and the exhibits hereto.
- d) "Check Cashing" shall have the same meaning as Deferred Presentment Transaction as defined herein.
- e) "Claim Dispute" means any written dispute and supporting evidence submitted by a Claimant pursuant to Paragraph 5(f) of this Agreement.
- f) "Claim Form" means a form substantially in the form of Exhibit "E."
- g) "Claimant" means any person who timely submits a properly completed Claim Form to the Administrator.

- h) “Class Counsel” or “Plaintiffs’ Counsel” means any member or associate of Scholtens & Averitt, PLC and any member or associate of Arnold, Batson, Turner & Turner, P.A.
- i) “Class Member” means any member of the Settlement Class not validly opting out of this settlement.
- j) “Class Notice” means a notice in the form of Exhibit “B” hereto.
- k) “Class Representative” means Brenda McGinnis.
- l) “Court” means the Circuit Court of Clark County, Arkansas.
- m) “Defendants” means all named Defendants in the Action and their respective parents, subsidiaries, affiliates, insurers and re-insurers, predecessors, successors and assignees, attorneys, accountants, representatives, past or present officers, inside and outside directors, shareholders, representatives, employees, and agents.
- n) “Defendants’ Counsel” means any partner or associate of Sutherland Asbill & Brennan LLP and any partner or associate of Quattlebaum, Grooms, Tull & Burrow PLLC.
- o) “Deferred Presentment Transaction” means deferred presentment option as defined by the Arkansas Check-Casher’s Act.
- p) “Effective Date” means the date on which the settlement receives Final Approval.
- q) “Fairness Hearing” means a hearing to be scheduled by the Court on or after February 18, 2010, for determination of the Agreement’s fairness to the Class Members.
- r) “Final Approval” means the last date by which all of the following have occurred, whichever is later:

- i) The Court has entered the Settlement Order and Final Judgment substantially in the form attached hereto as Exhibit “C,” without substantive modification (except as approved in writing by the signatories hereto);
- ii) The Court has entered a separate final order awarding and/or allocating attorneys’ fees and costs, if any; and
- iii) Thirty-one (31) days have passed after entry by the Court of the Settlement Order and Final Judgment without any appeal of the Settlement Order and Final Judgment being taken, or, if appeals or requests for review of the Settlement Order and Final Judgment have been taken, orders have been entered affirming said Settlement Order and Final Judgment or denying review after exhaustion of all appellate remedies.
- s) “Party” or “Parties” means the Class Representative, the Settlement Class and all of its Members, and Defendants.
- t) “Plaintiffs” means the Class Representative and Class Members.
- u) “Preliminary Approval” of this Agreement means that the Court has entered an order in substantially the form of Exhibit “A” hereto, preliminarily approving the terms and conditions of this Agreement, without substantive modification (except as approved in writing by the signatories hereto).
- v) "Rejection Notice" means a notice substantially in the form of Exhibit "F" hereto.
- w) “Released Claims” means any and all claims of any type, character, or nature whatsoever, whether known or unknown, legal or equitable, and whether or not asserted in the Action, including but not limited to claims for violations of Federal law, Arkansas law, Arkansas’s prohibition on Usury, violations of the Arkansas

Deceptive Trade Practices Act, and any other claim of any nature whatsoever alleged or that could have been alleged in the Action.

- x) “Released Parties” means Defendants and their parents, subsidiaries, affiliates, insurers and re-insurers, and their respective predecessors, successors and assignees, attorneys, accountants, representatives, past or present officers, inside and outside directors, shareholders, representatives, employees, and agents.
- y) “Settlement Class” means the class of persons defined in Paragraph 2 of this Agreement, below.
- z) “Settlement Fund” means such fund not to exceed Ten Million Nine Hundred Fifty Thousand Dollars (\$10,950,000.00), which is the limit of Defendants’ and the Released Parties’ liability to the Settlement Class and from which all claims, attorneys’ fees and costs, Honorarium Awards, costs of administration and all other costs of litigation and settlement shall be paid. The Settlement Fund may be comprised, at Defendants’ sole election and discretion, cash, cash equivalents, NETSPEND Visa® prepaid debit card and/or Advance America treasury stock (the use of the latter subject to any and all regulatory and judicial approval(s)), or any combination thereof.
- aa) “Settlement Order and Final Judgment” means the order and final judgment approving and incorporating this Settlement as binding upon the parties entered by the Court substantially in the form of Exhibit “C” hereto without substantive modification (except as agreed in writing by the signatories hereto).
- bb) “Termination Event” shall mean the occurrence of any event that renders this Agreement null and void pursuant to Paragraphs 16, 17 or 23 hereof.

cc) As used herein, the plural of any defined term includes the singular thereof, and the singular of any defined term includes the plural thereof, as the context may require.

TERMS OF SETTLEMENT

IT IS MUTUALLY STIPULATED AND AGREED between Plaintiffs and Defendants, acting through their respective attorneys, that, subject to Court approval of this Agreement, the Action shall be dismissed on the merits with prejudice and shall be fully and finally settled and released together with any and all Released Claims as follows:

- 1) **Recitals**. The recitals above are true and correct.
- 2) **Settlement Class**. By Order dated April 11, 2008, the Court certified this matter as a class action defining the class as “all persons other than the Defendants and their owners and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since February 27, 2002 up through and including the date of the entry of judgment in this case.” To account for certain factors, including but not limited to the fact that Defendant Advance America, Cash Advance Centers, Inc. is a publicly traded company and does not have “owners,” Defendants offered Deferred Presentment Transactions in Arkansas pursuant to the Arkansas Check cashers Act after June 1, 2006, and Defendants have ceased doing business in the State, the parties hereby agree, subject to the approval of the Court pursuant to Arkansas Rule of Civil Procedure 23, to amend the class definition and for purposes of this agreement to define the class as the “Settlement Class” as follows: **“All persons, other than the Defendants and their officers and directors, shareholders (as of the date of this**

agreement), representatives, employees and agents, who have engaged in Check Cashing or Deferred Presentment Transactions with the Defendants in Arkansas since June 1, 2006, up through and including March 17, 2008.”

The Settlement Class does not include any of the following:

1. all persons who validly opt out of this settlement; and
2. all persons who, with respect to any claim which arose between June 1, 2006 and March 17, 2008 against any Defendant: (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

3) Consideration to be Paid by Defendants.

Defendants agree to fund the Settlement Fund by transmitting at its sole election and discretion cash, cash equivalents, NETSPEND Visa® prepaid debit card or Advance America treasury stock (the use of the latter subject to any and all regulatory and judicial approval(s)), to the Class Member, Administrator or to Class Counsel as required by this Agreement. The maximum amount of the Settlement Fund *includes* all costs of administration, attorneys’ fees and costs, Honorarium Awards, and any and all other costs associated with the litigation, settlement, compromise, and resolution of the Action. If the maximum amount of the Settlement Fund is not exhausted, any unexhausted portion shall revert to Defendants, which shall have no further obligations to the Settlement Class, Plaintiffs, Class Representative, or Class Counsel with respect to such unexhausted portion.

4) **Consideration to Defendants.** In consideration of the benefits to the Settlement Class provided for hereunder:

a) The Action shall be dismissed on the merits, with prejudice and without costs, as to all Defendants.

b) The Plaintiffs, the Settlement Class, and the Class Representative hereby forever settle, compromise, resolve, release, waive, discharge and terminate any and all Released Claims. Moreover, the Plaintiffs, the Settlement Class, and the Class Representative release the Released Parties from any and all claims of any type, character, or nature whatsoever, whether known or unknown, actual or contingent and whether or not asserted in the Action.

c) The failure of a Class Member to timely and properly claim any settlement payment or timely negotiate any instrument evidencing payment thereof shall not affect the releases herein, including without limitation the release of such Class Member's claims, and the Settlement shall retain its full and binding effect. The rights of any Class Members who fail to timely and properly claim any settlement payment or timely negotiate any instrument evidencing payment thereof shall lapse and be forfeited. Defendants shall not be required to remit any payment to any Class Members whose rights have lapsed or been forfeited.

5) **Claims Submission and Resolution of Monetary Damages Claims.**

a) Within 45 days of the Final Approval of this Settlement, Defendants shall deposit funds necessary to satisfy their obligations hereunder into an account that will be maintained at a financial institution agreed to by the parties, to be distributed pursuant to the terms of this Agreement or otherwise make arrangements to meet its obligations

hereunder. If Advance America treasury stock is used to fund all or part of the Settlement Fund, the Administrator shall be empowered to liquidate any shares so deposited on the open market as required to satisfy Defendants obligations hereunder.

b) Within seventy-five (75) days following Final Approval, Class Members who timely and properly submit a Claim Form pursuant to paragraph 10(b) herein shall be paid from the Settlement Fund the difference between the fees and interest the Class Member paid to Defendants minus any principal amounts (other than fees and interest) due and owing to Defendants. If any principal amounts owed to Defendants exceed the amount of fees and interest the Class Member paid to Defendants, the Class Member shall be entitled to no payment from this Settlement and shall not be required to make any payment to Defendants. If the collective claims made by Class Members, Honorarium Awards, and the costs of administration and other costs associated with the litigation, including attorneys' fees, exceed \$10,950,000.00, the amount distributed to each Class Member shall be reduced *pro rata*.

c) Payments to Class Members shall be made by any one of the following means (a) Advance America treasury stock, which may be liquidated by the Class Administrator at the class members' request; or (b) by payment instrument, the terms of which will require negotiation within sixty (60) days of the instrument's date; or (c) by a NETSPEND VISA® prepaid debit card. In the event Advance America elects not to use treasury stock to fund the Settlement Fund, payments to Class Members may be made pursuant to sections (b) or (c) herein. If option (c) is used, the pre-paid debit card shall have a cash value equal to the Class Member's payment and shall be delivered with

instructions and a PIN number or other unique control so that it may be safely negotiated by the Class Member.

d) If distributions and claims paid to Class Members, Honorarium Awards, and the costs of administration and other costs associated with the litigation, after accounting for returned or uncollected instruments, do not exhaust the Settlement Fund, any unexhausted portion of the Settlement Fund shall be returned to Defendants.

e) The Administrator shall make an initial determination of whether each Claimant who has timely filed a claim is a member of the Class. Within one hundred and ten (110) days following Preliminary Approval, any Claimant whom the Administrator has initially determined is not a Class Member shall be sent a Rejection Notice by e-mail or by first class mail notifying the Claimant of the Administrator's initial determination. Such Rejection Notice shall be in the form of Exhibit "F" hereto. The Administrator is not obligated to send a Rejection Notice to any claimant whose claim is not timely filed.

f) Any Claimant who receives a Rejection Notice may send a written dispute of the rejection (a "Claim Dispute"), to the settlement Administrator post marked within thirty (30) days following the date of the Rejection Notice. Copies of the Claims Dispute shall also be sent to Class Counsel and Defendants' Counsel. The Claim Dispute must include the Claimant's name and contact information, shall describe the basis for the Claimant's dispute and must enclose copies of any documentary evidence on which the Claimant bases his or her dispute. The Administrator, in consultation with Class Counsel and Defendants' Counsel, will make a final determination regarding the Claimant's membership in the Class and will notify the claimant of its decision within thirty (30) days following receipt of the Claim Dispute. Such final determination shall be binding

and will conclusively establish whether the Claimant is a Class Member. Any Claimant who is sent a Rejection Notice and fails timely to file a Claim Dispute will be deemed to have waived any and all objections to the Administrator's determination and shall be bound thereby and excluded from the Class.

g) Following Final Approval, the Defendants will not sue, demand, collect or assign for suit, demand or collection, any claim against any class member, including any claims for unpaid principal or interest, late fees, NSF charges or other alleged charges of debts against class members incurred between June 1, 2006 and March 17, 2008. Defendants shall not report any adverse information to any credit bureaus pertaining to any class member's alleged debt or unpaid balance with the Defendants incurred between June 1, 2006 and March 17, 2008.

6) Settlement Administrator.

a) The Parties shall retain The Garden City Group, Inc. as the settlement Administrator to implement the terms of this Agreement and distribute the Settlement Fund as provided herein. The Administrator shall assist with various administrative tasks, including without limitation: (i) overseeing the provision of all notices to Class Members and (ii) overseeing distributions of the settlement consideration to Class Members entitled to receive same pursuant to the terms and conditions of this Settlement Agreement.

b) Costs of administration of the Settlement shall be paid from the Settlement Fund and shall include all necessary and reasonable costs of administering and processing claims, which include but are not limited to postage charges, printing costs, telephone charges, and all notice costs and other charges as may be approved by the Parties, subject

to further approval by the Court. In the event that this Settlement Agreement receives Preliminary Approval, but not Final Approval, any expenses incurred for the administration of the Settlement shall be borne by Defendants.

7) **Creation of Customer List.** Defendants will create at their expense an Excel spreadsheet or other electronic list of Class Members including the names of, last known addresses of and number of loans obtained by each Class Member. The list shall be based on the stipulated class definition and shall be submitted within a reasonable time after Preliminary Approval.

8) **Preliminary Approval.** Promptly upon the execution of this Settlement Agreement, the Parties shall jointly move the Court for an Order of Preliminary Approval substantially in the form attached hereto as Exhibit “A.”

9) **Class Settlement Procedures.**

a) **Acceptance:** To accept the Settlement, and all of the terms and conditions of the Settlement Agreement, a Class Member must do nothing.

b) **Opt Out:** If a Class Member chooses to “opt out” of the Settlement, such Class Member is required to submit a written exclusion request to the Settlement Administrator, post-marked on or before seventy-five (75) days following Preliminary Approval. If a Class Member does not submit an exclusion request to the Settlement Administrator, the Class Member will be deemed to have waived his or her option to opt out of the Class and shall be included in the Class.

c) At a time mutually convenient to the parties and the Court on or after February 18, 2010, the Court will conduct a Fairness Hearing as to the terms of this Settlement Agreement.

10) Notice of Settlement and Claim Forms.

a) Within forty (40) days of the Preliminary Approval of this Settlement Agreement, the Administrator shall mail a Class Notice to each Class Member. The Administrator will complete a single national change of address search for each Class Member listed on the Excel spreadsheet prepared by Defendants pursuant to Paragraph 7 before the Class Notices are mailed. The Class Notices shall be substantially in the form of Exhibit “B” hereto.

b) The Class Notices shall also have attached thereto a Claim Form that shall be substantially in the form of Exhibit “E” hereto along with a pre-addressed return envelope. Class Members shall be required to submit post-marked, completed Claim Forms within seventy-five (75) days following Preliminary Approval for such claim to be deemed timely submitted.

c) No later than forty-five (45) days following Preliminary Approval, a website shall be created and maintained by the Administrator for access by Class Members and other interested persons. The website shall contain the Complaint, Answer, this Agreement with exhibits, the executed Preliminary Approval Order, the Notice of Proposed Class Action Settlement, and any other materials ordered by the Court. The website shall remain operational for a period of sixty (60) days following the date of Final Approval.

d) A toll free number will be maintained by the Administrator for a period of sixty (60) days following Final Approval to respond to inquiries concerning the Settlement.

e) In addition, within fifty (50) days following Preliminary Approval, Notice of the Settlement shall be published in one edition of the Arkansas Democrat Gazette. The published notice shall be substantially the same in form and content as Exhibit “D” attached hereto.

f) Class Counsel will engage in due diligence to monitor the settlement administration, and Defendants and the Administrator shall make a good faith effort to cooperate with Class Counsel’s efforts.

11) Attorneys’ Fees and Costs.

a) Class Counsel intend to apply to the Court for an award of attorneys’ fees and costs in an amount not to exceed Three Million Six Hundred Thousand Dollars (\$3,600,000.00), which Defendants agree not to oppose. Pursuant to the provisions of subsection (b) below, Defendants shall pay such amount and Class Counsel agrees to accept such amount as may be awarded by the Court up to but not more than \$3.6 million dollars. If the Court awards attorneys’ fees and costs in excess of \$3.6 million dollars, Class Counsel, on behalf of themselves and the Settlement Class, hereby covenant and agree to waive, release and forever discharge the amount of any such award in excess of \$3.6 million dollars and will make no effort of any kind or description ever to collect same from Defendants, Released Parties or Plaintiffs. The attorneys’ fees and costs agreed to be paid pursuant to this provision are included in the total amount of the Settlement Fund and are not in addition to the maximum total amount of this Settlement or the Settlement Fund.

b) Within forty-five (45) days of Final Approval, Defendants shall tender any amounts awarded as attorneys' fees by overnight mail or by other mutually agreeable means.

12) Honorarium Award for Class Representative. In addition to attorneys' fees and costs, Class Counsel intend to apply to the Court for an award of honorarium fees of Three Thousand Dollars \$3,000.00 (the "Honorarium Fee") for the Class Representative, which will be paid from the Settlement Fund. Defendants agree not to oppose such application. The honorarium fee is for the Class Representative's time, effort, and responsibilities incurred in connection with assisting Class Counsel in this case. Within forty-five (45) days of Final Approval, Defendants shall tender any honorarium award by a check made separately payable to Class Representative and Class Counsel, which shall be delivered to Class Counsel by overnight mail or by other mutually agreeable means.

13) Objections to Settlement.

a) Other than Claims Disputes as provided in paragraph 5(f) above, any Class Member who has not submitted a timely written exclusion request and who wishes to object to the fairness, reasonableness or adequacy of the Agreement or the proposed Settlement, or to the award of attorneys' fees, must deliver written objections to Class Counsel and Defendants' Counsel, and have file-marked by the Court, no later than sixty (60) days prior to the Fairness Hearing or as the Court may otherwise direct. Written objections must be verified by sworn affidavit and must include: (i) the objector's name, address, and telephone number, (ii) the name of this case and the case number, (iii) a clear and concise statement of each objection; and (iv) a written brief explaining the specific reasons, if any, for each objection, including any legal and factual support upon

which the objector intends to rely along with any evidence the objector intends to introduce in support of the objection(s). If the objection is presented through an attorney, the written objection must also include: (i) the identity and number of Class Members represented by objector's counsel; (ii) the number of such represented Class Members who have opted out of the Settlement; and (iii) the number of such represented Class Members who have remained in the Settlement and have not objected. Objecting Class Members, whether or not represented by counsel, must also make themselves available in Little Rock, Arkansas, or such other location as may be mutually agreed (but in the absence of mutual agreement, Little Rock, Arkansas) for deposition by Class Counsel and Defendants' Counsel at least thirty (30) days before the date of the Fairness Hearing, and each objection must include the date when the objecting Class Member(s) will so present himself or herself for deposition.

b) Any Class Member who properly and timely files and serves a written objection, other than a Claims Dispute as provided in paragraph 5(f) above, and who has made himself or herself available for deposition as described herein, may appear at the Fairness Hearing, either in person or through counsel hired at the Class Member's personal expense, to object to the fairness, reasonableness, or adequacy of the Agreement or the proposed Settlement, or to the award of Attorneys' Fees. Class Members or their attorneys intending to make an appearance at the Fairness Hearing must deliver to Class Counsel and Defendants' Counsel, and have file-marked by the Court, no later than thirty (30) days prior to the Fairness Hearing or as the Court otherwise may direct, a Notice of Intention to Appear. The Notice of Intention to Appear must: (i) state how much time the Class Member and/or his attorney anticipates needing to present the objection; (ii)

identify, by name, address, telephone number and detailed summary of testimony, all witnesses the Class Member and/or his or her attorney intends to present any testimony from; and (iii) identify all exhibits the Class Member and/or his attorney intends to offer in support of the objection and attach complete copies of all such exhibits.

14) Fairness Hearing. Following notice to the Class Members as provided above, and in no event later than three (3) business days before the date scheduled for the Fairness Hearing, the parties shall petition the Court for final approval of this proposed Settlement Agreement as fair, reasonable and adequate to the Settlement Class and for entry of a Final Judgment substantially in the form of Exhibit “C” hereto.

15) Election to Implement. If the Settlement contemplated herein is approved by the Court, the Parties hereto, by mutual consent and with Court approval, may elect to implement some or all of the provisions of Settlement to effectuate its benefits notwithstanding the filing of any appeals.

16) Stipulation Conditioned on Approval. If the proposed Order attached hereto as Exhibit “A” is not entered or if this Settlement is not finally approved and consummated as provided herein or if the Final Judgment is not entered or is reversed on appeal, if Final Approval does not occur for any reason, or if a Termination Event otherwise occurs, or if regulatory and/or judicial approvals necessary for implementation of the terms of this Settlement Agreement are not obtained for any reason, this Settlement Agreement shall be null and void for all purposes. In the event that the Court certifies a class for settlement purposes other than as defined herein or in the event that the Court enters an order or judgment at variance with the terms hereof, then this Settlement Agreement shall be null and void for all purposes and shall not be admissible for any

purpose, unless the Parties agree in writing to proceed with the Settlement as modified by the Court.

17) Full and Complete Settlement. Plaintiffs expressly acknowledge that, in providing the benefits to the Settlement Class set forth in this Settlement Agreement, Defendants intend to achieve a complete settlement, compromise, resolution, release and termination of all Released Claims against the Released Parties. Either party shall have the right to withdraw from this Settlement Agreement if one percent (1%) or more of the Class Members opt out. If either party elects to exercise this right, they must do so in writing, with copies to opposing Counsel and to the Court, no later than five (5) calendar days before the date set by the Court, including any adjournment thereof, for the Fairness Hearing. If either party exercises this right, this Settlement Agreement shall be null and void for all purposes and not admissible for any purpose.

18) Settlement Self-Effectuating. Upon execution, this Agreement shall be in all respects self-effectuating such that, except as expressly required hereunder, no documents need be created or delivered, no filings or recordings need be made and no other action need be pursued for the purpose of validating, ratifying, effectuating, preserving or perfecting any and all rights contemplated by this Settlement Agreement.

19) Best Efforts. All Parties and Counsel shall use their best efforts to cause the Court to give Preliminary Approval to this Agreement as promptly as possible and shall take all steps contemplated by the Agreement to effectuate the Settlement contemplated herein on the stated terms and conditions and further to obtain final approval of the Agreement. Specifically, the Class Representative and Class Counsel agree to recommend the Settlement contained in this Agreement as being in the best interest of the

Class Members. No Class Member, however, other than the Class Representative, shall be precluded from questioning or objecting to the proposed Settlement at the Fairness Hearing notwithstanding Class Counsel's recommendations.

20) Parties Bound. This Settlement Agreement shall be binding upon, and inure to the benefit of, all Class Members and all Defendants and Released Parties.

21) Continuing Jurisdiction of the Court. All Parties consent to the Court's retaining jurisdiction over the interpretation, effectuation and implementation of this Agreement and any orders entered pursuant to the Agreement.

22) No Admission of Liability. This Agreement and the Settlement provided for herein are not a concession or admission of wrongdoing or liability by any Defendant or Released Party hereto and shall not be used or construed as an admission of any fault, omission, liability or wrongdoing on the part of any Defendant or Released Party hereto in any statement, release or written document or financial report issued, filed or made. Neither this Agreement nor the exhibits hereto nor the fact of settlement nor any settlement negotiations or discussions nor the judgments to be entered approving this Settlement nor any related documents shall be offered or received in evidence as an admission, concession, presumption or inference against any Party to this Agreement -- provided that this Agreement and the orders and judgments entered pursuant hereto may be introduced by any Party in any proceeding to enforce the terms of the Agreement, including introduction to support the assertion of the bar of collateral estoppel or *res judicata* against any action now being prosecuted (or hereafter commenced) by, or on behalf of, Class Members who have not opted out of the Settlement Class in accordance with the procedures described herein.

23) Settlement Finality. If it is finally determined by any court of competent jurisdiction that this Settlement Agreement and the court orders which may follow to effectuate and enforce it are not binding on any Class Member, then the Parties shall make reasonable efforts to present suitable amendments to resolve any such deficiency. If such efforts are not successful and the Settlement is determined to be non-binding, Defendants in their sole discretion may void this Settlement Agreement and all consideration must be returned. This Settlement Agreement is without prejudice to the rights of Defendants to (a) oppose certification in any other proposed or certified class action; or (b) use certification of the Settlement Class to oppose certification of any other proposed class arising out of or related to the Released Claims.

24) Non-Waiver of Arbitration. Neither this Agreement nor any of the proceedings or actions contemplated herein shall be construed as a waiver of Defendants' claim to a contractual right to arbitrate this dispute or any other dispute. This paragraph 24 shall survive the termination of the Agreement.

25) Entire Agreement. This Agreement contains an entire, complete, and integrated statement of each and every term and provision agreed to by the Parties; it is not subject to any condition not provided for herein. This Agreement supersedes any prior agreements or understandings, whether written or oral. This Agreement may not be modified except by a writing executed by Class Counsel and Defendants' Counsel.

26) Applicable Law. This Settlement Agreement, for all purposes, including, but not limited to, its validity, construction and enforceability, shall be governed by the laws of the State of Arkansas and the rights of the Parties hereunder shall be governed in all respects by said laws.

27) **No Party Is the Drafter.** No Party shall be considered the drafter of any provision of this Agreement for the purpose of any statute, case law, or rule of interpretation or construction that would cause any provision to be construed against the drafter. This Agreement was drafted with substantial input by all Parties and their counsel, and no reliance was placed on any representations other than those contained herein.

28) **Compliance and Continuing Jurisdiction.** Any compliance disputes about this Settlement Agreement shall be directed to the Court and not to any other state court, federal court or arbitration panel. Before bringing any compliance dispute to the Court, the Parties shall meet and confer in good faith and attempt to resolve the dispute.

29) **Time Periods.** All time periods set forth herein are material to this Agreement, of the essence, and shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by the Agreement or by order of the Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a legal holiday, or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the office of the clerk of the Court inaccessible, in which event the period shall run until the end of the next day that is not one of the aforementioned days. As used in this subsection, "legal holiday" includes New Year's Day, Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day and any other day appointed as a holiday by the President or the Congress of the United States, or by the State of Arkansas.

30) Notices to Parties. All notices to any Party required under this Agreement shall be sent by first class U.S. Mail and facsimile to the recipients below:

Notice to Class Counsel:

Chris A. Averitt, Esq.
Jay Sholtens, Esq.
Scholtens & Averitt, PLC
113 East Jackson Ave.
Jonesboro, AR 72401

Todd Turner, Esq.
Arnold, Batson, Turner & Turner, P.A.
501 Crittenden Street
P.O. Box 480
Arkadelphia, AR 71923-6139

Notice to Defendants:

Advance America
c/o W. Thomas Newell, Esq.
General Counsel for Advance America, Cash Advance
Centers, Inc.
135 North Church Street
Spartanburg, SC 29306
Fax: (864) 580-5454

Copy To Defendants' Counsel:

Lewis S. Wiener, Esq.
SUTHERLAND ASBILL & BRENNAN LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Fax: (202) 637-3593

31) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same document.

IN WITNESS WHEREOF, and as evidence of our understanding and voluntary execution of this document, we have hereunto set our hands and seals to this Settlement Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

FOR PLAINTIFFS:

Dated: September __, 2009

SCHOLTENS & AVERITT, PLC
Chris A. Averitt, Esq.
Jay Scholtens, Esq.
113 East Jackson Ave.
Jonesboro, AR 72401

By: _____

Dated: September __, 2009

ARNOLD, BATSON, TURNER & TURNER, P.A.
Todd Turner, Esq.
501 Crittenden Street
P.O. Box 480
Arkadelphia, AR 71923-6139

By: _____

FOR DEFENDANTS:

Dated: September __, 2009

SUTHERLAND ASBILL & BRENNAN LLP
Lewis S. Wiener, Esq.
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

By: _____

EXHIBITS

- Exhibit A:** [Proposed] Order Preliminarily Approving Class Settlement
- Exhibit B:** [Proposed] Notice of Proposed Class Action Settlement – Direct Mail
- Exhibit C:** [Proposed] Settlement Order and Final Judgment
- Exhibit D:** [Proposed] Class Notice – Publication
- Exhibit E:** [Proposed] Claim Form
- Exhibit F:** [Proposed] Rejection Notice

IN THE CIRCUIT COURT OF CLARK COUNTY, ARKANSAS
CIVIL DIVISION

BRENDA McGINNIS, individually and o/b/o a class of similarly situated persons,	PLAINTIFF
v.	Case No. 2007-32
ADVANCE AMERICA SERVICING OF ARKANSAS, INC., d/b/a ADVANCE AMERICA CASH ADVANCE; ADVANCE AMERICA CASH ADVANCE CENTERS OF ARKANSAS, INC.; and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC.	DEFENDANTS.

Order Preliminarily Approving Class Settlement

Plaintiffs and Defendants having made a joint motion for preliminary approval of Stipulation and Agreement of Settlement (hereinafter “Settlement”) between a Settlement Class and Defendants, and, the Court having read and considered the Agreement,

IT IS ORDERED that:

1. Consistent with this Court’s Order dated April 11, 2008, this action may proceed as a class action. The parties’ proposed amendment to the definition of the class is approved and the “Settlement Class” shall include **“All persons, other than the Defendants and their officers and directors, shareholders (as of the date of this agreement), representatives, employees and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since June 1, 2006, up through and including March 17, 2008.”** The Settlement Class does

not include all persons who validly opt out of this settlement; and all persons who, with respect to any claim which arose between June 1, 2006 and March 17, 2008 against any Defendant, (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

2. Subject to Final Approval of the Settlement Agreement, as such terms are defined in the Settlement Agreement, and the entry of final judgment, and for settlement purposes only, the Court finds that the prerequisites of Arkansas Rule of Civil Procedure 23 are met. Accordingly, the Court preliminarily approves the Settlement set forth in the Agreement, including all exhibits attached thereto, and finds that the Settlement is sufficiently fair, reasonable and adequate to warrant notice of a full hearing for final determination by the Court. If Final Approval of the Settlement is not granted, or if final judgment as contemplated herein is not entered, this Order of Certification shall be vacated, and the parties shall be restored without prejudice to their respective litigation positions prior to the date of this Order of Preliminary Approval.

3. The Court finds that the manner and content of notice specified in the Settlement Agreement and in Exhibits "B" and "D" thereto provides the best practicable notice to members of the Settlement Class and satisfies the requirements of due process. Notice shall be mailed to Settlement Class Members within forty (40) days after the date of this Order, in a form and content substantially similar to Exhibit "B" to the Settlement Agreement, and in substantially the manner specified in the Settlement Agreement. Notice also shall be published within fifty (50) days after the date of this Order, in a form

and content substantially similar to Exhibit “D” to the Settlement Agreement, in substantially the manner specified in the Settlement Agreement. This notice will provide Class Members with the opportunity to request exclusion from the Settlement Class. Such opt out rights may be exercised only individually by a Class Member, and not by any other person in a representative capacity. Finally, the Administrator shall establish a Settlement website as set forth in the Agreement.

4. The Court approves the administration of the proposed settlement in the manner set forth in the Settlement Agreement. In particular, the Court approves the establishment of a Settlement Fund, which shall be funded consistent with the terms of the Settlement Agreement.

5. The Court preliminarily approves the use of the formula specified in the Settlement Agreement as a basis for distributing settlement funds to Class Members.

6. The Court approves the process for resolving Claim Disputes as provided in paragraphs 5(e) and (f) of the Settlement Agreement. The settlement Administrator’s determination and resolution of Claim Disputes shall be final and binding.

7. A Fairness Hearing shall be held by this Court on or after February 18, 2010 at 9:00 a.m., before the Honorable Robert McCallum to consider and finally determine:

- a. Whether the Settlement should be finally approved by the Court as fair, reasonable, and adequate;
- b. Whether attorneys’ fees should be awarded to Plaintiffs’ Counsel and an Honorarium Fee awarded to the Class Representative, as provided in the Settlement Agreement; and
- c. Objections, if any, made to the Settlement, or any of its terms, other than Claim Disputes as provided in paragraph 5(e) of the Settlement Agreement.

The Fairness Hearing described in this paragraph may be postponed, adjourned, or continued by order of the Court.

8. Any person who elects to opt out of the Settlement Class must send a written request for exclusion within seventy-five (75) days of this Order in the manner and to the address provided in the Notice of Proposed Class Settlement approved above. Any Settlement Class Member who has not requested exclusion and who objects to approval of the proposed settlement, other than Claim Disputes, may appear at the Fairness Hearing in person or through counsel to show cause why the proposed settlement should not be approved as fair, reasonable, and adequate. However, no person (other than named parties) may be heard at the Fairness Hearing, or file papers or briefs in connection therewith, unless on or before sixty (60) days prior to the Fairness Hearing set forth in paragraph 6, above, such person has filed with the Court and served on Class Counsel and Defendants' Counsel a timely written objection and notice of intent to appear and otherwise fully complied with all of the terms and procedures specified in the Notice of Proposed Class Settlement. Any member of the Settlement Class who did not make his or her objection to the settlement in the manner provided herein shall be deemed to have waived any such objection.

9. Defendants' Counsel, Class Counsel, and any other counsel for Plaintiffs or the Settlement Class shall promptly furnish to all other counsel copies of any objection or written request for exclusion that comes into such counsel's possession.

10. If the Settlement is finally approved, the Court shall enter a Settlement Order and Final Judgment approving the Settlement in the form attached thereto as Exhibit "C" and incorporating it as the judgment of the Court, which judgment shall be

binding upon all members of the Settlement Class who have not previously requested exclusion in accordance with this Order and the terms of the Settlement Agreement.

11. In the event that the proposed settlement is not approved by the Court, or Final Approval, as that term is defined in the Settlement Agreement does not occur for any reason, then the Settlement Agreement, all drafts, negotiations, discussions, and documentation relating thereto, and all orders entered by the Court in connection therewith shall become null and void and shall not be used or referred to for any purpose in this Action or in any other proceeding. In such event, the Settlement Agreement and all negotiations and proceedings relating thereto shall be withdrawn without prejudice to the rights of any of the Parties thereto, who shall be restored to their respective positions as of the date of the execution of the Settlement Agreement.

12. Within thirty (30) days of satisfying the notice requirements described herein, the Claims Administrator shall file a written report with the Court confirming that the notice requirements have been met.

This 24th day of September, 2009.

Hon Robert McCallum, Judge
Clark County Circuit Court

IN THE CIRCUIT COURT OF CLARK COUNTY, ARKANSAS
CIVIL DIVISION

BRENDA McGINNIS, individually and o/b/o a class of similarly situated persons,	PLAINTIFF
v.	Case No. 2007-32
ADVANCE AMERICA SERVICING OF ARKANSAS, INC., d/b/a ADVANCE AMERICA CASH ADVANCE; ADVANCE AMERICA CASH ADVANCE CENTERS OF ARKANSAS, INC.; and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC.	DEFENDANTS.

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

THIS NOTICE IS SENT TO YOU PURSUANT TO THE COURT'S PRELIMINARY APPROVAL ORDER DATED SEPTEMBER __, 2009 TO INFORM YOU THAT YOU MAY BE ELIGIBLE TO RECEIVE BENEFITS FROM THE PROPOSED SETTLEMENT OF A LAWSUIT FILED ON YOUR BEHALF. IT DESCRIBES THE PROPOSED SETTLEMENT OF A CLASS ACTION. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS DESCRIBED BELOW.

IF YOU WANT TO REMAIN IN THE CLASS AND POSSIBLY RECEIVE BENEFITS, YOU MUST COMPLETE AND RETURN THE ATTACHED CLAIM FORM. IF YOU DO NOT WANT TO BE PART OF THE SETTLEMENT, YOU MUST TAKE THE STEPS DESCRIBED IN THIS NOTICE NO LATER THAN _____, 2009. OTHERWISE, YOU MAY BE BOUND BY ALL OF THE TERMS OF THE PROPOSED SETTLEMENT.

IF YOU CURRENTLY HAVE OR INTEND TO MAKE A CLAIM AGAINST ANY OF THE NAMED DEFENDANTS IN THE ABOVE-CAPTIONED LAWSUIT REGARDING THEIR LENDING PRACTICES IN THE STATE OF ARKANSAS, THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL 1-888-###-#### AND SPEAK TO A REPRESENTATIVE OR YOU MAY VISIT THE WEBSITE IDENTIFIED BELOW TO REVIEW THE SETTLEMENT TERMS AND DEFINITIONS:

<<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>

PLEASE DO NOT CONTACT THE COURT, THE CLERK OF COURT, OR THE DEFENDANTS.

You have been sent this Notice because you may be eligible to receive benefits that will be provided as part of a proposed settlement of a class action lawsuit pending in the Circuit Court of Clark County, Arkansas (the "Court"), against Advance America Servicing of Arkansas, Inc., d/b/a Advance America Cash Advance; Advance America, Cash Advance Centers Of Arkansas, Inc.; and Advance America, Cash Advance Centers, Inc. (collectively, "Defendants").

The lawsuit seeks compensatory damages and punitive relief stemming from Defendants' practices relating to check cashing and deferred presentment transactions extended to consumers in the State of Arkansas pursuant to the Arkansas Check Cashers Act. Defendants do not admit liability on any individual claim.

The Plaintiffs and Defendants have concluded that settlement is desirable and in the best interests of Class Members because of the uncertainty, expenses, risks, and delays of litigation. *Settlement benefits will be available only if the Court approves the settlement.* On February 18, 2010 at __:__[a.m.][p.m.], the Court will hold a hearing (the "Fairness Hearing") to decide whether to approve the proposed settlement.

The Settlement Class includes the following:

"All persons, other than the Defendants and their officers and directors, shareholders (as of the date of this agreement), representatives, employees and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since June 1, 2006, up through and including March 17, 2008."

The Settlement Class does not include all persons who validly opt out of this settlement; and all persons who, with respect to any claim which arose between June 1, 2006 and March 17, 2008 against any Defendant, (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

If you are a Class Member, you need to decide whether to decline further participation in the class.

If you do not want to be in the Settlement Class, you must send written notice of your individual intent to opt out to the address set forth below so that it is post marked no later than _____, 2009. Your written notice to opt out must be signed by you and completed by you in your individual capacity, not by any representative. If you exclude yourself, you will not receive any benefit available under the proposed settlement, and you will not be bound by any orders or judgments entered in this case. To be excluded, you must send a written notice stating "I request to be excluded from the settlement class. I understand that this exclusion means that I will not receive any benefit available under the proposed settlement." Your written notice also must contain your name and address and must be signed and dated by you. Failure to comply with any of these requirements may result in your written notice being declared invalid. If you do not want to be part of the class, send your written election to opt out to the following address:

<<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>

If you want to be eligible to receive benefits available to members of the class, YOU ARE REQUIRED TO COMPLETE AND SUBMIT THE ATTACHED CLAIM FORM. COMPLETED CLAIM FORMS MUST BE RETURNED BY DECEMBER , 2009. If you remain in the Settlement Class, whether or not you submit a Claim Form, your interests will be represented without cost by class counsel, and you will be bound by all orders and judgments entered by the Court, whether favorable or unfavorable to the Settlement Class.

The Settlement Administrator will make an initial determination regarding claims eligibility and will notify any claimant if his or her claim has been rejected based on an initial determination that the claimant is not a class member. The claimant will then have the opportunity to provide evidence to the Settlement Administrator to refute the initial determination. The Settlement Administrators final determination regarding claim eligibility shall be final and binding.

Benefits and Consequences: If the settlement is approved Class Members who do not exclude themselves from the Settlement Class and who timely and properly submit a claim shall be paid from the Settlement Fund the difference between the fees and interest the Class Member paid to Defendants minus any principal amounts (other than fees and interest) due and owing to Defendants. If any principal amounts owed to Defendants exceed the amount of fees and interest the Class Member paid to Defendants, the Class Member shall be entitled to no payments from this Settlement and shall not be required to make any payment to Defendants. If the collective claims made by Class Members, Honorarium Awards, and the cost of administration and other costs association with the litigation, including attorneys' fees, exceed \$10,950,000.00, the amount distributed to each class member shall be reduced *pro rata*. Any and all other claims against Defendants and the Released Parties, including claims that have been or could have been asserted in the Action, will be waived and released.

The Court has designated the following counsel to represent the Settlement Class for purposes of settlement of this lawsuit:

Chris A. Averitt, Esq.
Jay Sholtens, Esq.
Scholtens & Averitt, PLC
113 East Jackson Ave.
Jonesboro, AR 72401

Todd Turner
Arnold, Batson, Turner & Turner, P.A.
501 Crittenden Street
P.O. Box 480
Arkadelphia, AR 71923-6139

You will not be charged for the services of these or any other counsel representing the Settlement Class in this Action. You have the right to retain your own attorney in this matter, but, if you do, you will be responsible for paying your own attorneys' fees and expenses.

Plaintiffs will apply to the Court for an award of attorneys' fees and costs not to exceed a total of \$3.6 million on behalf of the counsel who have represented the plaintiffs in this class action and will apply to the Court for an award of Honorarium Fees to Class Representative Brenda McGinnis in the amount of \$3,000 for her time, effort and responsibilities in assisting Class Counsel in this case. If the Court approves these applications, these fees and costs will be paid by Defendants.

The Court will hold the Fairness Hearing on February 18, 2010 at ____:____ [a.m.][p.m.], in the courtroom of the Honorable Robert McCallum, Judge of the Circuit Court of Clark County, Arkansas, Courthouse Square, 401 Clay St., Arkadelphia, AR 71923, to consider whether to approve the proposed settlement and to determine the amount of attorneys' fees and expenses to award to Class Counsel and the amount of Honorarium Fees to award to the Class Representative.

Unless you request exclusion, you may file a written objection, post marked by sixty (60) days prior to the Fairness Hearing as per paragraph 13(a) of the Settlement Agreement, to any aspect of the proposed settlement, other than individual claim disputes, or the amount of attorneys' fees or Honorarium Fees, but you will be bound by the orders and judgments entered in this case, even if the Court does not agree with your objections. Each written objection must be verified by sworn affidavit and must include (i) your name, address, and telephone number, (ii) the name of this case and the case number, (iii) a statement of each objection; and (iv) a written brief detailing the specific reasons, if any, for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector intends to introduce in support of the objection(s).

Objections should be sent to the following addresses:

Clerk of Court
Circuit Court of Clark County
Courthouse Square, 401 Clay St
Arkadelphia, AR 71923

Chris A. Averitt, Esq.
Jay Sholtens, Esq.
Scholtens & Averitt, PLC
113 East Jackson Ave.
Jonesboro, AR 72401

Todd Turner
Arnold, Batson, Turner & Turner, P.A.
501 Crittenden Street
P.O. Box 480
Arkadelphia, AR 71923-6139

Lewis S. Wiener, Esq.
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Defendants' Counsel

Your written objection(s) must be received no later than 60 (sixty) days prior to the Fairness Hearing. If you file and serve a timely written objection, you may appear at the Fairness Hearing, either in person or through an attorney retained and paid by you. If you file an objection, you must present yourself for deposition by Class Counsel and Defendants' Counsel in Little Rock, AR at least thirty (30) days prior to the Fairness Hearing, and you must send notice to counsel regarding the dates you will be available for deposition.

If you or your attorney intends to appear at the Fairness Hearing, you or your attorney must file a notice of intention to appear with the Clerk of the Court by no later than thirty (30) days prior to the Fairness Hearing, with copies received by Class Counsel and Defendants' counsel, at the addresses provided above.

Please call 1-888-###-#### with any questions you may have about the settlement or visit the website located at: <<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>

PLEASE DO NOT CALL THE COURT, THE CLERK OF COURT, OR THE DEFENDANTS.

DATED: _____, 2009.

Hon. Robert McCallum, Judge
Clark County Circuit Court

IN THE CIRCUIT COURT OF CLARK COUNTY, ARKANSAS
CIVIL DIVISION

BRENDA McGINNIS, individually and o/b/o a class of similarly situated persons,	PLAINTIFF
v.	Case No. 2007-32
ADVANCE AMERICA SERVICING OF ARKANSAS, INC., d/b/a ADVANCE AMERICA CASH ADVANCE; ADVANCE AMERICA CASH ADVANCE CENTERS OF ARKANSAS, INC.; and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC.	DEFENDANTS.

SETTLEMENT ORDER AND FINAL JUDGMENT

This matter came before the Court for final hearing on _____, 2010, pursuant to the Order Preliminarily Approving Settlement Class Settlement dated September __, 2009 (the "Preliminary Approval Order"), on application for approval of the proposed Settlement set forth in the Stipulation and Agreement of Settlement dated September __, 2009 (the "Settlement Agreement").

Pursuant to the Preliminary Approval Order, Notice was given to the Class. The Notice advised Class Members of the opportunity to opt out of or to object to the proposed Settlement Agreement and the Settlement.

[IF OBJECTORS APPEAR] At the Final Settlement Hearing Objectors were given an opportunity to state their objections to the Settlement Agreement and the Settlement.

Having read and fully considered the terms of the Settlement Agreement and all submissions (which may include submissions not specifically described above), as well as all objections, written and oral, and good cause having been shown, the Court finds the Settlement is fair, reasonable and adequate.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. Objections to the Settlement – [THE COURT WILL CONSIDER ANY OBJECTIONS]

2. Incorporation of Definitions – This Settlement Order and Final Judgment (the “Judgment”) incorporates by reference the definitions in the Settlement Agreement, and all defined terms used herein shall have the same meanings as set forth therein.

3. Jurisdiction – The Court has personal jurisdiction over all Class Members (as defined below) and has subject matter jurisdiction over this Action, including, without limitation, jurisdiction to (a) approve the Settlement Agreement; (b) grant final certification of the Settlement Class; (c) dismiss the Action with prejudice; and (d) interpret, effectuate and implement the Settlement Agreement.

4. Settlement Class Approval – All prerequisites of Arkansas Rule of Civil Procedure 23 have been satisfied in that (a) the Settlement Class is so numerous that joinder of all members thereof is impractical; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of the Class Representative are typical of the claims of the Settlement Class; and (d) the Class Representative and Class Counsel fairly and adequately represent the interests of the Settlement Class. Accordingly, consistent with this Court’s Order dated April 11, 2008, the Settlement Class as defined in the Preliminary Approval Order under Rule 23 is hereby approved and includes: “**All**

persons, other than the Defendants and their officers and directors, shareholders (as of the date of this agreement), representatives, employees and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since June 1, 2006, up through and including March 17, 2008.”

Excluded from the class definition are the following:

1. all persons who validly opted out of this settlement;

and

2. all persons who, with respect to any claim which arose between June 1, 2006 and March 17, 2008 against any Defendant: (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

5. Notice – The Court finds that the distribution of the Notice, the publication of the Published Notice, and the notice methodology were properly implemented in accordance with the terms of the Settlement Agreement and the Preliminary Approval Order. The Court further finds that the Notice and Published Notice were simply written and readily understandable and that the Notice, Published Notice and notice methodology: (a) constitute the best practicable notice; (b) constitute notice that was reasonably calculated, under the circumstances, to apprise Class Members of the Settlement and their rights to object to the Settlement and to appear at the Fairness Hearing; (c) are reasonable and constitute due, adequate and sufficient notice to all

persons entitled to notice; and (d) meet all applicable requirements of Arkansas law, the Rules of the Court, any other applicable law and due process requirements.

6. Final Settlement Approval – The terms and provisions of the Settlement Agreement have been entered into in good faith and are hereby fully and finally approved as fair, reasonable, and adequate as to, and in the best interest of, each of the settling parties and the Class Members, and in full compliance with all applicable requirements of Arkansas law, the Arkansas Rules of Civil Procedure, any other applicable law and due process requirements.

7. Plan of Distribution of Settlement Proceeds and Submission of Claims – The Court also hereby approves the plan of distribution of the funds being made available for settlement pursuant to paragraph 5(b) of the Settlement Agreement as a fair and reasonable method to allocate the available settlement proceeds among Class Members, and directs consummation of all its terms and provisions.

8. Claim Disputes – The Court approves the plan of Claim Dispute resolution as provided in paragraphs 5(e) and (f) of the Settlement Agreement. The Settlement Administrator’s resolution of Claims Disputes shall be final and binding.

9. Dismissal of Action – The Court dismisses on the merits and with prejudice the Action as defined in the Settlement Agreement as to all Class Members. Only the persons identified in Exhibit “1” hereto requested exclusion from the Class as of the deadline for opting out. These persons so identified shall not share in or be entitled to claim any of the benefits of the Settlement. The Court dismisses without prejudice the claims of such persons who have properly and timely excluded themselves in full accordance with the procedures set forth in the Settlement Agreement.

10. Releases – Upon the Effective Date of the Settlement Agreement, Class Representatives and each Class Member (including any of their past, present or future officers, directors, agents, employees, legal representatives, trustees, parents, associates, affiliates, licensees, subsidiaries, partners, heirs, executors, administrators, purchasers, predecessors, successors and assigns), whether or not he, she or it objected to the Settlement or makes a claim upon or participates in the Settlement, shall be deemed to have and by operation of this Final Order and Judgment shall have released and forever discharged the Released Parties from all Released Claims, which include any and all claims, demands, actions, suits, causes of action and liabilities of any type, character or nature whatsoever, whether known or unknown, suspected or unsuspected, actual or contingent, whether class, individual or otherwise in nature, in law or equity, and whether or not asserted in the Action, including but not limited to claims for violations of Arkansas law, Arkansas’s prohibition on usury, violations of the Arkansas Deceptive Trade Practices Act, and any other claim of any nature whatsoever alleged or that could have been alleged in the Action. The Court has considered that each member of the Class may hereafter discover facts other than or different from those which he, she or it knows or believes to be true with respect to the Released Claims, but each Class Member by operation of this Final Order and Judgment has waived and fully, finally and forever settled and released any known or unknown, suspected or unsuspected, contingent or non-contingent claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts. All Class Members who did not properly and timely exclude themselves (including any of their past, present or future officers, directors, agents, employees, legal representatives,

trustees, parents, associates, affiliates, licensees, subsidiaries, partners, heirs, executors, administrators, purchasers, predecessors, successors, and assigns) are barred from asserting, instituting or prosecuting either directly or indirectly any claim released by the terms of the Settlement Agreement and this Final Order and Judgment.

11. Following Final Approval, the Defendants will not sue, demand, collect or assign for suit, demand or collection, any claim against any class member, including any claims for unpaid principal or interest, late fees, NSF charges or other alleged charges of debts against class members incurred between June 1, 2006 and March 17, 2008. Defendants shall not report any adverse information to any credit bureaus pertaining to any class member's alleged debt or unpaid balance with the Defendants incurred between June 1, 2006 and March 17, 2008.

12. Retention of Jurisdiction – The Court has jurisdiction to enter this Judgment. Without in any way affecting the finality of this Judgment, this Court expressly retains exclusive and continuing jurisdiction as to all matters relating to the administration, consummation, enforcement and interpretation of the Settlement Agreement, and of this Judgment, and for any other necessary purposes, including, without limitation:

- a) Enforcing the terms and conditions of the Settlement Agreement and resolving any disputes, claims or causes of action that, in whole or in part, are related to or arise out of the Settlement Agreement or the Judgment including, without limitation, whether a person is or is not a Class Member; and

b) Entering such additional orders as may be necessary or appropriate to perfect or effectuate this Settlement Order and Final Judgment, or to ensure the fair and orderly administration of this Settlement.

13. Dismissal of Action – This Action, including all individual claims and Class Member claims, are hereby dismissed with prejudice against Defendants and all Class Members, without fees or costs except as set forth herein.

14. Attorneys' Fees and Costs – The sum of \$_____ is hereby awarded to Class Counsel as attorneys' fees and costs in this litigation.

15. Honorarium Fees – Honorarium Fees are hereby awarded to Class Representative in the amount of \$_____.

16. Effective Date – If: (a) the Effective Date does not occur for any reason whatsoever, or (b) a Termination Event occurs, this Judgment shall be deemed vacated and shall have no force or effect whatsoever.

17. No Admissions – Nothing in this Judgment, the Settlement Agreement or any aspect of the Settlement is or shall be deemed or construed to be an admission by either Party.

The Clerk is directed to enter this Final Order and Judgment forthwith as the final judgment of the Court.

Dated: _____, 2010.

Hon. _____, Judge
Clark County Circuit Court

PUBLISHED NOTICE

**IF YOU ENTERED INTO A DEFERRED PAYMENT
TRANSACTION AT AN ADVANCE AMERICA STORE YOU
COULD RECEIVE A PAYMENT FROM A CLASS ACTION
SETTLEMENT**

Para una notificación en Español, llamar o visitar nuestro website.

A settlement has been proposed in a class action lawsuit about the deferred payment transaction practices of ADVANCE AMERICA, CASH ADVANCE CENTERS OF ARKANSAS, INC. and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC. AND OTHER RELATED PARTIES. The settlement fund will pay class members based on the number of loans obtained by the borrower. If you qualify, you may submit a claim form to be eligible for benefits. Alternatively, you may exclude yourself from the settlement or object to the settlement.

Pursuant to Preliminary Approval Order dated September __, 2009, the Circuit Court of Clark County authorized this notice. Before any money is paid, the Court will have a hearing to decide whether to approve the proposed settlement.

Who's Included?

“All persons, other than the Defendants and their officers and directors, shareholders (as of the date of this agreement), representatives, employees and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since June 1, 2006, up through and including March 17, 2008.” The proposed Settlement Class does not include all persons who validly opt out of this settlement; and all persons who, with respect to any claim which arose between June 1, 2006 and March 17, 2008 against any Defendant, (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

To find out more information, call 1-800-###-##### or log onto

<<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>

What's This About?

The lawsuit was filed on behalf of a class of Advance America customers. The lawsuit claims that Advance America extended allegedly illegal "payday" loans to Arkansas consumers. Advance America does not admit liability. The Court did not decide which side was right, but both sides agreed to the settlement to resolve the case and pay certain benefits to Advance America's customers.

What Does the Settlement Provide?

Advance America will create a settlement fund to be divided among the Class Members who timely submit properly completed claim forms. Class Members who timely and properly submit a claim shall be paid from the Settlement Fund the difference between the fees and interest the Class Member paid to Defendants minus any principal amounts (other than fees and interest) due and owing to Defendants. If any principal amounts owed to Defendants exceed the amount of fees and interest the Class Member paid to Defendants, the Class Member shall be entitled to no payment from this Settlement and shall not be required to make any payment to Defendants.

How Do You Qualify For A Payment?

To qualify for a payment, you are required to submit a properly completed claim form. Former customers of Advance America will be mailed a claim form to their last known address. If you do not receive a claim form in the mail, you may call 1-888-###-#### or visit the website <<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>> to get a claim form. Everything you need to complete the claim form is included in the notice and instructions accompanying the form.

What Are Your Other Options?

If you don't want to be legally bound by the settlement, you must exclude yourself by [insert date 75 days following preliminary approval] or you won't be able to sue, or continue to sue, Advance America. If you exclude yourself, you can't get money from this settlement. If you do not request to be excluded from this settlement, you may object to it by [insert date], 2009. You may obtain instructions about how to exclude yourself or object to the settlement by calling 1-888-###-#### or visiting the website <<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>.

The Court will hold a fairness hearing in this case (McGinnis v. Advance America, et al. Case No. 2007-32) on February 18, 2010 at __:____ [a.m.][p.m.] to consider whether to approve the proposed settlement and to determine the amount of attorneys' fees and expenses to award to the Class Members' counsel and the amount of Honorarium Fees to award to the Class Representative, in the courtroom of the Honorable _____, Judge of the Circuit Court of Clark County, Arkansas. You may ask to appear at the hearing, but you don't have to. For more information, call 1-888-###-#### or visit the website at <<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>.

CLAIM FORM

McGinnis v. Advance America, et al.

Official Use Only

CLAIM FORM



Pursuant to Preliminary Approval Order dated September __, 2009, if you are a member of the Settlement Class, as defined below, then, in order to receive a distribution you must return this form ***POSTMARKED no later than seventy-five (75) days following Preliminary Approval***, to the following address:

<<supplied by Settlement Administrator>>

Do not submit your claim to the Court.

The Settlement Class is defined as follows:

“All persons, other than the Defendants and their officers and directors, shareholders (as of the date of this agreement), representatives, employees and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since June 1, 2006 up through and including March 17, 2008.”

The Settlement Class does not include all persons who validly opted out of this settlement; and all persons who, with respect to any claim which arose between June 1, 2006 and March 17, 2008 against any Defendant, (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

The completed Claim Form and any information submitted with it are confidential and will be used only for purposes of administering the settlement. No other class member will see this information.

THE INFORMATION YOU PROVIDE ON THIS CLAIM FORM WILL BE USED TO CALCULATE THE AMOUNT OF PAYMENT DUE YOU, IF ANY, PURSUANT TO THE SETTLEMENT AND THE PLAN OF ALLOCATION. FOR MORE INFORMATION REGARDING THE SETTLEMENT AND PLAN OF ALLOCATION OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS CLAIM FORM, WRITE TO, CALL, OR GO ON-LINE AT: <<TO BE SUPPLIED BY ADMINISTRATOR>>

<<<SUPPLIED BY SETTLEMENT ADMINISTRATOR>>>

DO NOT CONTACT THE COURT

IF YOU HAVE QUESTIONS CONCERNING THIS CLAIM FORM

As a member of the Settlement Class, you are subject to and bound by the terms of the Release contained in the Settlement Agreement and the Settlement Order and Final Judgment which provides:

Upon the Effective Date of the Settlement, Class Representatives and each Class Member (including any of their past, present or future officers, directors, agents, employees, legal representatives, trustees, parents, associates, affiliates, licensees, subsidiaries, partners, heirs, executors, administrators, purchasers, predecessors, successors and assigns), whether or not he, she or it objected to the Settlement or makes a claim upon or participates in the Settlement, shall be deemed to have, and by operation of this Final Order and Judgment shall have released and forever discharged the Released Parties from all Released Claims, which include any and all claims, demands, actions, suits, causes of action and liabilities of any type, character or nature whatsoever, whether known or unknown, suspected or unsuspected, actual or contingent, whether class, individual or otherwise in nature, in law or equity, and whether or not asserted in the Action or the Arbitration, including but not limited to, claims for violations of Arkansas law, Arkansas's prohibition on Usury, violations of the Arkansas Deceptive Trade Practices Act, and any other claim of any nature whatsoever alleged or that could have been alleged in the Action. The Court has considered that each member of the Class may hereafter discover facts other than or different from those which he, she or it knows or believes to be true with respect to the Released Claims, but each Class Member by operation of this Final Order and Judgment has waived and fully, finally and forever settled and released any known or unknown, suspected or unsuspected, contingent or non-contingent claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

The failure of a Class Member to properly claim any settlement payment or timely negotiate any instrument evidencing payment thereof shall not affect the Releases and Released

Claims herein, including without limitation the release of such Class Members' claims, and the Settlement shall retain its full and binding effect. The rights of any Class Members who fail to properly claim any settlement payment or timely negotiate any instrument evidencing payment thereof shall lapse and be forfeited. Defendants shall not be required to remit any payment to any Class Members whose rights have lapsed or been forfeited.

CLAIMANT INFORMATION

Class Member's Name

Current Street Address

Floor/Suite

City

State

Zip Code

Telephone Number

E-Mail Address

Social Security Number

Location of Advance America Store(s) You Used

Your Street Address as of Time of Your Transaction(s) with Advance America (if different)

Estimate How Many Transactions You Had With Advance America? _____

I acknowledge reading the release specified on the previous page and certify under penalty of perjury that the information provided above is true and correct and that the submission of false information may subject me to civil and/or criminal penalties.

Signature: _____ Date: _____

IN THE CIRCUIT COURT OF CLARK COUNTY, ARKANSAS
CIVIL DIVISION

BRENDA McGINNIS, individually and o/b/o a class of similarly situated persons,	PLAINTIFF
v.	Case No. 2007-32
ADVANCE AMERICA SERVICING OF ARKANSAS, INC., d/b/a ADVANCE AMERICA CASH ADVANCE; ADVANCE AMERICA CASH ADVANCE CENTERS OF ARKANSAS, INC.; and ADVANCE AMERICA, CASH ADVANCE CENTERS, INC.	DEFENDANTS.

NOTICE OF REJECTION OF CLAIM

THIS NOTICE IS SENT TO YOU PURSUANT TO THE CLAIM FORM YOU SUBMITTED IN THE ABOVE-CAPTIONED CLASS ACTION LAWSUIT. THE SETTLEMENT ADMINISTRATOR HAS MADE AN INITIAL DETERMINATION THAT YOU ARE NOT A MEMBER OF THE SETTLEMENT CLASS.

You have been sent this Notice because you submitted a Claim Form as part of the settlement of a class action lawsuit pending in the Circuit Court of Clark County, Arkansas (the "Court"), against Advance America Servicing of Arkansas, Inc., d/b/a Advance America Cash Advance; Advance America, Cash Advance Centers Of Arkansas, Inc.; and Advance America, Cash Advance Centers, Inc. (collectively, "Defendants"). The Settlement Administrator has been unable to verify that you are a member of the Settlement Class, which is defined as follows:

"All persons, other than the Defendants and their officers and directors, shareholders (as of the date of this agreement), representatives, employees and agents, who have engaged in check cashing or deferred presentment transactions with the Defendants in Arkansas since June 1, 2006, up through and including March 17, 2008."

The Class does not include all persons who validly opted out of the settlement, and all persons who, with respect to any claim which arose between February 27, 2002 and March 17, 2008 against any Defendant, (1) obtained a judgment on any claim against that Defendant concerning the type of claim asserted herein; (2) received payment in the settlement of any action filed against any of the Defendants; or (3) executed releases, releasing any such claims filed against the same Defendant.

You have the right to dispute the Administrator's initial determination. To initiate a Claim Dispute you must send a written dispute to the Administrator stating the reasons

for your dispute. You must enclose copies of any documentary evidence supporting your dispute. You must also include your name and contact information in the Claim Dispute. Finally, you must send copies of the Claim Dispute to Class Counsel and Defendants' Counsel.

Claim Disputes should be sent to the following addresses:

[ADMINISTRATOR ADDRESS]

Chris A. Averitt, Esq.
Jay Sholtens, Esq.
Scholtens & Averitt, PLC
113 East Jackson Ave.
Jonesboro, AR 72401

Todd Turner
Arnold, Batson, Turner & Turner, P.A.
501 Crittenden Street
P.O. Box 480
Arkadelphia, AR 71923-6139

Lewis S. Wiener, Esq.
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Ave., N.W.
Washington, DC 20004-2415

Your written Claim Dispute must be post marked within thirty (30) days following the date of this Rejection Notice. If you file and serve a timely Claim Dispute, the Administrator, in consultation with Class Counsel and Defendant's Counsel, will make a final determination of your eligibility to participate in the Settlement, which final determination will be binding on you. If you do not respond to this letter, the Administrator's initial determination will become final and binding thirty (30) days following the date of this letter.

Please call 1-888-###-#### with any questions you may have about the settlement or visit the website located at: <<TO BE ESTABLISHED BY SETTLEMENT ADMINISTRATOR>>

PLEASE DO NOT CALL THE COURT, THE CLERK OF COURT, OR THE DEFENDANTS.