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Michael A. Caddell

From: michael caddell [macaddell@mac.com]
Sent: Wednesday, January 21, 2004 2:34 PM
To: Mitch Toups; cbc@caddellchapman.com; fdl@caddellchapman.com; michael caddell
Subject: Fwd: Final

Begin forwarded message:

From: "John B Scofield, Jr" <jbs@caddellchapman.com>
Date: January 21, 2004 2:20:45 PM CST
To: M A Caddell <macaddell@mac.com>
Subject: Fw: Final

Second.

-----Original Message-----

From: "Len Bennett" <lenbennett@cox.net>
Date: Wed, 21 Jan 2004 08:02:32
To: "John B. Scofield, Jr." <jbs@caddellchapman.com>
Subject: Fw: Final

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<http://mail.spaminspector.com>

----- Original Message -----

From: "J. Faulkner" <jsfaulkner@snet.net>
To: "Len Bennett" <lenbennett@cox.net>
Cc: "Dick Rubin" <DickRubin@cs.com>
Sent: Thursday, January 15, 2004 12:15 PM
Subject: Fw: Final

Joanne Faulkner
New Haven CT

1/29/2004

jsfaulkner@snet.net
----- Original Message -----
From: "Richard F. Le Febvre" <richard@aaacredit.com>
To: "J. Faulkner" <jsfaulkner@snet.net>
Sent: Monday, March 17, 2003 3:08 PM
Subject: RE: Final

I have attached my final affidavit in the SC case and I refused to sign

it

without my added #12. It was a tough call for me, but I believe I did

the

best I could under the circumstances. I laid out what needed to be

done

in

order for me to agree the "fix" is adequate. I was in a position that without my affidavit the court may not clearly understand the "fix", but

I

felt the need to clarify to the court what needed to be done and if its

not

then I hope consumers have a way out.

I did the best I could under the circumstances having my hands tied

behind

my back and only being the expert in the case.

Richard F. Le Febvre
President/CEO
AAA American Credit Bureau Inc

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E-mail: richard@aaacredit.com
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aaacredit@joimail.com
richardlefebvre@joimail.com

-----Original Message-----

From: J. Faulkner [mailto:jsfaulkner@snet.net]
Sent: Friday, March 14, 2003 3:59 PM
To: richard@aaacredit.com; dickrubin@cs.com
Subject: Re: Final

This is only with Equifax.
Subp 18(b) is a giant step backwards and must be deleted.
This allows business as usual, as far as I can see. Otherwise they
could

not

have the system changed by July!
Subp 18(a) -- the "or otherwise" bit is too open ended.

Joanne Faulkner
New Haven CT
jsfaulkner@snet.net

John B. Scofield, Jr.
Caddell & Chapman
1331 Lamar, Suite 1070
Houston, Texas 77010
(713)751-0400

testimony, and the following statements herein are based upon my personal knowledge and expertise and are made with a reasonable degree of professional certainty.

Background and Experience

2. I am President and CEO of AAA American Credit Bureau, Inc. (“AAA”), a national credit reporting agency (CRA) and reseller located in Flagstaff, Arizona. (A “reseller” is a company that resells credit information obtained from the major nationwide repositories/CRA’s).

3. I have worked in the credit reporting industry for over twelve years. I have been President and CEO of AAA for ten years, where my responsibilities include managing the company’s day-to-day operations.

4. AAA specializes in re-scoring consumers’ credit scores. We re-score consumers’ files when the lender or consumer has reason to believe that the credit files contain errors/problems or when there is an extremely low credit score. These errors/problems typically result from inaccurate or incomplete information in a consumer’s credit file. AAA was one of the first credit reporting agencies that had the ability to re-score a consumer’s credit file. This dates back five years. We are approved to do this by the national credit reporting repositories. As of today, AAA has recalculated thousands of consumers’ credit scores with great success, and is considered one of

America's foremost credit re-scoring companies (*Washington Post* 7/14/01).

During that time frame we have been successful 92 percent of the time in getting scores increased when there are errors or after we receive requests from lenders, brokers, or consumers requesting updating because the lender and/or consumer has a need for a higher credit score. I have been featured in many stories written in national publications, including the *Washington Post*, *Wall Street Journal*, *New York Times*, *Associated Press* and many others. I also have been featured on *NBC Nightly News* with Tom Brokaw.

5. As part of my day-to-day job duties, I analyze hundreds of consumer credit reports monthly and compare the consumer credit information from each of the three major national credit reporting agencies – Equifax Credit Information Services, Inc., Trans Union Corporation and Experian Information Solutions, Inc. – to determine whether the information is accurate and how the information impacts on the consumer's credit score, loan decision, and creditworthiness. I am very familiar with both the Metro and Metro II reporting formats and other reporting access techniques and data fields present in credit reports. One of my main tasks is to check for differences in reporting format and credit information submitted to the credit reporting agencies from the same credit furnisher. If we detect differences, inaccurate credit information, or other information that would

adversely affect the consumer's credit score or loan decision, we work with the consumer and credit furnisher to correct the agency's credit file on the consumer. This in turn creates a new credit score.

6. As a result of my experience, I have particular expertise with understanding and analyzing credit reports, credit scores, and the codes and documents used by credit reporting agencies and lenders in connection with determining a consumer's eligibility for credit. This experience also includes having expertise relating to the impact of inaccurate credit information on a consumer's credit score(s), credit risk, and credit worthiness as it relates to a consumers financial needs.

Value Of The Proposed Settlements

7. At the request of plaintiff's counsel, I have reviewed the stipulations of settlement dated March 12, 2003, regarding their client Franklin E. Clark, who, on behalf of himself and on behalf of all others similarly situated, contends that the issuance of a credit report with any reference to a bankruptcy on a joint account tradeline, where the subject of the credit report did not file that bankruptcy, is inaccurate and a violation of the FCRA.

8. I have been asked to evaluate the proposed settlements of the nationwide class action lawsuits against Equifax, Experian and Trans Union

in terms of what it would cost class members to get the challenged information removed from their credit files on an individual basis.

9. Most class members would have three options. First, they could of course do nothing. Second, they could hire a re-scoring company like AAA during the mortgage process to assist them in having the bankruptcy information removed. The cost of this service ranges from \$100 to \$300 and would depend on how many different tradelines were involved. Third, they could hire a “credit repair” clinic. These companies charge \$500 to \$1000 or even more, depending on a consumer’s desperation. (Many of these companies unfortunately operate in violation of the Federal Credit Repair Organizations Act, a law passed a few years ago to combat abuses in the industry.) These companies do not guarantee results, and in many cases the consumer realizes no benefit at all and is left with nothing to show for his money.

10. In short, with respect to the cost of having a third party correct the problem, the minimum value of the proposed settlements to individual class members is **at least \$100**.

11. I should add that, even if the efforts of the class member’s agent were successful, there would be no guarantee the misleading bankruptcy entry would not reappear sometime in the future. Consequently,

the class member could be faced with the added cost of having to repeat the process.

12. While the settlement has a number of components, the following remarks relate to what I will call “the fix.” By “fix,” I mean the changes the defendants have agreed to make to their systems to ensure that any reporting of bankruptcy information such as that alleged in the complaints is reported in a way that makes it clear that the bankruptcy was that of another person, not the consumer.

Because each of the three defendants’ databases is different, they may implement the fix in different ways, technically. Creating a uniform way to handle the corrections would be impossible since the defendants’ systems vary so widely. Creating code and/or logic for one would not work for the others. Another complication is that their customers use both Metro and Metro II (these are software formats used in the industry for reporting credit information to the Credit Reporting Agencies) for reporting their data to all three defendants.

I approve of the fix, assuming the following is required by the settlement stipulation, and I believe it to be: That subsection (b) of paragraph 18 requires that during the conversion process into each bureau database, the following standard Metro & Metro II fields: account

status/rating, payment history/24 month grid, account condition, comment, and any other field indicating the rating/status of account and comments in the joint attached segment for the non-bankrupt consumer, will all denote that it is the bankruptcy of another in the appropriate rating/status and comment fields within their own databases, or, alternatively, that during conversion into the bureaus database the rating/status fields and comments all would be left blank and/or unrated; and that if these fields contradict each other when they are reported by the furnisher of the information to the bureaus, the bureaus will assure that during the conversion process into their databases, the rating/status and comment fields all denote that it is the bankruptcy of another or that the above mentioned fields during conversion into the bureaus database all would be left blank and/or unrated.

13. I conclude that the stipulation is fair, reasonable, in good thought, and in the best interests of the consumers included in the class, and for the public in general.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this _____ day of _____, 2003.

Richard F. Le Febvre