

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

**Sharon Hubbard, Individually and on
Behalf Of All Others Similarly Situated,**

Plaintiff

v.

**A-1 Leasing, LLC and Bond
Corporation,**

Defendants.

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Civil Action No. 1:07-CV-044

**NOTICE OF CLASS ACTION, PROPOSED SETTLEMENT,
AND SETTLEMENT HEARING**

TO: ALL PERSONS WHO WERE SOLICITED BY ANY OF USA MERCHANT SYSTEMS, INC. D/B/A USA CARD SERVICES, INC., STARTUP ESSENTIALS AND NATIONAL BUSINESS ADVISERS; JAMES ONE GP, LLC; JAMES ONE HOLDINGS, L.P., D/B/A USA CARD SERVICES INC., STARTUP ESSENTIALS, NATIONAL BUSINESS ADVISERS, AND STARTUP ESSENTIALS, LLC; STARTUP ESSENTIALS, L.L.C.; JAMES ONE MERCHANT SOLUTIONS, L.P. D/B/A NATIONAL BUSINESS ADVISERS AND JAMES ONE OR ROBERT HARRIS (“HARRIS DEFENDANTS”) AND ENTERED INTO A LEASE WITH A-1 LEASING, LLC AND/OR BOND CORPORATION (“A-1 DEFENDANTS”).

*A Federal Court authorized this notice.
This is not a solicitation from a lawyer.*

1. A settlement has been proposed in this class action lawsuit as to leases entered into with the A-1 Defendants as a result of solicitation by the Harris Defendants. To those who qualify, the settlement will provide credit to their lease payment account with the A-1 Defendants.
2. The settlement will resolve this lawsuit. The Court in charge of this case still has to decide whether to approve the settlement at the Fairness Hearing. Payments or credits will only be made if the Court approves the settlement, and after appeals, if any, are resolved in favor of the settlement.
3. Your legal rights are affected whether you act, or don't act. **Read this notice carefully.**

BASIC INFORMATION

1. Why Did I Receive This Notice?

You received this Notice because you have been identified as being a member of the Class as defined in Section 3 below.

2. What Is This Lawsuit About?

Plaintiff, Sharon Hubbard (“Class Plaintiff”) filed this class action challenging what she characterized as a telemarketing scheme in which Plaintiff alleges the Harris Defendants promoted startup business opportunities in connection with equipment leases issued by the A-1 Defendants. Plaintiff filed this lawsuit seeking cancellation, restitution, and damages for all Class Members based upon (1) the fraudulent sales of leases; (2) Defendants’ failure to register as telemarketers under the Texas Telephone Solicitation Act; (3) Defendants’ failure to register under the Texas Business Opportunity Act; and (4) violations of the Tex. Bus. & Comm. Code § 35.53.

The A-1 Defendants deny all allegations of wrongdoing and further claim that they cannot be held liable for the acts of the Harris Defendants. The Harris Defendants were included as defendants in this lawsuit, but the Harris Defendants are not a party to this Settlement. Claims against the Harris Defendants are being litigated separately.

3. Who Is Included In The Class?

The Court has preliminarily certified a Class consisting of all persons who were solicited by the Harris Defendants and entered into a lease with the A-1 Defendants. According to Defendants’ documents, there are approximately 6,625 persons in the Class, living throughout the nation.

The Class and Class Members, as defined and used in this Notice, do not include those persons excluded from the Class.

4. Why Did The Parties Agree To The Proposed Settlement?

The Court did not decide in favor of the Class or Defendants. Instead, the Class Plaintiff and the A-1 Defendants have agreed to a settlement. Based on their investigation, the Class Plaintiff and Class Counsel believe that this lawsuit should be settled, because (i) the proposed settlement is fair and reasonable, provides significant benefits to the Class, and is in the best interests of the Class, and (ii) the uncertainties of the litigation.

While denying any wrongdoing and denying the Class’s allegations, the A-1 Defendants have agreed to this settlement based on (i) the uncertainty and substantial costs of class action litigation; (ii) its desire to put to rest the Class’s claims and end the expense and disruption caused by the defense of this lawsuit; and (iii) because the proposed settlement is fair and reasonable.

5. What Benefits Does The Settlement Provide?

A. If You Were Current on Your Payments to A-1/Bond as of May 1, 2008

All Class Members who were current in their payments on their lease with A-1 as of May 1, 2008 are eligible to apply for the settlement credit. If eligible, the proposed settlement provides credits for the last

three monthly payments of your lease. The total value of the relief being offered to the Settlement Class is approximately \$2.4 million.

Class Members, who are entitled to these benefits, must complete and mail the attached Claim Form legibly and in full, together with a complete copy of their lease agreement with the A-1 Defendants to the specified address no later than September 22, 2008.

In consideration for the benefits provided by the settlement, Class Members release the A-1 Defendants of all claims related to the Litigation. A full version of the release is included as Exhibit A to this Notice.

B. If You Were Not Current on Your Payments to A-1/Bond as of May 1, 2008

All Class Members who were not current in their payments on their lease with A-1 as of May 1, 2008, are eligible to apply for the settlement credit of three monthly lease payments by (1) completing and mailing the attached Claim Form, together with a complete copy of their lease agreement with the A-1 Defendants to the specified address no later than September 22, 2008 and (2) curing their default pursuant to the terms of their lease agreement with the A-1 Defendants prior to submitting the attached Claim Form. Unless Class Members who were not current in their payments on their lease with A-1 as of May 1, 2008 take the above steps, those Class Members are not eligible to receive any credits to their lease payment account.

In consideration for the benefits provided by the settlement, the claims against the A-1 Defendants in this lawsuit are being dismissed; however, the A-1 Defendants do not release and in fact retain any claim(s) the A-1 Defendants may have against you. Correspondingly, as a Class Member, you do not release any rights to individually defend any collection action by the A-1 Defendants and to assert any defenses or counterclaims to such collection action including alleged offsets for claims that are otherwise being released in this Settlement. Furthermore, relevant statutes of limitations are tolled for any defensive matter or counterclaim. A full version of the release is included as Exhibit A to this Notice.

6. What Effect Does This Settlement Have on Claims Against the Harris Companies?

None. Although the Harris Companies were originally part of this lawsuit, these settled claims have been severed from that litigation. The Harris Companies are not part of this settlement and the Class Plaintiff is pursuing an action against them in a separate lawsuit. The Class Plaintiff is seeking certification of claims against the Harris Companies but, as of the mailing of this Notice, the Court has not made any decision either way on certification of those claims.

THE LAWYERS REPRESENTING YOU

7. Do I Have A Lawyer In This Case?

The Court appointed the law firm of Hubbard & Biederman LLP, in Dallas, TX as Lead Counsel and the Ferguson Firm in Beaumont, TX as Liaison Counsel to represent all Class Members. The names of the lawyers handling this lawsuit at those firms and their addresses are as follows:

Stephen L. Hubbard
Robert W. Biederman
David M. Grossman
Hubbard & Biederman LLP
1601 Elm Street
Dallas, TX 75201
(214) 857-6000
www.hblawfirm.com

Timothy W. Ferguson
Ferguson Firm
1122 Orleans
Beaumont, TX 77701
(409) 832-9900
www.fergusonfirm.com

8. Should I Get My Own Lawyer?

If you want to remain a member of the Class, but you do not wish to be represented by the appointed Class Counsel, you may enter an appearance through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the Court and serve the Notice on Class Counsel and Defendants' Counsel at the addresses listed below in Section 11.

9. Do I Have to Pay Class Counsel?

No. You will not be personally responsible for any costs or attorney's fees incurred in this lawsuit. If the Court approves the proposed settlement, Class Counsel will request that the Court award the attorney's fees and costs in an amount not to exceed \$750,000. The amount awarded by the Court to Class Counsel will be paid by the A-1 Defendants separate and apart from the payments to the Class, and will not reduce or diminish in any manner the \$2.4 million in settlement benefits.

Class Counsel also will seek \$10,000 for the Class Plaintiff to compensate for her substantial time and effort in prosecuting this case. The amount awarded by the Court to the Class Plaintiff also will be paid by the A-1 Defendants separate and apart from the payments to the Class, and will not reduce or diminish the settlement benefits in any manner.

YOUR RIGHTS AND OPTIONS

10. How Do I Get My Settlement Benefits?

If you are eligible (see Section 5 above) and want to apply for the settlement credit, you must complete the Claim Form attached as Exhibit B legibly and in full, and mail the Claim Form, along with a complete copy of your lease agreement with A-1 Leasing, LLC and/or Bond Corporation to the following address, postmarked no later than September 22, 2008:

Class Settlement
c/o A-1 Leasing
P.O. Box 7166
Grand Rapids, MI 49510-7166

11. How Do I Exclude Myself?

If you do not wish to be included in the Class and wish not to receive the settlement benefits, for which you are eligible, you must mail a written exclusion to:

Class Settlement
c/o A-1 Leasing
P.O. Box 7166
Grand Rapids, MI 49510-7166

You also must deliver copies of your exclusion to the attorneys in the case:

Stephen L. Hubbard
HUBBARD & BIEDERMAN, LLP
1601 Elm Street, Suite 1995
Dallas, Texas 75201

Steven M. Zager
AKIN GUMP STRAUSS HAUER & FELD LLP
1111 Louisiana Street, 44th Floor
Houston, Texas 77002-5200

Your written request to be excluded must be postmarked no later than July 23, 2008. Your request for exclusion *must* contain:

- (1) The name of this lawsuit *Sharon Hubbard v. A-1 Leasing, LLC and Bond Corporation.*, No. 1:07-CV-044;
- (2) Your full name, current address, and telephone number;
- (3) A clear statement of intention to exclude yourself such as "I wish to be excluded from the Class"; and
- (4) Your signature.

If you ask to be excluded, you will not get any settlement benefits, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the A-1 Defendants in the future.

12. How Do I Object?

If you believe the settlement is not fair, reasonable and adequate, including the proposed payments to Class Counsel and Class Plaintiff, you may file an objection with the Court. You can object only if you stay in the Settlement Class. You will still be in the Settlement Class, will be bound by any judgment, and will receive benefits if the Settlement is approved and you are eligible.

If you want to object, you must deliver your objection to the Clerk of the Court:

United States District Court for the Eastern District of Texas
Jack Brooks Federal Building
300 Willow Street, Suite 104
Beaumont, Texas 77701

You also must deliver copies of your Objection to the attorneys in the case:

Stephen L. Hubbard
HUBBARD & BIEDERMAN, LLP
1601 Elm Street, Suite 1995
Dallas, Texas 75201

Steven M. Zager
AKIN GUMP STRAUSS HAUER & FELD LLP
1111 Louisiana Street, 44th Floor
Houston, Texas 77002-5200

Your objection must be received no later than July 23, 2008. Your objection *must* include:

- (1) The name of this lawsuit *Sharon Hubbard v. A-1 Leasing, LLC and Bond Corporation*, No. 1:07-CV-044;
- (2) Your full name, current address, and telephone number;
- (3) The basis for your objection including all documents on which the objection is based, a list of all persons who will be called to testify in support of the objection, a statement of all grounds for the objection accompanied by any legal support for such objection;
- (4) A statement whether you intend to appear at the Fairness Hearing scheduled by the Court;
- (5) If you intend to appear at the Fairness Hearing through counsel, the objection must also state the identity of all attorneys representing the objector who will appear at the Fairness Hearing; and
- (4) Your signature.

If you wish to appear at the Fairness Hearing through counsel, no later than July 23, 2008, your counsel must also file with the Court and deliver to Lead Counsel for the Class and Defense Counsel at the addresses specified above, a notice of intention to appear, setting forth the case number, and the name, address and telephone number of the Class Member (and if applicable, the name of the Class Member's attorney). Any Class Member who does not timely and validly file and serve a notice of intention to appear pursuant to the terms of this paragraph shall not be permitted to appear, except for good cause.

13. Where Do I Send My Claim Form?

If you wish to remain a member of the Class, you may send your completed Claim Form to:

Class Settlement
c/o A-1 Leasing
P.O. Box 7166
Grand Rapids, MI 49510-7166

If you send in your Claim Form, you may not exclude yourself from the Class.

THE SETTLEMENT HEARING

14. When and Where Will the Court Decide Whether to Grant Final Approval of the Settlement?

The Court has scheduled a hearing **on August 11, 2008, at 2:00 p.m.** at the Jack Brooks Federal Building, Courtroom #3, 300 Willow Street, Beaumont, Texas 77701. At this hearing, the Court will consider whether to approve the proposed settlement as fair, reasonable, and adequate, including the application by Class Counsel for attorneys' fees and Class Representative for additional compensation. If there are objections, the Court will consider them.

15. May I Attend the Settlement Hearing?

As a Class Member, you may-but are not required- to attend the Settlement Hearing. However, if you intend to attend the Settlement Hearing and object to the proposed settlement, you first must comply with the Section 11 governing Objections. Also, if you intend to appear at the Settlement Hearing, you or your attorney must file a Notice of Intention to Appear with the Clerk of the Court and serve the Notice on counsel at the addresses listed above in Section 15. **The Court and the parties must receive your Notice of Intention to Appear no later than July 23, 2008.**

16. Additional Information

All references in this notice to the proposed settlement, pleadings and Court orders are only summaries. Complete copies of the pleadings, orders and other documents filed in this litigation may be examined and copied at any time during regular office hours at the offices of the Clerk of the Court.

Certain documents and other information are also available on the Internet at www.hblawfirm.com.

The Class Plaintiff, Class Counsel, the A-1 Defendants and Defendants' counsel express no opinion concerning the tax consequences of the proposed settlement to Class Members and make no representations, warranties or other assurances regarding such tax consequences. No opinions, representations, warranties, or other assurances shall be deemed to have been made by the Class Plaintiff, Class Counsel, the A-1 Defendants and Defendants' counsel with respect to such tax consequences by virtue of this Agreement, and the Class Plaintiff, Class Counsel, the A-1 Defendants and Defendants' counsel shall not be held liable for any such tax consequences that may occur. Each Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

PLEASE DO NOT CALL OR WRITE TO THE COURT FOR INFORMATION OR ADVICE.

DATED: June 6, 2008

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS, BEAUMONT DIVISION.

/s/ Marcia A. Crone
UNITED STATES DISTRICT JUDGE

EXHIBIT A
RELEASE

As of the Effective Date, the members of the Settlement Class fully, finally, and forever settle, release, and discharge the Released Parties (as defined below in subparagraph (a)) from the Released Claims (as defined below in subparagraph (b)), and are forever barred and enjoined from asserting any of the Released Claims in any court or other forum whatsoever. The provisions of any state, federal, municipal, local or territorial law or statute providing in substance that releases shall not extend to claims, demands, injuries, or damages that are unknown or unsuspected to exist at the time this Settlement Agreement is executed and approved by the trial court, are hereby expressly, knowingly, and voluntarily waived by all Settling Parties.

(a) The term “Released Parties” shall mean the A-1 Defendants and their past or present directors, officers, employees, partners, principals, underwriters, issuers, insurers, parents, subsidiaries, licensees, divisions, joint ventures, assigns, associates, attorneys, related or affiliated entities, and controlling shareholders. Notwithstanding the sentence above, the term “Released Parties” does not include the Harris Defendants or any third-party debt collector either attempting to collect a debt or making reports to any credit bureau on behalf of any of the A-1 Defendants in violation of any applicable state or federal debt collection or credit reporting laws.

(b) The term “Released Claims” shall mean any and all claims or causes of action of any nature whatsoever included but not limited to any claim for violations of federal, state, or other law (whether in contract, tort, or otherwise, including statutory, common law, property, and equitable claims), and also including “Unknown Claims” (as defined below in subparagraph (c)), that have been or could have been asserted against the Released Parties in the Litigation or any other complaint, action, or litigation in any other court or forum based upon or in any way relating to leases with the A-1 Defendants that were solicited by any of USA Merchant Systems, Inc. d/b/a USA Card Services, Inc., Startup Essentials and National Business Advisers; James One GP, LLC; James One Holdings, L.P., d/b/a USA Card Services Inc., Startup Essentials, National Business Advisers, and Startup Essentials, LLC; Startup Essentials, L.L.C.; James One Merchant Solutions, L.P. d/b/a National Business Advisers and James One; or Robert Harris, except for those claims specifically set forth in section (d) below.

(c) The term “Unknown Claims” means any and all Released Claims that any member of the Settlement Class does not know or even suspect to exist against any of the Released Parties which, if known, might have affected his or her decision regarding the settlement of the Litigation. The members of the Settlement Class shall further acknowledge that they may hereafter discover facts in addition to or different from those that they now know or believe to be true concerning the subject matter of this release, but nevertheless fully, finally, and forever settle and release any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, may hereafter exist or heretofore have existed based upon actions or conduct occurring on or before the date of this Settlement Agreement, without regard to subsequent discovery or existence of such different or additional facts concerning each of the Released Parties.

(d) Notwithstanding the above release, the Settling Parties specifically understand and agree: (i) the A-1 Defendants do not release and in fact retain any claim(s) the A-1 Defendants may have against any member of the Settlement Class, who has defaulted on his, her or its lease with the A-1 Defendants, as of May 1, 2008; (ii) members of the Settlement Class do not release their rights to individually defend any collection action by the A-1 Defendants and to assert any defenses or counterclaims solely to such collection action including all claims that are otherwise being released in this Settlement Agreement; (iii) in the event that any Class Member asserts defenses or counterclaims in response to collection efforts, the A-1 Defendants specifically agree not to assert that such defenses or counterclaims are precluded by this settlement, the final judgment dismissing Class Members’ claims with prejudice, or any statute of limitations; (iv) nothing in this release or settlement agreement is intended or should be read to release

claims that the Settling Parties may have against the Harris Defendants; (v) nothing in this release is intended or shall release claims that may accrue after May 1, 2008 in the event that any member of the Class defaults on his, her or its lease with the A-1 Defendants; and (vi) nothing in this release shall preclude any action to enforce the terms of this Settlement Agreement.

EXHIBIT B

If you wish to submit a Settlement Class Claim Form, you must complete this form in its entirety and mail it along with a complete copy of your lease agreement with Defendants A-1 Leasing, LLC and/or Bond Corporation to the address below, post-marked no later than September 22, 2008. The Final Fairness Hearing has been scheduled for Monday, August 11, 2008 at 2:00 p.m. at Jack Brooks Federal Building, Courtroom #3, 300 Willow Street, Beaumont, Texas 77701.

Please **print** legibly.

Name: _____

Address: _____

Telephone No.: _____

Attach a complete copy of your lease agreement with A-1 Defendants to this Claim Form.

I, [name] _____, hereby attest under penalty of perjury, that I entered into a lease agreement with A-1 Leasing, LLC and/or Bond Corporation, which is attached hereto, and that the information provided above is true and correct.

Dated: _____

Signed: _____

This Claim Form must be completed legibly and in full, and mailed with a complete copy of your lease agreement with A-1 Leasing, LLC and/or Bond Corporation to the following address no later than September 22, 2008:

Class Settlement
c/o A-1 Leasing
P.O. Box 7166
Grand Rapids, MI 49510-7166