

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION**

JENNIFER CASE and WILLIE MORRIS,	)	
Plaintiffs,	)	
	)	
v.	)	Case No. 02 CH 19210
	)	
SBC f/k/a	)	Judge McGann
AMERITECH SERVICES, INC.,	)	
Defendant.	)	

**CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE**

The Parties hereto enter into the following Class Action Settlement Agreement and Release (“Agreement” or “Settlement Agreement”). This Settlement Agreement is entered into by and among Jennifer Case and Willie Morris, the named Plaintiffs in the class action identified herein, in their individual capacity and on behalf of the class described in this Agreement, and Ameritech Services, Inc. d/b/a SBC Midwest Services, SBC Communications Inc., SBC Teleholdings, Inc., Illinois Bell Telephone Co., Indiana Bell Telephone Co., Inc., Michigan Bell Telephone Co., Wisconsin Bell, Inc., and The Ohio Bell Telephone Co. (“Ameritech”), the named Defendant in this action, who collectively shall be the “Settling Parties,” as more fully defined below. This Settlement Agreement is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle on behalf of the entire class the Released Claims, as defined herein, upon and subject to the terms and conditions herein.

**RECITALS**

**WHEREAS**

1. The Plaintiffs commenced this action on their own behalf and on behalf of a putative class consisting of:

All present and former customers of Ameritech, who according to Defendant’s records, and the records of Defendant’s third party collection agents, meet the following criteria: (1) the consumer had a telephone services account open with Ameritech in Illinois, Michigan, Ohio, Indiana or Wisconsin, (2) Ameritech

opened a second account in that consumer's name, (3) the consumer had not given authorization for the opening of that account, and (4) Ameritech submitted the second account to a third party collection agency for collection action from the original consumer.

2. The Plaintiffs alleged that the Defendant violated the Illinois Consumer Fraud Act, 815 ILCS 505/1, et seq., and other statutes. The Second Amended Complaint sought money damages, attorneys' fees and other relief.

3. Although Class Counsel believe that the claims asserted are meritorious, Class Counsel also recognize that these suits have an uncertain outcome and that pursuing this litigation through trial would involve substantial cost, risk and inevitable delay. Based on their evaluation of the facts and law, and a weighing of the risks and benefits, which include, among other things, the expense and length of continued proceedings necessary to prosecute the Action against the Defendant through trial and any appeals, and the substantial benefits the Settlement confers upon the Class, Class Counsel have determined that the settlement set forth in this Settlement Agreement is fair, reasonable, adequate and in the best interests of the Class Representatives and the Class members, including Jennifer Case and Willie Morris.

4. Ameritech has denied all allegations of liability and wrongdoing and contends that its procedures were fair and reasonable. Ameritech has asserted various defenses. Ameritech nonetheless considers it desirable that this Class Action be settled and dismissed to avoid the substantial burden, expense, inconvenience and distraction of the continued litigation.

5. The Settling Parties have concluded that it is desirable for the Action to be settled on a Class basis to avoid further inconvenience, delay, and expense and to dispose of potentially burdensome and protracted litigation and to put to rest all claims that have been or might be asserted by the Class Members arising out of the allegations of the Complaint. The Settling Parties have engaged in extensive arms' length settlement negotiations, have sought the aid of the Court in determining a fair and equitable settlement, and have determined that the terms of

this Settlement Agreement constitute a fair and reasonable compromise of the claims and defenses of all Settling Parties.

6. In no event shall this Agreement be construed or be deemed to be evidence of an admission or a concession on the part of Ameritech with respect to any claim or any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses which Ameritech has asserted, nor as any concession by Plaintiffs or the Class of any infirmity in the claims asserted. Nor shall anything in this Agreement constitute, in this or any other action or proceeding a finding, admission or evidence that any claims against Ameritech can or may be prosecuted as a class action other than through the settlement memorialized by this Agreement. Plaintiffs, Class Counsel and Ameritech agree and acknowledge that Ameritech does not consent to the certification of any class contemplated by the Complaint(s) in this action in the event that the settlement memorialized in this agreement is not approved or consummated for any reason. By entering into this Agreement, plaintiffs, Class Counsel and Ameritech acknowledge and agree that Ameritech does not waive its rights to oppose, challenge or contest the maintenance of any lawsuit against it as a class action and to oppose certification of any class other than the Class defined herein in connection with the settlement memorialized by this Agreement. If this Agreement is terminated for any reason, or is disapproved by the Court or by any other Court, appellate or otherwise, neither this Agreement nor the fact that it was entered into shall be offered, received or construed as an admission, finding or evidence for any purpose, including the appropriateness of class certification.

7. In consideration of the foregoing and other good and valuable consideration, it is stipulated and agreed by and between Class Counsel and Defendant's Counsel that the claims of Jennifer Case and Willie Morris and the claims of all Class Members are hereby compromised and settled, subject to the approval of the Court, upon the following terms and conditions.

## DEFINITIONS

8. Parties. The Parties to this Class Action Settlement Agreement and Release are Jennifer Case and Willie Morris, on behalf of a class of persons similarly situated, and Ameritech Services, Inc. d/b/a SBC Midwest Services, SBC Communications Inc., SBC Teleholdings, Inc., Illinois Bell Telephone Co., Indiana Bell Telephone Co., Inc., Michigan Bell Telephone Co., Wisconsin Bell, Inc., and The Ohio Bell Telephone Co. (“Ameritech”), as more fully defined below.

9. Action. “Action” means the above-captioned action currently pending in the Circuit Court of Cook County, Chancery Division.

10. Class Counsel. “Class Counsel” or “Plaintiff’s Counsel” means counsel for the Class Representative and Class Members, Lance A. Raphael, Stacy M. Bardo, and Allison A. Krumhorn of The Consumer Advocacy Center, P.C., 180 West Washington Street, Suite 700, Chicago, Illinois 60602.

11. Class Members. “Class Members” means: all present and former customers of Ameritech, who according to Defendant’s records, and the records of Defendant’s third party collection agents, meet the following criteria: (1) the consumer had a telephone services account open with Ameritech in Illinois, Michigan, Ohio, Indiana or Wisconsin, (2) Ameritech opened a second account in that consumer’s name, (3) the consumer had not given authorization for the opening of that account, and (4) Ameritech submitted the second account to a third party collection agency for collection action from the original consumer, and (5) the consumer did not timely opt out of this settlement and was not otherwise excluded from this settlement.

12. Class Representatives. “Class Representatives” means Jennifer Case and Willie Morris.

13. Court. The “Court” means the Circuit Court of Cook County, Chancery Division, by the judge now presiding over this Action, The Honorable Patrick E. McGann.

14. Defendant. “Defendant” means Ameritech Services, Inc. d/b/a SBC Midwest Services, SBC Communications Inc., SBC Teleholdings, Inc., Illinois Bell Telephone Co., Indiana Bell Telephone Co., Inc., Michigan Bell Telephone Co., Wisconsin Bell, Inc., and The Ohio Bell Telephone Co. (“Ameritech”), as defined herein.

15. Effective Date. “Effective Date of Settlement” or “Effective Date” shall mean the date by which all of the following events have occurred: Entry of the Notice Plan substantially in the form of Exhibit A, attached hereto; the dissemination of the Notice substantially in the form of Exhibit B, attached hereto; the holding of a hearing to determine Jennifer Case’s monetary relief; and the entry of Order and Final Judgment substantially in the form of Exhibit C, attached hereto, which Order and Judgment must be Final, (i.e. Final means that if no objections are made to the settlement Final Judgment becomes “Final” as of the date of the entry of the order, or if an objection is made to the settlement, “Final” means 31 days after entry of the order of Final Approval unless an appeal is filed, in which case at the conclusion of any appeal process).

16. Final Judgment. “Final Judgment” means the Final Judgment provided for in paragraph 73, a proposed form of which is attached as Exhibit C.

17. Notice. “Notice” means the Notice of Class Action Settlement in the form attached to the Joint Motion for Preliminary Approval as Exhibit B.

18. Person. “Person” (whether used in the singular or in the plural form) means an individual, corporation, limited liability corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government

or any political subdivision or agency thereof, any business or legal entity and any other recognizable legal entity.

19. Preliminary Approval Order. “Preliminary Approval Order” means the order preliminarily approving this Settlement Agreement, approving the Notice to the Class, and setting the Settlement Hearing, as provided in this Settlement Agreement, the form of which has been agreed to between counsel for the Settling Parties, and is attached to the Joint Motion for Preliminary Approval.

20. Related Parties. “Related Parties” shall mean each of a Person’s past or present officers, directors, trustees, members, employers, employees, partners, member firms, any spouses, and all Related Parties’ and Settling Parties’ insurers and their reinsurers.

21. Released Claims. “Released Claims” means the claims and liabilities released and discharged pursuant to this Agreement between Plaintiffs, the Class and Ameritech Services, including but not limited to SBC Communications, Inc., SBC Teleholdings, Inc., Illinois Bell Telephone Co., Indiana Bell Telephone Co., Inc., Michigan Bell Telephone Co., Wisconsin Bell, Inc., and the Ohio Bell Telephone Co.

22. Released Persons means the Defendants, their past or present subsidiaries, parents, affiliates, successors, predecessors, and insurers, and each of their present or former officers, directors, shareholders, employees, attorneys, advisors, investment advisors, underwriters, investment bankers, and accountants and any person, firm, trust, corporation, officer, director, or other individual or entity in which Defendants have a controlling interest or which is related to or affiliated with Defendants, and the legal representatives, agents, heirs, estates, successors in interest, or assigns of the Defendants. This definition does not include a release towards any collection agencies or law firms that represent Ameritech for claims that could be made or have been made against those entities for those entities’ independent conduct.

(By way of example and not limited to, claims under the Fair Debt Collection Practices Act for debt collection abuse or harassing phone calls, etc.)

23. Settled Claims. With respect to named Plaintiffs Jennifer Case and William Morris, all claims, demands, rights, liabilities or causes of action of every nature and description whatsoever, including Unknown Claims, existing at the time of the Effective Date, whether in contract, tort, equity or otherwise, whether or not concealed or hidden, asserted or unasserted, including without limitation all common law and state and federal statutory claims, and including but not limited to any claims for or by way of contribution or indemnification, by the named Plaintiffs against any of the Released Persons that arise out of or relate, directly or indirectly, to (i) the actual or attempted collection of charges for Ameritech services (including the reporting of debt to a credit reporting agency) or (ii) the acts, omissions, representations, misrepresentations, facts, events, matters, transactions, or occurrences which are alleged or could have been alleged in this Action against any of the Released Persons; and

With respect to all other Members of the Class all claims, demands, rights, liabilities or causes of action of every nature and description whatsoever, including Unknown Claims, existing at the time of the Effective Date, whether or not concealed or hidden, asserted or unasserted, including without limitation all common law and state and federal statutory claims, and including but not limited to any claims for or by way of contribution or indemnification, on behalf of the Class or any Class Member against any of the Related Persons that arise out of or relate, directly or indirectly, to (i) the actual or attempted collection of charges for Ameritech services (including the reporting of debt to a credit reporting agency) or (ii) the acts, omissions, representations, misrepresentations, facts, events, matters, transactions or occurrences which are alleged or could have been alleged in this Action against any of the Released Persons. This Settlement and Release is not meant to release claims of class members that may arise in the

future against Ameritech or any of its related entities and is not meant to release claims that class members could have or do have against Ameritech or any of its related entities that are unrelated to or do not arise from the theft of identity claims or other claims brought in this action. (By way of example: ordinary billing disputes made on accounts the consumer does not contest are their own, such as overcharges or long distance charges, claims against Ameritech's collection agencies or collection law firms for that agency's collection methods, i.e. harassing phone call claims, collection letter violations, etc.)

24. Settlement. "Settlement" means the terms and conditions set forth in this Agreement, including all Exhibits to the Joint Motion for Preliminary Approval.

25. Settlement Administration Costs and Expenses. "Settlement Costs and Expenses" means the costs and expenses paid by Ameritech connected with facilitating the Settlement, including, but not limited to, the costs of printing and mailing Notice, mailing Settlement Checks to eligible Class Members, setting up an 800 line with a scripted recorded response to typical questions from the class members, and publishing notice in *USA Today*.

26. Settlement Hearing. "Settlement Hearing" means the hearing to determine whether the settlement of the Class Action should be given final approval and whether the applications of Class Counsel for attorneys' fees, costs, and expenses should be finally approved, as provided herein.

#### **IMPLEMENTATION AND SCOPE OF SETTLEMENT**

27. The Central Purpose of this Settlement Agreement and the monetary and non-monetary relief to the Class set forth herein, is to establish non-onerous, simple, straight forward and easily accessible procedures which will allow for the exoneration of present or past Ameritech customers who have been the victims of theft of identity.

28. The second Central Purpose of this Settlement Agreement and the monetary and non-monetary relief to the Class Representatives and the Class set forth herein, is to safeguard the integrity of the identity of current Ameritech customers by establishing a mechanism which will make a theft of identity more difficult.

29. Ameritech agrees to effectuate these two Central Purposes by establishing procedures and providing monetary and non-monetary relief to the Class Representatives and the Class as set forth within this agreement.

**I. New Account Identity Verification Procedure and Subsequent Dispute Procedure**

30. Consistent with the Central Purposes of this Settlement Agreement, and in consideration of the settlement of this case, Ameritech will establish written procedures for all “New Accounts”<sup>1</sup> opened in the states of Illinois, Wisconsin, Indiana, Michigan and Ohio.

**A. Establishing Identity On New Accounts**

31. Before opening a New Account, Ameritech will request that the customer asking to open a New Account provide Ameritech with the customer’s social security number and the customer’s last prior address and telephone number. This social security information, if provided, will be recorded in the customer’s record by Ameritech at the time the New Account is opened.

32. If Ameritech does not possess the customer’s social security information and the customer declines to provide a social security number when opening a New Account, Ameritech will require that the customer provide an alternate form of identification, such as a birth

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<sup>1</sup> A New Account means an account opened in Illinois, Wisconsin, Indiana, Michigan and Ohio by an Ameritech customer for residential telephone service at a different location from the customer’s current location. This is inclusive of customers who move and simultaneously terminate an old number and open a new number at a new location in Illinois, Wisconsin, Indiana, Michigan or Ohio.

certificate, a driver's license, a military identification, a state identification, or other identification information.

**B. Notification Of Existing Customers**

33. For New Accounts opened in Illinois, Wisconsin, Indiana, Michigan and Ohio, the name of the New Account will be cross checked against existing accounts opened in that customer's name. If a New Account is opened at another location in the name of an existing customer with the same social security number or same driver's license number, Ameritech will send a letter to the existing customer's last known working service address notifying them of the opening of the New Account and informing them that if the New Account was not authorized by them, they should contact Ameritech at the number provided.

34. For all customers who notify Ameritech within 30 days of receiving the New Account notification letter that the New Account was not opened with the customers' permission, Ameritech will disconnect the New Account and will presumptively exonerate the existing customer from any responsibility for charges made on that new account, absent evidence of fraud or evidence that establishes that it was, in fact, the disputing customer who opened or authorized the opening of the disputed account. Ameritech will include a notation of the customer's notification and the disconnect action in the customer's account and will generate a confirmation notice to the customer as to the action taken.

35. These New Account procedures will not apply in the event Ameritech obtains customers by operation of law, regulatory fiat or via a purchase of or transaction with another carrier.

## **II. Identity Dispute And Exoneration Procedures**

36. Ameritech will have procedures in place for the processing and resolution of theft of identify claims in the event that a customer believes that they have been the victim of identity theft and believes that an account was opened without their authorization.

37. A telephone number will be published on collection letters issued by Ameritech's collection agencies indicating that customers seeking exoneration for theft of identify must notify the collection agency or Ameritech that the account in question was not opened with the customer's permission. In response to such notification, a notation will be placed on the account being challenged and the customer will be sent a theft of identity affidavit and a letter explaining the type of documents and information required to process a theft of identity claim.

38. The letter will explain that the customer must submit a signed Theft of Identity Affidavit to Ameritech stating:

"My name is \_\_\_\_\_ and I declare under penalty of perjury that the information I have provided in this affidavit is true and correct to the best of my knowledge."

39. The affidavit must be accompanied by two Identification Documents from the following list of Identification Documents:

- Birth Certificate (not a hospital record)
- Driver's License
- Military ID
- Military Selective Service Card
- Military DD214 form
- Native American Reservation ID
- Passport
- Social Security Card which includes: Normal, Not Valid for Employment, Valid for Work Only with INS Authorization
- Social Security printout (not the letter from the social security administration)
- State ID
- US Government issued VISA
- Country ID
- US Immigration and Naturalization Services Department Document form I-94
- US Immigration and Naturalization Services Department Document form I-688B
- US Immigration and Naturalization Services Department Document form I-766

40. If the customer cannot provide two Identification Documents from the list of Identification Documents included in paragraph 39, the customer can provide one Identification Document from the list in paragraph 39 and one document from the following list:

- Auto Registration
- College ID
- Adoption paper
- Divorce paper
- Marriage certificate
- Name change certificate
- Medicaid card
- Medicare card
- Pay stub with a typed SSN present, a W2 is not accepted
- School transcript or report card
- Voter Registration Card

41. In addition to providing the signed affidavit and the two Identification Documents, customers seeking exoneration must provide two Residency Documents from the following list of Residency Documents:

- Gas Bill
- Water Bill
- Cable Bill
- Landline Telephone bill, not a long distance cellular or paging bill
- Military orders
- Oil Bill
- Propane Bill
- Electric Bill
- Home Owner's or renter's insurance policy or statement
- Auto Insurance policy or statement
- Health insurance policy or statement
- Life insurance policy or statement
- Bank or Credit Union checking account statement
- Bank or Credit Union Savings account statement
- Bank or Credit Union 401k/IRA/money market statement
- Mortgage statement
- Major credit card, VISA/MC/Discover/ American Express statement
- Pay Stub with present address –Not a W2
- School transcript
- Financial Aid Award Letter
- Dormitory Assignment
- Prison Movement document
- Letter from Parole Officer or Prison

