

NORTH CAROLINA  
GUILFORD COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
23CVS005934-400

TIMOTHY MCQUEEN and CARLA )  
WALTERS, Individually and on behalf )  
of those similarly situated, )  
 )  
Plaintiffs, )  
 )  
v. )  
 )  
AUTOMONEY, INC. and AUTO )  
MONEY NORTH, LLC, )  
 )  
Defendants. )

**PETITION FOR ORDER OF FINAL APPROVAL  
OF CLASS ACTION SETTLEMENT**

NOW COME Class Representatives TIMOTHY MCQUEEN and CARLA WALTERS, through Class Counsel, and move the Court for the entry of an Order granting final approval of a proposed settlement of this Class Action. In support of this Petition, Plaintiffs respectfully show unto the Court as follows:

1. On September 24, 2024, Plaintiffs and Defendants AutoMoney, Inc. and Auto Money North, LLC negotiated in good faith and at arm's length a proposed Class Action Settlement (Exhibit A) for the settlement and dismissal of all claims being asserted by Plaintiffs in this Class Action and for the settlement and dismissal of all claims pending in companion North Carolina state court actions in which certain of the Class Members are plaintiffs. In pertinent part, the proposed Class Action Settlement Agreement calls for AutoMoney, Inc. and Auto Money North, LLC to: a) establish a settlement fund in the amount of \$3,000,000.00 from which attorneys'

fees, incentive awards, administrative expenses and valid claims shall be paid; b) forgive the debt of all class members (estimated to be in excess of \$5,000,000) who do not opt out of the proposed settlement; c) take all actions necessary to release all liens perfected with the NCDMV in connection with the title loans of class members who do not opt out of the proposed settlement; and d) refrain from making any further car title loans for amounts covered by N.C. Gen. Stat. §53-190(a) to North Carolina residents that contain interest rates in excess of 30% unless North Carolina's laws change to permit such loans.

2. Pursuant to that proposed Class Action Settlement Agreement Plaintiffs amended the Complaint in this civil action to assert class action claims against AutoMoney, Inc. and Auto Money North, LLC for violations of the North Carolina Consumer Finance Act, N.C.G.S. §53-164, *et seq.*, (the NCCFA) and the North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. §75-1.1, *et seq.* and, alternatively, for violations of the North Carolina Usury Statute, N.C.G.S. § 24-1.1., *et seq.*

3. The Court of Appeals has instructed that after preliminary approval of a class settlement and notice to the class, the trial court should determine, after a “fairness hearing,” whether the proposed class-wide settlement is fair, reasonable, and adequate:

A trial court evaluating a class action settlement should follow the two-step procedure generally employed by federal courts. First, the trial court should conduct a preliminary approval or pre-notification hearing to determine whether the proposed settlement is within the range of possible approval or, in other words, whether there is probable cause to notify the class of the proposed settlement. . . . If the trial court grants preliminary approval, notice is sent to the class, [and] the court conducts a fairness hearing, at which all interested parties are afforded an opportunity to be heard on the proposed settlement. . . . At this second hearing, the trial court must ascertain whether the proposed settlement is fair, reasonable, and adequate.

*Ehrenhaus v. Baker*, 216 N.C. App. 59, 73, 717 S.E.2d 9, 19 (2011), *disc. rev. denied*, 366 N.C. 420, 735 S.E.2d 332, 333 (2012) (citations, quotations omitted). In assessing the fairness and

adequacy of a settlement, courts give a “strong initial presumption that the compromise is fair and reasonable.” *S.C. Nat. Bank v. Stone*, 139 F.R.D. 335, 339 (D.S.C. 1991)(citation, quotations omitted).

4. On September 27, 2024, the Court entered its Order (Exhibit B) allowing Plaintiffs’ unopposed Motion for the conditional certification of a Settlement Class defined as follows:

All North Carolina residents who, at any time between January 1, 2011 and the effective date of a proposed settlement of between Auto Money and the proposed settlement class: (i) entered into a car title loan charging interest in excess of 30.0% with either AutoMoney, Inc. or Auto Money North, LLC; and (ii) the security interest granted by the car title loan was perfected with the North Carolina Department of Motor Vehicles.

In that Order the Court also approved and designated Plaintiffs Timothy McQueen and Carla Walters as Class Representatives of the Settlement Class.

5. Also on September 27, 2024, the Court entered its Order (Exhibit C) granting preliminary approval of the proposed Class Action Settlement Agreement. In that Order, the Court:

- a. Found the proposed Class Action Settlement to be fair and the "result of good-faith bargaining at arm's length, without collusion." (citing *In re Jiffy Lube Secs. Litig.*, 927 F.2d 155, 159 (4th Cir. 1991));
- b. Found that the prerequisites to class certification have been met under Rule 23 of the North Carolina Rules of Civil Procedure;
- c. Found and approved the form of the proposed Notice of Settlement (Exhibit D) to be distributed to Settlement Class members and satisfying Rule 23 and due process requirements;.
- d. Found that the Notice of Settlement provides sufficient details concerning the litigation and sufficient opportunity for Settlement Class members to object or exclude themselves from the class; and
- e. Scheduled the Final Fairness Hearing for the proposed Class Action Settlement for March 6, 2025.

6. Thereafter, the parties jointly engaged EPIQ Global to serve as Claims Administrator. In that capacity EPIQ:

- a. Established the Class Action Settlement Website [www.automoneysettlement.com](http://www.automoneysettlement.com) which, as of the date of the instant motion has received 20,352 page hits in 5,803 website sessions. (Exhibit E).
- b. Beginning on November 15, 2024, mailed the approved Class Notice to the Class Members. As of the date of the instant motion, EPIQ has mailed 28,484 Class Notices, has remailed 4,481 Class Notices and has experienced 6608 undeliverable mailings, including remailed Class Notices. (Exhibit E). These efforts to notify Class Members easily satisfy the requirements of due process. *See, e.g., Phillips Petroleum Co. v. Shutts*, 472 U.S. 797 (1985) (“[A] fully descriptive notice . . . sent first-class mail to each class member, with an explanation of the right to ‘opt out,’ satisfies due process”).
- c. As of the date of the instant motion has received zero opt outs. (Exhibit E)
- d. As of the date of the Objection Deadline, December 16, 2024, received zero objections. (Exhibit E).
- e. As of the date of the instant motion, received 2,372 claims. (Exhibit E).

7. In its Order granting preliminary approval of the proposed Class Action Settlement the Court noted that “The parties and their attorneys have represented that the Settlement Agreement achieves a settlement that is fair, reasonable, adequate and worthy of judicial approval.” (Exhibit C at ¶2). Class Counsel continue to believe the proposed Class Action Settlement is fair, reasonable and is in the best interests of the Class Members and the citizens of the State of North Carolina. *Accord Phillips v. Triad Guar., Inc.*, No. 1:09CV71, 2016 U.S. Dist., LEXIS 37607 at \*13, 2016 WL 1175152 at \*12 (M.D.N.C. Mar. 23, 2016)(“[T]he opinion of qualified counsel is entitled to significant respect[,] . . . and given that qualified counsel endorses the proposed allocation, the allocation need only have a reasonable and rational basis.”) (quoting *In re The Mills Corp. Sec. Litig.*, 265 F.R.D. 246 258)(E.D. Va, 2009).

8. The fundamental inquiry in evaluating the fairness of a class action settlement is whether the settlement was negotiated at arm’s length by counsel genuinely advocating their clients’ respective positions. *E.g., Jiffy Lube, supra*. This fiercely contested litigation has been

going on for seven years, and the settlement occurred after protracted negotiations involving at least four lawyers. The litigation and negotiations were conducted at arm's length by experienced counsel actively seeking the best possible outcome for their clients (and, with respect to Plaintiffs' counsel, for the Class). It is straightforward that the proposed settlement is fair.

9. In assessing the adequacy of the class action settlement, the courts' primary focus is on a) the risks and benefits of continued litigation balanced against the benefits to the class offered in settlement, and b) the class's reaction to the settlement. *Ehrenhaus, supra*, 216 N.C. App. at 74, 717 S.E.2d at 20. Defendants have at all times disputed Plaintiffs' allegations in this action, denied any liability for any of the claims that have been or could have been alleged by Plaintiff or members of the Settlement Class, and have maintained that their practices do not violate North Carolina law. While Plaintiffs' counsel expected to overcome Defendants' challenges, these issues certainly created substantial risks for plaintiffs and the class. Further, absent a voluntary class-wide settlement such as that presented to this Court by the parties, this litigation would take substantial additional time and resources to resolve. *See Phillips v. Triad Guar. Inc.*, No. 1:09CV71, 2016 WL 1175152, at \*4 (M.D.N.C. Mar. 23, 2016) ("The anticipated duration and expense of litigation also supports a finding of adequacy. . . . [S]ubstantial resources would be expended to proceed through discovery, summary judgment, trial and the post-trial appellate process . . . without any guarantee of a better resolution for the Class" (citation, quotations omitted)).

10. As of the date of the instant Motion, no Class Members have elected to opt out of the proposed Class Action Settlement and no objections to the proposed Class Action Settlement were made prior to the December 16, 2024, objection deadline. The lack of opposition to the settlement supports a finding that the settlement terms are adequate. *Phillips v. Triad Guar., Inc.*,

*supra.*

11. The office of the North Carolina Attorney General supports the proposed Class Action Settlement.

WHEREFORE, Class Representatives respectfully pray the Court for the following relief:

1. An Order of the Court granting final approval of the proposed Class Action Settlement and holding the proposed Settlement Agreement (Exhibit A) to be final, fair, reasonable, adequate and binding on all Class Members, and further ordering that the settlement relief be provided as set forth in the proposed Settlement Agreement, and further approving and ordering the releases set forth in Section VII of the proposed Settlement Agreement; and
2. The entry of a final Judgment dismissing with prejudice all claims asserted in or that could have been made in this civil action and all other pending North Carolina civil actions in which Class Members have made claims against AutoMoney, Inc. and Auto Money North LLC.

This is the 12th day of February 2025.

/s/ Drew Brown  
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**CERTIFICATE OF SERVICE**

I hereby certify that I served the foregoing document upon the parties to this above-captioned action, or their counsel by email and by mailing a copy thereof via U.S.P.S. First-Class Mail, postage prepaid and addressed as follows:

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This is the 12th day of February, 2025.

/s/ Jeff Peraldo  
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*Class Counsel*