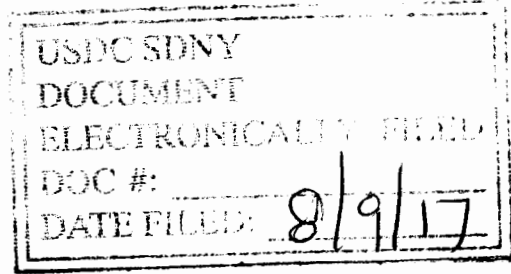


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



-----X  
ANA SALAZAR, MARILYN MERCADO, ANA  
BERNARDEZ, JEANNETTE POOLE, EDNA  
VILLATORO, LISA BRYANT and CHERRYLINE  
STEVENS, on behalf of themselves and all others  
similarly situated,

Plaintiffs,

14-cv-1230 (RWS)

-against-

BETSY DEVOS, in her official capacity as Secretary  
of the United States Department of Education,

Defendant.

-----X

48

**~~PROPOSED~~ FINAL ORDER APPROVING CLASS ACTION  
SETTLEMENT PURSUANT TO FED. R. CIV. P. 23**

WHEREAS the Amended Complaint in this action seeks certification of a class pursuant to Federal Rule of Civil Procedure 23(a) and (b)(2), declaratory and injunctive relief, and attorneys' fees;

WHEREAS the Plaintiffs have submitted to the Court a motion for final approval of a proposed Settlement, and Defendant has consented to the motion;

WHEREAS, pursuant to Fed. R. Civ. P. 23(e), the Court may approve a settlement on finding that the proposal is fair, reasonable, and adequate;

THE COURT HEREBY FINDS THAT:

For the purposes of this settlement only, the parties have stipulated to the certification of a class, pursuant to Federal Rules of Civil Procedure 23(a) and (b)(2), consisting of all individuals who took out Wilfred Loans—that is, federally guaranteed student loans disbursed on or after January 1, 1986 for attendance at a school owned or operated by the Wilfred American

Educational Corporation (“Wilfred”) (the “Class”). I have determined that the Class meets all the requirements of Fed. R. Civ. P. Rule 23(a) and (b)(2). With over 60,000 potential members it is more than sufficiently numerous; there are questions of law common to the class; the claims of the Named Plaintiffs are typical of the claims of the members of the Class; and the Named Plaintiffs will fairly and adequately protect the interests of the Class with respect to the claims alleged on behalf of the Class pending before the Court. The Class also meets the requirements of Rule 23(b)(2): the defendant initially refused to act on grounds that apply to all members of the Class, and the injunctive relief being provided by the Settlement provides relief to all members of the Class.

The Settlement is fair, reasonable, and adequate. It is procedurally fair in that it was the product of arms’ length negotiations over the course of many months. The Settlement is substantively fair in that it provides the Class virtually all of the relief presently sought in the case, by obligating the United States Department of Education (“USED”) to promptly notify all Class members of their entitlement to submit applications seeking false certification discharges of their Wilfred Loans (“ATB Discharge Applications”),<sup>1</sup> and further provides that USED will suspend collection on certain loans pending an adjudication of the ATB Discharge Applications. The Settlement does not impair the rights of, or the remedies available to, the Class with respect to seeking student loan discharges. Class members remain free to submit an ATB Discharge Application at any time, and the Settlement does not foreclose any Class member’s right to challenge an individual denial of an application for discharge or to seek complete return of payments previously made on their loans. The Settlement thus provides that Class members will receive all relief to which they would be entitled by litigating this case to judgment in their favor.

---

<sup>1</sup> See 20 U.S.C. § 1087(c); 34 C.F.R. §§ 682.402(e)(1)(i)(A), 685.215(a)(1)(i)(2016).

The Court is approving this Settlement without prior class notice pursuant to Fed. R. Civ. P. 23(e)(1) because the Settlement provides near-complete relief to the Class; Plaintiffs sought only injunctive and declaratory relief on behalf of Class members; there is no evidence of collusion between the parties; sending classwide notice and postponing relief until after a comment period would prejudice the Class by delaying critical relief, while also imposing substantial and unnecessary expense; and the rights of the Class to seek discharges and be accorded all appropriate relief are not impaired by the Settlement. *See Green v. American Exp. Co.*, 200 F.R.D. 211 (S.D.N.Y. 2001); *J.S. v. Attica Cent. Schools*, 2012 WL 3062804 (W.D.N.Y. 2012).

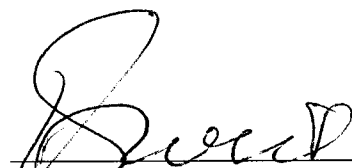
For the reasons set forth above, IT IS NOW HEREBY ORDERED THAT:

1. A class is certified, for the purposes of settlement only, consisting of all individuals who took out Wilfred Loans as defined in the parties' Stipulation of Settlement.
2. The Named Plaintiffs—Ana Salazar, Marilyn Mercado, Ana Bernardez, Jeannette Poole, Edna Villatoro, Lisa Bryant and Cherryline Stevens—are appointed Class Representatives.
3. The New York Legal Assistance Group and the Harvard Legal Services Center are appointed class counsel for the purposes of this Settlement.
4. The Settlement is approved as fair, reasonable, and adequate.
5. The Settlement resolves all claims and issues in the case and the case is dismissed with prejudice, except for the purpose of enforcing the terms of the parties' Stipulation of Settlement and adjudicating Plaintiffs' claim for reasonable attorneys' fees pursuant to the Equal Access to Justice Act, 28 U.S.C. § 2412, and Fed. R. Civ. P 23(h). Plaintiffs may submit any such claim for fees within 90 days of this Order, and Defendant may oppose any such claim.

6. All terms of the parties' Stipulation of Settlement are incorporated herein.

SO ORDERED.

Dated: 8/8, 2017  
New York, New York

  
\_\_\_\_\_  
HON. ROBERT W. SWEET  
United States District Judge