

[This Notice Has Been Approved by the United States Bankruptcy Court]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In Re:	:	
	:	
FRASCELLA ENTERPRISES, INC.	:	Chapter 11
d/b/a CASH TODAY,	:	
Debtor	:	Bankr. No. 06-10322 (DWS)
	:	
	:	Adv. No. 06-00101 (DWS)
<hr/>		
LAWRENCE TURNER,	:	
LINDA DAVIS, and	:	
DEMRYI HILL,	:	
on behalf of themselves and all others	:	
similarly situated,	:	
Plaintiffs	:	
	:	
v.	:	PLEASE READ THIS NOTICE CAREFULLY.
	:	
FRASCELLA ENTERPRISES, INC.,	:	
d/b/a CASH TODAY,	:	YOU ARE NOT BEING SUED.
DAVID FRASCELLA and	:	YOU MAY BE ENTITLED TO MONEY.
LARRY D. FRASCELLA,	:	
Defendants.	:	

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

TO: All Pennsylvania residents who got “payday loans” made or serviced by a company that used the name “Cash Today,” or “800-899-Cash.com,” or “NationwideCash.com,” either from one of its stores, or over the telephone or Internet, before February 1, 2006.

You may qualify to receive a cash refund and/or cancellation of debt as a result of this Class Action Settlement. PLEASE READ THIS NOTICE CAREFULLY.

This lawsuit was originally brought in the Philadelphia Court of Common Pleas against Frascella Enterprises, Inc., doing business as “Cash Today,” and David and Larry Frascella (referred to as “the Defendants”) by Lawrence Turner, Linda Davis and Demryi Hill, on behalf of themselves and all others similarly situated who received payday loans through Cash Today (the “Plaintiffs”). After the filing of the lawsuit, Frascella Enterprises, Inc. (“the Debtor”) filed a chapter 11 bankruptcy proceeding and removed this case to U.S. Bankruptcy Court. This Notice is to inform you of a proposed settlement of that lawsuit under which you may be entitled to receive cash and/or cancellation of debt.

This Notice is being mailed to you because you have been identified as someone who got a payday loan from Ambassador Financial, Frascella Enterprises of Delaware or County Bank of Rehoboth Beach, DE, serviced by Cash Today. You are not being sued. The purpose of this Notice is to inform you about your legal options regarding the settlement. YOU DO NOT HAVE TO DO ANYTHING TO SHARE IN THE PROPOSED SETTLEMENT. If, after

reading this notice, you decide that you do not want to participate in the proposed settlement, then you will have to take certain steps to exclude yourself.

Important Information about the Proposed Settlement

This legal action is pending in the United States Bankruptcy Court for the Eastern District of Pennsylvania (“the Court”). With regard to the proposed settlement, you are hereby notified that:

1. The proposed Settlement, if finally approved and implemented, will eventually create a Settlement Fund of \$753,000. These funds, after payment of an attorney’s fee and expenses to be determined by the Court, will be distributed to class members in accordance with a distribution formula to be submitted for approval to the Court. In addition to providing for cash distributions to Class Members, the Settlement also provides for the forgiveness and discharge of certain open debts that are still owing to the Defendants. Please review the section entitled “The Settlement” for more information about the Settlement Terms and about what you, individually, may be entitled to receive.

2. This notice should not be understood as an expression of any opinion by the Court as to the merits of any claims or defenses by any of the parties.

3. The Plaintiffs are being represented by two Philadelphia law firms: Community Legal Services, Inc. and Langer Grogan and Diver, P.C. These lawyers will be referred to as “Class Counsel.” See “Further Information” below to find out how you can contact the lawyers if you want more information about the case and the Settlement.

4. ***A hearing will be held before the Court on February 23, 2009, in Courtroom 3, Robert N.C. Nix, Sr. Federal Building, Second Floor, 900 Market Street, Philadelphia, PA 19106, at 9:30 a.m. (“the Hearing”).*** The purpose of the Hearing will be determine whether the proposed Settlement of this Action should be approved as fair, reasonable and adequate. *You do not need to attend the Hearing unless you intend to raise an objection to the Settlement.* If you want to object, you should file a written objection. See “NOTICE OF HEARING AND RIGHT TO OBJECT” below.

The Lawsuit

In this class action lawsuit, the Plaintiffs challenged the legality of short-term loans, generally in amounts of \$500 or less, made to consumers through Frascella Enterprises, Inc., a storefront payday loan servicer in Philadelphia that was doing business as “Cash Today.” That company is now a debtor in bankruptcy (and, therefore, is referred to as “the Debtor”), and has ceased servicing payday loans in Pennsylvania. Because loans of this kind usually come due on the borrower’s next payday, they are commonly referred to as “payday loans.” The lawsuit named as Defendants not only the Debtor but, also, Larry Frascella and David Frascella, Jr., two brothers who own the Debtor and other companies. Plaintiffs alleged that the Frascella brothers, acting through their companies, violated Pennsylvania law regarding the amount of interest that can be charged on small loans. The Plaintiffs were seeking a legal determination that the loans

were usurious and were also seeking an award of damages in the amount of the allegedly excess interest or charges that consumers paid.

The Settlement

The Plaintiffs and the Defendants engaged in a negotiation that spanned more than one year and that resulted in this proposed settlement. Plaintiffs and their counsel considered the risks of continued litigation and the likelihood of success, balanced against the benefits to the Class that would be produced by the settlement. They have concluded that the proposed settlement is fair, reasonable and adequate and in the best interests of the Class.

A complete copy of the Modified Agreement to Settle Class Adversary Proceeding is on file with the Clerk of the United States Bankruptcy Court for the Eastern District of Pennsylvania, Robert N.C. Nix, Sr. Federal Building, Second Floor, 900 Market Street, Philadelphia, PA 19106. The following is a summary of the proposed settlement terms:

A class will be certified that includes all individuals who, while residents of Pennsylvania, obtained one or more payday loans from the beginning of time through January 30, 2006 from a) County Bank of Rehoboth Beach DE, which loan(s) was (were) serviced by the Debtor, b) Ambassador Financial Services, Inc., d/b/a Cash Today of Delaware, or c) any other entity owned or controlled by the Defendants. It is believed that there are approximately 9,000 individuals who are members of the Class.

Class Counsel has employed the services of an accounting firm to serve as Settlement Agent. The Settlement Agent will gather loan and payment records from the Defendants to determine the amount of interest and fees paid by each member of the Class. Based on the Settlement Agent's data and calculations, Class Counsel will present to the court a proposed formula for distributing the Settlement Fund to members of the Class. This formula will be described in a Motion for Final Approval of Class Settlement Agreement that will be filed with the Court and will also be described during the Fairness Hearing mentioned below.

As a member of the Class, you will receive a proportionate share of the Settlement Fund in accordance with the distribution formula approved by the Court. The proposed settlement also provides that the three individuals who brought this case and assisted Class Counsel in its prosecution will receive incentive award payments of \$1,000 each.

If the settlement and the distribution formula are approved by the Court, and you are entitled to a proportionate share of fees paid, you will receive a check in the mail, mailed to your last known address. You will not have to fill out any forms or do anything else to receive your share of the Settlement Fund.

In addition to distributions from the Settlement Fund, members of the Class will also receive a discharge of any outstanding balances on any payday loans owed to the Debtor, Frascella Enterprises of Delaware LLC or Ambassador Financial Services Inc. that were in default as of December 23, 2005. It is estimated that approximately 2,634 class members will be

entitled to loan forgiveness and discharge totaling \$1,782,370. The Defendants believe that they have not received any loan repayments on those loan amounts in default, but if you can show that you did make any repayments on those loan balances after December 23, 2005, the amount of those repayments will be refunded to you in addition to any distributions you receive from the Settlement Fund. Note that any loan balances that defaulted after December 23, 2005 are not affected by the Settlement.

The distribution plan will also provide for payment of an award of attorney's fees and costs to Class Counsel. Costs will include the fees charged by the Settlement Agent for its services. The Court will determine the amount of fees and costs that will be paid from the Settlement Fund, but the settlement provides that this amount will not be more than 20% of the Settlement Fund.

If the settlement agreement is approved, and unless you exercise your right to exclude yourself from the settlement, you will give up any rights to sue Defendants or any Frascella company for any claims arising out of payday loans made prior to the date of final approval of the Settlement. Those companies include the Debtor, Frascella Enterprises of Delaware, LLC, Ambassador Financial, JDL Services Corp., Clean Breeze Technologies, Inc., NPC Investments, LLC, and Principle Technology Systems, LLC. The Settlement also includes a release of any claims you may have against County Bank and against entities that lent funds to the Frascellas' businesses, including the Longview Equity Fund, L.P., the Longview Fund, L.P. and various individual noteholders.

In the event too many class members opt out of the settlement, or if the Court does not approve the settlement, the settlement will be declared null and void, the net balance of the Settlement Fund will be returned to the Defendants and the matter will proceed as if there had been no settlement.

NOTICE OF HEARING AND RIGHT TO OBJECT

NOTICE IS HEREBY GIVEN THAT, pursuant to an Order of the Court dated November 17, 2008, a hearing shall be held at the time and place listed on page 2 of this Notice. The purpose of this hearing will be to determine whether the proposed settlement is fair, reasonable, and adequate and in the best interests of the Class and whether the settlement agreement, the request for class certification, the distribution plan, and the request for an award of attorney's fees and costs should be approved. If you want to attend, you may attend with or without an attorney of your own. You are not required to attend in order to participate in the settlement.

You have the *right to exclude yourself* from both the class action and the settlement. This is referred to as "opting out." You may do so by sending a written request to exclude yourself to the two attorneys listed below; you should list your name, address and telephone number. The request for exclusion must be received by them no later than February 9, 2009. Unless you actually intend to file a lawsuit on your own behalf, there is no benefit to excluding yourself.

You also have the *right to object to the settlement*. If you want this objection to be

considered by the Court, then you must put your objection into writing and submit it to the Clerk of the Bankruptcy Court, 900 Market Street, Philadelphia, PA 19106, and you must send copies to the two attorneys listed below. Objections must be filed and sent to the attorneys no later than February 9, 2009. Any objection should include your name, address and telephone number and a written statement of the grounds or reasons for the objection(s). Any objection you timely file will be considered by the Court at the Fairness Hearing whether or not you appear in person at the hearing.

If you do not wish to exclude yourself and have no objection to the settlement, it is not necessary for you to appear at the hearing or to take any other action. You will get the benefits of the settlement if it is approved.

Copies of exclusion requests or objections should be mailed to the following attorneys:

Kerry Smith, Esquire
Community Legal Services, Inc.
3638 N. Broad Street
Philadelphia, PA 19140

Attorney for Plaintiffs

Aris J. Karalis, Esquire
Maschmeyer Karalis P.C.
1900 Spruce Street
Philadelphia, PA 19103

Attorney for the Debtor

Keep Your Address Current

As a member of the Class, you will need to advise the Settlement Agent of any change of address in order to be able to receive any money distribution. Please send any change of address information to: Heffler, Radetich & Saitta, P.O. Box 58667, Philadelphia, PA 19102-8667.

Further Information

The description of the lawsuit and the terms of the proposed settlement is only a summary. If you want to inspect the documents in this case yourself, you may do so during regular business hours at the offices of the Clerk of U. S. Bankruptcy Court, at the address mentioned above or by downloading such documents from the Court's website at <http://ecf.paeb.uscourts.gov>.

Updated information regarding the case will be publicly available on the website of the Settlement Agent, at www.fei.hrsclaims.com.

All inquiries regarding this notice, or the class action, or the proposed settlement should be addressed to:

Kerry Smith, Esquire
Community Legal Services, Inc.
3638 N. Broad Street
Philadelphia, PA 19140

Attorney for Plaintiffs

Or, you may telephone Community Legal Services, at (215) 227-2400, and tell the receptionist you are “calling about the Cash Today class action.”

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR TO THE JUDGE. They are not permitted to answer your questions.

Dated: January 6, 2009