

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

PEDRO SOTO MELENDEZ, on behalf of  
himself and all others similarly situated,  
  
Plaintiff,  
  
vs.  
  
BANCO POPULAR DE PUERTO RICO,  
  
Defendant.

Civil Action No. 20-1057 (JAG)

*(Lead Case for Settlement Approval  
Purposes, No. 20-01057-JAG)*

**JURY TRIAL DEMANDED**

SANDRA ORAMA CARABALLO and  
MIGUEL QUINONES ACOSTA, on  
behalf of themselves and all others  
similarly situated,  
  
Plaintiffs,  
  
vs.  
  
BANCO POPULAR DE PUERTO RICO,  
  
Defendant.

Civil Action No. 22-1107

**JURY TRIAL DEMANDED**

**ORDER GRANTING PLAINTIFFS' UNOPPOSED MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION SETTLEMENT**

WHEREAS, Plaintiffs Pedro Soto Meléndez, Sandra Janine Orama Caraballo, and Miguel Quiñones, on their own behalf and on behalf of the Settlement Class they represent, have applied for an order, pursuant to Federal Rule of Civil Procedure 23, preliminarily approving the Settlement Agreement (“Agreement”) and Releases entered into between Plaintiffs, individually and on behalf of the proposed Settlement Class, and Defendant Banco Popular de Puerto Rico (“BPPR”), and this Court having reviewed the Agreement as submitted to the Court with the Unopposed Motion for Preliminary Approval of Class Action Settlement (“Motion for Preliminary Approval”), Docket No. 105;

WHEREAS, this Preliminary Approval Order incorporates the Agreement, and its exhibits,

and the terms used herein shall have the same meaning and/or definitions given to them in the Agreement, as submitted to the Court with the Motion for Preliminary Approval.

NOW, THEREFORE, pursuant to Federal Rule of Civil Procedure 23(e), upon the agreement of the Parties, and after consideration of the Agreement and its exhibits,

IT IS HEREBY ORDERED as follows:

1. The Court finds that the Agreement proposed by the Parties is fair, reasonable, and adequate and likely to be approved at a final approval hearing such that giving notice is justified. The representations, agreements, terms, and conditions of the Settlement, as embodied in the Agreement and the exhibits attached thereto, are preliminarily approved pending a final hearing on the Settlement as provided herein. The Settlement meets the considerations set forth in the amended Rule 23(e), as well as *In re Puerto Rican Cabotage Antitrust Litig.*, 269 F.R.D. 125, 140 (D.P.R. 2010).

2. The Settlement was negotiated with the assistance of neutral Mediator Hon. José Fusté (Ret.), and appears to be the result of extensive, arm's length negotiations between the Parties after Class Counsel and BPPR's Counsel had investigated the claims, sufficiently litigated the claims, and become familiar with the strengths and weaknesses of the claims. The Settlement appears not to be collusive, has no obvious defects, and falls within the range of reasonableness.

3. The Court finds that it will likely certify at the final approval stage the Settlement Class, for purposes of the Settlement only, consisting of:

All holders of Accounts who during the Class Period paid and were not refunded an NSF and/or OD Fee in connection with an ACH or check transaction that was presented for payment more than once, in the following instances:

- (1) for ACH transactions, if the ACH transaction was resubmitted by the merchant or the merchant's bank with a "RETRY" payment indicator after the initial request for payment was declined and it was either:

- a) returned by BPPR again for insufficient funds resulting in a NSF fee; or,
  - b) paid by BPPR against insufficient funds resulting in an OD fee.
- (2) for ACH transactions, if the ACH transaction is preceded by a returned ACH entry submitted by the same merchant in the same amount within the last ten calendar days, even if the merchant did not use the “RETRY” payment indicator.
- (3) for paper check transactions, if the check was resubmitted for payment after the initial request for payment was declined and it was either:
- a) returned by BPPR again for insufficient funds resulting in a NSF fee; or
  - b) paid by BPPR against insufficient funds resulting in an OD fee.

Excluded from the Settlement Class is Defendant, its parents, subsidiaries, affiliates, officers and directors, all Settlement Class members who make a timely election to opt-out, all judges assigned to this litigation and their immediate family members, and holders of accounts at a BPPR branch located in the British Virgin Islands who do not also have an account at a BPPR branch located in the United States.

4. For purposes of the Settlement only, the Court finds that this Settlement Class meets the relevant requirements of Federal Rule of Civil Procedure 23(a) and (b)(3) in that: (a) the number of Settlement Class Members is so numerous that joinder is impracticable; (b) there are questions of law and fact common to the Settlement Class Members; (c) the claims of the Class Representatives are typical of the claims of the Settlement Class Members; (d) the Class Representatives are adequate representatives for the Settlement Class, and have retained experienced counsel to represent them; (e) the questions of law and fact common to the Settlement Class Members predominate over any questions affecting any individual Settlement Class Member; and (f) a class action is superior to the other available methods for the fair and efficient adjudication of the controversy. The Court therefore preliminarily certifies the proposed Settlement Class.

5. For purposes of the Settlement only, the Court finds and determines that it will

likely find at the final approval stage, pursuant to Federal Rule of Civil Procedure Rule 23(a)(1), that Plaintiffs Pedro Soto Meléndez, Sandra Janine Orama Caraballo, and Miguel Quiñones will fairly and adequately represent the interests of the Settlement Class in enforcing their rights in the Actions, and therefore appoints them as the Class Representatives.

6. For purposes of the Settlement only, and pursuant to Federal Rule of Civil Procedure 23(a)(1), the Court appoints the following as Class Counsel to act on behalf of the Settlement Class and the Class Representative with respect to the Settlement: Jeffrey Kaliel of KalielGold PLLC, Andrew Shamis of Shamis & Gentile, and Scott Edelsberg of Edelsberg, P.A.

7. Kroll is appointed as Settlement Administrator and shall administer the Notice Plan. The Settlement Administrator shall abide by the terms and conditions of the Agreement that pertain to the Settlement Administrator.

8. Pursuant to the 2018 amendment to Federal Rule Civil Procedure 23(e), the terms of the Agreement (and the Settlement provided for therein) are preliminarily approved and likely to be approved at the Final Approval Hearing because:

(A) the class representatives and class counsel have adequately represented the class;

(B) the proposal was negotiated at arm's length;

(C) the relief provided for the classes is adequate, taking into account:

(i) the costs, risks, and delay of trial and appeal;

(ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims, if required;

(iii) the terms of any proposed award of attorneys' fees, including timing of payment; and

(iv) any agreement required to be identified under Rule 23(e)(3); and

(D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).

9. Having reviewed the proposed Notice Plan, including the proposed Postcard Notice, Email Notice, and Long Form Notice submitted by the Parties as Exhibits 1 and 2 to the Agreement, the Court approves, as to form and content, such Notices for the purpose of notifying

the Settlement Class as to the proposed Settlement, the Final Approval Hearing, and the rights of the Members of the Settlement Class. Those Notices contain all of the essential elements necessary to satisfy the requirements of federal law, including the Federal Rules of Civil Procedure and federal and state due process provisions, including the class definition, the identities of the Parties and their counsel, a summary of the terms of the proposed Settlement, information regarding the manner in which objections may be submitted, information regarding opt-out procedures and deadlines, and the date and location of the Final Approval Hearing. Not all Settlement Class Members will receive all forms of Notice, as detailed in the Agreement.

10. The Court directs the Settlement Administrator to cause a copy of the Email Notice or Postcard Notice to be sent to all Settlement Class Members in accordance with the Notice Plan. The Notice Plan shall be completed no later than 60 days before the Final Approval Hearing.

11. The Email Notice, Postcard Notice, and Long Form Notice shall be updated by the Settlement Administrator to include the Final Approval Hearing date and time as set forth below. The Court finds and determines Email Notice and Postcard Notice pursuant to this Order constitutes the best notice practicable under the circumstances, constitutes due and sufficient notice of the matters set forth in the notices to all persons entitled to receive such notices, and fully satisfies the requirements of due process, the Federal Rules of Civil Procedure, and all other applicable law and rules.

12. Any person falling within the definition of the Settlement Class may, upon request, be excluded or opt-out from the Settlement Class. In the event a Settlement Class Member wishes to be excluded from the Settlement and not to be bound by this Agreement, that person must sign and mail a notice of intention to opt-out of the Settlement to the Settlement Administrator, addressed to “Opt-Out Requests: BPPR Fee Class Action” at the Settlement Administrator’s

address as shown in the Class Notice. The notice must be postmarked on or before the last day of the Opt-Out Deadline including the Accountholder's original signature, current postal address, and sufficient information to identify the relevant bank account(s) owned by the proposed Settlement Class Member such as: the Account Holder's name, address, telephone number, and email address, the last four digits of the account number of the BPPR Account(s); and, a specific and affirmative statement that the individual would like to opt-out or be excluded, or other words clearly indicating a desire to no longer participate in the Settlement. Any member of the Settlement Class who timely and properly requests exclusion in compliance with these requirements will thereafter be excluded from the Settlement Class, will not become a Settlement Class Member, will not have any rights under the Settlement, will not be entitled to receive a Settlement Class Member Payment, and will not be bound by the Agreement or the Final Approval Order. Any members of the Settlement Class who fail to submit a valid and timely opt-out request shall be bound by all terms of the Agreement and the Final Approval Order, regardless of whether they have requested to be opted-out from the Settlement. If an Account has more than one Accountholder, and if one Accountholder excludes himself or herself from the Settlement Class, then all Accountholders on that account shall be deemed to have opted-out of the Settlement with respect to that Account, and no Accountholder shall be entitled to a payment under the Settlement.

13. Any Settlement Class Member who wishes to object to the Settlement, Class Counsel's application for attorneys' fees and costs, or a Service Award for any of the Class Representatives, or to appear at the Final Approval Hearing and show cause, if any, why the Settlement should not be approved as fair, reasonable, and adequate to the Settlement Class, or why a final judgment should not be entered thereon, may do so, but must proceed as set forth in this paragraph. Only a Settlement Class Member may file an objection. No Settlement Class

Member or other person will be heard on such matters unless they have filed and served via U.S. Mail or private courier (e.g., Federal Express) a written objection (together with any briefs, papers, statements, or other materials that the Settlement Class Member or other person wishes the Court to consider) to the Court and the Parties on or before the last day of the Opt-Out Deadline, as set forth in the Notices. Any objection must state: (a) the name of the Action; (b) the objector's full name and information sufficient to identify the objector as a Settlement Class Member, address, e-mail address (if any), and telephone number; (c) all grounds for the objection, accompanied by any legal support for the objection known to the objector or the objector's counsel; (d) the number of times the objector has objected to a class action settlement in the past five years, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior objections that were issued by the trial and appellate courts in each listed case; (e) identify all counsel who represent the objector, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement or Class Counsel's application for attorneys' fees, costs and expenses and for a Service Award for the Class Representative; (f) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last 3 years; (g) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any Person) has filed an objection to any proposed class action settlement within the last 3 years; and (h) a list, by case name, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative.; (i) any and all agreements that relate to the objection or the process of objecting—whether written or oral—between objector or objector's counsel and any other person or entity; (j) the identity of all counsel (if any) representing the

objector who will appear at the Final Approval Hearing; (k) a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection; (l) a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing, and (m) the objector's signature and signature of any duly authorized attorney or representative along with documentation setting forth such representation (an attorney's signature in lieu of the objector's is not sufficient). The Parties must file any briefs in response to any objection on or before 15 days prior to the date of the Final Approval Hearing. Service upon Class Counsel and BPPR counsel is required. Class Counsel and/or BPPR may conduct limited discovery on any objector consistent with the Federal Rules of Civil Procedure.

14. If the objection is made by or through an attorney, the written objection must also include: (a) the identity and number of the Settlement Class Members represented by objector's counsel; (b) the identity and number of such represented Settlement Class members who have opted out of the Settlement Class; and (c) the identity and number of such represented Settlement Class Members who have remained in the Settlement Class and have not objected. If the attorney intends to seek fees and expenses from anyone other than the objectors he or she represents, the attorney shall also file with the Court and serve upon Class Counsel and BPPR's Counsel, not later than 15 days before the Final Fairness Hearing, a document containing the following: (i) the amount of fees sought by the attorney for representing the objector and the factual and legal justification for the fees being sought; (ii) a statement regarding whether the fees being sought were calculated on the basis of a lodestar, contingency, or other method; (iii) the number of hours already spent by the attorney and an estimate of the hours to be spent in the future; and (iv) the attorney's hourly rate.

15. Any Settlement Class Member who does not make his or her objections in the

manner and by the date set forth above of this Order shall be deemed to have waived any objections and shall be forever barred from raising such objections in this or any other action or proceeding, absent further order of the Court.

16. Prior to the Final Approval Hearing, (i) Class Counsel shall file with the Court and serve on all Parties an affidavit or declaration of the Settlement Administrator certifying that the Notice Plan was completed and providing the name of each Settlement Class member who timely and properly requested exclusion from the Settlement Class; and (ii) BPPR shall file with the Court and serve on all Parties a declaration certifying that notice was provided to the appropriate government entities in accordance with the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715.

17. All pretrial proceedings in this action are stayed and suspended until further order of this Court, except such actions as may be necessary to implement the Agreement and this Preliminary Approval Order.

18. Upon the entry of this Order, the Class Representatives and all members of the Settlement Class shall be provisionally enjoined and barred from asserting any claims against BPPR and the Released Parties arising out of, relating to, or in connection with the Released Claims prior to the Court’s decision as to whether to grant Final Approval of the Settlement.

19. This Settlement, and any and all negotiations, statements, documents, and/or proceedings in connection with the Settlement, shall not be construed or deemed to be evidence of an admission or concession by BPPR of any liability or wrongdoing by BPPR or any of its affiliates, agents, representatives, vendors, or any other person or entity acting on its behalf with respect to the conduct alleged in the Actions or that the cases were properly brought as class actions, and shall not be construed or deemed to be evidence of an admission or concession that

any person suffered compensable harm or is entitled to any relief with respect to the conduct alleged in the Actions. BPPR may file the Agreement in any action or proceeding that may be brought against it in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

20. In the event that (a) this Court does not grant Final Approval of the Settlement as provided in the Agreement; (b) this Court does not enter the Final Approval Order in all material respects and substantial form as the Final Approval Order submitted by the Parties with the Motion for Final Approval; or (c) the Settlement does not become final for any other reason, the Agreement shall be null and void and any order or judgment entered by this Court in furtherance of the Settlement shall be vacated *nunc pro tunc*. In such a case, the Parties shall proceed in all respects as if the Agreement had not been executed and the Parties shall in no way be prejudiced in proceedings with or defending the Actions, the provisional class certification effected herein will be null and void, and BPPR shall have the right to oppose and object, on any and all grounds, to certification of the Settlement Class or any other class at any future time.

21. For the benefit of the Settlement Class and to protect this Court's jurisdiction, this Court retains continuing jurisdiction over the Settlement proceedings to ensure the effectuation thereof in accordance with the Settlement preliminarily approved herein and the related orders of this Court.

22. Class Counsel and BPPR's Counsel are hereby authorized to use all reasonable procedures in connection with approval and administration of the Settlement that are not materially inconsistent with this Order or the Agreement, including making, without the Court's further approval, minor form or content changes to the Notices they jointly agree are reasonable or

necessary.

23. A Final Approval Hearing will be held in **Courtroom 4, 3rd Floor**, U.S. District Court for the District of Puerto Rico, **300 Recinto Sur St., San Juan, PR 00901** on **March 14, 2023 at 4:00 P.M.**, to determine: (a) whether the Settlement should be approved as fair, reasonable, and adequate to the Settlement Class; (b) whether the Final Approval Order should be entered in the same form as the Final Approval Order submitted by the Parties with the Motion for Final Approval; (c) whether to approve Class Counsel's application for attorneys' fees and costs, and for a Service Award for each of the Class Representatives; and (d) any other matters that may properly be brought before the Court in connection with the Settlement. The Final Approval Hearing is subject to continuation or adjournment by the Court without further notice to the Settlement Class. The Court may approve the Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Settlement Class. The Parties must file all moving papers and briefs in support of Final Approval, inclusive of Class Counsel's application for attorneys' fees and costs, and for a Service Award for the Class Representatives, no later than 45 days before the date of the Final Approval Hearing.

24. Any Settlement Class Member may enter an appearance in the Action, at their own expense, individually or through counsel of their own choice. If a Settlement Class Member does not enter an appearance, he or she will be represented by Settlement Class Counsel.

25. The Court hereby sets the following schedule of events:

<b>Event</b>	<b>Date</b>
<b>Notice Plan Complete (including Initial Mailed Notice and the Notice Re-Mailing Process)</b>	<b>January 13, 2023</b>
<b>Motion for Final Approval, Application for Attorneys' Fees, Expenses and Costs, and for a Service Award</b>	<b>January 28, 2023</b>
<b>Opt-Out Deadline</b>	<b>February 12, 2023</b>
<b>Deadline to Submit Objections</b>	<b>February 12, 2023</b>
<b>Deadline to Respond to Objections</b>	<b>February 27, 2023</b>
<b>Final Approval Hearing</b>	<b>March 14, 2023 at 4:00 P.M.</b>

**IT IS SO ORDERED.**

**DATED: November 23, 2022**

s/ Jay A. Garcia-Gregory

Honorable Jay A. García Gregory  
UNITED STATES DISTRICT JUDGE