

Capital One Agrees to \$75 Million Telephone Consumer Protection Act (TCPA) Settlement

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Capital One and three collections agencies recently announced the **largest proposed cash settlement in TCPA history** – \$75.5 million. This is more than *double* the amount of the prior record – a \$32 million settlement from Bank of America.

The plaintiffs allege that Capital One and the other defendants used an ATDS to place debt collection calls to 21 million cell phone numbers without the requisite consent. Under the terms of the proposed settlement, Capital One will contribute \$73 million to the settlement fund, while ***AllianceOne Receivables Management Inc., Leading Edge Recovery Solutions, LLC and Capital Management Services, L.P.*** will contribute \$1.4 million, \$996,205 and \$24,220, respectively.

The [settlement agreement](#) estimates that claimants will receive at least \$20-\$40 and allocates up to 30% of the settlement fund for an award of attorneys' fees and costs in an amount to be set by the court. The settlement fund is non-reversionary. Capital One also agreed to take steps to ensure TCPA compliance going forward though it expressly disclaimed any liability in connection with the settlement.

On July 29, 2014, Judge James F. Holderman of the United States District Court for the Northern District of Illinois [preliminarily approved](#) the proposed settlement. The court set deadlines of August 28, 2014, for class notice and November 26, 2014, for filing claims. The final approval hearing is scheduled for December 9, 2014.

It is notable that this settlement has been reached in an action involving informational calls, which are not subject to the heightened "prior express written consent" requirements that have applied to telemarketing calls since October 16, 2013.

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