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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

DANICA LOVE BROWN, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

STORED VALUE CARDS, INC. (d/b/a
NUMI FINANCIAL); and CENTRAL
NATIONAL BANK AND TRUST
COMPANY, ENID, OKLAHOMA,

Defendants.

NO. 3:15-cv-01370-MO

PLAINTIFF'S UNOPPOSED MOTION:

(1) FOR PRELIMINARY APPROVAL
OF SETTLEMENT AGREEMENTS;

(2) FOR APPROVAL OF CLASS
NOTICE PACKAGE; AND

(3) TO ESTABLISH A FINAL
SETTLEMENT APPROVAL
HEARING AND PROCESS

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I. LOCAL RULE 7-1 CERTIFICATION

Pursuant to Local Rule 7-1(a), counsel for Plaintiff Danica Love Brown and the Class conferred with counsel for Defendants Stored Value Cards, Inc., d/b/a NUMI Financial and Central National Bank and Trust Company, Enid, Oklahoma, n/k/a Stride Bank, N.A. regarding this motion. Defendants do not oppose this motion and the proposed order for preliminary approval of settlements with Defendants.

II. MOTION

The parties request the Court: (1) preliminarily approve the settlement agreements reached with Defendants Stored Value Cards, Inc., d/b/a Numi Financial (“Numi”) and Central National Bank and Trust Company, n/k/a Stride Bank, N.A. (“CNB”), (2) approve the form of written and electronic notices and the proposed plan for providing notice; (3) approve Kroll as the Claims Administrator, and (4) set a schedule for distribution of notices, dates for opt-outs, comments and objections and a final approval hearing.

III. INTRODUCTION

A. Case Background.

Money taken from class members is held in trust for them while in custody. When released, they are entitled to have those funds returned. Class members, however, were required to accept Defendants’ prepaid debit cards (“release cards”) to obtain their money when were released from custody. Defendants’ release card program charged fees and imposed other requirements. Plaintiff/class representative Danica Brown filed this class action alleging that program was illegal under the Electronic Fund Transfer Act

because (1) the release cards were not requested by class members and (2) the fees levied by the Defendants were illegal. Defendants' efforts to require these claims to be submitted to arbitration were rejected by this Court and the Ninth Circuit.

Prior to the Defendants' appeal of the arbitration decision, this Court certified those claims for an Oregon class. After the Ninth Circuit affirmed this Court's decision denying arbitration, the Court reviewed submissions regarding whether a national class should be certified. On July 13, 2023, the Court certified the EFTA claims for a national class. ECF 288. The Court then set a trial date and case schedule. ECF 298.

B. Background of Settlements.

At mediation on March 4, 2024, the class reached a settlement with Defendant CNB conditioned upon the Court's preliminary and final approval of the agreement and notice to the class, in accordance with rule Fed. R. Civ Proc. 23(e). A short form agreement was executed, and the parties have now executed a final agreement for the Court's preliminary approval, which is attached as *Exhibit A*.

Defendant Numi Financial contended that, absent a settlement, it would likely file for bankruptcy because of its potential liability in this case and could only settle for a substantially reduced amount of money paid over time. The class could not consider Numi's proposal without receiving additional information from Numi. At the parties' request, the Court stayed this case for 45 days to allow the class and its consultants to obtain and review financial and other information from Numi to determine whether class counsel could recommend a settlement tentatively agreed to in a short form agreement.

ECF 301. After further review and discussions, Plaintiff and Numi executed a final agreement for the Court's preliminary approval, which is attached as *Exhibit B*.

IV. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT AGREEMENTS.

A. Procedures for Approving Class Action Settlement Agreements.

Compromise of complex litigation is encouraged and favored by public policy. *In re Syncor ERISA Litig.*, 516 F.3d 1095, 1101 (9th Cir. 2008); *In re Pac. Enters. Sec. Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Federal Rule of Civil Procedure 23 governs the settlement of certified class actions and provides that "the claims, issues, or defenses of a certified class may be settled, voluntarily dismissed, or compromised only with the court's approval." FRCP 23(e). The Court must consider the settlement as a whole, "rather than the individual component parts," to determine whether it is fair and reasonable. *Staton v. Boeing Co.*, 327 F.3d 938, 960 (9th Cir. 2003); *see Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998) ("The settlement must stand or fall in its entirety").

FRCP 23(e) sets forth the following procedures:

- (1) The court must direct notice in a reasonable manner to all class members who would be bound by the proposal.
- (2) If the proposal would bind class members, the court may approve it only after a hearing and on finding that it is fair, reasonable, and adequate.
- (3) The parties seeking approval must file a statement identifying any agreement made in connection with the proposal.
- (4) If the class action was previously certified under Rule 23(b)(3), the court may refuse to approve a settlement unless it affords a new opportunity to request exclusion to individual class members who had an earlier opportunity to request exclusion but did not do so.

- (5) Any class member may object to the proposal if it requires court approval under this subdivision (e); the objection may be withdrawn only with the court's approval.

Id.

Judicial review of a proposed class settlement typically requires two steps: a preliminary approval review and a final fairness hearing. Preliminary approval is not a commitment to approve the final settlement; rather, it is a determination that "there are no obvious deficiencies and the settlement falls within the range of reason." *Smith v. Professional Billing & Management Services, Inc.*, 2007 WL 4191749, *1 (D. N.J. 2007) (citing *In re Nasdaq Market-Makers Antitrust Litig.*, 176 F.R.D. 99, 102 (S.D. N.Y. 1997)). *See also*, *Nat'l Rural Telecomms. Coop. v. DIRECTTV, Inc.*, 221 F.R.D. 523, 525 (C.D. Cal. 2004); MANUAL FOR COMPLEX LITIGATION (4th), § 21.632 at 320 (2004). If the settlement is preliminarily approved by the Court, then notice of the proposed settlement and the fairness hearing is provided to class members. At the fairness hearing, class members may object to the proposed settlement, and the Court decides whether the settlement should be approved.

The factors that the Court should consider include:

The strength of plaintiffs' case; the risk, expense, complexity, and likely duration of further litigation; the risk of maintaining class action status throughout the trial; the amount offered in settlement; the extent of discovery completed, and the stage of the proceedings; the experience and views of counsel; the presence of a governmental participant; and the reaction of the class members to the proposed settlement.

Staton, 327 F.3d at 959. Some of these factors, such as the reaction of class members, can only be gauged after preliminary approval and notice is provided. At this preliminary

phase, the question is not “whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion.” *Hanlon*, 150 F.3d at 1027.

This case is ripe for settlement. It was filed more than nine years ago, has gone through two appeals to the Ninth Circuit, has been certified as a national class action, which Defendants may also challenge on appeal, and was recently set for trial. While some discovery is likely if this case continues, the parties have extensive, sufficient evidence to assess the merits of the case, and were able to resolve this dispute with the assistance of an experienced mediator. The agreements are straightforward: they require payment of money to the class in return for general releases of liability against the Defendants.

B. The Class Will Be Paid Up to \$4 million from Defendants.

The Settlement Agreement with CNB provides that it will pay \$2,800,000 into a settlement fund and up to an additional \$200,000 to defray actual incurred notice costs under the conditions in its settlement agreement. *Ex. A*, § 1.14. This amount will be used to make payments to (1) class members who submit valid claims, (2) attorney fees and costs payable to class counsel, (3) case contribution awards to Plaintiff, (4) costs of providing notice to the class members and claims administration expenses, and (5) potential *cy pres* awards.

CNB was potentially liable for reimbursing fees charged to class members of approximately \$3.6 million charged during the time it served as the partner bank for Numi in issuing release cards. Its agreement to pay up to \$3 million to the class is

approximately 86% of its potential liability for damages—a significant recovery under any standard of appraising a settlement.

The Settlement Agreement with Numi provides that it will pay \$1 million in 10 semiannual payments of \$100,000. These payments will be used to pay unpaid claims (if necessary), claims administration expenses, and potential *cy pres* awards. *Ex. B*, § 1.17. Numi also agreed to provide a security interest in all assets owned or controlled by Numi and a stipulated judgment for \$34 million should Numi default on its obligations under its Settlement Agreement. *Ex. B*, §§ 1.18, 1.19, 6.1, and 6.3.

The \$1 million obligation by Numi is approximately 3% of the \$31 million it is potentially liable for (after deducting the payment from CNB) from fees charged during the entire class period from 2014 through 2023. By comparison, the two defendants in the nationwide class action filed in Ohio against Numi and its then-partner bank Republic Bank & Trust Company—*Humphrey v. Stored Value Cards*, 2021 U.S. Dist. LEXIS 5539 (N.D. Ohio Jan. 12, 2021)—settled for a total of \$550,000. There is no indication of how that obligation was shared between the two defendants and no discussion whether Numi was in financial trouble.

Prior to mediation here, however, Numi provided financial statements showing it had limited resources to offer anything more than \$1 million paid over a five-year period. Class Counsel could not consider that offer without further investigation and retained CPA William Holmes and his forensic accounting firm of Truepoint Analytics in Portland (<https://teamtruepoint.com/about-us/>). This Court stayed the proceedings in this case for 45 days to allow us and Mr. Holmes to further investigate Numi’s financial situation.

Substantial additional information was requested, including shareholder agreements, employment contracts, cash flow, accounts receivable, distributions to employees and stockholders, etc. After completing the investigation, Mr. Holmes advised us it was extremely unlikely that we could obtain more than the payments offered by Numi to resolve the claims against it. He also believed it was likely Numi would have to initiate bankruptcy proceedings if a judgment of \$1 million or more was obtained against it at trial.

It was reasonably certain that if Numi's proposal was not accepted, however, that it would file for bankruptcy rather than continue to trial in this case. Numi had retained bankruptcy counsel with a view to filing under a subsection of Chapter 11 of the Bankruptcy Code in June 2024. At that stage, the Class would have an unsecured/unliquidated claim for damages in this lawsuit. Numi states that it will be able to make its payments totaling \$1 million but also agreed to provide a security interest in its assets to help secure payments, which would also provide the class a higher priority among Numi's creditors should it ultimately initiate bankruptcy proceedings. Under these circumstances, class counsel believes that the settlement agreement reached in *Exhibit B* is in the best interest of the class.

In considering approval of proposed settlement settlements in class actions, courts consider a defendant's financial situation and risk of bankruptcy:

This represents a relatively low recovery for Plaintiffs. However, balanced against the real risk that Defendants would have opted to file for bankruptcy instead of assuming a greater liability, the proposed settlement provides a degree of certainty for those class members who have opted into the agreement

that litigation would not. Therefore, the range of reasonableness of the settlement in light of the possible recovery, the attendant risks of litigation, and Defendants' possible bankruptcy weighs in favor of approving the Settlement Agreement.

Blofstein v. Michael's Family Rest., Inc., No. 17-5578, 2019 U.S. Dist. LEXIS 121527, at *25-26 (E.D. Pa. July 19, 2019). *See also, Hester v. Vision Airlines, Inc.*, 2014 U.S. Dist. LEXIS 48360, at *13 (D. Nev. Apr. 7, 2014) (“Class counsel is very experienced in class actions and has litigated this case for six years. Given Vision's threat of bankruptcy as a result of this Lawsuit, Class counsel achieved the most favorable settlement possible under the circumstances, demonstrating the kind of judgment expected of Class counsel.”)

Although the total amount of the settlement is lower than anticipated due to Numi's financial situation, class counsel is optimistic that class members who file claims will receive three times the amount of fees they were charged by their release cards or \$15, whichever is higher, based on their experience with similar class actions, including *Reichert v. Rapid Financial*, a release card class action against a different vendor.

In *Reichert*, approximately 800,000 notices were mailed that included claim forms. Approximately 1.6% of those forms were either mailed back or submitted through the website established for the case. An additional 1,000 claims were submitted from notice provided through social media. Persons filing legitimate claims received three times the amount of their fees plus \$15. After paying all claims, fees, and expenses, approximately \$5 million remains for *cy pres* distributions.

The 1.6% claim response rate in *Reichert* is not uncommon in prison-related class actions. *See, Touhey v. United States, Touhey v. United States*, 2011 U.S. Dist. LEXIS 81308,

*4 (C.D. Cal. July 25, 2011) (class action claim for unpaid interest on return of currency seized in anticipation of criminal charges; 2% of class members receiving written notice responded). The Ohio release card case had a “claim rate just over 1%.” *Humphrey v. Stored Value Cards*, 2021 U.S. Dist. LEXIS 5539, *5 (N.D. Ohio Jan. 12, 2021).

The actual claims rate for this case will obviously not be known until after claims are received, and is a factor examined by the courts in determining whether final approval is appropriate. It is discussed here to show that the total amount of settlement funds offered here will likely reimburse class members for all fees charged and potentially additional amounts.

C. The Settlement Agreement Provisions Governing Attorney Fees and Costs Are Fair and Reasonable.

The Settlement Agreements provide that Class Counsel may apply for attorney fees under the common fund/common benefit doctrine. *Ex. A*, § 10.1; *Ex. B*, § 10.1. The four law groups representing the Class¹ intend to share a total fee award of 33% of the total value of the settlements. The Court need not presently consider whether 33%, or any other level, is the appropriate fee award. Rather, the issue is whether the Settlement Agreement as a whole, including its provision allowing Class Counsel to apply for an attorney’s fee award is fair and reasonable. Preliminary approval of the Settlement Agreement does not bind the Court to any provision of attorney fees. *See, e.g., Jones v. GN Netcom, Inc.*, 654 F.3d 935, 945 (9th Cir. 2011) (the Ninth Circuit’s rejection of a fee

¹ The law firms and legal organizations are: (a) Sirianni Youtz Spoonemore Hamburger PLLC, (b) Public Justice, (c) the Law Offices of Megan E. Glor, and (d) the Human Rights Defense Center.

award does not necessitate invalidation of the trial court's approval of a settlement agreement).

The Settlement Agreement also provides for the payment of Class Counsel's out-of-pocket costs and expenses. *Ex. A*, § 10.2; *Ex. B*, § 10.2. Like the request for fees, Class Counsel's reimbursement request must also be reviewed and approved by the Court. *Id.*

D. The Settlement Agreement's Incentive Award Provision Is "Fair, Adequate and Reasonable."

The Settlement Agreements also permit Class Counsel to seek case contribution awards for the named class representatives. *Ex. A*, § 10.3; *Ex. B*, § 10.3. The Ninth Circuit established factors to consider when reviewing incentive awards for named plaintiffs. The Court must consider "the actions the plaintiff has taken to protect the interests of the class, the degree to which the class has benefitted from those actions, the amount of time and effort the plaintiff expended in pursuing the litigation and reasonable fears of workplace retaliation" when determining whether an incentive award is appropriate. *Staton*, 327 F.3d at 977, citing *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir. 1998). "Because a named plaintiff is an essential ingredient of any class action, an incentive award is appropriate if it is necessary to induce an individual to participate in the suit." *Cook*, 142 F.3d at 1016; *see, e.g., Louie v. Kaiser Found. Health Plan, Inc.*, 2008 U.S. Dist. LEXIS 78314, 18 (S.D. Cal., Oct. 6, 2008).

Plaintiff Danica Brown dedicated substantial time, effort, and diligence during the nine years of this litigation to pursue and protect the interests of the class. After this Court dismissed her claims, the principal and local law firms representing her declined to

appeal that decision and later withdrew from the case. Her persistence in obtaining additional counsel to appeal and prosecute this action preserved a recovery for the Class. She provided discovery and was examined extensively by defense counsel in a deposition regarding her personal life and her decision to pursue this litigation. Class Counsel contemplates seeking an award of \$15,000 for her, which is consistent with incentive awards approved in other cases. *E.g.*, *Cook*, 142 F.3d at 1016 (approving \$25,000 incentive award). The Court does not need to decide at this time whether an incentive payment is appropriate; it need only be comfortable that the provision in the Settlement Agreement permitting an incentive award does not render the proposed Settlement Agreements unfair or a product of collusion.

E. The *Cy Pres* Provision Is Reasonable.

Class Counsel believes funds will remain after all required disbursements are made under the Settlement Agreements, including payment of claims. None of this remaining amount will revert to Defendants. If funds are available, the Class will propose recipients for *cy pres* distributions as provided by the Settlement Agreements. *Ex. A*, § 7.3; *Ex. B*, § 7.1.

Class members will be informed of their right to comment and/or object to any potential *cy pres* recipient through the website that will be set up for the settlement. This is recognized as a proper procedure to award *cy pres* funds. *In re Baby Prods. Antitrust Litig.*, 708 F.3d 163, 180 (3d Cir. 2013) (“Class members know there is a possibility of a *cy pres* award and that the Court will select among recipients proposed by the parties at a later date. This knowledge is adequate to allow any interested class member to keep

apprised of the *cy pres* recipient selection process. We are confident the Court will ensure the parties make their proposals publicly available and will allow class members the opportunity to object before it makes a selection.”); *In re Netflix Privacy Litig.*, 2013 U.S. Dist. LEXIS 37286, *5-6, 2013 WL 1120801 (N.D. Cal. 2013) (“A list of the twenty proposed *cy pres* recipients and explanation of how they intend to use the funds is provided in the Final Approval Motion as well as posted on the litigation website.”).

F. The Settlement Was the Result of Arm’s-Length Negotiations.

This case was negotiated at arm’s-length with the assistance of mediator Lou Peterson of Hillis Clark Martin & Peterson, P.S. The essential terms of the agreement with CNB were reached at the mediation. The parties later negotiated a comprehensive agreement, contained in *Exhibit A*.

The agreement with Numi, took more time and required a 45-day stay of the litigation to investigate financial statements and other information regarding Numi and additional negotiations. Those negotiations resulted in a comprehensive agreement with Numi (*Exhibit B*), which included provisions to provide security for its payments. Both agreements resulted from arm’s-length negotiations and have no hint of being collusive.

G. There Was Sufficient Discovery.

Even a casual look at the docket shows this action’s long history; this was not an early settlement. Discovery was obtained through interrogatories, document requests, and depositions, as well as public record requests directed to numerous facilities and government agencies throughout the country. After a national class was certified, data was collected regarding more than 5 million release cards issued during the class period.

This data was sufficient to determine the scope of the class and damages. Discovery was more than sufficient to reach a settlement of this matter.

H. Class Counsel Is Experienced in Similar Litigation and Recommend Settlement.

As described in the declaration of Chris Youtz, Class counsel is very experienced in similar class action litigation and strongly recommends that the Agreements be approved. That experience includes the release card litigation in *Reichert* and two additional release card lawsuits.

V. THE COURT SHOULD APPROVE THE FORM OF WRITTEN AND ELECTRONIC NOTICES AND THE PROPOSED PLAN FOR PROVIDING NOTICE.

There are two forms of written notice we request the Court approve. First, a postcard to be mailed to known addresses, which will also include a claim form that can be detached and returned. *Ex. C.* Second, a multipage, long-form notice that can be provided electronically or by mail, if requested. *Ex. D.* Long-form notices can also be sent in bulk to facilities and other locations that may have contact with class members.

Written notices should consider the seven elements identified in Rule 23(c)(2)(B): (1) a description of the nature of the action, (2) the definition of the class, (3) the class's claims, issues, or defenses, (4) notification that a class member may enter an appearance through an attorney, if they wish, (5) notification of the right to opt out of the class, (6) the time and manner of requesting exclusion from the class, and (7) the binding effect of a class judgment under Rule 23(e)(3). Fed. R. Civ. P. 23(c)(2)(B)(i)-(vii). A mailed notice need not contain all these elements but must provide enough information so that a potential class member can access the more detailed long form notice. *See Garcia v.*

Nationstar Mortg. LLC, 2018 U.S. Dist. LEXIS 184114, *5 (W.D. Wash. Oct. 26, 2018) (postcard notice directing class members to website “was the best notice practicable under the circumstances”); *Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1255 (C.D. Cal. 2016) (postcard notice that directed class members to website for long form notice “fairly and adequately informed class members” of their rights).

Exhibits C and D were adopted from forms previously approved by this Court to provide notice to class members after it certified a national class. ECF 297. The forms are modified to include information regarding the settlements, the claims process, and additional opportunities to object to the settlement or opt out of the class. As before, the combination of the postcard and the longform notices provide proper and adequate notice to the class, and the Court should approve the form of notices contained in *Exhibits C and D*.

VI. THE COURT SHOULD APPROVE THE PROCESS FOR PROVIDING NOTICE TO CLASS MEMBERS AND SUBMISSION OF CLAIMS.

Class Counsel proposes the following plan to provide notice to the class:

- A dedicated website (www.NumiReleaseCard.com) will be established describing the lawsuit, containing copies of the current complaint, the long form notice, and a form to complete if class member wishes to opt out of the lawsuit. A class member will also be able to submit a claim or an opt-out request electronically through the website.
- A dedicated email address (numireleasecard@sylaw.com) will be available to request additional information and a copy of the long-form notice.

- A postcard notice substantially in the form of *Exhibit C* will be mailed by first-class mail to potential class members with known addresses. That notice will direct potential class members to the settlement website and a telephone number for obtaining more information and a copy of the long form notice. The postcard has a pre-addressed detachable claim form that can be returned by regular mail or by taking a picture of the completed form with a smart phone and emailing it to numireleasecard@sylaw.com.
- Written notice will be supplemented by advertising in publications, such as the Prison Legal News, internet banner advertising, sponsored search advertising, and national informational releases that experience from the *Reichert* case shows are likely to reach class members.
- Long form notices will be provided to facilities that issued Defendants' release cards during the class period as a significant number of releasees are incarcerated more than once.

Three proposals were received from vendors to serve as claims administrator for this case. As described in the declaration of Richard Spoonemore, we recommend that Kroll serve as the claims administrator. It has the advantage of having served as claims administrator for the *Reichert* litigation as well as other prison-related class actions and understands the demographics of the class. In addition, its fees are substantially lower than the other proposals. *See also In re Packaged Seafood Prods. Antitrust Litig.*, 2023 U.S. Dist. LEXIS 42200, *47 (S.D. Cal. March 13, 2023) (approving appointment of Kroll, a

“nationally recognized notice and claims administration firm” with a record of success in providing “robust court-approved Settlement Notice Plan....”).

Accordingly, we request that the Court approve the proposed plan for providing notice with Kroll as the claims administrator.

VII. THE COURT SHOULD SET A HEARING DATE FOR FINAL APPROVAL AND A SCHEDULE FOR MAILING NOTICES, SUBMISSION OF CLAIMS AND OPT OUT REQUESTS AND WRITTEN OBJECTIONS TO THE SETTLEMENT.

The Court should establish a hearing date for final approval of the settlement. From that date, deadlines should be set for (1) submissions of claims, (2) requests to opt out, (3) Class Counsel to file motions for attorneys’ fees, reimbursement of costs, and incentive awards, (4) objections or comments to the settlement, and (5) requests by class members to speak at the hearing. The proposed order included with this motion contains recommendations for these deadlines based on the date chosen by the Court for the final hearing.

Submitted: June 13, 2024.

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CERTIFICATE OF COMPLIANCE

I certify that this brief complies with the applicable word-count limitation under LR 7-2(b), 26-3(b), 54-1(c), or 54-3(e) because it contains 4,248 words, including headings, footnotes, and quotations, but excluding the caption, table of contents, table of cases and authorities, signature block, exhibits, and any certificates of counsel.

DATED: June 13, 2024.

/s/ Chris R. Youtz
Chris R. Youtz, *Pro Hac Vice*
chris@sylaw.com

Exhibit A

AGREEMENT TO SETTLE CLAIMS

This is an agreement to settle all claims raised by Plaintiff Danica Brown (“Plaintiff”) on behalf of herself and an Oregon State Subclass (the “Subclass”) solely against Defendant Central National Bank and Trust Company, n/k/a Stride Bank, N.A. (“CNB”) in the matter of *Brown v. Stored Value Cards, Central National Bank and Trust Company* No. C3:15-cv-01370-MO, (the “Action”) in the United States District Court for the District of Oregon. The Plaintiff, the Subclass, and CNB, are jointly referred to as the “Parties”).

RECITALS

1. The Action was filed in 2015 against CNB and Defendant Stored Value Cards, d/b/a Numi Financial (“Numi”), who is not a party to this agreement. No claims made by Plaintiff and the Subclass against Numi are resolved by this agreement.

2. The claims raised by Plaintiff and the Subclass arise from prepaid debit cards received by them to return money held by detention facilities on their behalf. These cards are generally referred to as “release cards.” Plaintiff and the Subclass contend they were required to accept release cards for return of the money owed to them, which they contend is illegal and for which Plaintiff and the Subclass claim damages under the Electronic Fund Transfer Act (“EFTA”). CNB denies that it was involved in any wrongdoing and maintains that it is not liable to Plaintiff or the Subclass under any claim or theory.

3. On March 4, 2024, class counsel for the certified Brown Class and counsel for Central National CNB agreed to resolve this matter and executed an agreement with certain terms and conditions. The parties agreed to execute a long-form settlement agreement to include additional and usual and customary provisions necessary for the approval of a class settlement and creation of a qualified settlement fund. This agreement contains all the terms of the settlement agreement reached:

AGREEMENT

1. *Definitions.*

- 1.1 “*Action*” means: *Brown v. Stored Value Cards, Inc. and Central National Bank and Trust Company* No. C3:15-cv-01370-MO, United States District Court for the District of Oregon.
- 1.2 “*Agreement*” means: the terms and conditions contained in this agreement among the Parties upon the date it is executed by all Parties.
- 1.3 “*Case Contribution Award*” means: any monetary amount awarded by the Court in recognition of the Plaintiff’s assistance in the prosecution of this Action.
- 1.4 “*Class Counsel*” means: SIRIANNI YOUTZ SPOONEMORE HAMBURGER, MEGAN GLOR, AND PUBLIC JUSTICE.

- 1.5 “*Court*” means: the United States District Court for the District of Oregon.
- 1.6 “*Effective Date*” means: the date on which all of the conditions to settlement set forth in Section 2 have been fully satisfied or waived.
- 1.7 “*Parties*” means: Plaintiff, the Subclass, and CNB.
- 1.8 “*Plaintiff*” means: Danica Brown.
- 1.9 “*Opt-Out*” means: to timely request exclusion from the Settlement pursuant to Fed. R. Civ. P. 23(c)(2)(B).
- 1.10 “*Qualified Settlement Fund*” means: the trust into which the Settlement Amount shall be deposited and which shall be administered in accordance with Section 8 of this Agreement.
- 1.11 “*Releasees*” means: CNB and each of its affiliates, subsidiaries, parents, fiduciaries, trustees, recordkeepers, partners, attorneys, administrators, representatives, agents, directors, officers, employees, insurers, reinsurers, predecessors, and their successors-in-interest, except that affiliates, subsidiaries, parents, fiduciaries, trustees, recordkeepers, partners, attorneys, administrators, representatives, agents, directors, officers, employees, insurers, reinsurers, predecessors, and their successors-in-interest of Numi are expressly and implicitly excluded from this release.
- 1.12 “*Settlement*” means the terms and conditions of settlement as described in this Agreement.
- 1.13 “*Settlement Administrator*” means: Class Counsel or an entity selected by Class Counsel, and approved by CNB and the Court, to administer the Settlement pursuant to this Agreement and orders of the Court.
- 1.14 “*Settlement Amount*” means: \$2,800,000 to be paid by CNB under the terms of this Agreement, provided, however, if the Court does not approve notice as detailed under paragraph 2.2 and contemplated by this Agreement, then CNB will contribute up to an additional \$200,000 to defray actual incurred notice costs.
- 1.15 “*Subclass*” means: the settlement class to be certified in the Action as the CNB Subclass: All persons (1) taken into custody at a jail, correctional facility, detainment center, or any other law enforcement facility within the United States, (2) entitled to the return of money confiscated from them or remaining in their inmate accounts when they were released from custody, and (3) who had those funds returned through a debit card issued by Defendant Central National Bank and Trust Company, now known as Stride Bank, pursuant to an agreement with Defendant Numi Financial, despite never having requested nor applied for a debit card, within one year prior to the filing of the original Complaint in the Action.
- 1.16 “*Subclass Member(s)*” means: any member(s) of the Subclass.
- 1.17 “*Subclass Notice*” means: the form of notice to be provided to the Subclass after preliminary approval of this Agreement by the Court.

- 1.18 “*Subclass Released Claims*” means: all claims of any nature whatsoever that were brought, or that could have been brought against the Releasees, by the Plaintiff on behalf of the Subclass Members, including but not limited to claims for all benefits, losses, opportunity losses, damages, attorneys’ fees, costs, expenses, contribution, indemnification or any other type of legal or equitable relief.

2. *Conditions to Effectiveness of the Settlement.*

- 2.1 *Effective Date of Agreement.* This Agreement is effective when all conditions in Sections 2.2 through 2.5 are satisfied or waived.
- 2.2 *Preliminary Court Approval.* An order issued by the Court granting the Parties’ joint motion for preliminary approval of the Settlement that (1) preliminarily approves the Settlement as being fair and reasonable to the Plaintiff and the Subclass, (2) establishes the procedures and a date for a hearing by video, or such other means as the Court deems appropriate, for final approval of the Settlement, and (3) approves the form and methods of providing notice to members of the Subclass that describes: (a) the terms and conditions of the Settlement, (b) how members of the Subclass may comment or object to the Settlement, (c) how members of the Subclass may opt out of the Settlement and not be bound by this Agreement, and (d) the effect of the Settlement on the Subclass Members’ claims against other defendants and as members of the national class certified in this Action. Settlement Class Notice to the CNB Settlement Class Subclass will be issued in conjunction with the initial notice to the existing certified class. This will require the Court to approve new forms of notice that detail both the initial class notice to the broader class in addition to the settlement class notice specific to the CNB Settlement Subclass. Plaintiff and CNB will work together to propose a new set of notices, and a notice plan, to the Court that permits both notices to be given simultaneously to make notice more efficient and to reduce class and subclass confusion.
- 2.3 *Issuance of Class Notice.* The process for providing notice to the Subclass and receiving comments, objections, or requests to opt out of the Subclass,, in accordance with the Court’s order preliminarily approving the Settlement, is completed.
- 2.4 *Final Court Approval.* An order issued by the Court, after consideration of additional information and materials provided by Class Counsel and counsel for CNB and any objections and comments received from members of the Subclass or their representatives, that (1) approves the proposed Settlement among the Parties and finds that it is fair, reasonable, and adequate; (2) rules on Class Counsel’s requests for attorneys’ fees, reimbursement of costs, and payment of Case Contribution Awards; (3) determines that fair and adequate notice regarding the Settlement and the right to Opt-Out of the Settlement was provided to members of the Subclass;

and (4) enters judgment that includes a dismissal of Plaintiff⁷ and the Subclass⁸ claims against CNB with prejudice and without an award of costs or fees other than as provided under the Agreement and that identifies and excludes from the judgment Class Members who chose to Opt-Out of the Settlement.

- 2.5 *Payment Made.* CNB has paid the amount required by this Agreement in accordance with Section 6.1 of this Agreement.

3. *Releases.*

- 3.1 *Releases of the Releasees.* Upon the Effective Date of Settlement, Plaintiff, on her own behalf and, to the full extent permitted by law, on behalf of Subclass Members who did not Opt-Out of this Settlement, absolutely and unconditionally release and forever discharge Releasees from all Subclass Released Claims that Plaintiff or the Subclass have directly, indirectly, derivatively, or in any other capacity ever had or now have whether known or unknown, supported or unsupported.
- 3.2 Subclass Members who did not Opt-Out of this Settlement covenant not to sue Releasees for any Subclass Released Claims and are enjoined and barred from asserting any Subclass Released Claims, except as specifically provided in Section 6.7. The foregoing, however, does not prohibit Plaintiff or Subclass Members from enforcing the terms of the Agreement.
- 3.3 Subclass members who Opt-Out of this Settlement may continue to pursue their claims against defendants other than CNB in this Action. Subclass members who Opt-Out of this Settlement who wish to bring their own claims against CNB may not do so in this Action but must initiate a request for relief in a separate lawsuit or arbitration in which they must obtain their own counsel to represent them.
- 3.3 *CNB's Releases of Plaintiff, the Settlement Class, and Class Counsel.* Upon the Effective Date of Settlement, CNB, to the full extent permitted by law, absolutely and unconditionally release and forever discharge the Plaintiff, the Subclass, except for Subclass Members who Opt-Out of this settlement, and Class Counsel from all claims based on the institution or prosecution of the Action.
- 3.4 CNB covenants not to sue Plaintiff, the Subclass, and Class Counsel for claims relating to institution or prosecution of the Action. The foregoing, however, does not prohibit CNB from enforcing the terms of the Agreement.

4. *Representations and Warranties.*

- 4.1 *Plaintiff.* Plaintiff represents and warrants that he has not assigned or otherwise transferred any interest in any Subclass Released Claims against

any Releasees, and further covenants that she will not assign or otherwise transfer any interest in such claims.

- 4.2 *The Parties.* The Parties, and each of them, represent and warrant they are voluntarily entering into this Agreement as a result of arm's-length negotiations; in executing this Agreement they are relying upon their own judgment, belief and knowledge, and the advice and recommendations of their own counsel, concerning the nature, extent and duration of their rights and claims hereunder and regarding all matters which relate in any way to the subject matter hereof. The Parties, and each of them, represent and warrant that they have carefully read the contents of this Agreement; they have made such investigation of the facts pertaining to the Settlement, this Agreement, and all of the matters pertaining thereto as they deem necessary or appropriate; and this Agreement is signed freely by each person executing this Agreement on behalf of each party. Each individual executing this Agreement on behalf of any other person does hereby represent and warrant to the other parties that he or she has the authority to do so.

5. *No Admission of Liability.*

- 5.1 The Parties understand and agree that this Agreement is a compromise that settles disputed claims, and nothing herein shall be deemed to constitute an admission of any liability or wrongdoing by any of the Releasees. Neither the fact nor the terms of this Agreement shall be offered or received in evidence in any action or proceeding for any purpose, except in an action or proceeding to enforce this Agreement or arising out of or relating to the Final Order and motions for preliminary and final approval.

6. *Qualified Settlement Fund.*

- 6.1 *Payment of Settlement Amount.* CNB shall pay the Settlement Amount into an account established for that purpose by the Settlement Administrator. CNB shall make this payment within 31 days after the Court enters a judgment for final approval of the settlement. Plaintiff and CNB agree that the amounts held in the account will be treated as a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1, *et seq.*
- 6.3 *Payments from Settlement Amount.* The Settlement Amount shall be used to make payments to Subclass Members who file valid claims, attorneys' fees and costs payable to Class Counsel, Case Contribution awards to Plaintiff, and costs of providing the settlement notice and claims administration for the Settlement.
- 6.4 *Payments for taxes.* The Settlement Administrator is responsible for filing tax returns and related forms, if necessary, for income earned on the Settlement Amount. Any required federal or state taxes will be paid from the Settlement Amount without further order or approval of the Court.

Releasees shall not have any liability or responsibility for tax expenses or filing of tax returns.

7. *Distribution of Settlement Fund to Subclass.*

- 7.1 Payments to Subclass Members who did not Opt-Out and filed valid claims shall be made from the Settlement Amount remaining after deducting the (a) attorneys' fees and costs payable to Class Counsel approved by the Court, (b) Case Contribution awards payable to Plaintiff approved by the Court, (c) costs of providing the settlement notice and claims administration for the Settlement, and (d) amounts paid or held in reserve for taxes, preparation of tax returns, and expenses of mailing checks to Subclass Members.
- 7.2 Each Subclass Members' claim shall be calculated by multiplying by three the fees incurred on the Release Card received by the Subclass Member. If sufficient funds exist after the deduction set forth in Section 7.1, then those claims shall be paid at 100%. However, if insufficient funds exist, then each Subclass Member's claim shall be paid on a pro rata basis with all other claimants.
- 7.3 Any funds remaining after all deductions have been taken under Section 9.1, and 30 days after all payments determined by Section 7.2 have been mailed to Subclass Members who submitted valid claims, shall be paid to one or more *cy pres* recipients approved by the Court.

8. *Grounds for Termination of Agreement.*

- 8.1 *Court Rejection.* If the Court declines to preliminarily or finally approve the Settlement in accordance with this Agreement, then this Agreement will terminate and become null and void, unless otherwise stipulated by the Parties.
- 8.2 *Court of Appeals Reversal.* If the Court of Appeals reverses the Court's order approving the Settlement, this Agreement will terminate and will become null and void, unless otherwise stipulated by the Parties.
- 8.3 *Supreme Court Reversal.* If the Supreme Court of the United States reverses the Court's order approving the Settlement, then this Agreement shall automatically terminate and thereupon become null and void, on the 31st day after issuance of the Supreme Court's mandate.
- 8.4 *Pending Appeal.* If an appeal is pending of an order declining to approve the Settlement, this Agreement shall not be terminated until final resolution of dismissal of any such appeal, except by written agreement of the Parties.

9. *Consequences of Termination.* If the Agreement is terminated or rendered null and void for any reason, then the following shall occur unless otherwise stipulated by the Parties:

- 9.1 *Reversion of Action.* The Action shall revert to its status as of March 3, 2024, and the fact and terms of this Agreement shall not be used in the Action for any purpose.
- 9.2 *Releases and Terms Void.* All Releases given or executed pursuant to this Agreement shall be null and void and none of the terms of the Agreement shall be effective or enforceable.

10. *Attorney Fees, Litigation Expenses and Case Contribution Awards.*

- 10.1 *Attorney Fees.* Class Counsel shall apply for attorney's fees under the common fund/common benefit doctrine. CNB will take no position with respect to this application for attorneys' fees, which is subject to review and approval by the Court.
- 10.2 *Litigation Costs.* Class Counsel's out-of-pocket litigation costs shall be reimbursed out of the Settlement Amount, subject to the Court's review and approval.
- 10.3 *Case Contribution Award.* A Case Contribution Award for the Plaintiff may be requested. CNB will take no position with respect to any application for Case Contribution Awards, which is subject to the Court's review and approval.

11. *Miscellaneous*


- 11.1 *Dispute Resolution.* The Parties agree that any dispute regarding the terms, conditions, releases, enforcement or termination of this Agreement shall be resolved by Mediator/Arbitrator Louis Peterson. If he is unavailable, the Parties shall arbitrate before another mutually-agreed upon arbitrator.
- 11.2 *Governing Law.* This Agreement shall be governed by the laws of State of Oregon without regard to conflict of law principles.
- 11.3 *Severability.* The provisions of this Agreement are not severable.
- 11.4 *Amendment.* Before entry of the Preliminary Approval Order, this Agreement may be modified or amended only by written agreement signed by or on behalf of all Parties. Following entry of the Preliminary Approval Order, this Agreement may be modified or amended only by written agreement signed on behalf of all Parties and approved by the Court.
- 11.5 *Waiver.* The provisions of this Agreement may be waived only by an instrument in writing executed by the waiving party. The waiver by any

party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

- 11.6 *Construction.* None of the Parties hereto shall be considered to be the drafter of this Agreement or any provision thereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause the provision to be construed against the drafter thereof.
- 11.7 *Principles of Interpretation.* The following principles of interpretation apply to this Agreement:
 - 11.7.1 *Headings.* The headings herein are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement.
 - 11.7.2 *Singular and Plural.* Definitions apply to the singular and plural forms of each term defined.
 - 11.7.3 *References to a Person.* References to a person include references to an entity and include successors and assigns.
- 11.8 *Survival.* All representations, warranties and covenants set forth in herein shall be deemed continuing and shall survive the Effective Date of Settlement.
- 11.9 *Entire Agreement.* This Agreement contains the entire agreement among the Parties relating to this Settlement and supersedes all prior verbal and written communications regarding the Settlement.
- 11.10 *Counterparts.* This Agreement may be executed by exchange of executed faxed or PDF signature pages, and any signature transmitted in such a manner shall be deemed an original signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.
- 11.11 *Binding Effect.* This Agreement binds and inures to the benefit of the Parties hereto, their assigns, heirs, administrators, executors, and successors-in-interest, affiliates, benefit plans, predecessors, and transferees, and their past and present shareholders, officers, directors, agents, and employees.
- 11.12 *Further Assurances.* Each of the Parties agree, without further consideration, and as part of finalizing the Settlement hereunder, that they will in good faith promptly execute and deliver such other documents and take such other actions as may be necessary to consummate the subject matter and purpose of this Agreement.

11.13 *Tax Advice Not Provided.* No opinion or advice concerning the Tax consequences of the Settlement Agreement has been given or will be given by Class Counsel, nor is any representation or warranty in this regard made by virtue of this Agreement. The Tax obligations, if any, of the Subclass and the determination thereof are the sole responsibility of each Subclass Member, and it is understood that the Tax consequences may vary depending on the particular circumstances of each Subclass Member.

SIGNATURES:


Central National Bank and Trust Company, n/k/a
Stride Bank, N.A.

By: R.S. Baker, Jr.

Its: Chairman & CEO

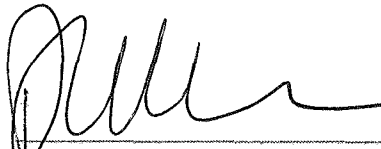

Danica Brown

Exhibit B

AGREEMENT TO SETTLE CLAIMS

This is an agreement to settle all claims raised by Plaintiff Danica Brown (“Plaintiff”) on behalf of herself and a national class (the “Class”) solely against Defendant Stored Value Cards, d/b/a Numi Financial (“Numi”) in the matter of *Brown v. Stored Value Cards, Central National Bank and Trust Company* No. C3:15-cv-01370-MO, (the “Action”) in the United States District Court for the District of Oregon. The Plaintiff, the Class, and Numi, are jointly referred to as the “Parties”).

RECITALS

1. The Action was filed in 2015 by Plaintiff against Numi and Central National Bank and Trust Company, n/k/a Stride Bank, N.A. (“CNB”).

2. The claims raised by Plaintiff and the Class arise from prepaid debit cards received by them to return money held by detention facilities on their behalf. These cards are generally referred to as “release cards.” Plaintiff and the Class contend they were required to accept release cards for return of the money owed to them, which they contend is illegal and for which Plaintiff and the Class claim damages under the Electronic Fund Transfer Act (“EFTA”). Numi denies that it was involved in any wrongdoing and maintains that it is not liable to Plaintiff or the Class under any claim or theory.

3. On March 8, 2024, class counsel for the Class and counsel for Numi agreed to resolve this matter and on March 11, 2024, executed a “Term Sheet” attached as Exhibit A. Under that agreement, Numi agreed to provide certain financial and other information to Class Counsel and their experts to determine the reasonableness of Numi settlement offer in light of its financial condition. After reviewing that information, and receiving a report from its experts, Class Counsel determined it would be in the best interest of the Class to proceed with the proposed settlement in accordance with the Term Sheet.

4. The parties agreed in the Term Sheet to execute a long-form settlement agreement containing all conditions in the Term Sheet and additional and usual and customary provisions necessary for the approval of a class settlement. This agreement contains all the terms of the settlement agreement reached:

AGREEMENT

1. Definitions.

- 1.1 “Action” means: *Brown v. Stored Value Cards, Inc. and Central National Bank and Trust Company* No. C3:15-cv-01370-MO, United States District Court for the District of Oregon.
- 1.2 “Agreement” means: the terms and conditions contained in this agreement and the terms and conditions of Exhibit A effective upon the date it is executed by all Parties.

- 1.3 “*Case Contribution Award*” means: any monetary amount awarded by the Court in recognition of the Plaintiff’s assistance in the prosecution of this Action.
- 1.4 “*Class*” means: the national class that was certified in the Action.
- 1.5 “*Class Counsel*” means: SIRIANNI YOUTZ SPOONEMORE HAMBURGER, MEGAN GLOR, AND PUBLIC JUSTICE.
- 1.6 “*Class Member(s)*” means: any member(s) of the Class.
- 1.7 “*Class Notice*” means: the form of notice to be provided to the Class after preliminary approval of this Agreement by the Court.
- 1.8 “*Class Released Claims*” means: all claims of any nature whatsoever that were brought, or that could have been brought against the Releasees, by the Plaintiff on behalf of the Class Members, including but not limited to claims for all benefits, losses, opportunity losses, damages, attorneys’ fees, costs, expenses, contribution, indemnification or any other type of legal or equitable relief.
- 1.9 “*Court*” means: the United States District Court for the District of Oregon.
- 1.10 “*Effective Date*” means: the date on which all of the conditions to settlement set forth in Section 2 have been fully satisfied or waived.
- 1.11 “*Parties*” means: Plaintiff, the Class, and Numi.
- 1.12 “*Plaintiff*” means: Danica Brown.
- 1.13 “*Opt-Out*” means: to timely request exclusion from the Settlement pursuant to Fed. R. Civ. P. 23(c)(2)(B).
- 1.14 “*Releasees*” means: Numi and its shareholders, directors, officers, employees, and its predecessors and successors in interest.
- 1.15 “*Settlement*” means the terms and conditions of settlement as described in this Agreement and Exhibit A.
- 1.16 “*Settlement Administrator*” means: Class Counsel or an entity selected by Class Counsel and the Court to administer the Settlement pursuant to this Agreement and orders of the Court.
- 1.17 “*Settlement Amount*” means: \$1,000,000 to be paid by Numi in semi-annual payments of \$100,000 over five years.
- 1.18 “*Security Agreement*” means an agreement sufficient to provide a security interest in all assets owned or controlled by Numi, including intangible assets, that supports the filing of a UCC-1 and any other form of security interest or lien.
- 1.19 “*Stipulated Judgment*” means a confession of judgment or stipulated judgment signed by Numi or its authorized counsel or representative that Plaintiff may file with a court to obtain an enforceable judgment against Numi for \$34 million.

2. *Conditions to Effectiveness of the Settlement.*

- 2.1 *Effective Date of Agreement.* This Agreement is effective when all conditions in Sections 2.2 through 2.7 are satisfied or waived.
- 2.2 *Preliminary Court Approval.* An order issued by the Court granting the Parties' joint motion for preliminary approval of the Settlement that (1) preliminarily approves the Settlement as being fair and reasonable to the Plaintiff and the Class, (2) establishes the procedures and a date for a hearing by video, or such other means as the Court deems appropriate, for final approval of the Settlement, and (3) approves the form and methods of providing notice to members of the Class that describes: (a) the terms and conditions of the Settlement, (b) how members of the Class may comment or object to the Settlement, (c) how members of the Class may opt out of the Settlement and not be bound by this Agreement, and (d) the effect of the Settlement on the Class Members' claims against other defendants and as members of the national class certified in this Action.
- 2.3 *Issuance of Class Notice.* The process for providing notice to the Class and receiving comments, objections, or requests to opt out of the Class, in accordance with the Court's order preliminarily approving the Settlement, is completed.
- 2.4 *Final Court Approval.* An order issued by the Court, after consideration of additional information and materials provided by Class Counsel and counsel for Numi and any objections and comments received from members of the Class or their representatives, that (1) approves the proposed Settlement among the Parties and finds that it is fair, reasonable, and adequate; (2) rules on Class Counsel's requests for attorneys' fees, reimbursement of costs, and payment of Case Contribution Awards; (3) determines that fair and adequate notice regarding the Settlement and the right to Opt-Out of the Settlement was provided to members of the Class; and (4) enters judgment that includes a dismissal of Plaintiff's and the Class's claims against Numi with prejudice and without an award of costs or fees other than as provided under the Agreement and that identifies and excludes from the judgment Class Members who chose to Opt-Out of the Settlement.
- 2.5 *Stipulated Judgment Signed.* Numi executed the Stipulated Judgment in a form satisfactory to class counsel.
- 2.6 *Security Agreement Signed.* Numi executed the Security Agreement in a form satisfactory to Class Counsel.
- 2.7 *Payment Made.* Numi has made the first payment required by this Agreement in accordance with Section 6.1 of this Agreement.

3. *Releases.*

- 3.1 *Releases of the Releasees.* Upon the Effective Date of Settlement, Plaintiff, on her own behalf and, to the full extent permitted by law, on behalf of Class Members who did not Opt-Out of this Settlement, absolutely and unconditionally release and forever discharge Releasees from all Class Released Claims that Plaintiff or the Class have directly, indirectly, derivatively, or in any other capacity ever had or now have whether known or unknown, supported or unsupported.
- 3.2 Class Members who did not Opt-Out of this Settlement covenant not to sue Releasees for any Class Released Claims and are enjoined and barred from asserting any Class Released Claims, except as specifically provided in Section 6.1. The foregoing, however, does not prohibit Plaintiff or Class Members from enforcing the terms of the Agreement.
- 3.3 Class members who Opt-Out of this Settlement may continue to pursue their claims against defendants other than Numi in this Action. Class members who Opt-Out of this Settlement who wish to bring their own claims against Numi may not do so in this Action but must initiate a request for relief in a separate lawsuit or arbitration in which they must obtain their own counsel to represent them.
- 3.3 *Numi's Releases of Plaintiff, the Settlement Class, and Class Counsel.* Upon the Effective Date of Settlement, Numi, to the full extent permitted by law, absolutely and unconditionally release and forever discharge the Plaintiff, the Class, except for Class Members who Opt-Out of this settlement, and Class Counsel from all claims based on the institution or prosecution of the Action.
- 3.4 Numi covenants not to sue Plaintiff, the Class, and Class Counsel for claims relating to institution or prosecution of the Action. The foregoing, however, does not prohibit Numi from enforcing the terms of the Agreement.

4. *Representations and Warranties.*

- 4.1 *Plaintiff.* Plaintiff represents and warrants that she has not assigned or otherwise transferred any interest in any Class Released Claims against any Releasees, and further covenants that she will not assign or otherwise transfer any interest in such claims.
- 4.2 *The Parties.* The Parties, and each of them, represent and warrant they are voluntarily entering into this Agreement as a result of arm's-length negotiations; in executing this Agreement they are relying upon their own judgment, belief and knowledge, and the advice and recommendations of their own counsel, concerning the nature, extent and duration of their rights and claims hereunder and regarding all matters which relate in any way to the subject matter hereof. The Parties, and each of them, represent and

warrant that they have carefully read the contents of this Agreement; they have made such investigation of the facts pertaining to the Settlement, this Agreement, and all matters pertaining thereto as they deem necessary or appropriate; and this Agreement is signed freely by each person executing this Agreement on behalf of each party. Each individual executing this Agreement on behalf of any other person represents and warrants to the other parties that he or she has the authority to do so.

5. *No Admission of Liability.*

- 5.1 The Parties understand and agree that this Agreement is a compromise that settles disputed claims, and nothing herein shall be deemed to constitute an admission of any liability or wrongdoing by any of the Releasees. Neither the fact nor the terms of this Agreement shall be offered or received in evidence in any action or proceeding for any purpose, except in an action or proceeding to enforce this Agreement or arising out of or relating to the Final Order and motions for preliminary and final approval.

6. *Payment of Settlement Amount.*

- 6.1 *Payment of Settlement Amount.* Numi shall make the first \$100,000 payment to an account designated by the Court within 30 days after the Court enters issues an order for final approval of the Settlement. Each subsequent payment due under the Agreement shall be made within six months from the date the prior settlement payment was due until the Settlement Amount is paid in full. Numi or its counsel shall provide electronic notice to Class Counsel when a payment is made. If a payment is not timely made, Numi shall be deemed in default of this Agreement. Numi will have 10 business days to cure any such default. If Numi fails to cure its default with 10 business days, then (1) Plaintiff, on behalf of herself and the Class, may file the Stipulated Judgment in accordance with its terms and (2) the releases provided in Section 3.1 are void. Upon Numi's payment in full of the Settlement Amount, Plaintiff shall return the original Stipulated Judgment to Numi.
- 6.2 *Payments for taxes.* The Settlement Administrator is responsible for filing tax returns and related forms, if necessary, for income earned on the Settlement Amount. Any required federal or state taxes will be paid from the Settlement Amount without further order or approval of the Court. Releasees shall not have any liability or responsibility for tax expenses or filing of tax returns.
- 6.3 *Security Agreement.* The payments to be made by Numi shall be secured by security interest in its assets as provided by the Security Agreement, which may be enforced immediately upon an uncured default by Numi. This remedy is provided in addition to Plaintiff's right to file the Stipulated Judgment in the event of an uncured default and is not an exclusive remedy for enforcing this Agreement. Within 20 days after Numi's payment in full

of the Settlement Amount, Plaintiff will either file a UCC termination statement with the appropriate secretary of state's office or provide Numi with a UCC termination statement for filing. If Plaintiff fails to provide the UCC termination statement within the 20 days, Plaintiff agrees that this provision provides the required 20-day notice pursuant to Uniform Commercial Code section 9-513 and authorizes Numi to release the financing statement.

- 6.4 *Attorneys' Fees.* If Numi defaults under its obligations in this Agreement and fails to cure such default within 10 business days, Plaintiff shall have the right to recover all attorney and expert fees, expenses, and costs incurred by Plaintiff to recover any portion of the Settlement Amount or the amount due under the Stipulated Judgment.

7. *Distribution of Settlement Funds.*

- 7.1 The Settlement Amount shall be used to make payments for expenses for a Settlement Administrator, attorneys' fees and costs payable to Class Counsel, Case Contribution awards to Plaintiff, costs of providing the settlement notice and claims administration for the Settlement, and other distributions directed by the Court including direct payments to Class Members who did not opt out or *cy pres* awards.

8. *Grounds for Termination of Agreement.*

- 8.1 *Court Rejection.* If the Court declines to preliminarily or finally approve the Settlement in accordance with this Agreement, then this Agreement will terminate and become null and void, unless otherwise stipulated by the Parties.
- 8.2 *Court of Appeals Reversal.* If the Court of Appeals reverses the Court's order approving the Settlement, this Agreement will terminate and will become null and void, unless otherwise stipulated by the Parties.
- 8.3 *Supreme Court Reversal.* If the Supreme Court of the United States reverses the Court's order approving the Settlement, then this Agreement shall automatically terminate and thereupon become null and void, on the 31st day after issuance of the Supreme Court's mandate.
- 8.4 *Pending Appeal.* If an appeal is pending of an order declining to approve the Settlement, this Agreement shall not be terminated until final resolution of dismissal of any such appeal, except by written agreement of the Parties.

9. *Consequences of Termination.* If the Agreement is terminated or rendered null and void for any reason, then the following shall occur unless otherwise stipulated by the Parties:

- 9.1 *Reversion of Action.* The Action shall revert to its status as of March 3, 2024, and the fact and terms of this Agreement shall not be used in the Action for any purpose.
- 9.2 *Releases and Terms Void.* All Releases given or executed pursuant to this Agreement shall be null and void and none of the terms of the Agreement shall be effective or enforceable.

10. *Attorney Fees, Litigation Expenses and Case Contribution Awards.*

- 10.1 *Attorney Fees.* Class Counsel shall apply for attorney's fees under the common fund/common benefit doctrine. Numi will take no position with respect to this application for attorneys' fees, which is subject to review and approval by the Court.
- 10.2 *Litigation Costs.* Class Counsel's out-of-pocket litigation costs shall be reimbursed out of the Settlement Amount, subject to the Court's review and approval.
- 10.3 *Case Contribution Award.* A Case Contribution Award for the Plaintiff may be requested. Numi will take no position with respect to any application for Case Contribution Awards, which is subject to the Court's review and approval.

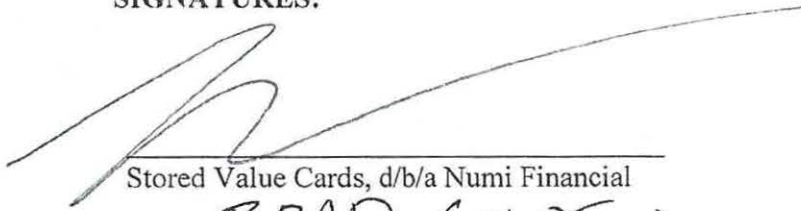
11. *Miscellaneous*

- 11.1 *Dispute Resolution.* The Parties agree that any dispute regarding the terms, conditions, releases, enforcement, or termination of this Agreement shall be resolved by Mediator/Arbitrator Louis Peterson. If he is unavailable, the Parties shall arbitrate before another mutually-agreed upon arbitrator.
- 11.2 *Governing Law.* This Agreement shall be governed by the laws of State of Oregon without regard to conflict of law principles.
- 11.3 *Severability.* The provisions of this Agreement are not severable.
- 11.4 *Amendment.* Before entry of the Preliminary Approval Order, this Agreement may be modified or amended only by written agreement signed by or on behalf of all Parties. Following entry of the Preliminary Approval Order, this Agreement may be modified or amended only by written agreement signed on behalf of all Parties and approved by the Court.
- 11.5 *Waiver.* The provisions of this Agreement may be waived only by an instrument in writing executed by the waiving party. The waiver by any party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

- 11.6 *Construction.* None of the Parties hereto shall be considered to be the drafter of this Agreement or any provision thereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause the provision to be construed against the drafter thereof.
- 11.7 *Principles of Interpretation.* The following principles of interpretation apply to this Agreement:
 - 11.7.1 *Headings.* The headings herein are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement.
 - 11.7.2 *Singular and Plural.* Definitions apply to the singular and plural forms of each term defined.
 - 11.7.3 *References to a Person.* References to a person include references to an entity and include successors and assigns.
- 11.8 *Survival.* All representations, warranties and covenants set forth in herein shall be deemed continuing and shall survive the Effective Date of Settlement.
- 11.9 *Entire Agreement.* This Agreement and Exhibit A contain the entire agreement among the Parties relating to this Settlement and supersedes all other prior verbal and written communications regarding the Settlement.
- 11.10 *Counterparts.* This Agreement may be executed by exchange of executed faxed or PDF signature pages, and any signature transmitted in such a manner shall be deemed an original signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.
- 11.11 *Binding Effect.* This Agreement binds and inures to the benefit of the Parties hereto, their assigns, heirs, administrators, executors, and successors-in-interest, affiliates, benefit plans, predecessors, and transferees, and their past and present shareholders, officers, directors, agents, and employees.
- 11.12 *Further Assurances.* Each of the Parties agree, without further consideration, and as part of finalizing the Settlement hereunder, that they will in good faith promptly execute and deliver such other documents and take such other actions as may be necessary to consummate the subject matter and purpose of this Agreement.
- 11.13 *Tax Advice Not Provided.* No opinion or advice concerning the Tax consequences of the Settlement Agreement has been given or will be given by Class Counsel, nor is any representation or warranty in this regard made by virtue of this Agreement. The Tax obligations, if any, of the Class and

the determination thereof are the sole responsibility of each Class Member, and it is understood that the Tax consequences may vary depending on the particular circumstances of each Class Member.

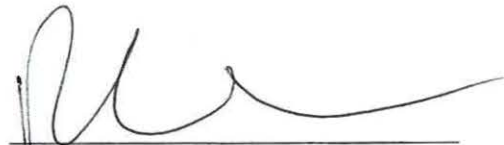
SIGNATURES:

A large, stylized handwritten signature in black ink, appearing to read 'BRAD GOLDEN', written over a horizontal line.

Stored Value Cards, d/b/a Numi Financial

By: BRAD GOLDEN

Its: CEO

A handwritten signature in black ink, appearing to read 'Danica Brown', written over a horizontal line.

Danica Brown

EXHIBIT

A

Term Sheet – Stored Value Cards d/b/a Numi

Brown v. Stored Value Cards, Central National Bank and Trust Company,
United States District Court for the District of Oregon at Portland
Cause Number 3:15-cv-01370-MO

On March 8, 2024, class counsel for the Brown Class (“Brown”) and Stored Value Cards d/b/a Numi (“Numi”) (collectively the “Parties”) have agreed to the terms and conditions in this Term Sheet:

1. *Nature of this Term Sheet.* The parties engaged in an all-day mediation with mediator Lou Peterson on March 4, 2024. Both before the mediation and during the mediation Numi represented that it was in poor financial condition, and that absent a settlement it would be filing for bankruptcy. During the mediation, Numi’s counsel informed class counsel that it was in the process of preparing to file a small business debtor reorganization under Subchapter 5 of Chapter 11 of the bankruptcy code. Based on its assertion of likely insolvency, Numi offered to settle with the Class for \$1,000,000 paid in semi-annual payments of \$100,000 over five years. Based on these representations the Class is willing to consider a settlement with Numi at this level, provided that the Class (1) receives information sufficient to satisfy its concerns that additional funds are not available or could not be made available to pay a substantially higher amount, and (2) that the payment would be protected from a potential future bankruptcy filing. This term sheet is intended to help determine whether a settlement is possible because of these concerns and whether the parties should proceed to a final settlement agreement at this time.
2. *Settlement Amount:* Numi has offered to pay two semi-annual payments of \$100,000 over five years for a total of \$1,000,000 beginning on final approval of any settlement.
3. *Class’s Due Diligence.* The Class is only willing to consider a settlement at the level set forth in paragraph 2 after receiving sufficient information regarding Numi’s financial condition, including, but not limited to, cash flow, claimed operating expenses, transfers among related parties, loans and other outstanding debt owed by Numi, loans and other transfers of property made by Numi and any other related issues affecting Numi’s ability to pay a substantial settlement or satisfy a judgment in this action. To accomplish these goals, class counsel may hire or retain experts or other individuals to examine these and other factors to assess Numi’s ability to pay an appropriate settlement and the time period, terms, and conditions for paying that amount, as well as terms and conditions to ensure that any amount so agreed upon will be protected should Numi later commence any bankruptcy proceeding or receivership.

4. *Protection of Payments.* In mediation class counsel expressed concern about accepting an offer of settlement that would, in any potential bankruptcy, create a ceiling on the Class's bankruptcy claim. Numi represented that the payments could be set up in such a way as to legally protect the Class from any future potential bankruptcy. Numi will provide additional detail to class counsel, or a person or entity retained by class counsel, to ensure that such a structure is possible and would provide protection to the Class. For example, providing a security interest to the Class for the settlement payments could be offered by Numi.
5. *Confidentiality.* The parties agree information obtained from Numi, its principals, and others acting on its behalf designated as confidential not be disclosed by the class to others other than its experts, attorneys, and others needed to analyze such information.
6. *Right to Terminate.* If class counsel, in its sole discretion, is not satisfied (1) with the level of cooperation or the outcome of any due diligence review under paragraph 3, and/or (2) that sufficient protections exist under paragraph 4, it may reject the offer made by Numi. In the event of rejection, the provisions of paragraph 11 apply.
7. *Release.* Any release provided to Numi under a potential agreement arising out of this Term Sheet would be strictly limited to Numi and its officers, directors, and employees. The release would not extend to any third parties or entities.
8. *Court Approval.* Any Agreement reached under this Term Sheet is conditioned upon initial and final Court approval as required under the Federal Rules of Civil Procedure. Numi agrees that information concerning its financial condition may be disclosed to the Court to establish that the settlement amount is fair and reasonable to class members under the circumstances. In the event that Court approval is not reached on or before June 20, 2024, the Class agrees that, for the purposes of sub-chapter 5 bankruptcy jurisdiction only—and not by way of liability or claim amount—Numi may estimate, and the Class shall not object, and shall be deemed to consent to, the Class claim being set at \$1M for any availability of Sub-chapter 5 bankruptcy petition for Numi in the event that such petition is required if the agreement contemplated herein is not received on or before June 20, 2024, or the resolution is not approved as noted herein.
9. *Distribution Plan and Claims Administrator.* In any agreement reached under this Term Sheet, the power to establish a distribution plan for the Settlement Amount shall rest exclusively with class counsel, subject to review and approval by the Court.

10. *Long-Form Agreement.* In the event class counsel elects, in its sole discretion, to accept the Settlement Amount or a similar amount and is satisfied under paragraphs 3 and 4, then the class and Numi shall cooperate in creating and executing a long-form settlement agreement which shall include all conditions set forth herein along with additional usual and customary provisions necessary for the approval of a class settlement and the creation of a qualified settlement fund.
11. *Notice to the Court.* The parties agree that the Court shall be notified that a Term Sheet has been entered into which, provided that certain terms and conditions are met, will result in a settlement of this case. The parties shall ask for a period of 45 days to determine whether those terms and conditions are met. The parties will request that the matter be removed from the trial docket and stayed during this time, subject to the entry of a new schedule and deadlines in the event class counsel rejects the settlement.

A handwritten signature in black ink, appearing to read 'Chris Fultz', written over a horizontal line.

Counsel for Plaintiffs

A handwritten signature in black ink, appearing to read 'E. M. [unclear]', written over a horizontal line.

Counsel for Defendants

Exhibit C

Brown v. Stored Value Cards
c/o Kroll Settlement Administration
PO Box XXXXX
New York, NY 10150-5391

CLAIM NO. <<refnum>>

Did you receive a prepaid debit card when you were released from a jail or other facility? If so, you may have a claim in a class action lawsuit that settled. This card describes your rights in that lawsuit and how you can obtain more information, file a claim, or take other action.

*A court authorized this notice.
This is not a solicitation from a lawyer.*

<<BARCODE>>
<<NAME LINE 1>>
<<NAME LINE 2>>
<<ADDRESS LINE 1>>
<<ADDRESS LINE 2>>
<<CITY, STATE >
<<COUNTRY>>

United States District Court, District of Oregon at Portland, Cause No. 3:15-cv-01370-MO***Why Did I Get this Notice?***

You received this notice because you might be eligible to participate in a settlement if you received a debit card to return money when you were released from a jail or other facility covered by this case.

What Can I Do Because of This Settlement?

If you're part of this group, you can: (1) Ask for money by filing a claim, (2) Decide not to participate in this case or the settlement (Opt-Out), (3) Remain in this case but object to the settlement, or (4) Do nothing, which means you will (a) receive no money and (b) give up any claims you have against Defendants Stored Value Cards, Inc., which does business under the name of Numi Financial, and Central National Bank and Trust Company.

How do I Learn More About This?

You can get more information about the case and your choices at www.NumiReleaseCard.com. You may also email releasecard@sylaw.com and request a copy of the full notice regarding the settlement, which contains more information and answers to frequently asked questions.

Para obtener información en español, consulte www.NumiReleaseCard.com/es

How Much Money Could I Get?

Depending on how many claims are submitted, you could get up three times the fees you were charged by the debit card or \$15, whichever is higher.

How do I Make a Claim?

- (1) **The best and fastest way** is to go online at www.NumiReleaseCard.com and follow the instructions;
- (2) **Or** email us at NumiReleaseCard@sylaw.com to receive a claim form and additional information;
- (3) **Or** send a letter to: *Brown v. Numi*, c/o Kroll Settlement Administration, PO Box XXXXX New York, NY 10150-5391 to request a claim form and more information;
- (4) **Or** call 1-833-933-XXXX for assistance in filing a claim or obtaining more information.

Keep this card. The claim number on the front of this card will help expedite your claim.

When Do I Need to Do Something?

If you want to file a claim. **or** Opt-Out and not participate in this Settlement, you must submit your request before **MONTH 99, 2024**.

Exhibit D

ATTENTION:**Recipients of Release Cards from Jails and Other Correctional Facilities****A Settlement Agreement May Affect Your Rights.***A court authorized this notice. This is not a solicitation from a lawyer.*

- Individuals taken into custody have their cash taken from them, which is held for them until they are released. Some prisoners also have money added to their account during detention. These funds are required to be returned when a person is released from custody. Some detention facilities, however, require persons being released to receive these funds through a prepaid debit card ("release card") that may have limitations and charge various fees. This lawsuit alleges it is illegal to require people released from custody to accept release cards to receive back money they are owed. Defendants are Stored Value Cards, Inc., which does business under the name of Numi Financial, and Central National Bank and Trust Company, n/k/a Stride Bank, N.A ("CNB") (collectively, "Defendants"). Defendants contend they did not require individuals released from correctional facilities to accept and use the release cards, and that any fees were assessed legally through cardholder agreements provided with the release cards.
- The Court certified a nationwide class on behalf of persons released from detention facilities after July 23, 2014, who received money owed to them through unrequested release cards provided by one or both of the Defendants. You received this notice because you may be a member of the Class.
- The Defendants agreed to settle the claims brought against them by the Class. Defendant CNB agreed to pay up to \$3 million to a settlement fund and Defendant Numi agreed to pay ten semiannual payments of \$100,000 for five years to the Class, totaling \$1 million. The Court must approve these settlements after a hearing before they are final and settlement funds can be distributed. This notice describes your rights in the proposed settlement, including your right to object to the settlement, and how to submit a claim to receive money from the settlement fund.

Your Legal Rights In This Lawsuit

You may comment on the proposed Agreement.	You have the right to comment on, object to or support the proposed Agreements. The Court will decide whether to approve or reject the proposed Agreements after a final hearing currently scheduled for _____ at _____ at the United States Courthouse, 1000 SW 3rd Ave, Portland, OR 97204. You may submit written comments or objections that you want the Court to consider by _____. You should not call the Court.
You may make a claim.	You may submit a claim if you qualify as a Class Member and incurred fees from a Release Card from one of the facilities serviced by Defendant Numi during the covered period of time. Claims must be submitted by _____. As explained in this notice, <u>you may make a claim at the website www.NumiReleaseCard.com</u> You must make a claim to receive money.
If you do nothing.	Your claims against Defendants will be released and you will receive no money from the settlement. If you do nothing, you will (a) receive no money from this settlement and (b) give up any claims you have against Defendants CNB and Numi.
You may ask to be excluded.	Get out of this lawsuit. Get no benefits from it. Keep rights to pursue claims against Defendants. If you ask to be excluded you will not receive any money from the settlements, but you may bring claims against Defendants Numi and CNB in another forum for the same legal claims.

FREQUENTLY ASKED QUESTIONS

1. Why did I get this notice?

You received this notice because you were identified as a person who may have been issued release cards by Defendants CNB or Numi during the time period covered by this case. The Court directed that this notice be sent to advise you and other potential class members of your rights and options before the Court decides whether to approve the settlements.

You are not a Class Member simply because you received this notice. Only individuals who fit the following definition are in the class:

All persons (1) taken into custody at a jail, correctional facility, detainment center, or any other law enforcement facility within the United States, (2) entitled to the return of money confiscated from them or remaining in their inmate accounts when they were released from custody, and (3) who had those funds returned through a debit card provided by Defendant Stored Value Cards and/or its partner bank, Defendant Central National Bank and Trust Company, despite never having requested nor applied for a debit card, within one year prior to the filing of the original Complaint in this action, and during its pendency, and (4) who incurred fees or charges. Those who satisfy these four criteria but who received a debit card from April 1, 2017, to April 30, 2018, and did not opt out of the settlement class in *Humphrey v. Stored Value Cards*, No. 1:18-CV-01050 (N.D. Ohio), are excluded from this class.

2. What is this lawsuit about?

Plaintiff is an individual who was required to accept a “Numi Prestige” release card that charged fees in order to receive the money held for her when she was in custody in a detention facility. She alleges that the Electronic Fund Transfer Act prohibits the issuance of these release cards to persons who did not request prepaid debit cards to obtain their money. She alleges issuance of an activated release cards are only allowed after full disclosure of the applicable terms and conditions of the card and other requirements. She also alleges that the fees charged by these cards are illegal under the Electronic Fund Transfer Act. Defendants deny those claims and allege that their conduct was lawful.

3. Why is this lawsuit a class action?

This lawsuit was filed as a class action because thousands of persons in addition to the Plaintiff received money owed to them through Defendants’ release cards. The Plaintiff agreed to serve as Class Representatives on behalf of those persons. The Court decided that this lawsuit can be a class action because: (1) there are thousands of individuals who were given release cards upon being released from a correctional institution; (2) there are legal questions and facts that are common to each of them; (3) the claims of the Plaintiff is typical of the claims of the rest of the class; (4) the Plaintiff and the lawyers representing the Class will fairly and adequately represent the Class’s interests; and (5) a class action will be more efficient than having class members bring individual lawsuits.

4. What does the proposed Settlement Agreement provide?

The main points are described below. You may review the entire Settlement Agreements, which are at: www.NumiReleaseCard.com/documents. These agreements are not effective until approved by the Court.

♦ Payments of up to \$4 million to the class

The Settlement Agreement with CNB provides that it will pay \$2,800,000 into a settlement fund and up to an additional \$200,000 to defray actual incurred notice costs under the conditions in its settlement agreement. This amount will be used to make payments to (1) class members who submit valid claims, (2)

Questions? Call 1-XXX-XXX-XXXX or visit www.NumiReleaseCard.com

attorney fees and costs payable to class counsel, (3) case contribution awards to Plaintiff, (4) costs of providing notice to the class members and claims administration expenses, and (5) potential *cy pres* awards. The Settlement Agreement with Numi provides that it will pay \$1 million in ten semiannual payments of \$100,000. These payments will pay unpaid claims (if necessary), claims administration expenses, and potential *cy pres* awards. Numi also agreed to provide a security interest in all assets owned or controlled by Numi and a stipulated judgment for \$34 million should Numi default on its obligations under its Settlement Agreement.

♦ **Claims Process for Reimbursement of Fees**

The amount of payment for each eligible class member shall be determined as follows:

First, the payments will be reserved or made from the settlement funds for: (1) costs of providing notice and other expenses to administer settlement, (2) attorney fees awarded by the Court, (3) taxes and accounting expenses for the qualified settlement account containing the settlement funds, and (4) Case contribution awards, if awarded by the Court. The amount remaining after these disbursements will be available to pay claims submitted by eligible class members.

Second, each class member submitting a valid claim will receive three times the amount of fees charged by their release cards or \$15, whichever is higher. If there is insufficient money to pay all valid claims on this basis, claims will be paid on a pro rata basis based on the amount of fees charged to the class member. Class Counsel anticipates – but does not guarantee – that sufficient funds will be available to pay all class member claims without reduction.

Third, any money remaining from the settlements after all valid claims other distributions are paid, shall be distributed to one or more *cy pres* recipients approved by the Court. Information concerning any potential *cy pres* proposal to the Court will be posted on www.NumiReleaseCard.com in advance of the final approval hearing. Class members have the right to object to any proposed *cy pres* distribution.

♦ **Attorney Fees, Litigation Costs and the Costs of Claims Administration**

Class Counsel may apply for attorney fees under the common fund doctrine/common benefit doctrine to be paid out of the Settlement Fund. Litigation costs (sums Class Counsel paid out-of-pocket on behalf of the Class) and costs for claims administration and notice incurred by the Claims Processor will be paid from the Settlement Fund. Class Counsel's requests for attorney fees and litigation costs are subject to review and approval by the Court. Class Counsel anticipates seeking a fee award equal to 33% of the recovery as fees. Class members have the right to comment on, support, or object to attorney fees and costs.

♦ **Incentive Awards**

Incentive awards for the Named Plaintiffs may be requested from the Settlement Amount. Class counsel anticipates asking for approval of \$15,000 for the class representative. The Court must approve any incentive awards. Class members have the right to comment on, support, or object to incentive awards.

♦ **Comment on Award of Attorney Fees, Litigation Costs and Incentive Awards.**

You are permitted to review, object to, support or comment on any request for attorney fees, litigation costs and incentive awards. On or before _____, Class Counsel will post the Motion for award of attorney fees, costs and incentive awards on www.NumiReleaseCard.com.

♦ **Release**

Class Members will release Numi and CNB from any and all claims related to this lawsuit, or that were or could have been brought in the lawsuit. This means that if you have any actual or potential claims arising out of the Defendants' involvement in release cards, those claims will be resolved as part of the Agreements, and your right to payment for any damages will be governed exclusively by the Settlement Agreements.

5. When will claims be paid?

The Court must finally approve the Agreement and, if any Class Member appeals, a final decision on any Questions? Call 1-XXX-XXX-XXXX or visit www.NumiReleaseCard.com

appeal(s) must be made before claims can be paid from the settlement fund. Anticipated timing of payments will be posted at www.NumiReleaseCard.com.

6. How can I respond to the proposed Settlement Agreements?

♦ You May Make a Claim.

You may make a claim in one of three ways: (1) go online at www.NumiReleaseCard.com and follow the instructions; or (2) send an email to NumiReleaseCard@sylaw.com with your name, address, date of birth, the name of the state and the facility where you received a release card; or (3) if you received notice by postcard with a claim form, complete and mail back that form or take a picture of it and email it to the email address above. You may get paid up to three times the fees charged by release cards you received or \$15, whichever amount is higher. Please note that claims will only be paid if the Court approves the settlement agreements.

♦ You May Comment on, Object to, or Support the Proposed Agreement.

The Court scheduled a hearing for _____ at _____ on the proposed Agreements to consider comments and approve or reject the Agreement. The hearing will be located at United States Courthouse, 1000 SW 3rd Ave, Portland, OR 97204. The hearing date, time, and location can change without further notice. Please contact Class Counsel at NumiReleaseCard@sylaw.com to confirm the date and time of the hearing as that date approaches.

All comments on the Agreements must be submitted in advance to the address listed below. You are not required to submit comments or attend the hearing.

You may attend the hearing and may choose to bring a legal representative if you wish at your own expense. You must tell the Court if you plan to come to the hearing to object to, comment on, or formally support the Agreement by _____.

If you choose to submit written comments or appear at the Court hearing, your letter must be received no later than _____ and must be mailed to:

Brown v. Stored Value Cards Settlement Hearing

All communications with the Court must be in writing, and Class Members should not attempt to call the Court.

♦ You May Opt-Out of the Settlement.

You have the right to opt out of this settlement if you wish to do so. If you opt out, you cannot receive payment from this settlement. You may go to <https://www.NumiReleaseCard.com/opt-out> to submit your opt out request. Alternatively, you can opt out by mailing an "Exclusion Request" in the form of a letter stating that you want to be excluded from the *Brown v. Stored Value Cards* settlement. Include your name, address, and date of birth and sign the letter. You must mail your Exclusion Request postmarked by _____, to: *Brown v. Stored Value Cards* Exclusion Request, 3101 Western Avenue, Suite 350, Seattle, WA 98121. You can also email that request to NumiReleaseCard@sylaw.com.

♦ You May Do Nothing.

You are not required to take action, but if you choose not to respond you will not participate in the settlement and your claims against Defendants will be dismissed and you will not have the right to pursue those claims against Defendants in the future.

♦ Where can I get more information?

For information about your rights related to the lawsuit, you may refer to the information at www.NumiReleaseCard.com or call or send an email to NumiReleaseCard@sylaw.com.