

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 Plaintiff' and the Subclass' 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.

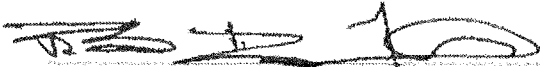
11.5 ***Waiver.*** The provisions of this Agreement may be waived only by an instrument in writing executed by the waiving party. The waiver by any

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