

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement” or “Agreement”) is entered into by and between Carlos Gamez, on behalf of himself, and Roberto Quinonez, on behalf of his minor son, (“Plaintiffs”), individually and on behalf of Participating Settlement Class Members (as defined in Paragraph 26) (together “Plaintiffs”), and PCS Revenue Control Systems, Inc. (“Defendant” or “PCS”) (collectively the “Parties”), in the action *Gamez et al. v. PCS Revenue Control Systems, Inc.*, Case No. 2:21-cv-08991-JXN-AME, pending in the U.S. District Court for the District of New Jersey (the “Action”).

RECITALS

WHEREAS, on April 12, 2021, a proposed class action lawsuit was filed against PCS in the U.S. District Court for the District of New Jersey relating to a data breach affecting current and former K-12 students.

WHEREAS, PCS denies the allegations and all liability with respect to any and all facts and claims alleged in the Action, that the class representative and the class which they purport to represent have suffered any damage(s), and/or that the Action satisfies the requirements to be tried as a class action under Federal Rule of Civil Procedure 23.

WHEREAS, following extensive arm’s length settlement negotiations and a mediation, the Parties reached an agreement of the essential terms of settlement.

NOW, THEREFORE, in exchange for the mutual promises and valuable consideration provided for in this Agreement, the Parties agree to a full, complete, and final settlement and resolution of the Action, subject to Court approval, on the following terms and conditions:

I. DEFINITIONS

In addition to terms defined at various points within this Agreement, the following defined terms shall have the meanings set forth below:

1. “Action” means the class action lawsuit captioned *Gamez et al. v. PCS Revenue Control Systems, Inc.*, Case No. 2:21-cv-08991-JXN-AME, currently pending before the Honorable Julien Xavier Neals in the U.S. District Court for the District of New Jersey.
2. “Approved Claim” means the timely submission of a Claim Form by a Participating Settlement Member that has been approved by the Settlement Administrator.
3. “Attested Time” means time spent remediating issues related to the Data Breach.
4. “PCS’s Counsel” means Brittany L. Primavera, Brian E. Middlebrook and John T. Mills of Gordon Rees Scully Mansukhani, LLP.

5. “Claim Form” or “Claim” means the form(s) Settlement Class Members must submit to be eligible for reimbursement of Out-of-Pocket Losses and/or Attested Time under the terms of the Settlement, which is attached hereto as Exhibit 1.

6. “Claims Deadline” means the last day to submit a timely Claim Form(s), which will occur ninety (90) days after the Notice Deadline.

7. “Claims Period” means the period of time during which Settlement Class Members may submit Claim Forms to receive settlement benefits, which will end ninety (90) days after the Notice Deadline.

8. “Class Counsel” means James Barry of Locks Law Firm and John A. Yanchunis and Ryan D. Maxey of Morgan & Morgan, P.A.

9. “Class Representatives” means Carlos Games and Roberto Quinonez, as parent and general guardian of his minor son.

10. “Court” means the United States District Court for the District of New Jersey.

11. “Data Breach” means the data breach initially disclosed by PCS beginning in or around March 2021.

12. “Effective Date” means one business day following the latest of: (i) the date upon which the time expires for filing or noticing any appeal of the Judgment or one (1) business day following entry of an order granting final approval of the settlement if no parties have standing to appeal; (ii) if there is an appeal or appeals, other than an appeal or appeals solely with respect to attorneys’ fees and reimbursement of expenses, the date of completion, in a manner that finally affirms and leaves in place the Judgment without any material modification, of all proceedings arising out of the appeal(s) (including, but not limited to, the expiration of all deadlines for motions for reconsideration or petitions for review and/or certiorari, all proceedings ordered on remand, and all proceedings arising out of any subsequent appeal(s) following decisions on remand); or (iii) the date of final dismissal of any appeal or the final dismissal of any proceeding on certiorari with respect to the Judgment.

13. “Fee Award and Costs” means the amount of attorneys’ fees and reimbursement of Litigation Costs and Expenses awarded by the Court to Class Counsel.

14. “Final Approval Order and Judgment” means an order and judgment that the Court enters after the Final Approval Hearing, which finally approves the Settlement Agreement, certifies the Settlement Class, dismisses the Action with prejudice, and otherwise satisfies the settlement-related provisions of Federal Rule of Civil Procedure 23, and is consistent with all material provisions of this Agreement.

15. “Final Approval Hearing” means the hearing to be conducted by the Court to determine the fairness, adequacy, and reasonableness of the Settlement pursuant to Federal Rule of Civil Procedure 23 and whether to issue the Final Approval Order and Judgment.

16. “Litigation Costs and Expenses” means costs and expenses incurred by counsel for Plaintiffs in connection with commencing, prosecuting, and settling the Action.

17. “Minor Claim Form” means the form(s) a legal guardian may submit on behalf of a Settlement Class Member who is under the age of eighteen (18) at the time of claim submission seeking reimbursement of Out-of-Pocket Losses and/or Attested Time, which is attached hereto as Exhibit 2.

18. “Net Settlement Fund” means the amount of funds that remain in the Settlement Fund after funds are paid from or allocated for payment from the Settlement Fund for the following: (i) Notice and Administrative Expenses, (ii) Taxes and Tax-Related Expenses, (iii) Service Awards Payments approved by the Court, and (iv) Fee Award and Costs approved by the Court, and (v) reimbursement for Out-of-Pocket Losses and Attested Time

19. “Non-Profit Residual Recipient” means a non-profit organization approved by the Court following distribution of Settlement payments for Approved Claims.

20. “Notice” means notice of the proposed class action Settlement to be provided to Settlement Class Members in connection with a motion to direct issuance of notice of the Settlement to the Settlement Class, substantially in the form attached hereto as Exhibits 3 (short form or postcard) and 4 (long form).

21. “Notice Deadline” means the last day by which Notice must issue to the Settlement Class Members, and will occur thirty (30) days after entry of the Preliminary Approval Order.

22. “Notice and Administrative Expenses” means all of the expenses incurred in the administration of this Settlement, including, without limitation, all expenses or costs associated with providing Notice to the Settlement Class, locating Settlement Class Members, processing claims, determining the eligibility of any person to be a Settlement Class Member, and administering, calculating and distributing the Settlement Fund to Settlement Class Members. Administrative Expenses also includes all reasonable third-party fees and expenses incurred by the Settlement Administrator in administering the terms of this Agreement.

23. “Objection Deadline” is the last day on which a Settlement Class Member may file an objection to the Settlement, which will be forty (40) days after the Notice Deadline.

24. “Opt-Out Deadline” is the last day on which a Settlement Class member may file a request to be excluded from the Settlement Class, which will be forty (40) days after the Notice Deadline.

25. “Out-of-Pocket Losses” means documented out-of-pocket costs or expenditures that a Settlement Class Member actually incurred that are fairly traceable to the Data Breach, and that have not already been reimbursed by a third party, as set forth in Paragraph 48. Out-of-Pocket Losses may include, without limitation, unreimbursed costs associated with fraud or identity theft including professional fees including attorneys’ fees, accountants’ fees, and fees for credit repair services and miscellaneous expenses such as notary, fax, postage, copying, mileage, and long-distance telephone charges, as well as costs for credit monitoring costs or other mitigative services that were incurred on or between May 19, 2017 and the Notice Deadline.

26. “Participating Settlement Class Member” means a Settlement Class Member who does not submit a valid Request for Exclusion prior to the Opt-Out Deadline.

27. “Preliminary Approval Order” means an order directing issuance of Notice to Settlement Class Members, determining that the Court will likely be able to approve the Settlement under Federal Rule of Civil Procedure 23(e)(2), and determining that the Court will likely be able to certify the Settlement Class for purposes of judgment. Such order will include the forms and procedure for providing notice to the Settlement Class, including notice of the procedure for Settlement Class Members to object to or opt-out of the Settlement, and set a date for the Final Approval Hearing.

28. “Released Claims” means any and all claims or causes of action of every kind and description, including any causes of action in law, claims in equity, complaints, suits or petitions, and any allegations of wrongdoing, demands for legal, equitable or administrative relief (including, but not limited to, any claims for injunction, rescission, reformation, restitution, disgorgement, constructive trust, declaratory relief, compensatory damages, consequential damages, penalties, exemplary damages, punitive damages, attorneys’ fees, costs, interest or expenses) that the Releasing Parties had or have (including, but not limited to, assigned claims and any and all “Unknown Claims” as defined below) that have been or could have been asserted in the Action or in any other action or proceeding before any court, arbitrator(s), tribunal or administrative body (including but not limited to any state, local or federal regulatory body), regardless of whether the claims or causes of action are based on federal, state, or local law, statute, ordinance, regulation, contract, common law, or any other source, and regardless of whether they are known or unknown, foreseen or unforeseen, suspected or unsuspected, or fixed or contingent, arising out of, or related or connected in any way with the claims or causes of action of every kind and description that were brought, alleged, argued, raised or asserted in any pleading or court filing in the Action, including but not limited to those concerning: (1) the disclosure of Settlement Class Members’ personal information in the Data Breach; (2) PCS’ maintenance of Settlement Class Members’ personal information as it relates to the Data Breach; (3) PCS’ information security policies and practices as it relates to the Data Breach; and/or (4) PCS’ provision of notice to Settlement Class Members following the Data Breach.

29. “Released Parties” means Defendant and its respective predecessors, successors, assigns, parents, subsidiaries, divisions, affiliates, departments, and any and all of their past, present, and future officers, directors, employees, stockholders, partners, servants, agents, successors, attorneys, representatives, insurers, reinsurers, subrogees and assigns of any of the

foregoing, as well as the Class Representatives and Class Counsel. Each of the Released Parties may be referred to individually as a “Released Party.”

30. “Releasing Parties” means the Class Representatives and Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, successors, attorneys and assigns.

31. “Request for Exclusion” is the written communication by or on behalf of a Settlement Class Member in which he or she requests to be excluded from the Settlement Class in the form and manner provided for in the Notice.

32. “Service Award Payment” means compensation awarded by the Court and paid to the Class Representatives in recognition of their role in this litigation.

33. “Settlement” means the settlement of the Action by and between the Parties, and the terms thereof as stated in this Settlement Agreement.

34. “Settlement Administrator” means a notice and administration provider agreed upon by the Parties and approved by the Court. Class Counsel and PCS may, by agreement, substitute a different Settlement Administrator, subject to Court approval.

35. “Settlement Class” means the persons who are identified on the Settlement Class List, including all 867,209 individuals who were sent notification by PCS that their personal information was or may have been compromised in the data breach initially disclosed by PCS beginning in or around March 2021. Excluded from the Settlement Class are: (1) the judges presiding over this Action, and members of their direct families; (2) the Defendant, its subsidiaries, parent companies, successors, predecessors, and any entity in which the Defendant or its parents have a controlling interest and their current or former officers, directors, and employees; (3) Settlement Class Members who submit a valid a Request for Exclusion prior to the Opt-Out Deadline; and (4) Jose Montanez, as parent and natural guardian of and on behalf of his minor son Manuel Montanez, who entered into a release with PCS effective August 30, 2021.

36. “Settlement Class List” means the list generated by PCS containing the full names, current or last known addresses, and email addresses where known for Settlement Class members under the age of eighteen (18), for all persons who fall under the definition of the Settlement Class, which PCS shall provide to the Settlement Administrator within twenty-one (21) days of the Preliminary Approval Order.

37. “Settlement Class Member” means an individual who falls within the definition of the Settlement Class.

38. “Settlement Fund” means the sum of One Million One Hundred Thirty-Five Thousand Dollars and Zero Cents (\$1,135,000.00) to be paid by PCS as specified in Paragraph 42, including any interest accrued thereon after payment. This payment is the limit and extent of the monetary obligations of PCS, its respective predecessors, successors, assigns, parents, subsidiaries, divisions, affiliates, departments, and any and all of their past, present, and future

officers, directors, employees, stockholders, partners, servants, agents, successors, attorneys, representatives, insurers, reinsurers, subrogees and assigns of any of the foregoing, with respect to this Agreement and the settlement of this matter.

39. “Settlement Payment” means the payment to be made via an electronic payment via Zelle, Venmo, or PayPal or a Mastercard mailed to a Participating Settlement Class Member pursuant to Paragraph 53.

40. “Settlement Website” means the website that the Settlement Administrator will establish as soon as practicable following entry of the Preliminary Approval Order, but prior to the mailing of the Notice, as a means for Settlement Class Members to obtain notice of and information about the Settlement and relevant case documents and deadlines. The Settlement Website shall contain relevant documents, including, but not limited to, the Notice, this Agreement, Plaintiff’s motion for preliminary approval of the Settlement, the Preliminary Approval Order, Plaintiff’s motion for an award of attorneys’ fees, costs and expenses, and/or service awards, and the operative complaint in the Action. The Settlement Website shall also include a toll-free telephone number, e-mail address, and mailing address through which Settlement Class Members may contact the Settlement Administrator directly. The Settlement Website shall not include any advertising and shall remain operational until at least sixty (60) days after all Settlement Payments have been distributed.

41. “Taxes and Tax-Related Expenses” means any and all applicable taxes, duties, and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction, if any, with respect to the income or gains earned by or in respect of the Settlement Fund, including, without limitation, any taxes that may be imposed upon PCS with respect to any income or gains earned by or in respect of the Settlement Fund for any period while it is held in the Settlement Fund.

II. SETTLEMENT FUND

42. **Establishment of Settlement Fund.** Within ten (10) days of the Preliminary Approval Order, PCS shall deposit the sum of One Million One Hundred Thirty Five Thousand Dollars and Zero Cents (\$1,135,000.00) into an interest bearing account established and administered by the Settlement Administrator at a financial institution agreed upon by the Settlement Administrator and PCS.

43. **Non-Reversionary.** The Settlement Fund is non-reversionary. As of the Effective Date, all rights of PCS in or to the Settlement Fund shall be extinguished, except in the event this Settlement Agreement is terminated, as described in Paragraph 74.

44. **Qualified Settlement Fund.** The Parties agree that the Settlement Fund is intended to be maintained as a qualified settlement fund within the meaning of Treasury Regulation § 1.468 B-1, and that the Settlement Administrator, within the meaning of Treasury Regulation § 1.468 B-2(k)(3), shall be responsible for filing tax returns and any other tax reporting for or in respect of the Settlement Fund and paying from the Settlement Fund any Taxes and Tax-Related Expenses owed with respect to the Settlement Fund. The Parties agree that the Settlement Fund shall be

treated as a qualified settlement fund from the earliest date possible and agree to any relation-back election required to treat the Settlement Fund as a qualified settlement fund from the earliest date possible. Any and all funds held in the Settlement Fund shall be held in an interest-bearing account insured by the Federal Deposit Insurance Corporation. Funds may be placed in a non-interest bearing account as may be reasonably necessary during the check clearing process. The Settlement Administrator shall provide an accounting of any and all funds in the Settlement Fund, including any interest accrued thereon and payments made pursuant to this Agreement, upon request of any of the Parties.

45. **Custody of Settlement Fund.** The Settlement Fund shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the entirety of the Settlement Fund is distributed pursuant to this Settlement Agreement or the balance returned to those who paid the Settlement Fund in the event this Settlement Agreement is terminated in accordance with Paragraph 74.

46. **Use of the Settlement Fund.** As further described in this Agreement, the Settlement Fund shall be used by the Settlement Administrator to pay for the following: (i) Notice and Administrative Expenses; (ii) Taxes and Tax-Related Expenses; (iii) Service Awards Payments approved by the Court; (iv) Fee Award and Costs approved by the Court; and (v) reimbursement for Out-of-Pocket Losses and Attested Time. No amounts may be withdrawn from the Settlement Fund unless expressly authorized by this Agreement or approved by the Court.

47. **Taxes and Representations.** Taxes and Tax-Related Expenses relating to the Settlement Fund shall be considered Notice and Administrative Expenses and shall be timely paid by the Settlement Administrator out of the Settlement Fund without prior order of the Court. Further, the Settlement Fund shall indemnify and hold harmless the Parties, their counsel, and their insurers and reinsurers for Taxes and Tax-Related Expenses (including, without limitation, taxes payable by reason of any such indemnification payments). The Parties and their respective counsel have made no representation or warranty with respect to the tax treatment by any Class Representative or any Settlement Class Member of any payment or transfer made pursuant to this Agreement or derived from or made pursuant to the Settlement Fund. Each Class Representative and Participating Settlement Class Member shall be solely responsible for the federal, state, and local tax consequences to him, her or it of the receipt of funds from the Settlement Fund pursuant to this Agreement.

III. REIMBURSEMENT FOR OUT-OF-POCKET LOSSES AND ATTESTED TIME

48. **Reimbursement for Out-of-Pocket Losses.** All Settlement Class Members may submit a claim for up to \$2,500 for reimbursement of Out-of-Pocket Losses. To receive reimbursement for Out-of-Pocket Losses, Settlement Class Members must submit a valid Claim Form that includes the following: (i) third party documentation supporting the loss; and (ii) a brief description of the documentation describing the nature of the loss, if the nature of the loss is not apparent from the documentation alone. Third-party documentation can include receipts or other documentation not “self-prepared” by the Settlement Class Member that documents the costs incurred. Self-prepared documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but can be considered to add clarity or support other submitted documentation. A legal guardian for a Settlement Class Member who is under the age of eighteen

(18) at the time of claim submission may submit a Minor Claim Form seeking reimbursement of Out-of-Pocket Losses on the minor's behalf.

49. **Assessing Claims for Out-of-Pocket Losses.** The Settlement Administrator shall verify that each person who submits a Claim Form is a Settlement Class Member. The Settlement Administrator shall have the sole discretion and authority to determine whether and to what extent documentation for Out-of-Pocket Losses reflects valid Out-of-Pocket Losses actually incurred that are fairly traceable to the Data Breach, but may consult with Class Counsel in making individual determinations. In assessing what qualifies as "fairly traceable," the Parties agree to instruct the Settlement Administrator to consider (i) whether the timing of the loss occurred on or after May 19, 2017; and (ii) whether the Personal Information used to commit identity theft or fraud consisted of the same type of Personal Information that was stored on PCS's systems. Costs expended for mitigation measures like credit monitoring services, fraud resolution services, and professional services incurred to address identity theft or fraud on or after May 19, 2017 shall be presumed "reasonably incurred." The Settlement Administrator is authorized to contact any Settlement Class Member (by e-mail, telephone, or U.S. mail) to seek clarification regarding a submitted claim prior to making a determination as to its validity.

50. **Reimbursement for Attested Time.** All Settlement Class Members may submit a claim for reimbursement of Attested Time up to three (3) hours at twenty-five dollars (\$25) per hour. Settlement Class Members can receive reimbursement of Attested Time with a brief description of the actions taken in response to the Data Breach and the time associated with each action. Claims for Attested Time are capped at \$75 per individual. A claim for Attested Time may be combined with reimbursement for Out-of-Pocket Losses but in no circumstance will a Settlement Class Member be eligible to receive more than the \$2,500 individual cap. A legal guardian for a Settlement Class Member who is under the age of eighteen (18) at the time of claim submission may submit a Minor Claim Form seeking reimbursement of Attested Time on the minor's behalf.

51. **Assessing Claims for Attested Time.** The Settlement Administrator shall have the sole discretion and authority to determine whether the prerequisites have been met in order to award payments of Attested Time, but may consult with Class Counsel in making individual determinations. The Settlement Administrator is authorized to contact any Settlement Class Member (by e-mail, telephone, or U.S. mail) to seek clarification regarding a submitted claim prior to making a determination as to its validity.

52. **Disputes.** To the extent the Settlement Administrator determines a claim for Out-of-Pocket Losses or Attested Time is deficient in whole or part, within a reasonable time of making such a determination, the Settlement Administrator shall notify the Settlement Class Member of the deficiencies and give the Settlement Class Member twenty-one (21) days to cure the deficiencies. Such notifications shall be sent via e-mail, unless the claimant did not provide an e-mail address, in which case such notifications shall be sent via U.S. mail. If the Settlement Class Member attempts to cure the deficiencies but, at the sole discretion and authority of the Settlement Administrator, fails to do so, the Settlement Administrator shall notify the Settlement Class Member of that determination within ten (10) days of the determination. The Settlement Administrator may consult with Class Counsel in making such determinations.

IV. PAYMENTS TO PARTICIPATING SETTLEMENT CLASS MEMBERS

53. **Payment Timing.** Payments for Approved Claims for reimbursement for Out-of-Pocket Losses shall be issued in the form of an electronic payment via Zelle, Venmo, or PayPal or a Mastercard sent via mail as soon as practicable after the allocation and distribution of funds are determined by the Settlement Administrator following the Effective Date.

54. **Unclaimed Property.** No portion of the Settlement Fund shall revert or be repaid to Defendant after the Effective Date. To the extent any monies remain in the Net Settlement Fund more than 150 days after the distribution of Settlement payments to the Participating Settlement Class Members any remaining monies shall be distributed as required by state law or to the Non-Profit Residual Recipient.

V. CLAIMS, CAPS, AND DISTRIBUTION OF SETTLEMENT FUNDS

55. **Submission of Electronic and Hard Copy Claims.** Settlement Class Members may submit Claim Forms to the Settlement Administrator electronically via a claims website or physically by mail to the Settlement Administrator. Claim Forms must be submitted electronically or postmarked during the Claims Period and on or before the Claims Deadline.

56. **Individual Caps.** Participating Settlement Class Members are subject to an individual aggregate cap of \$2,500 for payments made under the Settlement. Participating Settlement Class Members may submit claims for reimbursement of Attested Time and/or Out-of-Pocket Losses but the Participating Settlement Class Member's combined claims will be subject to the individual aggregate cap of \$2,500.

57. **Order of Distribution of Funds.** The Settlement Administrator must first use the funds available in the Net Settlements Fund to make payments for Approved Claims for Out-of-Pocket Losses, followed by Approved Claims for Attested Time.

58. **Pro-Rata Contingencies.** In the event that the aggregate amount of all payments for reimbursement of Out-of-Pocket Losses exceeds \$500,000.00, then the value of such payments shall be reduced on a pro rata basis, such that the aggregate value of all payments for Out-of-Pocket Losses does not exceed \$500,000.00. In such an event, no Net Settlement Funds will be distributed for Approved Claims of Attested Time. In the event that (i) the aggregate amount of Approved Claims for Out-of-Pocket Losses does not exceed \$500,000.00, and (ii) the aggregate amount of all Approved Claims for Attested Time is greater than the \$500,000.00, less the aggregate amount of Approved Claims for Out-of-Pocket Losses, then the value of each Participating Settlement Class Members' payment for Attested Time shall be reduced on a pro rata basis such that the aggregate value of all Approved Claims for Out-of-Pocket Losses and Attested

Time do not exceed \$500,000.00. All pro rata determinations required by this Paragraph shall be performed by the Settlement Administrator.

VI. BUSINESS PRACTICE COMMITMENTS

59. **Business Practice Commitments.** PCS represents that it has adopted and implemented and will continue to implement significant data security measurements following the Data Breach, including those set forth in (a) through (e) below. Further, PCS agrees that, within thirty (30) days of the Effective Date, the subject personally identifiable information maintained on the subject server in connection with the Data Breach, and all related media and storage devices, will be destroyed, erased and/or sanitized, to the extent reasonably practicable, by PCS and/or its service provider.

- a. **Enhanced Cybersecurity Training and Awareness Program.** Additional training on cybersecurity issues, including compliance with requirements for handling and transmitting sensitive data such as secure authentication, identification and storage of sensitive data, and awareness of how to protect against unintentional data exposures. Targeted training for and regular communications with employees who handle sensitive personal information.
- b. **Enhanced Data Security Policies.** Creating, implementing, and training employees on new policies, protocols, and controls related to the ownership, review, and distribution of employee personal information and other private data.
- c. **Enhanced Security Measures.** Implementing network and application upgrades, including strengthening password and multi-factor authentication requirements.
- d. **Further Restricting Access to Personal Information.** Restricting the number of employees with access to personal information to only those personnel who have a need to access it for business purposes. Implementation of a Geo policy that blocks all foreign IP addresses unless specifically authorized.
- e. **Enhanced Monitoring and Response Capability.** Monthly penetration testing for its payment processing servers and penetration testing whenever major code changes are implemented on its remaining servers. Implementation of Check Point Intrusion Prevention System.

60. **Enforcement.** PCS shall provide to Class Counsel a declaration attesting to implementation of the business practice commitments set forth in Paragraph 59 within thirty (30) days of the Effective Date. Such declaration shall be treated as confidential and cannot be used for any purpose other than enforcement of this Settlement Agreement.

61. **Financial Condition.** Notwithstanding PCS' implementation of the business practices as set forth above, PCS shall provide to Class Counsel a declaration attesting to its financial condition on or before May 24, 2022. Such declaration shall be treated as confidential and cannot be used for any purpose other than implementation of this Settlement Agreement and

filing of the Motion for Preliminary Approval. In the event required by the Court, Class Counsel shall use reasonable best efforts to file the declaration set forth in this Paragraph under seal.

V. SETTLEMENT CLASS NOTICE

62. **Notice.** Within twenty-one (21) days after the date of the Preliminary Approval Order, PCS shall provide the Settlement Class List to the Settlement Administrator. Within twenty-eight (28) days after receipt of Settlement Class List, the Settlement Administrator shall disseminate Notice to the members of the Settlement Class. Notice shall be disseminated via e-mail to Settlement Class Members who are currently employed or contracted by PCS and their minor beneficiaries and via U.S. mail to Settlement Class Members who are not currently or were never employed or contracted by PCS. Class Counsel may direct the Settlement Administrator to send reminder notices to Settlement Class Members at any time prior to the Claims Deadline.

VI. OPT-OUTS AND OBJECTIONS

63. **Opt-Outs.** The Notice shall explain the procedure for Settlement Class Members to exclude themselves or “opt-out” of the Settlement by submitting a Request for Exclusion to the Settlement Administrator postmarked no later than forty (40) days after the Notice Deadline. The Request for Exclusion must include the name of the proceeding, the individual’s full name, current address, personal signature, and the words “Request for Exclusion” or a comparable statement that the individual does not wish to participate in the Settlement at the top of the communication. The Notice must state that any Settlement Class Member who does not file a timely Request for Exclusion in accordance with this Paragraph will lose the opportunity to exclude himself or herself from the Settlement and will be bound by the Settlement.

64. **Objections.** The Notice shall explain the procedure for Settlement Class Members to object to the Settlement by submitting written objections to the Settlement Administrator postmarked no later than forty (40) days after the Notice Deadline. The written objection must include (i) the name of the proceedings; (ii) the Settlement Class Member’s full name, current mailing address, and telephone number; (iii) a statement that states with specificity the grounds for the objection, as well as any documents supporting the objection; (iv) a statement as to whether the objection applies only to the objector, to a specific subset of the class, or to the entire class; (v) the identity of any attorneys representing the objector; (vi) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; and (vii) the signature of the Settlement Class Member or the Settlement Class Member’s attorney. The Notice must set forth the time and place of the Final Approval Hearing (subject to change) and state that any Settlement Class Member who does not file a timely and adequate objection in accordance with this Paragraph waives the right to object or to be heard at the Final Approval Hearing and shall be forever barred from making any objection to the Settlement.

65. Within seven (7) days after the deadline for opt-out as set forth in this Paragraph and as approved by the Court, the Settlement Administrator shall furnish to counsel for the Parties a complete list of all timely and valid request for exclusions. In the event that within seven (7) days after receipt of the list from the Settlement Administrator, there have been more than one hundred (100) Opt-Outs (exclusions), PCS may, by notifying Class Counsel in writing, void this

Agreement. If PCS voids the Agreement pursuant to this Paragraph, PCS shall be obligated to pay all settlement expenses already incurred, excluding any attorneys' fees, costs, and expenses of Class Counsel and service awards.

VII. DUTIES OF THE SETTLEMENT ADMINISTRATOR

66. **Duties of Settlement Administrator.** The Settlement Administrator shall perform the functions and duties necessary to effectuate the Settlement and as specified in this Agreement, including, but not limited to, the following:

- a. Creating, administering, and overseeing the Settlement Fund;
- b. Obtaining the Settlement Class List for the purpose of disseminating Notice to Settlement Class Members;
- c. Providing Notice to Settlement Class Members via U.S. mail and e-mail;
- d. Establishing and maintaining the Settlement Website;
- e. Responding to any mailed or emailed Settlement Class Member inquiries within one (1) business day;
- f. Reviewing, determining the validity of, and processing all claims submitted by Settlement Class Members;
- g. Receiving Requests for Exclusion and objections from Settlement Class Members and providing Class Counsel a copy thereof no later than three (3) days following the deadline for submission of the same. If the Settlement Administrator receives any Requests for Exclusion, objections, or other requests from Settlement Class Members after the Opt-Out and Objection Deadlines, the Settlement Administrator shall promptly provide copies thereof to Class Counsel;
- h. After the Effective Date, processing and transmitting Settlement Payments to Settlement Class Members;
- i. Providing weekly or other periodic reports to Class Counsel and PCS's Counsel that include information regarding the number of Settlement Payments made and any other requested information relating to Settlement Payments. The Settlement Administrator shall also, as requested by Class Counsel or PCS's Counsel and from time to time, provide the amounts remaining in the Net Settlement Fund;
- j. In advance of the Final Approval Hearing, preparing an affidavit to submit to the Court that: (i) attests to implementation of Notice in accordance with the Preliminary

Approval Order; and (ii) identifies each Settlement Class Member who timely and properly submitted a Request for Exclusion; and

- k. Performing any function related to Settlement administration at the agreed-upon instruction of Class Counsel or PCS's Counsel, including, but not limited to, verifying that Settlement Payments have been distributed.

67. **Limitation of Liability.** The Parties, Class Counsel, PCS's Counsel, and PCS's insurers and reinsurers, shall not have any liability whatsoever with respect to (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the formulation, design or terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses.

68. **Indemnification.** The Settlement Administrator shall indemnify and hold harmless the Parties, Class Counsel, PCS's Counsel, and PCS's insurers and reinsurers for (i) any act or omission or determination of the Settlement Administrator, or any of Settlement Administrator's designees or agents, in connection with the Notice Plan and the administration of the Settlement; (ii) the management, investment or distribution of the Settlement Fund; (iii) the formulation, design or terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses.

VIII. PRELIMINARY APPROVAL, FINAL APPROVAL, AND JURISDICTION

69. **Certification of the Settlement Class.** For purposes of this Settlement only, the Parties stipulate to the certification of the Settlement Class, which is contingent upon the Court entering the Final Approval Order and Judgment of this Settlement and the occurrence of the Effective Date. Should: (1) the Settlement not receive final approval from the Court, or (2) the Effective Date not occur, the certification of the Settlement Class shall be void. PCS reserves the right to contest class certification for all other purposes. The Parties further stipulate to designate the Class Representatives as the representatives for the Settlement Class.

70. **Preliminary Approval.** Following execution of this Agreement, Class Counsel shall file a motion to permit issuance of class notice of the Settlement and for certification of the Settlement Class with the Court on or before May 24, 2022.

71. **Final Approval.** Class Counsel shall move the Court for a Final Approval Order and Judgment of this Settlement, to be issued following the Final Approval Hearing; within a reasonable time after the Notice Deadline, Objection Deadline, and Opt-Out Deadline; and at least 90 days after PCS and/or the Settlement Administrator, on behalf of PCS, notifies the appropriate

government officials of this Settlement Agreement pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.

72. **Jurisdiction.** The Court shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding or dispute arising out of or relating to this Agreement that cannot be resolved by negotiation and agreement by counsel for the Parties. The Court shall retain jurisdiction with respect to the administration, consummation and enforcement of the Agreement and shall retain jurisdiction for the purpose of enforcing all terms of the Agreement. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice and the Settlement Administrator. As part of its agreement to render services in connection with this Settlement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose.

IX. MODIFICATION AND TERMINATION

73. **Modification.** The terms and provisions of this Agreement may be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however, that, after entry of the Preliminary Approval Order, the Parties may, by written agreement, effect such amendments, modifications, or expansions of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Settlement Class or approval by the Court if such changes are consistent with the Court's Preliminary Approval Order and do not materially alter, reduce, or limit the rights of Settlement Class Members under this Agreement.

74. **Termination.** Class Counsel (on behalf of the Settlement Class Members) and Defendant shall have the right to terminate this Agreement by providing written notice of their or its election to do so ("Termination Notice"): (1) within seven (7) days of either of the following: (a) the Court's refusal to grant preliminary approval of the Settlement in any material respect; or (b) receipt of the opt-out list from the Settlement Administrator that includes more than one hundred (100) Opt-Outs, as set forth above in Paragraph 65; or (2) within fourteen (14) days of either of the following: (a) the Court's refusal to enter the Judgment in any material respect, or (b) the date upon which the Judgment is modified or reversed in any material respect by any appellate or other court.

75. **Effect of Termination.** In the event of a termination as provided in Paragraph 74, this Agreement shall be considered null and void; all of the Parties' obligations under the Agreement shall cease to be of any force and effect and the Parties shall return to the status quo ante in the Action as if the Parties had not entered into this Agreement. In addition, in the event of such a termination, all of the Parties' respective pre-Settlement claims and defenses will be preserved.

X. RELEASES

76. **The Release.** Upon the Effective Date, and in consideration of the Settlement benefits described herein, each Releasing Party shall be deemed to have released, acquitted, and forever discharged Defendant and each of the Released Parties from any and all Released Claims.

77. **Unknown Claims.** The Released Claims include the release of Unknown Claims. “Unknown Claims” means claims that could have been raised in the Action and that Plaintiffs, any member of the Settlement Class or any Releasing Party, do not know or suspect to exist, which, if known by him, her or it, might affect his, her or its agreement to release the Released Parties or the Released Claims or might affect his, her or its decision to agree, object or not to object to the Settlement. Upon the Effective Date, Plaintiffs, the Settlement Class, and any Releasing Party shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Upon the Effective Date, each of the Releasing Parties shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law of any state, the District of Columbia or territory of the United States, by federal law, or principle of common law, or the law of any jurisdiction outside of the United States, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Class Representatives, the Settlement Class, and the Releasing Parties acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Release, but that it is their intention to finally and forever settle and release the Released Claims, including but not limited to any Unknown Claims they may have, as that term is defined in this Paragraph.

78. **Release of Class Representatives and Class Counsel.** As of the Effective Date, PCS and its representatives, officers, agents, directors, affiliates, employees, insurers, reinsurers, and attorneys absolutely and unconditionally release and discharge the Class Representatives and Class Counsel from any and all liabilities, rights, claims, actions, causes of action, demands, damages, penalties, costs, attorneys’ fees, losses, and remedies, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, that result from, arise out of, are based upon, or relate to prosecution of the Action, the Settlement Agreement, or the Settlement claims process (provided, however, that this release and discharge shall not include claims by the Parties hereto to enforce the terms of the Settlement).

79. **Bar to Future Suits.** Upon entry of the Final Approval Order and Judgment, the Class Representatives and other Settlement Class Members shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against any of the Released Parties or based on any actions taken by any of the Released Parties that are authorized or required by this Agreement or by the Final Approval Order. Likewise, PCS and its representatives, officers,

agents, directors, affiliates, employees, insurers, reinsurers and attorneys shall be enjoined from prosecuting any claim they have released in the preceding paragraphs against Class Representatives and Class Counsel that are authorized or required by this Agreement or by the Final Approval Order. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section.

XI. SERVICE AWARD PAYMENTS

80. **Service Award Payments.** At least twenty-one (21) days before the Opt-Out and Objection Deadlines, Class Counsel will file a motion seeking a service award payment for the Class Representatives in recognition for their contributions to this Action. PCS agrees not to oppose Class Counsel's request for a service award not to exceed One Thousand Dollars and Zero Cents (\$1,000.00) per representative, for a total of Two Thousand Dollars and Zero Cents (\$2,000.00). The Settlement Administrator shall make the Service Award Payments to the Class Representatives from the Settlement Fund. Such Service Award Payment shall be paid by the Settlement Administrator, in the amount approved by the Court, no later than thirty (30) days after the Effective Date.

81. **No Effect on Agreement.** In the event the Court declines to approve, in whole or in part, the payment of service awards in the amount requested, the remaining provisions of this Agreement shall remain in full force and effect. No decision by the Court, or modification or reversal or appeal of any decision by the Court, concerning the amount of the service awards shall constitute grounds for termination of this Agreement.

XII. ATTORNEYS' FEES, COSTS, EXPENSES

82. **Attorneys' Fees and Costs and Expenses.** At least thirty (30) days before the Opt-Out and Objection Deadlines, Class Counsel will file a motion for an award of attorneys' fees and litigation costs and expenses to be paid from the Settlement Fund. PCS agrees not to oppose Class Counsel's request for an award of attorneys' fees and litigation costs and expenses not to exceed Eighty-Five Thousand Dollars and Zero Cents (\$85,000.00). Prior to the disbursement or payment of the Fee Award and Costs under this Agreement, Class Counsel shall provide to the Settlement Administrator a properly completed and duly executed IRS Form W-9. Fee Award and Costs (plus any interest accrued thereon) shall be paid by the Settlement Administrator from the Settlement Fund, in the amount approved by the Court, no later than three (3) days after the Effective Date.

83. **Allocation.** Unless otherwise ordered by the Court, Class Counsel shall have the sole and absolute discretion to allocate any approved Fee Award and Costs amongst Plaintiffs' counsel and any other attorneys for Plaintiffs. PCS and its insurers and reinsurers shall have no liability or other responsibility for allocation of any such attorneys' fees and costs.

XIII. NO ADMISSION OF LIABILITY

84. **No Admission of Liability.** The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties either previously or in connection with the negotiations or proceedings connected with this Agreement shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made, or an acknowledgment or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever.

85. **No Use of Agreement.** Neither the Settlement Agreement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (i) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by Plaintiffs; or (ii) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission by PCS in the Actions or in any proceeding in any court, administrative agency or other tribunal.

XIV. MISCELLANEOUS

86. **Integration of Exhibits.** The exhibits to this Agreement and any exhibits thereto are a material part of the Settlement and are incorporated and made a part of the Agreement.

87. **Entire Agreement.** This Agreement, including all exhibits hereto, shall constitute the entire Agreement among the Parties with regard to the subject matter hereof and shall supersede any previous agreements, representations, communications and understandings among the Parties. This Agreement may not be changed, modified, or amended except in writing signed by all Parties, subject to Court approval. The Parties contemplate that, subject to Court approval or without such approval where legally permissible, the exhibits to this Agreement may be modified by subsequent Agreement of counsel for the Parties prior to dissemination of the Settlement Class Notice to the Settlement Class.

88. **Deadlines.** If any of the dates or deadlines specified herein falls on a weekend or legal holiday, the applicable date or deadline shall fall on the next business day. All reference to “days” in this agreement shall refer to calendar days unless otherwise specified.

89. **Singular and Plurals.** As used in this Agreement, all references to the plural shall also mean the singular and to the singular shall also mean the plural whenever the context so indicates.

90. **Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

91. **Construction.** For the purpose of construing or interpreting this Agreement, the Parties agree that this Agreement is to be deemed to have been drafted equally by all Parties hereto and shall not be construed strictly for or against any Party.

92. **Cooperation of Parties.** The Parties to this Agreement agree to cooperate in good faith to prepare and execute all documents, to seek Court approval, defend Court approval, and to

do all things reasonably necessary to complete and effectuate the Settlement described in this Agreement.

93. **Obligation to Meet and Confer.** Before filing any motion in the Court raising a dispute arising out of or related to this Agreement, the Parties shall consult with each other and certify to the Court that they have consulted in good faith.

94. **No Conflict Intended.** Any inconsistency between the headings used in this Agreement and the text of the paragraphs of this Agreement shall be resolved in favor of the text.

95. **Governing Law.** The Agreement shall be construed in accordance with, and be governed by, the laws of the state of New Jersey, without regard to the principles thereof regarding choice of law.

96. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, even though all signatories do not sign the same counterparts. Original signatures are not required. Any signature submitted electronically, by facsimile, or through e-mail of an Adobe PDF shall be deemed an original.

97. **Notices.** All notices to Class Counsel provided for herein, shall be sent by overnight mail and email to:

John A. Yanchunis
Ryan D. Maxey
MORGAN & MORGAN
COMPLEX LITIGATION GROUP
201 N. Franklin Street, 7th Floor
Tampa, Florida 33602
jyanchunis@ForThePeople.com
rmaxey@ForThePeople.com

James A. Barry
LOCKS LAW FIRM, LLC
801 N. Kings Highway
Cherry Hill, New Jersey 08034
jbarry@lockslaw.com

All notices to PCS provided for herein, shall be sent by overnight mail and email to:

Brittany L. Primavera
Brian E. Middlebrook
John T. Mills
GORDON REES SCULLY MANSUKHANI, LLP
One Battery Park Plaza
New York, New York 10004

bmiddlebrook@grsm.com
jtmills@grsm.com
bprimavera@grsm.com

The notice recipients and addresses designated above may be changed by written notice.

98. **Authority.** Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

SIGNATURES

PCS REVENUE CONTROL SYSTEMS, INC.

By: Joseph Halpern
Name: Joseph Halpern
Title: PRESIDENT

Date: May 25, 2022 | 11:20 AM PDT

GORDON REES SCULLY MANSUKHANI, LLP (as to form only)

Counsel for Defendant PCS Revenue Control Systems, Inc.

By: Brian Middlebrook
Brian E. Middlebrook
John T. Mills

Date: May 26, 2022 | 6:37 AM PDT

CARLOS GAMEZ

By: _____

Date: _____

ROBERTO QUINONEZ, on behalf of his minor son

By: _____

Date: _____

MORGAN & MORGAN

Counsel for Plaintiffs and the Class

By: _____
John A. Yanchunis
Ryan D. Maxey

Date: _____

bmiddlebrook@grsm.com
jtmills@grsm.com
bprimavera@grsm.com

The notice recipients and addresses designated above may be changed by written notice.

98. **Authority.** Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

SIGNATURES

PCS REVENUE CONTROL SYSTEMS, INC.

By: _____
Name: _____
Title: _____

Date: _____

GORDON REES SCULLY MANSUKHANI, LLP (as to form only)
Counsel for Defendant PCS Revenue Control Systems, Inc.

By: _____
Brian E. Middlebrook
John T. Mills

Date: _____

CARLOS GAMEZ

By: Carlos Gamez

Date: 05/23/2022

ROBERTO QUINONEZ, on behalf of his minor son

By: _____

Date: _____

MORGAN & MORGAN
Counsel for Plaintiffs and the Class

By: John A. Yanchunis
John A. Yanchunis
Ryan D. Maxey

Date: 5/25/2022

bmiddlebrook@grsm.com
jtmills@grsm.com
bprimavera@grsm.com

The notice recipients and addresses designated above may be changed by written notice.

98. **Authority.** Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

SIGNATURES

PCS REVENUE CONTROL SYSTEMS, INC.

By: _____ Date: _____
Name:
Title:

GORDON REES SCULLY MANSUKHANI, LLP (as to form only)
Counsel for Defendant PCS Revenue Control Systems, Inc.

By: _____ Date: _____
Brian E. Middlebrook
John T. Mills

CARLOS GAMEZ

By: _____ Date: _____

ROBERTO QUINONEZ, on behalf of his minor son

By: Roberto Quinonez Date: 5/25/2022

MORGAN & MORGAN

Counsel for Plaintiffs and the Class

By: _____ Date: _____
John A. Yanchunis
Ryan D. Maxey

bmiddlebrook@grsm.com
jtmills@grsm.com
bprimavera@grsm.com

The notice recipients and addresses designated above may be changed by written notice.

98. **Authority.** Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

SIGNATURES

PCS REVENUE CONTROL SYSTEMS, INC.

By: _____ Date: _____
Name:
Title:

GORDON REES SCULLY MANSUKHANI, LLP (as to form only)
Counsel for Defendant PCS Revenue Control Systems, Inc.

By: _____ Date: _____
Brian E. Middlebrook
John T. Mills

CARLOS GAMEZ

By: _____ Date: _____

ROBERTO QUINONEZ, on behalf of his minor son

By: _____ Date: _____

MORGAN & MORGAN

Counsel for Plaintiffs and the Class

By: _____ Date: _____
John A. Yanchunis
Ryan D. Maxey