

CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE ("Agreement"), made subject to approval by the Court, is by and between Eugene Nichols ("Class Representative") individually and as the representative of the Class, as certified by the Court, and Automobile Acceptance Company ("AAC"). The Class Representative, AAC, and the Class are also sometimes individually referred to as "Party" and collectively referred to as the "Parties."

WHEREAS, Class Representative is the named plaintiff in the civil action pending before the Clay County Circuit Court (the "Court"), styled *Automobile Acceptance Corp. v Eugene Nichols*, Case No. 15CY-CV07631-01 (the "Litigation"); and

WHEREAS, Class Representative is asserting claims against AAC for alleged violations of the Uniform Commercial Code and common law, and seeks damages and other relief for himself and the Class certified by the Court; and

WHEREAS, on October 3, 2022, the Court certified a class comprising and defined as all persons to whom AAC mailed the form pre-sale notice or post-sale notice that was also mailed to Plaintiff. (the "Class"). The Court excluded from the certified class all persons: (1) against whom AAC has obtained a final deficiency judgment; (2) who filed for bankruptcy after the date on their pre-sale notice and whose bankruptcy ended in discharge rather than dismissal; and (3) to whom AAC issued its form pre-sale or post-sale notices prior to the date of August 6, 2010; and

WHEREAS, Class Representative's counsel ("Class Counsel") and AAC's counsel have thoroughly investigated the facts relating to the claims alleged and the events and transactions underlying the Litigation, through formal and informal discovery, and have made a thorough study of the legal principles applicable to the claims being asserted against AAC; and

WHEREAS, the Parties have agreed, subject to Court approval, to resolve the Litigation as between Class Representative, the Class, and AAC under the terms of this Agreement; and

WHEREAS, the Parties and their respective counsel have engaged in arm's length negotiations concerning the settlement of the claims and causes of action being asserted against AAC in the Litigation; and

WHEREAS, the Class Representative and Class Counsel have concluded a settlement with AAC under the terms of this Agreement will be fair, just, equitable, reasonable, adequate, and in the best interests of Class Representative and the Class: based upon their investigation, study,

negotiations, and discovery taken; and considering the contested issues, the expense and time to prosecute the Litigation against AAC through trial, the delays and the risks and costs of further prosecution against AAC, the uncertainties of complex litigation, and the benefits to be received under this Agreement; and

WHEREAS, AAC disputes the claims but desires to settle the claims being asserted against AAC on the terms and conditions in this Agreement to avoid the burden, expense, and uncertainty of continuing litigation, and to put to rest all controversies that have been or could be raised against AAC in the Litigation; and

WHEREAS, the Parties acknowledge and agree the Agreement constitutes a compromise in settlement of the claims and causes of action that have been or could be raised by the Class Representative and the Class (or members thereof) against AAC and/or the other Released Persons as to any collateralized loan or financing from AAC.

NOW THEREFORE, the undersigned Parties, each intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings in this Agreement, agree, subject to approval of the Agreement by the Court, that the Litigation and the Released Claims against the Released Persons are finally and fully compromised and settled:

1. Definitions

As used in the Agreement, these terms are defined:

1.1. **AAC's Counsel.** "AAC's Counsel" means Timothy Wolf of the law firm Watters Wolf Bub & Hansmann, LLC, 600 Kellwood Parkway, Suite 120, St. Louis, Missouri 63017.

1.2. **Cash Fund.** "Cash Fund" means the amount to be paid under Paragraph 3.

1.3. **Class Counsel.** "Class Counsel" means Class Representative's counsel, Martin L. Daesch (sole member of MLD Law Firm, LLC), Jesse B. Rochman (sole member of JBR Law, LLC), Craig W. Richards, and OnderLaw, LLC, 110 East Lockwood, St. Louis, Missouri, 63119.

1.4. **Class Mail Notice.** "Class Mail Notice" (or "Short-Form Notice") means a notice in a form substantially the same as that attached as **Exhibit A**.

1.5. **Class.** "Class" has the meaning defined in Paragraph 2.

1.6. **Class Member.** "Class Member" means any member of the Class who does not timely opt out of the Settlement under Paragraph 8. If a Class Member has died, then the person's

estate, heirs, representatives, successors, or assigns is deemed a Class Member.

1.7. **Class Member Payment.** "Class Member Payment" means the portion of the Net Distributable Settlement Fund to be paid to the respective Class Members under the Settlement. The Net Distributable Settlement Fund will be divided on a pro rata basis in the amount as provided below to each Class Member by the issuance of a check by the Settlement Administrator. The amount of the Settlement Check issued to Class Members will be determined by multiplying the Net Distributable Settlement Fund by the Class Member's prorated percentage. The Class Member's prorated percentage is equal to a numerator consisting of 10% of the "Amount Financed" on the Class Member's loan plus the "Finance Charge" on the Class Member's loan and a denominator consisting of 10% of the aggregate "Amount Financed" for the Class plus the aggregate "Finance Charge" for the Class.

1.8. **Court.** "Court" means the Clay County Circuit Court, State of Missouri.

1.9. **Deficiency Write-Off.** "Deficiency Write-Off" means all deficiency account balances in AAC's records as of the Effective Date that AAC will write off for the benefit of the Class as provided under Paragraph 3.11.

1.10. **Effective Date.** The "Effective Date" of the Agreement means the date when all the conditions in Paragraph 11 have occurred.

1.11. **Final Approval Order.** "Final Approval Order" means an Order consistent with Paragraph 9, finally approving the Agreement and the "Settlement" under Missouri Supreme Court Rule 52.08.

1.12. **Final Fairness Hearing.** "Final Fairness Hearing" means the hearing on final approval of the class action settlement embodied in this Agreement.

1.13. **Final Hearing Date.** "Final Hearing Date" means the date set by the Court for the hearing on final approval of the "Settlement."

1.14. **Final Judgment.** "Final Judgment" means a Judgment of the Court consistent with Paragraph 9.

1.15. **Gross Deficiency Write-Off Amount.** "Gross Deficiency Write-Off Amount" is the aggregate of deficiency balances reflected as outstanding in AAC's records on the accounts of the Class Members as of the Effective Date. The deficiency balance amount for each Class Member

is what AAC believes to be the unpaid balance of each member's account regardless of whether AAC has "written off" the unpaid amount on any portion thereof.

1.16. **Long-Form Notice.** "Long-Form Notice" means a notice in a form substantially the same as that attached hereto as **Exhibit B**.

1.17. **Net Distributable Settlement Fund.** "Net Distributable Settlement Fund" means the "Cash Fund" *plus* any interest earned on the Cash Fund, while in escrow, *minus* the sum of (a) any incentive award approved by the Court and paid to the Class Representative; (b) any litigation expenses and/or costs approved by the Court and awarded to Class Counsel for this litigation or for ancillary matters; (c) any award of attorneys' fees to Class Counsel; and (d) any and all costs of notice and settlement administration.

1.18. **Person(s).** Person(s) has the broadest meaning possible and includes all legal entities such as corporations, companies and the like.

1.19. **Preliminary Approval Order.** "Preliminary Approval Order" means an Order consistent with Paragraph 7, preliminarily approving the Settlement and directing the issuance of class notice and scheduling a settlement hearing under Missouri Supreme Court Rule 52.08.

1.20. **Released Persons.** "Released Persons" means AAC, Auto-Owners Insurance Company, ("Auto Owners"), and General Casualty Company of Wisconsin, a member company of QBE of North America ("QBE"), including their current and former officers, directors, successors, predecessors, subsidiaries, parent companies, divisions, employees, reinsurers, attorneys, and agents. "Released Persons" does not include Certain Underwriters at Lloyd's, London or any other insurer other than Auto Owners and QBE. "Released Persons" does not include any agent or broker used by AAC to procure insurance. "Released Persons" may not be construed in any manner that precludes recovery by the Class Representative and the Class as contemplated by Paragraphs 3 and 4.

1.21. **Released Claims.** "Released Claims" means all past and present known and unknown claims, demands, damages, causes of action or suits seeking damages or other legal or equitable relief arising out of or in any way related to:

- (a) the repossession and disposition of personal property collateral in connection with any of AAC's loans encompassed by the Class; or

(b) any claim relating to the inadequacy or insufficiency of any notice or disclosure regarding AAC's loans encompassed by the Class;

whether arising from federal, state, or local law or regulation which any of the Class Members have or may have had, or now have, from the beginning of time up through and including the Effective Date, against AAC. "Released Claims" may not be construed in any manner that precludes recovery by the Class Representative and Class as contemplated by Paragraphs 3 and 4.

1.22. **Releasors.** "Releasors" means the Class Representative and all Class Members, and each of their respective heirs, executors, administrators, assigns, predecessors, and successors, and any other person claiming jointly with or by or through any or all of them. Releasors does not include: (a) any members of the Class who opt out of the Settlement under Paragraph 8; or (b) any person(s) not defined herein as a member of the Class.

1.23. **Settlement.** Settlement means the compromise in settlement memorialized in this Agreement.

1.24. **Settlement Administrator.** "Settlement Administrator" means American Legal Claim Services LLC, or any other independent class action settlement administrator company retained by Class Counsel and approved by the Court to administer the Settlement.

1.25. **Total Class Benefit.** "Total Class Benefit" means the quantifiable benefits conferred upon the Class, including the Cash Fund of \$2,000,000.00, the Gross Deficiency Write-Off Amount, which AAC currently estimates is approximately \$11,630,000.00, and the benefits conferred by Paragraph 3.12 regarding credit tradeline deletion.

2. **The Class**

2.1. **The Class.** The "Class" means the class of persons comprising the Class certified by the Court on October 3, 2022.

2.2. **Class List.** AAC produced a class list as ordered by the Court. AAC will update that list within twenty-one (21) business days after the Court issues its Preliminary Approval Order with any other reasonable information that Class Counsel and AAC's Counsel mutually agree is necessary for administration of the Settlement. To protect the privacy and the names, addresses, and other personal information of the members of the Class, the list of Class Members shall not be filed with the Court. If the Court requires the list containing all the information provided to Class

Counsel be filed, the Parties agree the list must be filed under seal with the Court to protect the privacy and the names and addresses of the members of the Class.

2.3. **Failure of Condition.** If the Agreement is not approved by the Court under the proposed Final Approval Order and Final Judgment, the Agreement, the Settlement (including any modifications made with the consent of the Parties), and any action(s) taken or to be taken in connection therewith, terminate and become null and void and have no further force or effect, the Preliminary Approval Order must be vacated, and the Parties will be restored to their respective positions existing prior to the execution of the Agreement. In addition, neither the Agreement, the stipulated Class, the Preliminary Approval Order, nor any other document relating to any of the foregoing, may be relied on, referred to or used for any purpose with any further proceedings in the Litigation or any related action. In such case, or if the Agreement terminates or the settlement embodied does not become effective for any reason, the Agreement and all negotiations, court orders and proceedings relating thereto will be without prejudice to the rights of the Parties, who must be restored to their respective positions existing prior to the execution of the Agreement, and evidence relating to the Agreement, and all negotiations, may not be discoverable or admissible.

2.4. **No Admission of Liability.** The Parties are entering into this Agreement to resolve vigorously disputed claims that have arisen between them and avoid the burden, expense and risk of further litigation. By entering into settlement negotiations and ultimately this Agreement, AAC and the other Released Persons are not making any agreement, admission or concession regarding any claims or defenses alleged or asserted. Neither the Agreement nor any of its terms or provisions nor any of the negotiations between AAC, the Parties, or their counsel may be construed as an admission or concession of AAC or any of the Parties of anything, including but not limited to the claims and defenses asserted in the Litigation. The Parties agree that if the Settlement is not approved or anything prevents it from becoming final, nothing contained in the Agreement or the negotiations will be admissible in any way and no Party will seek to admit any such matter.

3. **Settlement Consideration and Distribution of the Qualified Settlement Fund to the Class Members**

3.1 **Funding.** Within twelve (12) business days after the Effective Date and the receipt of an IRS Form W-9 from Class Representative and Class Counsel, AAC will cause its insurers to deliver \$2,000,000.00 (Two Million and NO/100 Dollars) into a qualified settlement fund

established by the Settlement Administrator, subject to Paragraph 14, by wire, check, or some other mutually agreeable form of payment. The account will be labeled “Nichols Class Action Qualified Settlement Fund” (or something similar if agreed to by the Parties).

3.2 Inviolable Cap. The Cash Fund includes all costs, fees, or other payments, including but not limited to the costs of notice and administration, attorneys’ fees, litigation, expenses and costs, and class representative compensation (the “Cash Fund”).

3.3 Conditions for Return. The Cash Fund must be returned to the person(s) paying it if the Settlement is rescinded, terminated, vacated, voided, or the Effective Date does not arrive for any other reason.

3.4 Fund Administration. The Settlement Administrator, subject to such supervision and direction of the Court as may be necessary, shall be responsible for and shall administer and oversee the distribution of the Total Class Benefit, Cash Fund, and Net Distributable Settlement Fund under the terms of the Agreement.

3.5 Reallocation for Opt-Outs. Subject to the provisions in Paragraph 8, if any members of the Class timely opt out and exclude themselves from the Settlement, the portion of the Net Distributable Settlement Fund attributable to said “opt outs” remain a part of the Net Distributable Settlement Fund and will be reallocated to the Class Members *pro rata*. The Parties shall submit any required revisions to the Court prior to the Final Hearing Date.

3.6 Class Member Payments. The Settlement Administrator and/or Class Counsel shall calculate the Total Class Benefit, Cash Fund and Net Distributable Settlement Fund and the Settlement Administrator shall distribute the Net Distributable Settlement Fund to the Class Members in the *pro rata* amounts set forth in Paragraph 1.7, or as the Court may otherwise determine and approve. Such distributions to the Class Members are referred to and defined as the “Class Member Payments.” The Settlement Administrator shall distribute the Class Member Payments within thirty (30) days after the Effective Date by checks mailed to the Class Members. The Settlement Administrator will re-mail any returned check to any new address disclosed. If any check is returned a second time, or if any unreturned check is deemed void, the Settlement Administrator shall undertake reasonable efforts to locate a current address for the Class Member and resend the check.

3.7 Check Expiration. Following the expiration of 90 days after the Effective Date, all checks first issued to the Class Members as a Class Member Payment not cashed or negotiated will be deemed void, and the Settlement Administrator shall stop payment on such checks. Following the expiration of 180 days after the Effective Date, all checks reissued to the Class Members as a Class Member Payment not cashed or negotiated will be deemed void, and the Settlement Administrator shall stop payment on such checks. All portions of the Net Distributable Settlement Fund remaining 180 days after the Effective Date, less any costs or expenses associated with stopping payment on such checks, shall revert and be paid to Auto Owners and QBE.

3.8 Allocation of Class Member Payments. For purposes of issuing Settlement Checks, payment to joint or co-obligors or co-borrowers shall be divided equally between co-borrowers and a separate check shall be sent to each co-borrower. Any Settlement Checks for Class Members who are joint or co-obligors or co-borrowers shall be issued and shall be mailed to the last known address. Any Class Member who receives a payment under the Settlement shall be solely responsible for distributing or allocating such payment between or among all co-borrowers on his, her, or their loan, regardless of whether a payment check has been made payable to all or only some of the Class Members' co-borrowers. All Class Members represent and warrant he or she is entitled to receipt of the Class Member Payment and has not assigned by operation of law or otherwise the right to receipt of the Class Member Payment. The Class Members shall, upon receipt of any Class Member Payment, remit the Class Member Payment to any persons having received by assignment or operation of law any right, title or interest to or in the Class Member Payment.

3.9 No Responsibility. The Released Persons shall have no responsibility for, interest in, or liability regarding the investment, allocation or distribution of the Net Distributable Settlement Fund, the determination, administration, calculation, or payment of claims, tax liability, the payment or withholding of taxes, or any losses in connection with the Settlement Funds or the implementation of this Settlement.

3.10 Bankruptcy. If a Class Member has filed for bankruptcy, the Class Member shall be solely responsible for providing any required notice to the bankruptcy trustee or Bankruptcy Court of the Settlement and Class Member Payment.

3.11 Write-Off of Class Members' Account Balances or AAC's Deficiency Claims.

The original amount and enforceability of the alleged deficiency balances outstanding on each Class Member's account is disputed in good faith. As a result of this good-faith dispute, AAC shall write off all deficiency balances on the loans associated with the allegedly defective presale and post-sale notices for the Class Members. The write-off of deficiencies shall operate to reduce the alleged obligations of the Class Members to zero. The Class shall be specifically informed by way of the Class Mail Notice of the potential tax consequences of the proposed settlement.

Promptly upon the Effective Date of the Agreement, AAC will, regarding all Class Members, close all accounts that are the subject of the Litigation and write off any remaining deficiency balances then owed or claimed remaining as of the Effective Date on the Class Members' collateralized loans, and will cease all collections and attempts to collect monies regarding said closed accounts and written off balances. Upon Preliminary Approval being granted, AAC shall not accept payments on Class Members' deficiency balances and will return any payment received by returning the payment instrument to the sender. If final approval is not granted, all collections on the closed accounts and written off balances after the date of Preliminary Approval shall be retained by AAC. AAC estimates the Deficiency Write-Off and all account balances and deficiency claims written off under the terms of this Agreement exceeds \$11,630,000 and shall be included as part of the Total Class Benefit.

3.12 Credit Reporting by AAC. After the Effective Date, AAC will cease reporting to the national credit reporting agencies (Experian, Equifax, TransUnion, and Innovis) (the "Credit Bureaus") there is any amount due or owing from the Class Members on the loans that are the subject of this Settlement. Within 90 days after the Effective Date, AAC will submit to the Credit Bureaus, through an electronic file, a request to delete the tradeline for each loan that is the subject of this Settlement.

The Parties acknowledge the Credit Bureaus are separate and distinct entities from AAC. The Parties acknowledge that AAC can request, but cannot guarantee, warrant, or take responsibility for the Credit Bureaus regarding changing, deleting, suppressing, or making entries regarding any credit information or other information regarding the Class Members' accounts concerning their loans or financing from AAC for any loan by AAC. Provided AAC has undertaken its obligations

in this Paragraph 3.12, Class Representative and the Class Members waive all claims, whether arising in contract or tort, common law or statute, and/or federal or state law (including, but not limited to, claims for any damages, attorneys' fees and/or costs) against Released Persons that may arise subsequent to the Agreement or which arise out of or relate to actions required to be taken by AAC under this provision. If an item fails to get deleted or the reporting reoccurs on any account involved in this Litigation after AAC's initial request, the only remedy of the Class Members as to Released Parties for the failure of any consumer or credit reporting agencies to amend the consumer or credit report is to request in writing that AAC again request that its tradeline be deleted as to the relevant finance agreement. It shall be solely the obligation of the individual Class Members to review their respective credit reports with the consumer or credit reporting agencies to ensure that the consumer or credit reporting agencies have complied with AAC's request to delete the tradeline.

3.13 Cessation of Collection. Immediately upon execution of this Agreement, AAC shall take no further action to collect or attempt to collect alleged deficiency balances from the Class Members, including but not limited to the filing of a deficiency lawsuit.

3.14 Taxes. Class Representative and his attorneys acknowledge and agree the Class Members are solely responsible for the payment of any and all federal, state, city or local taxes which might be due and owing as a result of any term contained in this agreement. The Parties acknowledge that no tax advice has been offered or given by either party, their attorneys, agents, or any other representatives, in the course of these negotiations, and each party is relying upon the advice of its own tax consultant with regard to any tax consequences that may arise as a result of the execution of this agreement. However, AAC will not issue an IRS Form 1099 to Class Members. The Parties believe this Settlement does not create a taxable event under IRS regulations governing the discharge of indebtedness under the "contested liability" or "disputed debt" doctrine.

3.15 Settlement Administrator. Any costs, fees and expenses, including but not limited to class administration, shall be paid from the Cash Fund.

3.16 Judgement. Notwithstanding anything to the contrary, AAC will not contest a judgment being entered against it in an amount to be determined by the Court, comprising damages for negligent acts, negligent errors, negligent omissions, libel/slander/defamation, invasion of

privacy, and other uncertain or hard to quantify damages, plus pre-judgment interest and post-judgment interest. Class Representative will seek a judgment equal to the actual damages provided in § 9-625, which is approximated by statutory formula by taking the time price differential (“finance charge”) identified in the Class Members’ loans, plus prejudgment interest and post-judgment interest. The judgment shall indicate only \$2,000,000 may be satisfied from AAC’s assets for its obligations required under this Agreement and any remaining amount may only be satisfied from AAC’s other insurers, or its insurance agents or insurance brokers. No amount of the judgment that exceeds \$2,000,000.00 will be executable against Auto Owners or QBE. Other than \$2,000,000, the judgment may not be satisfied from attaching or otherwise acquiring other assets of AAC or AAC’s employees, officers, members, directors, or shareholders. AAC will cooperate with Class Representative in obtaining the judgment, including waiving its rights to: (1) a jury trial; (ii) present evidence; (iii) object to evidence; (iv) question witnesses called by Class Representative; (v) make argument to the Court in opposition to Class Representative’s arguments; and (vi) appeal any decision or judgment of the Court.

Notwithstanding anything to the contrary, AAC will assign to the Class all its claims and rights against its insurers, insurance agents, and brokers (excluding Auto Owners and QBE) who issued policies in effect during the class period, including without limitation, any claims of failure to procure, breach of fiduciary duty, bad faith failure to settle, and breach of the duty to defend. If the Court grants final approval of the settlement, then the Class may pursue the assigned claims to recover the judgment. AAC agrees to cooperate in the collection efforts against the insurers, insurance agents, and brokers.

Notwithstanding anything to the contrary, AAC will not oppose Class Counsel seeking its reasonable costs, including administration costs and costs in pursuing/defending claims against the insurers or insurance agents and brokers, from any recovery obtained. AAC will not oppose Class Counsel seeking up to 45% of any monetary recovery from AAC’s insurers or insurance agents and brokers as reasonable attorney’s fees. The Class Members shall receive the funds remaining from any recovery from the insurers or insurance agents and brokers after attorney’s fees and costs are deducted.

4. Incentive Award, Attorneys’ Fees and Costs and No Publicity

4.1. **Incentive Award.** Class Counsel and/or Class Representative may petition the Court for the payment of an incentive award in a total amount not to exceed \$20,000 for Class Representative in recognition of services rendered for the benefit of the Class throughout the eight years of Litigation. Any such incentive award shall be in addition to the amount to be paid on their individual claims. Any incentive award approved by the Court shall be paid from the Cash Fund and not in addition to it. Any incentive award approved by the Court shall be deducted from the Cash Fund and distributed to the Class Representative with his Class Member Payment. AAC will not object to the Class Representative applying to the Court for and/or receiving an incentive award in the above-stated amount. The Class Representative shall provide a form W-9 to the Settlement Administrator prior to having the Settlement Administrator issue the award.

4.2. **Cost Award.** Class Counsel and/or Class Representative may petition the Court for an award of litigation costs and expenses. Any such litigation costs and expenses will be paid from the Cash Fund and distributed to Class Counsel within 7 days after the Cash Fund is received by the Settlement Administrator or later if requested by Class Counsel. AAC will not object to Class Counsel or Class Representative applying to the Court for and receiving an award of litigation costs and expenses from the Cash Fund not to exceed \$ 40,000.00.

4.3. **Fee Award.** Class Counsel and/or Class Representative may also petition the Court for an award of attorney's fees based on a percentage of the Total Class Benefit. Any such fee award approved by the Court will be paid from the Cash Fund and distributed to Class Counsel within 7 days after entry of an Order Granting Final Approval of Class Settlement and dismissing all claims with prejudice. AAC will not object to Class Counsel or Class Representative applying to the Court for, and receiving an award of, attorneys' fees not to exceed 35% of the Total Class Benefit.

4.4. **No Allocation Liability.** AAC and the Released Persons shall have no liability or other responsibility for the allocation of the attorney's fees and expenses among and between Class Counsel and any other counsel for Class Representative or Class Members, or with respect to the incentive award to the Class Representative. In the event that any dispute arises relating to the allocation of the attorney's fees and expenses or the incentive award, Class Counsel and Class Representative agree that they are barred from suing or asserting any claim against AAC and the

Released Persons relating to or arising out of in any way the attorneys' fees and expenses or the Class Representative's incentive award.

4.5. **Satisfaction for Payment of Fees and Expenses.** The payment of the attorneys' fees and expenses as described in this Settlement Agreement shall constitute full satisfaction of AAC and the Released Persons' alleged obligation to pay any persons, attorney, or law firm, for attorney's fees, costs and expenses incurred on behalf of the Class Representative and the Class Members, and shall relieve AAC and the Released Persons from any other claims or liability to pay any other attorney or law firm or person for any attorneys' fees, expenses and costs to which any person may claim to be entitled related to the Released Claims.

4.6. **No Publicity.** Class Counsel agrees, as part of the consideration for this Settlement, it will not in any way publicize this Settlement other than providing the class notices as specifically set forth herein or by Court Order. As such, Class Counsel shall not publicize the Settlement, nor will they issue any press releases or speak to the press about the litigation and/or Settlement other than to direct them to the Class Notice provided for herein.

5. Releases

5.1. **Final Release.** Upon AAC's compliance with its obligations under this Agreement, Releasors, by operation of the Agreement and the judgment in the Final Order and Judgment, shall be deemed without further action by any person or the Court, (i) to have fully, finally and forever released, settled, compromised, relinquished, and discharged all of the Released Persons of all Released Claims; (ii) and to be forever barred and enjoined from instituting or further prosecuting in any forum including, but not limited to, any state, federal, or foreign court, or regulatory agency, the Released Claims. The Parties agree that the Released Persons will suffer irreparable harm if any Class Member takes actions inconsistent with this release, and that the Released Persons may seek an injunction on such action without further showing of irreparable harm.

5.2. **Known and Unknown Claims.** The Releasors acknowledge and agree that they know they may discover material or immaterial facts besides or different from those which they now know or believe to be true regarding the subject matter of the Release, but they intend to and do, upon the Effective Date of the Agreement, fully, finally and forever settle and release each and every of the Released Persons from every Released Claim, known or unknown, suspected or

unsuspected, accrued or not accrued, contingent or matured, which now exists, may exist, or may heretofore have existed, without regard to the subsequent discovery or existence of such different or additional facts.

5.3. **Binding.** Subject to Court approval, each Class Member shall be bound by the Agreement and all of their claims shall be dismissed with prejudice and released even if they never received actual, prior notice of the Litigation or the Settlement in the Class Mail Notice or otherwise. The Release and agreements in this paragraph shall apply to and bind all Class Members, including those Class Members whose Class Mail Notices are returned as undeliverable, and those for whom no current address can be found.

5.4. **Generality of the Release.** Nothing in this section is intended to limit the generality of the release and covenant not to sue set forth above. It is the purpose and intent of this Settlement Agreement that all claims, actions and causes of action by the Class Representative and Class Members as set forth in the Litigation, and/or any claims under the financing agreement(s) which are the subject matter of the instant proceeding, shall forever be barred. If a Class Member seeks, in a separate action or proceeding, relief that would be inconsistent with the terms of this Settlement Agreement, AAC or any Released Party may by affidavit or otherwise in writing, advise the other Parties and the court or other forum in which such action or proceeding is brought, that such relief in that action or proceeding is unwarranted. If requested by AAC or any Released Party, the Class Representative or Class Counsel shall also advise the court or other forum in which such action or proceeding is brought, in writing, that such relief in that action or proceeding is unwarranted. Provided that, since this Settlement Agreement provides for review by the Court, any of the Parties hereto may recommend that matters raised in such separate action or proceeding should be submitted to the Court for resolution under the terms of this Settlement Agreement.

6. **Representations and Stipulations**

6.1. **AAC's Representations.** AAC represent, warrant and declares under oath that:

6.1.1. it has acted in good faith and has used its best efforts in identifying the members of the Class;

6.1.2. it has not transferred or sold any accounts of the Class Members since the Clay County Circuit Court granted class certification on October 3, 2022;

6.1.3. to the best of its actual knowledge, there are no members of the Class other than those identified; and

6.1.4. the total amount of the Class Members' claimed deficiencies in AAC's records on the date of this Agreement is approximately \$11,630,000.00.

6.2. **Class Counsel's Representations.** Except for their clients in the Litigation, Class Counsel represents and warrants to AAC that Class Counsel has not been retained by any client to commence a new lawsuit or pursue any claims or right of relief against AAC regarding any of the Released Claims. In addition, Class Counsel agrees they will not solicit the right to legally represent any member or members of the Class who opt(s) out of the Class and Settlement regarding the Released Claims unless the Agreement terminates or does not become effective. Class Counsel also warrant they do not presently have any intention of seeking to represent any clients who have, or claim to have, any claims against any of the Released Persons.

7. Preliminary Approval Order

The Parties shall promptly move the Court for a Preliminary Approval Order that:

7.1. Preliminarily approves the proposed Class under Missouri Supreme Court Rule 52.08 for settlement purposes only;

7.2. Preliminarily approves the Agreement as fair, reasonable and adequate under Missouri Supreme Court Rule 52.08 subject to a final determination by the Court;

7.3. Approves the appointment of Class Representative as representative of the Class;

7.4. Approves the appointment of Class Counsel as counsel for the Class;

7.5. Approves the appointment of ALCS as Settlement Administrator;

7.6. Stays all proceedings in the Litigation, enjoins the prosecution by Class Members who do not timely and validly exclude themselves from this Settlement of any non-filed or pending individual or class claims asserting any claim(s) encompassed by the claims released above;

7.7. Approves a form of mailed notice substantially like the Class Mail Notices attached hereto as **Exhibit A** to be sent to the members of the Class by first-class mail or email at the best updated address available to AAC or any better subsequent address determined by the Settlement Administrator;

7.8. Approves a Long-Form Notice (substantially like the form attached hereto as

Exhibit B) that contains more extensive information than the Class Mail Notice and that will be provided to members of the Class by request and on a website;

7.9. Directs the Administrator to mail the Class Mail Notice promptly after entry by the Court of the Preliminary Approval Order to the Class by first-class mail or email to the last known address of such persons and to provide the Long-Form Notice to members of the Class on a website or otherwise if Class Members request it;

7.10. Schedules a hearing for final approval of the Agreement;

7.11. Establishes a procedure for members of the Class to opt out and setting a date, approximately 30 days after the mailing of class notice or earlier as the Court directs, after which no member of the Class shall be allowed to opt out of the Class;

7.12. Establishes a procedure for the members of the Class to appear and/or object to the Settlement and setting a date, approximately 30 days after the mailing of the Class Mail Notices or earlier as the Court directs, after which no member of the Class shall be allowed to object; and

7.13. Contains such other provisions consistent with the terms and provisions of the Agreement as the Court may deem advisable.

8. Opt-Outs and Objections by Members of the Class

8.1. **Procedure for Opt-Out Requests.** The deadline for opt-out requests shall be set forth in the Preliminary Approval Order. Any request to opt out must be in writing and must include the name, address, telephone number, last four digits of the Social Security Number of the Class Member seeking to opt out, and a statement that the Class Member and all other borrowers named on the Class Member's Retail Installment Contract and Security Agreement or governing loan agreement are seeking exclusion. Any opt-out request must be signed by each person who was a party to the Retail Installment Contract and Security Agreement or governing loan agreement that is the subject of this Litigation, unless such person is deceased. If a party to the Retail Installment Contract and Security Agreement or governing loan agreement is deceased, a copy of the death certificate for such person shall be submitted with the opt-out request. Any opt-out request must include a reference to "*Automobile Acceptance Corp. v Eugene Nichols*, Case No. 15CY-CV07631-01" and be mailed to the Settlement Administrator. Class Counsel will cause the Settlement Administrator to send all opt-out requests to Class Counsel and AAC's Counsel via

email within five days after receiving said requests. To be timely and effective, any opt-out request must be postmarked by the date established by the Court in the Preliminary Approval Order. No member of the Class may opt out by having a request to opt out submitted and signed by an actual or purported agent or attorney acting on behalf of the Class Member. No opt-out request may be made on behalf of a group of Class Members. Each member of the Class not submitting an opt-out request that substantially complies with Paragraph 8 shall be included in the Class and deemed a Class Member. The Settlement Administrator shall provide to the Court, by the date of the Final Approval Hearing, a list of all persons, by reference to a unique identifier or the last four digits of their Social Security Number, who have timely and adequately filed a request to be excluded from the Settlement.

8.2. Opt-Out Limit. If ten percent (10%) or more of the class opts out of the Settlement, then the Parties and AAC's insurers will have 21 days to determine whether to withdraw from the settlement. If the option to rescind is exercised, then the Settlement Agreement is void, and the Parties shall return to the status quo as if the Parties had not entered into the Settlement Agreement, and nothing contained in the Agreement or the settlement negotiations shall be discoverable or admissible in Court. If the option to rescind is exercised then AAC and its insurers shall have the right to contest the certification of a class, and this settlement agreement may not be used as evidence or otherwise be used in any court filing or proceeding. Notwithstanding anything to the contrary in this Agreement, if AAC or its insurers elect to rescind this Agreement under this Paragraph 8.2, AAC or its insurers will reimburse Class Counsel for the documented expenses and costs actually incurred in connection with seeking approval of this Agreement before AAC or its insurers exercised its unilateral rescission right.

8.3. Procedure for Objections to Settlement. Any member of the Class who wishes to object to the Settlement or to the incentive awards or the awards of expenses, costs and/or attorneys' fees must file a written notice of objection, including supporting papers as described further below (collectively referred to as the "Notice of Objection"), with the Court on or prior to the date established by the Court in the Preliminary Approval Order. To determine timeliness, a Notice of Objection shall be deemed to have been submitted when received and filed with the Clerk of Court. Copies of the Notice of Objection must also be postmarked by the date established

by the Court in the Preliminary Approval Order, which shall be no later than ten (10) days before the Final Hearing Date:

Martin L Daesch, Esq.
Jesse B. Rochman, Esq.
Craig W. Richards, Esq.
Onder Law, LLC
110 E. Lockwood Avenue
St. Louis, Missouri 63119

(on behalf of the Class)

and

Timothy Wolf, Esq.
Watters Wolf Bub & Hansmann, LLC
600 Kellwood Parkway, Suite 120
St. Louis, Missouri 63017

(on behalf of AAC)

The Notice of Objection must be in writing and shall specifically include:

- (i) The name, address, telephone number, facsimile number (if available), email address (if available) and last four digits of the Social Security Number of the Class Member filing the objection;
- (ii) A statement of each objection asserted;
- (iii) A detailed description of the facts underlying each objection;
- (iv) Any loan documents in the possession or control of the objector and relied upon by the objector as a basis for the objection;
- (v) If the objector is represented by counsel, the name, address, telephone number, facsimile number (if available) and email address (if available) of the counsel, and a detailed description of the legal authorities supporting each objection;
- (vi) If the objector plans to utilize expert opinion and/or testimony as part of the objection(s), a written expert report from all proposed experts that outlines each of the expert's opinions and the factual and substantive bases thereof;
- (vii) If the objector plans to call a witness or present other evidence at the

hearing, the objector must state the identity of the witness and identify any documentary evidence by attaching the documents to the objection, and the objector must provide any other evidence that the objector intends to present;

- (viii) A statement of whether the objector intends to appear at the hearing;
- (ix) A copy of any exhibits which the objector may offer during the hearing;
- (x) A reference to "*Automobile Acceptance Corp. v Eugene Nichols*, Case No. 15CY-CV07631-01"; and
- (xi) **A certification under 28 U.S.C. § 1746 or similar state law in substantially the following form: "I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)".**

Attendance at the final hearing by an objector is optional. Any Class Member who does not make his or her objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy, or reasonableness of the proposed settlement or any other provision of the Agreement. The agreed-upon procedures and requirements for filing objections should ensure the efficient administration of justice and the orderly presentation of any Class Members' objections to the Agreement, in accordance with such Class Members' due process rights. The Preliminary Approval Order and Long-Form Notice shall require all Class Members who have any objections to serve by mail or hand delivery such objection upon Class Counsel and AAC's Counsel at the addresses in the Long-Form Notice no later than the objection date set by the Court. If the objecting Class Member opts to serve the objection upon Class Counsel and AAC's Counsel by mail, the objection must be postmarked no later than the objection date set by the Court. The Preliminary Approval Order shall further provide that objectors who fail to properly or timely file their objections with the Clerk of the Court with the required information and documentation, or fail to serve them, shall not be heard during any hearings, nor shall their objections be considered by the Court.

Under no circumstances shall AAC, its insurers participating in this settlement, Class Counsel, the Class Representative, or the Released Persons be responsible for paying any monies

or other consideration to objectors and/or counsel for objectors under the terms of this Settlement Agreement or otherwise.

9. Final Approval Order and Final Judgment

9.1. **Final Approval Order.** Class Representative, Class Counsel, and AAC agree they will request the Court to enter, after the hearing on final approval of the Agreement, a Final Approval Order finding that the Agreement is fair, reasonable, and adequate and in the best interest of the Class and ordering the Parties to carry out the Agreement.

9.2. **Final Judgment.** Class Representative and Class Counsel agree they will request the Court to enter a Final Judgment dismissing all claims and motions of AAC and the Class on the merits and with prejudice, declare the Class Members are bound by the Releases in Paragraph 5, and note the Court's decision to reserve continuing jurisdiction over the enforcement of the Agreement and the administrator and distribution of the Settlement Funds.

9.3. **Final Accounting.** The Settlement Administrator, with the assistance of Class Counsel, shall file a final accounting with the Court within 300 days after the Effective Date. This final accounting shall contain a summary of all the distributions of the Cash Fund. Upon receipt of the final accounting, the Court, if satisfied with such report, the Court may file a Notice of Acceptance of Final Accounting indicating the Court's approval. If the Court requires clarification or additional information, the Parties shall furnish such information within 10 business days after such a request or within the timeframe ordered by the Court.

10. Certifications to the Court

10.1. **Affidavit about Initial Notice Mailing.** By the Final Hearing Date, the Settlement Administrator shall file with the Court an affidavit verifying the Court-approved Class Mail Notices have been sent by first-class mail and the Long-Form Notice has been provided to members of the Class on a website or otherwise upon the request of Class Members.

10.2. **Declaration about Undeliverable Notices.** By the Final Hearing Date, the Settlement Administrator shall file with the Court a declaration verifying it has complied with the procedures described in Paragraph 13 regarding all Class Mail Notices returned as undeliverable.

11. Effectiveness of Settlement Agreement

The "Effective Date" of the Agreement shall be the date when each of the following

conditions have occurred:

11.1. A Final Approval Order has been entered by the Court.

11.2. A Final Judgment has been entered by the Court.

11.3. The Final Approval Order and the Final Judgment entered have become final for purposes of appeal because of (i) the expiration of the time for appeals therefrom with no appeal having been taken or, (ii) if review of the order, or any portion thereof, is sought by any person, the matter has been fully and finally resolved by the appellate court(s) and the time for seeking any higher level of appellate review has expired.

11.4. If any material portion of the Agreement, the Final Approval Order, or the Final Judgment is vacated, modified, or otherwise materially altered on appeal, any Party or AAC's insurers may, within seven (7) business days after such appellate ruling, declare that the Agreement has failed to become effective and in such circumstances the Agreement shall cease to be of any force and effect as provided in Paragraph 12.

11.5. Once all obligations of AAC have been completed as required by the Agreement, Class Counsel shall file a Satisfaction of Judgment in this case within 10 business days after AAC affirms in writing that all obligations of AAC have been completed as required by the Agreement.

12. Failure of Condition

If the Agreement fails to become effective, the orders, judgment, and dismissal to be entered under the Agreement shall be null and void or otherwise vacated, and the Parties will be returned to the status quo as if the Agreement had never been entered. In addition, the Agreement and all negotiations, court orders and proceedings relating to the Agreement shall be without prejudice to the rights of all Parties, and evidence relating to the Agreement and all negotiations shall not be admissible or discoverable.

13. Class Mail Notice Forms

13.1. **Address Update.** Before mailing the Class Mail Notices, the Settlement Administrator will update the addresses by the United States Postal Service's National Change of Address database or another address database service (e.g., Accurant, Intelius). The Settlement Administrator will re-mail any returned notices to any new address disclosed. If any notice is returned a second time, the Settlement Administrator shall undertake reasonable efforts to locate

a current address for the Class Members and resend the notice. The portion of the Net Distributable Settlement Fund attributable to where the Settlement Administrator is unable to obtain a current address shall remain a part of the Net Distributable Settlement Fund and will be reallocated to the Class Members with valid current addresses *pro rata*. The notices shall be mailed within the later of twenty (20) business days after the Preliminary Approval Order or ten (10) business days after AAC provides Class Counsel with the Class List as directed by the Court. Also, within twenty (20) business days after the Preliminary Approval Order, the Settlement Administrator will provide the Court-approved Long-Form Notice on a website the Class Members can access. If requested by any member of the Class, the Settlement Administrator shall also mail a copy of the Long-Form Notice to the requesting member by first-class mail.

13.2. Release Regardless of Receipt of Notice. Subject to Court approval, all Class Members shall be bound by the Agreement and the Released Claims shall be released even if a Class Member never received actual notice of the Litigation or the Settlement. Further, the Parties expressly acknowledge and agree that a Final Judgment shall be entered by the Court barring the re-litigation of the Released Claims, regardless of whether the claims were asserted, to the fullest extent of the law, and that any judgment shall be entitled to Full Faith and Credit in any other court, tribunal, forum, including arbitration forum, or agency.

14. Qualified Settlement Fund

14.1. Treasury Regulations. The Cash Fund shall constitute a “qualified settlement fund” (“QSF”) within the meaning of Treasury Regulation Section 1.468B-1 promulgated under Section 468B of the Internal Revenue Code of 1986 as amended. The Settlement Administrator shall be the “administrator” within the meaning of Treasury Regulation §1.468B-2(k)(3).

14.2. EIN. Upon establishment of the QSF, the Settlement Administrator shall apply for an employer identification number for the QSF utilizing Internal Revenue Service Form SS-4 and in accordance with Treasury Regulation §1.468B-2(k)(4).

14.3. Relation-Back Election. If requested by AAC or the Settlement Administrator, the Settlement Administrator and AAC shall fully cooperate in filing a relation-back election under Treasury Regulation §1.468B-1(j)(2) to treat the QSF as coming into existence as a settlement fund as of the earliest possible date.

14.4. **Tax Returns and Statements.** Class Counsel shall cause the Settlement Administrator to file, on behalf of the QSF, all required federal, state, and local tax returns, information returns and tax withholdings statements under Treasury Regulation §1.468B-2(k)(1) and Treasury Regulation §1.468B-2(1)(2)(ii).

15. General Provisions

15.1. **Best Efforts to Effectuate Settlement.** The Parties' counsel shall use their best efforts to cause the Court to give Preliminary Approval to this Agreement as promptly as practicable, to take all steps contemplated by this Agreement to effectuate the settlement on the stated terms and conditions and to obtain Final Approval of this Agreement.

15.2. **Entire Agreement.** This Agreement constitutes the full, complete and entire understanding, agreement and arrangement of and between the Class Representative and the Class Members and AAC regarding the Settlement and the Released Claims against the Released Persons. The Agreement supersedes all prior oral or written understandings, agreements, and arrangements between the Parties regarding the Settlement and the Released Claims against the Released Persons. Except for those set forth expressly in the Agreement, there are no agreements, covenants, promises, representations or arrangements between the Parties regarding the Settlement and/or the Released Claims against the Released Persons.

15.3. **Modification in Writing.** This Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by all Parties, and approved by Court, if necessary. The Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

15.4. **Ongoing Cooperation.** The Parties hereto shall execute all documents and perform all acts necessary and proper to effectuate the Agreement. The execution of documents must take place prior to the Final Hearing Date.

15.5. **Duplicate Originals/Execution in Counterparts.** All Parties, Class Counsel and AAC's Counsel shall sign two copies of the Agreement, and each such copy shall be an original. The Agreement may be signed in one or more counterparts. All executed copies of the Settlement Agreement and photocopies thereof (including facsimile copies of the signature pages) shall have the same force and effect and shall be as legally binding and enforceable as the original.

15.6. **No Reliance.** Each Party to the Agreement warrants he, she or it is acting upon his, her, or its independent judgment and upon the advice of his, her, or its own counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other party, other than the warranties and representations made in the Agreement.

15.7. **Governing Law.** The Agreement shall be interpreted, construed, enforced, and administered under the laws of Missouri, without regard to conflict of laws rules. The Agreement shall be enforced in Clay County Missouri Circuit Court. Under Rule 51.05(e), the parties stipulate to Judge Timothy Flook if any other judge is assigned. Class Representative and the Class Members waive any objection that each such party has to the venue of such suit, action, or proceeding and irrevocably consent to the jurisdiction of the Clay County Missouri Circuit Court in any such suit, action or proceeding, and agree to accept and acknowledge service of all process which may be served in any such suit, action or proceeding.

15.8. **Reservation of Jurisdiction.** The Parties agree that the Court should retain jurisdiction to enforce the terms of the Agreement.

15.9. **Binding on Successors.** Upon execution, the Agreement shall bind and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

15.10. **Mutual Preparation.** The Agreement shall not be construed more strictly against one party than another merely because it may have been prepared by counsel for one of the Parties, it being recognized that because of the arm's length negotiations between the Parties, all Parties have contributed to the preparation of the Agreement.

15.11. **Gender Neutrality.** All personal pronouns used in the Agreement, whether used in the masculine, feminine or neutral gender, shall include all other genders, and the singular shall include the plural and vice versa.

15.12. **Taxes.** All Class Members are responsible for any tax consequences federal, state and local income taxes that may be due on any payments made to them or any credits to their accounts provided by this Agreement.

15.13. **Authority.** Each of the Parties to the Agreement represents, covenants and warrants that (a) they have the full power and authority to enter into and consummate all transactions

contemplated by the Agreement and have duly authorized the execution, delivery and performance of the Agreement and (b) the person executing the Agreement has the full right, power and authority to enter into the Agreement on behalf of the party for whom he/she has executed the Agreement, and the full right, power and authority to execute all necessary instruments, and to fully bind such party to the terms and obligations of the Agreement.

15.14. **Exhibits.** The exhibits attached to the Agreement are incorporated as though fully set forth in the Agreement.

15.15. **Own Fees and Costs.** Except as otherwise provided in this Agreement, each Party shall bear his or its own attorneys' fees, costs, and expenses in the prosecution, defense, or settlement of the Litigation.

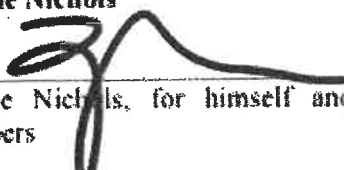
15.16. **Miscellaneous.** The terms and amount of the Settlement Fund shall not be disclosed or advertised by any Party or their attorneys to the general public, and any disclosure shall be limited to the Court only as necessary to obtain court approval or as otherwise required by the Court and to the Class Members only in the Class Notice as approved by all parties and the Court. Neither this Agreement nor this paragraph nor any court order entered pursuant to this Settlement, including but not limited to the Preliminary Approval Order and the Final Approval Order, and shall not stand as support of a motion for class certification in any other case against AAC where certification is contested.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned, being duly authorized, have caused the Agreement to be executed as of the ____ day of November, 2023.

Dated: November 14, 2023

Eugene Nichols


Eugene Nichols, for himself and the Class Members

Automobile Acceptance Corporation

Dated: November _____, 2023

By: _____

Name: _____

Title: _____

Class Counsel

Dated: November _____, 2023

By: _____

AAC's Counsel

Dated: November _____, 2023

By: _____

IN WITNESS WHEREOF, the undersigned, being duly authorized, have caused the Agreement to be executed as of the 16th day of November, 2023.

Eugene Nichols

Dated: November 16, 2023

Eugene Nichols, for himself and the Class Members

Automobile Acceptance Corporation

Dated: November 15, 2023

By:

Tom Wood

Name:

Tom Wood

Title:

PRESIDENT

Class Counsel

Dated: November 16, 2023

By:

Martin L. Dorsch

AAC's Counsel

Dated: November 16, 2023

By:

[Signature]

EXHIBITS AND SCHEDULES

Exhibit A – Class Mail Notice

Exhibit B – Long Form Mail Notice

Notice of Class Action Settlement

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

If you obtained a loan or financing agreement held by Automobile Acceptance Corporation ("AAC") under which personal property was pledged as collateral that was repossessed and you were mailed a pre-sale or post-sale notice, you may be eligible for valuable benefits from a class-action settlement.

This notice may affect your rights. Please read it carefully.

A settlement has been reached in a class action alleging AAC sent improper notices to you in connection with attempting to collect your loan by repossessing and/or selling your property. The name of the case is *Automobile Acceptance Corp. v. Eugene Nichols*, Case No. 15CY-CV07631-01, and it's pending in Clay County, Missouri Circuit Court. Consult your tax adviser about the tax issues for the settlement.

SETTLEMENT BENEFITS

- **Money:** \$2,000,000 to pay Class Members, attorneys' fees, costs to Class Counsel, and an incentive award to the Class Representative.
- **Deficiency Write-Off:** AAC will no longer seek to collect any money it claimed you owed after it repossessed property due to it asserting you broke promises in your agreement with AAC. The value of this benefit to the entire Class is estimated to be at least \$11,630,000.
- **Credit Bureau Reporting:** CSAC will try to delete deficiency balance information on your credit reports with the nationwide consumer reporting companies—Equifax, Experian, TransUnion, and Innovis—related to these agreements.

Do nothing if you want to receive the settlement benefits.

IMPORTANT DEADLINES AND DATES

- **Exclusion Deadline:** If you don't want benefits from this settlement, but you want to keep the right to sue or continue to sue AAC, on your own, about the legal issues in this case, then you must request to be excluded by **[30 days after notice mail date]**. If postmarked by this date, the Court will exclude you from the Class. You can exclude yourself from the Class by using the procedure described in the "Long Form" Notice. The "Long Form" Notice also explains what you gain or give up by either participating in or excluding yourself from the settlement.
- **Objection Deadline:** You may object to the settlement. To object to the settlement, you must file and serve objections postmarked by **[30 days after notice mail date]**, using the procedure described in the "Long Form" Notice.
- **Final Approval and Fairness Hearing:** The Court will hold a final approval and fairness hearing on **[redacted]** 2023 at **[redacted] AM/PM**. You don't have to attend the hearing to receive the benefits of this settlement, but you may attend if you choose. The hearing will occur at the Seventh Judicial Circuit of Clay County, Missouri, 11 S Water St Off, Liberty, MO 64068. The Long Form Notice advises you on what you must do to speak at the hearing.

This notice summarizes certain aspects of the proposed settlement. More details are in a "Long Form" Notice and the Settlement Agreement. You can get a copy of both by calling 1-800-123-4567 toll free; writing to American Legal Claims Services, P.O. Box 23650, Jacksonville, FL 32241; or visiting www.SettlementWebsite.com.

EXHIBIT

A

SEVENTH JUDICIAL CIRCUIT COURT FOR CLAY COUNTY, MISSOURI

If you owned property repossessed by Automobile Acceptance Corporation, you could get valuable benefits from a class action settlement.

A court authorized this notice.

- You may be eligible to participate in a settlement with benefits, including money, the write-off of alleged deficiencies, and the deletion of certain negative credit information from credit reports for all persons with a secured collateralized loan or financing agreement with Automobile Acceptance Corporation ("AAC") whose collateral was repossessed and who were mailed a presale or post-sale notice. The settlement resolves a lawsuit over whether AAC sent proper notices to you in connection with attempting to collect on your loan by repossessing and selling your property. This settlement avoids costs and risks to you from the lawsuit; provides benefits to borrowers like you; and releases AAC from liability.
- The parties disagree on whether the borrowers could've won and the amount of money they would've been entitled to had they won.
- Your legal rights are affected whether you act or don't act. Read this notice carefully.
- Consult your tax adviser about the tax issues associated with this settlement. Relief provided under this settlement, including money and debt reduction, may be subject to tax.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	By doing nothing, you will receive the benefits that come from the settlement, including money. But you give up rights to separately sue AAC about the same legal claims asserted.
EXCLUDE YOURSELF	Get no money or benefits. This is the only option that allows you to ever be part of any other lawsuit against AAC about the legal claims.
OBJECT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court must still decide whether to approve the settlement. Money and benefits will be provided if the Court approves the settlement and after any appeals are resolved. Please be patient.

EXHIBIT

B

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GETTING MORE INFORMATIONPAGE 9

23. Are there more details about the settlement?
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BASIC INFORMATION

1. Why did I get a notice?

You or someone in your family may have had a consumer loan agreement directly with or that was assigned to AAC for a loan used to purchase property repossessed by AAC.

You were sent a short form notice by mail because you should know about a proposed settlement of a class action lawsuit in which you may be a class member, and about all your options, before the Court decides whether to approve the settlement. If the Court approves it, and after objections and appeals are resolved, AAC will cancel debts and try to delete deficiency balance information from credit reports related to the repossessed property. Class members will also receive payments, as described more fully in this package.

This notice explains in greater detail about the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge is the Seventh Judicial Circuit Court for Clay County, Missouri, and the case is *Automobile Acceptance Corp. v Eugene Nichols*, Case No. 15CY-CV07631-01.

2. What is this lawsuit about?

The lawsuit claimed AAC violated statutory requirements for certain repossession notices sent by AAC when attempting to collect on Class Members' loans and repossessing and selling their property. You can read the claims in more detail in the Counterclaim of Eugene Nichols ("Class Representative") at www.RepoClassActionSettlement.com.

3. Why is this a class action?

In a class action, one or more people called Class Representatives sue for other people with similar claims. The class representative in this case is Eugene Nichols. All individuals with similar claims to the Class Representative are "Class Members." In class actions, one court and one lawsuit resolve the issues for all Class Members, except for those who exclude themselves from the Class. The Honorable Timothy Flook oversees this class action.

4. Why is there a settlement?

The parties disagree over who would have won and what the Class would've recovered if they had won. Class Representative believed he could recover 10% of the principal amount of their loan plus the interest charge and other relief. AAC believed Class Representative and the Class were entitled to nothing (or may even owe AAC money). To resolve the dispute, and because both parties are unsure of what would've happened in a trial, they agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get money and other benefits sooner. The Class Representative and the attorneys believe the settlement is fair and equitable for all Class Members.

WHO IS IN THE SETTLEMENT?

To see if you will get money and other benefits from this settlement, you first must decide if you are a Class Member.

5. How do I know if I am part of the settlement?

Judge Timothy Flook decided everyone who fits this description is a Class Member:

All persons to whom AAC mailed the form pre-sale notice or post-sale notice that was also mailed to Plaintiff. (the "Class").

However, excluded from the Class are all persons: (1) against whom AAC has obtained a final deficiency judgment; (2) who filed for bankruptcy after the date on their pre-sale notice and whose bankruptcy ended in discharge rather than dismissal; and (3) to whom AAC issued its form pre-sale or post-sale notices prior to the date of August 6, 2010.

6. Are there exceptions to being included?

You're not a Class Member if (1) AAC has obtained a deficiency judgment against you; (2) you filed for bankruptcy after the date on your presale notice and your bankruptcy ended in discharge rather than dismissal; and/or (3) the only pre- or post-sale notices mailed to you were mailed before August 6, 2010.

7. I'm still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-555-5555 or visit www.RepoClassActionSettlement.com for more information.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the settlement provide?

AAC has agreed to provide the Class with settlement benefits with an estimated value exceeding \$13,630,000, which includes:

MONEY

AAC has agreed to create a \$2,000,000 fund to pay: (a) Class Members; (b) the attorneys' fees and expenses for representing the Class; and (c) Eugene Nichols for his services as Class Representative. This amount is called the "Cash Fund." AAC has also agreed to assign its claims and rights against companies that provided it insurance for the claims made in this lawsuit, except for Auto Owners, Inc ("Auto Owners") and QBE Insurance Group ("QBE"). Class Members will receive the money remaining from any recovery from the insurers after attorney's fees and costs are deducted.

DEFICIENCY WRITE-OFF

After the Effective Date, AAC will no longer seek to collect any money it claimed you owed after it repossessed your property because of its claim you broke promises in your agreement with AAC. These outstanding amounts are called “Deficiency Balances,” and AAC has agreed to write down these Deficiency Balances to \$0 and close the accounts connected with them. The value of this benefit to the Class and the Deficiency Balances being eliminated is estimated to be at least \$11,630,000. This amount is called the “Deficiency Write-Off.”

CREDIT BUREAU REPORTING

After the Effective Date, AAC will try to delete deficiency balance information from your credit report with the nationwide consumer reporting companies—Equifax, Experian, TransUnion, and Innovis—related to the Deficiency Write-Offs.

Class Members are strongly encouraged to consult with a tax professional about the tax effects of any money and other benefits (including the Deficiency Write-Off) received from this settlement. The attorneys in this case cannot provide you with any tax advice, and your receipt of benefits under this settlement might have tax consequences. However, AAC has agreed not to issue an IRS Form 1099 to class members because the Parties believe this Settlement does not create a taxable event as defined by IRS regulations governing the discharge of indebtedness under the “contested liability” or “disputed debt” doctrine.

9. What can I get from the settlement?

Every Class Member will receive the benefits of the Deficiency Write-Off. Class Members will also receive a check payment from the Cash Fund. More money might become available if Class Counsel pursues AAC’s insurers (other than QBE and Auto Owners) and recovers from them.

The payment you receive depends on the money you borrowed and the interest rate on your loan.

HOW YOU GET SETTLEMENT BENEFITS

10. How can I get my settlement benefits?

By doing nothing, you will receive the benefits that come from the settlement, including money.

11. When would I get my settlement benefits?

The Court will hold a hearing on [REDACTED], 2023, at [REDACTED] AM/PM, to decide whether to approve the settlement. Even if Judge Timothy Flook approves the settlement, there may be appeals. It’s always uncertain how an appeal will be resolved and how long it will take. Some appeals take more than a year. Please be patient. You’ll receive your payment if the settlement is approved and after that approval becomes a “final judgment” (i.e. after any appeals are resolved or the time for appealing has passed).

12. What am I giving up to get settlement benefits or stay in the Settlement Class?

Unless you exclude yourself by following the procedure below, you are a part of the Class, and that means you can't sue, continue to sue, or be part of any other lawsuit against AAC about the legal issues in this case. For example, you won't be able to make any independent claim against AAC arising from the written notices (presale and post-sale repossession notices) this lawsuit is about. Staying in the Class also means all the Court's orders in this lawsuit will apply to you and legally bind you. To see exactly the legal claims and defenses you give up if you get settlement benefits, please view the Settlement Agreement at www.RepoClassActionSettlement.com.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want benefits from this settlement, but you want to keep the right to sue or continue to sue AAC on your own about the legal issues in this case, then you must take steps to get out of the settlement. This is called "excluding" yourself—or is sometimes called "opting out" of the Settlement Class.

13. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying you want to be excluded from *Automobile Acceptance Corp. v Eugene Nichols, Case No. 15CY-CV07631-01*. Include your name, address, telephone number, last four digits of your Social Security Number, and the name of any other person on your agreement with AAC, along with your signature. The exclusion request must be signed by you **and by any co-borrower on your agreement**, unless the co-borrower is deceased, in which case you must include a death certificate with your request. You cannot exclude yourself by having an actual or purported agent or attorney acting for you or a group of Class Members sign the letter. You must mail your exclusion request postmarked no later than **[30 days after class notice is mailed]**, to:

American Legal Claims Services
PO Box 23650
Jacksonville, FL 32241

If you ask to be excluded, you'll get no settlement benefits, and you cannot object to the settlement. You won't be legally bound by anything that happens. You may sue (or continue to sue) AAC about the claims asserted.

14. If I don't exclude myself, can I sue AAC for the same thing later?

No. Unless you exclude yourself, you give up any right to sue AAC for the claims this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is **[30 days after notice mail date]**. Exclusion requests postmarked later than this date will not be honored.

15. If I exclude myself, can I get benefits from this settlement?

No. But you may sue, continue to sue, or be part of a different lawsuit against AAC about the same type of claims that were made in this case.

QUESTIONS? CALL 1-800-555-5555, OR VISIT REPOCLASSACTIONSETTLEMENT.COM

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed Martin L. Daesch, sole member of MLD Law Firm, LLC; Jesse B. Rochman, sole member of JBR Law Firm; Craig W. Richards of OnderLaw LLC; and OnderLaw, LLC to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. They are experienced in handling similar cases against consumer lenders. More information about these lawyers and their firm is available at www.underlaw.com. You needn't hire your own lawyer because Class Counsel is working for you. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class Counsel has prosecuted this litigation on a contingent basis and has incurred or advanced all costs, expenses, and attorneys' fees associated with the lawsuit since their investigation of claims against AAC began in 2015. Class Counsel has not been paid for their work or received reimbursement for the expenses they have incurred or advanced for the Class Representative and Class Members. Class Counsel will ask the Court to approve payment of attorney's fees that does not exceed 35% of the value of the settlement benefits, reimbursement for costs and expenses in an amount not to exceed \$40,000. Class Counsel will also request that the Court approve payment of \$20,000 to Eugene Nichols for his services as Class Representative. The fees and expenses would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement, and paying the costs to administer the settlement.

If Class Counsel sues AAC's insurers (other than Auto Owners and QBE), Class Counsel will do so on a contingent basis and will incur additional costs, expenses and attorneys' fees associated with suing these insurers. Class Counsel will not be paid for their work or receive reimbursement for the expenses they incur or advance associated with suing AAC's insurers. Class Counsel will ask the Court for up to 45% of any monetary recovery from AAC's insurers.

OBJECTING TO THE SETTLEMENT

You can tell the Court you don't agree with the settlement or some part.

18. How do I tell the Court I don't like the settlement?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can explain why you think the Court shouldn't approve it. The Court will consider your views. To object, you must appear in court at the Fairness Hearing on [REDACTED], 2023 at [REDACTED] AM/PM or send a letter saying you object to *Automobile Acceptance Corp. v Eugene Nichols*, Case No. 15CY-CV07631-01. Your letter must include your name, address, telephone number, facsimile number (if available), email address (if available), last four digits of your Social Security Number, a statement of your objections, and the reasons and facts you contend support your objections. Your objection must include any documents (including loan documents) you rely upon to support your objection and identify any witnesses you plan to use at the Fairness Hearing (described below). If there is other evidence (e.g., documents) that you rely upon for your objection, you must attach copies to your objection. If you plan to use expert witnesses about your objection, you must provide—with

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your objection—an expert report for each expert outlining the expert’s opinions and the facts and reasons for the expert’s opinions. You must also state whether you intend to appear at the Fairness Hearing and provide copies of any evidence you intend to use at the hearing. Finally, you must sign and date the objection and include a statement substantially in this form: “I declare (or certify, verify, or state) under penalty of perjury that all of the information in the objection is true and correct. Executed on (date). (Signature).”

Mail the objection to the Court, to Class Counsel, and to AAC’s Counsel at the separate addresses below. Your objection must be postmarked no later than **[30 days after notice mail date]** or you must appear in court at the Fairness Hearing.

COURT	CLASS COUNSEL	AAC’S COUNSEL	AAC’S COUNSEL
Clay County Circuit Clerk’s Office Attn: Division 2 11 S. Water St Off, Liberty, MO 64068	Martin L. Daesch Jesse B. Rochman Craig W. Richards OnderLaw, LLC 110 E. Lockwood Ave. St. Louis, MO 63119	Timothy Wolf Tyler Hamilton Watters Wolf Bub Hansmann Law Firm 600 Kellwood Pkwy, Ste. 120 St. Louis, MO 63017	Timothy W. Monsees Monsees & Mayer, P.C. 4717 Grand Ave, Ste. 820 Kansas City, MO 64112

If an attorney is submitting the objection for you, besides information and materials discussed above, the objection must include the name, address, telephone number, facsimile number (if available), and email address (if available) of your attorney and a detailed description of the legal authorities supporting each objection.

If you file an objection, Class Counsel or AAC’s Counsel may notice and take your deposition, consistent with the Missouri Supreme Court Rules, at an agreed-upon location before the Fairness Hearing and seek any documentary evidence or other tangible things relevant to the objection. Failure by an objector to comply with discovery requests may cause the Court to strike the objection and otherwise deny that person the opportunity to be heard further. The Court reserves the right to tax the costs of any such discovery to the objector or objector’s counsel should the Court determine the objection is frivolous or is made for an improper purpose.

19. What’s the difference between objecting and excluding?

Objecting is telling the Court you don’t like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court you don’t want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT’S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don’t have to.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at [REDACTED] PM/AM on [REDACTED], 2023, at the Seventh Judicial Circuit of Clay County, Missouri, 11 S Water St Off, Liberty, MO 64068. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Timothy Flook will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel and the Class Representative. After the hearing, the Court will decide whether to approve the settlement. We don't know how long these decisions will take.

21. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Timothy Flook may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. If you mailed your written objection on time with all the required information, the Court will consider it. You may also pay your own lawyer to attend, but that is unnecessary.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. You may speak either for or against the settlement. To speak for the settlement, you must send a letter saying it is your "Notice of Intention to Appear in *Automobile Acceptance Corp. v Eugene Nichols*, Case No. 15CY-CV07631-01." Include your name, address, telephone number, last four digits of your Social Security Number, and your signature. Your "Notice of Intention to Appear" must be postmarked no later than **[30 days after notice mail date]**, and be sent to the Circuit Clerk's Office, Class Counsel, and AAC's Counsel, at the three addresses provided in question 18.

If you plan to speak at the Fairness Hearing to tell the Court you don't like something about the settlement, you must submit an objection as detailed in question 18 and include with that objection a statement you intend to appear at the Fairness Hearing. The identity of any witnesses or experts you plan to present at the Fairness Hearing, with evidence you intend to present at the Fairness hearing, must also be included with your objection.

You cannot speak at the hearing if you excluded yourself or if you don't send in a request with the required information and documents.

GETTING MORE INFORMATION

23. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by writing to **American Legal Claims Services, PO Box 23650, Jacksonville, FL 32241**, or by visiting **www.RepoClassActionSettlement.com**.

24. How do I get more information?

You can call 1-800-555-5555; write to American Legal Claims Services, PO Box 23650, Jacksonville, FL 32241, or visit the website www.RepoClassActionSettlement.com, where you will find information to help you determine whether you are a Class Member.

QUESTIONS? CALL 1-800-555-5555, OR VISIT REPOCLASSACTIONSETTLEMENT.COM