Class Action Settlement Notice

Bailey v. Block Inc., et al.,
No. 4:25-cv-5625

Authorized by the U.S. District Court for the Northern District of California

This Notice explains the Settlement, the Settlement Class, and your legal rights and options. Please read its contents carefully.

This Notice provides information about a class-action settlement (the "Settlement").

WHAT IS THIS CASE ABOUT?

Plaintiff Bradley Bailey ("Plaintiff") filed a class action lawsuit. That is a lawsuit seeking to recover on behalf of a group of people, called a "class."

Plaintiff alleged that he obtained loan products ("Cash App Borrow") from Block, Inc. ("Block"), that were provided by either Square Financial Services, Inc. ("SFS"), or First Electronic Bank ("FEB") (collectively, "Defendants"), that violated the Military Lending Act (MLA) and the Georgia Payday Lending Act (PLA). Specifically, Plaintiff alleged that Cash App Borrow loans violated these statutes by: charging interest exceeding the MLA's and PLA's interest rate caps and using a method of access to borrower bank accounts as security for the obligations.

Defendants deny any and all allegations or assertions of wrongdoing in this lawsuit, and deny any and all allegations or assertions that they are liable to Plaintiff or to any member of the Settlement Class. Defendants have, however, agreed to settle the lawsuit so that they may, among other things, avoid additional litigation burdens and expenses.

WHAT IS THE STATUS OF THE CASE?

Plaintiff and Defendants (together, the "Parties") have reached a proposed Settlement in the lawsuit. The Settlement has been preliminarily approved by the Court. A Final Fairness Hearing will be held after notice to the Settlement Class, as further discussed below.

The Court has not made any finding that Defendants have engaged in any wrongdoing or misconduct of any kind, or are liable in any way, including regarding Plaintiff's alleged violations of the MLA and PLA. The Court also has not made any determination that this lawsuit should proceed as a class action, as opposed to an individual claim brought by Plaintiff.

This Notice explains your options if you are a Member of the Settlement Class. Whether or not you act, your legal rights will be affected by the proposed Settlement.

WHO IS INCLUDED IN THE SETTLEMENT?

The Settlement encompasses a group, or "Class," of people. A description of the group is provided below. If you received a notice of the Settlement by mail or email, that notice should state that you are a Member of the Settlement Class according to Defendants' records.

Settlement Class: You are in the Settlement Class if, as of May 28, 2025, you (i) obtained a Cash App Borrow loan from FEB or SFS through Block's Cash App platform, (ii) while you were a covered borrower as defined under the Military Lending Act and its implementing regulations at the time you obtained a Cash App Borrow loan, and (iii) the Military Annual Percentage Rate applicable to the Cash App Borrow loan exceeded thirty-six percent (36%).

If you are unsure whether you are a Member of the Settlement Class, you may contact the Settlement Administrator by emailing info@BlockMLASettlement.com or calling (833) 417-4917.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
STAY IN THE CLASS AND RECEIVE PAYMENT	If you are a Member of the Settlement Class and you do nothing, then you will be bound by the Court's decisions regarding the Settlement. You will not be able to pursue any potential claims against Defendants that have been released as part of the Settlement. You may review the full release, which is available on the Settlement Website, as part of the Settlement Agreement. If you are a Settlement Class Member, you are not required to submit a claim to receive payment. Payment will be distributed on a *pro rata* basis—via check or electronic payment method—once all valid opt out requests have been received and after costs and attorneys' fees are deducted. All Settlement Class Members who do not opt-out will receive payment as set forth below. After payment of attorneys' fees, litigation expenses, settlement administration expenses, and any service award, it is estimated that each Settlement Class Member will receive payment of approximately $58.95 for each eligible Cash App Borrow loan, wherein the Military Annual Percentage Rate applicable to the Cash App Borrow loan exceeded thirty-six percent as of May 28, 2025, which will be delivered to the Settlement Class Member's address on file with Cash App. If you would like to receive your payment through an electronic form, or if you would like to request a change of address, you will need to visit the Settlement Website, www.BlockMLASettlement.com, and follow the instructions for doing so.
EXCLUDE YOURSELF BY JANUARY 25, 2027	You can opt out of the Settlement if you want to maintain any legal rights you may have against Defendants. If you opt out, you will not be eligible to receive any settlement payment. To opt out from the Settlement, you must send a written request to the Settlement Administrator. This request must (1) state that you wish to be excluded from the Settlement and (2) include the information discussed in more detail in this Notice. The deadline to opt-out is January 25, 2027. If you exclude yourself, you do not have the right to object to the Settlement because the Settlement no longer affects you.
OBJECT BY FEBRUARY 1, 2027	You have the right to write to the Court to object to the settlement if you believe it is unfair. If you choose to object, you will remain a part of the Settlement Class, and you will be bound by the Court's decisions regarding the Settlement. If you wish to object, you must file with or send to the Court a written, signed objection no later than February 1, 2027.

LEARNING MORE ABOUT THE LAWSUIT & SETTLEMENT

What does the Settlement include?

If the Court approves the Settlement, a $615,000 Settlement Fund will be set up to cover: (1) cash payments to Settlement Class Members, (2) attorneys' fees, (3) costs, (4) settlement administration, and (5) any service award for Plaintiff that the Court may later approve. Payments to Settlement Class Members are tied to class membership and the number of eligible Cash App Borrow loans wherein the Military Annual Percentage Rate applicable to the Cash App Borrow loan exceeded thirty-six percent (36%) as of May 28, 2025.

If the Court approves the Settlement in full, each Member of the Settlement Class will automatically receive payment of approximately $58.95 for each eligible Cash App Borrow loan wherein the Military Annual Percentage Rate applicable to the Cash App Borrow loan exceeded thirty-six percent (36%) as of May 28, 2025. There may be a second payment depending on the number of Settlement payments that remain undeposited. The amount of that payment will vary depending on how many initial payment checks are cashed.

Who are the attorneys representing the Settlement Class and how will they be paid?

The Court has approved lawyers to represent the Settlement Class ("Class Counsel"). The attorneys who have been appointed by the Court to represent the Settlement Class are a team of lawyers from Jacobson Phillips, PLLC (specifically, Joshua Jacobson) and Carney Bates & Pulliam, PLLC (specifically, Randall Pulliam and Lee Lowther). You may reach Class Counsel at the following addresses/phone numbers:

Joshua R. Jacobson
JACOBSON PHILLIPS PLLC
2277 Lee Road, Suite B
Winter Park, Florida 32789
Telephone: (321) 447-6461

Randall K. Pulliam
Lee Lowther
CARNEY BATES & PULLIAM, PLLC
1 Allied Drive, Suite 1400
Little Rock, Arkansas 72202
Telephone: (501) 312-8500

Class Counsel expect to ask the Court to approve attorneys' fees not to exceed 25% of the Settlement Fund ($153,750), plus reimbursement of their out-of-pocket expenses, not to exceed $25,000.

Class Counsel may also seek a service award for the Plaintiff class representative, in an amount

not to exceed $5,000, for his services in representing the Settlement Class.

If the Court approves them, these attorneys' fees, costs, service award, and settlement administration expenses will be paid from the Settlement Fund.

DECIDING WHAT TO DO

What are my options?

You have three options. You can (1) remain in the Settlement; (2) exclude yourself from the Settlement (i.e., "opt out"); or (3) remain in the Settlement and object to the Settlement.

Your options and rights are explained in the following sections, along with the steps you must take if you wish to opt-out or object.

What are the consequences of remaining in the Settlement?

You do not have to take any action to remain in the settlement.

If you remain in the Settlement, you will not be able to pursue claims against Defendants that are covered by the Settlement's release. All of the Court's decisions regarding the Settlement will apply to you, and you will be bound by any judgment that the Court enters.

If the Court grants final approval of the Settlement: each Member of the Settlement Class will automatically receive payment of approximately $58.95 for each eligible Cash App Borrow loan wherein the Military Annual Percentage Rate applicable to the Cash App Borrow loan exceeded thirty-six percent (36%) as of May 28, 2025.

What are the consequences of opting out of the Settlement?

If you exclude yourself from the Settlement, you will not receive any money from the Settlement. You will not be bound by any of the Court's orders regarding the Settlement or any judgment or release that the Court enters regarding the Settlement. You will retain any legal rights you may have against Defendants.

You will be responsible for the fees and costs of any future services provided by your own lawyer.

How do I opt out?

If you wish to be excluded from the Settlement (to "opt out"), you must mail a written request for exclusion to the Settlement Administrator at:

Bailey v. Block Inc.
c/o Settlement Administrator
P.O. Box 25226
Santa Ana, CA 92799

Your request for exclusion must be in writing, sent to the Settlement Administrator and postmarked no later than **January 25, 2027.** Your request for exclusion must be personally signed by you and must include: (1) your name, address, telephone number, and $Cashtag associated with your Cash App Account; and (2) a statement substantially to the effect that: "I request that I be excluded from the Settlement Class in the case of *Bailey v. Block Inc., et al.* (N.D. Cal.)."

The address that you use on your exclusion request should be the address to which your notice was mailed. If you have a new address, please also inform the Settlement Administrator of this new address so they can update the appropriate records. If you exclude yourself from the Settlement, you will not be eligible to receive a payment.

What happens if I object to the Settlement?

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different Settlement. The Court can only approve or deny the Settlement as proposed; it cannot rewrite the Settlement.

If you object according to the steps below, the Court will consider your objection. If the Court overrules your objection, you will be bound by the Court's decision, you will remain a part of the Settlement, and you will receive a settlement payment. If the Court denies approval, the Settlement will not take effect, no settlement payments will be sent, and the lawsuit will continue.

How do I object to the Settlement?

You may object to all or part of the Settlement if you think, for any reason, that it is not fair, reasonable, or adequate.

To object, you must file with the Court or send to the Clerk of Court at the United States District Court for the Northern District of California, 1301 Clay St., Oakland, California 94612 the objection in writing. Your objection must clearly identify the case name and number of the lawsuit (*Bailey v. Block Inc., et al.*, Case No. 4:25-cv-5625 (N.D. Cal.)) and include a written statement stating the reasons for the objection to the Settlement, along with any supporting documentation that you wish the Court to consider.

If you decide to object to the Settlement, your objection must be filed with or sent to the District Court on or before **February 1, 2027**.

ADDITIONAL INFORMATION

When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Fairness Hearing at **9:00 a.m.,** on **March 23, 2027**, at the Ronald V. Dellums Federal Building & U.S. Courthouse, Courtroom 1 – 4th Floor 1301 Clay St., Oakland, California 94612. At this Final Fairness Hearing, the Court will consider whether the

proposed Settlement is fair, reasonable, and adequate and whether to finally approve the Settlement. The Court will also hear objections to the Settlement, if any. We do not know how long the Court will take to make its decision after the Final Fairness Hearing. In addition, the Final Fairness Hearing may be postponed at any time by the Court without further notice to you.

You do not have to appear at the Final Fairness Hearing. If you are filing an objection, your objection should include a statement of whether or not you intend to appear at the Hearing, and whether you intend to hire an attorney (see Section "How Do I Object to the Settlement" above).

Where can I get additional information?

This notice summarizes the proposed Settlement. For the precise terms of the Settlement, please see the Settlement Agreement available on the Settlement Website, www.BlockMLASettlement.com, or by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at https://ecf.cand.uscourts.gov, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 1301 Clay St., Oakland, California 94612, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You may also contact the Settlement Administrator by emailing info@BlockMLASettlement.com or calling (833) 417-4917, or you may contact Class Counsel at the addresses/phone numbers above.

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR DEFENDANTS' COUNSEL TO ASK QUESTIONS ABOUT THE SETTLMENT OR THIS NOTICE. THEY CANNOT ANSWER ANY QUESTIONS OR DISCUSS THE SETTLEMENT.