

## **SETTLEMENT AGREEMENT**

*McBurnie, et al. v. Acceptance Now, LLC*  
Case No. 3:21-cv-01429-JD (N.D. Cal.)

This Settlement Agreement (“Agreement,” the terms of which are sometimes referred to as the “Settlement”) is entered into by and between plaintiffs Shannon McBurnie (“McBurnie”) and April Spruell (“Spruell”) (collectively, “Plaintiffs”), on the one hand, and defendant RAC Acceptance East, LLC, erroneously sued as Acceptance Now, LLC (“RAC” or “Defendant”), on the other hand. Each of the forgoing is a “Party” (collectively, the “Parties”). This Agreement sets forth the entire terms of settlement of the action styled *McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD, pending in the United States District Court for the Northern District of California (the “Action”).

### **I. RECITALS**

A. On December 11, 2020, Plaintiffs filed a Complaint in the Superior Court of the State of California, County of Alameda, entitled *McBurnie, et al. v. Acceptance Now, LLC*, Case No. RG20083808. The Complaint alleged three causes of action with respect to processing fees and expedited payment fees charged by RAC in connection with its Rental-Purchase Agreements (“RPAs”): (1) violation of California’s Karmette Rental-Purchase Act, Cal. Civ. Code, §§ 1812.620, *et seq.* (the “Karmette Act”); (2) violation of California’s Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, *et seq.* (“CLRA”), and (3) violation of California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (“UCL”). On February 26, 2021, RAC filed its Answer in state court and removed the Action to the United States District Court for the Northern District of California (the “Court”), where it was assigned Case No. 3:21-cv-01429-JD. Dkt. No. 1. On February 21, 2025, Plaintiffs notified the Court of their withdrawal of their challenge to RAC’s expedited payment fee. Dkt. No. 140.

B. Following extensive discovery and motion practice, by order of the Court entered on June 6, 2025, the Court certified the following Class: “All individuals who entered into a Rental-Purchase Agreement with RAC in California at any time between December 11, 2016, and June 30, 2021 and who were charged a Processing Fee.” Dkt. No. 151. The Court appointed McBurnie and Spruell as Class Representatives; and appointed the law firms of Dostart Hannink LLP and Altshuler Berzon LLP as Class Counsel.

C. Motion practice in this action gave rise to two proceedings before the U.S. Court of Appeals for the Ninth Circuit. In the first, *McBurnie, et al. v. RAC Acceptance East, LLC*, No. 22-16868, RAC appealed the Court’s Order Re Arbitration (Dkt. No. 90), which had denied RAC’s Motion to Compel Arbitration. On March 14, 2024, the Ninth Circuit issued an opinion affirming that order. RAC thereafter filed a Petition for Writ of Certiorari, which the Supreme Court denied on October 7, 2024. In the second, *McBurnie, et al. v. RAC Acceptance East, LLC*, No. 25-3905, RAC filed a Rule 23(f) Petition for Permission to Appeal Order Granting Class Certification. On July 18, 2025, the Ninth Circuit issued an order denying that petition. Dkt. No. 157.

D. After more than four years of contested litigation, the Parties have reached a settlement on the terms set forth in this Agreement. This Agreement was reached with the assistance of mediator Ann Cook of Phillips ADR Enterprises.

E. RAC denies all claims asserted in the Action and denies all allegations of wrongdoing and liability. There has not been any adjudication regarding the claims and allegations in the Action. The Parties desire to settle the Action on the terms set forth herein solely for the purpose of avoiding the burden, expense, risk, and uncertainty of continuing these proceedings.

F. The Parties understand and agree that this Agreement is binding on the Parties and may be enforced pursuant to California Code of Civil Procedure § 664.6, or equivalent law, subject to Court approval of the settlement terms as required by Federal Rule of Civil Procedure 23(e). The

Agreement is inadmissible as evidence against any Party except to enforce the terms of the Agreement and is not an admission of wrongdoing or liability on the part of any Party. It is the Parties' desire and intention to effect a full, complete and final settlement and resolution of all existing disputes and claims as set forth herein.

## **II. DEFINITIONS**

In addition to the terms defined elsewhere within this Agreement, the following defined terms apply throughout this Agreement and the attached exhibits:

A. "Action" means *McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD, pending in the United States District Court for the Northern District of California.

B. "Class" means all Individuals who entered into a Rental-Purchase Agreement with RAC Acceptance East, LLC in California at any time between December 11, 2016, and June 30, 2021 and who were charged a Processing Fee. Excluded from the Class are all current employees of RAC Acceptance East, LLC, all current employees of Plaintiffs' counsel, and the judicial officers to whom this action is assigned and each such judicial officer's current spouse, minor children, and court staff, and any person, or the spouse of a person, who is within a third degree of relationship to such judicial officer or to the judicial officer's spouse.

C. "Class Counsel" means the law firms of Dostart Hannink LLP and Altshuler Berzon LLP.

D. "Class List" means the spreadsheet produced as RAC0160649.

E. "Class Member" means each Individual that is a member of the Class, as defined above.

F. "Class Notice" means all types of notice that will be provided to Class Members including by e-mail, mail, on the Settlement Website, and any different or additional notice that might be ordered by the Court.

G. “Class Period” means the period from December 11, 2016 through June 30, 2021, inclusive.

H. “Class Representatives” means Shannon McBurnie and April Spruell.

I. “Confidential” means the designation described in the Stipulated Protective Order entered on July 21, 2021, Dkt. No. 23.

J. “Court” means the United States District Court for the Northern District of California.

K. “Covered Transaction” means a rental-purchase agreement entered into in California during the Class Period for which the customer was charged a processing fee, as reflected in the Class List.

L. “Exclusion/Objection Deadline” means the deadline set by the Court for members of the Class to submit a request for exclusion or to file an objection to the Settlement. Unless a different deadline is set by the Court, the Exclusion/Objection Deadline shall be the date that is seventy-five (75) days after the Notice Date.

M. “Final Approval Date” means the date on which the Court enters an order granting final approval of the Settlement.

N. “Individual” means a natural person or a business entity, and includes an individual acting on behalf of one or more other individuals.

O. “Judgment” means the final judgment to be entered by the Court approving the Settlement, and “Judgment Entry Date” means the date on which the Court enters Judgment in this Action.

P. “Net Settlement Amount” is the Settlement Amount (plus any accrued interest thereon) reduced by any sums awarded by the Court for attorneys’ fees, litigation expenses, service payments, Taxes, and any other amounts that the Court determines are properly deducted from the Settlement Amount before distribution to Class Members.

Q. “Notice Date” means the deadline by which the Settlement Administrator must distribute emailed and mailed Class Notice, as described herein. Unless a different deadline is set by the Court, the Notice Date shall be the date that is twenty-eight (28) days after the Preliminary Approval Date.

R. “Preliminary Approval Date” means the date on which the Court enters an order granting preliminary approval of the Settlement.

S. “Processing Fee” means a monetary amount charged by RAC at the inception of a rental-purchase agreement, which amount is described in the rental-purchase agreement as a “processing fee.”

T. “Settlement Administrator” means Rust Consulting or such other entity designated by the Court to undertake Class Notice and settlement administration for this Settlement, at RAC’s separate expense.

U. “Settlement Amount” means the sum of Fourteen Million Dollars (\$14,000,000.00) to be paid by RAC as the total amount of monetary consideration pursuant to Section VI.A of this Agreement.

V. “Settlement Fund” means the interest-bearing account established by the Settlement Administrator to receive, hold, and disburse the Settlement Amount and interest thereon.

W. “Settlement Website” means the website established by the Settlement Administrator.

X. “Statutory Damage Amount” means, solely for purposes of this Class settlement for calculating payments to Participating Class Members who entered into one or more Statutory Damage Transactions, and not for purposes of any interpretation of the KARNETTE Act or any other purpose, the dollar amount computed by subtracting from the Net Settlement Amount the aggregate Out-of-Pocket Damage Amount for all Participating Class Members combined, then multiplying that difference by a fraction, the numerator of which is 25% of the Total of Payments stated in a

rental-purchase agreement for a Class Member's Statutory Damage Transaction, subject to a minimum of \$100 and a maximum of \$1,000, and the denominator of which is the aggregate sum derived when applying that same formula (25% of the stated Total of Payments, subject to a minimum of \$100 and a maximum of \$1,000) to all Statutory Damage Transactions.

Y. "Statutory Damage Transaction" means a Covered Transaction for which the rental-purchase agreement was entered into between December 11, 2019 and June 30, 2021, inclusive.

Z. "Taxes" means: (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; (ii) any expenses or costs incurred by Class Counsel or the Settlement Administrator in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants); and (iii) all taxes imposed on the Settlement Fund by reason of payments made by the Settlement Fund, including withholding taxes (if any).

AA. The terms "he or she" and "his or her" include "it," "its," or "their" where applicable.

BB. Other capitalized terms used in this Agreement but not defined in this section shall have the meanings ascribed to them elsewhere in this Agreement, including the attached exhibits.

### **III. CONDITIONS PRECEDENT TO EFFECTIVENESS OF SETTLEMENT**

A. The Settlement shall become final and effective upon the occurrence of all of the following events:

1. The Court enters an order preliminarily approving the Settlement.
2. The Court enters an order granting final approval of the Settlement and enters Judgment.
3. The Effective Date occurs. The "Effective Date" will be determined as follows:

(a) The Effective Date will be the Judgment Entry Date unless a Class Member files a timely objection to the Settlement that is not withdrawn on or before the Judgment Entry Date.

(b) If a Class Member files a timely objection to the Settlement that is not withdrawn on or before the Judgment Entry Date, the Effective Date will be thirty-one (31) days following the Judgment Entry Date, unless that Class Member files a timely notice of appeal of the judgment.

(c) If a Class Member who has filed a timely objection to the Settlement also files a timely notice of appeal of the judgment, the Effective Date will be the sooner of the date the appeal is dismissed, or the date the judgment is affirmed and is no longer subject to mandatory or discretionary appellate review.

B. The Parties and their respective counsel will cooperate with each other and do all things reasonably necessary to obtain preliminary approval of the Settlement, obtain final approval of the Settlement, protect and support the Settlement if an appeal is taken or any other form of judicial review is sought, and otherwise seek to ensure that the Effective Date promptly occurs.

C. Plaintiffs and/or Class Counsel will have the right to appeal any award of attorneys' fees, litigation expenses, or service payments, but any such appeal, if taken, will not otherwise affect the binding nature of the Settlement, including the release of claims set forth in Section XIV. In the event of any such appeal of attorneys' fees, litigation expenses, or a service payment, the Parties shall cooperate to implement and abide by the other terms of the Settlement that are unaffected by that appeal.

D. If the Court denies preliminary or final approval of the Settlement for a reason that can be cured by the Parties without increasing the Settlement Amount, the Parties shall negotiate in good faith to modify this Agreement so as to address the Court's concern. If the Effective Date does

not occur because the Court or a reviewing court enters a final order or decision disapproving of the Settlement, or if RAC timely exercises an option to terminate the Agreement in accordance with Section IX, or if for other reasons it becomes certain that the Effective Date cannot occur, this Agreement will be void *ab initio* and without any further force or effect.

#### **IV. MOTION FOR PRELIMINARY APPROVAL**

As soon as practicable after execution of this Agreement, Plaintiffs shall submit this Agreement to the Court along with a motion for preliminary approval of the Settlement and approval of Class Notice. Proposed forms for the emailed Summary Class Notice, the mailed Summary Class Notice, and the Long Form Notice, are attached hereto as Exhibits A, B, and C, respectively. The Parties agree to cooperate in obtaining preliminary approval as soon as the Court's calendar permits. The preliminary approval motion will ask the Court to schedule a Fairness Hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable, and adequate as to the Class, and a hearing on Plaintiffs' motion for attorneys' fees, litigation expenses, and service payments.

#### **V. CAFA NOTICE**

Within ten (10) days after the filing of this Settlement Agreement as part of the motion for preliminary approval, RAC will cause the notice of proposed settlement required by the Class Action Fairness Act, 28 U.S.C. § 1715(b), to be issued to the appropriate Federal officials and appropriate State officials as provided for in that statute. Pursuant to 28 U.S.C. § 1715(d), the Parties will seek to schedule the Fairness Hearing so that the Final Approval Order and Judgment are entered more than 90 days after this notice of proposed settlement is provided.

#### **VI. SETTLEMENT CONSIDERATION**

A. Monetary Consideration. The total monetary consideration to be paid by RAC is the principal amount of Fourteen Million Dollars (\$14,000,000.00) (the "Settlement Amount"), in



exchange for the releases and other provisions set forth in this Agreement. RAC shall transmit the Settlement Amount to the Settlement Administrator no later than fourteen (14) days after the Final Approval Date, to be deposited in the Settlement Fund and held, administered, and distributed by the Settlement Administrator in accordance with this Agreement and any orders of the Court. The Settlement is non-reversionary, meaning that if the Effective Date occurs, none of the monetary consideration can ever revert to RAC.

B. Notice and Administration Expenses. Separate and in addition to the monetary consideration described in Section VI.A above, RAC shall pay to the Settlement Administrator all expenses of Class Notice and settlement administration.

## **VII. CLASS NOTICE**

A. As further described below, the Settlement Administrator will be responsible for disseminating the Class Notice; establishing and maintaining the Settlement Website; researching and updating addresses through the U.S. Postal Service's National Change of Address ("NCOA") database and/or skip-traces and similar means; preparing a declaration regarding due diligence; transmitting settlement payments; and doing such other things as are reasonably necessary or that the Parties or the Court may direct in order to effectuate the Settlement.

B. The Class List has been designated as Confidential and shall be used by the Settlement Administrator only for implementation of the Settlement and for no other purpose.

C. The "Notice Date" shall be no later than twenty-eight (28) days following the Preliminary Approval Date, unless the Court orders otherwise. The Settlement Administrator shall distribute notice to Individuals identified in the Class List by sending via e-mail the Summary Class Notice in the form attached hereto as Exhibit A, subject to any modification the Court may require. To the extent the Class List does not include an e-mail address for a Class Member, or if the Settlement Administrator determines that the listed e-mail address is invalid or no longer operative,

the Settlement Administrator shall send via U.S. Mail, first class and postage prepaid, the Summary Class Notice in the form attached hereto as Exhibit B, subject to any modification the Court may require. Prior to such mailing, the Settlement Administrator shall run the mailing addresses listed in the Class List through the NCOA database and update the mailing address information as appropriate. In addition, if any e-mailed Class Notice documents are “bounced back” as undeliverable, then within fourteen (14) days after the Notice Date, the Settlement Administrator shall mail the Summary Class Notice to the mailing address, as updated by the NCOA database, of any Individuals whose Class Notice documents bounced back.

D. For a period of twenty-eight (28) days following the Notice Date, if any mailed Summary Class Notice is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall perform a skip-trace and/or other customary address search in an attempt to locate a valid address, and if a new address is obtained, shall re-mail the Summary Class Notice to that address.

E. No later than the Notice Date, the Settlement Administrator shall establish a Settlement Website on which it will make available the Complaint; the Answer; the Settlement Agreement; the motion for preliminary approval; the order granting preliminary approval; and the Long-Form Class Notice in the form attached hereto as Exhibit C, subject to any modification the Court may require. Thereafter, the Settlement Administrator will make available the motion for attorneys’ fees, litigation expenses, and service awards; the motion for final approval; any Final Approval Order; and any other materials agreed to by the Parties or required by the Court. The Settlement Website shall include a mechanism by which a Class Member may select a method by which that Class Member’s settlement payment will be transmitted (e.g., in an electronic form or a paper check).

F. The Settlement Administrator will comply with the Northern District of California's Procedural Guidance for Class Action Settlements, including, but not limited to, the guidelines set forth in the Settlement Administration Data Protection Checklist provided pursuant to the Northern District of California's Procedural Guidance for Class Action Settlements as well as the guidelines for providing notice to class members.

### **VIII. EXCLUSION PROCEDURE**

Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. mail, email, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator. Unless a different deadline is set by the Court, the Exclusion/Objection Deadline shall be the date that is seventy-five (75) days after the Notice Date. Any request for exclusion must set forth the Class Member's name, mailing address, and e-mail address (if any), along with the statement "I wish to be excluded from the *McBurnie v. RAC* settlement" or words to that effect. Any request for exclusion must be personally signed by each person requesting exclusion. So-called "mass" or "class" opt-outs shall not be allowed. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than the Exclusion/Objection Deadline. If the request for exclusion is returned by U.S. mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will be the date the request for exclusion is actually received by the Settlement Administrator. Those Class Members who submit timely requests for exclusion will be referred to as "Excluded Class Members." Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement. No later than seven (7) days after the Exclusion/Objection Deadline, the Settlement Administrator shall provide to Class Counsel and RAC's counsel a list of all Class Members who submitted timely and valid requests to be excluded from the Settlement.

## **IX. POTENTIAL TERMINATION BASED ON NUMBER OF EXCLUSION REQUESTS**

RAC shall have the right to terminate this Agreement if more than two percent (2%) of Class Members submit to the Settlement Administrator a timely and valid request for exclusion from the Settlement. The Parties agree that they will not solicit or encourage any Class Member to request exclusion from the Settlement. If the number of valid exclusion requests triggers RAC's right to terminate, and if RAC elects to exercise that right, RAC must deliver written notice to Class Counsel of that election within seven (7) days after receipt of the list of Class Members who submitted timely and valid requests to be excluded from the Settlement as described above in Section VIII; otherwise, any right to terminate shall be waived. In the event of termination, the Parties shall seek to be restored to their respective positions as of the date of the execution of this Agreement, and the Litigation shall proceed as if the Settlement had never been entered into.

## **X. OBJECTION PROCEDURE**

Any member of the Class who wishes to object to the Settlement must send a written objection to the Court no later than the Exclusion/Objection Deadline. For this purpose, the Court's mailing address is: Office of the Clerk, United States District Court, 450 Golden Gate Avenue, Box 36060, San Francisco, CA 94102-3489. The objection must set forth the name of the lawsuit (*McBurnie, et al. v. Acceptance Now*, Case No. 3:21-cv-01429-JD), and the Class Member's name, mailing address, and e-mail address (if any). The objection must also state whether the objecting Class Member intends to appear at the final approval hearing, and whether any such appearance will be made with or without counsel. In accordance with Federal Rule of Civil Procedure 23(e)(5), the objection must state whether it applies only to the objector, to a specific subset of the Class, or to the entire Class, and must also state with specificity the grounds for the objection. Class Counsel and RAC may respond to any objections, as appropriate, either in briefs filed in advance of the final approval hearing or at the final approval hearing.

## **XI. SETTLEMENT PAYMENTS**

A. There is no claims procedure. Provided that the Effective Date occurs, and unless the Court requires a different manner of distribution, each Participating Class Member shall be entitled to receive a share of the Net Settlement Amount determined as follows.

1. First, from the Net Settlement Amount, each Participating Class Member shall be entitled to receive the dollar amount charged by RAC for processing fees in connection with the Participating Class Member's Covered Transaction(s), as a distribution of actual damages or restitution.

2. Second, the remaining balance of the Net Settlement Amount will be distributed to those Participating Class Members who entered into one or more Statutory Damage Transactions, as a distribution of statutory damages. The Statutory Damage Amount for each Statutory Damage Transaction will be computed, solely for the purposes of this Agreement and not for purposes of any interpretation of the Karnette Act or otherwise, by multiplying the remaining balance of the Net Settlement Amount by a fraction, the numerator of which is 25% of the Total of Payments stated in the rental-purchase agreement for a Participating Class Member's Statutory Damage Transaction, subject to a minimum of \$100 and a maximum of \$1,000, and the denominator of which is the aggregate sum derived when applying that same formula (25% of the stated Total of Payments, subject to a minimum of \$100 and a maximum of \$1,000) to all Statutory Damage Transactions of all Participating Class Members combined.

B. For the avoidance of doubt, in no circumstance shall all Participating Class Members taken together receive more than the Net Settlement Amount, nor shall RAC pay more than the Settlement Amount plus the expenses of Class Notice and settlement administration.

C. After the Effective Date, the Settlement Administrator will provide Participating Class Members an opportunity to select whether to receive a settlement payment through an

electronic means (such as direct deposit/ACH, Venmo, PayPal, electronic debit card, and/or another form of electronic payment the Settlement Administrator deems appropriate). Class Members who do not select a method of payment will be sent a paper check.

D. If necessary to comply with IRS regulations, RAC shall provide the Settlement Administrator with a Participating Class Member's social security number or other taxpayer identification number, through a secure, encrypted process in consultation with the relevant RAC personnel, to the extent such information is in RAC's possession. Alternatively, the Settlement Administrator may require that a Participating Class Member provide his or her social security number, taxpayer identification number, and/or other information, if necessary to comply with IRS regulations. The settlement payment will be accompanied by a statement that the Participating Class Member should consult his or her tax advisor regarding the tax consequences of the settlement payment.

E. In the event any check is returned to the Settlement Administrator as undeliverable, or in the event any electronic payment is unable to be processed, the Settlement Administrator will attempt to contact the Participating Class Member by telephone or email or perform a "skip trace" to attempt to locate a current address or other relevant information necessary to re-issue payment.

F. Unless the Court orders otherwise, any check that is not negotiated within 90 days of its mailing by the Settlement Administrator will be void, and any portion of the Net Settlement Amount that remains in the Settlement Fund at the end of 120 days following the initial settlement payment distribution date will be paid out in a second distribution to those Participating Class Members who received a completed payment in the first distribution, unless the Settlement Administrator determines that a second distribution would not be economical. In any such second distribution, the Participating Class Members who received a completed payment in the first distribution will be entitled to receive an equal, pro rata share of the remaining Net Settlement

Amount. Subject to any further order of the Court, any portion of the Net Settlement Amount that remains in the Settlement Fund 90 days after the second distribution (or, if there is no second distribution, 120 days after the initial distribution) will be paid to one or more *cy pres* recipients proposed by the Parties and approved by the Court.

## **XII. ATTORNEYS' FEES AND LITIGATION EXPENSES**

Class Counsel have informed counsel for RAC that they intend to file a motion for an award of attorneys' fees of up to 33-1/3% of the Settlement Amount, and for reimbursement of litigation expenses of up to \$500,000, to be paid from the Settlement Amount. As soon as practicable following the Effective Date, the Settlement Administrator shall pay the Court-awarded attorneys' fees and litigation expenses to Class Counsel from the Settlement Amount, consistent with any order of the Court.

## **XIII. SERVICE PAYMENTS**

Class Counsel have informed counsel for RAC that they intend to file a motion requesting service payments to the Class Representatives, not to exceed Ten Thousand Dollars (\$10,000.00) in the aggregate, to be paid from the Settlement Amount. As soon as practicable following the Effective Date, the Settlement Administrator will pay any Court-awarded service payments from the Settlement Amount, consistent with any order of the Court.

## **XIV. RELEASE OF CLAIMS**

A. General Release by McBurnie and Spruell. Immediately upon the Effective Date, except for any right or obligation set forth in this Agreement, McBurnie and Spruell, each on behalf of themselves as well as their respective heirs, assigns, executors, administrators, successors, and agents, hereby release and discharge RAC Acceptance East, LLC, and all of its past, present, and future affiliated entities and all of its and their past, present and future officers, directors, employees, agents and/or owners (the "Released Parties") from any and all claims, causes of action, suits,

liabilities, damages (actual, statutory, exemplary, punitive, or otherwise), losses, controversies, penalties, costs, expenses, and attorneys' fees of any nature whatsoever, whether based on any law (including federal law, state law, common law, contract, rule, or regulation) or equity (restitution, disgorgement, injunctive relief or otherwise), whether known or unknown, actual or contingent, monetary or nonmonetary, that he or she has or may have against any of the Released Parties from the beginning of time through the date of this Agreement. Immediately upon the Effective Date, except for any right or obligation set forth in this Agreement, McBurnie and Spruell each waive to the fullest extent permitted by law, all provisions, rights and benefits of Section 1542 of the California Civil Code as against the Released Parties through the date of this Agreement, which section provides as follows:

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

B. McBurnie and Spruell each acknowledge and agree that the foregoing waiver was separately bargained for and is a key element of the Settlement, of which the release contained herein is a part. McBurnie and Spruell each acknowledge and is aware that they hereafter may discover facts different from or in addition to the facts which they or their attorneys now know or believe to be true with respect to the subject matter of this Settlement, but it is their intention to fully and finally release and settle all manner of liabilities and claims as described in this Settlement which exist or may exist as of the date of this Agreement. It is understood by McBurnie and Spruell that claims may exist in their favor against some Individual or organization released as provided in this Settlement, which are not presently known, suspected or understood by said party, and which, if known, suspected or understood by said party, would have materially affected the existence, form, or extent of the releases provided for in this Settlement. McBurnie and Spruell each agree their release set forth in this Settlement will be in all respects effective and not subject to termination,



rescission, alteration, or reformation as a result of or in connection with any such subsequently discovered facts or claims. In the event that any waiver of the provisions of Section 1542 of the California Civil Code or any similar law of the United States or any state or territory of the United States provided in the Settlement should be judicially determined by a court of competent jurisdiction in a final non-appealable ruling to be invalid, void or unenforceable for any reason, such waiver, to that extent and only to that extent, shall be severable from the remaining provisions of this Settlement, and the invalidity, voidability, or unenforceability of the waiver shall not affect the validity, effect, enforceability or interpretation of the remaining provisions of this Settlement.

C. Release of Claims. Immediately upon the Effective Date, all members of the Class who have not timely requested exclusion from the Settlement as provided herein, as well as their respective heirs, assigns, executors, administrators, successors, and agents, shall be deemed to release, resolve, relinquish, and discharge each and all of the Released Parties (as defined above) from each of the Released Claims (as defined below). For purposes of this paragraph, “Released Claims” means any and all claims, causes of action, suits, liabilities, damages (actual, statutory, exemplary, punitive, or otherwise), losses, controversies, penalties, costs, expenses, and attorneys’ fees of any nature whatsoever, whether based on any law (including federal law, state law, common law, contract, rule, or regulation) or equity (restitution, disgorgement, injunctive relief or otherwise), whether known or unknown, actual or contingent, monetary or nonmonetary, by the Participating Class Members that have been or could have been pled or alleged in this Litigation based upon the factual allegations set forth in the Complaint.

## **XV. POST-DISTRIBUTION ACCOUNTING**

A. Pursuant to the Northern District of California’s Procedural Guidance for Class Action Settlements, within twenty-one (21) days following the date that the settlement payments to the Participating Class Members become stale, the Parties will file with the Court a post-distribution

accounting with the Court. The Court may schedule a hearing following submission of the post-distribution accounting.

## **XVI. MISCELLANEOUS**

A. The Settlement represents a compromise of disputed claims, which RAC denies with respect to all allegations of liability, fault, or wrongdoing. Nothing in this Agreement constitutes an admission by any Party as to the validity of any claim or defense asserted in the Action or as to the merits or the propriety of class certification of any claims. There has been no legal or factual finding by the Court or otherwise as to the validity or invalidity of any Party's claims, defenses or allegations. The Parties have agreed to this Settlement to avoid the time, expense and risk to all Parties from continued litigation of this matter.

B. The Parties agree to cooperate fully with one another to effect the execution, implementation, and enforcement of this Agreement and to achieve the Settlement provided for herein.

C. This Agreement, including its exhibits, constitutes the entire agreement between the Parties concerning the subject matter hereof and supersedes all prior and contemporaneous negotiations and understandings between the Parties whether oral or written, expressed or implied. This Agreement and exhibits shall be construed as a whole, and with reference to one another, according to their fair meaning and intent. The Parties agree that the rule of construction that ambiguities in agreements must be construed against the drafting party will not apply in interpreting this Agreement or its exhibits.

D. The invalidity or unenforceability of any of the provisions contained in this Agreement shall not render invalid or unenforceable any of the other provisions of this Agreement. If any provision of this Agreement or the application thereof to any person, organization or circumstance shall to any extent be held by a court of competent jurisdiction in a final non-

appealable ruling to be invalid, void or unenforceable, the remainder of the provisions of this Agreement or the application thereof to any person, organization or circumstance shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

E. The Parties represent and warrant that they have not assigned or transferred in any manner, including by way of subrogation or operation of law or otherwise, any claims, suits, actions, causes of action, demands, liabilities, duties, obligations, rights, damages, benefits, costs, awards, loss of service, expenses and/or compensation released by such Party herein.

F. The Parties hereby agree to do such things and to execute such other and further documents, writings and/or instruments as may be necessary or convenient to the performance of this Agreement and/or to assure that its intent, purposes, and/or objects shall be fully and completely carried out.

G. The Parties have been represented by independent counsel of their own choice, and the settlement and releases referred to herein are an arm's length transaction.

H. Each Individual signing this Agreement warrants that he or she has the authority to sign the Agreement on behalf of the Party for which he or she signs and, if the signature is on behalf of a legal entity, that the entity has obtained all necessary authorizations under its organizational documents and under law to make this Agreement binding on the entity.

I. The Parties agree that this Agreement, and any and all disputes that arise from or in any way relate to this Agreement, shall be governed and interpreted and enforced in accordance with the laws of the State of California, but without regard to its law concerning conflict of laws.

J. This Agreement may be executed in counterparts.

K. Except as otherwise specifically provided for herein, each Party shall bear its own attorneys' fees, costs, and expenses in relation to the Litigation.

L. The U.S. District Court for the Northern District of California shall retain continuing and exclusive jurisdiction to interpret and enforce this Agreement.

IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: 8/4/2025

  
SHANNON MCBURNIE

Dated: \_\_\_\_\_

APRIL SPRUELL

Dated: \_\_\_\_\_

RAC ACCEPTANCE EAST, LLC

\_\_\_\_\_  
Bryan Pechersky  
Executive Vice President, General Counsel and  
Secretary

APPROVED AS TO FORM:

Dated: August 4, 2025

DOSTART HANNINK LLP

  
ZACH P. DOSTART  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

ALTSHULER BERZON LLP

\_\_\_\_\_  
MICHAEL RUBIN  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

SHOOK HARDY & BACON LLP

\_\_\_\_\_  
MATTHEW G. BALL  
Attorneys for Defendant

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Dated: \_\_\_\_\_

\_\_\_\_\_  
SHANNON MCBURNIE

Dated: 8/4/2025

April Spruell  
\_\_\_\_\_  
APRIL SPRUELL

Dated: \_\_\_\_\_

RAC ACCEPTANCE EAST, LLC

\_\_\_\_\_  
Bryan Pechersky  
Executive Vice President, General Counsel and  
Secretary

APPROVED AS TO FORM:

Dated: August 4, 2025

DOSTART HANNINK LLP

Zachary Paul Jostant  
\_\_\_\_\_  
ZACH P. DOSTART  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

ALTSHULER BERZON LLP

\_\_\_\_\_  
MICHAEL RUBIN  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

SHOOK HARDY & BACON LLP

\_\_\_\_\_  
MATTHEW G. BALL  
Attorneys for Defendant

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\_\_\_\_\_  
SHANNON MCBURNIE

Dated: \_\_\_\_\_

\_\_\_\_\_  
APRIL SPRUELL

Dated: August 4, 2025

\_\_\_\_\_  
RAC ACCEPTANCE EAST, LLC

  
Bryan Pechersky

Executive Vice President, General Counsel and  
Secretary

APPROVED AS TO FORM:

Dated: \_\_\_\_\_

\_\_\_\_\_  
DOSTART HANNINK LLP

\_\_\_\_\_  
ZACH P. DOSTART  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

\_\_\_\_\_  
ALTSHULER BERZON LLP

\_\_\_\_\_  
MICHAEL RUBIN  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

\_\_\_\_\_  
SHOOK HARDY & BACON LLP

\_\_\_\_\_  
MATTHEW G. BALL  
Attorneys for Defendant

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Dated: \_\_\_\_\_

\_\_\_\_\_  
SHANNON MCBURNIE

Dated: \_\_\_\_\_

\_\_\_\_\_  
APRIL SPRUELL

Dated: \_\_\_\_\_

RAC ACCEPTANCE EAST, LLC

\_\_\_\_\_  
Bryan Pechersky  
Executive Vice President, General Counsel and  
Secretary

APPROVED AS TO FORM:

Dated: \_\_\_\_\_

DOSTART HANNINK LLP

\_\_\_\_\_  
ZACH P. DOSTART  
Attorneys for Plaintiffs

Dated: 8/4/2025 \_\_\_\_\_

ALTSHULER BERZON LLP

\_\_\_\_\_  
*MICHAEL RUBIN*  
MICHAEL RUBIN  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

SHOOK HARDY & BACON LLP

\_\_\_\_\_  
MATTHEW G. BALL  
Attorneys for Defendant

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Dated: \_\_\_\_\_

\_\_\_\_\_  
SHANNON MCBURNIE

Dated: \_\_\_\_\_

\_\_\_\_\_  
APRIL SPRUELL

Dated: \_\_\_\_\_

RAC ACCEPTANCE EAST, LLC

\_\_\_\_\_  
Bryan Pechersky  
Executive Vice President, General Counsel and  
Secretary

APPROVED AS TO FORM:

Dated: \_\_\_\_\_

DOSTART HANNINK LLP

\_\_\_\_\_  
ZACH P. DOSTART  
Attorneys for Plaintiffs

Dated: \_\_\_\_\_

ALTSHULER BERZON LLP

\_\_\_\_\_  
MICHAEL RUBIN  
Attorneys for Plaintiffs

Dated: 8/4/2025

SHOOK HARDY & BACON LLP

*Matthew G. Ball*  
\_\_\_\_\_  
MATTHEW G. BALL  
Attorneys for Defendant



Dated: 8/4/2025

WOMBLE BOND DICKINSON (US) LLP

*Jeffrey D. Topor*

TOMIO B. NARITA  
JEFFREY TOPOR  
Attorneys for Defendant

Dated: \_\_\_\_\_

K&L GATES LLP

AMY WONG  
Attorneys for Defendant

1028147

Dated: \_\_\_\_\_

WOMBLE BOND DICKINSON (US) LLP

\_\_\_\_\_  
TOMIO B. NARITA  
JEFFREY TOPOR  
Attorneys for Defendant

Dated: 8/4/2025

K&L GATES LLP

*Amy Wong*  
\_\_\_\_\_  
AMY WONG  
Attorneys for Defendant

1028147

Exhibit A

**YOU MAY HAVE THE RIGHT TO RECEIVE MONEY FROM A  
CLASS ACTION SETTLEMENT UPON COURT APPROVAL**

**Notice of Class Action Settlement**

*McBurnie, et al. v. Acceptance Now, LLC*  
Case No. 3:21-cv-01429-JD  
U.S. District Court, Northern District of California

**Why am I receiving this Notice?** The purpose of this Notice is to provide information about a proposed settlement (“Settlement”) of a class action lawsuit pending in the U.S. District Court for the Northern District of California (the “Court”), *McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD (the “Lawsuit”).

**What is the Lawsuit about?** The Lawsuit alleges that defendant RAC Acceptance East, LLC (“RAC”) violated California law (including the Kernet Rental-Purchase Act, Cal. Civ. Code, § 1812.620 et seq.) by charging a \$45 processing fee when customers entered into a rental-purchase agreement. Rental-purchase agreements are also known as “rent-to-own” agreements. The Court has certified the “Class” defined as “All individuals who entered into a Rental-Purchase Agreement with RAC in California at any time between December 11, 2016 and June 30, 2021 and who were charged a processing fee.” RAC denies the claims in the Lawsuit and denies that it did anything wrong. There has been no legal or factual finding by the Court or otherwise as to the validity or invalidity of any Party’s claims, defenses, or allegations. The Parties have entered into the proposed Settlement to avoid the time, expense and risk to all Parties from continued litigation of this matter.

Based on RAC’s business records, the person identified on this Notice entered into at least one rental-purchase agreement with RAC in California between December 11, 2016, and June 30, 2021, and was charged a processing fee. As a result, you may be entitled to money under the terms of the proposed Settlement.

**What relief does the Settlement provide?** In exchange for a release of claims, RAC has agreed to pay the Settlement Amount of Fourteen Million Dollars (\$14,000,000) to resolve the claims of all Class Members, subject to Court approval.

**What are my options?** You have three options, which are described below.

**Option 1: Stay in the Settlement.** If you want to participate in the Settlement, you do not need to take any action. If the Settlement is given final Court approval and becomes effective, all Participating Class Members will be entitled to receive a settlement payment in accordance with the terms of the Settlement. “Participating Class Members” are those members of the Class who do not opt out of the Settlement. If the Settlement is approved and you are a Participating Class Member, you will receive any settlement payment via paper check, unless you elect to receive your payment electronically. You may select a method for transmittal of any settlement payment through the Settlement Website, which can also be accessed through the following link:

[\[Insert action button to submit payment method\]](#).

**Option 2: Exclude yourself from the Settlement.** If you do not want to be legally bound by the Settlement, you must exclude yourself (also called opt out) by <<Date>>. Any request for exclusion must set forth the Class Member’s name, mailing address, and e-mail address (if any), along with the statement “I wish to be excluded from the *McBurnie v. RAC* settlement” or words to that effect. Any request for exclusion must be personally signed by each person requesting exclusion. So-called “mass” or “class” opt-outs shall not be allowed. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than <<Date>>. If the request for exclusion is returned by U.S. mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will

be the date the request for exclusion is actually received by the Settlement Administrator. Those Class Members who submit timely requests for exclusion will be referred to as “Excluded Class Members.” Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement. Requests for exclusion can be mailed or delivered to the Settlement Administrator, as follows: *McBurnie v. RAC* Settlement Administrator, c/o [Settlement Administrator], [address]; email: [redacted]@[redacted].com. A judgment in the action will bind all Class Members who do not timely request exclusion. You may not both receive a settlement payment and submit a letter requesting to be excluded from this Settlement.

**Option 3: Object to the Settlement.** If you want the Court to deny approval of the Settlement, you must file a written objection by <<Date>>. All written objections and supporting papers must (a) clearly identify the case name and number (*McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD), (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, Box 36060, San Francisco, CA 94102-3489, and (c) be filed or postmarked on or before <<Date>>. The objection must also state whether the objecting Class Member intends to appear at the Final Approval Hearing, and whether any such appearance will be made with or without counsel. In accordance with Fed. R. Civ. P. 23(e)(5), the objection must state whether it applies only to the objector, to a specific subset of the Class, or to the entire Class, and must also state with specificity the grounds for the objection.

**When is the Final Approval Hearing?** The Court will hold a hearing on <<Date>> at <<Time>> to consider whether to approve the Settlement and whether to approve a request by the lawyers representing the Class for attorneys’ fees and costs, and for service awards to the Class Representatives. You may appear at the hearing, but you are not required to. The hearing date may change without further notice to the Class, so please confirm with the Settlement Website at [www.\[redacted\].com](http://www.[redacted].com).

**More information?** This notice summarizes the proposed Settlement. For complete information about the Settlement and its terms and key deadlines, to view the Long Form Class Notice, Settlement Agreement, and related Court documents, and to learn more about how to exercise your various options under the Settlement and access the Court docket in this case, for a fee, go to [www.\[redacted\].com](http://www.[redacted].com). You may also email the Settlement Administrator at [redacted]@[redacted].com or call 1-8xx-xxx-xxxx or email Class Counsel at [RAClawsuitinfo@sdlaw.com](mailto:RAClawsuitinfo@sdlaw.com).

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE  
TO INQUIRE ABOUT THIS SETTLEMENT**

# Exhibit B

***McBurnie, et al. v. Acceptance Now, LLC***  
*c/o [Settlement Administrator]*  
*[Mailing Address]*  
*[State, City Zip]*

PRESORTED  
First Class  
U.S. Postage  
PAID

[SA] ID: <ID>  
<Name>  
<Address1> <Address2>  
<City>, <State>, <Zip>

## YOU MAY HAVE THE RIGHT TO RECEIVE MONEY FROM A CLASS ACTION SETTLEMENT UPON COURT APPROVAL

Notice of Class Action Settlement  
*McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD  
U.S. District Court, Northern District of California

**Why am I receiving this Notice?** Based on RAC Acceptance East, LLC's ("RAC") business records, the person identified on this Summary Notice entered into at least one rental-purchase agreement with RAC at a kiosk operated by RAC under the "Acceptance Now" tradename in California between December 11, 2016, and June 30, 2021, and was charged a processing fee. As a result, you may be entitled to money under the terms of a proposed class action settlement.

**What is the Lawsuit about?** The Lawsuit alleges that RAC violated California law (including the Karnette Rental-Purchase Act, Cal. Civ. Code, § 1812.620 et seq.) by charging the processing fee mentioned above. RAC denies the claims in the Lawsuit and denies that it did anything wrong.

**What relief does the Settlement provide and when is the Final Approval Hearing?** RAC has agreed to pay the Settlement Amount of Fourteen Million Dollars (\$14,000,000), subject to Court approval. There has been no legal or factual finding by the Court or otherwise as to the validity or invalidity of any Party's claims, defenses, or allegations. The Parties have agreed to the proposed Settlement to avoid the time, expense and risk to all Parties from continued litigation of this matter. The Court will hold a hearing on <<Date>> at <<Time>> to consider whether to approve the Settlement and a request by the lawyers representing the Class for attorneys' fees and costs, and for service awards to the Class Representatives. You may appear at the hearing, but you are not required to. The hearing date may change without further notice to the Class, so please confirm with the Settlement Website at [www.sdlaw.com](http://www.sdlaw.com).

**What are my options?** "Participating Class Members" are those members of the Class who do not opt out of the Settlement. *If you want to participate in the Settlement, you do not need to take any action.* If the Settlement is given final Court approval and becomes effective, all Participating Class Members will be entitled to receive a settlement payment in accordance with the terms of the Settlement. If you are a Participating Class Member, you may select a method for transmittal of any settlement payment through the Settlement Website. *If you do not want to be legally bound by the Settlement, you must exclude yourself (also called opt out) by <<Date>>.* The Long Form Class Notice, which is available on the Settlement Website, explains how to exclude yourself from the Settlement. If you exclude yourself from the Settlement, you will not receive any compensation from the Settlement, but you will retain whatever legal rights you may have against RAC. Any judgment entered by the Court will bind all Class Members who do not request exclusion. *If you stay in the Settlement, you may object to it by <<Date>>.* The Long Form Class Notice, which is available on the Settlement Website, explains how to object. The Court can only approve or deny the Settlement and cannot change its terms. If the Court denies approval, no settlement payments will be sent out, and the Lawsuit will continue.

**More information?** This notice summarizes the proposed Settlement. For complete information about the Settlement and its terms and key deadlines, to view the Long Form Class Notice, Settlement Agreement, and related Court documents, and to learn more about how to exercise your various options under the Settlement, go to [www.sdlaw.com](http://www.sdlaw.com). You may also email the Settlement Administrator at [sdlaw@sdlaw.com](mailto:sdlaw@sdlaw.com) or call 1-8xx-xxx-xxxx or email Class Counsel at [RAClawsuitinfo@sdlaw.com](mailto:RAClawsuitinfo@sdlaw.com).

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT



# Exhibit C

## **NOTICE OF CLASS ACTION SETTLEMENT**

*McBurnie, et al. v. Acceptance Now, LLC*  
Case No. 3:21-cv-01429-JD  
U.S. District Court, Northern District of California

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A PROPOSED CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.**

The purpose of this Notice is to provide information about a proposed settlement (“Settlement”) of a class action lawsuit pending in the U.S. District Court for the Northern District of California (the “Court”), *McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD (the “Lawsuit”).

This Notice explains: (1) what the Lawsuit is about; (2) the main terms of the Settlement; and (3) Class Members’ rights and options under the Settlement. A full version of the Settlement Agreement, other important documents, and information about key deadlines are available at [www.settlementwebsite.com](http://www.settlementwebsite.com) (the “Settlement Website”).

### **I. What the Lawsuit Is About**

The Lawsuit alleges that RAC Acceptance East, LLC (“RAC”) violated California law by charging a \$45 processing fee to customers who entered into rental-purchase agreements at kiosks operated by RAC in California under the “Acceptance Now” tradename. Rental-purchase agreements are also known as “rent-to-own” agreements. Specifically, the Lawsuit alleges that by charging the processing fee, RAC violated the Karmette Rental-Purchase Act, Cal. Civ. Code § 1812.620, et seq., the Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq., and the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq. The Court has certified the “Class” defined as:

All individuals who entered into a Rental-Purchase Agreement with RAC Acceptance East, LLC in California at any time between December 11, 2016 and June 30, 2021 and who were charged a processing fee.

Excluded from the Class are all current employees of RAC, all current employees of Plaintiffs’ counsel, and the judicial officers to whom this action is assigned and each such judicial officer’s current spouse, minor children, and court staff, and any person, or the spouse of a person, who is within a third degree of relationship to such judicial officer or to the judicial officer’s spouse. Individuals within the foregoing Class definition are referred to as “Class Members.”

The named plaintiffs in the Lawsuit are Shannon McBurnie and April Spruell. The Court has appointed them as Class Representatives and has appointed the law firms of Dostart Hannink LLP and Altshuler Berzon LLP as Class Counsel.

The parties have exchanged detailed information about the claims, defenses, and alleged damages in the Lawsuit. After lengthy settlement negotiations overseen by an independent mediator, the parties have reached a proposed Settlement that, if approved by the Court, will resolve the claims asserted against RAC. The Class Representatives and Class Counsel believe the Settlement is fair, reasonable, and in the best interests of the Class. In entering into the Settlement, RAC continues to deny any and all allegations of liability, fault, or wrongdoing asserted in the Lawsuit. There has been no legal or factual finding by the Court or otherwise as to the validity or invalidity of any Party’s claims, defenses or

allegations. The Parties have agreed to this Settlement to avoid the time, expense and risk to all Parties from continued litigation of this matter.

On <<Date>>, the Court preliminarily approved the Settlement, designated Rust Consulting as the Settlement Administrator, and authorized and directed this Notice to be posted on the Settlement Website to provide information about the Lawsuit and the Settlement.

## **II. The Main Terms of the Settlement**

Subject to Court approval, the main terms of the Settlement are as follows:

1. Settlement Amount. In full and complete settlement of the claims of the Class Members who do not exclude themselves, RAC will pay the principal amount of Fourteen Million Dollars (\$14,000,000.00) (the “Settlement Amount”). The Settlement Amount, plus any interest thereon, will be used to pay Class Counsel’s attorneys’ fees and litigation expenses (as approved by the Court), any service payments that the Court may award to the Class Representatives, and settlement payments to Participating Class Members.

2. Notice to Class Members. In addition to the posting of this Notice on the Settlement Website, the Settlement Administrator is providing a Summary Class Notice to Class Members as follows. No later than twenty-eight (28) days after of an order granting preliminary approval, the Settlement Administrator will email the Court-approved Summary Class Notice to the last-known email address of each Class Member, as reflected in the Class List. For individuals with respect to whom the Class List does not contain an email address, the Settlement Administrator will send a copy of the Summary Class Notice to the individual’s last-known mailing address, to the extent that information is available in the Class List, via first class U.S. mail, postage pre-paid. Prior to such mailing, the Settlement Administrator will run the Class Members’ last-known addresses through the U.S. Postal Service’s National Change of Address (“NCOA”) database and update the Class List as appropriate. The date on which the email and mail notice is disseminated to Class Members is referred to as the “Notice Date.” Thereafter, if any emails to Class Members are “bounced back” so as to indicate that the email address is not valid, the Settlement Administrator will mail a copy of the Summary Class Notice to the individual’s last-known mailing address, to the extent that information is available in the Class List, via first class U.S. mail, postage pre-paid.

3. Right to Request Exclusion from the Settlement. Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. mail, email, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator. Any request for exclusion must set forth the Class Member’s name, mailing address, and e-mail address (if any), along with the statement “I wish to be excluded from the *McBurnie v. RAC* settlement” or words to that effect. Any request for exclusion must be personally signed by each person requesting exclusion. So-called “mass” or “class” opt-outs shall not be allowed. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than <<Date>>. If the request for exclusion is returned by U.S. mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will be the date the request for exclusion is actually received by the Settlement Administrator. Those Class Members who submit timely requests for exclusion will be referred to as “Excluded Class Members.” Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement. Requests for exclusion can be mailed or delivered to the Settlement Administrator, as follows: *McBurnie v. RAC* Settlement Administrator, c/o [Settlement Administrator], [address]; email: [email address]@.com. A judgment in the action will bind all Class Members who do not timely

request exclusion. You may not both receive a settlement payment and submit a letter requesting to be excluded from this Settlement.

4. Right to Object to the Settlement. Any Class Member who wishes to object to the Settlement must send a written objection to the Court no later than <<Date>>. 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 reject the Settlement. If the Court denies approval, no settlement payments will be sent out, and the Lawsuit will continue. If that is what you want to happen, you should object. Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD), (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, Box 36060, San Francisco, CA 94102-3489, and (c) be filed or postmarked on or before <<Date>>. The objection must also state whether the objecting Class Member intends to appear at the Final Approval Hearing, and whether any such appearance will be made with or without counsel. In accordance with Federal Rule of Civil Procedure 23(e)(5), the objection must state whether it applies only to the objector, to a specific subset of the Class, or to the entire Class, and must also state with specificity the grounds for the objection. Class Counsel and RAC will respond to any objections, as appropriate, either in briefs filed in advance of the Final Approval Hearing or at the Final Approval Hearing.

5. Settlement Payments to Participating Class Members. If the Court grants final approval, and after the time for any appeal has lapsed or an appeal is finally resolved affirming the Settlement (referred to as the "Effective Date"), after deduction of any Court-approved attorneys' fees, litigation expenses, and service payments, the remaining amount ("Net Settlement Amount") will be distributed to the Participating Class Members. For purposes of this paragraph, a "Covered Transaction" means a rental-purchase agreement entered into in California between December 11, 2016 and June 30, 2021, inclusive, for which the customer paid a processing fee, as reflected in documents produced by RAC; and a "Statutory Damage Transaction" is a Covered Transaction for which the rental-purchase agreement was entered into between December 11, 2019, and June 30, 2021, inclusive. Provided that the Effective Date occurs, and unless the Court requires a different manner of distribution, each Participating Class Member will be entitled to receive a share of the Net Settlement Amount determined as follows: (a) First, from the Net Settlement Amount, each Participating Class Member will be entitled to receive the dollar amount paid to RAC for processing fees in connection with the Participating Class Member's Covered Transaction(s), as a distribution of actual damages or restitution; and (b) second, the remaining balance of the Net Settlement Amount will be distributed to those Participating Class Members who entered into one or more Statutory Damage Transactions, as a distribution of statutory damages. The Statutory Damage Amount for each Statutory Damage Transaction will be computed, solely for the purposes of this Settlement and not for purposes of any interpretation of the Karmette Act or otherwise, by multiplying the remaining balance of the Net Settlement Amount by a fraction, the numerator of which is 25% of the Total of Payments stated in the rental-purchase agreement for a Participating Class Member's Statutory Damage Transaction, subject to a minimum of \$100 and a maximum of \$1,000, and the denominator of which is the aggregate sum derived when applying that same formula (25% of the stated Total of Payments, subject to a minimum of \$100 and a maximum of \$1,000) to all Statutory Damage Transactions of all Participating Class Members combined. The minimum amount a Participating Class Member will receive is \$45 (the processing fee for a single Covered Transaction). If

a Participating Class Member entered into more than one Covered Transaction, the Participating Class Member will receive a monetary distribution for each such Covered Transaction. As soon as practicable after the Effective Date of the Settlement, the Settlement Administrator will transmit to each Participating Class Member a payment representing that person's settlement payment. Participating Class Members will be notified of the opportunity to select whether to receive their settlement payment in the form of an electronic payment such as Venmo, direct deposit/ACH, PayPal, or another electronic method the Settlement Administrator deems effective. Participating Class Members who do not select a payment method will be sent a paper check.

6. Attorneys' Fees and Litigation Expenses. Class Counsel will file a motion for an award of attorneys' fees of up to 33-1/3% of the Settlement Amount, and for reimbursement of litigation expenses not exceeding \$500,000, to be paid from the Settlement Amount. All amounts awarded shall be determined by the Court.

7. Service Payments. Class Counsel will file a motion requesting service payments to the Class Representatives, to be paid from the Settlement Amount, not to exceed Ten Thousand Dollars (\$10,000) in the aggregate. All amounts awarded shall be determined by the Court.

8. Release. Class Members who do not exclude themselves from the Settlement will be deemed to release all of the claims described in this paragraph. Upon the Effective Date, the release will encompass any and all claims, causes of action, suits, liabilities, damages (actual, statutory, exemplary, punitive, or otherwise), losses, controversies, penalties, costs, expenses, and attorneys' fees of any nature whatsoever, whether based on any law (including federal law, state law, common law, contract, rule, or regulation) or equity (restitution, disgorgement, injunctive relief or otherwise), whether known or unknown, actual or contingent, monetary or nonmonetary, by the Participating Class Members that have been or could have been pled or alleged in this Litigation based upon the factual allegations set forth in the Complaint. The release will operate in favor of RAC and RAC's past, present, and future affiliated entities and all of their past, present and future officers, directors, employees, agents and/or owners.

### **III. Final Approval Hearing**

The Court will hold a hearing on <<Date>> at <<Time>> to determine whether the Settlement should be finally approved and to rule on Class Counsel's motion for award of attorneys' fees, reimbursement of litigation expenses, and service payments. The Court is located at 450 Golden Gate Avenue, Courtroom 11, 19th Floor, San Francisco, California 94102. The hearing may be continued without further notice to the Class. If you plan to attend the Final Approval Hearing, it is advised that you check the Settlement Website or the Court's Public Access to Court Electronic Records (PACER) system (as detailed below) to confirm that the date has not been changed. **YOU ARE NOT REQUIRED TO ATTEND THE HEARING, BUT YOU MAY IF YOU CHOOSE.**

### **IV. For More Information**

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement and other important documents and information, including key deadlines, available on the Settlement Website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov), by contacting the Settlement Administrator or Class Counsel (as detailed below), by accessing the Court docket in this case, for a fee, through the Court's PACER system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the U.S. District Court for the Northern District of California, at 450 Golden Gate Avenue, 16th Floor, San Francisco, California 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. If visiting the Court, you may review the pleadings

and other papers filed in the Lawsuit by accessing the PACER system on one of the public terminals at the Clerk's Office, or, alternatively, the Clerk's Office staff will print e-filed documents from the electronic filing system for a charge of \$.10 per page.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S  
OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.**

If you have questions about the Settlement, please contact the Settlement Administrator or Class Counsel, as follows:

Settlement Administrator

[Name, Address, Contact Information]

Class Counsel

Dostart Hannink LLP  
4225 Executive Square, Suite 600  
La Jolla, CA 92037  
Tel. (858) 623-4265  
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