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PLAN OF ALLOCATION

Each Settlement Payment will be comprised of (1) a Base Payment Amount, (2) *plus* a Supplemental Payment Amount, (3) *minus* the Settlement Class Member’s share of any Fee Award, incentive awards to the Class Representatives, and Settlement Administration Expenses. No Class Member will recover more than their Lifetime Spending Amount; in the event that a Settlement Payment would exceed a Class Member’s Lifetime Spending Amount, any amount in excess of the Class Member’s Lifetime Spending Amount will be distributed *pro rata* to all Class Members whose Settlement Payment does not exceed their Lifetime Spending Amount.

1. Base Payment Amounts.

Base Payment Amounts will be calculated by applying an escalating marginal recovery formula to the Settlement Class Member’s Lifetime Spending Amount through and including [the date of Preliminary Approval], with the portion of the Settlement Class Member’s spending attributable to Platform Provider fees (fixed for settlement purposes as 30% of each Settlement Class Member’s lifetime spending) discounted by 75%.

Settlement Class Members will be subject to an escalating marginal recovery formula based on the percentages described in Figure 1 below.

Figure 1

Lifetime Spend (\$)	Marginal Rate (%)
.01-1,000	10
1,000.01-10,000	17.5
10,000.01-100,000	30
100,000.01+	60

By way of example, an individual with a Lifetime Spending Amount of \$40,000 will be entitled to a Base Payment Amount of \$8,273.12, calculated as: ((10% of their first \$1,000 in

1 spending [\$100]) + (17.5% of their next \$9,000 in spending ([\$1,575])) + (30% of their next
 2 \$30,000 in spending [\$9,000])) * (1 – (75% * 30%)).

3 **2. Supplemental Payment Amounts.**

4 Supplemental Payment Amounts will be calculated on a *pro rata* basis and will depend
 5 on Settlement Class Member participation rate in the Settlement. Upon the close of the claims
 6 period, the sum of all unclaimed Base Payment Amounts will be considered the Supplemental
 7 Payment Fund. The Supplemental Payment Fund will be apportioned *pro rata* to each Settlement
 8 Class Member who submitted a valid claim, based on the participating Settlement Class
 9 Member’s Base Payment Amount. For example, if valid claims total \$6 million in Base Payment
 10 Amounts (*i.e.*, 50% of the Gross Settlement Fund), then the Supplemental Payment amount of a
 11 Settlement Class Member whose Base Payment Amount was \$8,273.12 would likewise be
 12 \$8,273.12 (for a Gross Payment Amount of \$16,546.24). Gross Payment Amounts are subject to
 13 the deductions described in Section (3).

14 In the event that a Settlement Payment when initially calculated would exceed a Class
 15 Member’s Lifetime Spending Amount, any amount in excess of the Class Member’s Lifetime
 16 Spending Amount will be distributed *pro rata* to all Class Members whose Settlement Payment
 17 does not exceed their Lifetime Spending Amount. If all Class Members’ Settlement Payments
 18 would exceed their Lifetime Spending Amounts, then the remaining Settlement Fund shall be
 19 distributed *pro rata*. For the avoidance of doubt, no Class Member will recover more than their
 20 Lifetime Spending Amount unless *all* Class members do.

21 Regardless of Settlement Class Member participation rates, the sum of Base Payment
 22 Amounts and Supplemental Payments Amounts will equal the Settlement Fund (\$12 million.)

23 **3. Fee Award, Incentive Awards, and Settlement Administration Expenses.**

24 Settlement Payment Amounts will be a Settlement Class Member’s Base Payment
 25 Amount plus their Supplemental Payment Amount, minus their share of any Fee Award,
 26
 27
 28

1 Incentive Awards, and Settlement Administration Expenses, anticipated not to exceed 30% of the
2 Settlement Amount.

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