

SUPERIOR COURT FOR THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

Ivo Kolar v. CSI Financial Services LLC dba ClearBalance, Case No. 37-2021-00030426

If You are a Customer of CSI Financial Services LLC dba ClearBalance a Class Action Settlement May Affect Your Rights. ClearBalance services loans made to finance medical expenses.

***A State Court authorized this Notice. You are not being sued.
This is not a solicitation from a lawyer.***

- A Settlement has been reached in a class action lawsuit against CSI Financial Services LLC dba ClearBalance (“ClearBalance” or “Defendants”) for a data security incident that occurred between March 8, 2021 and April 26, 2021 when unauthorized users gained access to the email accounts of two ClearBalance employees most likely from a successful phishing attack (the “Data Security Incident”).
- The lawsuit is called *Ivo Kolar v. CSI Financial Services LLC dba ClearBalance* (Case No. 37-2021-00030426) (the “Action”) and is pending in the Superior Court of the State of California in the County of San Diego. The lawsuit asserts claims related to the Data Security Incident. The Settlement does not establish who is correct, but rather is a compromise to end the lawsuit.
- Your legal rights are affected regardless of whether you act or do not act. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	This is the only way you may receive benefits from this Settlement. The deadline to submit a Claim Form is November 24, 2022 .
EXCLUDE YOURSELF FROM THE SETTLEMENT	You will receive no payment, but you will retain any rights you currently have with respect to Defendants and the issues in this case. You may download an exclusion form at www.ClearBalanceClassActionSettlement.com . The deadline to exclude yourself from the Settlement is November 9, 2022 .
OBJECT TO THE SETTLEMENT	Write to the Court explaining why you do not agree with the Settlement. The deadline to object is November 9, 2022 .
ATTEND THE FINAL APPROVAL HEARING	You or your attorney may attend and speak about your objection at the Final Approval Hearing. The Final Approval Hearing will be held on January 20, 2023 at 9:30 a.m.
DO NOTHING	You will not get a benefit from the Settlement and you will give up certain legal rights. You will remain in the Class and be subject to the Release.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice. For complete details, please see the Settlement Agreement, whose terms control, available at www.ClearBalanceClassActionSettlement.com.
- The Court in charge of this case still has to decide whether to approve the Settlement. No Settlement benefits or payments will be provided unless the Court approves the Settlement and it becomes final.

BASIC INFORMATION

1. What is this Notice and why should I read it?

The Court authorized this Notice to inform you about a proposed Settlement with ClearBalance. You have legal rights and options that you may act on before the Court decides whether to approve the proposed Settlement. You may be eligible to receive a cash payment as part of the Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Kenneth J. Medel of the Superior Court of the State of California for the County of San Diego is overseeing this class action. The case is called *Ivo Kolar v. CSI Financial Services LLC dba ClearBalance*, (Case No. 37-2021-00030426).

Named Plaintiffs and Class Representatives are Ivo Kolar and Michael Miller. Defendants are CSI Financial Services LLC dba ClearBalance. Additional Plaintiffs include Ronald Maloney, Travis Holmes, Scott Moore, Joseph Franklin, and Brooke Roberts-Gooden.

2. What is a class action lawsuit?

A class action is a lawsuit in which one or more plaintiffs—in this case, Ivo Kolar, Michael Miller, Ronald Maloney, Travis Holmes, Scott Moore, Joseph Franklin, and Brooke Roberts-Gooden—sue on behalf of a group of people who have similar claims. Together, this group is called a “Class” and consists of “Class Members.” In a class action, the court resolves the issues for all class members, except those who exclude themselves from the class.

THE CLAIMS IN THE LAWSUIT AND THE SETTLEMENT

3. What is this lawsuit about?

Plaintiffs claim that Defendants failed to implement and maintain reasonable security measures to protect customer Personal Identifying Information (“PII”) in its possession, in order to prevent the Data Security Incident from occurring.

Defendants deny they are liable for the claims made in the lawsuit. More information about the complaint in the lawsuit can be found in the “Court Documents” section of the Settlement Website at www.ClearBalanceClassActionSettlement.com.

4. Why is there a Settlement?

The Court has not decided whether the Plaintiffs or Defendants should win this case. Instead, both sides agreed to this Settlement. That way, they can avoid the uncertainty, risks, and expense of ongoing litigation, and Settlement Class Members will be eligible to get compensation now rather than years later—if ever. The Class Representatives and attorneys for the Settlement Class Members, called Class Counsel, agree the Settlement is in the best interests of the Settlement Class Members. The Settlement is not an admission of wrongdoing by the Defendants.

WHO’S INCLUDED IN THE SETTLEMENT?

5. How do I know if I am in the Settlement Class?

You are part of the Settlement as a Settlement Class Member if your Personal Identifying Information or PII (as defined in the Settlement) was subject to the Data Security Incident. You may also be part of the California Sub-Class if you were a California resident, as confirmed by having a California address on file in Defendant’s business records at the time of the Data Security Incident. PII may include an individual’s name, tax ID, Social Security number, date of birth, other government-issued ID, telephone number, healthcare account number and balance, date

of service, ClearBalance loan number and balance, personal banking information, clinical information, health insurance information, and/or a full-face photographic image.

Settlement Class Members will have been emailed or mailed notice of their eligibility (including from info@ClearBalanceClassActionSettlement.com, and Settlement Class membership will be verified against that list. If you are still not sure whether you are included, you can contact the Settlement Administrator by calling 1-844-999-2066, by emailing info@ClearBalanceClassActionSettlement.com, or by visiting the website www.ClearBalanceClassActionSettlement.com.

This Settlement Class does not include (a) any Judge assigned to this Action and members of their immediate families; (b) Defendants, Defendant's subsidiaries, parent companies, successors, predecessors, and any entity in which Defendants have a controlling interest, and any of their current or former officers, directors, employees, representatives, managers, members, and any other person acting for or on behalf of Defendants; (c) persons who properly execute and file a timely request for exclusion from the Settlement Class.

THE SETTLEMENT BENEFITS

6. What does the Settlement provide?

California Cash Payment: Class Members who had a California address on file in ClearBalance's business records at the time of the Data security incident and who received notice of the Data Security Incident are eligible to receive \$100.00 under the Settlement relating to allegations that Defendants violated the California Consumer Privacy Act, Cal. Civ. Code §§ 1798.100, *et seq.* (the "CCPA"). To be eligible Class Members **MUST** complete Part II of the Claim Form entitled "Class Member Contact Information."

Reimbursement for Out-of-Pocket Expenses, Extraordinary Losses and Time Spent: If you suffered documented financial losses that are fairly traceable to the Data Security Incident you may be eligible to receive compensation for Out-of-Pocket Expenses and/or Extraordinary Losses and/or Time Spent.

- A. **Out-of-Pocket Expenses** may include: (1) costs incurred on or after March 8, 2021, associated with accessing or freezing/unfreezing credit reports with any credit reporting agency; (2) other miscellaneous expenses incurred related to any Out-of-Pocket Losses, such as notary, fax, postage, copying, mileage, and long-distance telephone charges; and (3) credit monitoring or other mitigative costs that were incurred on or after March 8, 2021. The maximum payment for any claim for Out-of-Pocket Expenses is \$1,100.
- B. **Extraordinary Losses** are losses incurred on or after March 8, 2021, as a result of identity theft as a result of the Data Security Incident. Extraordinary Losses may include falsified tax returns, false claims for government benefits, false claims for medical treatment. Examples of what can be used to prove Out-of-Pocket Expenses and/or Extraordinary Losses include receipts, account statements, etc. The maximum payment for any claim for Extraordinary Losses is \$5,000.
- C. **Time Spent** A claim for Out-of-Pocket Expenses and/or Extraordinary Losses may also include a claim for up to 3 hours of time spent remedying identity theft or fraud, including misuse of personal information, credit monitoring or freezing credit reports, and/or other issues related to the Data Security Incident. Time Spent will be compensated at \$22.50/hour and requires a brief description of (1) the action taken in response to the Data Security Incident, and (2) the time associated with each action. The maximum payment for any claim for Time Spent is \$67.50.

Losses are fairly traceable to the Data Security Incident if (i) they occurred on or after March 8, 2021, (ii) involved misuse of the type of personal information inadvertently disclosed in the Data Security Incident, and (iii) the Settlement Administrator determines it is fairly traceable to the Data Security Incident. Proof of loss must be submitted **WITH** the Claim Form and may include receipts, account statements, etc.

If the amount of losses claimed by all Settlement Class Members meets or exceeds \$2,650,000, then the payment for your Claim may be reduced *pro rata* by the Settlement Administrator so that the aggregate value of all payments does not exceed this amount.

Identity Theft and Credit Monitoring: All Settlement Class Members who timely submit a claim for identity theft protection shall automatically be offered, free of charge to the Class Member, two (2) years of the Identity Theft Protection Package from the date of activation.

Remedial Measures: Defendants have also agreed to implement additional data security measures as part of the Settlement. For complete details, please see the Settlement Agreement, whose terms control, available at www.ClearBalanceClassActionSettlement.com.

HOW TO GET BENEFITS

7. How do I make a Claim?

To qualify for a Settlement benefit, you must complete and submit a Claim Form.

Settlement Class Members who want to submit a Claim must fill out and submit a Claim Form online at www.ClearBalanceClassActionSettlement.com or by mail to the Settlement Administrator. Claim Forms are only available through the Settlement website at www.ClearBalanceClassActionSettlement.com.

Claims will be subject to a verification process. You will need the Unique Claim Number provided with your Notice to fill out a Claim Form. **All Claim Forms must be submitted no later than November 24, 2022.**

8. When will I get my payment?

The hearing to consider the fairness of the Settlement is scheduled for **January 20, 2023 at 9:30 a.m.** If the Court approves the Settlement, eligible Settlement Class Members whose claims were approved by the Settlement Administrator will be sent payment within approximately 45 days after all appeals and other reviews, if any, are completed. Please be patient. Eligible claims will be paid to Class Members electronically unless a Settlement Class Member chooses to receive payment by written check.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

Yes, the Court has appointed Timothy G. Blood of Blood Hurst & O'Reardon, LLP and David Lietz of Milberg Coleman Bryson Phillips Grossman, PLLC as "Co-Lead Class Counsel." The Court has also appointed Abbas Kazerounian and Mona Amini from Kazerouni Law Group, APC; William Federman from Federman & Sherwood; Terrence R. Coates from Markovits, Stock & DeMarco; M. Anderson Berry from Clayco C. Arnold, APC; and Rachele R. Byrd from Wolf, Haldenstein, Adler, Freeman & Herz LLP as "Class Counsel."

Should I get my own lawyer?

You don't need to hire your own lawyer because Class Counsel are working on your behalf. These lawyers and their firms are experienced in handling similar cases. You will not be charged for these lawyers. You can ask your own lawyer to appear in Court for you at your own expense if you want someone other than Class Counsel to represent you.

10. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees, costs, and expenses that will be paid by or on behalf of Defendants. Class Counsel will not seek more than seven hundred and fifty thousand dollars (\$750,000.00) in

QUESTIONS? CALL 1-844-999-2066 TOLL-FREE OR VISIT WWW.CLEARBALANCECLASSACTIONSETTLEMENT.COM

attorneys' fees, costs, and expenses. Class Counsel will also request a Service Award of two thousand five hundred dollars (\$2,500.00) for each of the Plaintiffs. The Court will determine the proper amount of any attorneys' fees, costs, and expenses to award Class Counsel and the proper amount of any Service Awards to Plaintiffs. The Court may award less than the amounts requested.

YOUR RIGHTS AND OPTIONS

11. What claims do I give up by participating in this Settlement?

If you do not exclude yourself from the Settlement, you will not be able to sue Defendants about the issues in this Action, and you will be bound by all decisions made by the Court in this case, the Settlement, and its included Release. This is true regardless of whether you submit a Claim Form. You can read the Settlement Agreement on www.ClearBalanceClassActionSettlement.com. However, you may exclude yourself from the Settlement (*see* Question 14). If you exclude yourself from the Settlement, you will not be bound by any of the Released Claims.

“Released Claims” means any and all claims or causes of action alleged in the Action or which could have been alleged in the Action relating to the Data Security Incident regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including all claims under the California Consumer Privacy Act (CCPA), Cal. Civ. Code §§ 1798.100, *et seq.*, the California Confidentiality of Medical Information Act (CMIA), Cal. Civ. Code §§ 56, *et seq.*, and the California Unfair Competition Law (UCL), Cal. Bus. & Prof. Code §§ 17200, *et seq.*, as well as any and all claims, causes of action, damages, penalties, attorneys' fees, costs, and any other form of relief or remedy in law, equity, of whatever kind or nature and for any relief whatsoever, including monetary, injunctive, or declaratory relief, whether direct or indirect, whether under federal law or the law of any state, local law and/or regulation, which the Plaintiffs or any Settlement Class Member has against Defendants or the Released Parties that were pled or could have been pled reasonably arising out of the same set of operative facts alleged in the Action that were pled or could have been pled in the Action.

12. What happens if I do nothing at all?

If you do nothing, you will receive no payment under the Settlement for any losses incurred from the Data Security Incident. You will be in the Settlement Class, and if the Court approves the Settlement, you will also be bound by all orders and judgments of the Court, the Settlement, and its included Release. You will be deemed to have participated in the Settlement and will be subject to the provisions of Section 11 above. Unless you exclude yourself, you won't be able to file a lawsuit or be part of any other lawsuit against Defendants for the claims or legal issues resolved in this Settlement.

13. What happens if I ask to be excluded?

If you exclude yourself from the Settlement, you will receive no benefits or payment under the Settlement. However, you will not be in the Settlement Class and will not be legally bound by the Court's judgments related to the Settlement Class and Defendants in this class action.

14. How do I ask to be excluded?

You can ask to be excluded from the Settlement. To do so, you must send a letter or exclusion form to the Settlement Administrator stating that you want to be excluded from the Settlement in *Ivo Kolar v. CSI Financial Services LLC dba ClearBalance* (Case No. 37-2021-00030426). Your letter must include (1) your full name and current address; (2) a statement that you wish to be excluded from the Settlement Class; and (3) your signature. You must mail your exclusion request, **postmarked no later than November 9, 2022**, to the following address:

ClearBalance Settlement Administrator
Attn: Exclusions
P.O. Box 58220
Philadelphia, PA 19102

You cannot exclude yourself by phone or email. Any individual who wants to be excluded from the Settlement must submit his or her own exclusion request. No group opt-outs shall be permitted.

A form to exclude yourself from the Settlement, also called opting-out of the Settlement, will be made available on the Settlement Website at www.ClearBalanceClassActionSettlement.com.

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

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims being resolved by this Settlement even if you do nothing.

16. If I exclude myself, can I get anything from this Settlement?

No. If you exclude yourself, do not submit a Claim Form to ask for a payment.

17. How do I object to the Settlement?

If you do not exclude yourself from the Settlement Class, you can object to the Settlement if you do not agree with any part of it. You can give reasons why you think the Court should deny approval by filing an objection. To object, you must file written notice with the Settlement Administrator stating that you object to the Settlement in *Ivo Kolar v. CSI Financial Services LLC dba ClearBalance* (Case No. 37-2021-00030426). Your objection must be mailed and **postmarked no later than November 9, 2022**.

The objection must be in writing and be personally signed by you. The objection must include: (i) your full name, current address, and current telephone number; (ii) documentation sufficient to establish membership in the Settlement Class, such as a copy of the Class Notice you received; (iii) a statement of the position(s) you wish to assert, including the factual and legal grounds for the position; (iv) copies of any other documents you wish to submit in support of your position; (v) whether you intend to appear at the Final Approval Hearing; (vi) whether you are represented by counsel and if so, the name, address, and telephone number of your counsel; and (vii) all other cases in which you (directly or through counsel) have filed an objection to any proposed class action settlement, including the case name, court, and docket number for each.

In addition to mailing your objection to the Settlement Administrator, you must also mail copies of your objection and any supporting documents to both Class Counsel and Defendants' lawyers at the addresses listed below, **postmarked no later than November 9, 2022**:

Co-Lead Class Counsel	Defense Counsel
Timothy G. Blood BLOOD, HURST & O'REARDON LLP 501 West Broadway, Suite 1490 San Diego, CA 92101 and David Lietz MILBERG COLEMAN BRYSON PHILLIPS GROSSMAN, PLLC 5335 Wisconsin Avenue NW, Suite 440 Washington, D.C. 20015-2052	Jon Kardassakis LEWIS, BRISBOIS, BISGAARD & SMITH, LLP 633 West 5th Street, Suite 4000 Los Angeles, CA 90071

Class Counsel will file their request for attorneys' fees, costs, and expenses and Service Awards for Plaintiffs with the Court, which will also be posted on the Settlement Website, at www.ClearBalanceClassActionSettlement.com.

18. What's the difference between objecting and excluding myself from the Settlement?

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

THE COURT'S FAIRNESS HEARING

19. When and where will the Court hold a hearing on the fairness of the Settlement?

The Court will hold the Final Approval Hearing on **January 20, 2023 at 9:30 a.m.** at the San Diego Courthouse, 330 West Broadway, San Diego, California 92101, Department C-66. The purpose of the hearing is for the Court to determine whether the Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class. At the hearing, the Court will hear any objections and arguments concerning the fairness of the proposed Settlement, including those related to the amount requested by Class Counsel for attorneys' fees, costs, and expenses and the Service Award to Plaintiffs.

Note: The location, date and time of the Final Approval Hearing are subject to change by Court order. Any changes will be posted at the Settlement Website, www.ClearBalanceClassActionSettlement.com, or through the Court's publicly available docket. You should check the Settlement Website to confirm the date and time have not been changed.

20. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to attend the hearing at your own expense. If you send an objection, you don't have to come to Court to talk about it. If your written objection was filed or mailed on time and meets the other criteria described in the Settlement the Court will consider it. However, you may appear on your behalf or pay a lawyer to attend on your behalf to assert your objection if you would like.

21. May I speak at the hearing?

Yes. If you do not exclude yourself from the Settlement Class, you (or your attorney) may appear and speak at the Final Approval Hearing concerning any part of the proposed Settlement.

GETTING MORE INFORMATION

22. Where can I get additional information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement, which is available at www.ClearBalanceClassActionSettlement.com or by writing to ClearBalance Settlement Administrator, 1650 Arch St, Suite 2210, Philadelphia, PA 19103.

23. How do I get more information?

Go to www.ClearBalanceClassActionSettlement.com call 1-844-999-2066, email info@ClearBalanceClassActionSettlement.com or write to ClearBalance Settlement Administrator, 1650 Arch St, Suite 2210, Philadelphia, PA 19103.

PLEASE DO NOT CALL THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR THE DEFENDANT WITH QUESTIONS ABOUT THE SETTLEMENT OR CLAIMS PROCESS.