

SETTLEMENT AGREEMENT AND RELEASE

Class Representative Tony N. Taylor, individually and on behalf of the proposed Settlement Classes defined below, and Defendant Inflection Risk Solutions, LLC (“Inflection” or “Defendant”) hereby enter into this Settlement Agreement to resolve this proposed class action.

On April 28, 2022, the Parties signed a binding terms sheet after participating in two mediation sessions. Prior to April 28, 2022, the Parties exchanged significant written discovery and engaged in extensive arms-length negotiations. The Parties also exchanged detailed mediation statements setting forth their positions on the alleged merits of the Class Representative’s claims, the prospects for class certification, and their views on an appropriate settlement. This Settlement Agreement memorializes the terms of the Parties’ agreement.

I. DEFINITIONS

1. Agreement or Settlement means this Settlement Agreement and Release.
2. Claim Deadline means the date the Court establishes as the deadline by which Nationwide Inaccurate Offense Characterization Class Members Not Entitled to Autopay Claimants must submit a valid Claim Form to the Settlement Administrator. The Parties shall jointly request that this date shall be sixty (60) days after the initial mailing or emailing of notice.
3. Claim Form means the form attached hereto as Exhibit C.
4. Class Counsel means Berger Montague PC and Goolsby Law Office, LLC.
5. Class List means a list of all members of the Settlement Classes, to be

provided by Defendant to the Settlement Administrator not more than thirty (30) days after the Court enters a preliminary approval order. The Class List provided by Defendant to the Settlement Administrator only shall include, to the extent available, full names and last known addresses, email addresses, and dates of birth, in Excel or another agreed-upon format. Defendant shall differentiate on the Class List between (i) Deemed Misdemeanor Class Members, (ii) Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members, and (iii) Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members. Information produced as part of the Class List shall be used solely to locate Settlement Class Members for the purpose of sending notice of this Settlement and settlement checks. The Parties agree that the Defendant designates the Class List as Confidential and the contact information in the Class List will be kept strictly confidential by the Settlement Administrator and the Settlement Administrator will only use the Class List and any information contained therein for the purpose of effectuating the provisions of this Agreement, and shall not otherwise use or disclose such information, including disclosure to Class Counsel.

6. Class Representative means Plaintiff Tony Taylor or any other class representative approved by the Court, along with Tony Taylor's and any other Class Representative's heirs, agents, beneficiaries, executors, estates, administrators, successors, and assigns.

7. Complaint means the operative complaint in the Litigation, which is the Second Amended Class Action Complaint (ECF No. 56).

8. Court means the United States District Court for the District of Minnesota.

9. Deemed Misdemeanor Class means the following:

All natural persons on whom Defendant published a consumer report from October 12, 2018 to July 13, 2021 where:

- 1) the consumer had a Minnesota criminal conviction for which the imposition of a sentence was stayed pursuant to Minn. Stat. § 609.135;
- 2) the conviction was deemed a misdemeanor pursuant to Minn. Stat. § 609.13, prior to the date on which Defendant prepared the consumer report, with probation being discharged;
- 3) the consumer report indicated that the offense level was felony; and
- 4) the consumer report did not indicate that the conviction was deemed a misdemeanor.

The Parties presently believe that the Deemed Misdemeanor Class contains approximately 994 members. This number is an approximation and the Parties agree that minor changes to same may occur as the Class List is prepared. Such changes will not materially impact the settlement except as set forth in Paragraph 78.

10. Notice means the notices attached hereto as Exhibits B and D, subject to Court approval, which the Settlement Administrator will mail and email (if available) to each Class Member. However, the Claim Form portion of Exhibit B shall only be mailed to Nationwide Class Members Not Entitled to Autopay.

11. Defendant or Released Parties means Defendant Inflection Risk Solutions, LLC and all of Defendant's corporate affiliates, including predecessors, successors, and assigns, and its and their current and former employees, agents, representatives, shareholders, officers, directors, members, managers, subcontractors, attorneys, insurers, subsidiaries, divisions, parent companies, holding companies or affiliated corporations, partnerships, limited liability companies, or other organizations.

12. Defense Counsel means Henry M. Perlowski, Megan P. Mitchell, and T.

Chase Ogletree of Arnall Golden Gregory LLP.

13. Effective Date means the first business day after the first date on which all of the following have occurred:

- a. this Agreement has been executed by the Parties;
- b. the Court has issued a preliminary approval order;
- c. reasonable notice has been given to Settlement Class Members, including providing them an opportunity to opt out of, or object to, the Settlement;
- d. The Court has held a fairness hearing, entered a Final Approval Order approving the Settlement, awarded the Class Representative any service payment, and entered an order awarding attorneys' fees and costs;
- e. Class Counsel has given notice to Defense Counsel and the Settlement Administrator that they do not intend to appeal any award of attorneys' fees and costs; and
- f. Only if there are written objections filed before the fairness hearing and those objections are not later withdrawn or if Class Counsel appeals the award of attorneys' fees and costs, the last of the following events to occur:
 - i. if no appeal or reconsideration motion is filed, then the date on which the time to appeal or reconsider the Final Approval Order and/or Final Judgment has expired with no appeal or any other judicial review having been taken or sought; or
 - ii. if an appeal or reconsideration of the Final Approval Order and/or Final Judgment has been timely filed or other judicial review was taken or sought,

the date that order is finally affirmed by an appellate court with no possibility of subsequent appeal or other judicial review or the date the appeals or any other judicial review are finally dismissed with no possibility of subsequent appeal or other judicial review.

It is the intention of the Parties that the Settlement shall not become effective until the Court's Final Approval Order and/or Final Judgment has become completely final and until there is no timely recourse by an appellant or objector who seeks to contest the Settlement.

14. Final Approval Order and/or Final Judgment means the Court's order(s) granting final approval of this Settlement. The Parties will provide the Court with a proposed Final Approval Order substantially in the form of Exhibit G.

15. Litigation means this lawsuit, styled as *Taylor v. Inflection Risk Solutions, LLC*, No. 0:20-cv-02266-PAM-JFD (D. Minn.).

16. Long Form Notice means the notice attached hereto as Exhibit E, which shall be posted on the Settlement Website.

17. Nationwide Inaccurate Offense Characterization Class means the following:

All natural persons on whom Defendant published a consumer report from October 12, 2018 to September 29, 2021, where:

- 1) Defendant's report listed a criminal offense;
- 2) Defendant's report characterized the offense as "offense class: violence"; and
- 3) the description of the crime on Defendant's report does not involve a violent act against another person, or a threatened violent act towards another person. A list of offenses the Parties have agreed satisfy this criterion (3) for purposes of this Agreement is attached hereto as **Exhibit A**.

The Nationwide Inaccurate Offense Characterization Class does not include

people who were convicted of a crime involving a possession of a weapon and where the underlying elements of the crime involve violence or threatened violence towards another person or where the state law of the jurisdiction defines the possession of a weapon as a crime of violence.

Those members of the Nationwide Inaccurate Offense Characterization Class who (a) had no other non-traffic offense on their report; (b) disputed the inclusion of an offense labeled as “violent” on their report; or (c) had no adverse action taken and no other offense labeled as “violent” on their report shall be the Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members.

The remaining Nationwide Inaccurate Offense Characterization Class Members (those who are not one of the Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members) shall be the Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members.

The Parties presently believe that the Nationwide Inaccurate Offense Characterization Class contains approximately 38,916 individuals. This number is an approximation and the Parties agree that minor changes to same may occur as the Class List is prepared. Such changes will not materially impact the settlement except as set forth in Paragraph 78.

18. Nationwide Inaccurate Offense Characterization Class Members Not Entitled to Autopay Claimants means those Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members who submit a valid and timely Claim Form according to the process set forth in Paragraphs 45-51 and who do not opt out.

19. Net Settlement Fund means the amount of money remaining after the Settlement Amount is reduced by the following amounts, as approved by the Court: (a) the service payment to the Class Representative; (b) reasonable attorneys’ fees and costs to Class Counsel; and (c) the fees of the Settlement Administrator.

20. Deemed Misdemeanor Class Fund means the portion of the Settlement Amount allocated for the Deemed Misdemeanor Class which is \$747,000.00.

21. Nationwide Inaccurate Offense Characterization Class Fund means the portion of the Settlement Amount allocated for the Nationwide Inaccurate Offense Characterization Class which is \$3,253,000.00.

22. Net Deemed Misdemeanor Settlement Fund means the Settlement Amount apportioned to the Deemed Misdemeanor Class Fund after deductions for Court-approved amounts for (a) the service payment to Class Representative; (b) reasonable attorneys' fees and costs to Class Counsel; and (c) the fees of the Settlement Administrator.

23. Net Nationwide Inaccurate Offense Characterization Settlement Fund means the Settlement Amount apportioned to the Nationwide Inaccurate Offense Characterization Fund after deductions for Court-approved amounts for (a) the service payment to Class Representative; (b) reasonable attorneys' fees and costs to Class Counsel; and (c) the fees of the Settlement Administrator.

24. Opt-Out & Objection Deadline means the date the Court establishes as the deadline by which Settlement Class Members must mail and postmark a written notice of their intent to opt out of the Settlement and by which objections to the preliminarily approved Settlement must be filed with the Court. The Parties shall jointly request that this date shall be sixty (60) days after the initial mailing or emailing of notice.

25. Parties means the Class Representative and Defendant.

26. Preliminary Approval Order means the proposed order to be submitted to the court with the motion for preliminary approval, substantially in the form of Exhibit F.

27. Released Claims means all claims resulting from, arising out of, or relating to claims that were brought or could have been brought in the operative complaint that relate in any way to any background report issued by Defendant about the Class Representative and/or Class Members during the applicable class periods, and including all claims, damages, and/or attorneys' fees and costs that any Class Member had or now has under the FCRA and/or similar state and local laws and/or common law (including, without limitation, claims for defamation, libel and/or slander), including, without limitation, all claims resulting from, arising out of, or relating to the reporting of Minnesota convictions that had been deemed misdemeanors under Minnesota law or the reporting of offenses classified as "offense class: violence."

28. Settlement Administrator means a third-party settlement administrator that will be chosen by Class Counsel—after soliciting competitive bids and subject to Defendant's consent, which shall not be unreasonably withheld—to administer the Settlement.

29. Settlement Amount means \$4,000,000.00, which shall be the total amount from which the Class Representative and Settlement Class Members will be paid, and from which all out-of-pocket costs of settlement administration will be paid, and from which Class Counsel's attorneys' fees, costs, and expenses and Class Representative's service payment, if approved by the Court, will be paid. Defendant will pay the Settlement Amount into a common fund, which shall be established and maintained by the Settlement Administrator as a Qualified Settlement Fund for federal tax purposes pursuant to Treas. Reg. § 1.468B-1. The Settlement Administrator, on behalf of the Settlement Classes, shall

be responsible for all administrative, accounting and tax compliance activities in connection with the Qualified Settlement Fund, including any filing necessary to obtain Qualified Settlement Fund status pursuant to Treas. Reg. § 1.468B-1. Defendant shall provide to the Settlement Administrator any documentation necessary to facilitate obtaining Qualified Settlement Fund status. In no event shall Defendant be required to pay any additional sum for the settlement of this matter other than the specified Settlement Amount.

30. Settlement Classes means the Deemed Misdemeanor Class and the Nationwide Inaccurate Offense Characterization Class, collectively.

31. Settlement Class Member means any individual who is a member of either or both of the Settlement Classes who does not file a timely and valid written notice of intent to opt out by the Opt-Out & Objection Deadline.

32. Settlement Website means an interactive website to be established and maintained by the Settlement Administrator, at a URL to be agreed upon by the Parties, and as described below in Paragraph 52.

II. RELIEF AND BENEFITS

A. RELIEF

33. In exchange for the release of claims described below, Defendant shall pay the Settlement Amount of \$4,000,000.00, which shall be distributed in accordance with Paragraph 35 below.

34. The Settlement Amount shall represent the full extent of Defendant's financial obligations under this Settlement Agreement. Defendant reserves the right to void

any settlement agreement where any court orders payment of an amount in excess of the Settlement Amount or otherwise enters any order that would or could require Defendant to do so. There shall be no reversion to Defendant from the Settlement Amount under any circumstance.

35. Distribution of Net Settlement Fund to Settlement Class Members. Of the Settlement Fund, \$747,000.00 shall be apportioned to the Deemed Misdemeanor Class Fund and \$3,253,000.00 shall be apportioned to the Nationwide Inaccurate Offense Characterization Class Fund.

Deemed Misdemeanor Class Members who do not opt out shall be entitled to a pro rata share of the Net Deemed Misdemeanor Class Settlement Fund.

Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members who do not opt out do not need to submit a Claim Form to receive a payment. Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members must submit a Claim Form to receive a payment. The entire Net Nationwide Inaccurate Offense Characterization Class Settlement Fund shall thus be distributed pro rata to: (i) Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members who do not opt out; and (ii) Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Claimants.

Individuals who are members of both the Deemed Misdemeanor Class and the Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members will receive amounts due to both Settlement Classes. Individuals who are members of both the Deemed Misdemeanor Class and the Nationwide Inaccurate Offense Characterization Not

Entitled to Autopay Class Members who do not submit a valid and timely Claim Form will receive the amount due to the Deemed Misdemeanor Class only.

36. Service Payment to Class Representative. Class Counsel will petition the Court for a service award of \$7,500.00 for the Class Representative in this Litigation. In a manner consistent with these limitations and applicable law, Defendant shall not oppose the request. If approved by the Court, this service payment will be paid to the Class Representative by the Settlement Administrator at the same time that checks are issued to the Settlement Class Members. By signing this Agreement, the Parties warrant the Class Representative's service payment was negotiated only after the Settlement Amount and method of distribution to Settlement Class Members had been agreed upon. Should the Court decline to approve any requested payment, or reduce such payment, the Settlement shall still be effective.

37. Attorneys' Fees and Costs. Class Counsel may apply to the Court for an award of fees and costs to be paid from the Settlement Amount. The application for attorneys' fees shall be in an aggregate sum not to exceed one-third of the Settlement Amount. Costs shall be paid in addition to attorneys' fees in the amount in which they were or are incurred by Class Counsel and are approved for reimbursement by the Court. By signing this Agreement, the Parties warrant that Class Counsel's attorneys' fees and costs were negotiated only after the amount of the Settlement Amount and method of distribution to Settlement Class Members had been agreed upon. Should the Court decline to approve any requested payment, or reduce such payment, the Settlement shall still be effective, and the remainder of sought fees shall remain in the Settlement Fund for distribution to

Settlement Class Members, subject to Class Counsel's right to appeal the fee award.

38. Settlement Administrator's Expenses. Class Counsel shall apply to the Court for the costs of the Settlement Administrator to be paid from the Settlement Amount. Such costs may include the cost associated with sending CAFA Notice. Defendant and Class Counsel shall receive no portion of the Settlement Amount in connection with settlement administration.

Defendant shall advance \$60,000 of the Settlement Amount to the Settlement Administrator within seven (7) days of the preliminary approval order being entered for purposes of effectuating Notice to the Settlement Classes.

39. Redistribution. Settlement Class Members who elect paper checks shall have 90 days after checks are mailed to negotiate their checks. If a Class Member does not elect a paper check and receives payment via PayPal but does not have a PayPal account, the Class Member will receive notifications from both PayPal and the Settlement Administrator informing the Class Member that the Class Member has 30 days to claim the PayPal account associated with their email address and receive their payment. To the extent that there are any remaining amounts left in the Net Settlement Fund, including but not limited to those resulting from any uncashed or returned checks, thirty (30) days following the later of the close of the check-negotiation and period to claim payments made through PayPal, the Settlement Administrator shall distribute any remaining amounts in the Net Settlement Fund as an additional payment to each Settlement Class Member who cashed his or her original paper check or received payment through a valid PayPal account in the amount of at least \$35, accounting for the reasonable costs of administration of the

redistribution. However, the total amount any Class Member can receive, including the initial payment and any redistribution payment, shall be capped at \$599.99. Should redistribution be infeasible or should the amount to be redistributed be such that it would cause Class Members to receive more than \$599.99, the Settlement Administrator shall donate any residual amounts left in the Net Settlement Fund to Public Justice as a *cy pres* recipient, subject to Court approval. No amount of the Net Settlement Fund shall revert to Defendant under any circumstance.

40. Taxes. The Settlement Administrator on Defendant's behalf will issue to each Settlement Class Member who received and cashed their settlement check, an IRS Form 1099 if required by law and within the time required by law.

III. NOTICE AND RELATED PROCESSES; CLAIM, OBJECTION, AND OPT-OUT REQUIREMENTS.

41. The Parties agree that the Settlement Administrator shall serve notice of the settlement on Defendant's behalf that meets the requirements of Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1715 on the appropriate federal and state officials no later than ten (10) days after the filing of this Settlement Agreement with the Court.

42. Within twenty-one (21) days of receiving the Class List from Defendant, the Settlement Administrator shall send the Notices to all individuals on the Class List by both mail (to all Class Members for whom the Settlement Administrator has a mailing address) and email (to all Class Members for whom the Settlement Administrator has an email address).

43. Prior to mailing, the Settlement Administrator shall update any mailing

addresses provided by Defendant and will use appropriate tools to locate postal mailing addresses for Settlement Class Members who do not have a postal mailing address provided by Defendant. The Settlement Administrator shall use the National Change of Address database and any appropriate proprietary software or databases to verify and/or update the mailing addresses.

44. Should any mailed notice be returned as undeliverable or returned with a forwarding address, the Settlement Administrator shall re-mail the notice to the forwarding address and, if no forwarding addresses was provided, utilize any other legally available database for the purpose of finding new addresses and re-mailing.

45. Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members shall have the opportunity to submit a claim for monetary relief using a Court-approved Claim Form as detailed below. The content of the Parties' proposed Claim Form is attached as Exhibit C. The Claim Form may also be made available electronically through the Settlement Website.

46. Twenty-one (21) days prior to the Claim Deadline, the Settlement Administrator shall send a reminder mail and email notice to any Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members who have not yet submitted a valid Claim Form and to any Settlement Class Member with a valid email address who has not yet elected to receive a check in lieu of a payment issued through PayPal.

47. A Claim Form shall be valid only if all information requested on it has been provided, and it has been sent in such a manner to the Settlement Administrator that it is

received by, or postmarked by, the Claim Deadline. Additionally, Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members must check the box on the Claim Form to attest that the labeling of their offense as “Offense class: violence” caused them harm (including emotional distress).

48. Claim Forms that do not meet the requirements set forth in the Claim Form instructions shall be rejected. Where a good faith basis exists, the Settlement Administrator may reject a Settlement Class Member’s Claim Form for the following:

- (a) Failure to fully complete and/or sign the Claim Form;
- (b) Illegible Claim Form;
- (c) The person submitting the Claim Form is not a Settlement Class Member;
- (d) The Claim Form is fraudulent;
- (e) The Claim Form is duplicative of another Claim Form;
- (f) The person submitting the Claim Form requests that payment be made to a person or entity other than the Settlement Class Member for whom the Claim Form is submitted;
- (g) Failure to submit a Claim Form by the Claim Deadline; and/or
- (h) The Claim Form otherwise does not meet the requirements of this Settlement Agreement or any Preliminary Approval Order.

49. The Settlement Administrator shall determine whether a Claim Form meets the requirements set forth in this Agreement or any Preliminary Approval Order. Each Claim Form shall be submitted to and reviewed by the Settlement Administrator, who shall determine the extent, if any, to which the Claim Form shall be allowed.

50. The Settlement Administrator shall have thirty (30) days from the Claim Deadline to exercise the right of rejection. The Settlement Administrator shall notify the Settlement Class Member of the rejection using the contact information provided in the Claim Form. Class Counsel and Defense Counsel shall be provided with copies of all such notifications to Settlement Class Members. If any Settlement Class Member whose Claim Form has been rejected, in whole or in part, desires to cure the deficiency or contest such rejection, the Settlement Class Member must, within ten (10) days from receipt of the rejection, transmit to the Settlement Administrator by email or U.S. mail either a cured Claim Form or a notice and statement of reasons indicating the grounds for contesting the rejection, along with any supporting documentation, and requesting further review by the Settlement Administrator, in consultation with Class Counsel and Defense Counsel, of the denial of the Claim Form. If Class Counsel and Defense Counsel cannot agree on a resolution of the Settlement Class Member's notice contesting the rejection, the disputed Claim Form shall be presented to Lou Peterson, the Parties' mediator (the "Mediator"), for summary and non-appealable resolution.

51. No person shall have any claim against Defendant, Defense Counsel, the Class Representative, Class Counsel, the Mediator, the Settlement Class, and/or the Settlement Administrator based on any eligibility determinations, distributions, or awards made in accordance with this Agreement. This provision does not affect or limit in any way the right of review by the Court or Mediator of any disputed Claim Forms as provided in this Agreement.

52. The Settlement Administrator shall cause the Settlement Website to "go live"

on the date that the Notices are emailed and/or mailed. The Settlement Website shall:

- a. Contain the content on Exhibits B-E, including the Long Form Notice;
- b. Be interactive;
- c. Provide Settlement Class Members with an opportunity to update their contact information and elect to receive a mailed check for a settlement payment or to change the email address through which payment will be issued through PayPal;
- d. Contain copies of the pleadings in this Litigation, including the operative Complaint, this Agreement, and copies of any orders issued by the Court in connection with this Settlement;
- e. Allow Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Class Members to submit Claim Forms;
- f. Direct individuals to the toll-free number established by the Settlement Administrator for Settlement Class Member inquiries;
- g. Absent agreement by the Parties, not be taken down until eight (8) months following the Effective Date;
- h. Be updated as appropriate regarding developments in the Litigation, such as the establishment of new deadlines by the Court or the filing of an appeal.

53. The Settlement Administrator shall provide toll-free phone support via Interactive Voice Recognition (“IVR”) with an opportunity to leave a voice message for all questions related to the Settlement from the date notices are mailed pursuant to Paragraph 42 for a period of no less than thirty (30) days following the date that all checks mailed to Settlement Class Members expire. Class Counsel shall have an ongoing

responsibility to respond to Settlement Class Member inquiries in circumstances where the Settlement Administrator is unable to do so.

A. OBJECTION AND OPT-OUT REQUIREMENTS

54. Right to Opt Out. All members of the Settlement Classes will have the right to be excluded from, *i.e.*, to “opt out” of, the Settlement Classes. On or before the Opt-Out Deadline, each individual on the Class List who elects to opt out of the Settlement must send, by first-class U.S. mail, written notice addressed to the Settlement Administrator indicating their name, address, and signature, stating that they desire to opt out of the Settlement or otherwise do not want to participate in the Settlement. Any Settlement Class Member who does not timely (as measured by the postmark on that individual’s written notice) opt out of the Settlement by written notice correctly directed to the Settlement Administrator and containing the requisite information shall remain a member of the Settlement Classes and shall be bound by any orders of the Court about the Settlement or the Settlement Classes. In no event shall Settlement Class Members who purport to opt out of the Settlement as a group, aggregate, collective, or class involving more than one Settlement Class Member be considered a successful or valid opt out. Any Settlement Class Member who fails to timely and validly opt out of the Settlement Classes under this Settlement Agreement shall be bound by the terms of this Settlement. If more than five percent (5%) of Class Members of either Settlement Class opt out, Defendant may in its sole discretion exercise its right to void the Settlement. If Defendant timely chooses to nullify the Settlement, this Agreement will be vacated, rescinded, cancelled, and annulled, and the Parties will return to the status quo ex ante, as if they had not entered into this

Settlement, and then shall promptly address, in good faith, the then necessary progression of remaining deadlines associated with the Litigation. In that event, the Settlement and all negotiations and proceedings related to the Settlement (including but not limited to any information provided or exchanged during the Settlement process or to facilitate or execute the Settlement or Settlement approval process) will be without prejudice of the rights of the Parties, and evidence of the Settlement, negotiations, and proceedings related to the Settlement will be inadmissible and will not be discoverable. The Class Representative, Class Counsel, Defendant, and Defense Counsel agree not to solicit opt outs, directly or indirectly, through any means.

55. Objections. Any Settlement Class Member who wishes to object to the Settlement must not opt out of the Settlement and must file a timely written statement of objection with the Clerk of the Court, and mail a copy of that objection with the requisite postmark to the Settlement Administrator no later than the Objections Deadline. The Settlement Administrator shall transmit the objection to Class Counsel and Defense Counsel promptly, no later than within three (3) business days of receipt. The objection must state the case name and number; the basis for and an explanation of the objection; the name, address, telephone number, and email address of the Settlement Class Member making the objection; and a statement of whether the Settlement Class Member intends to appear at the fairness hearing, either with or without counsel. In addition, any objection must be personally signed by the Settlement Class Member and, if represented by counsel, then by counsel. Any Settlement Class Member who fails to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed

from making any objections, whether by appeal or otherwise, to the Settlement. No Settlement Class Member shall be entitled to contest in any way the approval of the terms and conditions of this Agreement or the Court's Final Approval Order and/or Final Judgment except by filing and serving written objections in accordance with the provisions of this Agreement.

56. Class Counsel and Defendant agree that no payments or other consideration shall be provided to any objector or to counsel for any objector to the Settlement in connection with the objector withdrawing an objection, foregoing the right to appeal an objection, or withdrawing an appeal unless such payment is disclosed to and approved by the Court.

B. CLASS CERTIFICATION PURSUANT TO SETTLEMENT ONLY

57. The Parties stipulate to class certification for purposes of settlement only, and only as to the precise terms as set forth in this Agreement. Defendant contends that the facts do not justify class certification under the governing legal standards absent Settlement; should the Settlement not be approved by the Court, or should the Settlement not proceed for any other reason, Defendant specifically reserves its right to contest a future motion for class certification. The Court has not ruled on class certification in the underlying Litigation. Consequently, the Parties will request approval of the Settlement Classes for purposes of administration and resolution of this Litigation only. Such request is not, and it should not be, construed as any admission of fact or law in this Litigation or any other matter that class certification is appropriate. If the Court does not grant either preliminary or final approval of this Settlement as presented to the Court in this Agreement,

and the Settlement is not effectuated in any other jurisdiction, then the Parties agree to revert to their previous positions and Defendant will not stipulate to class certification, and specifically denies the appropriateness thereof. For settlement purposes only, however, Defendant agrees that the Settlement Classes as defined above may be certified. Furthermore, the Parties agree that all rights of Defendant to compel arbitration of the claims of any Settlement Class Member are expressly preserved and not waived, and may be asserted, in the event that the Court does not grant either preliminary or final approval of the Settlement.

IV. RELEASE OF CLAIMS

58. Settlement Class Release. On the Effective Date of this Settlement Agreement, for the Settlement Classes' benefit and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Class Representative and Class Counsel, all Settlement Class Members who have not timely and properly opted out of the Settlement Classes and each of such Settlement Class Member's respective executors, representatives, heirs, successors, bankruptcy trustees, guardians, wards, agents, and assigns, and all those who claim through them or who assert claims on their behalf, fully and forever release, waive, acquit, and forever discharge the Released Parties from the Released Claims. The Class Representative and the Class Members specifically waive the right or ability to bring or participate in a class action, mass action, representative, or other similar joint or collective claim that includes the Released Claims. The Parties agree that the payments made hereunder are meant to compensate Settlement Class Members for all harms incurred as a result of the allegations set forth in or that could

have been set forth in the Complaint. It is expressly intended and understood by the Parties that this Settlement Agreement is to be construed as a complete settlement, accord, and satisfaction of the Settlement Class Members' Released Claims. Further, the Parties will jointly request the Court to enter an order of approval of the Settlement containing a bar order as to all claims at issue in this Litigation as set out below in Paragraph 60, which is an order barring any Settlement Class Member from initiating any further litigation, including any class litigation, for the Released Claims.

59. California Civil Code Section 1542. As of the Effective Date, the Class Representative and each Settlement Class Member shall further automatically be deemed to have waived and released any and all provisions, rights, and benefits conferred by § 1542 of the California Civil Code and any and all provisions, rights, and benefits conferred by the law of any state or territory of the United States or principle of common law which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

60. Bar to Future Suits. Upon entry of the Final Approval Order and/or Final Judgment, the Class Representative and Settlement Class Members shall be enjoined from prosecuting any claim they have released in Paragraphs 58 and/or 59 as applicable in any proceeding against the Released Parties or based on any actions taken by Defendant that are authorized or required by this Agreement or by the Final Approval Order and/or Final Judgment. It is further agreed that the Final Approval Order and/or Final Judgment herein

may be pleaded as a complete defense to any proceeding subject to this section.

61. Class Representative's Release. On the Effective Date of this Settlement Agreement, for the payments described in Section II.A, for the Settlement Classes' benefits, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Class Representative, the Class Representative releases include all past, present, and future claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or liabilities, of any nature and description whatsoever, known or unknown, existing or potential, recognized now or hereafter, expected or unexpected, pursuant to any theory of recovery (including, but not limited to, those based in contract or tort, common law or equity, federal, state, or local law, statute, ordinance, or regulation, and for claims for compensatory, consequential, punitive or exemplary damages, statutory damages, penalties, interest, attorneys' fees, costs, or disbursements against the Released Parties, including unknown claims covered by California Civil Code section 1542, as quoted in Paragraph 59, by Class Representative relating to or arising out of in any way their relationship with, or prospective relationship with, or contact otherwise with Defendant, to the date on which the Court enters the preliminary approval order, for any type of relief that can be released as a matter of law, including, without limitation, claims for damages, penalties (including civil and waiting time penalties), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief. The claims released pursuant to this Paragraph include but are not limited to those defined in Paragraph 58.

V. NO ADMISSION OF LIABILITY

62. Defendant does not admit any liability, and neither this Settlement nor the fact of the Settlement, nor any documents filed in support of the Settlement, shall constitute, or be offered, received, claimed, construed, or deemed as, an admission, finding or evidence of: (i) any wrongdoing, (ii) any violation of any statute, law or regulation, (iii) any liability on the claims or allegations in the Litigation, or any other proceeding, or (iv) the propriety of certifying any litigation class in the Litigation, or any other proceeding, and shall not be used for any purpose whatsoever in any legal proceeding, including but not limited to arbitrations, other than a proceeding to enforce the terms of the Settlement. Defendant reserves all arguments to defend against the Class Representative's purported claims.

VI. CONFIDENTIALITY

63. The Parties agree that Court-approved notice shall be the method through which Settlement Class Members are informed by the Parties of the Settlement. In order to ensure that all publicly disseminated information about the Settlement is accurate and Court-approved, Class Counsel and the Class Representative shall not issue or cause to be issued any press releases or equivalent about the Settlement. Class Counsel may, however, state their appointment as Class Counsel in this Litigation to any court for purposes of declaring their class action and/or employment law experience and may include general information about the case, and the settlement, on professional biographies on their website or in printed material setting forth their qualifications and experience no sooner than two months after the Final Approval Order and/or Final Judgment.

VII. TIMING OF BRIEFING, FINAL FAIRNESS HEARING, AND

PAYMENTS

64. The Parties agree to work cooperatively to present a motion for preliminary approval to the Court. The Class Representative shall endeavor to move for preliminary settlement approval within twenty-one (21) days of the execution of this Agreement and propose the preliminary approval order attached hereto as Exhibit F, and shall request that the Settlement be preliminarily approved without a formal hearing and based on the submission of pleadings only. Defendant shall not oppose the motion for preliminary approval.

65. The Class Representative shall file a Motion for Attorneys' Fees and Costs, Class Representative Service Payment, and Payment of the Settlement Administrator's Expenses no later than fourteen (14) days before the Objection and Opt-Out Deadline. The Motion and all supporting documents shall also be posted to the Settlement Website within twenty-four hours of being filed.

66. The Class Representative shall move for final settlement approval no later than seven (7) days following the Objections Deadline, and in cooperation with Defense Counsel, Class Counsel shall propose the Final Approval Order attached hereto as Exhibit G, Defendant shall not oppose that motion, and the Parties shall jointly request a fairness hearing as soon as is practicable.

67. No later than fourteen (14) days following the Effective Date, Defendant shall wire the Settlement Amount, less the \$60,000 deposit made to the Settlement Administrator for the Notice process, to the account established by the Settlement Administrator.

68. As soon as is practicable, but no later than twenty-one (21) days following the Effective Date, the Settlement Administrator shall issue payments via PayPal and mail checks to those of who have elected to be paid by check, including the service payment to the Class Representative, to all (i) Deemed Misdemeanor Class Members who do not opt out, (ii) Nationwide Inaccurate Offense Characterization Entitled to Autopay Class Members who do not opt out, and (iii) Nationwide Inaccurate Offense Characterization Not Entitled to Autopay Claimants.

69. At the time that payment is made, the Settlement Administrator shall email a notice to all Settlement Class Members receiving payment through PayPal informing them that a payment has been initiated and that if the Settlement Class Member does not have (or wish to open) a PayPal account, that they may elect to receive their payment by check.

70. As soon as is practicable, but no later than twenty-one (21) days following the Effective Date, the Settlement Administrator shall wire any approved attorneys' fees and costs to Class Counsel and shall take possession of any amounts approved by the Court for payment to the Settlement Administrator.

VIII. JURISDICTION AND SETTLEMENT CONTINGENT ON APPROVAL

71. Jurisdiction. The Parties shall request that the Court retain jurisdiction to enforce the Settlement Agreement.

72. Settlement Contingent on Final Approval. This Settlement is contingent upon final approval by the Court of the Settlement on precisely the same terms set forth in this Agreement. In the event that a court of competent jurisdiction rejects any portion of this

Settlement Agreement, or requires modifications of any kind whatsoever, the Parties agree that they will make a good faith effort to accommodate the Court's required modifications and, if they are unable to do so, they agree to return to mediation with Lou Peterson to try to resolve the Court's concerns. In the event that a court of competent jurisdiction does not finally approve such settlement for the Settlement Classes, this Agreement shall have no effect and will be null and void *ab initio*. The Parties agree that if, for any reason, the Settlement is not finally approved, the Settlement Classes shall be decertified, and that certification or denial of certification shall not be used by any person or entity or the Court as a basis for certifying or denying certification of any class for litigation purposes.

73. Settlement Modification. The Parties may agree by stipulation executed by Class Counsel and Defense Counsel to modify the exhibits to this Agreement to effectuate the purpose of this Agreement or to conform to guidance from the Court about the contents of such exhibits without the need to further amend this Agreement. Any stipulation modifying the Settlement must be filed with the Court and is subject to the Court's approval.

IX. MISCELLANEOUS

74. Catalyst for Change. Defendant agrees that it has made process changes to address the issues raised by this lawsuit. Specifically, Defendant has changed its offense categorization system to characterize certain offenses as "other" rather than as "violent." Defendant's error rate with respect to its review of Minnesota conviction records has also materially decreased, reflecting its commitment to better ensure that offense classes are properly reported. The Class Representative acknowledges the efficacy of these policy

changes.

75. Authority to Execute. Each of the signatories below represents and warrants that they are competent and fully authorized to enter into this Agreement and to bind the Parties and the Settlement Class Members.

76. Best Reasonable Efforts and Mutual Full Cooperation. The Parties agree to fully cooperate with one other to accomplish the terms of this Agreement, including but not limited to, executing such documents and taking such other actions as may be reasonably necessary to implement the terms of this Settlement. The Parties to this Agreement will use their best reasonable efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary or ordered by the Court, or otherwise, to effectuate this Agreement and the terms set forth in it and to ensure that checks are mailed to Settlement Class Members in a timely manner.

77. Entire Agreement. This Agreement, together with its exhibits, constitutes the full and entire agreement among the Parties with regard to the subject matter and supersedes all prior representations, agreements, promises, or warranties, written, oral, or otherwise. No Party shall be liable or bound to any other Party for any prior representation, agreement, promise, or warranty, oral or otherwise, except for those that are expressly set forth in or attached to this Agreement.

78. Change to Class Size. Should the estimates on the size of each Settlement Class contained in Paragraphs 9 and 17 be smaller than the final class size by more than 5% of the actual size of each Settlement Class, as determined by the Class List, at the Parties' mutual election, the amount of the Settlement Fund shall either be increased

proportionately or the Agreement shall be voided.

79. Binding. This Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors, representatives, agents, assigns, subsidiaries, parents, and affiliates, as well as current or future subsidiaries, parents, affiliates, divisions, joint ventures, licensees, franchisees, and any other legal entities.

80. Construction. The Parties agree that the terms and conditions of this Agreement are the result of lengthy, arms-length negotiations between the Parties and that this Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party or the Party's counsel participated in the drafting of this Agreement.

81. Construction of Captions and Interpretations. Paragraph titles, captions, or headings in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or any provision in it. Each term of this Agreement is contractual and is not merely a recital.

82. Notices. Unless otherwise specifically provided in this Agreement, should any notices, demands, or other communications be required after entry of the Court's Final Approval Order and/or Final Judgment, they will be in writing and will be deemed to have been duly given as of the third business day after mailing by U.S. registered or certified mail, return receipt requested, addressed to counsel of record. Any communication made in connection with this Agreement shall be deemed to have been served when sent by overnight delivery or registered or certified first-class U.S. mail, postage prepaid, or when delivered in person at the addresses designated above.

83. This Agreement may be executed in one or more counterparts and may be executed electronically. All executed counterparts and each of them shall be deemed to be one and the same Agreement. This Agreement may be executed by signature delivered by facsimile, PDF, text, or .jpg and need not be the original “ink” signature. A complete set of executed counterparts shall be filed with the Court. This Agreement shall become binding upon its execution by the Class Representative and Defendant.

IN WITNESS WHEREOF the Parties and their counsel have caused this Settlement Agreement to be duly executed.

THE CLASS REPRESENTATIVE

Dated: 5/25/2022, 2022

By:

DocuSigned by:

Tony Taylor

Tony N. Taylor

**INFLECTION RISK SOLUTIONS,
LLC**

By: _____

Dated: _____, 2022

Its: _____

AS TO FORM ONLY:

**COUNSEL FOR THE CLASS
REPRESENTATIVE**

BERGER MONTAGUE PC

Dated: 5/25/2022, 2022

By:

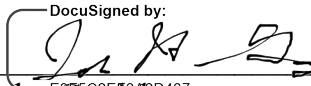
E. Michelle Drake
E. Michelle Drake

Dated: 5/25/2022, 2022

GOOLSBY LAW OFFICE, LLC

COUNSEL FOR DEFENDANT

Dated: _____, 2022

By: 
John Goolsby

ARNALL GOLDEN GREGORY
LLP

By: _____
Henry M. Perlowski

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IN WITNESS WHEREOF the Parties and their counsel have caused this Settlement Agreement to be duly executed.

THE CLASS REPRESENTATIVE

Dated: _____, 2022

By: _____

Tony N. Taylor

**INFLECTION RISK SOLUTIONS,
LLC**

By: _____

Elizabeth McLean

Dated: May 26, 2022

Its: General Counsel

AS TO FORM ONLY:

**COUNSEL FOR THE CLASS
REPRESENTATIVE**

BERGER MONTAGUE PC

Dated: _____, 2022

By: _____

E. Michelle Drake

Dated: _____, 2022

GOOLSBY LAW OFFICE, LLC

COUNSEL FOR DEFENDANT

Dated: May 26, 2022

By: _____
John Goolsby

ARNALL GOLDEN GREGORY
LLP

By: _____
Henry M. Perlowski