

## **Disclosure Regarding Companies That May Approach You About Selling Your Claim**

Under the settlement, claims will be paid in three approximately equal payments: an initial payment made after all claims are received and valued<sup>1</sup>, a second payment one year after final approval, and the third and final payment one year after that.

Companies may approach you to buy your claim and offer you an immediate payout amount. It is likely that the amount they offer will be substantially lower than the total amount you are entitled to over the three payments. Please bear in mind that these companies are making offers that they deem to be in their best economic interests, and not necessarily yours.

If you have been approached to sell your right to future payments under this settlement for a lump sum payment in advance, you should determine and consider the economic cost to you of doing so (how much money you will be giving up) and whether, considering your own financial situation and goals, that cost is acceptable as compared to being paid out in full over the two years contemplated by the settlement.

If you are approached to sell your claim in exchange for a current payment, you are urged to:

- 1) Not enter into any such transaction until being informed by the Claims Administrator of the amount of money you will be receiving from the settlement.**

Class members will be paid their *pro rata* share of the net settlement fund, which is the amount of the \$303 million dollar settlement fund that remains after court-approved deductions for fees, expenses, and service awards to the representative Plaintiffs.

Each class member's *pro rata* share of the net settlement fund will depend on their individual claim value relative to the claim values of all other class members who make valid claims.

For example, if fewer than all class members submit claims, which commonly occurs, money that otherwise would have been distributed to class members who did not file claims will be part of the amount distributed *pro rata* to those class members who did submit allowed claims.

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<sup>1</sup> The claims cutoff date is June 2, 2026. Once all claims are received, they can be validated and final individual claim values can be calculated by the Administrator. What you have coming to you cannot be determined until that occurs.

Neither the amount of the net settlement fund nor the claim values of individual allowed claimants will be determined or can be determined until the claims process has been completed. While the average allocation to class members, if all class members claim (which is unlikely), is approximately \$39,000 per year before court-approved deductions, your allocation could be significantly higher, or it may be lower. Until you know the value of your claim, you will not know with certainty what you are giving up if you sell your claim.

The only way to be sure that if you choose to sell your claim, you are selling your claim for a discount which would be acceptable to you, is to wait until the claim is finally valued by the Claims Administrator.

**2) Seek the advice of a financial consultant with respect to any offer you may receive.**

Money received today is generally considered to be worth more than the same amount of money received in the future because of the ability to invest and earn a return on earlier received money. How much more (also known as “present value”) depends on what rate of return you believe you could make on the money you will be receiving in the future if you had the money earlier and invested it and the time within which you will be receiving the later payments.

To give an example:

Assume you are entitled to receive a total of \$50,000 under the settlement. Under the terms of the Settlement, you will receive that \$50,000 in three equal payments of about \$16,666 over two years. Subject to the time required to enter the Final Judgment, the first payment will be made sometime reasonably soon after Final Approval, the second, one year after Final Approval, and the third one year after that.

Now assume that a company offers to pay you on the date you would have received the first payment of \$16,666 a one-time payment of \$40,000 in exchange for your right to receive that \$50,000 you would have received over the course of the two years in which you would have been paid under the settlement.

In that case, instead of the additional \$33,334 ( $\$50,000 - \$16,666$ ) which you would have received under the settlement, you will only be getting an additional \$23,334, or \$10,000 less, but sooner.

If you invested the additional \$23,334 you receive in the lump sum payment in U.S. Treasury Bills, and assuming an annual yield of 3.5% interest, for the two years during which you would have awaited the second and third payments under the Settlement, you would receive approximately \$1,235 in interest that you would not have received if you had accepted payments under the Settlement. This would yield you a total of

\$41,235 (the \$40,000 lump sum payment plus the \$1,235 in interest) compared to the \$50,000 you would have received under the Settlement (\$8,765 less).<sup>2</sup>

A financial consultant can assist you in evaluating the cost to you of accepting an earlier discounted payout offer of the money you have coming to you from the settlement over the settlement's two-year payout period **once you know what you are entitled to under the Settlement.**

**You are urged to await the final determination of your claim value and then seek the advice of a trusted financial adviser before agreeing to sell your claim to any third party.**

### **3) Potential adverse tax consequences**

The sale of your right to receive three payments over two years in exchange for a single lump sum payment in one year also may have important tax consequences. Under some circumstances, you could be liable for taxes on the total amount you were entitled to under the settlement as opposed to the discounted lump sum amount for which you sold your claim.

**You should seek advice from a registered tax preparer or competent tax advisor regarding the specific tax consequences of your particular agreement before signing the agreement.**

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<sup>2</sup> The example used above assumes a buyout at a 20% discount over two years (\$10,000/\$50,000). Firms approaching you to buy your claim may offer to purchase your claim at a much higher discount. The higher the discount, the more you are giving up in future payments in exchange for an early payment of the reduced amount.