

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

IF YOU WERE NOTIFIED OF A DATA INCIDENT INVOLVING AMERICAN FINANCIAL RESOURCES, INC. IN OR AROUND MARCH 2022 IN WHICH PERSONAL INFORMATION MAY HAVE BEEN EXPOSED TO UNAUTHORIZED ACTIVITY, YOU MAY BE A SETTLEMENT CLASS MEMBER ELIGIBLE FOR BENEFITS FROM A CLASS ACTION SETTLEMENT.

*This is **not** a solicitation from a lawyer, junk mail, or an advertisement. A court authorized this Notice.*

- A proposed settlement has been reached in a class action lawsuit, titled *In re American Financial Resources, Inc. Data Breach Litig.*, No. 2:22-cv-01757 (MCA) (JSA) (“Lawsuit”), filed in the United States District Court for the District of New Jersey.
- This Lawsuit arises out of a cybersecurity incident involving American Financial Resources, Inc. (“AFR”) that occurred in or around December 2021 (the “Incident”). Plaintiffs allege that the Incident resulted in unauthorized access by a third party to data stored on AFR’s network, and that this included the Personally Identifiable Information (“PII”) of AFR’s current and former loan customers and employees. AFR denies any wrongdoing.
- The Settlement Class consists of those whose PII was maintained on AFR’s system that was allegedly accessed during the Incident and who received a Notice of Data Breach in or around March 2022.
- **Settlement Class Members** may submit a Claim for the following benefits from the settlement: (1) cash payment, adjusted up or down depending upon the number of Claims approved, from the \$2,500,000 Common Fund; (2) reimbursement for up to \$7,500 per person for documented, unreimbursed Out-of-Pocket Losses that are fairly traceable to the Incident, subject to an aggregate cap of \$1,000,000; and (3) one year of one credit bureau monitoring with up to \$1 million in identity theft insurance.
- If you are a Settlement Class Member, you must submit a Claim Form to receive any benefits by **September 17, 2024**. The easiest way to submit a Claim is online at www.AFRClassActionSettlement.com, or you can complete and mail the Claim Form to the mailing address of the Settlement Administrator.
- Your legal rights are affected regardless of whether you do or do not act. Read this Notice carefully.
- The Court in charge of this case must still decide whether to give final approval of the settlement, including Co-Lead Counsel’s request for an award of attorneys’ fees and expenses. No settlement benefits will be provided until the Court approves the settlement and it becomes final.

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT

Submit a Claim Form	You must submit a valid Claim Form to receive settlement benefits. A Claim Form must be submitted online by September 17, 2024 , or, if mailed, postmarked no later than September 17, 2024 .
Do Nothing	If you do nothing, you remain in the settlement. You give up your rights to sue and you will not get any money.
Exclude Yourself	Get out of the settlement. Get no money. Keep your rights. This is the only option that allows you to keep your right to sue about the claims in this Lawsuit. You will not receive any settlement benefits from the settlement. Your request to exclude yourself must be postmarked no later than September 11, 2024 .
File an Objection	Stay in the settlement but tell the Court why you think the settlement or Co-Lead Counsel’s request for an award of attorneys’ fees and/or expenses should not be approved. Objections must be received, not merely postmarked, by September 11, 2024 . You will still be bound by the settlement if the Court approves it.
Go to a Hearing	You can ask to speak in Court about the fairness of the settlement, at your own expense. <i>See</i> Question 20 for more details. The Final Fairness Hearing is scheduled for October 2, 2024, at 3:00 p.m.

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BASIC INFORMATION

1. Why is this Notice being provided?

A Federal Court authorized this Notice because you have the right to know about the proposed settlement of this class action lawsuit and about your rights and options before the Court decides whether to grant final approval of the settlement. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for the benefits, and how to get them.

This case is known as *In re American Financial Resources, Inc. Data Breach Litig.*, No. 2:22-cv-01757 (MCA) (JSA), filed in the United States District Court for the District of New Jersey. The District Judge is the Honorable Madeline Cox Arleo, and the Magistrate Judge is the Honorable Jessica S. Allen. The persons who sued are called the “Plaintiffs” and the company they sued, American Financial Resources, Inc. (“AFR”), is known as the “Defendant” in this case.

2. What is this case about?

Plaintiffs filed a lawsuit against Defendant AFR, individually, and on behalf of anyone whose Personally Identifiable Information (“PII”) was potentially impacted as a result of the Incident. This Lawsuit arises from a cybersecurity incident occurring in or around December 2021.

Plaintiffs allege that as a result of the Incident, cybercriminals gained access to Plaintiffs’ and the Settlement Class Members’ PII.

After AFR investigated the Incident, those persons whose PII may have been impacted by the Incident were notified by letter on or about March 2022. Subsequently, this Lawsuit and others ultimately consolidated with this Lawsuit were filed asserting claims against Defendant relating to the Incident.

AFR denies any wrongdoing or liability, and no court or other entity has made any judgment or other determination of any wrongdoing, or that any law has been violated. AFR denies these and all other claims made in the Lawsuit. By entering into the settlement, AFR is not admitting any wrongdoing.

3. What is a class action lawsuit?

In a class action, a representative plaintiff or plaintiffs sue on behalf of all people who have similar claims. Together all these people are called a Class or Class Members. Because this is a settlement, the terms being used are “Settlement Class” and “Settlement Class Members”. One court resolves the issues for all Settlement Class Members, except for those Settlement Class Members who timely and validly exclude themselves from the Settlement Class.

The proposed Settlement Class Representatives in this case are Dora Micah, Sharon Styles, Matthew Stuart, and Anthony A. Oliva, Ph.D. (“Plaintiffs”).

4. How do I know if I am affected by the Lawsuit and settlement?

You are a Settlement Class Member if you were notified in or around March 2022 that your personal information may have been impacted by the Incident.

The Settlement Class specifically excludes (i) AFR and its respective officers and directors; (ii) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; (iii) the Judge and/or Magistrate assigned to evaluate the fairness of this settlement; and (iv) any other Person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding, or abetting the Incident or who pleads *nolo contendere* to any such charge.

This Notice explains the nature of the Lawsuit and claims being settled, your legal rights, and the benefits to the Settlement Class.

5. Why is there a settlement?

By agreeing to settle, both sides avoid the cost, disruption, and distraction of further litigation. Plaintiffs, AFR, and their attorneys believe the proposed settlement is fair, reasonable, and adequate and, thus, in the best interests of Settlement Class Members. The Court did not decide in favor of Plaintiffs or Defendant. Full details about the proposed settlement are found in the Class Action Settlement Agreement and Release (“Settlement Agreement”) available at www.AFRClassActionSettlement.com.

6. How do I know if I am included in the settlement?

You are included in the settlement if AFR notified you of the Incident by letter in or around March 2022. This settlement is not open to the general public. If you are not sure whether you are included as a Settlement Class Member, or have any other questions about the settlement, visit www.AFRClassActionSettlement.com, call toll-free 877-959-9469, or write to P.O. Box 4418, Portland, OR 97208-4418.

THE SETTLEMENT BENEFITS

7. What does this settlement provide?

The settlement provides (i) a pro rata cash payment for all Settlement Class Members who submit a timely and valid Claim Form, pursuant to the Common Fund Benefit; (ii) up to \$7,500 per person for documented, unreimbursed Out-of-Pocket Losses that are fairly traceable to the Incident, pursuant to the Out-of-Pocket Loss Benefit; and (iii) a Credit Monitoring Benefit of one year of one-credit bureau monitoring with up to \$1 million in identity theft insurance.

The proposed settlement will provide the following benefits to Settlement Class Members:

Common Fund Benefit Claims: Settlement Class Members may submit a Claim for a cash payment from the \$2,500,000 Common Fund. The Settlement Administrator will make pro rata settlement payments, which may increase or decrease the cash payment, subject to the total amount of the Common Fund, less Co-Lead Counsel’s award of attorneys’ fees and expenses and Plaintiffs’ service awards.

Out-of-Pocket Loss Benefit Claims: Settlement Class Members may submit a Claim for reimbursement of up to \$7,500 per person, subject to an aggregate cap of \$1,000,000, in documented, unreimbursed Out-of-Pocket Losses reasonably and fairly traceable to the Incident. Out-of-Pocket Loss Benefit Claims can include, without limitation (1) costs, expenses, losses, or charges incurred as a result of identity theft or identity fraud or other misuse of a Settlement Class Member’s PII after December 20, 2021; (2) costs incurred on or after December 20, 2021, associated with accessing or freezing/unfreezing credit reports with any credit reporting agency; (3) miscellaneous expenses such as notary, postage, copying, mileage, and other charges; and (4) charges for credit monitoring or other mitigative expenditures incurred on or after December 20, 2021, through March 1, 2024.

Settlement Class Members with Out-of-Pocket Loss Benefit Claims must submit documentation and attestation supporting their Claims. This may include receipts or other documentation, not “self-prepared” by the claimant, that documents the costs incurred. “Self-prepared” documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but may be considered to add clarity or support to other submitted documentation.

Out-of-Pocket Loss Benefit Claims must include an attestation that the monetary losses were caused or otherwise incurred as a result of the Incident and were not incurred due to some other event or reason.

Credit Monitoring Benefit: Settlement Class Members may elect to receive one year of one-credit bureau monitoring with up to \$1 million in identity theft insurance.

8. How to submit a Claim?

To submit a Claim for reimbursement for the Common Fund Benefit Claim, Out-of-Pocket Loss Benefit, or Credit Monitoring Benefit, you must submit a valid Claim Form. All Claims will be reviewed by the Settlement Administrator to determine whether the Claim is valid. Claim Forms must be submitted online by **September 17, 2024**, or postmarked no later than **September 17, 2024**. You can download a Claim Form at www.AFRClassActionSettlement.com or you can call the Settlement Administrator at 877-959-9469 for a Claim Form.

If you change your mailing address or email address after you submit a Claim Form, it is your responsibility to inform the Settlement Administrator of your updated information. You may notify the Settlement Administrator of any changes by calling 877-959-9469 or by writing to P.O. Box 4418, Portland, OR 97208-4418.

9. What am I giving up as part of the settlement?

Unless you exclude yourself, you are choosing to remain in the Settlement Class. If the settlement is approved and becomes final, all of the Court's orders will apply to you and legally bind you. You will not be able to sue, continue to sue, or be part of any other lawsuit against AFR, its Related Entities, and each of their past or present parents, subsidiaries, divisions, and related or affiliated entities, and each of their respective predecessors, successors, directors, officers, principals, agents, attorneys, insurers, and reinsurers (collectively, the "Released Parties") about the legal issues in this Lawsuit that are released by this settlement. The specific rights you are giving up are called "Released Claims."

The Settlement Agreement, which includes all provisions about settled claims and releases, including Released Claims and Released Parties, is available at www.AFRClassActionSettlement.com and in the public court records on file in this Lawsuit.

The only way to keep the right to sue is to exclude yourself (*see* Question 11), otherwise you will be included in the Settlement Class, and, if the settlement is approved, you give up the right to sue for the claims in this case.

10. Will the Settlement Class Representatives receive additional compensation?

The four Settlement Class Representatives will request that the Court award up to \$7,500 each as service awards in excess of what they are entitled to under the settlement as regular members of the Settlement Class. Service awards will be paid from the Common Fund.

EXCLUDE YOURSELF

If you are a Settlement Class Member and want to keep any right you may have to sue or continue to sue the Defendant on your own based on the claims raised in this Lawsuit or released by the Released Claims, then you must take steps to get out of the settlement. This is called excluding yourself from or "opting-out" of the settlement.

11. How do I exclude myself from the settlement?

To opt out of the settlement, you must send a timely written request for exclusion to the Post Office Box established by the Settlement Administrator, stating your full name, address, telephone number, and signature. Your request must clearly manifest your intent to be excluded from the Settlement Class, to be excluded from the settlement, not to participate in the settlement, and/or to waive all rights to the benefits of the settlement.

Your written request for exclusion must be *postmarked* no later than **September 11, 2024**, addressed to the following:

American Financial Resources Data Breach
Settlement Administrator
P.O. Box 4418
Portland, OR 97208-4418

Instructions on how to submit a request for exclusion are available at www.AFRClassActionSettlement.com or from the Settlement Administrator by calling 877-959-9469.

If you exclude yourself, you will not be able to receive any settlement benefits from the settlement, and you cannot object to the settlement or Co-Lead Counsel's request for an award of attorneys' fees and expenses and Plaintiffs' requests for service awards at the Final Approval Hearing. You will not be legally bound by anything that happens in the Lawsuit, and you will keep your right to sue Defendant on your own for the claims that this settlement resolves.

12. If I do not exclude myself, can I sue Defendant or the Released Parties later?

No. If you do not exclude yourself from the settlement, and the settlement is approved by the Court, you forever give up the right to sue the Released Parties (listed in Question 9) for the Released Claims, as set forth in the Settlement Agreement.

13. What happens if I do nothing at all?

If you do nothing, you will be bound by the Settlement if the Court approves it, you will not get any settlement benefits from the settlement, you will not be able to start or proceed with a lawsuit, or be part of any other lawsuit against the Defendant or the Released Parties (listed in Question 9) about the Released Claims in this case at any time.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in the case?

Yes. The Court has appointed Stuart A. Davidson of Robbins Geller Rudman & Dowd LLP and James E. Cecchi of Carella, Byrne, Cecchi, Brody & Agnello, P.C. (collectively called “Co-Lead Counsel”) to represent the interests of all Settlement Class Members in this case. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Co-Lead Counsel will apply to the Court for an award of reasonable attorneys’ fees in an amount not to exceed 33% of the Common Fund, as well as reasonable expenses in an amount not to exceed \$125,000, plus accrued interest thereon. AFR reserves all rights to oppose the requested attorneys’ fees and expenses, including reserving its right to file an opposition to Plaintiffs’ application for an award of attorneys’ fees and expenses. A copy of Co-Lead Counsel’s application for an award of attorneys’ fees and expenses will be posted on the Settlement Website, www.AFRClassActionSettlement.com, before the deadline to object to the settlement.

The Court will make the final decisions as to the amounts to be paid to Co-Lead Counsel and may award less than the amount requested by Co-Lead Counsel.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court that I do not like the settlement?

If you are a Settlement Class Member, you can tell the Court you do not agree with all or any part of the settlement or the requested attorneys’ fees and expenses. You can also give reasons why you think the Court should not approve the settlement or attorneys’ fees and expenses.

To object, you must submit timely written notice of your objection so it is *received* on **September 11, 2024**. Such notice must include all the following information:

- (a) The objector’s full name, address, telephone number, and email address;
- (b) The case name and docket number: *In re American Financial Resources, Inc. Data Breach Litig.*, No. 2:22-cv-01757 (MCA) (JSA);
- (c) Information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class;
- (d) A written statement of all grounds for the objection, including whether the objection applies only to the objector, to a subset of the Settlement Class, or to the entire Settlement Class, accompanied by any legal support for the objection the objector believes applicable;
- (e) The identity of any and all counsel representing the objector in connection with the objection (if none, please state this);
- (f) The identity of all class action cases in which the objector or his or her counsel has objected;
- (g) A statement whether the objector and/or his or her counsel will appear at the Final Fairness Hearing; and
- (h) The objector’s signature.

To be timely, written notice of an objection in the appropriate form must be received no later than **September 11, 2024**, to Co-Lead Counsel and AFR's Counsel at the addresses below:

CO-LEAD COUNSEL	AFR'S COUNSEL
Stuart A. Davidson ROBBINS GELLER RUDMAN & DOWD LLP 225 NE Mizner Boulevard, Suite 720 Boca Raton, FL 33432 James E. Cecchi CARELLA, BYRNE, CECCHI, BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068	Eric R. Fish BAKER & HOSTETLER LLP 45 Rockefeller Plaza New York, NY 10111

Alternatively, you may also file your objection with the Court through the Court's ECF system, with service on Co-Lead Counsel and AFR's Counsel to be made through the ECF system.

If you do not submit your objection with all requirements, or if your objection is not received by **September 11, 2024**, you will be considered to have waived all objections and will not be entitled to speak at the Final Fairness Hearing.

17. What is the difference between objecting and asking to be excluded?

Objecting is simply 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 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 settlement no longer affects you.

THE FINAL FAIRNESS HEARING

18. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Fairness Hearing on **October 2, 2024, at 3:00 p.m.**, at 50 Walnut Street, Newark, NJ, 07102 as ordered by the Court. The hearing may be moved to a different date, time, or location without additional notice, so it is recommended that you periodically check www.AFRClassActionSettlement.com for updated information.

At the hearing, the Court will consider whether the proposed settlement is fair, reasonable, adequate, and is in the best interests of Settlement Class Members, and whether it should be finally approved. If there are valid objections, the Court will consider them and will listen to people who have asked to speak at the hearing if the request was made properly. The Court will also consider Co-Lead Counsel's request for an award of attorneys' fees and expenses and Plaintiffs' requests for service awards.

After the Final Fairness Hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. You are not required to come to the Final Fairness Hearing. However, you are welcome to attend the hearing at your own expense.

If you submit an objection, you do not have to come to the hearing to talk about it. If your objection was submitted properly and on time, the Court will consider it. You also may pay your own lawyer to attend the Final Fairness Hearing, but that is not necessary. However, you must follow the requirements for making objections in Question 16, including the requirements for making appearances at the hearing.

20. May I speak at the hearing?

Yes. You can speak at the Final Fairness Hearing, but you must ask the Court for permission. To request permission to speak, you must file an objection according to the instructions in Question 16, including all the information required for you to make an appearance at the hearing. You cannot speak at the hearing if you exclude yourself from the settlement.

DO NOTHING

21. What happens if I do nothing?

If you do nothing, you will not get any settlement benefits, you will not be able to sue for the claims in this case, and you will release the Released Claims, as set forth in the Settlement Agreement, against Defendant and the Released Parties described in Question 9.

GET MORE INFORMATION

22. How do I get more information about the settlement?

This is only a summary of the proposed settlement. If you want additional information about this Lawsuit, including a copy of the Settlement Agreement, the Complaint, the Court's Preliminary Approval Order, Co-Lead Counsel's application for an award of attorneys' fees and expenses, and more, please visit www.AFRClassActionSettlement.com or call 877-959-9469. You may also contact the Settlement Administrator at P.O. Box 4418, Portland, OR 97208-4418.

PLEASE DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR LAWSUIT TO THE CLERK OF THE COURT, THE JUDGE, DEFENDANT, OR DEFENDANT'S COUNSEL.