

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

If Jim Koons Management Company, dba, Jim Koons Automotive Company Notified You of a Data Security Incident, You May be Eligible for Payment 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 known as *Morelli v. Jim Koons Management Company*, Case No. 8:22-cv-00292 (D. Md.).
- This lawsuit arises out of a data security incident which was discovered by Jim Koons Management Company dba, Jim Koons Automotive Company (“Koons or Defendant”) on or about June 5, 2021 and announced on or around January 14, 2022 (the “Data Security Incident”). The information that may have been accessed in the Data Security Incident includes full names, addresses, Social Security numbers, driver’s license numbers, and financial account information of consumers stored on its private network, (collectively, called “PII”) Defendant disagrees with Plaintiffs’ claims.
- All Settlement Class Members who timely submit claims can receive the following benefits from the Settlement: (1) up to \$500 for documented out-of-pocket expenses, (2) reimbursement for up to three (3) hours of lost time spent dealing with the Data Security Incident (\$20 per hour), and (3) a Settlement Class Member who was the victim of actual documented identity theft may claim reimbursement for extraordinary losses up to \$4,500 for documented expenses. Defendant also agrees to update business practices and enhance security. Defendant will pay a \$100 cash benefit to any of the 791 persons who were sent the “Notice of Security” letter dated on or about January 14, 2022, to a California address and who submit a timely claim.
- Credit Monitoring: Settlement Class Members will also have the opportunity to claim 2 years of credit monitoring through Equifax. All those Settlement Class Members who previously claimed the credit monitoring offered by Jim Koons will have the term of that service automatically extended by 2 years without the need to make any affirmative claim.
- You are included in this Settlement as a Settlement Class Member if Koons sent you a “Notice of Security” letter dated on or about January 14, 2022, which indicated your PII was potentially accessed as a result of Data Security Incident.

Your legal rights are affected regardless of whether you do or do not act. Read this Notice carefully.

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT

| | |
|--|--|
| Submit a Claim and/or Receive Credit Monitoring | <p>You must submit a Valid Claim to get money from this Settlement.</p> <p>Claim Forms must be submitted online by 11:59 p.m. ET Time or, if mailed, postmarked no later than February 23, 2023.</p> <p>You do not have to submit a Claim to get Credit Monitoring if you are entitled to it as a Credit Monitoring Subclass Member.</p> <p>You do not need to make a claim for additional Credit monitoring. If you previously signed up for monitoring, your monitoring will be automatically extended for one (1) additional year. If you did not previously sign up for monitoring, Experian will be contacting you directly to make you an offer of one (1) free year of credit monitoring.</p> |
| Do Nothing | <p>If you do nothing, you remain in the Settlement.</p> <p>You give up your rights to sue and you will not get any money.</p> |
| Exclude Yourself | <p>Get out of the Settlement. Get no money. Keep your rights.</p> <p>This is the only option that allows you to keep your right to sue about the claims in this lawsuit. You will not get any money from the Settlement.</p> <p>Your request to exclude yourself must be postmarked no later than January 24, 2023.</p> |
| File an Objection | <p>Stay in the Settlement but tell the Court why you think the Settlement should not be approved. Objections must be postmarked no later than January 24, 2023.</p> |
| Go to a Hearing | <p>You can ask to speak in Court about the fairness of the Settlement, at your own expense. <i>See</i> Question 18 for more details.</p> <p>The Final Fairness Hearing is scheduled for February 24, 2023 9:30 a.m.</p> |

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BASIC INFORMATION

1. How do I know if I am affected by the Lawsuit and Settlement?

You are a Settlement Class Member if you are one of the approximately 114,153 persons who were mailed notification that their PII was potentially impacted as a result of the Data Security Incident that occurred on June 5, 2021.

Specifically excluded from the Settlement Class are: (i) Koons's officers and directors; (ii) any entity in which Koons has a controlling interest; and (iii) the affiliates, legal representatives, attorneys, successors, heirs, and assigns of Koons. Also excluded from the Settlement Class are members of the judiciary to whom this case is assigned, their families and members of their staff. This Notice explains the nature of the lawsuit and claims being settled, your legal rights, and the benefits to the Class.

2. What is this case about?

The case is known as *Morelli v. Jim Koons Management Company*, Case No. 8:22-cv-00292 (D. Md.). The people who sued are called the "Plaintiffs," and the company they sued, Jim Koons Management Company dba, Jim Koons Automotive Companies, is known as the "Defendant" in the case and in this Notice. United States District Judge George J. Hazel of the United States District Court, District of Maryland is the judge in this case.

Plaintiffs filed a lawsuit against Defendant, individually, and on behalf of anyone whose personally identifiable information ("PII") was potentially impacted as a result of the Data Security Incident.

This lawsuit arises out of a network intrusion that was discovered by Jim Koons Management Company on or about June 5, 2021 and announced by Defendant on or about January 14, 2022 (the "Data Security Incident"). The information that may have been accessed in the Data Security Incident includes full names, addresses, driver's license numbers Social Security numbers and financial information) (collectively, called "PII") Defendant denies any wrongdoing. After learning of the Data Security Incident, notification was mailed to approximately 114,153 individuals that their PII may have been impacted by the Data Security Incident.

3. Why is there a Settlement?

By agreeing to settle, both sides avoid the cost, disruption, and distraction of further litigation. The Class Representatives, Defendant, and their attorneys believe the proposed Settlement is fair, reasonable, and adequate and, thus, best for the Class Members. The Court did not decide in favor of the Plaintiffs or Defendant. Full details about the proposed Settlement are found in the Settlement Agreement available at www.koonssettlement.com.

4. Why is this a class action?

In a class action, one or more people called "Class Representatives" sue on behalf of all people who have similar claims. All of these people together are the "Class" or "Class Members."

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

You are included in the Settlement if you were mailed notification that your PII and/or Social Security or driver's license number was potentially impacted as a result of the Data Security Incident that was discovered on June 5, 2021 and announced on January 14, 2022. If you have any other questions about the Settlement, visit www.koonssettlement.com, call toll free **833-709-0644**, or write to *Morelli v. Jim Koons Management Co.*, c/o Kroll Settlement Administration, PO Box 225391, New York, NY 10150-5391.

THE SETTLEMENT BENEFITS

6. What does this Settlement provide?

- a. The proposed Settlement will provide the following benefits to Class Members:
- b. **Compensation or Out-of-Pocket Losses and Lost Time:** Defendant will agree to make available the following compensation available to Settlement Class Members who submit valid and timely claim forms. Claims will be subject to review for completeness and plausibility by a Claims Administrator, and Settlement Class Members will have the opportunity to seek review by a third-party Claims Referee, at Defendant's expense, if they dispute the Claims Administrator's initial determination.
- c. **Compensation for Ordinary Losses:** Defendant will reimburse documented out of pocket expenses incurred as a result of the Data Security Incident, up to a maximum of \$500.00 per person, upon submission of a claim and supporting documentation, such as the following losses:
 - i. Bank fees, long distance phone charges, cell phone charges (only if charged by the minute), data charges (only if charged based on the amount of data used), postage, or gasoline for local travel;
 - ii. Fees for credit reports, credit monitoring, or other identity theft insurance product purchased between January 14, 2022 and the date of the Settlement Agreement;
 - iii. Compensation for up to 3 hours of lost time, at \$20/hour, for a maximum of up to \$60 per person, if at least one full hour was spent dealing with the Data Security Incident. Class members may submit claims for up to 3 hours of lost time with an attestation that they spent the claimed time responding to issues raised by the Data Security Incident. This payment shall be included in the \$500 per person cap for Compensation for Documented Out-of-Pocket Losses and Lost Time.
 - iv. This list of reimbursable documented out-of-pocket expenses is not meant to be exhaustive, is exemplary. Settlement Class Members may make claims for any documented out-of-pocket losses reasonably related to the Data Security Incident or to mitigating the effects of the Data Security Incident. The Claims Administrator shall have discretion to determine whether any claimed loss is reasonably related to the Data Security Incident.
- d. **Compensation for Extraordinary Losses:** Defendant will provide up to \$4,500 in compensation to each Settlement Class Member who was the victim of actual documented identity theft and documents monetary loss arising from actual identity theft if:
 - i. The loss is an actual, documented, and unreimbursed monetary loss;
 - ii. The loss was more likely than not caused by the Data Security Incident;
 - iii. The loss occurred between June 5, 2021 and the close of the Claims Period;
 - iv. The loss is not already covered by one or more of the normal reimbursement categories; and the Settlement Class Member made reasonable efforts to avoid, or seek reimbursement for, the loss, including but not limited to exhaustion of all available credit monitoring insurance and identity theft insurance.

- e. **Credit Monitoring**: Defendant will pay for credit monitoring services as follows:

An automatic 2-year extension of the term for those Settlement Class Members who claimed the credit monitoring offered previously (without the need to make a claim), and a new 2 year 1Bureau claim-in offering to the rest of the Settlement Class who timely submits a claim and requests credit monitoring. The automatic extension would be subject to the provision that this has to be technically feasible.

This service will have substantially the same scope as the credit monitoring previously offered by Koons in its initial notification letters, described as follows:

Equifax Credit Watch™ Gold

*Note: You must be over age 18 with a credit file to take advantage of the product

Key Features

- Credit monitoring with email notifications of key changes to your Equifax credit report
- Daily access to your Equifax credit report
- WebScan notifications when your personal information, such as Social Security Number, credit/debit card or bank account numbers are found on fraudulent Internet trading sites
- Automatic fraud alerts, which encourages potential lenders to take extra steps to verify your identity before extending credit, plus blocked inquiry alerts and Equifax credit report lock
- Identity Restoration to help restore your identity should you become a victim of identity theft, and a dedicated Identity Restoration Specialist to work on your behalf
- Up to \$1,000,000 of identity theft insurance coverage for certain out of pocket expenses resulting from identity theft.

For Settlement Class Members who selected and enrolled in the 12 months of credit monitoring previously offered by Koons, the credit monitoring offered under this settlement shall be in addition to that period.

- f. **California Statutory Benefit:**

Defendant will pay a \$100 cash benefit to any of the 791 persons who were sent the “Notice of Security” letter dated on or about January 14, 2022 to a California address and who submit a timely claim.

7. How to submit a Claim?

All Claims will be reviewed by the Claims Administrator and/or a claims referee. You must file a Claim Form to get any money from the proposed Settlement. Claim Forms must be submitted online by 11:59 p.m. ET or postmarked no later than **February 24, 2023**. You can download a Claim Form at www.koonssettlement.com or you can call the Claims Administrator at **833-709-0664**.

8. What am I giving up as part of the Settlement?

If you stay in the Settlement Class, you will be eligible to receive benefits, but you will not be able to sue the Defendant and 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 regarding the claims in this case. The Settlement Agreement, which includes all provisions about settled claims, releases, and released parties, is available at www.koonssettlement.com.

The only way to keep the right to sue is to exclude yourself (Question 10), otherwise you will be included in the Settlement Class, if the Settlement is approved, and you give up the right to sue for the claims in this case.

9. Will the Class Representatives receive compensation?

Yes. Class Representatives will receive a service award of up to a maximum total amount of \$2,500 each (\$7,500 total), to compensate them for their services and efforts in bringing the lawsuit. The Court will make the final decision as to the amount, if any, to be paid to the Class Representatives. The Class Representatives in this case are Michelle Morelli, Bianca Wenck, and Iris Perez.

EXCLUDE YOURSELF

10. How do I exclude myself from the Settlement?

If you do not want to be included in the Settlement, you must send a written request for exclusion, postmarked no later than **January 24, 2023** to:

Morelli v. Jim Koons Management Co.
c/o Kroll Settlement Administration
PO Box 225391
New York, NY 10150-5391

Your written request for exclusion must state your name, address, and phone number (or the name, address, and phone number of the person seeking exclusion) and must also contain a signed statement to the following effect: “I request to be excluded from the Settlement Class in the Koons lawsuit.”

If you exclude yourself, you will not be able to receive any cash benefits from the Settlement and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit and you will keep your right to sue the Defendant on your own for the claims that this Settlement resolves.

11. If I do not exclude myself, can I sue 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 Persons (listed in Question 8) for the claims this Settlement resolves.

12. 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 money from the Settlement, you will not be able to start or proceed with a lawsuit, or be part of any other lawsuit against the Released Persons (listed in Question 8) about the settled claims in this case at any time.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

Yes. The Court has appointed David K. Lietz of Milberg Coleman Bryson Phillips Grossman, PLLC and Terence R. Coates of Markovits Stock DeMarco, LLC (called “Class Counsel”) to represent the interests of all 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.

14. How will the lawyers be paid?

Class Counsel will apply to the Court for an award of attorneys’ fees and litigation expenses in an amount not to exceed \$265,000. A copy of Class Counsel’s Application for Attorneys’ Fees, Expenses, and Service Awards will be posted on the Settlement Website, www.koonssettlement.com, after it is filed. The Court will make the final decisions as to the amounts to be paid to Class Counsel and may award less than the amount requested by Class Counsel.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I do not like the Settlement?

If you want to tell the Court that you do not agree with the proposed Settlement or some part of it, you can submit an Objection telling it why you do not think the Settlement should be approved. Objections must be submitted in writing and include all the following information:

Such notice shall state:

- (i) the title of the case;
- (ii) the Settlement Class Member's name, address, and telephone number;
- (iii) all legal and factual bases for any objection; and
- (iv) copies of any documents that the Settlement Class Member wants the Court to consider.

Should you wish to appear at the Final Approval Hearing, you must so state, and must identify any documents or witnesses that you intend to call on your behalf.

Your Objection must be submitted to the Clerk of the Court by First-Class mail, received no later than **January 24, 2023**, to:

United States District Court
For the District of Maryland, Southern Division
6500 Cherrywood Lane
Greenbelt, MD 20770

It must include the case name and docket number: *Morelli v. Jim Koons Management Company*, Case No. 8:22-cv-00292 (D. Md.). (the "*Morelli Action*"). In addition, you must mail a copy of your Objection to Class Counsel and Defense Counsel postmarked no later than **January 24, 2023**:

| CLASS COUNSEL | DEFENSE COUNSEL |
|---|--|
| David K. Lietz MILBERG COLEMAN BRYSON PHILLIPS GROSSMAN PLLC 5335 Wisconsin Avenue NW Suite 440 Washington, DC 20015 | Andrew Gendron LEWIS BRISBOIS BISGAARD & SMITH LLP 100 Light Street, Suite 1300 Baltimore, MD 21202 |

If you do not submit your Objection with all requirements, or if your Objection is not received by **January 24, 2023**, you will be considered to have waived all Objections and will not be entitled to speak at the Final Fairness Hearing.

16. 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 Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

THE FINAL FAIRNESS HEARING

17. When and where will the Court decide whether to approve the Settlement?

The Court has tentatively scheduled the Final Fairness Hearing for 9:30 a.m. on February 24, 2023, in Courtroom 4A, United States District Courthouse, 6500 Cherrywood Lane, Greenbelt, MD 20770. Because details of the date, time, and location of the hearing may change without additional notice, it is recommended that you periodically check 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 if it should be 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 the award of Attorneys' Fees and Expenses to Class Counsel and the request for a service award to the Class Representatives.

18. 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.

19. 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 15, including all the information required. You cannot speak at the hearing if you exclude yourself from the Settlement.

DO NOTHING

20. What happens if I do nothing?

If you do nothing, you will not get any money from the Settlement, you will not be able to sue for the claims in this case, and you release the claims against Defendant described in Question 8.

GET MORE INFORMATION

21. 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, Class Counsel's Application for Attorneys' Fees and Expenses, and more, please visit www.koonssettlement.com or call **833-709-0664**. You may also contact the Claims Administrator at Morelli v. Jim Koons Management Co., c/o Kroll Settlement Administration, PO Box 225391, New York, NY 10150-5391.

PLEASE DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT
OR LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE.