

**If your personal information was maintained on  
ComplyRight’s website during the 2018 data breach, you may  
be entitled to benefits from a class action settlement.**

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

- A Settlement has been proposed in a class action lawsuit against ComplyRight, Inc. (“Defendant”) relating to a Data Breach where an unauthorized person or persons illegally intruded into its website without authorization and accessed or viewed names, addresses, telephone numbers, email addresses, and Social Security numbers (“Personal Information”) between April 20, 2018 and May 22, 2018 (the “Data Breach”).
- If your Personal Information was maintained on ComplyRight’s website during the Data Breach that occurred from at least April 20, 2018 through May 22, 2018, you are included in this Settlement as a “Settlement Class Member.” If you were sent a July 13, 2018 letter informing you of the Data Breach, you are a Settlement Class Member.
- The Settlement provides Settlement Class Members with their choice of one of three options:
  - the protection plan (credit monitoring, credit monitoring protection, dark web monitoring, fully managed recovery, \$1,000,000 insurance coverages for reimbursement of losses related to the Data Breach, lost wallet assistance, and 24-hour customer service), or
  - a cash payment (estimated to be \$50), or
  - up to \$200 reimbursement of certain expenses.
- Your legal rights are affected regardless of whether you act or don’t act. Read this Notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	This is the only way you can get one of the benefits from this Settlement.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT</b>	Do not get a Settlement benefit. This is the only option that allows you to be part of any other lawsuit against the Defendant for the legal claims made in this case and released by the Settlement.
<b>OBJECT TO THE SETTLEMENT</b>	Write to the Court with reasons why you do not agree with the Settlement.
<b>GO TO THE FINAL FAIRNESS HEARING</b>	You may ask the Court for permission for you or your attorney to speak about your objection at the Final Fairness Hearing.
<b>DO NOTHING</b>	You will not get a benefit from this Settlement and you will give up certain legal rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice. For complete details, view the Settlement Agreement, available at [www.ComplyRightSettlement.com](http://www.ComplyRightSettlement.com), or call 1-877-884-3497.
- The Court in charge of this case still has to decide whether to approve the Settlement. If the Court denies final approval, the Settlement will be null and void and the litigation will continue with the Defendant.

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## **BASIC INFORMATION**

### **1. Why is this Notice being provided?**

The Court directed that this Notice be provided because you have a right to know about a proposed Settlement that has been reached in this class action lawsuit and about all of your options before the Court decides whether to grant final approval to the Settlement. If the Court approves the Settlement, and after objections or appeals, if any, are resolved, the Settlement Administrator appointed by the Court will distribute the benefits that the Settlement allows. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the Northern District of Illinois. The case is known as *Winstead v. ComplyRight, Inc.*, No. 1:18-cv-4990 (N.D. Ill.) (the “Action”). The people who filed the lawsuit are called Plaintiffs, and the company they sued, ComplyRight, Inc., is called the Defendant.

### **2. What is this lawsuit about?**

Plaintiffs claim that ComplyRight failed to implement and maintain reasonable security measures to protect the Personal Information (such as names, addresses, telephone numbers, email addresses, and Social Security numbers) in its possession. Plaintiffs also claim that ComplyRight knew or should have known the risks of collecting and storing Personal Information, as well as the importance of maintaining secure systems, and should have identified the vulnerabilities in order to prevent the Data Breach from occurring.

ComplyRight has, and continues to deny all of the claims made in the Action, as well as all charges of wrongdoing or liability against them.

### **3. What is a class action?**

In a class action, one or more people called Representative Plaintiffs (in this case, Marshall Smith, Brandon Herman, Chad Patterson, Jeffrey Roberts, Michael Will, Susan Winstead, Robert Bohannon, Holly Buckingham, Richard Morello, Jr., Robert Harris, Amanda Lariscy, Charles Newman, and Paul Christiansen) sue on behalf of people who have similar claims. Together, all these people are called a Class or Class Members. One Court and one judge—in this case, United States District Judge Edmond E. Chang—resolves the issues for all Class Members, except for those who exclude themselves from the Settlement Class.

### **4. Why is there a Settlement?**

The Court did not decide in favor of the Plaintiffs or the Defendant. Instead, the Plaintiffs negotiated a Settlement with the Defendant that allows them to avoid the risks and costs of lengthy and uncertain litigation, and the uncertainty of a trial and appeals. It also allows Settlement Class Members to be compensated without further delay. Representative Plaintiffs and their attorneys think the Settlement is best for all Settlement Class Members.

## **WHO IS INCLUDED IN THE SETTLEMENT?**

### **5. How do I know if I am part of the Settlement?**

You are part of this Settlement as a Settlement Class Member if your Personal Information was maintained on ComplyRight’s website during the Data Breach that occurred from at least April 20, 2018 through May 22, 2018, including if you were sent the July 13, 2018 letter informing you of the Data Breach.

On July 13, 2018, ComplyRight sent letters to Settlement Class Members informing them that between April 20, 2018, and May 22, 2018, an unauthorized person or persons illegally intruded into its website without authorization and accessed or viewed their name, address, telephone number, email address, and Social Security number. This information was entered into the website by, or on behalf of, employers or payers to prepare tax-related forms, for example, forms 1099 and W-2.

### **6. Are there exceptions to being included in the Settlement?**

Yes. Excluded from the Settlement are individuals who are or were, during the Data Breach, officers or directors of ComplyRight, any person found to be criminally involved in the Data Breach, and any judge presiding over this matter.

**7. I am still not sure if I am included.**

If you are still not sure whether you are included, you can call 1-877-884-3497 or visit [www.ComplyRightSettlement.com](http://www.ComplyRightSettlement.com) for more information; or, you can complete and submit a Claim Form to see if you qualify for a Settlement Benefit.

**THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY**

**8. What does the Settlement provide?**

The Settlement provides Settlement Class Members with their choice of (1) a Protection Plan, **or** (2) Cash payment, **or** (3) Reimbursement.

ComplyRight has agreed to pay a total of \$3,025,000 into a Settlement Fund. After deducting the costs of notice and settlement administration (not to exceed \$300,000), Court-approved attorneys' fees, costs and expenses, and Representative Plaintiff service awards, the net Settlement Fund will be used to pay Settlement Class Members who submit a valid Claim Form requesting a Cash payment or Reimbursement. In addition, ComplyRight will separately pay for all costs associated with valid Claim Forms requesting the Protection Plan.

ComplyRight has agreed to implement and maintain the following data security practices for a period of three years after the effective date of the Settlement: (a) an information security program containing policies, procedures, and technical controls; (b) controls regarding authentication of users who access ComplyRight's website, and controls designed to prevent access by users in locations where illegitimate use of the ComplyRight website could originate; (c) ComplyRight shall encrypt all Social Security numbers stored electronically; (d) regular and periodic training and education regarding the storage, handling, and destruction of personally identifiable information and nonpublic personal information for employees that handle those types of information; and (e) annual simulated penetration testing and procedures designed to monitor and address vulnerabilities to ComplyRight's information systems.

**9. Tell me more about the Protection Plan option.**

Each Settlement Class Member who submits a valid Claim Form and opts to receive the Protection Plan will receive, free-of-charge, a two-year subscription to MyIDCare<sup>®</sup>, provided by ID Experts Corp. The MyIDCare<sup>®</sup> subscription will include (1) credit monitoring by Experian (or another qualified company approved by Co-Lead Settlement Class Counsel), (2) dark web monitoring, (3) Fully Managed Recovery (full services), (4) \$1,000,000 insurance coverage for reimbursement of losses attributable to the Data Breach (once enrolled), (5) Member Advisory Services, (6) Lost Wallet Assistance, and (7) 24-Hour Customer Service for each of the above. Complete details regarding this Protection Plan are available at [www.MyIDCare.com](http://www.MyIDCare.com).

The Protection Plan:

- may be transferred to a Settlement Class Member's spouse, cohabitating significant other, or a child age 25 or younger ("Qualifying Family Member");
- will begin and run from the date the Settlement Class Member or the Qualifying Family Member activates the Protection Plan; and
- the activation code does not expire until 12 months after it is received by the Settlement Class Member.

**10. Tell me more about the Cash option.**

Each Settlement Class Member who submits a valid Claim Form and selects the Cash Option will receive an *estimated* \$50 payment from the Settlement Fund.

NOTE: If the amount of money remaining in the Settlement Fund after deducting costs for notice and claims administration (up to \$300,000), Court-approved attorneys' fees, costs, and expenses, and Court-approved Representative Plaintiff service awards ("Administrative Expenses") is more than the aggregate value of valid cash and reimbursement option claims, payments of cash and reimbursement claims will be increased pro rata to exhaust the Settlement Fund. Conversely, if the amount of money remaining in the net Settlement Fund after payment of Administrative Expenses is less than the aggregate value of valid cash and reimbursement claims, payments of cash and reimbursement claims will be decreased pro rata.

#### **11. Tell me more about the Reimbursement option.**

Each Settlement Class Member who submits a valid Claim Form and selects the Reimbursement Option will receive up to \$200 as reimbursement of certain documented expenses actually incurred as a result of the Data Breach that were not reimbursed by insurance or another third party.

The following losses and expenses are eligible for reimbursement if documentation is provided with the Claim Form:

- Documented Time—up to \$15 per hour for a maximum of 3 hours (\$45 total)—associated with visits and calls required to correct issues directly related to the Data Breach.
- Out-of-pocket costs directly related to the Data Breach, such as the costs associated with purchasing police reports, late charges, overdraft fees or other fees, as well as other similar expenses directly related to the Data Breach, and expended in good faith, at the Settlement Administrator’s discretion.

#### **12. What if I enrolled in ComplyRight’s previous credit monitoring and identity theft protection services?**

If you enrolled in ComplyRight’s previous credit monitoring and identity theft protection services offered through TransUnion in ComplyRight’s July 13 letter, and your Reimbursement losses were incurred during the period of time covered under that service, you must make a claim under the insurance offered by the TransUnion service before submitting a Claim Form for Reimbursement from this Settlement.

### **HOW TO GET BENEFITS—SUBMITTING A CLAIM FORM**

#### **13. How do I get a Settlement benefit?**

To qualify for a Settlement benefit, you must complete and submit a Claim Form by **December 6, 2019**. Claim Forms are available and may be filed online at [www.ComplyRightSettlement.com](http://www.ComplyRightSettlement.com). Claim Forms are also available by calling 1-877-884-3497 or by writing to ComplyRight Settlement Administrator, P.O. Box 404149, Louisville, KY 40233-4149.

#### **14. When will I get my Settlement benefit?**

The Court will hold a Final Fairness Hearing at 10:00 a.m. on October 7, 2019 to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether any appeals can be resolved favorably, and resolving them can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed. Depending on the number of claims submitted, and whether any appeals are filed, the Settlement Administrator *could* distribute payments as early as 60 days after the Settlement is approved and becomes final. Please be patient.

#### **15. What am I giving up to get a Settlement benefit or stay in the Settlement?**

Unless you exclude yourself from the Settlement, you will release certain legal claims as they relate to the Settlement. This means that you will no longer be able to sue, continue to sue, or be part of any other lawsuit against ComplyRight about the claims made in this Action and released by the Settlement Agreement. You will be legally bound by all of the Court’s orders, as well as the “Released Claims,” below. You may exclude yourself from the Settlement (*see* Questions 17–19). If you exclude yourself from the Settlement, you will not be bound by any of the Released Claims.

#### **16. What are the Released Claims?**

“Released Claims” mean any and all claims that either have been asserted or could have been asserted by any Settlement Class Member against any of the Released Persons (ComplyRight, parent and successor entities, insurers and reinsurers, business partners and affiliates doing business with ComplyRight involved in the Data Breach and the Related Persons, which includes any past or present director, officer, employee, contractor, representative, attorney, or agent of ComplyRight who has not been charged with criminal activity related to the Data Breach) based on, relating to, concerning or arising out of the allegations, facts, or circumstances alleged in the Litigation. Released Claims specifically include claims stemming from the Data Breach that may have been or could have been asserted, whether known or unknown, by any Settlement Class Member against any person or entity that could seek indemnification or contribution from any of the Released Persons in respect to such Claim.

Released Claims do not include: claims by any individual Settlement Class Member against any card-issuing financial institution brought on an individual, case-by-case basis for reimbursement or waiver of purportedly fraudulent card charges (or other charges by the card-issuing financial institution in connection with purportedly fraudulent card charges) that such card-issuing financial institution allegedly should have reimbursed or waived but has refused to reimburse or waive; claims by any individual Settlement Class Member against any Person in their capacity as a user of consumer reports, furnisher of consumer reports, or a consumer reporting agency (as defined in the Fair Credit Reporting Act 15

U.S.C. § 1681, *et seq.*) brought on an individual, case-by-case basis for the violation of the Fair Credit Reporting Act, 15 U.S.C. § 1681, *et seq.*; and the right of any Settlement Class Member or any Released Person to enforce the terms of the Settlement contained in the Settlement Agreement.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

#### **17. How do I get out of the Settlement?**

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from the Settlement reached in *Winstead v. ComplyRight, Inc.*, No. 1:18-cv-4990 (N.D. Ill.). Your letter must also include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **September 16, 2019** to:

ComplyRight Settlement Administrator  
P.O. Box 404149  
Louisville, KY 40233-4149

#### **18. If I exclude myself, can I still get a benefit from the Settlement?**

No. If you exclude yourself from the Settlement, do not send in a Claim Form to ask for a Settlement benefit, because you will no longer be eligible for one.

#### **19. If I do not exclude myself, can I sue the Defendant for the same thing later?**

No. If you stay in the Settlement (*i.e.*, do nothing or do not exclude yourself from the Settlement), you give up any right to separately sue the Defendant for the claims released by the Settlement Agreement.

### **THE LAWYERS REPRESENTING YOU**

#### **20. Do I have a lawyer in this case?**

Yes. The Court appointed Ben Barnow and Erich P. Schork of Barnow and Associates, P.C., and Laurence D. King and Matthew B. George of Kaplan Fox & Kilsheimer LLP to represent you and other Settlement Class Members. These lawyers are called Co-Lead Settlement Class Counsel. These lawyers and their firms are experienced in handling similar cases. 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.

#### **21. How will Co-Lead Settlement Class Counsel be paid?**

If the Settlement is approved and becomes final, Co-Lead Settlement Class Counsel will ask the Court to award attorneys' fees in the amount of \$908,333, reimbursement of costs and expenses, and service awards to each of the Representative Plaintiffs in the amount of \$2,500. If approved, these amounts, as well as the costs of notice and settlement administration (up to \$300,000), will be deducted from the Settlement Fund before making Reimbursement and Cash payments to Settlement Class Members who submit a valid Claim Form for those options.

### **OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

#### **22. How do I tell the Court that I do not like the Settlement?**

If you are a Settlement Class Member, you can object to the Settlement if you do not like it or a portion of it. You can give reasons why you think the Court should not approve the Settlement. The Court will consider your views before making a decision. To object, you must file with the Court and serve on Co-Lead Settlement Class Counsel and Counsel for ComplyRight a written notice stating that you object to the Settlement in *Winstead v. ComplyRight, Inc.*, No. 1:18-cv-4990 (N.D. Ill.).

Your objection must include:

- 1) your full name, address, telephone number, and e-mail address;
- 2) information or proof showing you are a Settlement Class Member;
- 3) the reasons why you object to the Settlement, including any documents supporting your objection;
- 4) the name and address of your attorney, if you have retained one;

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- 5) the name and address of any attorneys representing you that may appear at the Final Fairness Hearing;
- 6) a list of any and all other cases in which you (directly or through counsel) have filed an objection to any proposed class action settlement, or have been a named plaintiff in any class action or served as lead plaintiff, including the case name, court, and docket number for each;
- 7) a certificate of good standing from the highest court of the state in which objector's counsel is admitted to practice law;
- 8) documents sufficient to demonstrate any court-imposed sanctions entered against objector's counsel arising out of objections to any class or collective action settlement approval;
- 9) a list of all persons who will be called to testify at the Final Fairness Hearing in support of the objection;
- 10) a statement confirming whether you personally intend to appear or testify at the Final Fairness Hearing; and
- 11) your signature or the signature of your attorney or other duly authorized representative (along with documentation illustrating representation).

Your objection must be filed with the Clerk of the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604 by **September 16, 2019**. You must also mail copies of your objection to Co-Lead Settlement Class Counsel and Counsel for ComplyRight postmarked no later than **September 16, 2019**, at the addresses below.

<i>Co-Lead Settlement Class Counsel</i>	<i>Counsel for ComplyRight</i>
Ben Barnow Erich P. Schork Barnow and Associates, P.C. One North LaSalle Street, Suite 4600 Chicago, IL 60602  —and—  Laurence D. King Matthew B. George Kaplan Fox & Kilsheimer LLP 350 Sansome Street, Suite 400 San Francisco, CA 94104	Hsiao C. (Mark) Mao Troutman Sanders LLP 580 California Street, Suite 1100 San Francisco, CA 94104

**23. What is the difference between objecting to and excluding myself from the Settlement?**

Objecting is telling the Court that you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Class in this Settlement. If you exclude yourself from the Settlement, you have no basis to object or file a claim because the Settlement no longer applies to you.

**THE COURT'S FINAL FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to. You cannot speak at the hearing if you exclude yourself from the Settlement.

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

The Court will hold a Final Fairness Hearing at 10:00 a.m. on October 7, 2019, in Courtroom 2119 at the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will take into consideration any properly-filed written objections and may also listen to people who have asked to speak at the hearing (*see* Question 22). The Court will also decide whether to approve payments of fees, costs, and expenses to Co-Lead Settlement Class Counsel, and the service awards to the Representative Plaintiffs.

**25. Do I have to come to the Final Fairness Hearing?**

No. Co-Lead Settlement Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you file an objection, you do not have to come to Court to talk about it. You may also hire your own lawyer to attend, at your own expense, but you are not required to do so.

**QUESTIONS? CALL 1-877-884-3497 TOLL-FREE OR VISIT [WWW.COMPLYRIGHTSETTLEMENT.COM](http://WWW.COMPLYRIGHTSETTLEMENT.COM)**

**26. May I speak at the Final Fairness Hearing?**

Yes, you may ask the Court for permission to speak at the Final Fairness Hearing. To do so, you must follow the instructions provided in Question 22 above. You cannot speak at the hearing if you exclude yourself from the Settlement.

**IF YOU DO NOTHING**

**27. What happens if I do nothing?**

If you do nothing, you will not receive any benefits from this Settlement. If the Court approves the Settlement, you will be bound by the Settlement Agreement and the Release. This means you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendant or the Released Persons about the issues resolved by this Settlement and released by the Settlement Agreement.

**GETTING MORE INFORMATION**

**28. Are more details about the Settlement available?**

Yes. This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement, which is available at [www.ComplyRightSettlement.com](http://www.ComplyRightSettlement.com) or by writing to ComplyRight Settlement Administrator, P.O. Box 404149 Louisville, KY 40233-4149.

**29. How do I get more information?**

Go to [www.ComplyRightSettlement.com](http://www.ComplyRightSettlement.com), call 1-877-884-3497, or write to ComplyRight Settlement Administrator, P.O. Box 404149 Louisville, KY 40233-4149.

*Please do not call the Court or the Clerk of the Court for additional information.  
They cannot answer any questions regarding the Settlement or the Action.*

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS