

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

MICHAEL SHUMAN, *et al.*,
Plaintiffs,
v.
SQUARETRADE, INC.
Defendant.

Case No. 3:20-cv-02725-JCS

NOTICE OF PROPOSED
CLASS ACTION SETTLEMENT

**If you were paid a reimbursement under a
SquareTrade Protection Plan, you could get a
payment from a class action settlement.**

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The settlement will provide the potential for cash payments to two classes of consumers who were previously reimbursed under a SquareTrade Protection Plan.
- Some class members (the “Fast Cash Subclass”), who received reimbursement under SquareTrade’s Fast Cash program, may be entitled to a supplementary payment. Other class members (the “SKU-cap Subclass”) will automatically receive a payment to compensate them for a cap on reimbursement that was inadvertently imposed by SquareTrade.
- Class members will receive individualized notice by email or mail notifying them which Class(es) they belong to.
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	This is the <u>only</u> way to get a payment as part of the Fast Cash Subclass. (There’s no need to submit a Claim Form for payment within the SKU-cap Subclass.) YOU MUST SUBMIT A CLAIM BY FEBRUARY 14, 2023.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against SquareTrade, Inc. about the legal claims and facts underlying this case. THE DEADLINE FOR OPTING OUT OF THE PROPOSED SETTLEMENT IS JANUARY 30, 2023.
OBJECT	Tell the Court why you don’t like the settlement. THE DEADLINE FOR OBJECTING TO THE PROPOSED SETTLEMENT IS JANUARY 30, 2023.
ATTEND THE APPROVAL HEARING	Ask to speak in Court about the fairness of the settlement. THE FAIRNESS HEARING IS SCHEDULED FOR FEBRUARY 24, 2023.
DO NOTHING	Get no payment as part of the Fast Cash Subclass, if applicable. Get payment as part of the SKU-cap Subclass, if applicable. Give up rights.

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

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BASIC INFORMATION

1. Why did I get this notice package?

According to SquareTrade's records, you previously received a reimbursement from SquareTrade in connection with at least one SquareTrade Protection Plan that you purchased.

The Court directed that this notice be made available because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections and/or appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows. You can find updates about the progress of the settlement at www.stsettlement.com.

This package explains the lawsuit, the proposed settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *Shuman v. SquareTrade, Inc.*, Case No. 3:20-cv-02725-JCS (N.D. Cal.). The people who sued are called Plaintiffs, and the company they sued, SquareTrade, Inc., is called the Defendant.

2. What is this lawsuit about?

The lawsuit alleges that SquareTrade underpaid two groups of consumers who purchased SquareTrade Protection Plans, made claims under those Plans, and received a reimbursement from SquareTrade under those Plans.

For the first group, known as the Fast Cash Subclass, the lawsuit alleges that after some customers submitted claims under their Protection Plans, SquareTrade sent them a Fast Cash payment equal to its estimate of the replacement cost of the covered item and that this payment was less than it should have been. SquareTrade denies this.

For the second group, known as the SKU-cap Subclass, the lawsuit alleges that SquareTrade inadvertently applied a "cap" to the reimbursement amount it paid to a small number of customers. The Plaintiffs and Defendant agree that this cap should not have been applied.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Michael Shuman, Tommy Gonzales, and Kathleen Abbott) sue on behalf of people who have similar claims. All these people are Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Chief Magistrate Judge Joseph C. Spero is in charge of this class action.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a settlement. That way, they avoid the cost of further litigation and a trial, and the people affected will get compensation. The Class Representatives and their attorneys think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the settlement?

Everyone who fits either or both of the following descriptions is a member of the Settlement Class. The Settlement Class is comprised of two sub-classes:

Fast Cash Subclass: Any person who, during the Class Period, (i) submitted a claim for coverage under a Protection Plan, and (ii) whose claim was resolved via a Fast Cash Payment from Defendant.

SKU-Cap Subclass: Any person who, during the Class Period, (i) submitted a claim for coverage under a Protection Plan, (ii) resolved the claim by receiving a monetary payment from Defendant, and (iii) received less than the amount the person should have received were it not for the SKU-cap Error.

However, even if you fall within the above descriptions, you are not a Class Member if you are one of SquareTrade's officers, directors, legal representatives, successors, subsidiaries, or assigns, or you are a judge to whom this case is assigned, the judge's spouse, or have a third degree of relationship to the judge or his spouse, or are the spouse of someone with a third degree of relationship.

6. I'm still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-888-964-1110 or visit www.stsettlement.com for more information.

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. What does the settlement provide?

SquareTrade has agreed to make payments to qualified Class Members to supplement the amount(s) they previously received as reimbursement after making a claim under a SquareTrade Protection Plan.

SquareTrade has also agreed to make two changes. First, SquareTrade has modified its Fast Cash claims process to include a disclosure, at the time the customers are presented with the amount of the Fast Cash payment, that if a replacement item costs more than the Fast Cash payment, the customer can submit documentation of this and receive additional reimbursement, up to the amount they originally paid for their item. SquareTrade will agree to maintain this change to its Fast Cash claims process. Second, SquareTrade will implement measures to eliminate the SKU-cap Error, which had resulted in the inadvertent capping of payments issued

by SquareTrade for a small number of claims. SquareTrade agrees that it will take reasonable steps to maintain these corrections to its systems so as to prevent the SKU-cap Error from reoccurring in the future.

Attorneys’ fees and cost reimbursements, service awards for the Class Representatives, and settlement administration expenses will also be paid by SquareTrade in addition to the above benefits and will not impact how much money you may receive from the settlement.

8. How much will my payment be?

Your payment amount depends on which Class you are in, and also how many previous Protection Plan reimbursements you received from SquareTrade and in what amounts.

Fast Cash Subclass: For each Protection Plan they purchased as to which they received a Fast Cash payment that was lower than the replacement cost of their protected item, Fast Cash Subclass members are eligible to receive the difference, for each applicable claim, between (1) the amount that SquareTrade reimbursed them as estimated replacement cost, and (2) the cost of replacing the protected item at the time the claim was submitted (up to the original purchase price). The chart below provides an example:

Your Protection Plan	Approx. date of purchase of your plan	Product category of covered item	Location of purchase of your plan	Date you filed your claim	Amount you originally paid for the covered item	Your Fast Cash payment	Your estimated cost to replace your item at the time you filed your claim
Plan # 1234567	June 2018	Miscellaneous Consumer Electronics	Walmart	August 2020	\$115	BOX A \$90	BOX B \$100

Fast Cash Subclass members may claim the difference between Box A (Fast Cash payment you received) and Box B (Cost to replace your item). If the difference is \$35 or less, you do not need to submit supporting documentation. If the difference is more than \$35, a receipt or other supporting documentation must be provided, or the claim will be limited to \$35. Your claim cannot exceed the difference between what you received under Fast Cash and the original amount that you paid for the covered item.

SKU-Cap Subclass: SKU-cap Subclass Members will be paid the difference between the amount(s) SquareTrade already reimbursed them and the original purchase price of their protected item(s).

HOW YOU GET A PAYMENT

9. How can I get a payment?

Fast Cash Subclass: To qualify for payment, you must submit a Claim Form. Read the instructions carefully, fill out the form, include any documents the form asks for, type your name to sign it, and click submit no later than **February 14, 2023**. If the Court approves the settlement, SquareTrade will send eligible Fast Cash Subclass members with valid claims a payment in the form of a check, digital payment card, or some other cash equivalent, unless they exclude themselves from the settlement.

SKU-cap Subclass: You do not need to do anything to receive a payment. If the Court approves the settlement, SquareTrade will automatically send you a payment in the form of a check, digital payment card, or some other cash equivalent, unless you exclude yourself from the settlement.

Update your mailing address if it has changed since SquareTrade last mailed you a payment.

10. When would I get my payment?

The Court will hold a hearing on **February 24, 2023** to decide whether to approve the settlement. If Judge Spero approves the settlement after that hearing, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Class Members will be informed of the progress of the settlement at www.stsettlement.com. Please be patient.

11. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in a Class, and that means that if the settlement is approved by the Court, you can't sue, continue to sue, or be part of any other lawsuit against SquareTrade about the legal claims and facts underlying *this* case. It also means that all of the Court's orders will apply to you and legally bind you. If you do not exclude yourself, you will agree to the Release in Section 5 of the Settlement Agreement, available at www.stsettlement.com, which describes exactly the legal claims that you give up if you remain in the Class.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to participate in this settlement, and you want to retain the option to sue or continue to sue SquareTrade, Inc., on your own, about the legal issues and facts underlying this case, then you must take steps to get out of the settlement. This is called excluding yourself—or is sometimes referred to as opting out of the settlement.

12. How do I get out of the settlement?

To exclude yourself from the settlement, you must either fill out and submit the online form on the Settlement Website (www.stsettlement.com) by no later than **January 30, 2023** or send a letter by mail saying that you want to be excluded from *Shuman v. SquareTrade, Inc.* If you send a letter, be sure to include your name, mailing address, telephone number, email address, and your signature. You must mail your exclusion request postmarked no later than **January 30, 2023** to:

Shuman v SquareTrade Inc.
c/o JND Legal Administration
PO Box 91389
Seattle, WA 98111

You can't exclude yourself on the phone or by e-mail. If you exclude yourself, you will not receive any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) SquareTrade in the future about the legal issues and facts underlying this case.

13. If I don't exclude myself, can I sue SquareTrade for the same thing later?

No. Unless you exclude yourself, you give up any right to sue SquareTrade for the legal issues and facts underlying the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **January 30, 2023**.

14. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a claim form; you will not receive money from this settlement. But you may sue, continue to sue, or be part of a different lawsuit against SquareTrade.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The law firms appointed by the Court to represent you and other Class members are Gibbs Law Group LLP (www.classlawgroup.com), and Handley Farah & Anderson PLLC (www.hfajustice.com). Together, the lawyers are called Class Counsel. You will not be charged for or by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and expenses up to \$1,000,000, and a service award of \$5,000 to each of the Class Representatives, Michael Shuman, Tommy Gonzales, and Kathleen Abbott. The Court may award less than these amounts. These amounts are paid separately and will not impact the payments made to Class Members. SquareTrade will also separately pay the costs to administer the settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

17. How do I tell the Court that I don't like the settlement?

You can ask the Court to deny approval of the settlement by filing an objection directly with the Court or by submitting an objection on the Settlement Website. You cannot ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

Any objection to the proposed settlement must be in writing. If you submit a timely written objection (either directly to the Court or through the Settlement Website), you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must clearly identify the case name and number (*Shuman v. SquareTrade, Inc.*, Case No. 3:20-cv-02725-JCS). Objections submitted

directly to the Court should be mailed or delivered to the Class Action Clerk, United States District Court for the Northern District of California, San Francisco Division, Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Ave, San Francisco, CA 94102, and be postmarked on or before **January 30, 2023**. Objections made on the Settlement Website must be submitted on or before **January 30, 2023**.

Be sure to include your name, mailing address, telephone number, email address, your signature, the factual and legal reasons you object to the settlement, documents or attestations establishing that you are a class member, whether you are objecting on behalf of only yourself, the settlement Class, or a subset of the settlement Class, and the name and contact information of any and all attorneys representing, advising, or assisting you, including all individuals who may be entitled to compensation for any reason related to the objection or comment. If you want to present evidence or witnesses at the final approval hearing, your objection must also include copies of such evidence, and identify any witnesses you plan to engage at the hearing.

18. What's the difference between objecting and excluding?

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 case no longer affects you.

THE COURT'S 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 don't have to.

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

The Court will hold a Final Approval Hearing at 9:30 a.m. on Friday, **February 24, 2023**. The hearing will be conducted by Zoom (id. 161 926 0804, password 050855). Full instructions for the Zoom webinar will be available at <https://www.cand.uscourts.gov/judges/spero-joseph-c-jcs/>. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Spero will listen to people who wish to speak at the hearing. The Court may also decide how much to pay to Class Counsel and the Class Representatives. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

The Court may reschedule the Final Approval Hearing or change any of the deadlines described in this notice. The date of the Final Approval Hearing may change without further notice to Class Members. Be sure to check the Settlement Website, www.stsettlement.com, for news of any such changes. You can also check whether the hearing date or any deadlines have changed by accessing the case docket via the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>.

20. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge Spero may have. But you are welcome to attend the virtual hearing. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

21. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

SKU-cap Subclass members who do nothing will automatically receive a settlement payment, as described above, as long as the Court approves the settlement.

Fast Cash Subclass members who do nothing will receive no settlement payment. They must submit a claim to receive a payment.

Also, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against SquareTrade about the legal issues and the facts underlying the legal issues in this case, ever again.

GETTING MORE INFORMATION

23. Are there more details about the settlement?

This notice summarizes the proposed settlement. For key documents from the litigation and more details about the Settlement Agreement, please visit www.stsettlement.com or contact the Settlement Administrator at info@stsettlement.com or by calling 1-888-964-1110.

24. How do I get more information?

You can email the Settlement Administrator at info@stsettlement.com or call 1-888-964-1110 toll-free; or view the website at www.stsettlement.com for additional information.

All the case documents that have been filed publicly in this case are also available online through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>. This case is called *Shuman v. SquareTrade, Inc.*, Case No. 3:20-cv-02725-JCS (N.D. Cal.). You may also obtain case documents by visiting the office of the Clerk of Court for the United States District Court for the Northern District of California, located at the Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Ave, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, except court-observed holidays. More information about the clerk's office hours and other locations can be found at <https://www.cand.uscourts.gov/locations>.

You can also contact Class Counsel for them to answer questions.

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This notice only summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the Settlement Agreement, by contacting Class Counsel using the contact information above, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, Phillip Burton Federal Building & United States Courthouse, 450 Golden Gate Ave, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You may also review key documents from the case, including the Settlement Agreement, on the Settlement Website at www.stsettlement.com.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE
TO INQUIRE ABOUT THIS SETTLEMENT.**