

1 **PLAN OF ALLOCATION**

2 Each Settlement Payment will be comprised of (1) a Base Payment Amount, (2) *plus* a
3 Supplemental Payment Amount, (3) *minus* the Settlement Class Member’s share of any Fee
4 Award, incentive awards to the Class Representatives, cost of Notice, and Settlement
5 Administration Expenses.

6 **1. Base Payment Amounts.**

7 Base Payment Amounts will be calculated by applying an escalating marginal recovery
8 formula to the Settlement Class Member’s Lifetime Spending Amount through and including
9 [the date of Preliminary Approval], with the portion of the Settlement Class Member’s spending
10 attributable to Platform Provider fees (fixed for settlement purposes as 30% of each Settlement
11 Class Member’s lifetime spending) discounted by 75%.

12 Settlement Class Members will be subject to an escalating marginal recovery formula
13 based on the percentages described in Figure 1 below.

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15 **Figure 1**

Lifetime Spend (\$)	Marginal Rate (%)
.01-1,000	10
1,000.01-10,000	17.5
10,000.01-100,000	30
100,000.01+	60

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23 By way of example, an individual with a Lifetime Spending Amount of \$40,000 will be
24 entitled to a Base Payment Amount of \$8,273.12, calculated as: ((10% of their first \$1,000 in
25 spending [\$100]) + (17.5% of their next \$9,000 in spending ([\$1,575])) + (30% of their next
26 \$30,000 in spending [\$9,000])) * (1 – (75% * 30%)).
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1 **2. Supplemental Payment Amounts.**

2 Supplemental Payment Amounts will be calculated on a *pro rata* basis and will depend
3 on Settlement Class Member participation rate in the Settlement. Upon the close of the claims
4 period, the sum of all unclaimed Base Payment Amounts will be considered the Supplemental
5 Payment Fund. The Supplemental Payment Fund will be apportioned *pro rata* to each Settlement
6 Class Member who submitted a valid claim, based on the participating Settlement Class
7 Member's Base Payment Amount. For example, if valid claims total \$207,500,000 million in
8 Base Payment Amounts (*i.e.*, 50% of the Gross Settlement Fund), then the Supplemental
9 Payment amount of a Settlement Class Member whose Base Payment Amount was \$8,273.12
10 would likewise be \$8,273.12 (for a Gross Payment Amount of \$16,546.24). Gross Payment
11 Amounts are subject to the deductions described in Section (3).

12 In the event that a Settlement Payment when initially calculated would exceed a Class
13 Member's Lifetime Spending Amount, any amount in excess of the Class Member's Lifetime
14 Spending Amount will be distributed pro rata to all Class Members whose Settlement Payment
15 does not exceed their Lifetime Spending Amount. If all Class Members' Settlement Payments
16 would exceed their Lifetime Spending Amounts, then the remaining Settlement Fund shall be
17 distributed pro rata. For the avoidance of doubt, no Class Member will recover more than their
18 Lifetime Spending Amount unless all Class members do.

19 Regardless of Settlement Class Member participation rates, the sum of Base Payment
20 Amounts and Supplemental Payments Amounts will equal the Gross Settlement Fund (\$415
21 million) less any Fee Award, Incentive Awards, costs of Notice, and Settlement Administration
22 Expenses.

23 **3. Fee Award, Incentive Awards, and Settlement Administration Expenses.**

24 Settlement Payment Amounts will be a Settlement Class Member's Base Payment
25 Amount plus their Supplemental Payment Amount, minus their share of any Fee Award,
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1 Incentive Awards, cost of Notice, and Settlement Administration Expenses, anticipated not to
2 exceed 30% of the Settlement Amount.

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