

# Exhibit F

## **CLASS ACTION SETTLEMENT AGREEMENT**

This Settlement Agreement and Release (the “Settlement Agreement” or “Agreement”)<sup>1</sup> is made and entered into this 16th day of July, 2025, by and among (1) Plaintiffs, Jeffrey Stephenson and Billy Smith II, individually and on behalf of the Settlement Class, and (2) Navy Federal Credit Union, subject to Preliminary Approval and Final Approval as required by the Federal Rules of Civil Procedure. As provided herein, Plaintiffs, Class Counsel, and Navy Federal hereby stipulate and agree that, in consideration of the promises and covenants set forth in this Agreement and upon entry by the Court of a Final Order and Judgment, all claims of the Settlement Class against Navy Federal in the action titled *Jeffrey Stephenson and Billy Smith II v. Navy Federal Credit Union*, S.D. Cal. Case No. 3:23-cv-01851-WQH-KSC (the “Action”), shall be settled and compromised upon the terms and conditions contained herein.

### **RECITALS**

1. This putative class action was originally filed on October 10, 2023, in the United States District Court for the Southern District of California against Navy Federal alleging breach of contract, breach of the implied covenant of good faith and fair dealing, violations of the Electronic Funds Transfer Act, 15 U.S.C. § 1693 *et seq.* (the “EFTA”), and violation of California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 (the “UCL”). Plaintiff Stephenson brought claims individually and on behalf of a nationwide class of credit union members arising from Navy Federal’s handling of electronic fund transfers disputed by members as unauthorized and/or fraudulent. *Stephenson, et al. v. Navy Federal Credit Union*, No. 3:2023-cv-01851, ECF No. 1 (S.D. Cal. Oct. 10, 2023) (the “Action”).

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<sup>1</sup> All capitalized terms herein have the same meanings as those given to them in Section I below.

2. On February 21, 2024, Defendant filed a motion to dismiss under Rule 12(b)(6), arguing, *inter alia*, that Plaintiff Stephenson failed to state a claim upon which relief could be granted. *Id.* at ECF No. 19. Plaintiff Stephenson filed his opposition brief on March 22, 2024, (*id.* at ECF No. 22), and Defendant filed its reply brief on April 5, 2024 (*id.* at ECF No. 24).

3. On September 20, 2024, the Court largely denied Defendant's motion to dismiss. *Id.* at ECF No. 25. Specifically, the Court upheld the claim for violations of the EFTA and also upheld the breach of express contract claim. The Court granted the motion with respect to the UCL claim, with leave to amend. Plaintiff Stephenson opted not to amend the UCL claim.

4. On October 4, 2024, Plaintiffs Stephenson and Smith II filed the Second Amended Compliant to add Plaintiff Smith. *Id.* at ECF No. 28.

5. Defendant thereafter answered Plaintiffs' Second Amended Complaint on November 1, 2024, by denying the allegations generally and raising seven (7) affirmative defenses. *Id.* at ECF No. 32.

6. Thereafter, the Parties engaged in written discovery, which included the exchange of initial disclosures pursuant to Rule 26(a)(1), requests for production and interrogatories, meet-and-confer conferences regarding the same, third-party subpoenas, and the production of documents.

7. On December 11, 2024, the parties participated in an Early Neutral Evaluation with Magistrate Judge Karen S. Crawford, which did not result in settlement.

8. On February 26, 2025, the Parties requested a stay of the case in order for the Parties to mediate. ECF No. 54.

9. On June 4, 2025, the Parties engaged in an in-person mediation with JAMS neutral retired Judge Diane M. Welsh (Ret.), a respected mediator experienced in mediating class actions

alleging EFTA claims. With the assistance of Judge Welsh, the parties agreed to the material terms of Settlement, which they memorialized in a term sheet executed on June 6, 2025.

10. The Parties stipulated to stay the case and extend deadlines pending the mediation and the Court granted that stipulation on March 3, 2025. ECF No. 55.

11. The Parties now agree to settle the Action in its entirety, without any admission of liability, with respect to all Released Claims of the Releasing Parties. The Parties intend this Agreement to bind the Plaintiffs, Navy Federal, and all Settlement Class Members.

NOW, THEREFORE, in light of the foregoing, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree, subject to approval by the Court, as follows:

**1. DEFINITIONS.**

As used in this Settlement Agreement, the following terms have the meanings specified below:

**1.1 “Account”** means the account for which a Navy Federal member has made a claim of an unauthorized electronic fund transfer that was denied during the Class Period.

**1.2 “Accountholder”** means any person who has or had any interest, whether legal or equitable, in an Account during the Class Period and includes Current Accountholders and Former Accountholders.

**1.3 “Action”** means *Jeffrey Stephenson, et al. v. Navy Federal Credit Union*, Case No. 3:23-cv-01851, pending in the United States District Court for the Southern District of California.

**1.4 “Approved Claim”** means a Claim Form submitted by a Settlement Class Member that: (a) is submitted timely and in accordance with the directions on the Claim Form and the provisions of the Settlement Agreement; (b) is fully and truthfully completed by a Settlement Class

Member; (c) is signed by the Settlement Class Member, physically or electronically; and (d) is approved by the Settlement Administrator pursuant to the provisions of this Agreement.

**1.5 “Claim Form”** means the document substantially in the form attached hereto as Exhibit A, or as approved by the Court. The Claim Form, to be completed by Settlement Class Members who wish to file a claim for a payment, shall be available in electronic and paper format in the manner described below.

**1.6 “Claims Deadline”** means the date by which all Claim Forms must be postmarked or received to be considered timely. The Claims Deadline, proposed to the Court, shall be no later than sixty (60) days after the Notice Date. The Claims Deadline shall be clearly set forth in the Preliminary Approval Order as well as in the Notice and the Claim Form.

**1.7 “Class Counsel”** means:

EDELSBERG LAW, P.A.  
Scott Edelsberg  
Adam Schwartzbaum  
1925 Century Park East, Suite 1700  
Los Angeles, CA 90067

SHAMIS & GENTILE, P.A.  
Edwin E. Elliott  
14 NE 1st Avenue, Suite 705  
Miami, FL 33132

KALIEL GOLD PLLC  
Jeffrey D. Kaliel  
Sophia Goren Gold  
490 43rd Street, No. 122  
Oakland, CA 94609

**1.8 “Class Period”** means the period beginning from October 10, 2022, to the date the Court enters the Preliminary Approval Order of the Settlement.

**1.9 “Class Representatives”** means the named Plaintiffs Jeffrey Stephenson and Billy Smith II.

**1.10 “Court”** means the United States District Court for the Southern District of California.

**1.11 “Current Accountholder”** means a Settlement Class Member who continues to have his or her Account or any other open account with Navy Federal as of the date that the Net Settlement Fund is distributed to Settlement Class Members pursuant to this Agreement.

**1.12 “Defendant” or “Navy Federal”** means Navy Federal Credit Union.

**1.13 “Defendant’s Counsel”** means Defendant’s counsel of record in the Action.

**1.14 “Effective Date”** means the 10th business day after which all of the following events have occurred;

(a) The Court has entered without material change the Final Approval Order and Final Judgment; and

(b) The time for seeking rehearing or appellate or other review has expired, and no appeal or petition for rehearing or review has been timely filed; or the Settlement is affirmed on appeal or review without material change, no other appeal or petition for rehearing or review is pending, and the time period during which further petition for hearing, review, appeal, or certiorari could be taken has finally expired and relief from a failure to file same is not available.

**1.15 “EFTA Dispute”** means each Settlement Class Member’s electronic funds transaction reported as unauthorized or fraudulent under Regulation E and denied by Defendant, and which allegedly supports a claim for violation of the Electronic Funds Transfer Act (“EFTA”), 15 U.S.C. §§ 1693, *et seq.*, and Regulation E of the EFTA, 12 C.F.R. §§1005.1, *et seq.*

**1.16 “Email Notice”** means a short form of notice that shall be sent by email to Class Members for whom Navy Federal has a valid email address in the form attached as Exhibit B. The Email Notice shall contain an electronic link to the Settlement Website where a Settlement Class

Member can access an online Claim Form pre-filled with the Settlement Class Member's unique claim ID, if possible.

**1.17 “Escrow Account”** means the escrow account established by the Settlement Administrator under terms acceptable to all Parties at a depository institution insured by the Federal Deposit Insurance Corporation to receive and maintain funds contributed on behalf of Defendant for the benefit of the Settlement Classes. The Escrow Account shall be maintained by the Settlement Administrator.

**1.18 “Fee Award”** means the amount of attorneys' fees and reimbursement of expenses awarded by the Court to Class Counsel, which will be paid out of the Settlement Fund.

**1.19 “Final Approval”** means the date that the Court enters on Order granting final approval to the Settlement, issues a final judgment, and determines the amount of attorneys' fees, costs, and expenses awarded to Class Counsel. The proposed Final Approval Order shall be in the form of Exhibit F. In the event that the Court issues separate orders addressing the foregoing matters, then Final Approval means the date of the last such orders.

**1.20 “Final Approval Hearing”** means the hearing set by the Court to determine the fairness of the Settlement and whether to approve its terms.

**1.21 “Final Judgment”** means the Final Approval Order and Judgment that the Court enters upon Final Approval, which shall be substantially in the form attached as Exhibit F. In the event that the Court issues separate Orders addressing the matters constituting Final Judgment, then the Final Judgment includes all such Orders.

**1.22 “Former Accountholder”** means a Settlement Class Member who no longer has his or her Account or any other Navy Federal checking or savings account as of the date that the Net Settlement Fund is distributed to Settlement Class Members pursuant to this Agreement.

**1.23 “Long Form Notice”** means the form of notice that shall be posted on the Settlement Website and shall be available to the Settlement Class by mail on request made to the Settlement Administrator in the form attached as Exhibit D.

**1.24 “Net Settlement Fund”** means the Settlement Fund, minus (a) Settlement Administration Costs and (b) Court-approved attorneys’ fees, costs, and expenses.

**1.25 “Notice”** means the notice of this proposed Class Action Settlement Agreement, which is to be sent to the Settlement Class substantially in the manner set forth in this Agreement, is consistent with the requirements of Due Process, Federal Rule of Civil Procedure 23, and is substantially in the form of Exhibit B (the “Email Notice”), Exhibit C (the “Postcard Notice”), and Exhibit D (the “Long Form Notice”) hereto as well as the processes of sending Notice set out in Section Four below (collectively, the “Notice Program”).

**1.26 “Notice Date”** means the date of no later than sixty (60) days following entry of the Preliminary Approval Order by which the Settlement Administrator must commence emailing and mailing of the Notice to Settlement Class Members.

**1.27 “Objection/Exclusion Deadline”** means the date by which a written objection to this Settlement Agreement or a request for exclusion submitted by a Person within the Settlement Class must be made, which shall be designated as a date no later than forty-five (45) days after the Notice Date, or such other date as ordered by the Court.

**1.28 “Parties”** means Plaintiffs and Navy Federal.

**1.29 “Person”** means a natural person, firm, association, organization, partnership, business, trust, limited liability company, corporation, or public entity.

**1.30 “Plaintiffs”** means Jeffrey Stephenson and Billy Smith II.

**1.31 “Plaintiffs’ General Release”** means that as of the Effective Date, Plaintiffs, and each of their successors, assigns, heirs, personal representatives, and all those who claim through them or who assert claims on each of their behalf, shall each be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressly released, waived, and relinquished any and all claims, demands, rights, liabilities, and causes of action each of them has or has ever had against any of the Released Parties, whether for economic damages, noneconomic damages, exemplary damages, penalties, restitution, injunctive or declaratory relief, interest, attorneys’ fees, costs, or any other forms of monetary or non-monetary relief in any way arising out of or relating to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act from the beginning of time to the date each of them signs this Agreement, including but not limited to any claims arising from or related to Navy Federal’s denial of their claims for reimbursement of unauthorized electronic fund transfers. This general release by Plaintiffs shall include all statutory claims, common law claims (including but not limited to those sounding in contract, tort, and equity), claims for compensation to the fullest extent permitted by law, and Unknown Claims (as defined in this Agreement). Plaintiffs each further agree not to sue or otherwise make a claim against any of the Released Parties for any of the claims that are released pursuant to this paragraph.

**1.32 “Plan of Allocation”** means the manner in which the Net Settlement Fund shall be allocated to Settlement Class Members, as specified in paragraph 2.1(b).

**1.33 “Preliminary Approval”** means the Court’s certification of the Settlement Class for settlement purposes, preliminary approval of this Settlement Agreement, and approval of the form and manner of the Notice.

**1.34 “Preliminary Approval Order”** means the order preliminarily approving the Settlement Agreement, certifying the Settlement Class for settlement purposes, and directing notice thereof to the Settlement Class, which will be agreed upon by the Parties and submitted to the Court in conjunction with Plaintiffs’ motion for preliminary approval of the Agreement, which shall be substantially in the form of Exhibit E.

**1.35 “Postcard Notice”** means the short form of notice that shall be sent by mail to Class Members for whom Navy Federal does not have an email address, or for whom the Settlement Administrator is unable to send Email Notice using the email address provided by Navy Federal, in the form attached as Exhibit C. The Claim Forms provided with Postcard Notice will be pre-filled with a unique claim ID and the Settlement Class Member name.

**1.36 “Released Claims”** means any and all claims to statutory damages or injunctive relief, regardless of legal basis and on account of any and all claims, suits, obligations, causes of action of every kind and/or nature, liabilities, rights, claims, actions, causes of action, and demands, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, based on contract, tort or any other theory, that result from, arise out of, are based upon, or relate to the conduct, omissions, duties or matters during the Class Period that were or could have been alleged in the Action. The Released Claims exclude any claims for actual damages based on or related to Navy Federal’s purported improper denial of a claim of unauthorized electronic transfer(s). Nothing herein is intended to release any claims any governmental agency or governmental actor may have against Defendant.

**1.37 “Released Parties”** means Defendant Navy Federal Credit Union, as well as any and all of its respective present or past or future heirs, executors, estates, administrators, predecessors, successors, assigns, parent companies, subsidiaries, licensors, licensees, associates,

affiliates, employers, employees, agents, consultants, independent contractors, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, underwriters, shareholders, lenders, auditors, investment advisors, legal representatives, successors in interest, assigns and companies, firms, trusts, and corporations.

**1.38 “Releasing Parties”** means Plaintiffs, those Settlement Class Members who do not timely opt out of the Settlement Class, and all of their respective present or past or future heirs, executors, estates, administrators, predecessors, successors, assigns, parent companies, subsidiaries, associates, affiliates, employers, employees, agents, consultants, independent contractors, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, underwriters, shareholders, lenders, auditors, investment advisors, legal representatives, successors in interest, assigns and companies, firms, trusts, and corporations.

**1.39 “Service Award”** means any Court-ordered payment to Plaintiffs for serving as Class Representatives.

**1.40 “Settlement Administration Costs”** means the costs and expenses incurred by the Settlement Administrator in providing Notice, processing claims, responding to inquiries from members of the Settlement Class, mailing checks for Approved Claims, and related services, including notices required by the Class Action Fairness Act. Navy Federal will pay Settlement Administration Costs separate and apart from payment of the Settlement Fund and payments to the Plaintiffs.

**1.41 “Settlement Administrator”** means Kroll Settlement Administration LLC (Kroll) or such other administration company that has been selected by the Parties and approved by the

Court to oversee the distribution of Notice, as well as the processing and payment of Approved Claims to the Settlement Class as set forth in this Agreement.

**1.42 “Settlement Class” or “Settlement Classes”** means the following:

(a) **Written Explanation Settlement Class.** All Accountholders whose claims of unauthorized electronic fund transfers were denied by Navy Federal Credit Union between October 10, 2022, and the date the Court grants preliminary approval of the Settlement.

(b) **Document Request Settlement Subclass.** All Accountholders in the Written Explanation Settlement Class who requested documents Navy Federal relied on in making its determination and who did not receive them.

**1.43 “Settlement Class List”** means the list of all Settlement Class Members and their email addresses (to the extent available) and last known postal addresses provided by Navy Federal to the Settlement Administrator for the purposes of disseminating Notice.

**1.44 “Settlement Class Member”** means any person who falls within the definition of the Settlement Classes as set forth above and who does not submit a valid request for exclusion.

**1.45 “Settlement Class Member Payment”** means the distribution that will be made from the Net Settlement Fund to each Settlement Class Member who files an Approved Claim by the Settlement Administrator, pursuant to the Plan of Allocation.

**1.46 “Settlement Fund”** means the amount of one million seven hundred thousand dollars (\$1,700,000.00 USD), which Defendant will be obligated to pay to the Settlement Administrator on behalf of the Settlement Classes, as described herein. From the Settlement Fund, the Settlement Administrator shall pay all Approved Claims made by Settlement Class Members and any Fee Award to Class Counsel.

**1.47 “Settlement Website”** means the website that the Settlement Administrator will use as a means for Settlement Class Members to obtain notice of and information about the Settlement, through and including hyperlinked access to this Agreement, the Long Form Notice, the Preliminary Approval Order, the Claim Form, and such other documents as the Parties agree to post or that the Court orders posted on the website. These documents shall remain on the Settlement Website at least until the Settlement Administrator has distributed the Net Settlement Fund. The URL of the Settlement Website shall be [www.stephensoneftalitigation.com](http://www.stephensoneftalitigation.com), or such other URL as Class Counsel and Navy Federal agree upon in writing.

**1.48 “Unknown Claims”** means claims that could have been raised in the Action arising out of or related to EFTA Dispute that Plaintiffs do not know or suspect to exist, which, if known by him or her, might affect their agreement to release the Released Parties or the Released Claims or might affect their decision to agree, object or not to object to the Settlement. Upon the Effective Date, the Plaintiffs shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Upon the Effective Date, Plaintiffs also shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, or the law of any jurisdiction outside of the United States, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Plaintiffs acknowledge that they may discover facts in addition to or different from those that they now know

or believe to be true with respect to the subject matter of this release, but that it is their intention to finally and forever settle and release the Released Claims, notwithstanding any Unknown Claims they may have, as that term is defined in this Paragraph.

**2. SETTLEMENT RELIEF.**

**2.1 Payments to Settlement Class Members and Plaintiffs.**

(a) **Monetary Payments.** Subject to approval by the Court, under the Settlement, the total monetary consideration to be provided by Navy Federal shall be \$1,720,000: a) \$1,700,000 for settlement of the Settlement Class Member Claims, inclusive of the amount paid to Settlement Class Members, any and all attorneys' fees, costs, and expenses awarded to Class Counsel; b) \$5,000 to each Plaintiff in settlement of their individual claims (as further specified in paragraph 2.1(a)(i), below); and (c) \$5,000 to each Plaintiff as a Service Award approved by the Court. Except as otherwise specified in this Agreement, Navy Federal shall not be responsible for any other payments under this Agreement. In accordance with the timing specified in paragraph 2.1(c), Navy Federal shall: a) deposit into the Escrow Account \$1,700,000 minus the amount of the Settlement Class Member Payments to be credited to the accounts of Current Accountholders; and b) after receipt of W9s from each Plaintiff, credit each Plaintiff's Account in the amount of \$10,000. Distribution of any funds remaining from uncashed checks for those settlement class members without active Navy Federal accounts is set forth in paragraph 2.1(j).

- i. As part of the Settlement, Navy Federal agrees to pay each Plaintiff \$5,000 in exchange for their release of the individual claims against Navy Federal, including their claims for actual damages under the EFTA and for breach of contract, including the implied covenant of good faith and fair dealing. Payments for Plaintiff's individual claims will be paid separate from the

Settlement Fund through a credit to each Plaintiff's Account within thirty (30) days after the Effective Date.

(b) **Plan of Allocation.** Settlement Class Members shall have until the Claims Deadline to submit an Approved Claim. Each Settlement Class Member with an Approved Claim shall be entitled to a *pro rata* portion of the Net Settlement Fund, distributed by an electronic payment method approved by the Settlement Administrator or by check. Pursuant to the following Plan of Allocation, Settlement Class Members who are members of the Written Explanation Settlement Class will be assigned one (1) Approved Claim for purposes of allocating the Net Settlement Fund, while Settlement Class Members who are also members of the Document Request Settlement Subclass will be assigned two (2) Approved Claims for purposes of allocating the Net Settlement Fund. The value of each *pro rata* portion of the Net Settlement Fund will be calculated by dividing the total number of Approved Claims by the amount of the Net Settlement Fund.

- i. Members of the Written Explanation Settlement Class who timely submit a valid Claim Form, and whose class membership is confirmed by the Settlement Administrator, will be assigned one (1) Approved Claim for purposes of allocating the Net Settlement Fund.
- ii. Individuals who warrant they are members of the Document Request Settlement Subclass may indicate this fact by checking the appropriate box on the Claim Form. The Settlement Administrator will compile a list identifying all individuals who selected this option and will provide that list to Defendant within seven (7) days after the Claims Deadline. Defendant may, at its sole discretion, review its claim files to determine whether any of these

individuals are not, in fact, members of the Document Request Settlement Subclass. If Defendant determines that any individual is not a member of the Document Request Settlement Subclass, it must provide supporting documentation to the Settlement Administrator within twenty-one (21) days, who will review and confirm Defendant's determination. Settlement Class Members who are confirmed to be members of the Document Request Settlement Subclass will be assigned two (2) Approved Claims for purposes of allocating the Net Settlement Fund.

(c) **Settlement Payment Amount Chart.** Within five (5) business days of the Effective Date, the Settlement Administrator will provide Navy Federal with a chart of the payment amount for each Settlement Class Member Account. Within fifteen (15) business days of receipt, Navy Federal will identify the Former Accountholders for the Settlement Administrator and will wire to the Settlement Administrator an amount equal to \$1,700,000 minus the total amount of credits to Current Accountholders.

(d) **Distribution of Settlement Payments.** Within ten (10) business days of receipt of funds from Navy Federal, the Settlement Administrator will mail Settlement Class Member Payments to Former Accountholders via check and Navy Federal will credit accounts of Current Accountholders.

(e) **Credits.** Navy Federal will credit the Settlement Class Member Payments to accounts of Current Accountholders. If the Current Accountholder's Account is no longer open, Navy Federal will credit the Settlement Class Member Payment to any other open savings or checking account maintained by the Current Accountholder at the time of issuing the credit. Navy

Federal will bear any costs associated with implementing the credits and notification to the Settlement Administrator discussed in this paragraph.

(f) If by the deadline for Navy Federal to apply credits of Settlement Class Member Payments to Current Accountholders, Navy Federal is unable to complete certain credits, or it is not feasible or reasonable to make the payment by a credit, Navy Federal shall deliver the total amount of such unsuccessful Settlement Class Member Payment credits to the Settlement Administrator to be paid by check in accordance with paragraphs 2.1(g)-(h) below.

(g) **Checks.** Settlement Fund Payments will be made by check with an appropriate legend, in a form approved by Class Counsel and Navy Federal's counsel, to indicate that it is from the Settlement Fund. Checks will be cut and mailed by the Settlement Administrator and will be sent to the addresses that the Settlement Administrator identifies as valid. Checks shall be valid for ninety (90) days. For jointly held Accounts, checks will be payable to all Accountholders, and will be mailed to the first Accountholder listed on the Account.

(h) The Settlement Administrator will make reasonable efforts to locate the proper address for any intended recipient of Settlement Funds whose check is returned by the Postal Service as undeliverable (such as by running addresses of returned checks through the Lexis/Nexis database that can be used for such purpose), and will re-mail the check once to the updated address, or, in the case of a jointly held Account, and in the Settlement Administrator's discretion, to an Accountholder other than the one listed first. In the event of any complications arising in connection with the issuance or cashing of a check, the Settlement Administrator shall provide written notice to Class Counsel and Navy Federal's counsel. Absent specific instructions from Class Counsel and Navy Federal's counsel, the Settlement Administrator shall proceed to

resolve the dispute using its best practices and procedures to ensure that the funds are fairly and properly distributed to the person or persons who are entitled to receive them.

(i) **Residual Funds.** The amount of the Net Settlement Fund attributable to uncashed or returned checks sent by the Settlement Administrator (the “Residual Funds”) shall be held by the Settlement Administrator for thirty days after the checks become invalid in accordance with sub-paragraph (g) above. During this time, the Settlement Administrator shall make a reasonable effort to locate intended recipients of settlement funds whose checks were returned (such as by running addresses of returned checks through the Lexis/Nexis database that can be utilized for such purpose) to effectuate delivery of such checks. The Settlement Administrator shall make only one such additional attempt to identify updated addresses and re-mail or re-issue a distribution check to those for whom an updated address was obtained.

(j) **Residual Funds Distribution.** Any Residual Funds remaining after the Settlement Administrator completes the process described in the previous subparagraph (the “Remaining Residual Funds”) will be distributed as follows:

i. First, any Remaining Residual Funds will be payable to Navy Federal for the amount that it paid for Settlement Administrative Costs.

ii. Second, if any Residual Funds remain, the Settlement Administrator will distribute these funds to a *cy pres* recipient. The Parties shall identify the proposed *cy pres* recipient in the Motion for Final Approval and seek the Court’s approval. In the Motion for Final Approval, the Parties shall propose as a *cy pres* recipient an entity that works to promote financial literacy, including for members of the military or veterans.

(k) **Taxes.** If required under applicable law, IRS Forms 1099-MISC will be issued in connection with the payments under this Agreement. The payments will also be reported,

if required under applicable law, to any applicable state and local taxing authorities. The Parties acknowledge that no tax advice has been offered or given by any Party, their attorneys, agents, or any other representatives, in the course of these negotiations, and each Party is relying upon the advice of its own tax consultant with regard to any tax consequences that may arise as a result of the execution of this agreement. The Parties and their respective counsel have made no representation with respect to the tax treatment of any payment or transfer made under this Agreement to any Settlement Class Member. Each Class Representative and Settlement Class Member shall be solely responsible for the federal, state, and local tax consequences to him or her of the receipt of funds under this Agreement.

## **2.2 Injunctive Relief.**

(a) **Prospective Relief.** As part of the Settlement, Navy Federal agrees to implement changes to its policies and procedures relating to the handling of claims concerning unauthorized electronic fund transfers. These changes will include revisions to the written explanation sent to members whose claims are denied and enhancements to the procedures for responding to member requests for documents in connection with such denials.

## **3. RELEASE.**

**3.1** The obligations incurred pursuant to this Settlement Agreement shall be a full and final disposition of the claims asserted in the Action and any and all Released Claims, as against all Released Parties.

**3.2** Upon the Effective Date, the Releasing Parties and each of them, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties, and each of them.

**3.3** Upon the Effective Date, the Plaintiffs shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever agreed to Plaintiffs' General Release.

**3.4 Bar to Future Suits.** Upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member, shall, either directly, indirectly, representatively, or in any capacity, be permanently barred and enjoined from filing, commencing, prosecuting, intervening in, or participating (as a class member or otherwise) in any lawsuit, action, or other proceeding in any jurisdiction (other than participation in the Settlement as provided herein) against any Released Party based on the Released Claims.

**4. NOTICE TO THE CLASS.**

**4.1** The Notice shall consist of the following:

(a) *Settlement Class List.* No later than thirty (30) days after Preliminary Approval, Defendant shall produce an electronic list from its records that includes the following information: a) Settlement Class Member Name; b) relationship of Settlement Class Member to each Account so the Settlement Administrator can determine which Settlement Class Member(s) are associated with each Account; c) email address(es) associated with each Account, if any; and d) mailing address(es) associated with each Settlement Class Member. This electronic document shall be called the “Settlement Class List,” and shall be provided to the Settlement Administrator. The Settlement Administrator shall not use the Settlement Class List, or any information contained within it, for any other purposes other than administering the settlement, and shall take reasonable measures to protect the information from any third-party disclosure.

(b) *Direct Notice.* The Settlement Administrator shall send Email Notice to all Class Members for whom it has an email address. For Settlement Class Members for whom the Settlement Administrator does not have an email address, the Settlement Administrator shall run the physical addresses through the National Change of Address Database and shall mail Postcard Notice to all such Settlement Class Members. The initial mailed Postcard and Email Notice shall be referred to as “Initial Mailed Notice.”

(c) The Notices shall include, among other information: a description of the material terms of the Settlement; a date by which Settlement Class Members may exclude themselves from, or opt out of, the Settlement Class; a date by which Settlement Class Members may object to the Settlement; the date on which the Final Approval Hearing is scheduled to occur; and the address of the Settlement Website at which Settlement Class Members may access this Agreement and other related documents and information. Class Counsel and Navy Federal shall work with the Settlement Administrator to insert the correct dates and deadlines in the Notice before the Notice Program commences, based upon those dates and deadlines set by the Court in the Preliminary Approval Order. Notices and publications provided under or as part of the Notice Program shall not bear or include the Navy Federal logo or trademarks or the return address of Navy Federal, or otherwise be styled to appear to originate from Navy Federal.

(d) The Long-Form Notice, which will be written in both English and Spanish, will be available on the Settlement Website and/or by mail upon a Settlement Class Member's request.

(e) The Settlement Administrator shall utilize best practices designed to avoid spam filters, blockers, or any tool designed to prevent receipt of e-mails, and to otherwise design and implement the sending of the e-mail to increase the likelihood that Email Notice will be successfully received into the e-mail inboxes of Settlement Class Members.

(f) *Notice Re-Mailing Process.* The Settlement Administrator shall perform reasonable address traces for all Postcard Notices that are returned as undeliverable. A reasonable tracing procedure would be to run addresses of returned postcards through the Lexis/Nexis database that can be used for such purpose. No later than thirty (30) days after the Notice Date, the Settlement Administrator shall complete one re-mailing of Postcard Notice to those Settlement

Class Members whose new addresses were identified as of that time through address traces or forwarding addresses on returned Postcard Notices (“Notice Re-Mailing Process”). The Settlement Administrator shall also send one Postcard Notice to all Settlement Class Members whose emails were returned as undeliverable and complete such Notice under the deadlines described herein as they relate to the Notice Re-Mailing Process.

(g) The Settlement Administrator shall send a second E-Mail Notice with a hyperlink to the Settlement Website, where a Settlement Class Member can access an electronic Claim Form pre-filled with the Settlement Class Member’s claim ID, if possible, to all Settlement Class Members who, according to the Settlement Administrator’s records, have not made a claim, requested to opt out, or made an objection. The second E-Mail Notice shall occur no later than thirty (30) days after the Notice Date.

(h) *Settlement Website.* On or before the Notice Date, Long Form Notice shall be provided on a website which shall be administered and maintained by the Settlement Administrator and shall include the ability to file Claim Forms on-line. The Long Form Notice provided on the Settlement Website shall be substantially in the form of **Exhibit D** hereto.

(i) *Toll-Free IVR Telephone System.* The Settlement Administrator shall maintain a toll-free IVR telephone system containing recorded answers to frequently asked questions. The recorded answers to frequently asked questions are to be agreed to by the Parties. In the event a Settlement Class Member has a question that is not addressed by the Parties in the frequently asked questions, the Settlement Administrator is to contact counsel for both Parties and a response will be agreed to by the Parties.

(j) *Contact from Class Counsel.* Class Counsel, in their capacity as counsel to Settlement Class Members, may from time-to-time contact Settlement Class Members to provide

information about the Settlement Agreement and to answer any questions Settlement Class Members may have about the Settlement Agreement. Defendant retains the right to communicate with and respond to inquiries from Settlement Class Members orally and/or in writing within the normal course of business, and the Defendant will instruct its employees and agents to direct inquiries about the Settlement to the Settlement Administrator and Settlement Website.

**5. PROCEDURES FOR OPT-OUTS AND OBJECTIONS.**

**5.1** The Notice shall advise the Settlement Class of their rights, including the right to be excluded from and/or object to the Settlement Agreement or any of its terms. To be effective, any request for exclusion or objection to the Settlement must be mailed to the Settlement Administrator at the address provided in the Notice postmarked no later than the Objection/Exclusion Deadline approved by the Court and specified in the Notice.

**5.2 Objections from Settlement Class Members.** A Settlement Class Member who does not request exclusion but instead wishes to object to this Settlement may do so by submitting the objection to the Settlement Administrator in writing postmarked on or before the Objection/Exclusion Deadline approved by the Court and specified in the Notice. To object to the Settlement, a Person in the Settlement Class must timely send a written notice of intent to object to the Settlement Administrator as specified in the Notice, and it must include: (1) the name of the case and case number; (2) the objector's full name, address, telephone number, and e-mail address; (3) grounds for the objection, including any legal support; (4) the name and contact information of any and all attorneys representing, advising, or in any way assisting the objector in connection with the preparation or submission of the objection or who may benefit from the pursuit of the objection (the "Objecting Attorneys"); (6) a statement indicating whether the objector intends to appear and/or address the Court at the Final Approval Hearing (either personally or through

counsel; and (6) the signature of the objector. No other person may sign on behalf of the objector, including an objector's attorney.

**5.3** To the extent any Settlement Class Member objects to the Settlement, and such objection is overruled in whole or in part, such Settlement Class Member will be forever bound by the Final Order and Judgment of the Court. Settlement Class Members can avoid being bound by any judgment of the Court by complying with the exclusion provisions set forth herein.

**5.4** The Settlement Administrator shall timely provide Class Counsel and Navy Federal a copy of any objections received by the Settlement Administrator.

**5.5 Requests for Exclusion or Opt-Out.** A Settlement Class Member may request to be excluded from the Settlement Class by sending a written request postmarked on or before the Objection/Exclusion Deadline approved by the Court and specified in the Notice. To exercise the right to be excluded, a Person in the Settlement Class must timely send a written request for exclusion to the Settlement Administrator as specified in the Notice, and must include: (1) the name of the case; (2) his/her full name; (3) current address; (4) an affirmative statement that he or she wishes to be excluded from the Settlement Class for purposes of this Settlement; and (6) his/her signature. The request for exclusion must be personally signed by the Person requesting exclusion. No other person may sign on behalf of the Person seeking exclusion, including the Person's attorney. So-called "mass" or "class" opt-outs shall not be allowed.

**5.6** A request to be excluded that does not include all of this information, or that is sent to an address other than that designated in the Notice, or that is not postmarked within the time specified, shall be invalid, and the Person(s) serving such a request shall be a member(s) of the Settlement Class and shall be bound as a Settlement Class Member by this Agreement, if approved. Any member of the Settlement Class who validly elects to be excluded from this Agreement shall

not: (i) be bound by any orders or the Final Judgment; (ii) be entitled to relief under this Settlement Agreement; (iii) gain any rights by virtue of this Agreement; or (iv) be entitled to object to any aspect of this Agreement.

**5.7** Any Settlement Class Member who does not timely and validly request to opt-out shall be bound by the terms of this Agreement. If an Account has more than one Accountholder, and if one Accountholder opts-out himself or herself from the Settlement Class, then all Accountholders on that Account shall be deemed to have opted-out of the Settlement with respect to that Account, and no Accountholder shall be entitled to a payment under the Settlement.

**5.8** The Settlement Administrator shall promptly log and prepare a list of all Accountholders who properly requested exclusion from the Settlement Class and all other individuals with an interest in the Accounts who are deemed to have opted out and shall submit a declaration to the Court, which includes and attests to the accuracy of the opt-out list no later than ten (10) days prior to the Final Approval Hearing set by the Court.

**5.9** The Final Approval Hearing shall be no earlier than five months after entry of the Preliminary Approval Order.

**5.10** Any Settlement Class Member who does not, using the procedures set forth in this Agreement and the Notice, either seek exclusion from the Settlement Class or timely file a valid Claim Form shall not be entitled to receive any payment or benefits pursuant to this Agreement, but will otherwise be bound by all of the terms of this Agreement, including the terms of the Final Judgment to be entered in the Action and the Releases provided for in the Agreement, and will be barred from bringing any action against any of the Released Parties concerning the Released Claims.

## **6. SETTLEMENT ADMINISTRATION.**

**6.1** The Settlement Administrator shall, under the supervision of the Court, administer the relief provided by this Settlement Agreement by processing Claim Forms in a rational, responsive, cost effective, and timely manner. The Settlement Administrator shall maintain reasonably detailed records of its activities under this Agreement. The Settlement Administrator shall maintain all such records as are required by applicable law in accordance with its normal business practices and such records will be made available to Class Counsel and Defendant's Counsel upon request. The Settlement Administrator shall also provide reports and other information to the Court as the Court may require. The Settlement Administrator shall provide Class Counsel and Defendant's Counsel with information concerning Notice, administration, and implementation of the Settlement Agreement. Without limiting the foregoing, the duties of the Settlement Administrator, in addition to other responsibilities that are described in this paragraph and elsewhere in this Agreement, are as follows:

- (a) Use the name, address, and email information for Settlement Class Members provided by Navy Federal in connection with the Notice process approved by the Court, for the purpose of mailing the Postcard Notice and sending the Email Notice, and later mailing distribution checks to Former Accountholder Settlement Class Members, and to Current Accountholders where it is not feasible or reasonable for Navy Federal to make the payment by a credit to the Settlement Class Members' Accounts or any other account they have with Navy Federal;
- (b) Establish and maintain a Post Office box for the receipt of opt out requests and objections;
- (c) Establish and maintain the Settlement Website;

(d) Establish and maintain an automated toll-free IVR line for Settlement Class Members to call with Settlement-related inquiries, and answer the frequently asked question of Settlement Class members who call with or otherwise communicate such inquiries, as described in paragraph 4.1(i);

- (e) Respond to any mailed Settlement Class Member inquiries;
- (f) Process all requests for exclusion from the Settlement Class;
- (g) Process Claim Forms, as described herein, and determine whether each

Claim Form submitted is valid;

(h) Provide weekly reports to Class Counsel and Defendant's Counsel that summarize the number of Claim Forms submitted, the number of Approved Claims, the total number of exclusion requests and/or objections received to date, and other pertinent information;

(i) Forward to Defendant's Counsel and Class Counsel the number of Claim Forms the Settlement Administrator found to be valid and copies of any Claim Forms found to be invalid as of the Claims Deadline. If the Settlement Administrator receives any Claim Forms after the Claims Deadline, it will forward them to Defendant's Counsel and Class Counsel on a rolling basis prior to the Final Approval Hearing;

(j) Receive requests to be excluded from the Settlement Class and other requests and promptly provide to Class Counsel and Defendant's Counsel copies thereof. If the Settlement Administrator receives any exclusion forms or other requests after the deadline for the submission of such forms and requests, the Settlement Administrator shall promptly provide copies thereof to Class Counsel and Defendant's Counsel;

(k) Provide weekly reports to Class Counsel and Defendant's Counsel, including without limitation, that summarize the number of requests for exclusion and/or

objections received that week, the total number of exclusion requests and/or objections received to date, the number of Claim Forms received, the number approved by the Settlement Administrator, and the categorization and description of Claim Forms rejected, in whole or in part, by the Settlement Administrator, and other pertinent information;

(l) In advance of the Final Approval Hearing, prepare a declaration to submit to the Court at least 10 days before the Final Approval Hearing confirming that the Notice Program was completed and that the Class Action Fairness Act notice requirements have been met, describing how the Notice Program, the process of Approved Claims, and the Plan of Allocation were completed, and providing the names of each Settlement Class Member who timely and properly opted out from the Settlement Class, as well as those Settlement Class Members who timely filed objections, and other information as may be necessary to allow the Parties to seek and obtain Final Approval;

(m) In accordance with the Plan of Allocation, provide Navy Federal with a chart of the payment amount for each Settlement Class Member Account;

(n) Perform all tax-related services for the Escrow Account as provided in the Agreement;

(o) Pay invoices, expenses, and costs upon approval by Class Counsel and Navy Federal, as provided in this Agreement;

(p) Make available for inspection by Class Counsel or Defendant's Counsel certain identified Claim Forms received by the Settlement Administrator upon reasonable notice; and

(q) Any other Settlement-administration-related function at the instruction of Class Counsel and Defendant's Counsel, including but not limited to, verifying that the Settlement Fund has been distributed.

**6.2** The Settlement Administrator shall be obliged to employ reasonable procedures to screen claims for abuse or fraud and deny Claim Forms where there is evidence of abuse or fraud. The Settlement Administrator will reject any claim that does not comply in any material respect with the instructions on the Claim Form or the terms of Paragraph 2.1(b), above, or is submitted after the Claims Deadline.

**6.3** Defendant's Counsel and Class Counsel shall have the right to challenge the acceptance or rejection of a Claim Form submitted by Settlement Class Members and to obtain and review supporting documentation relating to such Claim Form. The Settlement Administrator shall follow any agreed decisions of Class Counsel and Defendant's Counsel as to the validity of any disputed submitted Claim Form. To the extent Class Counsel and Defendant's Counsel are not able to agree on the disposition of a challenge, the disputed claim shall be submitted to the Honorable Diane M. Welsh of JAMS for binding determination.

**6.4** In the exercise of its duties outlined in this Agreement, the Settlement Administrator shall have the right to reasonably request additional information from the Parties or any Settlement Class Member.

## **7. TERMINATION OF SETTLEMENT.**

**7.1** Subject to Paragraphs 10.1-10.4 below, Defendant or the Class Representatives on behalf of the Settlement Class, shall have the right to terminate this Agreement by providing written notice of the election to do so ("Termination Notice") to all other Parties hereto within twenty-one (21) days of any of the following events: (i) the Court's refusal to grant Preliminary Approval of this Agreement in any material respect; (ii) the Court's refusal to grant final approval

of this Agreement in any material respect; (iii) the Court's refusal to enter the Final Judgment in connection with the class action settlement in any material respect; (iv) the date upon which the Final Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; (v) the date upon which an Alternative Judgment, as defined in Paragraph 10.1(d) of this Agreement, is modified or reversed in any material respect by the Court of Appeals or the Supreme Court.

**7.2** The Parties agree that the Court's failure to approve, in whole or in part, the attorneys' fees payment to Class Counsel and/or the Service Award set forth in Section 9 below shall not prevent the Agreement from becoming effective, nor shall it be grounds for termination. The procedures for any application for approval of attorneys' fees, expenses, or Service Awards are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement.

## **8. PRELIMINARY APPROVAL ORDER AND FINAL APPROVAL ORDER.**

**8.1** Promptly after the execution of this Settlement Agreement and by any deadline set by the Court, Class Counsel shall submit this Agreement together with its Exhibits to the Court and shall move the Court for Preliminary Approval of the settlement set forth in this Agreement; certification of the Settlement Class for settlement purposes only; appointment of Class Counsel and the Class Representatives; and entry of a Preliminary Approval Order, which order shall set a Final Approval Hearing date and approve the Notice and Claim Form for dissemination substantially in the form of Exhibits A, B, C, and D hereto. Defendant shall have no obligation to make separate filings in support of the Motion for Preliminary Approval. The Preliminary Approval Order, which shall be substantially similar to Exhibit E, shall also authorize the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications and expansions of the Settlement Agreement and its implementing documents (including all

exhibits to this Agreement) so long as they are consistent in all material respects with the terms of the Settlement Agreement and do not limit or impair the rights of the Settlement Class.

**8.2** For Settlement purposes only, Plaintiffs and Navy Federal agree to ask the Court to certify the Written Explanation Settlement Class and the Document Request Settlement Subclass. Defendant retains all of its objections, arguments, and defenses with respect to class certification and any other issue, and reserves all rights to contest class certification and any other issue if the Settlement set out in this Agreement does not result in entry of the Final Approval Order and Final Judgment, if the Court's approval is reversed or vacated on appeal, if this Settlement is terminated as provided herein, or if the Settlement set forth in this Settlement otherwise fails to become effective. The Parties acknowledge that there has been no stipulation to any classes or certification of any classes for any purpose other than effectuating the Settlement, and that if the Settlement set forth in this Settlement Agreement is not finally approved, if the Court's approval is reversed or vacated on appeal, if this Settlement Agreement is terminated as provided herein, or if the Settlement set forth in this Settlement Agreement otherwise fails to become effective, this agreement as to certification of the Settlement Class becomes null and void ab initio, and this Settlement Agreement or any other settlement-related statement may not be cited regarding certification of the Class, or in support of an argument for certifying any class for any purpose related to the Actions or any other proceeding.

**8.3** At the time of the submission of this Agreement to the Court as described above, Class Counsel shall request that, after Notice is given, the Court hold a Final Approval Hearing and approve the settlement of the Actions as set forth herein. At the Final Approval Hearing, the Court will hear argument on Plaintiffs' Motion for Final Approval of the Settlement, and on Class Counsel's application for attorneys' fees, costs, and expenses, and for the Service Award for the

Class Representatives. In the Court's discretion, the Court also will hear argument at the Final Approval Hearing from any Settlement Class Members (or their counsel) who object to the Settlement or to Class Counsel's application for attorneys' fees, costs, expenses, or the Service Awards application.

**8.4** Class Counsel shall draft the final approval papers and send Navy Federal's counsel a draft of the papers to review and comment on at least three (3) court days before they are filed. The Final Approval Order and Final Judgment will (among other things):

- (a) find that the Court has personal jurisdiction over all Settlement Class Members and that the Court has subject matter jurisdiction to approve the Agreement, including all exhibits thereto;
- (b) approve the Settlement Agreement and the proposed settlement as fair, reasonable, and adequate as to, and in the best interests of, the Settlement Class Members; direct the Parties and their counsel to implement and consummate the Agreement according to its terms and provisions; and declare the Agreement to be binding on, and have *res judicata* and preclusive effect in all pending and future lawsuits or other proceedings maintained by or on behalf of Plaintiffs and Releasing Parties;
- (c) find that the Notice implemented pursuant to the Agreement (1) constitutes the best practicable notice under the circumstances; (2) constitutes notice that is reasonably calculated, under the circumstances, to apprise the Settlement Class of the pendency of the Action, their right to object to or exclude themselves from the proposed Agreement, and to appear at the Final Approval Hearing; (3) is reasonable and constitutes due, adequate, and sufficient notice to all persons entitled to receive notice; and (4) meets all applicable requirements of applicable rules

of civil procedure, the Due Process Clause of the United States Constitution, and the rules of the Court;

(d) find that the Class Representatives and Class Counsel adequately represent the Settlement Class for purposes of entering into and implementing the Agreement;

(e) dismiss the remaining action (including all individual claims and Settlement Class claims presented thereby) on the merits and with prejudice, without fees or costs to any party except as provided in the Settlement Agreement;

(f) incorporate the Releases set forth above, make the Releases effective as of the date of the Effective Date, and forever discharge the Released Parties as set forth herein;

(g) permanently bar and enjoin all Settlement Class Members who have not been properly excluded from the Settlement Classes from filing, commencing, prosecuting, intervening in, or participating (as class members or otherwise) in, any lawsuit or other action in any jurisdiction based on the Released Claims;

(h) without affecting the finality of the Final Judgment for purposes of appeal, retain jurisdiction as to all matters relating to administration, consummation, enforcement, and interpretation of the Settlement Agreement and the Final Judgment, and for any other necessary purpose; and

(i) incorporate any other provisions, as the Court deems necessary and just.

**9. CLASS COUNSEL'S ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES; SERVICE AWARD.**

**9.1** Defendant agrees that Class Counsel shall be entitled to an award of reasonable attorneys' fees and costs out of the Settlement Fund in an amount determined by the Court as the Fee Award. Counsel will limit its petition for attorneys' fees to no more than one-third (33.33%) of the Settlement Value in addition to reasonable costs and expenses. Payment of the Fee Award

shall be made from the Settlement Fund and should the Court award less than the amount sought by Class Counsel, the difference in the amount sought and the amount ultimately awarded pursuant to this Paragraph shall remain in the Settlement Fund for distribution to eligible Settlement Class Members. Class Counsel's entitlement, if any, to a Fee Award will be determined by the Court. The Parties agree that the Court's failure to approve, in whole or in part, any award for attorneys' fees shall not prevent the Settlement Agreement from becoming Effective, nor shall it be grounds for termination. The terms of any such awards, fees, costs, or expenses were not negotiated until after all material elements of the Settlement were resolved, and the terms of this Settlement are not conditioned upon any attorneys' fee award.

**9.2** All Court-approved attorneys' fees, costs, and expenses shall be payable from the Escrow Account by the Settlement Administrator to Class Counsel within fifteen (15) days of receipt of funds by Navy Federal.

**9.3 Allocation.** The payment of attorneys' fees, costs, and expenses of Class Counsel shall be made as designated by Class Counsel. After the fees, costs, and expenses have been paid, Class Counsel shall be solely responsible for distributing each Plaintiff's firm's allocated share of such fees, costs, and expenses to that firm. Navy Federal shall have no responsibility for any allocation, and no liability whatsoever to any person or entity claiming any share of the funds to be distributed for payment of attorneys' fees, costs, or expenses, or any other payments from the Settlement Fund not specifically described herein.

**9.4** Class Counsel intends to file a motion for Court approval of an award of \$5,000 to each of the as Service Awards for their role as Class Representatives, to be paid by Defendant and separate from and addition to the Settlement Fund. These payments are in addition to any funds the Class Representative are otherwise eligible to receive from the Settlement if they submit valid

Claim Forms. The Class Representatives will seek no more than \$5,000.00 each as a Service Award. Such awards shall be paid separate from the Settlement Fund through a credit to each Plaintiff's Account within thirty (30) days after the Effective Date. The Parties agree that the Court's failure to approve the Service Award, in whole or in part, shall not prevent the Settlement Agreement from becoming Effective, nor shall it be grounds for termination.

**10. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION.**

**10.1 Termination.** This Settlement may be terminated by either Class Counsel or Navy Federal by serving on counsel for the opposing Party and filing with the Court a written notice of termination within fifteen (15) days (or such longer time as may be agreed in writing between Class Counsel and Navy Federal) after any of the following occurrences:

- (a) Class Counsel and Navy Federal agree to termination;
- (b) the Court rejects, materially modifies, materially amends or changes, or declines to preliminarily or finally approve the Settlement;
- (c) an appellate court vacates or reverses the Final Approval Order, and the Settlement is not reinstated and finally approved without material change by the Court on remand within three hundred and sixty (360) days after such reversal;
- (d) any court incorporates into, or deletes or strikes from, or modifies, amends, or changes, the Preliminary Approval Order, Final Approval Order, or the Settlement in a way that Class Counsel or Navy Federal seeking to terminate the Settlement reasonably considers material (entering an "Alternative Judgment");
- (e) the Effective Date does not occur; or
- (f) any other ground for termination provided for elsewhere in this Agreement.

**10.2** Navy Federal also shall have the right to terminate the Settlement by serving on Class Counsel and filing with the Court a notice of termination within ten (10) business days after its receipt from the Settlement Administrator of any report indicating 15% or more of the Settlement Class Members timely requested exclusion.

**10.3 Effect of a Termination.** The grounds upon which this Agreement may be terminated are set forth herein above. In the event of a termination, this Agreement shall be considered null and void; all of Plaintiffs', Class Counsel's, and Navy Federal's obligations under the Settlement shall cease to be of any force and effect; any amounts in the Escrow Account shall be returned to Navy Federal; and the Parties shall return to the status quo ante in the Action as if the Parties had not entered into this Agreement. In addition, in the event of such a termination, all of the Parties' respective pre-Settlement rights, claims, and defenses will be retained and preserved.

**10.4** In the event of termination, Navy Federal shall have no right to seek reimbursement from Plaintiffs, Class Counsel, or the Settlement Administrator for Settlement Administration Costs paid by Navy Federal.

**10.5** The Settlement shall become effective on the Effective Date unless earlier terminated in accordance with the provisions hereof.

**10.6** Certification of the Settlement Class shall have no bearing in deciding whether the claims asserted in the Action are or were appropriate for class treatment in the absence of settlement. If this Agreement terminates or is nullified, the provisional class certification shall be vacated by its terms, and the Action shall revert to the status that existed before execution of this Settlement Agreement. Thereafter, Plaintiffs shall be free to pursue any claims available to them, and Navy Federal shall be free to assert any defenses available to it, including but not limited to,

denying the suitability of this case for class treatment. Nothing in this Agreement shall be argued or deemed to estop any Party from the assertion of such claims and defenses.

**10.7** In the event the Settlement is terminated in accordance with the provisions of this Agreement, any discussions, offers, or negotiations associated with this Settlement shall not be discoverable or offered into evidence or used in the Action or any other action or proceeding for any purpose. In such event, all Parties to the Action shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court.

## **11. NO ADMISSION OF LIABILITY**

**11.1** Navy Federal continues to dispute its liability for the claims alleged in the Action, and maintains that its practices and procedures related to its investigation and determination of claimed fraudulent electronic transfer(s), including explanations for denials and provision of documents to members upon request, complied, at all times, with applicable laws and regulations and the terms of the account agreements with its members. Navy Federal has agreed to enter into this Agreement to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation, and to be completely free of any further claims that were asserted or could possibly have been asserted in the Action.

**11.2** Class Counsel believe that the claims asserted in the Action have merit, and they have examined and considered the benefits to be obtained under the proposed Settlement set forth in this Agreement, the risks associated with the continued prosecution of this complex, costly and time-consuming litigation, and the likelihood of success on the merits in the Action. Class Counsel fully investigated the facts and law relevant to the merits of the claims, conducted significant discovery, and conducted independent investigation of the challenged practices. Class Counsel concluded that the proposed Settlement set forth in this Agreement is fair, adequate, reasonable, and in the best interests of the Settlement Class members.

**11.3** The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties either previously or in connection with the negotiations or proceedings connected with this Agreement shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made, or an acknowledgement or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever.

**11.4** Neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (a) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by the Plaintiffs or Settlement Class Members, or of any wrongdoing or liability of the Released Parties; or (b) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of any of the Released Parties, in the Action or in any proceeding in any court, administrative agency, or other tribunal.

**11.5** In addition to any other defenses Navy Federal may have at law, in equity, or otherwise, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding that may be instituted, prosecuted or attempted in breach of this Agreement or the Releases contained herein.

## **12. NO PRESS RELEASE OR PUBLICITY**

**12.1** Each Party agrees not to make any statements, written or oral, or cause or encourage others to make any statements, written or oral, that defame, disparage or in any way criticize the personal or business reputation, or conduct of the other party, including affiliates, parents, direct and indirect subsidiaries, agents, insurers, and any company or companies under common control with any of them. Before entry of Final Judgment by the Court, neither Plaintiffs nor Class Counsel shall directly or indirectly issue or cause to be issued any statements to the media or

engage in any other press, publicity or disclosure regarding this Settlement Agreement or the settlement of the Action. If contacted by the media after the entry of Final Judgment by the Court, the Party may respond generally by stating that they are happy that the Settlement was reached and that it is a fair and reasonable result. No Party shall issue any press release or shall otherwise initiate press coverage of the Settlement.

### **13. MISCELLANEOUS PROVISIONS**

**13.1 Gender and Plurals.** As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

**13.2 Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Releasing Parties and the Released Parties.

**13.3 Cooperation of Parties.** The Parties agree to cooperate in good faith to prepare and execute all documents, to seek Court approval, uphold Court approval, and do all things reasonably necessary to complete and effectuate the Settlement described in this Agreement.

**13.4 Obligation To Meet And Confer.** Before filing any motion in the Court raising a dispute arising out of or related to the Agreement, the Parties shall consult with each other and certify to the Court that they have consulted.

**13.5 Integration.** The Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein.

**13.6 No Conflict Intended.** Any inconsistency between the headings used in this Agreement and the text of the paragraphs of this Agreement shall be resolved in favor of the text.

**13.7 Governing Law.** Except as otherwise provided herein, the Agreement shall be construed in accordance with, and be governed by, the laws of the State of Virginia, without regard to the principles thereof regarding choice of law.

**13.8 Jurisdiction.** The Court shall retain exclusive jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall also have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement that cannot be resolved by negotiation and agreement by counsel for the Parties. The Court shall retain exclusive jurisdiction with respect to the administration, consummation, and enforcement of the Agreement. The Court shall also retain exclusive jurisdiction over all questions and/or disputes related to the Notice Program and the Settlement Administrator. As part of the agreement to render services in connection with this Settlement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose. The Court shall retain exclusive jurisdiction over the enforcement of the Court's injunction barring and enjoining all Releasing Parties from asserting any of the Released Claims and from pursuing any Released Claims against Navy Federal or its affiliate at any time, including during any appeal from the Final Approval order.

**13.9 Notices.** All notices to Class Counsel provided for herein, shall be sent by email with a hard copy sent by overnight mail to:

EDELSBERG LAW, P.A.  
Scott Edelsberg  
Adam Schwartzbaum  
1925 Century Park East, Suite 1700  
Los Angeles, CA 90067  
Email: [scott@edelsberglaw.com](mailto:scott@edelsberglaw.com)  
[adam@edlesberglaw.com](mailto:adam@edlesberglaw.com)

SHAMIS & GENTILE, P.A.  
Andrew J. Shamis  
Edwin E. Elliott  
14 NE 1st Avenue, Suite 705

Miami, FL 33132  
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[Edwine@shamisgentile.com](mailto:Edwine@shamisgentile.com)

KALIEL GOLD PLLC  
Jeffrey D. Kaliel  
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490 43rd Street, No. 122  
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*Class Counsel*

DAVIS WRIGHT TREMAINE LLP  
Fred Burnside  
920 Fifth Avenue, Suite 3300  
Seattle, Washington  
Email: [fredburnside@dwt.com](mailto:fredburnside@dwt.com)

Nancy R. Thomas  
350 South Grand Avenue, 27<sup>th</sup> Floor  
Los Angeles, CA 90071-3487  
Email: [nancythomas@dwt.com](mailto:nancythomas@dwt.com)

*Counsel for Navy Federal Credit Union*

The notice recipients and addresses designated above may be changed by written notice. Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of objections, requests for exclusion, or other filings received as a result of the Notice program.

**13.10 Modification and Amendment.** This Agreement may not be amended or modified, except by a written instrument signed by Class Counsel and counsel for Navy Federal and, if the Settlement has been approved preliminarily by the Court, approved by the Court.

**13.11 No Waiver.** The waiver by any Party of any breach of this Agreement by another Party shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

**13.12 Authority.** Class Counsel, and counsel for Navy Federal, represent and warrant that the persons signing this Agreement on their behalf have full power and authority to bind every person, partnership, corporation or entity included within the definitions of Plaintiffs and Navy Federal to all terms of this Agreement. Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

**13.13 Agreement Mutually Prepared.** Neither Navy Federal nor Plaintiffs, nor any of them, shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

**13.14 Independent Investigation and Decision to Settle.** The Parties understand and acknowledge that they: (a) have performed an independent investigation of the allegations of fact and law made in connection with this Action; and (b) that even if they may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with respect to the subject matter of the Action as reflected in this Agreement, that will not affect or in any respect limit the binding nature of this Agreement. It is the Parties' intention to resolve their disputes in connection with this Action pursuant to the terms of this Agreement now and thus, in furtherance of their intentions, the Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Agreement shall not be subject to rescission or modification by reason of any changes or differences in fact or law, subsequently occurring or otherwise.

**13.15 Settlement Purpose of Agreement.** This Settlement Agreement is governed by the terms of Federal Rule of Evidence 408 and is for settlement purposes only, and neither the fact

of, nor any provision contained in this Settlement Agreement or any attachments, nor any action taken hereunder shall constitute, be construed as, or be admissible in evidence as, any admission of the validity of any claim, defense, or any fact alleged by any of the Parties in the Action or in any other pending or subsequently filed action or of any wrongdoing, fault, violation of law, or liability of any kind on the part of any Party, or admission by any Party of any claim, defense, or allegation made in the Action or any other action, nor as an admission by any of Navy Federal, Plaintiffs, or Settlement Class Members of the validity of any fact or defense asserted against them in the Action or any other action.

**13.16** If the Court should for any reason fail to approve this Agreement in the form agreed to by the Parties, decline to enter the Settlement Order and Final Judgment in the form described in this Settlement Agreement, or impose any condition to approval of the settlement to which the Parties do not consent, or if the Final Approval Order or Final Judgment are reversed or rendered void, then (a) this Settlement Agreement shall be considered null and void, (b) neither this Settlement Agreement nor any of the related negotiations shall be of any force or effect, and (c) all Parties to this Settlement Agreement shall stand in the same position, without prejudice, as if the Settlement Agreement had been neither entered into nor filed with the Court. Invalidation of any portion of this Settlement Agreement shall invalidate this Settlement Agreement in its entirety unless the Parties agree in writing that the remaining provisions shall remain in full force and effect. This includes that the provisional certification of the Settlement Class shall have no bearing in deciding whether the claims asserted in the Action are or were appropriate for class treatment in the absence of settlement. If this Agreement terminates or is nullified, the provisional class certification shall be vacated by its terms, and the Action shall revert to the status that existed before the execution of this Settlement Agreement. Upon nullification of this Settlement

Agreement, Plaintiffs shall be free to pursue any claims available to them, and Navy Federal shall be free to assert any defenses available to it, including but not limited to, denying the suitability of this case for class treatment. Nothing in this Agreement shall be argued or deemed to estop any Party from asserting such claims or defenses. In the event the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties, decline to enter the Final Approval Order or Final Judgment in the form described in this Settlement Agreement, or impose any condition to approval of the settlement to which the Parties do not consent, or if the Final Approval Order or Final Judgment are reversed or rendered void, the Parties will negotiate in good faith to address the issues raised by said events.

**13.17 Assignment: Third Party Beneficiaries.** None of the rights, commitments, or obligations recognized under this Settlement Agreement may be assigned by any member of the Settlement Class without the express written consent of the other Parties.

**13.18 Receipt of Advice of Counsel.** Each Party acknowledges, agrees, and specifically warrants that he, she, or it has fully read this Agreement and the Release contained herein, received independent legal advice with respect to the advisability of entering into this Agreement and the Release and the legal effects of this Agreement and the Release, and fully understands the effects of this Agreement and the Release.

**13.19 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, even though all Parties do not sign the same counterparts. Original signatures are not required. Any signature or electronic signature submitted through email of an Adobe PDF or through an electronic signature program such as DocuSign or Adobe Acrobat Sign shall be deemed an original.

**IT IS SO AGREED TO BY THE PARTIES:**

Dated: July 18, 2025

**JEFFREY STEPHENSON**

By:   
Jeffrey Stephenson, individually and as  
representative of the Class

Dated: July 16, 2025

**BILLY SMITH II**

By:   
Billy Smith II, individually and as  
representative of the Class

Dated: July       , 2025

**NAVY FEDERAL CREDIT UNION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**IT IS SO STIPULATED BY COUNSEL:**

Dated: July 11, 2025

**EDELSBERG LAW, P.A.**

By:   
/s/  
Scott Edelsberg

Dated: July 11, 2025

**SHAMIS & GENTILE, P.A.**

By:   
/s/  
Andrew J. Shamis

Dated: July 16, 2025

**KALIEL GOLD PLLC**

By:   
/s/  
Sophia Gold

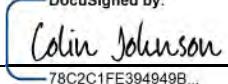
*Class Counsel*

**IT IS SO AGREED TO BY THE PARTIES:**

Dated: July \_\_\_\_, 2025

**JEFFREY STEPHENSON**By: \_\_\_\_\_  
Jeffrey Stephenson, individually and as  
representative of the Class

Dated: July \_\_\_\_, 2025

**BILLY SMITH II**By: \_\_\_\_\_  
Billy Smith II, individually and as  
representative of the ClassDated: July 16, 2025**NAVY FEDERAL CREDIT UNION**By:   
78C2C1FE394949B...

Name: \_\_\_\_\_ Colin Johnson

Title: \_\_\_\_\_ Associate General Counsel

**IT IS SO STIPULATED BY COUNSEL:**

Dated: July \_\_\_\_, 2025

**EDELSBERG LAW, P.A.**By: /s/  
Scott Edelsberg

Dated: July \_\_\_\_, 2025

**SHAMIS & GENTILE, P.A.**By: /s/  
Andrew J. Shamis

Dated: July \_\_\_\_, 2025

**KALIEL GOLD PLLC**By: /s/  
Sophia Gold*Class Counsel*

Dated: July 25, 2025

**DAVIS WRIGHT TREMAINE LLP**

By: /s/ Fred Burnside

*Attorney for Defendant*