

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT  
UNITED STATES DISTRICT COURT, DISTRICT OF SOUTH DAKOTA**

*Pederson, et al. v. AAA Collections, Inc., Case No. 4:22-cv-04166*

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

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**If You Were Subject to AAA Collections, Inc. Data Incident  
and Previously Received a Notice Letter Notifying You of the  
Data Incident, You Could be Eligible for a Payment from a  
Class Action Settlement**

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- You may be eligible to receive a payment from a proposed \$865,000 non-reversionary class action settlement (the “Settlement Fund”).
- The class action lawsuit concerns a cyberattack from September 5, 2022, to September 7, 2022 (the “Data Incident”) involving AAA Collections, Inc. (“AAA”) in which it was determined that an unauthorized third party gained access to certain AAA files containing full legal names and Social Security numbers (“Private Information”) of current and former employees and job applicants. AAA denies any wrongdoing and denies that it has any liability but has agreed to settle the lawsuit on a classwide basis.
- To be eligible to make a claim, you must have received a notice letter of the AAA Data Incident that occurred in September of 2022.
- Eligible claimants under the Settlement Agreement will be eligible to receive one, two and/or three of the following Settlement benefits:
  - **Out-of-Pocket Expenses:** Reimbursement for the actual amount of unreimbursed out-of-pocket losses or expenses up to \$5,000.00, with supporting documentation of the monetary losses or expenses;
  - **Lost Time:** Compensation of up to \$125.00 for time spent dealing with issues related to the Data Incident, including but not limited to reviewing your accounts, enrolling in credit protection services, or responding to fraud, identity theft, or other alleged misuse of your personal information that is fairly traceable to the Data Incident; and/or,
  - **Pro Rata Cash Payment:** \$50.00 cash payment from the Settlement Fund that will be increased or decreased pro rata depending on the amount remaining in the Settlement Fund after allocation of the Settlement Fund for reimbursement of documented Out-of-Pocket Expenses, payments for lost time, attorneys’ fees and expenses, service award, and Notice and Administrative Expenses.
- For more information or to submit a claim visit [www.AAAdatasettlement.com](http://www.AAAdatasettlement.com) or call 833-743-9638 Monday through Friday, between 8:30 a.m. and 5:00 p.m. C.T.
- **Please read this notice carefully. Your legal rights will be affected, and you have a choice to make at this time.**

	<b>Summary of Legal Rights</b>	<b>Deadline(s)</b>
<b>SUBMIT A CLAIM FORM</b>	The only way to receive payment.	Submitted or Postmarked on or Before <b>February 13, 2024</b>
<b>EXCLUDE YOURSELF BY OPTING OUT OF THE CLASS</b>	Receive no payment. This is the only option that allows you to keep your right to bring any other lawsuit against Defendant for the same claims if you are a Class Member.	Submitted or Postmarked on or Before <b>January 15, 2024</b>
<b>OBJECT TO THE SETTLEMENT AND/OR ATTEND THE HEARING</b>	You can write the Court about why you agree or disagree with the Settlement. The Court cannot order a different Settlement. You can also ask to speak to the Court at the Final Approval Hearing on January 15, 2024 about the fairness of the Settlement, with or without your own attorney.	Submitted or Postmarked on or Before <b>January 15, 2024</b>
<b>DO NOTHING</b>	Receive no payment. Give up rights if you are a Class Member.	No Deadline.

- Your rights and options as a Class Member – and the deadlines to exercise your rights – are explained in this notice.
- The Court still will have to decide whether to approve the Settlement. Payments to Class Members will be made if the Court approves the Settlement and after any possible appeals are resolved.

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## BASIC INFORMATION

### 1. Why is there a notice?

The Court authorized this notice because you have a right to know about the Settlement, and all of your options, before the Court decides whether to give “final approval” to the Settlement. This notice explains the nature of the lawsuit that is the subject of the Settlement, the general terms of the Settlement, and your legal rights and options.

Judge Roberto A. Lange of the United States District Court for the District of South Dakota is overseeing this case captioned as *Pederson, et al. v. AAA Collections, Inc.*, Case No. 4:22-cv-04166. The people who brought the lawsuit are called the Plaintiffs, Craig Pederson and David Brown. The entity being sued, AAA Collections, Inc., is called the Defendant.

### 2. What is this lawsuit about?

The lawsuit claims that Defendant was responsible for the Data Incident and asserts claims for negligence, breach of contract, and invasion of privacy.

Defendant denies these claims and says it did not do anything wrong. No court or other judicial entity has made any judgment or other determination that Defendant has any liability for these claims or did anything wrong.

### 3. Why is this lawsuit a class action?

In a class action, one or more people called class representatives or representative plaintiffs sue on behalf of all people who have similar claims. Together, all of these people are called a class, and the individuals are called class members. One court resolves the issues for all class members, except for those who exclude themselves from the class.

### 4. Why is there a Settlement?

The Court has not decided in favor of the Plaintiffs or Defendant. Instead, both sides agreed to the Settlement. The Settlement avoids the cost and risk of a trial and related appeals, while providing benefits to members of the Class (“Class Members”). The Class Representatives appointed to represent the Class and the attorneys for the Class (“Class Counsel,” see Question 18) 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?

You are affected by the Settlement and potentially a member of the Class if you reside in the United States and your Private Information may have been compromised in connection with the Data Incident, including if you were mailed a notification by or on behalf of AAA Collections, Inc. regarding the Data Incident.

Only Class Members are eligible to receive benefits under the Settlement. Specifically excluded from the Class are (1) the judge presiding over the class action lawsuit and his direct family members; (2) the Defendant, its subsidiaries, parent companies, successors, predecessors, and any entity in which the Defendant or its parents have a controlling interest and their current or former officers, directors, and employees; and (3) Class Members who submit a valid request to be excluded from the Settlement.

### 6. What if I am not sure whether I am included in the Settlement?

If you are not sure whether you are included in the Settlement, you may call 833-743-9638 with questions. You may also write with questions to:

Pederson, et al. v. AAA Collections, Inc.  
c/o Settlement Administrator  
P.O. Box 2007  
Chanhassen, MN 55317-2007  
[www.AAAdatasettlement.com](http://www.AAAdatasettlement.com)

## THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE IF YOU QUALIFY

### 7. What does the Settlement provide?

The Settlement provides that Defendant will fund the following payments up to a total of \$865,000.00: (a) \$25.00 per hour, up to a total of \$125.00, for Class Members who attest that the time claimed was actually spent as a result of the Data Incident; (b) up to \$5,000.00 for reimbursement of your documented Out-of-Pocket Expenses reasonably traceable to the Data Incident; and (c) a pro rata \$50.00 payment, subject to adjustment as set forth below.

The \$50.00 pro rata payment will be dispersed after the distribution of attorneys' fees, Class Counsel's litigation expenses, the Service Award, Notice and Administrative Expenses, and other Settlement benefits to claimants. The other Settlement benefits are also subject to pro rata reduction as needed in the event that the total claims exceed the \$865,000.00 cap on payments to be made by Defendant, and payments may also be increased on a pro rata basis until the Settlement Fund is distributed. Payment of (1) attorneys' fees and expenses and service award to Plaintiffs (see Question 19) and (2) the costs of notifying the Class and administering the Settlement will also be paid out of the Settlement Fund.

Also, as part of the Settlement, Defendant either has undertaken or will undertake certain reasonable steps to further secure its systems and environments.

### 8. What payments are available for reimbursement under the Settlement?

Class Members who submit a claim are eligible to receive:

- a) Reimbursement of actual, documented, unreimbursed Out-of-Pocket Expenses resulting from the Data Incident (up to \$5,000.00 in total), such as the following incurred on or after September 30, 2021:
- any costs incurred from credit monitoring services or ordering copies of your credit report;
  - late fees, declined payment fees, overdraft fees, returned check fees, customer service fees, and/or card cancellation or replacement fees;
  - late fees from transactions with third parties that were delayed due to fraud or card replacement;
  - unauthorized charges on credit, debit, or other payment cards that were not reimbursed;
  - parking expenses or other transportation expenses for trips to a financial institution to address fraudulent charges or receive a replacement payment card;
  - costs incurred obtaining credit freezes; and
  - other expenses that are reasonably attributable to the Data Incident that were not reimbursed.
- b) Compensation for time spent (lost time) remedying issues related to the Data Incident, up to 5 hours at \$25.00/hour for time spent in response to the Data Incident for a total amount of up to \$125.00.
- c) A potential cash payment of the remainder funds, which is estimated to be \$50.00 but may adjusted upward or downward pro rata based on how many other claims are made.

## HOW DO YOU SUBMIT A CLAIM?

### 9. How do I get a benefit?

To receive a benefit under the Settlement, you must complete and submit a claim for that benefit (a "Claim"). Every Claim must be made on a form ("Claim Form") available at [www.AAAdatasettlement.com](http://www.AAAdatasettlement.com) or by calling 833-743-9638. A Claim Form will also be sent to Class Members as part of the postcard notice that will be mailed to Class Members. Read the instructions carefully, fill out the Claim Form, provide the required documentation, and submit it according to the instructions on the Claim Form.

### 10. How will claims be decided?

The Settlement Administrator will decide whether and to what extent any Claim made on each Claim Form is valid. The

Settlement Administrator may require additional information. If you do not provide the additional information in a timely manner, then the Claim will be considered invalid and will not be paid.

### **11. When will I get my payment?**

The Court will hold a Final Approval Hearing on **March 25, 2024 at 3:00 p.m. CT** to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals from that decision and resolving those can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed. Please be patient.

## **WHAT DOES DEFENDANT GET?**

### **12. What am I giving up as part of the Settlement?**

The Defendant gets a release from all claims covered by this Settlement. Thus, if the Settlement becomes final and you do not exclude yourself from the Settlement, you will be a Class Member and you will give up your right to sue Defendant and other persons (“Released Parties”) as to all claims (“Released Claims”) arising out of or relating to the Data Incident. This release is described in the Settlement Agreement, which is available at [www.AAAdatasettlement.com](http://www.AAAdatasettlement.com). If you have any questions you can talk to the law firms listed in Question 18 for free or you can talk to your own lawyer.

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want to be part of this Settlement, then you must take steps to exclude yourself from the Class. This is sometimes referred to as “opting out” of the Class.

### **13. If I exclude myself, can I get a payment from this Settlement?**

No. If you exclude yourself you will not be entitled to receive any benefits from the Settlement, but you will not be bound by any judgment in this case.

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

No. Unless you exclude yourself, you give up any right to sue Defendant (and any other Released Parties) for the claims that this Settlement resolves. You must exclude yourself from the Class to start your own lawsuit or to be part of any different lawsuit relating to the claims in this case. If you want to exclude yourself, then do not submit a Claim Form to ask for any benefit under the Settlement.

### **15. How do I exclude myself from the Settlement?**

To exclude yourself, send a letter that says you want to be excluded or opt-out from the Settlement in *Pederson, et al. v. AAA Collections, Inc.*, Case No. 4:22-cv-04166, United States District Court, District of South Dakota. The letter must: (a) state your full name, address, and telephone number; (b) contain your personal and original signature or the original signature of a person authorized by law to act on your behalf; and (c) state unequivocally your intent to be excluded from the Settlement. You must mail your exclusion request postmarked by **January 15, 2024**, to:

Pederson, et al. v. AAA Collections, Inc. Settlement Administrator  
Attn: Exclusion Request  
P.O. Box 2007  
Chanhassen, MN 55317-2007

## **OBJECTING TO THE SETTLEMENT**

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

You can tell the Court that you do not agree with the Settlement or some part of it by objecting to the Settlement. The Court will consider your views in its decision on whether to approve the Settlement. The Court can only approve or deny the

Settlement and cannot change its terms. To object, you must mail your objection to the Clerk of the Court and the Settlement Administrator, at the mailing addresses listed below, postmarked by no later than the Objection Deadline, **January 15, 2024**:

<b>Court</b>	<b>Settlement Administrator</b>
Clerk of the Court United States District Court District of South Dakota 225 South Pierre Street Pierre, SD 57501	Pederson, et al. v. AAA Collections, Inc. c/o Settlement Administrator P.O. Box 2007 Chanhassen, MN 55317-2007

Your objection must be written and must include all of the following: (1) the name of the proceedings; (2) the Class Member's full name, current mailing address, and telephone number; (3) a statement of the specific grounds for the objection, as well as any documents supporting the objection; (4) the identity of any attorneys representing the objector; (5) a statement regarding whether the Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; (6) a statement identifying all class action settlements objected to by the Class Member in the previous five years; and (7) the signature of the Class Member or the Class Member's attorney.

### **17. What is the difference between objecting and asking to be excluded?**

Objecting is telling the Court that you do not like the Settlement and why you do not think it should be approved. You can object only if you are a Class Member. Excluding yourself is telling the Court that you do not want to be part of the Class and do not want to receive any payment from the Settlement. If you exclude yourself, then you have no basis to object because you are no longer a member of the Class and the case no longer affects you. If you submit both a valid objection and a valid request to be excluded, you will be deemed to have only submitted the request to be excluded.

## **THE LAWYERS REPRESENTING YOU**

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

Yes. The Court appointed Terence R. Coates and Dylan J. Gould of Markovits, Stock & DeMarco, LLC (119 E. Court St., Cincinnati, OH 45202); Joseph Lyon of the Lyon Firm, LLC (2754 Erie Ave., Cincinnati, OH 45208); Raina Borrelli of Turke & Strauss, LLP (613 Williamson St., Suite 201, Madison, WI 53703); and Pamela Reiter of Reiter Law Firm LLC (5032 S. Bur Oak Place, Suite 205, Sioux Falls, SD 57108), as Class Counsel to represent the Class. If you want to be represented by your own lawyer, then you may hire one at your own expense.

### **19. How will the lawyers be paid?**

Class Counsel will ask the Court for an award for attorneys' fees up to \$288,333.33, plus litigation expenses not to exceed \$20,000.00. Defendant has agreed not to object to any award of attorneys' fees and expenses up to those amounts, to the extent they are approved by the Court. This payment for any attorneys' fees and expenses to Class Counsel will be made out of the Settlement Fund. Any such award would compensate Class Counsel for investigating the facts, litigating the case, and negotiating the Settlement and will be the only payment to them for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis.

Class Counsel will also ask the Court for Service Awards up to \$5,000 for the Class Representatives for their services in representing the Class in this matter.

Any award for attorneys' fees and expenses for Class Counsel and the Class Representative Service Awards must be approved by the Court. The Court may award less than the amount requested. Class Counsel's papers in support of final approval of the Settlement will be filed no later than March 11, 2024, and their application for attorneys' fees and expenses and service award will be filed no later than December 31, 2023, and will be posted on the settlement website.

## THE COURT'S FINAL APPROVAL HEARING

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

The Court will hold a Final Approval Hearing at **3:00 p.m. CT on March 25, 2024**, at United States District Court, District of South Dakota, 225 South Pierre Street, Pierre, SD 57501, or by remote or virtual means as ordered by the Court. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are timely and valid objections, then the Court will consider them and will listen to people who have asked to speak at the hearing if such a request has been properly made. The Court will also rule on the request for an award of attorneys' fees and reasonable expenses, and service award. After the hearing the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. The hearing may be moved to a different date or time without additional notice, so Class Counsel recommend checking [www.AAAdatasettlement.com](http://www.AAAdatasettlement.com) or calling 833-743-9638.

### 21. Do I have to attend the hearing?

No. Class Counsel will present the Settlement Agreement to the Court. You or your own lawyer are welcome to attend at your expense, but you are not required to do so. If you send an objection, you do not have to visit the Court to talk about it. As long as you filed your written objection on time with the Court and mailed it according to the instructions provided in Question 16, the Court will consider it.

### 22. May I speak at the hearing?

You may ask the Court for permission to speak at the final fairness hearing. To do so, you must file an objection according to the instructions in Question 16, including all the information required. Your objection must be **mailed** to the Clerk of the Court and Settlement Administrator postmarked no later than **January 15, 2024**.

## IF YOU DO NOTHING

### 23. What happens if I do nothing?

If you do nothing you will not get any money from this Settlement. If the Settlement is granted final approval and the judgment becomes final, then you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant and the other Released Parties based on any of the Released Claims related to the Data Incident, ever again.

## GETTING MORE INFORMATION

### 24. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement itself. A copy of the Settlement Agreement is available at [www.AAAdatasettlement.com](http://www.AAAdatasettlement.com). You may also call the Settlement Administrator with questions or to receive a Claim Form at 833-743-9638.

This Notice is approved by the United States District Court for the District of South Dakota. **DO NOT CONTACT THE COURT DIRECTLY IF YOU HAVE QUESTIONS ABOUT THE SETTLEMENT.** Please contact the Settlement Administrator or Class Counsel if you have any questions about the Settlement.