

— EXHIBIT 1 —

**IN THE CIRCUIT COURT OF THE EIGHTEENTH JUDICIAL CIRCUIT
DUPAGE COUNTY, ILLINOIS**

CARLA PLOWMAN, on behalf of herself and all others similarly situated, Plaintiff, v. TY INC., Defendant.	Case No. 2024CH000205 JURY TRIAL DEMANDED
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SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement” or “Agreement”) is entered into by and between Carla Plowman (“Plaintiff”), individually and on behalf of the Participating Settlement Class Members (as defined in Paragraph 22), and Ty Inc. (“Defendant” or “Ty”) (collectively the “Parties”), in the action *Carla Plowman v. Ty Inc.* (Case No. 2024CH000205) filed on August 12, 2024, in the Circuit Court for the Eighteenth Judicial Circuit in and for DuPage County, Illinois (the “Action”).

RECITALS

WHEREAS, on November 16, 2023, Plaintiff filed a Complaint against Defendant in the Circuit Court for the Eighteenth Judicial Circuit in and for DuPage County, Illinois related to a cybersecurity incident that began on April 26, 2023 (the “Security Incident”) affecting Defendant;

WHEREAS, Defendant denies the allegations and causes of action pled in the Action and otherwise denies any liability to Plaintiff in any way;

WHEREAS, following prolonged and extensive arm's-length negotiations, the Parties reached an agreement of the essential terms of a settlement;

WHEREAS, on August 12, 2024, Plaintiff refiled the Action in the Circuit Court for the Eighteenth Judicial Circuit in and for DuPage County, Illinois;

WHEREAS, this Agreement is for settlement purposes only, and nothing in this Agreement shall constitute, be construed as, or be admissible in evidence as any admission of the validity of any claim or fact alleged by Plaintiff in this 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 Released Parties or admission of the validity or lack thereof of any claim, allegation, or defense asserted in this Action or any other action.

NOW, THEREFORE, in exchange for the mutual promises and valuable consideration provided for in this Agreement, the Parties agree to a full, complete, and final settlement and resolution of the Action and any and all Released Claims (including Unknown Claims), subject to Court approval, on the following terms and conditions:

I. DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following defined terms shall have the meanings set forth below:

1. "Approved Claim" means the timely submission of a Claim Form by a Participating Settlement Class Member that has been approved by the Settlement Administrator subject to the Claims Review Process.

2. "Defendant's Counsel" means Devin Haymond and Casie D. Collignon of Baker & Hostetler LLP.

3. “Claim Form” means the form(s) Participating Settlement Class Members must submit to be eligible for Credit Monitoring Services, Out-of-Pocket Losses, or Lost Time under the terms of the Settlement, which form is attached hereto as **Exhibit C**, or form(s) approved by the Court substantially similar to **Exhibit C**.

4. “Claims Deadline” means the deadline by which Settlement Class Members must submit valid Claim Form(s), which deadline is ninety (90) days after the Notice Commencement Deadline.

5. “Claims Period” means the period of time during which Settlement Class Members may submit Claim Forms, which will end ninety (90) days after the Notice Commencement Deadline.

6. “Claims Review Process” means the process for reviewing and determining whether claims are valid as set forth in Paragraph 44.

7. “Court” means the Circuit Court for the Eighteenth Judicial Circuit in and for DuPage County, Illinois.

8. “Credit Monitoring Services” means the credit monitoring services described in Paragraph 40, which include two (2) years of one-bureau credit monitoring and \$1 million in identity theft protection insurance, among other features.

9. “Effective Date” means one business day following the latest of: (i) the date upon which the time expires for filing or noticing any reconsideration or appeal of the Final Approval Order and Judgment, or entry of the Final Approval Order and Judgment if no person or entity has standing to appeal or seek reconsideration; (ii) if there is an appeal or appeals or reconsideration sought, the date on which the Final Approval Order and Judgment is affirmed without any material modification and is no longer subject to judicial review; or (iii) the date of final dismissal of any

appeal or reconsideration or the final dismissal of any proceeding on certiorari with respect to the Final Approval Order and Judgment, and the Final Approval Order and Judgment is no longer subject to judicial review. Notwithstanding the above, any order modifying or reversing any attorneys' fees, costs, and expenses or Service Award to a Class Representative shall not affect the "Effective Date" or any other aspect of the Final Approval Order and Judgment.

10. "Fee Award and Costs" means the amount of attorneys' fees and reimbursement of Litigation Costs and Expenses awarded by the Court to Settlement Class Counsel in satisfaction of any request or claim for payment of attorneys' fees, costs, and litigation expenses in connection with this Action.

11. "Final Approval Order and Judgment" means an order and judgment substantially in the form attached hereto as **Exhibit E** that the Court enters, which finally approves the Settlement Agreement, certifies the Settlement Class, dismisses the Action with prejudice, and otherwise satisfies the settlement-related provisions of the Illinois Rules of Civil Procedure and is consistent with all material provisions of this Agreement.

12. "Final Approval Hearing" means the hearing to be conducted by the Court to determine the fairness, adequacy, and reasonableness of the Settlement.

13. "Litigation Costs and Expenses" means costs and expenses incurred by Settlement Class Counsel and their law practices in connection with commencing, prosecuting, and settling the Action.

14. "Lost Time" means time Settlement Class Members spent monitoring accounts or otherwise dealing with issues related to the Security Incident, up to a maximum of four (4) hours at \$20/hour, supported by an attestation that the activities were related to the Security Incident, as set forth in Paragraph 41(b).

15. “Notice” means notice of the proposed class action Settlement to be provided to Settlement Class Members in the manner set forth in this Settlement Agreement, substantially in the forms attached hereto as **Exhibit A** (“Short Form Notice”) and **Exhibit B** (“Long Form Notice”)

16. “Notice Commencement Deadline” means the first day by which Notice is issued to the Settlement Class Members and will occur no later than forty-five (45) days after entry of the Preliminary Approval Order.

17. “Notice and Administrative Expenses” means all of the expenses incurred in the administration of this Settlement, including, without limitation, all expenses or costs associated with providing Notice to the Settlement Class, locating Settlement Class Members, performing National Change of Address search(es) and/or skip tracing for undeliverable notices, processing claims, determining the eligibility of a person to be a Settlement Class Member, and administering, calculating and distributing payments to Settlement Class Members who submit valid Claim Forms. Notice and Administrative Expenses also includes all reasonable fees and expenses incurred by the Settlement Administrator in administering the terms of this Agreement.

18. “Objection Deadline” is the last day on which a Settlement Class Member may file an objection to the Settlement, which will be sixty (60) days after the Notice Commencement Deadline.

19. “Opt Out” means a Settlement Class Member: (i) who timely submits a properly completed and executed Request for Exclusion; (ii) who does not rescind that Request for Exclusion prior to the Opt-Out Deadline; and (iii) as to which there is not a successful challenge to the Request for Exclusion.

20. “Opt-Out Deadline” is the last day on which a Settlement Class Member may submit a Request for Exclusion, which will be sixty (60) days after the Notice Commencement Deadline.

21. “Out-of-Pocket Loss” means documented expenses and fees incurred or spent as a result of the Security Incident between April 26, 2023, and the Claims Deadline, including, without limitations, out of pocket expenses incurred, fees for credit reports, credit monitoring or other identity theft insurance products purchased as a result of the Security Incident.

22. “Participating Settlement Class Member” means a Settlement Class Member who does not submit a valid Request for Exclusion prior to the Opt-Out Deadline, as set forth in Paragraph 53.

23. “Personal Information” includes, but is not limited to, name, address, driver’s license number, Bank Account Number, Bank Account Routing Number, date of birth, Medical Reference Number, Medicare Number, cell phone number, home phone number, health insurance information, email, and Social Security number. The term “Personal Information” is not intended here, nor should it be viewed as, having any bearing on the meaning of this term or similar term in any statute or other source of law beyond this Agreement, or how the Parties may use the term in other circumstances.

24. “Preliminary Approval Order” means an order directing issuance of Notice to Settlement Class Members, determining that the Court will likely be able to approve the Settlement under Illinois Civil Code and Procedure, and determining that the Court will likely be able to certify the Settlement Class for purposes of resolving this Action. Such order will include the forms and procedure for providing notice to the Settlement Class, including notice of the procedure for

Settlement Class Members to object to or opt-out of the Settlement, and set a date for the Final Approval Hearing, substantially in the form annexed hereto as **Exhibit D**.

25. “Released Claims” means any and all claims, liabilities, rights, demands, suits, actions, causes of action, obligations, damages, penalties, costs, attorneys’ fees, losses, and remedies of every kind or description—whether known or unknown (including Unknown Claims), existing or potential, suspected or unsuspected, asserted or unasserted, liquidated or unliquidated, legal, statutory, or equitable—that relate to or arise from the Security Incident, the operative facts alleged in the Action, including the complaint and any amendment thereto, Defendant’s information security policies and practices, or Defendant’s maintenance or storage of Personal Information, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law.

26. “Released Parties” means Defendant and each and every of its respective predecessors, successors, assigns, parents, subsidiaries, divisions, departments, owners, and related or affiliated entities of any nature whatsoever, including any related entity whose data or customer data may have been impacted in the Security Incident, whether direct or indirect, as well as any and all of Defendant’s and these entities’ respective predecessors, successors, officers, directors, current and former employees, advisors, vendors, stockholders, partners, agents, attorneys, representatives, insurers, reinsurers, subrogees and assigns. Each of the Released Parties may be referred to individually as a “Released Party.”

27. “Releasing Parties” and a “Releasing Party” means the Settlement Class Representative and Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, predecessors, successors, attorneys, assigns, and any other person purporting to assert a claim on their behalf.

28. “Request for Exclusion” means a writing by or on behalf of a Settlement Class Member in which he or she requests to be excluded from the Settlement Class in the form and manner provided for in the Notice and as described below in Paragraph 53.

29. “Security Incident” means the cybersecurity incident affecting Defendant which occurred on or near April 26, 2023.

30. “Service Award Payment” means compensation awarded by the Court and paid to the Settlement Class Representative in recognition of her role in this Action as set forth in Paragraph 66.

31. “Settlement” means the settlement of the Action by and between the Parties, and the terms thereof as stated in this Settlement Agreement.

32. “Settlement Administrator” means CPT Group, subject to Court approval.

33. “Settlement Class” means all living individuals residing in the United States whose Personal Information may have been compromised in the Security Incident experienced by Ty on or around April 2023, including all those who received notice of the breach.

34. “Settlement Class Counsel” means Raina C. Borrelli and Cassandra P. Miller of Strauss Borrelli PLLC.

35. “Settlement Class List” means the list of the names and current or last known address information for Settlement Class Members Defendant used to inform individuals of the Security Incident, to the extent reasonably available, which Defendant shall provide to the Settlement Administrator within fifteen (15) days of entry of the Preliminary Approval Order.

36. “Settlement Class Member” means an individual who falls within the definition of the Settlement Class.

37. “Settlement Class Representative” means Carla Plowman.

38. “Settlement Payment” or “Settlement Check” means the payment to be made via mailed check or via electronic means (agreed to by the Parties) to a Participating Settlement Class Member pursuant to the claims process set forth in Paragraph 45.

39. “Settlement Website” means the website the Settlement Administrator will establish and use to provide Settlement Class Members with information about the Settlement and relevant case documents and deadlines, as set forth in Paragraph 51.

II. SETTLEMENT BENEFITS AND REIMBURSEMENT

40. **Credit Monitoring Services.** Settlement Class Members shall be offered an opportunity to enroll in 2 years of Credit Monitoring Services provided through CyEx.

41. **Cash Benefits.** Defendant will pay Approved Claims for Documented Out-of-Pocket Loss, and Lost Time as described below. Settlement Class Members who submit a valid and timely Claim Form may choose from all applicable claim categories (a) through (b) below.

- a. **Claims for Compensation of Documented Out-of-Pocket Losses** up to a total of \$5,000.00 per claimant upon submission of a valid documented claim. Documented Out-of-Pocket Losses would include, without limitation and by way of example: *Out of pocket expenses incurred* as a result of the Security Incident, including, without limitation, unreimbursed losses relating to fraud or identity theft; professional fees including attorneys’ fees, accountants’ fees, and fees for credit repair services; costs associated with freezing or unfreezing credit with any credit reporting agency; credit monitoring costs that were incurred on or after the Security Incident through the Claims Deadline; and miscellaneous expenses such as notary, fax, postage, copying, mileage, and long-distance telephone charges.

- b. **Claims for Compensation of Lost Time** up to 4 hours at a rate of \$20.00 per hour (for a total of \$80.00) per Settlement Class Member upon submission of a valid claim for Lost Time, provided they identify the activities engaged in and the time spent on each such activity and an attestation on the Claim Form that the activities they performed were related to the Security Incident. Claims for Lost Time are subject to the \$5,000.00 cap for Out-of-Pocket Losses.

42. **Business Practice Commitments.** Upon request, Defendant will provide reasonable confirmatory information, subject to reasonable confidentiality protections (e.g. confidentiality agreement, protective order, or filing under seal if requested by the Court) to Settlement Class Counsel describing its information security enhancements since the Security Incident and estimating, to the extent reasonably calculable, the annual cost of those enhancements. The cost of such enhancements will be paid by Defendant separate and apart from all other settlement benefits.

III. CLAIMS PROCESS AND PAYMENTS TO PARTICIPATING SETTLEMENT CLASS MEMBERS

43. **Submission of Electronic and Hard Copy Claims.** Settlement Class Members may submit Claim Forms to the Settlement Administrator electronically via the Settlement Website or physically by mail to the Settlement Administrator. Claim Forms must be submitted electronically or postmarked on or before the Claims Deadline. The Settlement Administrator will maintain records of all Claim Forms submitted until the later of: (a) one hundred and eighty (180) Days after the Effective Date; or (b) the date all Claim Forms have been fully processed in accordance with the terms of this Agreement. Information submitted by Settlement Class Members in connection with Claim Forms shall be deemed confidential and protected as such by the Settlement Administrator, Settlement Class Counsel, and Defendant's Counsel.

44. **Claims Review Process.** The Settlement Administrator shall have the sole discretion and authority to determine whether and to what extent a claim for Credit Monitoring Services, Out-of-Pocket Losses, or Lost Time is valid.

- a. The Settlement Administrator will verify that each person who submits a Claim Form is a member of the Settlement Class.
- b. The Settlement Administrator will determine that each Claim Form submitted by a Settlement Class Member was submitted during the Claims Period and is timely.
- c. In determining whether claimed Out-of-Pocket Losses are more likely than not caused by the Security Incident, the Settlement Administrator will consider (i) the timing of the alleged loss and whether it occurred on or after April 26, 2023; (ii) whether the alleged loss for the specific Participating Settlement Class Member involved the types of information for that individual that may have been affected in the Security Incident; (iii) the explanation by the Settlement Class Member as to why the alleged loss was caused by the Security Incident; and (iv) other factors the Settlement Administrator reasonably finds to be relevant.
- d. The Settlement Administrator is authorized to contact any Settlement Class Member (by email, telephone, or U.S. mail) to seek clarification regarding a submitted claim prior to making a determination as to its validity.
- e. No decision of the Settlement Administrator shall be deemed to constitute a finding, admission, or waiver by Defendant as to any matter of fact, law, or evidence having any collateral effect on any proceedings in any forum or before any authority.

- f. To the extent the Settlement Administrator determines that a timely claim for Credit Monitoring Services, Out-of-Pocket Losses, Lost Time, or by a Settlement Class Member is deficient in whole or in part, the Settlement Administrator shall notify the Settlement Class Member of the deficiencies and provide the Settlement Class member twenty-one (21) days to cure the deficiencies. If the Settlement Administrator subsequently determines that the Settlement Class Member has not cured the deficiencies, the Settlement Administrator will notify the Settlement Class Member within ten (10) days of that determination. The Settlement Administrator may consult with the Parties in making these determinations.
- g. If a Settlement Class Member receives notice that the Settlement Administrator has determined that the deficiencies it identified have not been cured, the Settlement Class Member may request an appeal in writing, including any supporting documents. The appeal must be submitted within twenty-one (21) days of the Settlement Administrator sending the notice. In the event of an appeal, the Settlement Administrator shall provide the Parties with all relevant documentation regarding the appeal. The Parties will confer regarding the appeal. If they agree on a disposition of the appeal, that disposition will be final and non-appealable. If they cannot agree on disposition of the appeal, the dispute will be submitted to the Settlement Administrator for final, non-appealable disposition. In reaching disposition, the Settlement Administrator is authorized to communicate with counsel for the Parties separately or collectively.

45. Payment.

- a. After the Effective Date, and after final determinations have been made with respect to all claims submitted during the Claims Period pursuant to the Claims Review

Process, the Settlement Administrator shall provide the Parties an accounting of all Approved Claims for Credit Monitoring Services, Out-of-Pocket Losses, or Lost Time and also provide funding instructions and a properly completed and duly executed IRS Form W-9, along with any other necessary forms, to Defendant. Within forty-five (45) days of receiving this accounting, Defendant or its representative shall transmit the funds needed to pay Approved Claims for Credit Monitoring Services, Out-of-Pocket Losses, or Lost Time, in accordance with the terms of this Agreement.

- b. Payments issued by the Settlement Administrator for Approved Claims for Out-of-Pocket Losses, or Lost Time shall be issued in the form of a check, or via electronic means (through means agreed to by the Parties) and sent as soon as practicable after the Settlement Administrator receives the funds described in Paragraph 45(a).
- c. All Settlement Class Members who fail to submit a valid Claim Form for any benefits under this Agreement within the time frames set forth herein, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments or benefits pursuant to the Settlement, but will in all other respects be subject to and bound by the provisions of this Agreement, including but not limited to the releases contained herein, and the Final Approval Order and Judgment.

46. **Timing.** Settlement Checks shall bear the legend that they expire if not negotiated within ninety (90) days of their issue date.

47. **Returned Checks.** For any Settlement Check returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall, within thirty (30) days after the check is returned to the Settlement Administrator as undeliverable, send an email and/or telephone that Participating Settlement Class Member to obtain updated address information. Any

replacement Settlement Checks issued to Participating Settlement Class Members shall remain valid and negotiable for sixty (60) days from the date of issuance and thereafter will automatically be canceled and deemed void if not cashed by the Participating Settlement Class Members within that time.

48. **Voided Checks.** In the event a Settlement Check becomes void, the Participating Settlement Class Member to whom that Settlement Check was made payable will forfeit the right to payment and will not be entitled to payment under the Settlement, and the Agreement will in all other respects be fully enforceable against the Participating Settlement Class Member. No later than one hundred and twenty (120) days after the issuance of the last Settlement Check, the Settlement Administrator shall take all steps necessary to stop payment on any Settlement Checks that remain uncashed.

IV. SETTLEMENT CLASS NOTICE

49. **Timing of Notice.** Within fifteen (15) days after entry of the Preliminary Approval Order, Defendant shall provide the Settlement Class List to the Settlement Administrator. Within forty-five (45) days after entry of the Preliminary Approval Order, the Settlement Administrator shall disseminate the Short Form Notice to Settlement Class Members for whom it has a valid mailing address. The Settlement Administrator shall make the Long Form Notice and Claim Form available to Settlement Class Members on the Settlement Website.

50. **Form of Notice.** Notice shall be disseminated via postcard through First Class U.S. mail to Settlement Class Members on the Settlement Class List. Notice shall also be provided on the Settlement Website. The Notice mailed to Settlement Class Members will consist of a Short Form Notice in a form substantially similar to that attached hereto as **Exhibit A**. The Settlement Administrator shall have discretion to format the Short Form Notice in a reasonable manner to

minimize mailing and administrative costs. Before Notices are mailed, Settlement Class Counsel and Defendant's Counsel shall first be provided with a proof copy (reflecting what the items will look like in their final form) and shall have the right to inspect the same for compliance with the Settlement Agreement and any orders of the Court.. For Notices sent via postcard that are returned as undeliverable, the Settlement Administrator shall use reasonable efforts (e.g., skip trace) to identify an updated mailing address and resend the postcard notice if an updated mailing address is identified. In addition, the Long Form Notice and Claim Form approved by the Court may be adjusted by the Settlement Administrator in consultation and agreement with the Parties, as may be reasonable and necessary and not inconsistent with such Court approval.

51. **Settlement Website.** The Settlement Administrator will establish the Settlement Website as soon as practicable following entry of the Preliminary Approval Order, but prior to dissemination of the Notice. The Settlement Website shall contain relevant documents, including, but not limited to, the Long Form Notice, the Claim Form, this Agreement, Plaintiff's motion for preliminary approval of the Settlement, the Preliminary Approval Order, Plaintiff's motion for an award of attorneys' fees, costs and expenses, and service awards, and the operative complaint in the Action. The Settlement Website shall also include a toll-free telephone number, e-mail address, and mailing address through which Settlement Class Members may contact the Settlement Administrator directly. The Settlement Website shall not include any advertising and shall remain operational until at least sixty (60) days after all Settlement Payments have been distributed.

52. **Cost of Notice and Administration.** Defendant will pay for the Notice and Administrative Expenses, which will be paid separately from costs associated with providing the Settlements benefits in Paragraphs 41-42, as invoiced. The costs of Notice and Administrative Expenses will be subject to a not to exceed amount. The Settlement Administrator shall provide

wiring instructions and a properly completed and duly executed IRS Form W-9, along with any other necessary forms, to Defendant within ten (10) days of the entry of the Preliminary Approval Order.

V. OPT-OUTS AND OBJECTIONS

53. **Opt-Outs.** The Notice shall explain the procedure for Settlement Class Members to exclude themselves or “opt-out” of the Settlement by submitting a Request for Exclusion to the Settlement Administrator postmarked no later than sixty (60) days after the Notice Commencement Deadline. The Notice also must state that any Settlement Class Member who does not file a timely Request for Exclusion in accordance with this paragraph will lose the opportunity to exclude himself or herself from the Settlement and will be bound by the Settlement.

- a. The Request for Exclusion must include the name of the proceeding, the individual’s full name, current address, personal signature, and the words “Request for Exclusion” or a comparable statement that the individual does not wish to participate in the Settlement.
- b. No person shall purport to exercise any exclusion rights of any other person, or purport: (a) to opt-out Settlement Class Members as a group, in the aggregate, or as a class; or (b) to opt-out more than one Settlement Class Member on a single Request for Exclusion, or as an agent or representative. Any such purported Request(s) for Exclusion shall be void, and the Settlement Class Member(s) who is or are the subject of such purported Request(s) for Exclusion shall be treated as a Participating Settlement Class Member and be bound by this Settlement Agreement, including the Release contained herein, and judgment entered thereon, unless he or she submits a valid and timely Request for Exclusion.

- c. Within seven (7) days after the Opt-Out Deadline, the Settlement Administrator shall provide the Parties with a complete and final list of all Opt-Outs.
- d. All persons who Opt Out shall not receive any benefits or be bound by the terms of this Agreement.

54. **Objections.** The Notice shall explain the procedure for Settlement Class Members to object to the Settlement or the request for attorneys' fees and Litigation Costs and Expenses by filing written objections with the Court no later than the Objection Deadline. The written objection must include: (i) the name of the proceedings; (ii) the Settlement Class Member's full name and current mailing address; (iii) a statement that states with specificity the grounds for the objection, as well as any documents supporting the objection; (iv) the identity of any attorneys representing the objector; (v) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; (vi) the signature of the Settlement Class Member or the Settlement Class Member's attorney; and (vii) a list, by case name, court, and docket number, of all other cases in which the objector and/or the objector's counsel has filed an objection to any proposed class action settlement within the last three years. The Settlement Class Member shall also send a copy of the written objection to the Settlement Administrator postmarked or emailed no later than the Objection Deadline. Any Settlement Class Member who does not file a timely and adequate objection in accordance with this paragraph waives the right to object or to be heard at the Final Approval Hearing and shall be forever barred from making any objection to the Settlement and shall be bound by the terms of the Agreement and by all proceedings, orders, and judgments in the Action. The exclusive means for any challenge to the Agreement shall be through the provisions of this paragraph. Within seven (7) days after the Objection Deadline, the Claims Administrator shall provide the Parties with all objections submitted.

VI. DUTIES OF THE SETTLEMENT ADMINISTRATOR

55. **Duties of Settlement Administrator.** The Settlement Administrator shall perform the functions and duties necessary to effectuate the Settlement and as specified in this Agreement, including, but not limited to, the following:

- a. Obtaining the Settlement Class List for the purpose of disseminating Notice to Settlement Class Members;
- b. Causing the Notice Program to be effectuated in accordance with the terms of this Settlement Agreement and orders of the Court;
- c. Performing National Change of Address searches on the Settlement Class List and/or skip tracing on undeliverable notices;
- d. Providing Notice to Settlement Class Members via U.S. mail;
- e. Establishing and maintaining the Settlement Website;
- f. Establishing and maintaining a toll-free telephone line with interactive voice response for Settlement Class Members to call with Settlement-related inquiries, and answering the questions of Settlement Class Members who call with or otherwise communicate such inquiries in a timely fashion;
- g. Responding to any mailed or emailed Settlement Class Member inquiries in a timely fashion;
- h. Reviewing, determining the validity of, and processing all claims submitted consistent with the terms of this Agreement;
- i. Receiving and reviewing Requests for Exclusion and objections from Settlement Class Members. If the Settlement Administrator receives any Requests for Exclusion, objections, or other requests from Settlement Class Members after the deadlines set

forth herein, the Settlement Administrator shall promptly provide copies thereof to Settlement Class Counsel and Defendant's Counsel;

- j. Working with the provider of Credit Monitoring Services to receive and send activation codes to Settlement Class Members who submitted valid claims for Credit Monitoring Services after the Effective Date;
- k. After the Effective Date, processing and transmitting Settlement Payments to Settlement Class Members;
- l. Providing weekly or other periodic reports to Settlement Class Counsel and Defendant's Counsel that include information regarding claims, objections, Opt Outs and other data agreed to between Settlement Class Counsel, Defendant's Counsel and the Settlement Administrator;
- m. In advance of the Final Approval Hearing, preparing an affidavit to submit to the Court that: (i) attests to implementation of Notice in accordance with the Preliminary Approval Order; and (ii) identifies each Settlement Class Member who timely and properly submitted a Request for Exclusion; and
- n. Performing any function related to settlement administration as provided for in this Agreement or agreed-upon among Settlement Class Counsel, Defendant's Counsel, and the Settlement Administrator.

VII. PRELIMINARY APPROVAL, FINAL APPROVAL, AND JURISDICTION

56. **Certification of the Settlement Class.** For purposes of this Settlement only, and in the context of this Agreement only, the Parties stipulate to the certification of the Settlement Class, which is contingent upon the Court entering the Final Approval Order and Judgment of this Settlement and the occurrence of the Effective Date. Excluded from the Settlement Class are: (i)

Defendant, its officers and directors; (ii) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; (iii) any judges assigned to this case and their staff and immediate family; and (iv) any other person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the criminal activity occurrence of the Security Incident or who pleads *nolo contendere* to any such charge. Should: (1) the Settlement not receive final approval from the Court; (2) the Effective Date not occur; or (3) the Agreement is otherwise terminated, the certification of the Settlement Class shall be void, and neither the Agreement nor any order or other action relating to the agreement shall be offered by any person as evidence or cited in support of a motion to certify a class for any purpose other than this Settlement. Defendant reserves the right to contest class certification for all other purposes. The Parties further stipulate to designate the Settlement Class Representative as the representative for the Settlement Class.

57. **Preliminary Approval.** Following execution of this Agreement, Settlement Class Counsel shall file a motion for preliminary approval of this Settlement with the Court. Settlement Class Counsel shall provide Defendant's counsel with a draft of the motion for preliminary approval within a reasonable time frame prior to filing same to ensure that any requested revisions from Defendant are addressed. The proposed Preliminary Approval Order shall be in the form attached as **Exhibit D**.

58. **Final Approval.** Settlement Class Counsel shall move the Court for a Final Approval Order and Judgment of this Settlement, to be issued following the Final Approval Hearing, substantially in the form set forth in **Exhibit E**. Counsel for the Parties shall request that the Court set a date for the Final Approval Hearing no earlier than one hundred and twenty (120) days after entry of the Preliminary Approval Order. Settlement Class Counsel shall provide

Defendant's counsel with a draft of the motion for final approval within a reasonable time frame prior to filing same to ensure that any requested revisions from Defendant are addressed.

59. **Jurisdiction.** The Court shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding or dispute between the Parties 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 jurisdiction with respect to the administration, consummation, and enforcement of the Agreement and shall retain jurisdiction for the purpose of enforcing all terms of the Agreement. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice and the Settlement Administrator. As part of its agreement to render services in connection with this Settlement, the Settlement Administrator consents to the jurisdiction of the Court for this purpose and any dispute between or among the Settlement Administrator, Plaintiff, and/or Defendant.

VIII. MODIFICATION AND TERMINATION

60. **Modification.** The terms and provisions of this Agreement may be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however, that, after entry of the Preliminary Approval Order, the Parties may, by written agreement, effect such amendments, modifications, or expansions of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Settlement Class or approval by the Court if such changes are consistent with the Court's Preliminary Approval Order and do not materially alter, reduce, or limit the rights of Settlement Class Members or Defendant under this Agreement.

61. **Termination.** Settlement Class Counsel (on behalf of the Settlement Class Members) and Defendant shall have the right to terminate this Agreement by providing written

notice of their or its election to do so (“Termination Notice”): (1) within fourteen (14) days of the Court’s refusal to grant preliminary approval of the Settlement in any material respect; (2) the Court’s refusal to enter the Final Approval Order and Judgment in any material respect; or (3) the date the Final Approval Order and Judgment is modified or reversed in any material respect by any appellate or other court. Defendant may also unilaterally terminate this Settlement Agreement within fourteen (14) days written notice to Settlement Class Counsel if more than 15 Settlement Class Members submit valid Requests for Exclusion.

62. **Effect of Termination.** In the event of a termination as provided in Paragraph 61, this Agreement shall be considered null and void, all of the Parties’ obligations under the Agreement shall cease to be of any force and effect, 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 claims and defenses will be preserved. Any Court orders preliminarily or finally approving certification of the Settlement Class and any other orders entered pursuant to the Agreement shall be deemed null and void and vacated.

XI. RELEASES

63. **The Release.** Upon the Effective Date, and in consideration of the Settlement benefits described herein, each Releasing Party shall be deemed to have completely and unconditionally released, acquitted, and forever discharged Defendant and each of the Released Parties from any and all Released Claims, including Unknown Claims.

64. **Unknown Claims.** The Released Claims include the release of Unknown Claims. “Unknown Claims” means claims that could have been raised in the Action and claims Releasing Parties do not know or suspect to exist, which, if known by him, her or it, might affect his, her or its agreement to release the Released Parties or the Released Claims or might affect his, her or its

decision to agree, object or not to object to the Settlement. Upon the Effective Date, the Releasing Parties 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, each-Releasing Party shall be deemed to have, and shall have, waived any and all provisions, rights, and benefits conferred by any law of any state, the District of Columbia or territory of the United States, by federal law, 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. The Releasing Parties 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 the Released Claims or relation of the Released Parties thereto, but that it is their intention to finally and forever settle and release the Released Claims, including but not limited to any Unknown Claims they may have, as that term is defined in this paragraph. The Parties acknowledge, and the Releasing Parties shall be deemed by operation of the Agreement to have acknowledged, that the foregoing waiver is a material term of the Agreement.

65. **Bar to Future Suits.** Upon entry of the Final Approval Order and Judgment, the Settlement Class Representative and other Participating Settlement Class Members shall be enjoined from initiating, asserting, or prosecuting any and all Released Claims, including Unknown Claims, in any proceeding against any of the Released Parties or based on any actions

taken by any of the Released Parties that are authorized or required by this Agreement or by the Final Approval Order and Judgment. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this Section.

XII. SERVICE AWARD PAYMENTS

66. **Service Award Payments.** At least fourteen (14) days before the Opt-Out and Objection Deadlines, Settlement Class Counsel will file a motion seeking a service award payment for the Settlement Class Representative in recognition for her contributions to this Action. Defendant agrees not to oppose Settlement Class Counsel's request for a service award not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00). To the extent more than \$5,000.00 in service awards is sought for the Settlement Class Representative, Defendant reserves all rights to object and oppose such a request. Defendant shall pay the Court-approved service award to an account established by Settlement Class Counsel within thirty (30) days after the Effective Date. Settlement Class Counsel will ensure payment instructions are provided through secure processes. Settlement Class Counsel will then distribute the service award. Defendant's obligations with respect to the Court-approved service award shall be fully satisfied upon transmission of the funds into the account established by Settlement Class Counsel. Defendant shall have no responsibility for, interest in, or liability whatsoever with respect to any distribution or allocation of service awards. Nor shall Defendant be responsible for any tax obligations or payments associated with the amount paid into the account established by Settlement Class Counsel. To the extent the Effective Date does not occur, Defendant shall have no obligation to pay any service awards. This amount was negotiated after the primary terms of the settlement were negotiated.

67. **No Effect on Agreement.** The finality or effectiveness of the Settlement, including the Final Approval Order and Judgement, shall not depend on the amount or timing of service

awards approved and awarded by the Court or any appeal thereof. The amount and timing of service awards is intended to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. No decision by the Court, or modification or reversal or appeal of any decision by the Court, concerning the amount of the service awards shall constitute grounds for termination of this Agreement.

XIII. ATTORNEYS' FEES, COSTS, EXPENSES

68. **Attorneys' Fees and Costs and Expenses.** At least fourteen (14) days before the Opt-Out and Objection Deadlines, Settlement Class Counsel will file a motion for an award of attorneys' fees and litigation costs and expenses, as well as Service Awards, to be paid by Defendant. Defendant agrees not to oppose Settlement Class Counsel's request for an award of attorneys' fees, costs and expenses not to exceed One Hundred Fifty-Nine Thousand Dollars (\$159,000.00). If Settlement Class Counsel seeks more than \$159,000.00 in attorneys' fees, costs and expenses, Defendant reserves all rights to object and oppose such requests. Defendant shall pay the Court-approved attorneys' fees and expenses to an account established by Settlement Class Counsel within thirty (30) days after the Effective Date. Settlement Class Counsel will ensure payment instructions are provided through secure processes. The attorneys' fees and Litigation Costs and Expenses will be allocated by Settlement Class Counsel. Defendant's obligations with respect to the Court-approved attorneys' fees and Litigation Costs and Expenses shall be fully satisfied upon transmission of the funds into the account established by Settlement Class Counsel. Defendant shall have no responsibility for, interest in, or liability whatsoever with respect to any distribution or allocation of attorneys' fees or Litigation Costs and Expenses. Nor shall Defendant be responsible for any tax obligations or payments associated with the amount paid into the account established by Settlement Class Counsel. To the extent the Effective Date does not occur,

Defendant shall have no obligation to pay any attorneys' fees or Litigation Costs and Expenses. The amount of attorneys' fees and Litigation Costs and Expenses was negotiated after the primary terms of the Settlement were negotiated.

69. **No Effect on Agreement.** The finality or effectiveness of the Parties' Settlement shall not depend on the amount or timing of attorneys' fees and Litigation Costs and Expenses approved and awarded by the Court or any appeal thereof. The amount and timing of attorneys' fees and Litigation Costs and Expenses are intended to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. No decision by the Court, or modification or reversal or appeal of any decision by the Court, concerning the amount or timing of attorneys' fees or Litigation Costs and Expenses shall constitute grounds for termination of this Agreement.

XIV. NO ADMISSION OF LIABILITY

70. **No Admission of Liability.** 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 that could have been made, or an acknowledgment or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever.

71. **No Use of Agreement.** Neither the Settlement Agreement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (i) 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 Plaintiff or any Settlement Class Member, including any Settlement Class Member who opts out of the Settlement; or (ii) is or may be deemed to be, or may be used as, an admission of, or evidence of,

any fault or omission by the Released Parties in the Action, or any Settlement Class Member who opts out of the Settlement, or in any proceeding in any court, administrative agency or other tribunal.

XV. MISCELLANEOUS

72. **Integration of Exhibits.** The exhibits to this Agreement and any exhibits thereto are a material part of the Settlement and are incorporated and made a part of the Agreement.

73. **Entire Agreement.** This Agreement, including all exhibits hereto, shall constitute the entire Agreement among the Parties with regard to the subject matter hereof and shall supersede any previous agreements, representations, communications and understandings among the Parties, including counsel for the Parties. This Agreement may not be changed, modified, or amended except in writing signed by all Parties or their successors in interest. The Parties contemplate that, subject to Court approval or without such approval where legally permissible and consistent with any orders of the Court in this proceeding, the exhibits to this Agreement may be modified by subsequent Agreement of counsel for the Parties prior to dissemination of the Notice to the Settlement Class.

74. **Resolution.** The Parties intend this Agreement to be a final and complete resolution of all disputes between them with respect to the Action. The Parties each agree that the Settlement and this Agreement were negotiated in good faith and at arm's-length and reflects a Settlement reached voluntarily after consultation with legal counsel of their choice.

75. **Other Litigation.** Plaintiff and Settlement Class Counsel will not cooperate with or encourage any action or filing of claims against Defendant or any Released Parties related to any of the allegations or claims alleged in the Action.

76. **Deadlines.** If any of the dates or deadlines specified herein falls on a weekend or legal holiday, the applicable date or deadline shall fall on the next business day. All reference to “days” in this agreement shall refer to calendar days unless otherwise specified.

77. **Singular and Plurals.** As used in this Agreement, all references to the plural shall also mean the singular and to the singular shall also mean the plural whenever the context so indicates and reasonably dictates.

78. **Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

79. **Construction.** For the purpose of construing or interpreting this Agreement, this Agreement is to be deemed to have been drafted equally by all Parties and shall not be construed strictly for or against any Party.

80. **Cooperation of Parties.** The Parties to this Agreement agree to cooperate in good faith to effectuate the Settlement described in this Agreement.

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

82. **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.

83. **Governing Law.** The Agreement shall be construed in accordance with, and be governed by, the laws of the State of Illinois, without regard to choice of law principles.

84. **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 signatories do not sign the same counterparts. Original signatures

are not required. Any signature submitted electronically, by facsimile, or through email of an Adobe PDF shall be deemed an original.

85. **Notices.** All notices to Settlement Class Counsel and counsel for Defendant provided for herein, shall be sent by email to:

Raina C. Borrelli
Cassandra P. Miller
STRAUSS BORRELLI PLLC
980 N Michigan Ave, Suite 1610
Chicago, IL 60611
raina@straussborrelli.com
cmiller@straussborrelli.com

All notices to Defendant provided for herein, shall be sent by email to:

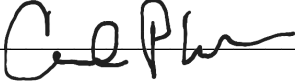
Casie D. Collignon
BAKER & HOSTETLER LLP
1801 California Street, Suite 4400
Denver, CO 80202
ccollignon@bakerlaw.com

The notice recipients and addresses designated above may be changed by written notice to the other Party.

86. **Authority.** Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and authorized to bind the Party on whose behalf he, she or they signs this Agreement to all of the terms and provisions of this Agreement.

SIGNATURES

Carla Plowman

By: 

Date: 11 / 27 / 2024

Ty Inc.

By: _____

Date: _____

Approved as to form by:

Counsel for Plaintiff and the Settlement Class

By: 
Raina C. Borrelli

Date: 11 / 27 / 2024

Counsel for Defendant

By: _____
Casie D. Collignon

Date: _____

SIGNATURES

Carla Plowman

By: _____

Date: _____

Ty Inc.

By: _____

Date: _____

Approved as to form by:


Counsel for Plaintiff and the Settlement Class

By: _____

Raina C. Borrelli

Date: _____

Counsel for Defendant

By:  _____

Casie D. Collignon

Date: 11/26/2024

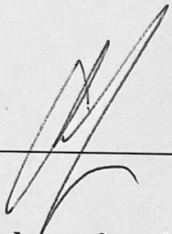
SIGNATURES

Carla Plowman

By: _____

Date: _____

Ty Inc.

By:  _____ VP Ty Inc

Date: 11/25/24

Approved as to form by:

Counsel for Plaintiff and the Settlement Class

By: _____
Raina C. Borrelli

Date: _____

Counsel for Defendant

By: _____
Casie D. Collignon

Date: _____

— EXHIBIT A —