

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION AT CLEVELAND**

In re:)	Case No. 1:17-md-02807-JSG
)	
SONIC CORP. CUSTOMER DATA)	Judge James S. Gwin
BREACH LITIGATION)	

**REPRESENTATIVE PLAINTIFFS' MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION SETTLEMENT AGREEMENT**

Named Plaintiffs Septabeya Bean, Patrick Blanford, Cornelius Bogard, Penny Bolin, Shadawna Carson, John Dolembro, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Megan MacKay, Dometric Pearson, Denise Ramirez, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams (“Representative Plaintiffs”), individually and on behalf of a settlement class as defined in the accompanying Memorandum of Points and Authorities (the “Settlement Class”), by and through their counsel William B. Federman of Federman & Sherwood (“Interim Lead Counsel”); Marc E. Dann of DannLaw (“Interim Liaison Counsel”); Carin L. Marcussen of Federman & Sherwood; Brian D. Flick of DannLaw; Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C.; Melissa R. Emert of Stull, Stull, & Brody; Michael Fuller of Olsen Daines; and Miles N. Clark of Knepper & Clark LLC (“Plaintiffs’ Steering Committee”) (collectively, “Plaintiffs’ Counsel” or proposed “Class Counsel”), hereby seek preliminary approval of the Class Action Settlement and for certification of the Settlement Class. The reasons and authority proffered in support of Representative Plaintiffs’ request are set forth in the Memorandum of Points and Authorities incorporated herein.

WHEREFORE, Representative Plaintiffs respectfully request that the Court enter an order preliminarily approving the Settlement Agreement.

Dated: October 10, 2018

Respectfully Submitted,

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IN RE: SONIC CORP. CUSTOMER	§	MDL Case No. 1:17-md-02807-JSG
DATA BREACH LITIGATION	§	
	§	JUDGE JAMES S. GWIN
THIS DOCUMENT RELATES TO:	§	
ALL CASES	§	

**REPRESENTATIVE PLAINTIFFS' MEMORANDUM
OF POINTS AND AUTHORITIES IN SUPPORT OF THEIR MOTION FOR
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INTRODUCTION

Named Plaintiffs Septabeya Bean, Patrick Blanford, Cornelius Bogard, Penny Bolin, Shadawna Carson, John Dolemba, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Megan MacKay, Dometric Pearson, Denise Ramirez, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams (“Representative Plaintiffs”), individually and on behalf of a settlement class as defined in the Settlement Agreement and set forth below (the “Settlement Class”), by and through their counsel William B. Federman of Federman & Sherwood (“Interim Lead Counsel”); Marc E. Dann of DannLaw (“Interim Liaison Counsel”); Carin L. Marcussen of Federman & Sherwood; Brian D. Flick of DannLaw; Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C.; Melissa R. Emert of Stull, Stull, & Brody; Michael Fuller of Olsen Daines; and Miles N. Clark of Knepper & Clark LLC (“Plaintiffs’ Steering Committee”) (collectively, “Plaintiffs’ Counsel” or proposed “Class Counsel”), hereby seek preliminary approval of the Class Action Settlement and for certification of the Settlement Class.

The Representative Plaintiffs have asserted claims against Sonic Corp., Sonic Industries Services Inc., Sonic Capital LLC, Sonic Franchising LLC, Sonic Industries LLC, and Sonic Restaurants, Inc. (collectively, “Sonic” or the “Sonic Defendants”¹) for negligence, negligence per se, breach of implied contract, negligent misrepresentation, unjust enrichment, violation of twenty-six (26) state consumer protection statutes, violation of fifteen (15) state data breach statutes, and injunctive/declaratory relief stemming from a third-party cyberattack on the point-of-sale (“POS”) systems of certain Sonic Drive-In locations in 2017. Representative Plaintiffs allege that Sonic

¹ Collectively, the Representative Plaintiffs and Sonic are referred to herein as the “Parties”.

did not take adequate security precautions to prevent the third-party cyberattack and protect customers' information.

Sonic denies each and every one of Representative Plaintiffs' allegations, and specifically contends that Sonic did have adequate security precautions in place, denies that Sonic is liable or responsible in any way for the third-party cyberattack on the POS systems at certain Sonic Drive-In locations, and further denies that Representative Plaintiffs are entitled to any relief from Sonic. Sonic has not conceded or admitted any liability, and has asserted a number of defenses in response to Representative Plaintiffs' claims. Nevertheless, given the risks, uncertainties, burden, and expense of continued litigation, Sonic has agreed to settle this Litigation on the terms set forth in the Settlement Agreement ("Agreement" or "Settlement"), subject to Court approval.

The Parties engaged in extensive discovery before participating in Court-ordered mediation. The Settlement resulted from good faith, arm's-length settlement negotiations, including two full-day mediation sessions with the Honorable Magistrate Judge Jonathan D. Greenberg on August 3 and 10, 2018 in Cleveland, Ohio. Class Counsel conducted a thorough examination and evaluation of the relevant law and facts to assess the merits of the claims to be resolved by the Agreement and how best to serve the interests of the putative class in the Litigation. Based on this investigation and the negotiations described above, Class Counsel have concluded, taking into account the sharply-contested issues involved, the risk, uncertainty, and cost of further prosecution of this Litigation, and the substantial benefits to be received by the Settlement Class (as defined in the Agreement and set forth below) pursuant to the Agreement, that a settlement with Sonic on the terms set forth in the Agreement is fair, reasonable, adequate, and in the best

interests of the Settlement Class. After the mediation, the Parties entered into the Agreement, a copy of which is attached hereto as Exhibit 1.²

The Agreement provides, pursuant to Federal Rule of Civil Procedure 23(b)(3), for certification of a Settlement Class for settlement purposes only. The Settlement Class is comprised of all residents of the United States who made a purchase at one of the 325 Impacted Sonic Drive-Ins and paid using a debit or credit card during the period of time from April 7, 2017 through October 28, 2017.³ (SA ¶¶ 1.26, 1.28.)

Under the Settlement, and again without admitting or conceding any liability, the amount of Four Million Three Hundred Twenty-Five Thousand Dollars and Zero Cents (\$4,325,000.00) (hereinafter, “Settlement Fund”) shall be paid by Sonic into an escrow account, to fully resolve and settle this Litigation. (SA, ¶¶ 1.29, 3.2.) The Settlement Fund is intended to cover all payments to Settlement Class Members who submit Verified Claims, Class Counsel’s attorneys’ fees, costs, and expenses, Service Awards to the twenty-two Representative Plaintiffs, and costs of class notice and settlement administration. (SA, ¶¶ 1.29, 3.1.) After deducting (1) the Costs of Settlement Administration, which includes administrative costs and expenses applicable to class notice and settlement administration, (2) an award of attorneys’ fees, costs, and expenses to Class Counsel, and (3) Service Awards to the Representative Plaintiffs, the amount remaining in the Settlement Fund (the “Net Settlement Fund”) shall be distributed by sending checks to Settlement Class

² The Agreement is cited herein as “SA.” The definitions in the Agreement are incorporated herein by reference.

³ The Settlement Class specifically excludes: (i) Sonic (as defined in SA, ¶ 1.31); (ii) Sonic Franchisees (as defined in SA, ¶ 1.32); (iii) Infor (as defined in SA, ¶ 1.15); (iv) all Settlement Class Members who timely and validly request exclusion from and/or opt-out of the Settlement Class; (v) the Judge or Magistrate Judge to whom the action is assigned and, any member of those Judges’ staffs or immediate family members; and (vi) 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 or occurrence of the Data Breach or who pleads *nolo contendere* to any such charge. (SA, ¶ 1.26).

Members who submit Verified Claims for approximately \$10 or \$40, according to the terms set forth in the Agreement. (SA, ¶¶ 3.1.4, 3.1.5.)

Additionally, Sonic has acknowledged that it has made certain governance changes since the filing of the Litigation (SA, ¶ 3.3.), and Sonic has agreed to continue using and employing certain data security practices for a period of no less than three (3) years. (SA, ¶ 3.4.) Sonic's acknowledgement that it made certain governance changes since the filing of the Litigation, and its agreement to *continue* to use and employ certain data security practices is not, and should not be construed as, an admission or concession by Sonic, in any regard whatsoever, that Sonic's data security practices were inadequate.

As shown herein, the Settlement readily satisfies the standard for preliminary approval—that is, it is well within the required range of possible approval. As such, Representative Plaintiffs respectfully request that this Honorable Court enter an Order:

- (1) Preliminarily approving the Settlement Agreement;
- (2) Certifying the Settlement Class under Rule 23 of the Federal Rules of Civil Procedure for settlement purposes only;
- (3) Appointing the Representative Plaintiffs as Class Representatives of the Settlement Class;
- (4) Appointing William B. Federman of Federman & Sherwood, Marc E. Dann of DannLaw, Carin L. Marcussen of Federman & Sherwood, Brian D. Flick of DannLaw, Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC as Settlement Class Counsel;
- (5) Approving the Claim Forms, attached as Exhibit B-1 (downloadable version) and Exhibit B-2 (electronic version), to the Settlement Agreement;
- (6) Appointing KCC LLC as the Settlement Administrator;
- (7) Approving the Notice Program as set forth in the Settlement Agreement;

- (8) Approving as to form and content the notices attached to the Settlement Agreement as Exhibit C (In-Store Notice), Exhibit D (Internet Banner Notice), Exhibit E (Long Form Notice), Exhibit F (Publication Notice), and Exhibits G-1 and G-2 (Sonic Website and Facebook Notices, respectively); and
- (9) Scheduling a final approval hearing to consider entry of a final judgment approving the Settlement and the request for Class Counsel's attorneys' fees, costs, and expenses, and Class Representative Service Awards.

BACKGROUND

I. NATURE OF THE LITIGATION AND PROCEDURAL HISTORY

Sonic is the fourth largest quick-service burger restaurant chain in the United States, operating more than 3,500 stores in 44 states. Sonic Drive-In restaurants routinely process consumer transactions through point-of-sale ("POS") systems that transmit payment card data of customers who pay with a credit or debit card.

In late September 2017, Sonic was alerted by its third-party payment card processor of unusual activity involving payment cards used at certain Sonic Drive-In locations. Upon being alerted of this unusual activity, Sonic immediately initiated an internal investigation and engaged experienced third-party forensic investigators to assist it in investigating the suspicious activity. At the same time, Sonic's counsel also notified federal law enforcement and began working with law enforcement to investigate the unusual activity as well. Shortly thereafter, Sonic's forensic investigators discovered that certain Sonic Drive-In locations had been the victim of a malware attack that appeared to have resulted in possible unauthorized acquisition of credit or debit card numbers.

Four days later, on October 4, 2017, though its forensic investigations into the nature and extent of the data breach were still underway, Sonic made the statutorily permissible substitute notice to Sonic customers via its website, via national press release (distributed through the

Business Wire), and by taking advertisements out in certain local media outlets and publications as required by certain state data breach notification statutes. At the same time, Sonic also notified the requisite state regulators and credit bureaus of the data breach. Further, as a precautionary measure, Sonic offered customers who used their credit or debit cards at Sonic Drive-In locations in 2017, 24 months of free fraud detection and identity theft protection through Experian's IdentityWorks program.

After issuing notice, Sonic continued to investigate the nature and extent of the data breach. Based on Sonic's investigation, Sonic identified three hundred and twenty-five (325) franchisee-owned and -operated Sonic Drive-In locations for which the forensic evidence indicates that customer credit or debit card information was stolen.

In response to Sonic's data breach, eight civil data breach class actions were filed in several different states and were eventually consolidated and transferred to this Court by the Judicial Panel on Multidistrict Litigation. (Dkt. 1, 3, 17). On January 3, 2018, the Court granted the unanimous and unopposed motion by the plaintiffs in the consolidated actions (Dkt. 4) to appoint William B. Federman of Federman and Sherwood as Interim Lead Counsel, Marc Dann of DannLaw as Interim Liaison Counsel, and Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC as members of Plaintiffs' Steering Committee. (*See non-document order entered Jan. 3, 2018.*)

At the early stage of the litigation, Plaintiffs' counsel filed a Motion for Expedited Discovery Relative to the Identities of Knowledgeable Third Parties. (Dkt. 14). On January 13, 2018, the Court granted in part and denied in part Plaintiffs' motion to authorize expedited discovery. (Dkt. 24). On February 12, 2018, Plaintiffs filed a Consolidated Class Action

Complaint. (Dkt. 26.) On March 14, 2018, Sonic filed a motion to dismiss Plaintiffs' Consolidated Class Action Complaint. (Dkt. 39.) On April 13, 2018, Plaintiffs filed their opposition to Sonic's motion to dismiss (Dkt. 73), and Sonic filed its reply on April 27, 2018. (Dkt. 79.) On July 27, 2018, prior to any decision on Sonic's motion to dismiss, Class Counsel filed a Second Amended Consolidated Class Action Complaint on behalf of the Representative Plaintiffs. (Dkt. 114.)

Throughout the Litigation, the Parties engaged in substantial discovery. As part of the discovery process, Class Counsel: negotiated the protective order regarding confidential materials (Dkt. 67); prepared and served detailed document requests and interrogatories on the Sonic Defendants; prepared and served twenty (20) subpoenas *duces tecum* on third parties (*see, e.g.*, Plaintiffs' Notice of Intent to Serve Third Parties, Dkt. Nos. 32, 36, 37, 38, 64, 66, 77, 92); engaged in numerous meet and confers with Sonic and third parties concerning the scope of document productions, ESI protocols, search terms, and document custodians; responded to the Sonic Defendants' requests for production and interrogatories, including gathering and producing responsive documents from numerous Plaintiffs; defended the depositions of Plaintiffs Bogard, Dolembro, Pearson, MacKay, Ramirez, and Bean; prepared for and deposed Mark Davis, who was Sonic's Vice President of Cybersecurity and Enterprise Systems during the Class Period; obtained evidentiary affidavits, in lieu of depositions, from third party vendors addressing their role in Sonic's information technology and cybersecurity systems and processes; prepared and issued several letters to Defense Counsel concerning document production and other discovery issues; filed motions against Sonic and third parties First Data Corporation, Oracle Hospitality, Inc., SCI Group, LLC, ServiceNow, and Texas P.O.S. to compel the production of documents (Dkt. 81) and argued those motions before the Court; filed an opposition to Sonic's motion for protective order relating to production by third-party CoalFire Systems, Inc. (Dkt. 88); filed an opposition to

Sonic's motion to compel initial disclosures (Dkt. 41) and argued against that motion in a hearing before the Magistrate Judge; reviewed and analyzed more than 130,000 pages of documents produced by Sonic and third parties; interviewed several former Sonic employees identified by Sonic as having relevant knowledge; and retained and consulted with multiple experts, including cybersecurity experts and damages experts.

On June 5, 2018, the Court referred the matter to Magistrate Judge Jonathan D. Greenberg for mediation. (Dkt. 105). In advance of the mediation, Class Counsel prepared a Confidential Mediation Statement, which was submitted via email to the chambers of Judge Greenberg. On August 3, 2018, the Parties participated in a full-day of mediation presided over by Judge Greenberg. (Dkt. 119). Given that substantial progress was made towards a settlement, the Parties participated in a second full day of mediation with Judge Greenberg on August 10, 2018. (Dkt. 121). On August 10, 2018, the Parties were able to reach an agreement as to the material terms of the settlement, which were memorialized on the record that same day. (*See* Aug. 10, 2018 Transcript of Proceedings, Dkt. 124). Thereafter, the Parties negotiated the remaining terms, exchanging drafts back and forth of the Agreement and its exhibits during the process. The Agreement was executed on October 9, 2018. Representative Plaintiffs now seek preliminary approval of that Agreement.

II. SUMMARY OF THE SETTLEMENT

A. The Settlement Class

Under the terms of the Settlement, the Parties agreed to certification pursuant to Federal Rule of Civil Procedure 23(b)(3) of a Settlement Class for settlement purposes only:

All residents of the United States who made a purchase at one of the 325 Impacted Sonic Drive-Ins and paid using a debit or credit card during the period of time from April 7, 2017 through October 28, 2017.

(SA, ¶¶ 1.26, 1.28.)

The “Impacted Sonic Drive-Ins” are defined in the Agreement as the three hundred and twenty-five (325) franchisee-owned and -operated Sonic Drive-In locations for which the forensic evidence indicates that customer credit or debit card information was stolen during the Data Breach, as listed in Exhibit A to the Agreement. (SA, ¶ 1.13.) The “Data Breach” means the third-party cyberattack targeting the point-of-sale systems of Sonic Drive-Ins from April 7, 2017 through October 28, 2017 in an effort to acquire, without authorization, customer payment card information. (SA, ¶ 1.10.)

The Settlement Class specifically excludes: (i) Sonic (as defined in SA, ¶1.31); (ii) Sonic Franchisees (as defined in SA, ¶1.32); (iii) Infor (as defined in SA, ¶1.15); (iv) all Settlement Class Members who timely and validly request exclusion from and/or opt-out of the Settlement Class; (v) the Judge or Magistrate Judge to whom the action is assigned and, any member of those Judges’ staffs or immediate family members; and (vi) 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 or occurrence of the Data Breach or who pleads *nolo contendere* to any such charge. (SA, ¶ 1.26.)

B. Payments to Settlement Class Members

The Settlement provides that the Sonic Defendants will pay Four Million Three Hundred Twenty-Five Thousand Dollars and Zero Cents (\$4,325,000.00) into a “Settlement Fund”. (SA, ¶¶ 1.29, 3.1.) After deducting the Costs of Settlement Administration (as defined in SA, ¶1.9), Attorneys’ Fees Costs (as defined in SA, ¶1.1), and Class Representative Service Awards (as defined in SA, ¶1.8), the “Net Settlement Fund” remaining will be distributed to Settlement Class Members who submit Verified Claims. (SA, ¶ 3.1.4.) The amount of the payment will be (i)

approximately \$10 for those Settlement Class Members who made a purchase using a credit or debit card at one of the Impacted Sonic Drive-Ins during the Settlement Class Period (“Category 1 Class Members”), or (ii) approximately \$40 for those Settlement Class Members who made a purchase using credit or debit card at one of the Impacted Sonic Drive-Ins during the Settlement Class Period *and* who experienced fraudulent or unauthorized charges on the credit or debit card account used at the Impacted Sonic Drive-In location any time thereafter up through February 28, 2018 (“Category 2 Class Members”). (SA, ¶ 3.1.4.) The Settlement Administrator will adjust the amounts of the payments to Settlement Class Members by decreasing or increasing them on a *pro rata* (proportionate) basis such that the total aggregate amount of Verified Claims to be paid does not exceed the Net Settlement Fund or, alternatively, in order to fully allocate and pay to Settlement Class Members the full Net Settlement Fund so that no money remains. (SA, ¶ 3.1.5.). No monies will revert to the Sonic Defendants. *Id.*

C. Agreement Relating to Sonic’s Business Practices

Sonic has acknowledged that it made certain governance changes since the filing of the Litigation. Additionally, Sonic has agreed to continue using and employing the certain data security practices outlined in the Settlement Agreement for a period of no less than three (3) years. (SA, ¶¶ 3.3, 3.4.)

D. Service Awards to Class Representatives

Class Counsel will make an application to the Court for Service Awards from the Settlement Fund to the twenty-two (22) Representative Plaintiffs up to the total aggregate amount of \$42,000. (SA, ¶ 10.7.) Said application shall be filed no earlier than thirty (30) days from entry of the Preliminary Approval Order by the Court, and no later than fourteen (14) days before the

deadline for opt-outs and objections. (SA, ¶ 10.7.) The Sonic Defendants have agreed not to oppose or object to any such application that is consistent with the terms of the Agreement. *Id.*

In consideration of the respective contributions of the Representative Plaintiffs, Class Counsel will seek individual Service Awards for each Representative Plaintiff up to the amounts set forth below:

- (a) \$5,500 for Representative Plaintiff Cornelius Bogard who prosecuted this action on behalf of the Settlement Class, attended court hearings, attended the mediation, answered discovery, and appeared for a deposition;
- (b) \$5,000 each for Representative Plaintiffs Megan MacKay and Denise Ramirez who each prosecuted this action on behalf of the Settlement Class, attended the mediation, answered discovery, and appeared for a deposition;
- (c) \$3,500 each for Representative Plaintiffs Septabeya Bean, John Dolembro, and Dometric Pearson, who each prosecuted this action on behalf of the Settlement Class, answered discovery, and appeared for a deposition; and
- (d) \$1,000 for each of the sixteen (16) remaining Representative Plaintiffs: Patrick Blanford, Penny Bolin, Shadawna Carson, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams, who each prosecuted this action on behalf of the Settlement Class.

Representative Plaintiffs' support for the Settlement Agreement as fair and reasonable is not conditioned upon the Court's award of the requested Service Awards. Further, the terms and

enforcement of the Settlement Agreement is not conditioned on the approval of the requested Service Awards. (SA, ¶10.8.)

E. Attorneys' Fees and Costs

Class Counsel will make an application to the Court for payment from the Settlement Fund of attorneys' fees of up to one-third (1/3) of the Settlement Fund (*i.e.*, up to \$1,441,666.67), plus the costs and expenses that Class Counsel has incurred in the prosecution of this Litigation ("Attorneys' Fees and Costs"). (SA, ¶¶ 1.1, 10.1.) Said application shall be filed no earlier than thirty (30) days from the entry of the Preliminary Approval Order by the Court, and no later than fourteen (14) days before the deadline for opt-outs and objections. (SA, ¶ 10.1.) Sonic has agreed it will not oppose or object to any such application. (SA, ¶ 10.2.) The amount of Attorneys' Fees and Costs awarded by the Court shall be deducted from the Settlement Fund and paid by the Settlement Administrator to Lead Counsel, who will, in his sole discretion, fairly and reasonably allocate and distribute the amounts among Class Counsel. (SA, ¶¶ 10.1.) Class Counsel's support of the Settlement Agreement as fair and reasonable is not conditioned upon the Court's award of the requested fees and expenses, and the terms and enforcement of the Settlement Agreement are not conditioned on the approval of an award of the requested fees and expenses. (SA, ¶ 10.6.)

F. Settlement Class Notice

The Agreement provides that the Costs of Settlement Administration (as defined in the Agreement (SA, ¶ 1.9), which includes all costs for notice, as well as claims administration) shall be paid from the Settlement Fund. (SA, ¶ 3.1.1.) Further, the Agreement provides for a comprehensive Notice Program to be administered by the Settlement Administrator, subject to Court approval. (SA, § 7, ¶ 1.24.)

The Parties seek approval of the following forms of notice attached as exhibits to the Agreement: Exhibit C (In-Store Notice), Exhibit D (Internet Banner Notice), Exhibit E (Long Form Notice), Exhibit F (Publication Notice), and Exhibits G-1 and G-2 (Website and Facebook Notice) (collectively, the “Notices”). (SA, ¶ 7.2.) The notices collectively will provide a sufficiently clear and concise description of the Litigation, the Settlement terms, the rights and responsibilities of the Settlement Class Members (*e.g.*, how to submit a claim, opt-out, or object), and the date and location of the final approval hearing. *Id.*

The Notice Program provides for dissemination of the notices in the following manner (i) conspicuously posting the In-Store Notice at the 325 Impacted Sonic Drive-In locations, (ii) posting the Internet Banner Notice geo-tagged to the Facebook pages of Facebook users located with the zip codes of Impacted Sonic Drive-In locations, (iii) publishing the Publication Notice in a manner certified by the Settlement Administrator as being targeted to adults over 18 years of age located within the zip codes of the Impacted Sonic Drive-In locations, (iv) conspicuously posting the Website Notice on Sonic’s website and Sonic’s Facebook page, and (v) posting the Long Form Notice on the Settlement Website. (SA, ¶ 7.2-¶ 7.3.) The Settlement Administrator shall use its best efforts to ensure that these Notices collectively have a reach of not less than approximately 70% of the Settlement Class Members (in one way or another). (SA, ¶ 7.2.)

1. In-Store Notice

Within thirty (30) days after the entry of the Preliminary Approval Order, the Settlement Administrator shall print or otherwise generate the In-Store Notice (substantially in the form attached to the Agreement as Exhibit C) and shall provide it to the Sonic Defendants to be conspicuously posted on the main customer entrance door of each of the Impacted Sonic Drive-In locations within forty-five (45) days after the entry of the Preliminary Approval Order and for a

period of ninety (90) days from the start of the Notice Program. (SA, ¶ 7.2.3.)

2. Internet Banner Notice

Within thirty (30) days after the entry of the Preliminary Approval Order, the Settlement Administrator shall submit the Internet Banner Notice (substantially in the form attached to the Agreement as Exhibit D) to Facebook for advertisement. (SA, ¶ 7.2.2.) Facebook is the largest social media platform with approximately 1.47 billion daily active users. *See* <https://newsroom.fb.com/company-info/> (last visited Aug. 30, 2018). The Internet Banner Notice shall be targeted to Settlement Class Members via the use of Internet banner advertisements geo-tagged to the Facebook pages of Facebook users located within the zip codes of the 325 Impacted Sonic Drive-In locations and posted for a period of ninety (90) days from the start of the Notice Program. *See* <https://www.facebook.com/business/help/202297959811696> (last visited Aug. 30, 2018) (“Location targeting allows you to advertise to people based on their location, which can be a country, a region, or a city.”).

3. Publication Notice

The Publication Notice (substantially in the form attached to the Agreement as Exhibit F) shall be submitted by the Settlement Administrator for publication in a periodical and manner certified by the Settlement Administrator—and expressly approved by the Parties—as being targeted to adults over 18 years of age located within the zip codes of the 325 Impacted Sonic Drive-In locations. (SA, ¶ 7.2.1.) The Settlement Administrator shall utilize its best efforts to have the Publication Notice submitted for publication no later than thirty (30) days after the entry of the Preliminary Approval Order. (SA, ¶ 7.2.1.)

4. Website Notice on Sonic's Website and Facebook Page

Within thirty (30) days after the entry of the Preliminary Approval Order, the Sonic Defendants shall cause the Website Notice (substantially in the form attached to the Agreement as Exhibits G-1 and G-2) to be conspicuously posted as a banner advertisement at the top of the home page of the Sonic website and as a “pinned” post at the top of Sonic’s Facebook page for a period of ninety (90) days from the start of the Notice Program. The Website Notice on Sonic’s website (Exhibit G-1) will link to the Long Form Notice (Exhibit E) on the Settlement Website. (SA, ¶ 7.2.4.)

5. Long Form Notice on the Settlement Website

Within thirty (30) days after the entry of the Preliminary Approval Order, but no later than the earliest date of (a) Publication Notice, (b) Internet Banner Notice, (c) In-Store Notice, or (d) Website Notice, the Settlement Administrator shall establish the Settlement Website and shall maintain and update the Settlement Website, as necessary, throughout the Claims Period. (SA, ¶ 7.3.) The Settlement Website shall contain important information, including:

- a) The Settlement Administrator’s toll-free telephone number for Settlement Class Members to call for Settlement-related information or request copies of documents;
- b) A list of important dates and deadlines;
- c) Links to the Agreement, the Long Form Notice (attached to the Agreement as Exhibit E), the Publication Notice, and relevant orders entered by the Court relating to the Settlement;
- d) An online claim process by which a Settlement Class Member can submit his or her Claim Form electronically;

- e) A link through which a Settlement Class Member can download and print a Claim Form;
- f) The list of all 325 Impacted Sonic Drive-In locations; and
- g) Such other documents and information as may be agreed on by the Parties or ordered by the Court.

(SA, ¶ 7.3.)

The Notice Program is the best means practicable, and is reasonably calculated to apprise the Settlement Class Members of the Litigation and their right to participate in, object to, or exclude themselves from the Settlement.

G. Settlement Class Members' Right to Opt Out

Any Settlement Class Member seeking to opt-out of the Settlement must submit a written request for exclusion from the Settlement Class to the Settlement Administrator—postmarked on or before the opt-out deadline (*i.e.*, 90 days from commencement of the Notice Program)—which must include: (a) the individual's name and address; (b) a statement that he/she wants to be excluded from the Settlement Class in this Litigation; and (c) the individual's signature. (SA, ¶¶ 8.1.1, 8.1.3.) Any Settlement Class Member who fails to submit a timely request for exclusion containing the above information shall be bound by the Settlement Agreement. (SA, ¶ 8.2.)

All Settlement Class Members who properly file a timely Request for Exclusion from the Settlement Class shall (a) not be bound by any orders or the Final Judgment entered in this Litigation, (b) not be entitled to relief under the Agreement, (c) not gain any rights by virtue of the Agreement, and (d) not be entitled to object to any aspect of the Agreement. (SA, ¶ 8.2.) No person may opt out of the Settlement Class through a so-called “mass” or “class” opt-out. (SA, ¶ 8.1.1.)

H. Settlement Class Members' Right to Object

Any Settlement Class Member who does not opt out of the Settlement Class may object to the Settlement or any portion of the Agreement. (SA, § 9.) To be timely, written notice of the objection must be filed with the Clerk of the Court, and served upon Lead Counsel and Defense Counsel, no later than ninety (90) days from the commencement of the Notice Program. (SA, ¶ 9.1.1.) The Agreement provides, and the Long Form Notice specifies, that any person who wants to object to the Settlement, must state in writing: (a) the objector's full name, current address, telephone number, and email address (if any); (b) a statement that he/she is a Settlement Class Member, including an attestation that he/she made a purchase using a debit or credit card at one of the 325 Impacted Sonic Drive-Ins during the Settlement Class Period and identifying the address of the location where he/she made his/her purchase; (c) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (d) the identity of all counsel representing the objector, if any; (e) a written statement indicating whether he/she intends to appear and/or testify at the final approval hearing and the identity of all counsel, if any, representing the objector who will appear at the final approval hearing; (f) a statement identifying any person who will be called to testify at the final approval hearing in support of the objection; (g) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (h) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last three (3) years; and (i) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three (3) years. (SA, ¶ 9.1.)

I. Schedule for Settlement Administration

The Parties request that the Court set the following schedule for the proposed Agreement:

- Within thirty (30) days of entry of Preliminary Approval, a Settlement Website shall be established and the commencement of the Notice Program, as outlined in Section 7 of the Settlement Agreement (which includes the administration of In-Store Notice, Internet Banner Notice, Website Notice, and Publication).
- Settlement Class Members shall have ninety (90) days from the commencement of the Notice Program (SA, ¶ 7.7) to request to be excluded from the Settlement Class or to object to the Settlement Agreement.
- Settlement Class Members shall have ninety (90) days from the commencement of the Notice Program (SA, ¶ 7.7) to submit a Claim Form.
- A final hearing on the fairness and reasonableness of the Agreement and whether the final approval shall be given to it, and the requests for fees, expenses and Service Awards, will be held before this Court approximately 170 days after preliminary approval.

An Excel spreadsheet of the proposed Settlement timeline with the proposed dates (“Settlement Timeline”) will be emailed to the Court. All dates in the Settlement Timeline are calculated from the date of Preliminary Approval. A printout of the Settlement Timeline is attached hereto as Exhibit 2.

ARGUMENT

I. PRELIMINARY APPROVAL OF THE SETTLEMENT IS APPROPRIATE

A. Legal Standard

The “settlement of a class action is generally favored and encouraged.” *In re Nationwide Fin. Servs. Litig.*, No. 2:08-CV-00249, 2009 WL 8747486, at *1 (S.D. Ohio Aug. 19, 2009) (internal citations omitted); *see also In re Telectronics Pacing Sys., Inc.*, 137 F. Supp. 2d 985, 1008–09 (S.D. Ohio 2001) (“Being a preferred means of dispute resolution, there is a strong presumption by courts in favor of settlement.”) (citation omitted).

Rule 23(e) requires three steps for the approval of a proposed class action settlement:

1. The Court must preliminarily approve the proposed settlement;
2. Members of the class must be given notice of the proposed settlement; and
3. A fairness hearing must be held, after which the court must determine whether the proposed settlement is fair, reasonable and adequate.

In re Nationwide Fin. Servs. Litig., 2009 WL 8747486, at *1 (citing Fed. R. Civ. P. 23(e)); *Williams v. Vukovich*, 720 F.2d 909, 920–21 (6th Cir. 1983); *Bronson v. Bd. of Educ.*, 604 F. Supp. 68, 71 (S.D. Ohio 1984)).

“[I]n determining the reasonableness and adequacy of a proposed settlement, the Court should ascertain whether the settlement is within a ‘range of reasonableness[.]’” *In re Nationwide Fin. Servs. Litig.*, 2009 WL 8747486, at *2 (citing *Leonhardt v. ArvinMeritor, Inc.*, 581 F. Supp. 2d 818, 831 (E.D. Mich. 2008)). The Manual for Complex Litigation explains that:

If the preliminary evaluation of the proposed settlement does not disclose grounds to doubt its fairness or other obvious deficiencies, such as unduly preferential treatment to class representatives or of segments of the class, or excessive compensation for attorneys, and appears to fall within the range of possible approval, the court should direct that notice under Rule 23(e) be given to the class members of a formal fairness hearing, at which arguments and evidence may be presented in support of and in opposition to the settlement.

In re Inter-Op Hip Prosthesis Liab. Litig., 204 F.R.D. 330, 350 (N.D. Ohio 2001) (citing *Manual for Complex Litigation*, § 30.41, at 236–37 (3d ed.1995)). A preliminary fairness assessment “is not to be turned into a trial or rehearsal for trial on the merits,” for “it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements.” *In re Inter-Op Hip*, 204 F.R.D. at 350 (citation omitted). Rather, the Court’s duty is to conduct a threshold examination of the overall fairness and adequacy of the settlement in light

of the likely outcome and the cost of continued litigation. *Id.* (citing *Ohio Public Interest Campaign v. Fisher Foods, Inc.*, 546 F. Supp. 1, 7 (N.D. Ohio 1982)).

“[W]hen a settlement is the result of extensive negotiations by experienced counsel, the Court should presume it is fair.” *In re Inter-Op Hip*, 204 F.R.D. at 350-51 (citing *Vukovich*, 720 F.2d at 923; *see also Duhaime v. John Hancock Mut. Life Ins. Co.*, 177 F.R.D. 54, 68 (D. Mass. 1997) (“[i]n general, a settlement arrived at after genuine arm’s length bargaining may be presumed to be fair”); *In re Orthopedic Bone Screw Prods. Liab. Litig.*, 176 F.R.D. 158, 184 (E.D. Pa. 1997) (“[s]ignificant weight should be attributed ‘to the belief of experienced counsel that settlement is in the best interest of the class’”) (internal citations omitted)).

B. Preliminary Approval is Warranted

The issues are hotly contested in this Litigation and the outcome is uncertain. Sonic’s motion to dismiss argued that Representative Plaintiffs did not suffer an actionable concrete injury as a result of the Data Breach and failed to establish an elevated or imminent risk of future injury. (Dkt. 39-1.) Sonic argues that Representative Plaintiffs who alleged they made credit or debit card purchases during the Class Period at the Impacted Sonic Drive-Ins did not experience any fraudulent charges (*e.g.*, Plaintiff Pearson), or did not suffer any unreimbursed fraudulent charges or out-of-pocket expenses (*e.g.*, Plaintiffs Gilmore and MacKay) as a result of the Data Breach. (Dkt. 39-1, pgs. 6-8.) Sonic further asserts that the other types of injury that Representative Plaintiffs allege they suffered are not sufficient to create Article III standing. (Dkt. 39-1, pgs. 8-11.) Lastly, Sonic argued that Representative Plaintiffs failed to establish an elevated or imminent risk of future injury. (Dkt. 39-1, pgs. 12-13; *see also* Dkt. 79, pgs. 16-17, arguing that the type of credit and debit card information stolen here is not the type that generally can be used alone to open unauthorized new accounts).

Representative Plaintiffs allege that they have suffered a variety of harms as a result of the Data Breach, including unauthorized charges, loss of their personal and financial information, loss of use of funds, time spent, increased risk of fraud and identity theft, diminution in value of their personal data, and money paid to Sonic that they would not have paid had they known Sonic did not keep their data secure. (Dkt. 73-1, pgs. 7-11.)

While Representative Plaintiffs believe in the strength of their case, there is no guarantee that Representative Plaintiffs would be successful. The Court never decided Sonic's motion to dismiss before the Representative Plaintiffs filed their Second Amended Consolidated Class Action Complaint on July 27, 2018. If not for the Settlement, Sonic would certainly continue to argue, *inter alia*, that Representative Plaintiffs have not shown any cognizable injury or damages as a result of the Data Breach.

Further, the terms of the Settlement were negotiated at a mediation presided over by the Honorable Magistrate Judge Jonathan D. Greenberg and should be presumed to be fair. The Settlement provides monetary relief and non-monetary relief. Settlement Class Members who made a purchase at one of the Impacted Sonic Drive-Ins (but did not experience fraudulent or unauthorized charges) during the Settlement Class Period and who submit valid Claim Forms are eligible to be paid an estimated \$10. (SA, ¶ 3.1.4.) Settlement Class Members who made a purchase at one of the Impacted Sonic Drive-Ins during the Settlement Class Period *and* experienced fraudulent or unauthorized charges on the credit or debit card used at one of the Impacted Sonic Drive-In Locations any time thereafter up through February 28, 2018, and who submit valid Claim Forms are eligible to be paid an estimated \$40. (SA, ¶ 3.1.4.). These amounts are well within the range of fair, reasonable, and adequate.

The monetary benefits offered to Settlement Class Members are fair and reasonable in light of reported average out-of-pocket expenses attributable to a data breach. According to *The Aftermath of a Data Breach: Consumer Settlement (April 2014)*, which summarizes a research study sponsored by Experian Data Breach Resolution and conducted and reported by Ponemon Institute, “[e]ighty-one percent of respondents who were victims of a data breach did not have any out-of-pocket costs”, and nine percent had less than \$10 in out-of-pocket costs. (See Exhibit 3, pgs. 7, 18.) Further, for those respondents who incurred out-of-pocket costs, the average amount was \$38.00. *Id.* at 7.

With regard to non-monetary benefits, Sonic has acknowledged that it made certain governance changes since the filing of the Litigation, and has agreed to continue using and employing the data security practices outlined in Paragraph 3.4 of the Agreement for a period of no less than three (3) years following the Effective Date of the Settlement. (SA, ¶ 3.3.)

The Settlement does not provide unduly preferential treatment to the Class Representatives. Any Service Awards to Class Representatives are subject to approval by the Court. As there is no reason to doubt the Settlement’s fairness to Settlement Class Members and there are no obvious deficiencies, the Court should grant Representative Plaintiffs’ preliminary approval motion.

II. CERTIFICATION OF THE SETTLEMENT CLASS

Courts favor the use of settlement classes “to foster negotiated conclusions to class actions.” *In re Gen. Motors Corp. Pick-Up Truck Fuel Tank Prods. Liab. Litig.*, 55 F.3d 768, 784 (3d Cir. 1995). A settlement class in complex litigation “actually enhances absent class members’ opt-out rights because the right to exclusion is provided simultaneously with the opportunity to accept or reject the terms of a proposed settlement.” *In re Prudential Sec. Ltd. P’ship Litig.*, 163 F.R.D. 200, 205 (S.D.N.Y. 1995). When granting preliminary approval of a class action

settlement, it is appropriate for a court to certify a class for settlement purposes. *See Amchem Prods. Inc. v. Windsor*, 521 U.S. 591, 620 (1997). Certification of a class is governed by Rule 23(a) and (b) of the Federal Rules of Civil Procedure.

A. The Requirements Under Fed. R. Civ. P. 23(a) Are Satisfied

Rule 23(a) sets forth the following prerequisites for certifying a class: “(1) the class is so numerous that joinder of all members is impracticable, (2) there are questions of law or fact common to the class, (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class, and (4) the representative parties will fairly and adequately protect the interests of the class.” Fed. R. Civ. P. 23(a). Additionally, where certification is sought under Rule 23(b)(3), the plaintiffs must demonstrate that common questions of law or fact predominate over individual issue and that a class action is superior to other methods of adjudicating the claims. Fed. R. Civ. P. 23(b)(3). These requirements are satisfied here.

1. The Settlement Class is so Numerous that Joinder of Individual Members is Impracticable

First, the Settlement Class is so numerous that joinder of all individual members is impracticable. “[T]here is no strict numerical test for determining impracticability of joinder.” *Golden v. City of Columbus*, 404 F.3d 950, 965 (6th Cir. 2005). “[S]ubstantial’ numbers are usually enough to satisfy the numerosity requirement, and ‘it is generally accepted that a class of 40 or more members is sufficient to establish numerosity.’” *Taylor v. CSX Transp., Inc.*, 264 F.R.D. 281, 288 (N.D. Ohio 2007) (citing *Daffin v. Ford Motor Co.*, 458 F.3d 549, 552 (6th Cir. 2006)). Here, numerosity is satisfied because there are 325 Impacted Sonic Drive-Ins, and the Settlement Class includes **all** persons who made a purchase at one of those locations using a credit or debit card over an approximately seven (7) month period. Based on the information obtained through discovery in the Litigation, there are more than 40 Settlement Class Members.

2. There are Questions of Law and Fact Common to the Settlement Class

Second, there are questions of law and fact common to all Settlement Class Members. There need be only one common question to certify a class. *See In re Whirlpool Corp. Front-Loading Washer Prod. Liab. Litig.*, 722 F.3d 838, 853 (6th Cir. 2013) (citing *Sprague v. Gen. Motors*, 133 F.3d 388, 397 (6th Cir. 1998)). Here, there are questions of law and fact common to the proposed Settlement Class that predominate over any individual questions. These questions include, but are not limited to:

- a. Whether Sonic failed to adequately safeguard and protect Representative Plaintiffs' and the Settlement Class Members' Personal Information;
- b. Whether Sonic engaged in unfair, unlawful, or deceptive practices by failing to safeguard and protect Representative Plaintiffs' and the Settlement Class Members' Personal Information;
- c. Whether Sonic failed to notify Representative Plaintiffs and the Settlement Class Members about the Data Breach as soon as practical and without delay in violation of applicable data breach notification statutes;
- d. Whether Sonic acted negligently in failing to safeguard and protect Representative Plaintiffs' and the Settlement Class Members' Personal Information;
- e. Whether Sonic entered into implied contracts with Representative Plaintiffs and the Settlement Class Members that included contract terms requiring Sonic to protect the confidentiality of Representative Plaintiffs' and the Settlement Class Members' Personal Information and have reasonable security measures;
- f. Whether Sonic's conduct described herein constitutes a breach of their implied contracts with Representative Plaintiffs and the Settlement Class Members;

- g. Whether Representative Plaintiffs and the Settlement Class Members are entitled to damages as a result of Sonic's wrongful conduct;
- h. Whether equitable relief is appropriate to redress Sonic's wrongful conduct; and
- i. Whether injunctive relief is appropriate to redress the imminent and currently ongoing harm faced by members of the Settlement Class.

These common questions predominate over any individual questions that may exist.

3. Representative Plaintiffs' Claims are Typical of the Claims of the Settlement Class

Third, the claims and defenses of Representative Plaintiffs are typical of the claims and defenses of the Settlement Class. "A named plaintiff's claim is considered to be typical 'if it arises from the same event or practice or course of conduct that gives rise to the claims of other class members, and if his or her claims are based on the same legal theory.'" *Bentley v. Honeywell Int'l, Inc.*, 223 F.R.D. 471, 482 (S.D. Ohio 2004) (citing *In re A.M.S.*, 75 F.3d 1069, 1082 (6th Cir. 1996)). "The requirement has been described as 'the representative's interests [being] aligned with those of the represented group, and in pursuing his own claims, the named plaintiff will also advance the interests of the class members.'" *Id*

Representative Plaintiffs' and all other Settlement Class Members' claims arise from the same factual issues, their claims are based on the same legal theories, and they all claim to have sustained damages as a result of Sonic's alleged failure to take adequate security precautions to prevent a third-party cyberattack and protect customers' cardholder information. As a result, Rule 23(a)(3)'s typicality requirement is satisfied.

4. The Interests of Representative Plaintiffs and Proposed Settlement Class Counsel are Aligned with the Interests of the Settlement Class

Fourth, Representative Plaintiffs and proposed Class Counsel will fairly and adequately protect the interests of the Settlement Class. Representative Plaintiffs have demonstrated that they are well-suited to represent the Settlement Class, as they have prosecuted this action on behalf of the Settlement Class. Several Representative Plaintiffs have already answered discovery, attended court hearings, attended the mediation, and appeared for a deposition. Representative Plaintiffs' interests are aligned with those of the other Settlement Class Members.

Additionally, as set forth in Plaintiffs' Unanimous and Unopposed Motion for Appointment of Interim Lead Counsel and Steering Committee, Class Counsel are well-qualified to represent the Settlement Class, as they all are experienced attorneys who have handled many complex civil litigation matters, including other class actions. (Dkt. 4.) On January 3, 2018, the Court granted the motion and appointed William B. Federman of Federman and Sherwood as Interim Lead Counsel, Marc Dann of DannLaw as Interim Liaison Counsel, and Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC as members of Plaintiffs' Steering Committee. (*See* non-document order entered Jan. 13, 2018.) Since that time, the work of these firms in this Litigation and negotiating the Settlement now before the Court evidences that they are well-qualified to represent the Settlement Class.

B. The Requirements Under Fed. R. Civ. P. 23(b)(3) Are Satisfied.

Rule 23(b)(3) requires that "questions of law or fact common to the members of the class predominate over any questions affecting only individual members of the class, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy." Fed. R. Civ. P. 23(b)(3). Both of these requirements are satisfied here.

1. Questions Common to All Settlement Class Members Predominate Over Any Potential Individual Questions

Questions common to all Settlement Class Members predominate over any potential individual questions. For the reasons discussed above regarding commonality and typicality, there is no reason to believe that any individual question will predominate over the common questions in this Litigation. Common legal issues predominate because all Settlement Class Members' claims arise out of the same alleged wrongful conduct on the part of Sonic. Common fact issues predominate because all Settlement Class Members' claims are focused on Sonic's conduct.

2. A Class Action is the Superior Method to Fairly and Efficiently Adjudicate the Matter

Additionally, a class action is the superior method to resolve Representative Plaintiffs' and Settlement Class Members' claims against Sonic. Rule 23(b)(3) requires a class action to be "superior to other available methods for the fair and efficient adjudication of the controversy," and sets forth the following factors:

The matters pertinent to the findings include: (A) the class members' interest in individually controlling the prosecution or defense of separate actions; (B) the extent and nature of any litigation concerning the controversy already begun by or against class members; (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and (D) the likely difficulties in managing a class action.

Fed. R. Civ. P. 23(b)(3).

A class action is the only reasonable method to fairly and efficiently adjudicate Settlement Class Members' claims against Sonic. *See, e.g., Phillips Co. v. Shutts*, 472 U.S. 797, 809 (1985) ("[c]lass actions . . . permit the plaintiffs to pool claims which would be uneconomical to litigate individually . . . [in such a case,] most of the plaintiffs would have no realistic day in court if a class action were not available"). Individual Settlement Class Members likely would be unable or unwilling to shoulder the great expense of litigating the claims at issue against well-funded Sonic,

given the comparatively small size of each individual Settlement Class Member's claims. On the facts here, the superiority requirement is satisfied.

III. SETTLEMENT CLASS COUNSEL ARE WELL-QUALIFIED TO REPRESENT THE INTERESTS OF THE SETTLEMENT CLASS

“An order certifying a class action . . . must also appoint class counsel under Rule 23(g).” Fed. R. Civ. P. 23(c)(1)(B). In appointing class counsel, courts should consider (i) the work counsel has done in identifying or investigating potential claims in the action; (ii) counsel's experience in handling class actions, other complex litigation, and the types of claims asserted in the action; (iii) counsel's knowledge of the applicable law; and (iv) the resources that counsel will commit to representing the class. Fed. R. Civ. P. 23(g)(1)(A).

The work of Interim Lead Counsel, Interim Liaison Counsel, and members of Plaintiffs' Steering Committee in this Litigation to date, as well as their experience prosecuting complex litigation matters, demonstrate that they are well-qualified to represent the Settlement Class. (*See* Dkt. 4-1 through 4-5.) As the Court is aware from the time and expense summaries submitted by Interim Lead Counsel each month, proposed Class Counsel have already expended significant time and money to represent the Settlement Class in these proceedings, including the mediation presided over by the Court.

IV. THE NOTICE PROGRAM SATISFIES ALL APPLICABLE REQUIREMENTS

The Parties agreed upon KCC LLC (“KCC” or “Settlement Administrator”) to be the Settlement Administrator for class notice and settlement administration. (SA, ¶ 1.24.) KCC has significant experience as a class action notice provider and settlement administrator. *See* KCC Bio, attached hereto as Exhibit 4. The Parties request the Court's approval and appointment of KCC as the Settlement Administrator.

As explained below, the contents of the Notices and the plan for dissemination of the Notices—the Notice Program (SA, § 7)—should also be approved.

A. Contents of the Notice

“The notice should describe the action and the plaintiffs’ rights in it.” *Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 812 (1985). “All that the notice must do is ‘fairly apprise ... prospective members of the class of the terms of the proposed settlement’ so that class members may come to their own conclusions about whether the settlement serves their interests.” *Id.* Notice documents include the Notices attached to the Settlement Agreement as Exhibit C (In-Store Notice), Exhibit D (Internet Banner Notice), Exhibit E (Long Form Notice), Exhibit F (Publication Notice), and Exhibits G-1 and G-2 (Website and Facebook Notice respectively). The Notices were designed to provide information about the Settlement, along with clear, concise, easily understood information about Settlement Class Members’ legal rights.

The Notices collectively include a fair summary of the general terms of the Settlement; instructions for how to opt-out of or object to the Settlement; the Settlement website address and toll-free telephone number where Settlement Class Members can obtain more information; instructions on how to participate in the Settlement and how Settlement Class Members can make a claim; the amount of money Class Counsel may request for attorneys’ fees, costs and expenses, and Class Representative Service Awards; and will set forth the date, time, and place of the final fairness hearing, as set by the Court.

The Notices contain information that a reasonable person would consider material in making an informed, intelligent decision of whether to opt out of the Settlement or remain a member of the Settlement Class and be bound by a final judgment, and they direct individuals to a convenient location to obtain more detailed information. Altogether, the Notices fairly apprise

the Settlement Class Members of the terms of the Settlement, and the options that are open to them in connection with this Litigation.

1. Opting Out

Any Settlement Class Member wishing to opt out of the Settlement Class must individually sign and timely submit to the designated mailing address established by the Settlement Administrator written notice clearly manifesting their intent to be excluded from the Settlement Class in this Litigation, along with their name and address (“Request for Exclusion” or “Opt-Out”). (SA, ¶¶ 8.1, 8.1.1.) To be effective, the Opt-Out must be postmarked no later than ninety (90) days from the commencement of the Notice Program (“the Opt-Out and Objection Deadline”). (SA, ¶ 8.1.3.) The Opt-Out and Objection Deadline will be set forth in the Notices.

2. Objecting

A Settlement Class Member desiring to object to the Settlement will be required to submit a timely written notice of his or her objection. To be timely, written notice of an objection in appropriate form must be filed with the Clerk of Court on or before the Opt-Out and Objection Deadline and served concurrently therewith upon Interim Lead Counsel and Defense Counsel at the addresses set forth in the Notices. (SA, ¶ 9.1.1.)

The written notice of the objection must include: (a) the objector’s full name, current address, telephone number, and email address (if any); (b) a statement that he/she is a Settlement Class Member, including an attestation that he/she made a purchase using a debit or credit card at one of the 325 Impacted Sonic Drive-Ins during the Settlement Class Period and identifying the address of the location where he/she made his/her purchase; (c) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (d) the identity of all counsel representing the objector, if any; (e) a written statement

indicating whether he/she intends to appear and/or testify at the final approval hearing and the identity of all counsel, if any, representing the objector who will appear at the final approval hearing; (f) a statement identifying any person who will be called to testify at the final approval hearing in support of the objection; (g) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (h) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last three (3) years; and (i) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three (3) years. (SA, ¶ 9.1.)

Any Settlement Class Member who fails to object in the manner prescribed will be deemed to have waived their objections and be forever barred from making any such objections in the Litigation or in any other action or proceeding. (SA, ¶ 9.2.)

B. Notice Program

Pursuant to Federal Rule of Civil Procedure 23(e)(1), a district court, when approving a class action settlement, "must direct notice in a reasonable manner to all class members who would be bound by the proposal." Pursuant to Federal Civil Rule 23(c)(2)(B), for any class certified under Rule 23(b)(3), the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort.

Additionally, "[t]he Due Process Clause ... gives unnamed class members the right to notice of the settlement of a class action. To comport with the requirements of due process, notice must be 'reasonably calculated to reach interested parties.'" *Gooch v. Life Inv'rs Ins. Co. of Am.*,

672 F.3d 402, 422–23 (6th Cir. 2012) (citations omitted); *see also In re Polyurethane Foam Antitrust Litig.*, 135 F. Supp. 3d 679, 684 (N.D. Ohio 2015), *reconsideration denied*, No. 1:10 MD 2196, 2015 WL 12748013 (N.D. Ohio Dec. 21, 2015); *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173–74 (1974) (notice to absent class members must meet minimum due process requirements).

The Settlement Agreement provides that notice to Settlement Class Members shall occur through various methods targeted to reach members of the Settlement Class. The Notice Program provides for dissemination of the Notices through the following methods: (i) conspicuously posting the In-Store Notice at the Impacted Sonic Drive-In locations, (ii) posting the Internet Banner Notice geo-tagged to the Facebook pages of Facebook users located with the zip codes of Impacted Sonic Drive-In locations, (iii) publishing the Publication Notice in a manner certified by the Settlement Administrator as being targeted to adults over 18 years of age located within the zip codes of the Impacted Sonic Drive-In locations, (iv) conspicuously posting the Website Notice on the Sonic website and Sonic Facebook page, and (v) posting the Long Form Notice on the Settlement Website.

The Settlement Website will also include relevant court documents, and will enable Settlement Class Members to either download a Claim Form or electronically fill out and submit a Claim Form. Further, the Settlement Administrator shall establish a toll-free telephone number that Settlement Class Members can call with questions or for more information regarding the Settlement. As the Notice Program includes numerous methods to reach Settlement Class Members, it readily satisfies the “best practicable” standard.

The Notice documents and the Notice Program should be approved because they are the best notice practicable under the circumstances, constitute due and sufficient notice to the Settlement Class Members, and comply with Fed. R. Civ. P. 23 and due process requirements.

V. THE COURT SHOULD SCHEDULE A FINAL APPROVAL HEARING

The final step in the preliminary approval process is to schedule a final approval hearing, at which the Court will hear evidence and argument necessary to make its final evaluation of the Settlement. The Court will determine at or after the final approval hearing whether the Settlement should be finally approved; whether to enter the final approval order under Rule 23(e); and whether to approve Class Counsel's application for attorneys' fees, costs and expenses, and request for Service Awards for the Representative Plaintiffs. Representative Plaintiffs request that the Court schedule the final approval hearing approximately 170 days after entry of the Preliminary Approval Order or at a date otherwise convenient for the Court, and in compliance with the provisions of the Class Action Fairness Act of 2005, 28 U.S.C. § 1715. Class Counsel will file the Motion for Final approval no later than fourteen (14) days before the final approval hearing.

CONCLUSION

The Settlement readily meets the standard for preliminary approval. Representative Plaintiffs respectfully request that this Honorable Court enter an Order:

- (1) Preliminarily approving the Settlement;
- (2) Certifying the Settlement Class under Rule 23 of the Federal Rules of Civil Procedure for settlement purposes only;
- (3) Appointing Representative Plaintiffs as Class Representatives of the Settlement Class;
- (4) Appointing William B. Federman of Federman & Sherwood, Marc E. Dann of DannLaw, Carin L. Marcussen of Federman & Sherwood, Brian D. Flick of DannLaw, Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa

R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC as Settlement Class Counsel;

- (5) Approving the Claim Form, attached as Exhibit B-1 (downloadable) and Exhibit B-2 (electronic) to the Agreement;
- (6) Appointing KCC LLC as Settlement Administrator;
- (7) Approving the Notice Program as set forth in the Agreement;
- (8) Approving as to form and content the Notices attached to the Settlement Agreement as Exhibit C (In-Store Notice), Exhibit D (Internet Banner Notice), Exhibit E (Long Form Notice), Exhibit F (Publication Notice), and Exhibits G-1 and G-2 (Website and Facebook Notice);
- (9) Scheduling a final approval hearing to consider entry of a final order approving the Settlement and the request for attorneys' fees, costs, expenses, and Class Representative Service Awards; and
- (10) Granting any other relief that the Court deems reasonable.

Date: October 10, 2018

Respectfully Submitted,

/s/ William B. Federman

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Plaintiffs' Steering Committee

CERTIFICATE OF SERVICE

I hereby certify that on October 10, 2018, a copy of the foregoing was served via ECF upon the following counsel for Defendants:

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/s/ William B. Federman

William B. Federman

Interim Lead Counsel for Plaintiffs

Exhibit 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION AT CLEVELAND**

In re:

**SONIC CORP. CUSTOMER DATA
BREACH LITIGATION**

Case No. 1:17-md-02807-JSG

Judge James S. Gwin

**THIS DOCUMENT RELATES TO
ALL CASES**

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement” or “Settlement Agreement”), dated as of October 9, 2018, is made and entered into by and among the following Parties: (i) Septabeya Bean, Patrick Blanford, Cornelius Bogard, Penny Bolin, Shadawna Carson, John Dolemba, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Megan MacKay, Dometric Pearson, Denise Ramirez, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams (“Representative Plaintiffs”), individually and on behalf of a settlement class (the “Settlement Class,” as defined below), by and through their counsel William B. Federman of Federman & Sherwood (“Interim Lead Counsel”), Marc E. Dann of DannLaw (“Interim Liaison Counsel”), and Thomas A. Zimmerman, Jr. (“Plaintiffs’ Steering Committee” member); and (ii) Sonic Corp., Sonic Industries Services Inc., Sonic Capital LLC, Sonic Franchising LLC, Sonic Industries LLC, and Sonic Restaurants, Inc. (collectively, the “Sonic Defendants”), by and through their counsel of record, lead counsel P. Craig Cardon and Kari M. Rollins of Sheppard Mullin Richter & Hampton LLP (“Defense Counsel”). The Representative Plaintiffs, the Settlement Class (as defined below), and Sonic Defendants are collectively referred to in this Agreement as the “Parties”.

RECITALS

WHEREAS, on behalf of themselves and a putative class of similarly situated individuals, the Representative Plaintiffs are prosecuting the above-captioned civil action against the Sonic Defendants, entitled *In re: Sonic Corp. Customer Data Breach Litigation*, MDL Case No. 1:17-md-02807-JSG, pending in the Northern District of Ohio, Eastern Division at Cleveland, before the Honorable James S. Gwin (the "Litigation").

WHEREAS, on behalf of themselves and the putative class, Representative Plaintiffs have asserted claims against the Sonic Defendants for negligence, negligence per se, breach of implied contract, negligent misrepresentation, unjust enrichment, violation of twenty-six (26) state consumer protection statutes, violation of fifteen (15) state data breach statutes, and injunctive/declaratory relief, arising out of a third-party cyber attack on the point-of-sale systems of certain Sonic Drive-In locations in 2017.

WHEREAS, Representative Plaintiffs allege that the Sonic Defendants failed to take adequate security precautions to prevent the third-party cyber attack and protect customer information.

WHEREAS, the Sonic Defendants deny each and every one of Plaintiffs' allegations, and specifically contend that they did have adequate security precautions in place, deny that they are liable in any way for the third-party cyber attack on the point-of-sale systems of certain Sonic Drive-In locations, and deny that Plaintiffs are entitled to any relief from the Sonic Defendants. The Sonic Defendants have not conceded or admitted any liability, and have asserted a number of defenses to Plaintiffs' claims. Nevertheless, given the risks, uncertainties, burden, and expense of continued litigation, the Sonic Defendants have agreed to settle this Litigation on the terms set forth in this Agreement, subject to Court approval.

WHEREAS, prior to mediation, the Parties engaged in extensive discovery: (i) the Sonic Defendants produced voluminous documents, data, and communications, which Class Counsel (as defined below) reviewed and analyzed; (ii) Class Counsel conducted third-party discovery, including preparing and serving twenty (20) subpoenas *duces tecum* on third parties identified by Sonic Defendants as having relevant information about Sonic's information technology and cybersecurity processes and procedures, and obtained evidentiary affidavits, in lieu of depositions, from certain such third party vendors; (iii) the Parties deposed and/or interviewed several key fact witnesses; (iv) the Parties retained and consulted with multiple experts, including cybersecurity experts and damages experts; and (v) the Parties engaged in significant motion practice relating to discovery disputes.

WHEREAS, this Agreement resulted from good faith, arm's-length settlement negotiations, including two full-day mediation sessions before the Honorable Jonathan D. Greenberg.

WHEREAS, Class Counsel (as defined below) has conducted a thorough examination and evaluation of the relevant law and facts to assess the merits of the claims to be resolved by this Settlement Agreement and how best to serve the interests of the putative class in the Litigation. Based on this investigation and the negotiations described above, Class Counsel have concluded, taking into account the sharply-contested issues involved, the risk, uncertainty, and cost of further prosecution of this Litigation, and the substantial benefits to be received by the Settlement Class (as defined below) pursuant to this Agreement, that a settlement with the Sonic Defendants on the terms set forth in this Agreement is fair, reasonable, adequate, and in the best interests of the Settlement Class.

WHEREAS, the Parties understand, acknowledge, and agree that the execution of this

Agreement constitutes the settlement and compromise of all disputed claims brought by Representative Plaintiffs (as defined above) and the Settlement Class (as defined below). This Agreement is inadmissible as evidence against any of the Parties except for purposes of enforcing the terms of the Agreement and is not an admission of wrongdoing or liability on the part of any of the Parties to this Agreement.

WHEREAS, the Settlement contemplated by this Agreement is subject to preliminary and final approval by the Court, as set forth herein. This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle all claims and causes of action asserted, or that could have been asserted by Representative Plaintiffs (as defined above) and the Settlement Class (as defined below), against the Sonic Defendants and Released Persons (as defined below) arising out of or relating to the Data Breach (as defined below).

THEREFORE, the Parties hereby agree as follows:

1. DEFINITIONS

1.1. "Attorneys' Fees and Costs" means the attorneys' fees, costs, and expenses to be requested by Class Counsel, subject to Court approval, as set forth in Paragraph 10.1 below.

1.2. "Claimant" means any Settlement Class Member who submits a Settlement Claim via a Claim Form.

1.3. "Claims Administration" means the processing of Claim Forms received from Settlement Class Members and the processing of payment of Verified Claims by the Settlement Administrator.

1.4. "Claims Deadline" means the deadline by which Settlement Class Members must submit any Settlement Claims; Settlement Claims submitted after the Claims Deadline will not be timely and will not qualify for approval as set forth in Section 5 below and will be rejected unless the Parties expressly agree to accept them. The Claims Deadline shall be set by the Court in the

Preliminary Approval Order. The parties propose a Claims Deadline that is the 90th day after the commencement of the Notice Program as set forth in Paragraph 7.7 below.

1.5. "Claim Form" shall mean the claim forms substantially in the forms attached hereto as Exhibits B-1 and B-2, which have been and must be (if substantively altered in any respect) agreed to by the Parties, and are subject to Court approval, for the submission of Settlement Claims to the Settlement Administrator by Settlement Class Members. Only those Settlement Class Members who submit a Claim Form in the manner set forth in this Agreement, subject to Court approval, shall be eligible to recover a share of the Settlement proceeds.

1.6. "Claims Period" shall mean the time for Settlement Class Members to submit claims, running from the commencement of the Notice Program through the Claims Deadline.

1.7. "Class Counsel" means Interim Lead Counsel and Interim Liaison Counsel, together with Carin L. Marcussen of Federman & Sherwood, Brian D. Flick of DannLaw, Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC.

1.8. "Class Representative Service Award" means an award Class Counsel shall request be paid from the Settlement Fund to each of the Representative Plaintiffs in their capacity as representatives of the Settlement Class in the amounts set forth herein to compensate each Representative Plaintiff for prosecuting this Litigation.

1.9. "Costs of Settlement Administration" means all actual costs associated with or arising from the establishment and administration of the Settlement Fund as a Qualified Settlement Fund ("QSF") as set forth in Section 4 below, Claims Administration, and the administration of the Notice Program as forth in Sections 5 through 8 below, including the printing, electronic generation, publication, and dissemination of all Settlement Notices identified in Paragraph 7.2

below. The Costs of Settlement Administration shall be paid to the Settlement Administrator from the Settlement Fund as set forth in this Agreement.

1.10. "Data Breach" means the third-party cyber attack targeting the point-of-sale systems of Sonic Drive-Ins from April 7, 2017 through October 28, 2017 in an effort to acquire, without authorization, customer payment card information.

1.11. "Effective Date" means the first date by which all of the events and conditions specified in Paragraph 14.1 herein have occurred and been met.

1.12. "Final Judgment" means a final order and judgment rendered by the Court that, among other things, finally approves the Settlement Agreement and dismisses the Litigation with prejudice against the Sonic Defendants, which this Settlement Agreement contemplates will be entered and approved by the Court. The proposed Final Judgment is attached hereto as Exhibit I, has been agreed to by the Parties, and is subject to Court approval.

1.13. "Impacted Sonic Drive-Ins" means the three hundred and twenty-five (325) franchisee-owned and -operated Sonic Drive-In locations for which the forensic evidence indicates that customer credit or debit card information was stolen during the Data Breach, as listed in Exhibit A to this Settlement Agreement.

1.14. "In-Store Notice" means a notice in substantially the form attached hereto as Exhibit C, which has been, and must be (if substantively altered in any respect), agreed to by the Parties and the Settlement Administrator, and is subject to Court approval, and which will be disseminated in accordance with the Notice Program set forth in Section 7 and the terms of this Settlement.

1.15. "Infor" means Infor Restaurant Systems, a Division of Infor (US), Inc. and its current and former parents, subsidiaries, affiliated companies, and divisions, whether indirect or

direct, as well as their respective predecessors and successors, their respective past and present directors, officers, employees, and principals, and their respective agents, attorneys, insurers, and reinsurers.

1.16. "Internet Banner Notice" means a notice in substantially the form attached hereto as Exhibit D, which has been, and must be (if substantively altered in any respect), agreed to by the Parties and the Settlement Administrator, and is subject to Court approval, and which will be disseminated in accordance with the Notice Program set forth in Section 7 and the terms of this Settlement.

1.17. "Long Form Notice" means a document substantially in the form attached as Exhibit E, which has been, and must be (if substantively altered in any respect), agreed to by the Parties and the Settlement Administrator, and is subject to Court approval, and which will be disseminated in accordance with the Notice Program set forth in Section 7 and the terms of this Settlement.

1.18. "Personal Information" means information that is or could be used, whether on its own or in combination with other information, to identify, locate, or contact a person, and further includes, without limitation, names, addresses, credit or debit card numbers, expiration dates, security codes, and any other credit or debit card related information.

1.19. "Preliminary Approval Order" means the order preliminarily approving the Settlement Agreement and, among other things, ordering that notice be provided to the Settlement Class. The proposed Preliminary Approval Order is attached hereto as Exhibit H, has been agreed to by the Parties, and is subject to Court approval.

1.20. "Publication Notice" means a document substantially in the form attached as Exhibit F, which has been, and must be (if substantively altered in any respect), agreed to by the

Parties and the Settlement Administrator, and is subject to Court approval, and which will be disseminated in accordance with the Notice Program set forth in Section 7 and the terms of this Settlement.

1.21. "Released Claims" shall mean any and all claims, rights, rights of set-off and recoupment, demands, actions, obligations, and causes of action of any and every kind, nature, and character, known and unknown, including without limitation, negligence, negligence per se, breach of contract, breach of implied contract, breach of fiduciary duty, breach of confidence, invasion of privacy, misrepresentation (whether fraudulent, negligent, or innocent), unjust enrichment, bailment, wantonness, failure to provide adequate notice pursuant to any breach notification statute or common law duty, any federal, state, or local statutory or regulatory claims, including, but not limited to, pursuant to consumer protection laws, unfair and deceptive trade practice laws, and further including, but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys' fees, costs, and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, the appointment of a receiver, and any other form of relief that any Settlement Class Member has, has asserted, could have asserted, or could assert against any of the Released Persons based on, relating to, concerning, or arising out of the Data Breach (including, but not limited to, the theft or compromise of Personal Information) or the allegations, facts, or circumstances described in the Litigation. "Released Claims" shall also include Unknown Claims, as that term is defined below.

1.22. "Released Persons" means Sonic (as defined below), Sonic Franchisees (as defined below), and Infor (as defined above).

1.23. "Settlement" means the compromise and settlement of the Litigation as

contemplated by this Agreement.

1.24. "Settlement Administrator" means KCC LLC, as has been agreed by the Parties, which is experienced in formulating and effectuating notice programs and administering class action settlements, generally and specifically those of the type provided for and made in data breach litigation. For the avoidance of doubt, the Settlement Administrator shall perform the duties of, among other things: (i) providing notice and Claim Forms to Settlement Class Members; (ii) printing or otherwise electronically generating the Publication Notice, the Internet Banner Notice, the In-Store Notice, and the Long Form Notice (iii) publishing Publication Notice and administering Internet Banner Notice; (iv) tracking returned Claim Forms and written opt-out notices; (v) notifying the Parties of determinations regarding submitted Claim Forms and opt-out requests consistent with this Agreement; (vi) setting up the Settlement Fund as a QSF and administering the QSF as set forth herein; (vii) distributing Settlement proceeds to those Settlement Class Members who submitted Verified Claims as provided for by this Agreement; and (viii) other notice and administration duties in accordance with this Agreement and the Court's orders.

1.25. "Settlement Claim" means a claim or request submitted by way of a Claim Form either online at the Settlement Website or by mail, seeking settlement benefits as provided for in Sections 3 and 5 of this Settlement Agreement.

1.26. "Settlement Class" means all residents of the United States who made a purchase at one of the 325 Impacted Sonic Drive-Ins and paid using a debit or credit card during the Settlement Class Period. The Settlement Class specifically excludes: (i) Sonic (as defined below); (ii) Sonic Franchisees (as defined below); (iii) Infor (as defined above); (iv) all Settlement Class Members who timely and validly request exclusion from and/or opt-out of the Settlement Class; (v) the Judge or Magistrate Judge to whom the action is assigned and, any member of those Judges'

staffs or immediate family members; and (vi) 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 or occurrence of the Data Breach or who pleads *nolo contendere* to any such charge.

1.27. "Settlement Class Member" and "Settlement Class Members" mean all persons residing in the United States who fall within the definition of the Settlement Class.

1.28. "Settlement Class Period" means, for the purposes of Settlement only, the period of time from April 7, 2017 through October 28, 2017.

1.29. "Settlement Fund" as used herein means \$4,325,000.00 to be paid by the Sonic Defendants pursuant to this Settlement, which represents the Sonic Defendants' total monetary liability under this Agreement. In no event shall the total value of Verified Claims, Attorneys' Fees and Costs, Class Representative Service Awards, and the Costs of Settlement Administration exceed \$4,325,000.00. The Settlement Fund shall be set up by the Settlement Administrator as a QSF in accordance with the terms set forth in Section 4 below.

1.30. "Settlement Website" means an Internet website established and maintained by the Settlement Administrator regarding this Settlement. The Settlement Website shall be an easy-to-remember URL that relates to this Litigation and Settlement, such as www.SonicDataBreachSettlement.com.

1.31. "Sonic" means the Sonic Defendants and their current and former parents, subsidiaries, affiliated companies, and divisions, whether indirect or direct, as well as their respective predecessors and successors, their respective past and present directors, officers, employees, and principals, and their respective agents, attorneys, insurers, and reinsurers.

1.32. "Sonic Franchisees" means the independent franchise owners and operators of Sonic Drive-In restaurants and their current and former parents, subsidiaries, affiliated companies,

and divisions, whether indirect or direct, as well as their respective predecessors and successors, their respective past and present directors, officers, employees, and principals, and their respective agents, attorneys, insurers, and reinsurers.

1.33. "Unknown Claims" means any of the Released Claims that any Settlement Class Member, including any of the Representative Plaintiffs, does not know or suspect to exist in his or her favor at the time of the release of the Released Persons that, if known by him or her, might have affected his or her settlement with, and release of, the Released Persons, or might have affected his or her decision not to object to and/or to participate in this Settlement Agreement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, Representative Plaintiffs expressly shall have, and each of the other Settlement Class Members who have not timely opted-out of this Settlement shall be deemed to have, and by operation of the Final Judgment shall have, waived the provisions, rights, and benefits conferred by California Civil Code § 1542 to the extent applicable, and also any and all provisions, rights, and benefits conferred by any law of any state, province, or territory of the United States (including, without limitation, Montana Code Ann. § 28-1-1602; North Dakota Cent. Code § 9-13-02; and South Dakota Codified Laws § 20-7-11), which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Settlement Class Members, including Representative Plaintiffs, and any of them, 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 Released Claims, but Representative Plaintiffs expressly shall have, and each other Settlement Class Member who has not timely opted-out of this Settlement

shall be deemed to have, and by operation of the Final Judgment shall have, upon the Effective Date, fully, finally, and forever settled and released any and all Released Claims, including Unknown Claims. The Parties acknowledge, and Settlement Class Members shall be deemed by operation of the Final Judgment to have acknowledged, that the foregoing waiver is a material element of the Settlement Agreement of which this release is a part.

1.34. "Verified Claim" or "Verified Claims" means Settlement Claims completed using a Claim Form that have been found to be valid by the Settlement Administrator for payment in accordance with this Agreement.

1.35. "Website Notice" means a notice substantially in the forms attached hereto as Exhibits G-1 and G-2, which have been, and must be (if substantively altered in any respect), agreed to by the Parties and the Settlement Administrator, and are subject to Court approval, and which will be published in accordance with the Notice Program set forth in Section 7 and the terms of this Settlement.

2. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY

2.1. The Parties agree that, for purposes of Settlement only, Representative Plaintiffs, by and through their Class Counsel, shall request, and the Sonic Defendants shall not oppose, certification of the Settlement Class (as defined above) pursuant to Federal Rule of Civil Procedure 23(b)(3).

2.2. The Parties agree that, for purposes of Settlement only, Representative Plaintiffs shall request, and the Sonic Defendants will not oppose, the Court's appointment of Lead Counsel, Liaison Counsel, and Class Counsel for the Settlement Class, and the appointment of the Representative Plaintiffs as representatives of the Settlement Class.

2.3. The Settlement is conditioned on the Court certifying the Settlement Class. The Parties and Class Counsel agree that, if approved, certification of the Settlement Class is a

conditional certification for settlement purposes only, and if for any reason the Court does not grant final approval of the Settlement, or if final approval is not granted following appeal of any order by the Court, the certification of the Settlement Class shall be deemed null and void, and each Party shall retain all their respective rights and positions in the Litigation as they existed prior to the execution of the Settlement Agreement.

3. SETTLEMENT CONSIDERATION

Settlement Fund

3.1. Subject to the other terms and conditions of this Agreement, and subject to Court approval, the Sonic Defendants have agreed to pay \$4,325,000.00 (the "Settlement Fund") for the monetary component of the Settlement into a QSF to be established by the Settlement Administrator, which will be used to pay for the following benefits provided by this Settlement:

3.1.1. The Costs of Settlement Administration incurred in accordance with this Agreement;

3.1.2. Attorneys' Fees and Costs, in the amount approved and awarded by the Court;

3.1.3. Class Representative Service Awards, in the amounts approved and awarded by the Court to each of the Class Representatives; and

3.1.4. Payments—as described herein and in accordance with this Agreement—to Settlement Class Members who submitted Verified Claims. After the deductions from the Settlement Fund described in Paragraphs 3.1.1 through 3.1.3 above, and provided the Effective Date occurs, the remaining amount in the Settlement Fund (hereinafter, the "Net Settlement Fund") will be distributed in accordance with Section 6 below to Settlement Class Members who submit a Verified Claim to the Settlement Administrator. The value of the Verified Claims paid to each Settlement Class Member will be as follows, subject to the qualifications below in Paragraph 3.1.5:

(1) Settlement Class Members who made a purchase using a credit or debit card at one of the

Impacted Sonic Drive-Ins during the Settlement Class Period shall be paid \$10.00 per Settlement Class Member ("Category 1 Settlement Class Members"); or (2) Settlement Class Members who made a purchase using a credit or debit card at one of the Impacted Sonic Drive-Ins during the Settlement Class Period and who experienced fraudulent or unauthorized charges on the credit or debit card used at the Impacted Sonic Drive-In location any time thereafter up through February 28, 2018 shall be paid \$40.00 per Settlement Class Member ("Category 2 Settlement Class Members").

3.1.5. If the total amount of Verified Claims to be paid pursuant to Paragraph 3.1.4 exceeds the Net Settlement Fund, the Settlement Administrator shall adjust the amounts of individual payments to Settlement Class Members by decreasing the payments on a pro rata basis such that the total aggregate amount of Verified Claims to be paid pursuant to Paragraph 3.1.4 does not exceed the Net Settlement Fund. However, if the total amount of Verified Claims to be paid pursuant to Paragraph 3.1.4 is less than the Net Settlement Fund, the Settlement Administrator shall adjust the amounts of individual payments to Settlement Class Members by increasing the payments on a pro rata basis in order to fully allocate and pay the full Net Settlement Fund. No monies shall revert to the Sonic Defendants.

3.2. The payments identified in Paragraphs 3.1.1 through 3.1.4 of this Agreement shall be paid solely from the Settlement Fund pursuant to the terms of this Agreement. The \$4,325,000.00 monetary component as described above shall be the total amount owed by the Sonic Defendants as part of this Settlement. The Sonic Defendants will not be obligated to pay any additional sums, and shall have no other monetary liability for any costs or expenses related to this Settlement, including, without limitation, the costs of administering the Settlement, preparation of Notice, oversight and reporting of the Notice Program, establishing the appropriate

Settlement Website, any escrow or QSF expenses, and/or tax filing and distributions. All such costs shall be paid from the Settlement Fund. For clarity, all costs of the QSF shall be paid from the Settlement Fund. In no event shall the Sonic Defendants' liability or obligation under this Settlement Agreement exceed \$4,325,000.00 as set forth above.

Agreement Relating to Sonic's Business Practices

3.3. Sonic acknowledges that it has made certain governance changes since the filing of the Litigation.

3.4. For a period of no less than three (3) years following the Effective Date, the Sonic Defendants agree to continue using and employing the following data security practices:

3.4.1. Consistent with the PCI DSS obligations imposed on each franchisee directly by the five (5) major card brands (VISA, MasterCard, American Express, Discover, and JCB), Sonic will continue to require all Sonic Drive-In franchise locations to comply with the PCI DSS standards applicable to their merchant level.

3.4.2. Sonic will continue to employ an executive officer with responsibility for and oversight of Sonic's enterprise-wide approach to information security and data privacy as it relates to both company, employee, and customer information.

3.4.3. Sonic will continue to facilitate the regular reporting and discussion of information security and/or data privacy concerns or threats by and among employees and franchisees to members of the Sonic Cybersecurity team, including up to the Vice President of Cybersecurity and/or the executive officer with ultimate responsibility for Sonic's enterprise-wide approach to information security and data privacy.

3.4.4. Sonic will continue to operate a 24-Hour Cybersecurity Hotline and dedicated cybersecurity email addresses to enable employees and franchisees to report any information

security or data privacy concerns they may have.

3.4.5. The Vice President of Cybersecurity or the equivalent executive officer with ultimate responsibility for Sonic's enterprise-wide approach to information security and data privacy will continue to report to and update the Board on at least a quarterly basis regarding the status of, planned future tasks for, and any developments or issues relating to Sonic's enterprise-wide information security and data privacy program.

3.4.6. Sonic's internal audit team will continue to perform annual audits of Sonic's information security and data privacy program. Additionally, the Sonic Cybersecurity team will continue to utilize the regular and ongoing services of independent third parties to provide managed information security services, to identify emerging threats and develop counter measures against new exploits, and to conduct risk assessments, vulnerability assessments, penetration testing, compliance audits, and security assessments, among other things.

3.4.7. Sonic will continue to utilize and follow reasonable and standard information security policies, practices, procedures, and standards to manage and address, among other things, information security and data privacy risks or threats posed to company, employee, and customer information.

3.4.8. Consistent with its enterprise-wide approach to information security and data privacy, and similar to its existing vendor management program, Sonic will continue to maintain a policy that requires Sonic vendors with access to Sonic's systems or which process or store company, employee, or customer information to adhere to security standards that are reasonable and relevant to the services performed by the vendor.

3.4.9. Sonic will continue to require the encryption of all payment card data at the time of transaction.

3.4.10. Sonic will continue to require the use of multi-factor authentication ("MFA") for access to its point-of-sale systems by employees or third-party vendors (where applicable) for as long as MFA is deemed reasonable and industry standard.

3.4.11. Sonic will continue to distribute educational and training resources to employees and franchisees that emphasize the importance of information security and data privacy as it relates to company, employee, and customer information.

3.5. Sonic will continue, on at least a quarterly basis, to report to and update the Franchise Advisory Council or similar franchise committee on the status of, developments relating to, and issues concerning the Sonic information security and data privacy program as it relates to and impacts Sonic Drive-In locations.

4. ESTABLISHING THE SETTLEMENT FUND AS A QUALIFIED SETTLEMENT FUND

4.1. Within thirty (30) days following the entry of the Preliminary Approval Order by the Court, the Sonic Defendants shall transfer the amount of \$4,325,000.00 into an escrow account established by and at the direction of the Settlement Administrator for the creation of the Settlement Fund pursuant to and consistent with the terms of this Agreement.

4.2. The Settlement Administrator shall take all necessary steps to establish, organize, and operate the Settlement Fund, and the escrow account established therefore, as a QSF pursuant to Treasury Regulation § 1.46B-1, § 46B of the Internal Revenue Code, 26 U.S.C. § 46B, and the regulations promulgated pursuant thereto. The Sonic Defendants shall provide the Settlement Administrator with the information necessary to establish the Settlement Fund as a QSF. The Settlement Administrator shall be the "administrator" of the QSF within the meaning of Treasury Regulation § 1.46B-2(k)(3).

4.3. If requested either by the Sonic Defendants or the Settlement Administrator, the

Settlement Administrator and the Sonic Defendants shall fully cooperate in filing a relation-back election under Treasury Regulation § 1.46B-1(j)(2) to treat the QSF as coming into existence as a settlement fund as of the earliest possible date.

4.4. Upon establishment of the QSF, the Settlement Administrator shall apply for an employer identification number for the QSF, utilizing Internal Revenue Service Form SS-4 and in accordance with Treasury Regulation § 1.46B-2(k)(4). The Settlement Administrator shall cause to be timely and properly filed, on behalf of the QSF, all required federal, state, and local tax returns, information returns, and tax withholdings statements in accordance with the provisions of Treasury Regulation § 1.46B-2(k) and Treasury Regulation § 1.46B-2(1)(2), as well as the timely and proper payments of any federal, state, or local taxes (included estimated taxes) and associated tax-related penalties and interest for which the QSF may be liable. The Settlement Administrator shall also be responsible for the timely and proper response to any questions from, or audits regarding, such taxes by the IRS or any state or local tax authority, as well as compliance with any other tax-related requirements.

4.5. If required by applicable law, the QSF (through the Settlement Administrator) shall issue 1099s to Class Counsel (for payments of Attorneys' Fees and Costs approved and awarded by the Court) and to the Representative Plaintiffs for any Class Representative Service Award approved and awarded by the Court.

4.6. The Settlement Administrator may amend, either in whole or in part, any administrative provision of this Section or the escrow instrument through which the QSF is established to maintain the qualification of the QSF pursuant to the above described authorities provided that the rights and liabilities of the Parties hereto and the Settlement Class are not altered thereby in any material respect.

5. CLAIMS PROCESS

5.1. All Settlement Class Members who desire to receive the benefits and/or proceeds of the Settlement as provided for under Paragraph 3.1.4 above must complete and submit a Claim Form to the Settlement Administrator. If mailed, the Claim Form must be postmarked on or before the Claims Deadline. If submitted online through the Settlement Website, the Claim Form must be completed and submitted on or before the Claims Deadline. Each Settlement Class Member will be required to attest to the truthfulness and accuracy of the representations made in his/her Claim Form to the best of his/her knowledge and belief. Notarization shall not be required.

5.2. The Settlement Administrator, in its sole discretion to be reasonably exercised, will determine: (a) whether a Claimant qualifies as a Settlement Class Member; (b) the total value of all Verified Claims to be distributed to Settlement Class Members from the Net Settlement Fund; (c) assuming a Claimant qualifies as a Settlement Class Member and has submitted a Verified Claim, the amount to be paid to each Settlement Class Member.

5.3. Upon receipt of an incomplete or unattested Claim Form, the Settlement Administrator shall request additional information ("Claim Supplementation") and give the Claimant thirty (30) days to cure the defect before rejecting the Settlement Claim. The Settlement Administrator shall endeavor to send requests for Claim Supplementation on a rolling basis as Claim Forms are received but no later than thirty (30) days after the Claims Deadline. In the event of unusual circumstances interfering with compliance during the 30-day period, the Claimant may request and, for good cause shown (*e.g.*, illness, military service, out of the country, mail failures, lack of cooperation of third-parties in possession of required information, etc.), shall be given a reasonable extension of the 30-day deadline in which to comply; however, in no event shall the deadline be extended to later than one hundred and eighty (180) days from the Effective Date. If the defect is not cured, then the Settlement Claim will be deemed invalid and there shall be no

obligation to pay the Settlement Claim.

5.4. Following receipt of the additional information requested as Claim Supplementation, the Settlement Administrator shall have thirty (30) days to accept, in whole or lesser amount, or reject each Settlement Claim. If, after review of the Settlement Claim, the Settlement Administrator determines that such a Settlement Claim is facially valid, then the Settlement Claim shall be deemed a Verified Claim and paid within the time period allotted by Paragraph 6.2 to the extent and in the amount that the Settlement Administrator finds the Settlement Claim to be valid. If the Settlement Claim remains invalid because the Claimant does not provide the requested information needed to supplement and complete the Claim Form and evaluate the Settlement Claim, then the Settlement Administrator may reject the Settlement Claim without any further action.

5.5. The Settlement Administrator shall review all submitted Claim Forms for completeness, validity, accuracy, and timeliness, and if there is any reasonable basis to believe a Claim Form is not valid (*e.g.*, the repetition of a single address on multiple Claim Forms, or any other issue or indicator of fraud that appears from the Claim Form), then the Settlement Administrator shall, at any time, contact any Claimant to request additional information and documentation to evaluate and determine the validity of any Settlement Claim. For example, the Settlement Administrator may request proof of purchase at one of the Impacted Sonic Drive-Ins during the Settlement Class Period (*e.g.*, in the form of a receipt, a credit or debit card statement, or identification of the date, store location, and last four digits of the credit or debit card used, and the amount of the purchase). Additionally, in cases where the Claimant is asserting that he/she experienced fraudulent or unauthorized charges on the credit or debit card used at one of the Impacted Sonic Drive-Ins, the Settlement Administrator may request proof of such fraudulent or

unauthorized charges. The proof could be, for example, in the form a credit or debit card statement or other communications or correspondence regarding the fraudulent or unauthorized charges.

5.6. Within thirty (30) days of the deadline to submit Claim Forms to the Settlement Administrator, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a preliminary report stating the total dollar amount of the claims submitted, and indicating whether it appears that (in light of the other anticipated amounts to be deducted from the Settlement Fund) the total amount of claims may exceed the Net Settlement Fund. If, and only if, the Settlement Administrator indicates that it appears the total amount of claims may exceed the Net Settlement Fund, then Class Counsel and/or the Sonic Defendants may demand the Settlement Administrator to require up to 10% of the Claimants who submitted a Claim Form to provide proof of purchase at one of the Impacted Sonic Drive-Ins during the Settlement Class Period (in the form of a receipt or a credit or debit card statement) and/or proof of fraudulent or unauthorized charges experienced on the credit or debit card used at the Impacted Sonic Drive-In (in the form a credit or debit card statement with the fraudulent or unauthorized charges clearly denoted). The Settlement Administrator may select, at random, the Claimants from whom to demand such proof, and can include in such population Claimants from whom the Settlement Administrator has already demanded and obtained such proof. Such proof of purchase and/or proof of fraudulent or unauthorized charges must be provided to the Sonic Defendants within thirty (30) days of the request.

5.7. Any Claimant requested to provide documentation under this Section and who fails to do so will not receive any benefits under this Agreement. Further, any Claimant who provides a proof of purchase that evidences the Claimant does not fall within the definition of the Settlement Class because he or she did not make a purchase at one of the Impacted Sonic Drive-Ins during

the Settlement Class Period is not entitled to receive any benefits under this Agreement.

6. ADMINISTRATION AND PAYMENT OF CLAIMS

6.1. The Settlement Administrator shall administer and calculate the value of Verified Claims submitted by Settlement Class Members, and give reports as to the number of claims, opt-outs, and the value of Verified Claims to Class Counsel and Defense Counsel. No later than fourteen (14) days after the Claims Deadline, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a declaration attesting to the number of Claim Forms submitted by Settlement Class Members and the number of deficient Claim Forms. No later than forty-five (45) days after the Claims Deadline, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a declaration attesting to the number of Verified Claims. Class Counsel and Defense Counsel shall have the right to request and obtain supporting documentation from the Settlement Administrator if they have a reasonable basis to believe the reports to be inaccurate or inadequate. The Settlement Administrator has the final decision as to whether to deem a Claim Form a Verified Claim and the amount that each Settlement Class Member with a Verified Claim will be paid.

6.2. Payment of Verified Claims shall be made by check and shall be mailed and postmarked within sixty (60) days after the Effective Date, or within thirty (30) days after the date that the Settlement Claim is approved, whichever is latest. The Settlement Administrator shall pay these Verified Claims from the Net Settlement Fund as provided by this Section and Sections 3 through 5 above.

6.3. Each Claimant who receives a settlement check pursuant to this Agreement is responsible for paying any applicable taxes associated with the monies received by that recipient.

6.4. All Settlement checks shall be void ninety (90) days after issuance and shall bear the language: "This check must be cashed within 90 days, after which time it is void." If a check

becomes void, the Settlement Class Member shall have until one hundred and fifty (150) days after the Effective Date to request re-issuance. If no request for re-issuance is made within this period, the Settlement Class Member's right to receive monetary relief shall be extinguished, and the Sonic Defendants shall have no obligation to make payments to the Settlement Class Member under this Agreement or any other type of monetary relief. The same provisions shall apply to any re-issued check. For any checks that are issued or re-issued for any reason more than one hundred and eighty (180) days from the Effective Date, requests for re-issuance need not be honored after such checks become void.

6.5. All Settlement Class Members who do not timely opt-out of this Settlement and who fail to submit a Settlement Claim for any benefits hereunder 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 set forth herein, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement, the releases contained herein, and the Final Judgment.

6.6. No person shall have any claim against the Settlement Administrator, Released Persons, Lead Counsel, Liaison Counsel, Class Counsel, Defense Counsel, the Sonic Defendants, and/or Representative Plaintiffs based on distributions of benefits to Settlement Class Members.

7. NOTICE PROGRAM

7.1. Upon entry of the Preliminary Approval Order, the Settlement Administrator shall cause notice to be disseminated to the Settlement Class pursuant to the Preliminary Approval Order and Paragraphs 7.2 to 7.7 of this Settlement Agreement ("Notice Program"), and in order to comply with all applicable laws, including, but not limited to, the Due Process Clause of the United States Constitution and Fed. R. Civ. P. 23, and be effectuated pursuant to provisions set forth below, the costs of which shall be included in the Costs of Settlement Administration. The Sonic Defendants

shall provide notice as required by the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1715.

7.2. Notice shall be provided to Settlement Class Members, subject to input and approval by the Parties, the Settlement Administrator and the Court, by the following means: (a) Publication Notice, (b) Internet Banner Notice, (c) In-Store Notice, (d) Website Notice, and (e) Long Form Notice posted to the Settlement Website (collectively, the "Settlement Notices" or "Notices"). These Notices together shall include a fair summary of the Parties' respective positions in this Litigation, the general terms of the Settlement set forth in the Settlement Agreement, instructions for how to object to or opt-out of the Settlement, the process and instructions for making Settlement Claims to the extent contemplated herein, and the date, time, and place of the final approval hearing. The Settlement Administrator shall use its best efforts to ensure that these Notices collectively have a reach of not less than approximately 70% of the Settlement Class Members (in one way or another).

7.2.1. The Publication Notice (substantially in the form of Exhibit F) shall be submitted by the Settlement Administrator for publication in a periodical and manner certified by the Settlement Administrator—and expressly approved by the Parties—as being targeted to adults over 18 years of age located within the zip codes of the 325 Impacted Sonic Drive-In locations. The Settlement Administrator shall utilize its best efforts to have the Publication Notice submitted for publication no later than thirty (30) days after the entry of the Preliminary Approval Order.

7.2.2. Within thirty (30) days after the entry of the Preliminary Approval Order, Internet Banner Notice (substantially in the form of Exhibit D) shall be submitted by the Settlement Administrator to Facebook for advertisement. The Internet Banner Notice shall be targeted to Settlement Class Members via the use of Internet banner advertisements geo-tagged to the Facebook pages of Facebook users located within the zip codes of the 325 Impacted Sonic Drive-

In locations and posted for a period of ninety (90) days from the start of the Notice Program.

7.2.3. Within thirty (30) days after the entry of the Preliminary Approval Order, the Settlement Administrator shall print or otherwise generate the In-Store Notice (substantially in the form of Exhibit C) and shall provide it to the Sonic Defendants to be conspicuously posted on the main customer entrance door of each of the Impacted Sonic Drive-In locations facing outwards within forty-five (45) days after the entry of the Preliminary Approval Order and for a period of ninety (90) days from the start of the Notice Program.

7.2.4. Within thirty (30) days after the entry of the Preliminary Approval Order, the Sonic Defendants shall cause the Website Notice (substantially in the form of Exhibits G-1 and G-2) to be conspicuously posted as a banner advertisement at the top of the home page of the Sonic website and as a "pinned" post at the top of Sonic's Facebook page for a period of ninety (90) days from the start of the Notice Program. The Website Notice on Sonic's website (Exhibit G-1) will link to the Long Form Notice (Exhibit E) on the Settlement Website.

7.3. Within thirty (30) days after the entry of the Preliminary Approval Order, but no later than the earliest date of (a) Publication Notice, (b) Internet Banner Notice, (c) In-Store Notice, or (d) Website Notice, the Settlement Administrator shall establish the Settlement Website and shall maintain and update the Settlement Website, as necessary, throughout the Claims Period. The Settlement Website shall include important information, including, among other things, a toll-free number for Settlement Class Members to call to obtain answers to Settlement-related questions or request copies of documents, a list of important deadlines, and links to the Long Form Notice, the Publication Notice, the Claim Form (available in both printable and fillable forms), the Settlement Agreement, the List of Impacted Sonic Drive-In Locations, and relevant orders entered by the Court relating to the Settlement.

7.4. The Notice Program shall be subject to approval by the Court as meeting constitutional due process requirements.

7.5. The Long Form Notice, Publication Notice, Internet Banner Notice, In-Store Notice, Website Notice, and Claim Form may be adjusted by the Settlement Administrator in consultation and agreement with the Parties, as may be reasonable and necessary and not inconsistent with the Court's approval.

7.6. No later than fourteen (14) days after the Claims Deadline, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a declaration describing and attesting to the dissemination of the Notices pursuant to the Notice Plan. Prior to the final approval hearing, Lead Counsel or Liaison Counsel shall cause to be filed with the Court an appropriate affidavit or declaration from the Settlement Administrator attesting to its compliance with the Court-approved Notice Program.

7.7. The Notice Program shall be deemed to commence thirty (30) days following entry of the Preliminary Approval Order by the Court.

8. OPT-OUT PROCEDURES

8.1. Each Settlement Class Member wishing to opt-out of the Settlement Class shall individually sign and timely submit written notice of such intent to opt-out to the designated Post Office box to be established by the Settlement Administrator.

8.1.1. The written opt-out notice must include the individual's name and address; a statement that he/she wants to be excluded from the Settlement Class in this Litigation; and the individual's signature. To be effective, the written opt-out notice must clearly manifest a person's intent to be excluded from the Settlement Class. No Settlement Class Member may opt-out of the Settlement Class through a so-called "mass" or "class" opt-out.

8.1.2. The Settlement Administrator shall provide the Parties with copies of all written

opt-out notifications, and a final list of all Settlement Class Members who have timely and validly excluded themselves from the Settlement Class. No later than fourteen (14) days after the Claims Deadline, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a declaration attesting to the identities and number of Settlement Class Members who have timely and validly excluded themselves from the Settlement Class. A list of the names of persons who have timely and validly opted-out shall be filed by Lead Counsel or Liaison Counsel with the Court prior to the final approval hearing.

8.1.3. To be effective, the written opt-out notice must be postmarked no later than ninety days (90) from the commencement of the Notice Program as set forth in Paragraph 7.7 above.

8.2. All persons who submit valid and timely written opt-out notices of their intent to be excluded from the Settlement Class shall not receive any benefits of or be bound by the terms of this Settlement Agreement. All persons falling within the definition of the Settlement Class who do not submit valid and timely written opt-out notices of their intent to be excluded from the Settlement Class shall be bound by the terms of this Settlement Agreement and the Final Judgment entered thereon.

9. OBJECTION PROCEDURES

9.1. Each Settlement Class Member desiring to object to the Settlement Agreement shall submit a timely written notice of his/her objection. Such notice shall state: (a) the objector's full name, current address, telephone number, and email address (if any); (b) a statement that he/she is a Settlement Class Member, including an attestation that he/she made a purchase using a debit or credit card at one of the 325 Impacted Sonic Drive-Ins during the Settlement Class Period and identifying the address of the location where he/she made his/her purchase; (c) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (d) the identity of all counsel representing the objector, if any; (e) a written

statement indicating whether he/she intends to appear and/or testify at the final approval hearing and the identity of all counsel, if any, representing the objector who will appear at the final approval hearing; (f) a statement identifying any person who will be called to testify at the final approval hearing in support of the objection; (g) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (h) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last three (3) years; and (i) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three (3) years.

9.1.1. To be timely, written notice of an objection in the appropriate form must be filed with the Clerk of the Court no later than ninety (90) days from the commencement of the Notice Program as set forth in Paragraph 7.7 above, and served concurrently therewith upon Lead Counsel William B. Federman of Federman & Sherwood at 10205 N. Pennsylvania Ave., Oklahoma City, Oklahoma 73120, and Defense Counsel Kari M. Rollins of Sheppard Mullin Richter & Hampton LLP at 30 Rockefeller Plaza, New York, New York 10112.

9.2. Any Settlement Class Member who fails to substantially comply with the requirements for objecting in Paragraph 9.1 shall waive and forfeit any and all rights he/she may have to appear separately and/or to object to the Settlement Agreement, and shall be bound by all the terms of the Settlement Agreement and by all proceedings, orders, and judgments in the Litigation. The exclusive means for any challenge to the Settlement Agreement shall be through the provisions of Paragraph 9.1. Without limiting the foregoing, any challenge to the Settlement

Agreement, the final order approving this Settlement Agreement, or the Final Judgment to be entered upon final approval, shall be pursuant to appeal under the Federal Rules of Appellate Procedure and not through a collateral attack.

10. PROPOSED CLASS COUNSEL'S ATTORNEYS' FEES AND COSTS, AND CLASS REPRESENTATIVE SERVICE AWARDS

Attorneys' Fees and Costs

10.1. Class Counsel will make an application to the Court for an award of reasonable attorneys' fees of up to one-third of the Settlement Fund (*i.e.*, up to \$1,441,666.67), and for reimbursement of the costs and expenses that Class Counsel incurred in this Litigation. Class Counsel shall file a preliminary motion for Attorneys' Fees and Costs no earlier than thirty (30) days from the entry of the Preliminary Approval Order by the Court, and no later than fourteen (14) days before the deadline to opt-out or object to the Settlement. Such a motion may be supplemented prior to the final approval hearing. The Settlement Administrator shall pay the amount of Attorneys' Fees and Costs awarded by the Court from the Settlement Fund to Lead Counsel who, in his sole discretion, shall fairly and reasonably allocate and distribute the amounts among Class Counsel.

10.2. The Sonic Defendants agree not to oppose or object to Class Counsel's application for attorneys' fees up to one-third of the Settlement Fund, and agree not to oppose or object to Class Counsel's application for reimbursement of costs and expenses sought in accordance with this Agreement; provided, however, that the Sonic Defendants' agreement not to oppose or object to Class Counsel's application for Attorneys' Fees and Costs shall not be characterized or construed as Sonic Defendants' belief or agreement that Class Counsel is entitled to an award of up to one-third the Settlement Fund or an affirmative endorsement by the Sonic Defendants of Class Counsel's application. Class Counsel agree to waive and hereby forego seeking Attorneys'

Fees and Costs except as provided for by this Settlement Agreement if a final approval order is entered by the Court.

10.3. Subject to express Court approval, the Sonic Defendants agree that any Court-approved and awarded Attorneys' Fees and Costs and Class Representative Service Awards shall be paid and distributed from the Settlement Fund to a client trust account established to hold such awarded Attorneys' Fees and Costs and Class Representative Service Awards (the "Class Counsel and Class Representative Fund") designated and established by Lead Counsel within ten (10) days of the entry of an order by the Court of an award of Attorneys' Fees and Costs and Class Representative Service Awards, with any such Attorneys' Fees and Costs and Class Representative Service Awards to be held in the designated client trust account until after all conditions of Paragraph 14.1 have been satisfied.

10.4. The Sonic Defendants' agreement to the "fast pay" provision contained in Paragraph 10.3 is predicated upon the presumption that the Settlement will be finally approved by Final Judgment of the Court and will become effective after satisfaction of all the conditions in Paragraph 14.1.

10.5. In the event that (i) the Court's award of Attorneys' Fees and Costs and/or Class Representative Service Awards is reversed or modified, or (ii) all of the conditions in Paragraph 14.1 are not otherwise satisfied, then, within ten (10) days from receiving notice from the Settlement Administrator, Defense Counsel, or a court of appropriate jurisdiction, Lead Counsel who was holding the amount in a client trust account pursuant to Paragraph 10.3, shall refund or payback to the QSF the Attorneys' Fees and Costs previously paid to them from the QSF.

10.6. The finality, effectiveness, or enforceability of the Settlement Agreement shall not depend upon the Court awarding any particular amount of Attorneys' Fees and Costs. No order

of the Court, or modification or reversal or appeal of any order of the Court, concerning the amount(s) of any Attorneys' Fees and Costs ordered by the Court to Class Counsel shall affect whether the Final Judgment is final or shall constitute grounds for cancellation or termination of this Settlement Agreement.

Class Representative Service Awards

10.7. Class Counsel intends to apply to the Court for an aggregate award of up to \$42,000.00 to be distributed to the Representative Plaintiffs as their Class Representative Service Awards. Class Counsel shall file a preliminary motion for Class Representative Service Awards no earlier than thirty (30) days from the entry of the Preliminary Approval Order by the Court, and no later than fourteen (14) days before the deadline to opt-out or object to the Settlement. Such a motion may be supplemented prior to the final approval hearing. The Sonic Defendants agree not to oppose or object to this application.

10.8. The finality, effectiveness, or enforceability of the Settlement Agreement shall not depend upon the Court awarding any particular amount of Class Representative Service Awards. No order of the Court, or modification or reversal or appeal of any order of the Court, concerning the amount(s) of any Class Representative Service Awards ordered by the Court to Representative Plaintiffs shall affect whether the Final Judgment is final or shall constitute grounds for cancellation or termination of this Settlement Agreement.

11. PLAINTIFFS' RELEASE

11.1. Upon the Effective Date, each Settlement Class Member who has not timely opted-out of this Settlement, including Representative Plaintiffs, shall be deemed to have, and by operation of the Final Judgment shall have, completely, fully, finally, irrevocably, and forever released, relinquished, and discharged all Released Claims. Further, upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member who has not timely opted-

out of this Settlement, including Representative Plaintiffs, shall, either directly, indirectly, representatively, as a member of or on behalf of the general public or in any capacity, be permanently barred and enjoined from commencing, prosecuting, or participating in any recovery in any action in this or any other forum based on, relating to, concerning, or arising out of any of the Released Claims.

11.2. Notwithstanding anything in the foregoing to the contrary, it is the intent of the Parties that this Release shall not be considered, interpreted, or construed to prevent Settlement Class Members from pursuing claims related to the Data Breach against any person or entity that is not a Released Person.

12. PRELIMINARY APPROVAL

12.1. As soon as practicable after the execution of the Settlement Agreement, Class Counsel shall submit this Settlement Agreement to the Court and file a motion for preliminary approval of the Settlement with the Court requesting entry of a Preliminary Approval Order (substantially in the form of Exhibit H) requesting, *inter alia*:

12.1.1. certification of the Settlement Class for settlement purposes only;

12.1.2. preliminary approval of the Settlement Agreement;

12.1.3. appointment of William B. Federman of Federman & Sherwood as Lead Counsel;

12.1.4. appointment of Marc E. Dann of DannLaw as Liaison Counsel;

12.1.5. appointment of Carin L. Marcussen of Federman & Sherwood, Brian D. Flick of DannLaw, Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC as Class Counsel.

12.1.6. appointment of the Representative Plaintiffs as settlement class representatives;

12.1.7. approval of the Notice Program;

12.1.8. approval of the In-Store Notice, Internet Banner Notice, Long Form Notice, Publication Notice, and Website Notice in substantially the forms attached hereto as Exhibits C through G;

12.1.9. appointment of the Settlement Administrator; and

12.1.10. approval of the Claim Form substantially in the forms attached hereto as Exhibits B-1 and B-2.

13. FINAL APPROVAL

13.1. The final approval hearing shall be scheduled no earlier than ninety (90) days after the notices are made, in order to comply with CAFA, 28 U.S.C. § 1715, Class Counsel shall file a motion for final approval, which has been submitted to the Sonic Defendants for review in advance of filing, no later than fourteen (14) days before the final approval hearing.

13.2. This Settlement Agreement is subject to and conditioned upon the Court's entry of a Final Judgment (substantially in the form of Exhibit I), which shall, among other things:

13.2.1. determine that the Settlement Agreement is fair, adequate, and reasonable;

13.2.2. finally certify the Settlement Class for settlement purposes only;

13.2.3. determine that the Notice Program satisfies due process requirements;

13.2.4. dismiss with prejudice all claims in the Litigation against the Sonic Defendants;

13.2.5. bar and enjoin any Settlement Class Members who did not timely opt-out in accordance with the requirements of the Settlement Agreement from asserting any of the Released Claims; and

13.2.6. release and forever discharge the Released Persons from the Released Claims, as provided for in this Settlement Agreement.

14. CONDITIONS OF SETTLEMENT, CANCELLATION, OR TERMINATION

14.1. The Effective Date of the Settlement shall be conditioned on the occurrence of all

of the following events:

14.1.1. the Court has entered the Final Judgment granting final approval to the Settlement Agreement (among other things) as set forth herein; and

14.1.2. either (a) thirty (30) days have passed after entry of the Final Judgment (*i.e.*, the Final Judgment is entered as a final judgment) and no appeal is taken after the entry of the Final Judgment and no motion or other pleading has been filed with the Court (or with any other court) seeking to set aside, enjoin, or in any way alter the Final Judgment or to toll the time for appeal of the Final Judgment; or (b) all appeals, reconsideration, rehearing, or other forms of review and potential review of the Final Judgment are exhausted, and the Final Judgment is upheld without any material modification of the terms of this Agreement.

14.2. If all of the conditions specified in Paragraph 14.1 hereof are not satisfied, the Settlement Agreement shall be deemed terminated and/or canceled unless Class Counsel and the Sonic Defendants' counsel mutually agree in writing to proceed with the Settlement Agreement.

14.3. If the Settlement Agreement is not approved by the Court in accordance with its terms or the Settlement Agreement is terminated and/or cancelled, then (a) the Parties shall be restored to their respective positions in the Litigation as if the Agreement had never been entered into (and without prejudice to any of the Parties' respective positions on the standing of Plaintiffs to pursue this Litigation, the sufficiency of the claims plead in Plaintiffs' Amended Consolidated Class Action Complaint filed with the Court on July 27, 2017, and the issue of class certification or any other issue in the Litigation), and (b) the terms and provisions of the Settlement Agreement and statements made in connection with seeking approval of the Settlement Agreement shall have no further force and effect with respect to the Parties and shall not be used in the Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in

accordance with the terms of the Settlement Agreement shall be treated as vacated, *nunc pro tunc*. The Parties' agreement to the certification of the Settlement Class is also without prejudice to any position asserted by the Parties in this or any other proceeding, case, or action, as to which all of their rights are specifically preserved.

14.4. The Settlement Agreement may be terminated and/or cancelled by any of the Parties if (a) the Court rejects, materially modifies, materially amends or changes, or declines to preliminarily approve or finally approve the Settlement Agreement; (b) an appellate court reverses the final approval order and/or Final Judgment, and the Settlement Agreement is not reinstated and finally approved without material change by the Court on remand; or (c) the Court or any reviewing appellate court incorporates material terms or provisions into, or deletes or strikes material terms or provisions from, or materially modifies, amends, or changes, the proposed Preliminary Approval Order, Preliminary Approval Order, the proposed Final Judgment, the Final Judgment, or the Settlement Agreement.

14.5. Notwithstanding any provision of this Settlement Agreement to the contrary, including but not limited to Paragraphs 14.2 and 14.3, and for the avoidance of any doubt, the finality or effectiveness of the Settlement Agreement shall not depend upon the Court awarding any particular amount of Attorneys' Fees and Costs and/or Class Representative Service Awards. No order of the Court, or modification or reversal or appeal of any order of the Court concerning the amount(s) of any Attorneys' Fees and Costs and/or Class Representative Service Awards awarded by the Court to Class Counsel and/or Representative Plaintiffs shall affect whether the Final Judgment is final or shall constitute grounds for cancellation and/or termination of this Settlement Agreement.

14.6. The Sonic Defendants shall have the sole discretion to terminate the Settlement

Agreement if more than fifteen percent (15%) of Settlement Class Members submit valid requests to opt-out as separately agreed to by the Parties and, if requested, submitted to the Court for *in camera* review.

15. MISCELLANEOUS PROVISIONS

15.1. Cooperation. The Parties (a) acknowledge that it is their intent to consummate this Settlement Agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Settlement Agreement, and to exercise their best efforts to accomplish the terms and conditions of this Settlement Agreement.

15.2. No Admission. The Settlement Agreement reflects an agreement to settle claims that are contested and shall not be deemed an admission by any of the Parties as to the merits of any claim or defense.

15.3. Good Faith and Arm's-Length Negotiations. The Parties each agree that the Settlement was negotiated in good faith by the Parties, and reflects a Settlement that was reached voluntarily after consultation with competent legal counsel. The Parties reserve their right to rebut, in a manner that such Party determines to be appropriate, any contention made in any public forum that the Litigation was brought or defended in bad faith or without a reasonable basis.

15.4. Modifications to this Agreement. The Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

15.5. Complete Agreement. The Parties intend this Settlement Agreement and the exhibits hereto to be a final and complete resolution of all disputes between them with respect to the Litigation, and no representations, warranties, or inducements have been made to any Party concerning the Settlement Agreement other than the representations, warranties, and covenants contained and memorialized in such document. Except as otherwise provided herein, each Party

shall bear its own costs. This Agreement supersedes all previous agreements made by the Parties.

15.6. Authorization. Class Counsel, on behalf of the Settlement Class, is expressly authorized by Representative Plaintiffs to take all appropriate actions required or permitted to be taken by the Settlement Class pursuant to the Settlement Agreement to effectuate its terms, and also are expressly authorized to enter into any modifications or amendments to the Settlement Agreement on behalf of the Settlement Class which they deem appropriate in order to carry out the spirit of this Settlement Agreement and to ensure fairness to the Settlement Class.

15.7. Each counsel or other person executing the Settlement Agreement on behalf of any Party hereto hereby warrants that such person has the full authority to do so.

15.8. Execution in Counterparts. The Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

15.9. Successor and Assigns. The Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

15.10. Court Retains Jurisdiction. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement Agreement, and all Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Settlement Agreement.

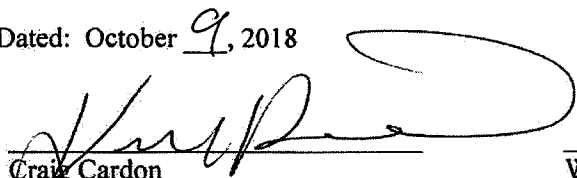
15.11. Governing Law and Forum. The Settlement Agreement shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Ohio, and the rights and obligations of the Parties to the Settlement Agreement shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Ohio without giving effect to choice of law principles.

15.12. Currency. All dollar amounts are in United States dollars.

15.13. Continuing Confidentiality. All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Settlement Agreement.

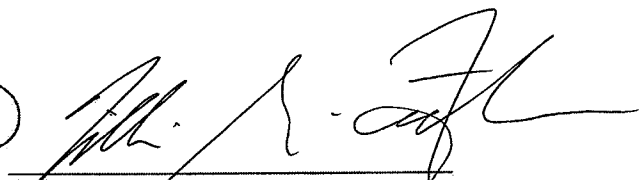
IN WITNESS WHEREOF, the Parties hereto have caused the Settlement Agreement to be executed, by their duly authorized attorneys.

Dated: October 9, 2018


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*Members of Plaintiffs' Steering Committee for
Representative Plaintiffs and the Settlement
Class*

Exhibit A

List of Impacted Sonic Drive-In Locations

Store No.	Store Address	City	State	Zip
3733	8269 U S Highway 431 North	Albertville	AL	35950
5124	3371 South Oates Street	Dothan	AL	36301
5503	366 Sutton Road	Hampton Cove	AL	35763
5267	77 Dudley Drive	Millbrook	AL	36054
5279	12438 Alabama Highway 157	Moulton	AL	35650
2880	500 West Fort Williams	Sylacauga	AL	35150
5085	990 S. Constitution Ave.	Ashdown	AR	71822
3842	130 Highway 167	Bald Knob	AR	72010
3721	2920 Harrison Street	Batesville	AR	72501
1627	715 Saint Louis Street	Batesville	AR	72503
1644	1506 Dewitt Henry Drive	Beebe	AR	72012
1606	1703 Military Road	Benton	AR	72015
6518	8100 Highway 49 North	Brookland	AR	72417
5907	15357 Highway 5	Cabot	AR	72023
5258	3090 Bill Foster Memorial Dr	Cabot	AR	72023
1724	670 Cash Road Southwest	Camden	AR	71701
4264	404 South Main Street	Cave City	AR	72521
5578	4311 Park Avenue	Fountain Lake	AR	71901
2134	262 Highway 70 East	Glenwood	AR	71943
2127	98 South Broadview Street	Greenbrier	AR	72058
5431	5997 Highway 67	Haskell	AR	72015
2168	1220 Highway 25b North	Heber Springs	AR	72543
2586	919 Highway 65 North	Marshall	AR	72650
5963	101 East Highway 64	McCrory	AR	72101
3903	Highway 69 & Main	Melbourne	AR	72556

Store No.	Store Address	City	State	Zip
2544	246 Highway 425 North	Monticello	AR	71655
4307	325 E 13th	Murfreesboro	AR	71958
4918	820 N. Fourche Avenue	Perryville	AR	72126
3791	1627 Highway 270 West	Rockport	AR	72104
5863	1201-a North Maple Street	Searcy	AR	72143
1202	1823 Beebe-Capps Expressway	Searcy	AR	72143
3016	1104 Highway 69	Trumann	AR	72472
3092	849 North Sebastian Street	West Helena	AR	72390
3528	13751 West Glendale Avenue	Glendale	AZ	85307
4122	8002 N 43rd Avenue	Glendale	AZ	85302
3895	4007 E. Greenway Road	Phoenix	AZ	85032
6484	30171 Haun Road	Menifee	CA	92584
6400	3005 Highland Avenue	National City	CA	91950
6479	40 Rio Rancho Road	Pomona	CA	91766
6483	9505 Magnolia Avenue	Riverside	CA	92503
6522	913 Pleasant Grove Boulevard	Roseville	CA	95678
6444	2829 El Cajon Boulevard	San Diego	CA	92104
6555	1580 East Main Street	Woodland	CA	95776
5339	45 Stafford Lane	Delta	CO	81416
4970	675 Wapiti Road	Rifle	CO	81650
6472	11900 Hialeah Gardens	Hialeah Gardens	FL	33018
5816	3712 Mike Padgett Highway	Augusta	GA	30906
5270	3464 Victory Drive	Columbus	GA	31903
5722	2725 Trinity Drive	Sioux City	IA	51108
6388	1022 West Wilson Avenue	Chicago	IL	60640
6358	2922 South Cicero Avenue	Cicero	IL	60804
5868	221 W Douglas Road	Mishawaka	IN	46545

Store No.	Store Address	City	State	Zip
5824	3906 Portage Road	South Bend	IN	46628
1081	1212 Jones Street	Garden City	KS	67846
1092	1313 E. Kansas Avenue	Garden City	KS	67846
6438	2219 Enterprise Road	Goodland	KS	67735
3060	451 E. Oklahoma Street	Ulysses	KS	67880
3083	1921 S. Main Street	Winfield	KS	67156
6423	329 Main Street	Benton	KY	42025
3506	100 Woodford Avenue	Berea	KY	40403
5470	3016 Nashville Road	Bowling Green	KY	42101
3204	101 Baughman Avenue	Danville	KY	40422
2019	811 N. Main	Franklin	KY	42134
3324	1036 Lexington Road	Georgetown	KY	40324
3417	2704 Fort Campbell Boulevard	Hopkinsville	KY	42240
2478	815 S. Main	Madisonville	KY	42431
4036	960 N. Main	Madisonville	KY	42431
2513	220 N. Highway 25 East	Middlesboro	KY	40965
2934	350 Gallatin Road	Scottsville	KY	42164
2916	1361 Highway 27	Somerset	KY	42501
3033	607 N. Main	Tompkinsville	KY	42167
1004	522 Veteran Memorial Drive	Abbeville	LA	70510
5198	68077 Highway 59	Abita Springs	LA	70471
4927	5212 Jackson Street	Alexandria	LA	71303
1533	642 West Oak Street	Amite	LA	70422
5376	6411 Groom Road	Baker	LA	70714
1915	11145 Coursey Blvd	Baton Rouge	LA	70816
1689	5305 Government Street	Baton Rouge	LA	70806
3623	8223 Airline Highway	Baton Rouge	LA	70805

Store No.	Store Address	City	State	Zip
1625	1018 S. Columbia Street	Bogalusa	LA	70427
1016	901 Reese Street	Breaux Bridge	LA	70517
4476	1300 Albertson Parkway	Broussard	LA	70518
3434	149 S Main Street	Church Point	LA	70525
4315	9223 Highway 67	Clinton	LA	70722
1857	815 S. Tyler	Covington	LA	70433
5282	13339 Highway 73	Dutchtown	LA	70734
1065	1851 W. Laurel	Eunice	LA	70535
5635	16909 Highway 3235	Galliano	LA	70354
5642	2629 South Cabela Parkway	Gonzales	LA	70737
2110	413 N. Airline Highway	Gonzales	LA	70737
5221	14175 W University Avenue	Hammond	LA	70401
6155	1600 SW Railroad Avenue	Hammond	LA	70403
2230	2109 W. Thomas Street	Hammond	LA	70401
3965	5963 W Main Street	Houma	LA	70364
6398	703 North Thompson Avenue	Iowa	LA	70647
2314	729 Avenue G	Kentwood	LA	70444
3641	14004 Highway 165	Kinder	LA	70648
3297	2511 Kaliste Saloom Rd	Lafayette	LA	70508
2418	3521 West Pinhook Road	Lafayette	LA	70508
2424	616 West Pinhook Road	Lafayette	LA	70503
5982	1004 Highway 70	Morgan City	LA	70380
5335	1141 East Saint Peter Street	New Iberia	LA	70560
6402	915 Hospital Road	New Roads	LA	70760
2647	635 Highway 165 South	Oakdale	LA	71463
5117	64107 Highway 41	Pearl River	LA	70452
4150	3129 Highway 28 E	Pineville	LA	71360

Store No.	Store Address	City	State	Zip
5682	59680 Belleview Road	Plaquemine	LA	70764
5594	17334 Airline Highway	Prairieville	LA	70769
3421	41027 Highway 42	Prairieville	LA	70769
6487	4740 Hwy 1	Raceland	LA	70394
6070	1414 The Boulevard	Rayne	LA	70578
4973	2105 Farmerville Highway	Ruston	LA	71270
2940	6885 U.S. Highway 61	Saint Francisville	LA	70775
1261	1924 N. Main Street	Saint Martinville	LA	70582
3437	1249 Gause Blvd.	Slidell	LA	70461
5930	194 Brownswitch Road	Slidell	LA	70458
2977	1968 Gause Boulevard	Slidell	LA	70461
6519	3225 Pontchartrain Drive	Slidell	LA	70458
5464	61105 Airport Road	Slidell	LA	70460
6567	10128 North Line Street	St. James	LA	70086
6477	110 South Cities Services Hwy	Sulphur	LA	70663
5340	800 North Canal Boulevard	Thibodaux	LA	70301
1304	3601 Front Street	Winnsboro	LA	71295
6369	3016 East Milton Avenue	Youngsville	LA	70592
3247	5249 Main Street	Zachary	LA	70791
6403	10160 Baltimore National Pike	Ellicott City	MD	21042
6340	1710 Dual Highway	Hagerstown	MD	21740
6434	46350 Lexington Village Way	Lexington Park	MD	20653
6406	2027 York Road	Timonium	MD	21093
6495	2055 Crain Highway	Waldorf	MD	20601
6507	2680 South M-139, Suite 100	Benton Harbor	MI	49022
6094	40257 Groesbeck Highway	Clinton Township	MI	48036
6563	201 Prairie Drive	East Prairie	MO	63845

Store No.	Store Address	City	State	Zip
3448	1407 S. Broadway	Poplar Bluff	MO	63901
2778	214 S. Westwood	Poplar Bluff	MO	63901
3097	1710 Gibson	West Plains	MO	65775
3603	934 Brookway Blvd	Brookhaven	MS	39601
1804	200 Highway 35 North	Carthage	MS	39051
1767	221 Alabama Street	Columbus	MS	39702
1825	152 Bobo Drive	Crystal Springs	MS	39059
2028	150 West Third Street	Forest	MS	39074
2239	520 Highway 82 E.	Indianola	MS	38751
2295	360 Highway 12 East	Kosciusko	MS	39090
2415	206 S. Church Street	Louisville	MS	39339
2453	1104 Delaware Avenue	McComb	MS	39648
3414	2449 North Hill Street	Meridian	MS	39305
2605	294 Sgt. Prentiss Drive	Natchez	MS	39120
2730	191 Highway 15	Pontotoc	MS	38863
4792	169 Mobile Street	Saltillo	MS	38866
3805	3080 Goodman Road	Southaven	MS	38672
5202	7152 Airways Boulevard	Southaven	MS	38671
3064	730 Highway 61 North	Vicksburg	MS	39183
3216	2615 Lewisville-Clemmons Road	Clemmons	NC	27012
5241	7761 Gateway Lane NW	Concord	NC	28027
3164	915 Summit Avenue	Greensboro	NC	27405
4545	5445 Highway 49 South	Harrisburg	NC	28075
3538	528 Nelson St	Kernersville	NC	27284
3586	1301 Winston Rd	Lexington	NC	27292
5735	304 South Main Street	Rolesville	NC	27571
6525	1131 North Brightleaf Blvd	Smithfield	NC	27577

Store No.	Store Address	City	State	Zip
6020	1925 South Main Street	Wake Forest	NC	27587
4050	4807 3rd Avenue	Kearney	NE	68847
4492	1910 Market Lane	Norfolk	NE	68701
6375	112 Black Horse Pike	Audubon	NJ	8106
6471	1660 North Olden Avenue	Ewing	NJ	8638
2144	2216 N. Dal Paso Street	Hobbs	NM	88240
6512	3601 Union Road	Cheektowaga	NY	14225
6491	701 Troy Schenectady Road	Latham	NY	12110
6440	368 Route 211 East	Middletown	NY	10940
6528	3808 Brewerton Road	North Syracuse	NY	13212
6433	945 Jefferson Road	Rochester	NY	14623
6459	121 Western Boulevard	Watertown	NY	13601
1511	902 W. Petree	Anadarko	OK	73005
1603	430 West Doolin	Blackwell	OK	74631
4641	112 East H Avenue	Cache	OK	73527
4672	7457 US Highway 277	Elgin	OK	73538
5403	24125 South Highway 49	Lawton	OK	73507
2407	2612 Southwest Lee Boulevard	Lawton	OK	73505
2466	908 N. Broadway	Marlow	OK	73055
6547	301 South Main Street	Okarche	OK	73762
6494	11577 Ridge Road	Thackerville	OK	73459
2681	125 S. Mustang Road	Yukon	OK	73099
6533	901 North Cemetery Road	Yukon	OK	73099
6510	61165 South Highway 97	Bend	OR	97702
6119	3775 River Road North	Keizer	OR	97303
6490	393 Putnam Pike	Smithfield	RI	02917
6542	707 Grand Army Highway	Somerset	RI	2726

Store No.	Store Address	City	State	Zip
3812	1522 E Greenville Street	Anderson	SC	29621
1854	3036 Broad River Road	Columbia	SC	29210
2431	312 Columbia Avenue	Lexington	SC	29072
3505	804 Us Highway 1 South	Lugoff	SC	29078
3330	1624 Wilson Road	Newberry	SC	29108
5065	2076 East Main Street	Spartanburg	SC	29307
1322	3955 Platt Springs Road	West Columbia	SC	29170
5321	559 West Main Street	Algood	TN	38506
6315	6101 Airline Road	Arlington	TN	38002
4041	3115 Waterlevel Highway	Cleveland	TN	37323
3836	381 W. Jackson Avenue	Cookeville	TN	38501
2222	319 Broadway	Hartsville	TN	37074
4156	3845 Fort Henry Drive	Kingsport	TN	37663
2400	1211 Scottsville Road	Lafayette	TN	37083
5154	605 N. Main Street	Lake City	TN	37769
4234	1050 Murfreesboro Road	Lebanon	TN	37090
4173	6651 Eastgate Blvd.	Lebanon	TN	37090
2416	420 Ellington Parkway	Lewisburg	TN	37091
3649	1375 W Main Street	Livingston	TN	38570
2564	1565 North Gallatin Pike	Madison	TN	37115
5434	1169 N. Houston Levee Road	Memphis	TN	38018
4079	3540 Covington Pike	Memphis	TN	38128
2537	3685 Mendenhall Road South	Memphis	TN	38115
2550	3804 Summer Avenue	Memphis	TN	38122
2567	4130 Kirby Parkway	Memphis	TN	38115
3691	5860 Highway 70	Memphis	TN	38134
4481	1331 Bell Road	Nashville	TN	37013

Store No.	Store Address	City	State	Zip
4224	1701 Murfreesboro Pike	Nashville	TN	37217
3752	3910 Gallatin Pike	Nashville	TN	37216
2624	6308 Charlotte Pike	Nashville	TN	37209
4110	1410 Robinson Road	Old Hickory	TN	37138
5325	1324 N. Gateway Avenue	Rockwood	TN	37854
2893	659 W. Bockman Way	Sparta	TN	38583
5139	300 N. Fm 1187	Aledo	TX	76008
4893	207 E. White Street	Anna	TX	75409
5623	4111 South Bowen Road	Arlington	TX	76016
3249	4719 Little Road	Arlington	TX	76017
5885	26741 East University Drive	Aubrey	TX	76227
4791	924 Highway 377 South	Aubrey	TX	76227
1681	103 Perkins Street	Bastrop	TX	78602
5768	1206 North Pecan Street	Bells	TX	75414
4922	716 Front Street	Bellville	TX	77418
6559	510 East Second	Big Lake	TX	76932
5719	2312 South Day Street	Brenham	TX	77833
5194	441 E. Renfro Street	Burleson	TX	76028
4454	725 NE Alsbury Boulevard	Burleson	TX	76028
5581	812 West 2nd Street	Clarendon	TX	79226
4557	12755 Fm 2154	College Station	TX	77845
3792	512 Harvey Road	College Station	TX	77840
6413	619 North Interstate 35	Cotulla	TX	78014
4862	11601 S. Highway 380	Crossroads	TX	76227
1931	1109 Avenue F	Del Rio	TX	78840
5227	1510 East Gibbs	Del Rio	TX	78840
4553	2131 East University Drive	Denton	TX	76209

Store No.	Store Address	City	State	Zip
3788	2219 Colorado Blvd	Denton	TX	76205
5248	2910 State School Road	Denton	TX	76210
1919	512 N. Temple	Diboll	TX	75941
1957	1408 N. Mechanic	El Campo	TX	77437
5369	3701 Sycamore School Road	Fort Worth	TX	76133
2049	1605 Brazosport Boulevard	Freeport	TX	77541
3952	3207 Williams Drive	Georgetown	TX	78626
2076	406 N. Austin Avenue	Georgetown	TX	78626
4968	201 E. Ovilla Road	Glenn Heights	TX	75154
3655	210 West Pioneer	Grand Prairie	TX	75051
4387	2991 S Highway 360	Grand Prairie	TX	75052
4240	4050 S Great SW Parkway	Grand Prairie	TX	75052
2081	201 West NW Highway	Grapevine	TX	76051
2187	2045 Fm 1488	Hempstead	TX	77445
4569	11902 Bissonnet Street	Houston	TX	77099
5497	1201 W. Sam Houston Parkway No	Houston	TX	77043
1125	13028 Veteran's Memorial Hwy	Houston	TX	77014
5690	2010 Aldine Bender Road	Houston	TX	77032
6298	4020 S. Sam Houston Pkwy East	Houston	TX	77047
5283	105 N. Collins Freeway	Howe	TX	75459
5622	1451 W. Hurst Boulevard	Hurst	TX	76053
5812	306 West First Street	Idalou	TX	79329
2238	1310 W. Pioneer	Irving	TX	75061
2247	1105 South Jackson Street	Jacksonville	TX	75766
4537	802 South Highway 156	Justin	TX	76247
4607	1955a Mason Road	Katy	TX	77449
6380	25022 Fm 1093 Road	Katy	TX	77494

Store No.	Store Address	City	State	Zip
5360	301 South Old Betsy	Keene	TX	76059
3217	401 S. Poplar Street	Kermit	TX	79745
4928	1302 International Boulevard	Laredo	TX	78045
3939	2001 Highway 83	Laredo	TX	78043
6541	2855 East League City	League City	TX	77573
5437	3214 S. Main Street	Lindale	TX	75771
1164	510 S. Main	Lindale	TX	75771
6527	917 Highway 59 South	Linden	TX	75563
6177	11951 Fm 423	Little Elm	TX	75068
4520	900 West Eldorado Parkway	Little Elm	TX	75068
3944	101 N University Ave	Lubbock	TX	79415
4776	1609 Martin Luther King Blvd	Lubbock	TX	79403
3736	1901 34th Street & Avenue S	Lubbock	TX	79401
2336	4611 34th Street	Lubbock	TX	79414
3496	4904 Indiana Avenue	Lubbock	TX	79413
4556	5202b 50th Street	Lubbock	TX	79414
3262	1805 S First	Lufkin	TX	75901
2326	417 N. Timberland Drive	Lufkin	TX	75901
2532	2605 E. Main Street	Madisonville	TX	77864
5352	17518 State Highway 6	Manvel	TX	77578
2493	1405 Highway 281 North	Marble Falls	TX	78654
5175	2404 Sam Rayburn Highway	Melissa	TX	75454
6107	9846 Interstate 20	Merkel	TX	79536
1186	1109 Midkiff Road	Midland	TX	79701
1176	2104 N. Big Spring	Midland	TX	79705
1177	311 W. Broad Street	Mineola	TX	75773
4257	5647 Rufe Snow Drive	North Richland Hills	TX	76180

Store No.	Store Address	City	State	Zip
2623	6724 Davis Boulevard	North Richland Hills	TX	76180
3266	2636 John Ben Sheppard Parkway	Odessa	TX	79761
3602	3823 E 52nd Street	Odessa	TX	79762
6115	7725 West University Blvd.	Odessa	TX	79763
4873	14050 Us Hwy 190 West	Onalaska	TX	77360
2783	5020 Fairmont Parkway	Pasadena	TX	77505
4299	300 S Us Hwy 377	Pilot Point	TX	76258
4114	501 W Fifth Street	Plainview	TX	79072
4485	202 E Highway 120	Pottsboro	TX	75076
5183	100 N. State Hwy 289, Bldg A	Prosper	TX	75078
2798	1704 Avenue H	Rosenberg	TX	77471
6018	23700 Southwest Freeway	Rosenberg	TX	77471
1278	3311 Sherwood Way	San Angelo	TX	76901
4753	351 E. Cedar Creek Parkway	Seven Points	TX	75143
6392	7459 Highway 84	Shallowater	TX	79363
2852	4100 College	Snyder	TX	79549
4897	3838 W. Parker Road	St. Paul	TX	75098
5611	3010 West Washington	Stephenville	TX	76401
2851	1516 South Broadway	Sulphur Springs	TX	75482
6412	6280 Highway 281	Three Rivers	TX	78071
3127	501 N. Williams	Wylie	TX	75098
6513	999 Independence Blvd	Bedford	VA	24523
1872	355 N. Franklin Street	Christiansburg	VA	24073
5475	10045 Jefferson Davis Highway	Fredericksburg	VA	22407
5763	695 Commonwealth Drive	Norton	VA	24273
5552	4504 Challenger Avenue	Roanoke	VA	24012
3236	790-b East Main Street	Wytheville	VA	24382

Store No.	Store Address	City	State	Zip
6540	655 Northwest Arkansas Way	Chehalis	WA	98532
6514	7746 Martin Way East	Lacey	WA	98516
6381	6793 Bonanza Road	Evansville	WY	82636

Exhibit B-1

[downloadable] CLAIM FORM

*In re: Sonic Corp. Customer Data Breach Litigation,
MDL Case No. 1:17-md-02807-JSG (N.D. Ohio)*

YOUR CLAIM FORM MUST BE POSTMARKED (IF BY U.S. MAIL) OR SUBMITTED (IF USING THE ONLINE CLAIMS SUBMISSION PROCESS) NO LATER THAN [DATE].

By submitting this claim form, you will be included as a member of the settlement class identified in the notice. If you also submit a request for exclusion from the class and settlement, the request for exclusion will be deemed invalid.

PERSONAL INFORMATION. Please legibly print or type the following information:

Name (first and last): _____

Residential Street Address: _____

City, State, and Zip Code: _____

Daytime Telephone Number: (_____) _____

Email Address (Optional): _____

SETTLEMENT OVERVIEW. A Settlement has been reached with Sonic in a class action lawsuit about a data breach that occurred at certain Sonic Drive-In locations from April 7, 2017 through October 28, 2017 (“Data Breach”). A list of the 325 Impacted Sonic Drive-In locations is attached to this Claim Form. The amount of any settlement payment for a Verified Claim will depend upon whether you qualify as a Category 1 Class Member or a Category 2 Class Member, and may be adjusted up or down depending on the number of total claimants:

1. **CATEGORY 1 CLASS MEMBERS:** A one-time payment of approximately \$10.00 to any person who made a purchase using a credit or debit card at one of the 325 Impacted Sonic Drive-In locations during the period of time from April 7, 2017 through October 28, 2017. The amount of the Category 1 payment may be adjusted up or down depending on the number of claimants.
2. **CATEGORY 2 CLASS MEMBERS:** A one-time payment of approximately \$40.00 to any person who: (i) made a purchase using a credit or debit card at one of the 325 Impacted Sonic Drive-In locations during the period of time from April 7, 2017 through October 28, 2017 **and** (ii) experienced a fraudulent or unauthorized charge on the credit or debit card account used at the Impacted Sonic Drive-In location any time thereafter up through February 28, 2018. If the fraudulent/unauthorized charge occurred *after* February 28, 2018, you are only eligible for the \$10.00 payment to Category 1 Class Members. The amount of the Category 2 payment may be adjusted up or down depending on the number of claimants.

Please answer the following questions to determine your eligibility for a payment of either \$10.00 or \$40.00:

1. Did you use a credit or debit card at one of the 325 Impacted Sonic Drive-In locations during the period of time from April 7, 2017 through October 28, 2017?

Yes ☐ (Category 1 Class – You are eligible for a payment of \$10.00) (Proceed to Question 2) No ☐ (You are not eligible to submit a claim)

2. Please identify the address of the Sonic Drive-In location where you made your purchase. (list up to 3 locations)

3. After your purchase, did you experience any fraudulent or unauthorized charges on the credit or debit card account that you used at any of the Impacted Sonic Drive-In location(s) you listed in response to Question 2 above? If yes, provide the last four digits of the credit or debit card(s) used which experienced the fraudulent or unauthorized charges.

Yes ☐ (Proceed to Question 4) No ☐ (Category 1 Class – You are still eligible for a payment of \$10.00)

4. Did the fraudulent or unauthorized charges on your payment card occur on or before February 28, 2018?

Yes ☐ (Category 2 Class – You are eligible for a payment of \$40.00) No ☐ (Category 1 Class – You are still eligible for a payment of \$10.00)

THIS FORM MUST BE COMPLETED AND POSTMARKED (IF BY U.S. MAIL) OR SUBMITTED (IF COMPLETED THROUGH THE ONLINE CLAIM PROCESS) ON OR BEFORE [DATE].

MAIL FORM TO: **[CLAIMS ADMINISTRATOR P.O. Box ADDRESS]**

ATTESTATION

I understand that the Settlement Administrator, Sonic, or Class Counsel may require me to provide support for my claim and that I should retain in my possession any receipts, credit card statements, bank statements, or other documents that support my purchase(s) at an Impacted Sonic Drive-In Location during the Class Period and, if applicable, any documents supporting my claim that there was a fraudulent or unauthorized charge on or before February 28, 2018 on the credit or debit card account used at the Impacted Sonic Drive-In Location.

I do hereby swear and affirm that the information provided above is true and accurate to the best of my knowledge and belief.

Dated: _____

Signature: _____

Exhibit B-2

[electronic] CLAIM FORM

*In re: Sonic Corp. Customer Data Breach Litigation,
MDL Case No. 1:17-md-02807-JSG (N.D. Ohio)*

YOUR CLAIM FORM MUST BE SUBMITTED NO LATER THAN [DATE].

By submitting this claim form, you will be included as a member of the settlement class identified in the notice. If you also submit a request for exclusion from the class and settlement, the request for exclusion will be deemed invalid.

PERSONAL INFORMATION. Please enter the following information:

Name (first and last): _____

Residential Street Address: _____

City, State, and Zip Code: _____

Daytime Telephone Number: (____) _____

Email Address (Optional): _____

SETTLEMENT OVERVIEW. A Settlement has been reached with Sonic in a class action lawsuit about a data breach that occurred at certain Sonic Drive-In locations from April 7, 2017 through October 28, 2017 (“Data Breach”) ([click here to see a list of the 325 Impacted Sonic Drive-In locations](#)). The amount of any settlement payment for a Verified Claim will depend upon whether you qualify as a Category 1 Class Member or a Category 2 Class Member, and may be adjusted up or down depending on the number of total claimants:

- 1. CATEGORY 1 CLASS MEMBERS:** A one-time payment of approximately \$10.00 to any person who made a purchase using a credit or debit card at one of the 325 Impacted Sonic Drive-In locations ([click here to see a list of the 325 Impacted Sonic Drive-In locations](#)) during the period of time from April 7, 2017 through October 28, 2017. The amount of the Category 1 payment may be adjusted up or down depending on the number of claimants.
- 2. CATEGORY 2 CLASS MEMBERS:** A one-time payment of approximately \$40.00 to any person who: (i) made a purchase using a credit or debit card at one of the 325 Impacted Sonic Drive-In locations ([click here to see a list of the 325 Impacted Sonic Drive-In locations](#)) during the period of time from April 7, 2017 through October 28, 2017 **and** (ii) experienced a fraudulent or unauthorized charge on the credit or debit card account used at the Impacted Sonic Drive-In location any time thereafter up through February 28, 2018. If the fraudulent/unauthorized charge occurred *after* February 28, 2018, you are only eligible for the \$10.00 payment to Category 1 Class Members. The amount of the Category 2 payment may be adjusted up or down depending on the number of claimants.

Please answer the following questions to determine your eligibility for a payment of either \$10.00 or \$40.00:

1. Did you use a credit or debit card at one of the 325 Impacted Sonic Drive-In locations during the period of time from April 7, 2017 through October 28, 2017? ([click here to see a list of the 325 Impacted Sonic Drive-In locations](#))

Yes ☐ (Category 1 Class –You are eligible for a payment of \$10.00) (Proceed to Question 2) No ☐ (You are not eligible to submit a claim)

2. Please identify the address of the Sonic Drive-In location where you made your purchase. (list up to 3 locations)

3. After your purchase, did you experience any fraudulent or unauthorized charges on the credit or debit card account that you used at any of the Impacted Sonic Drive-In location(s) you listed in response to Question 2 above? If yes, provide the last four digits of the credit or debit card(s) used which experienced the fraudulent or unauthorized charges.

Yes ☐ (*Proceed to Question 4*)

No ☐ (*Category 1 Class – You are still eligible for a payment of \$10.00*)

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<hr/>	<hr/>

4. Did the fraudulent or unauthorized charges on your payment card occur on or before February 28, 2018?

Yes ☐ (*Category 2 Class –You are eligible for a payment of \$40.00*)

No ☐ (*Category 1 Class–You are still eligible for a payment of \$10.00*)

THIS FORM MUST BE COMPLETED AND SUBMITTED ON OR BEFORE [DATE].

ATTESTATION

I understand that the Settlement Administrator, Sonic, or Class Counsel may require me to provide support for my claim and that I should retain in my possession any receipts, credit card statements, bank statements, or other documents that support my purchase(s) at an Impacted Sonic Drive-In Location during the Class Period and, if applicable, any documents supporting my claim that there was a fraudulent or unauthorized charge on or before February 28, 2018 on the credit or debit card account used at the Impacted Sonic Drive-In Location.

I do hereby swear and affirm that the information provided above is true and accurate to the best of my knowledge and belief.

Dated: _____

Electronic Signature: _____

Exhibit C

NOTICE OF CLASS ACTION SETTLEMENT

**Did you shop at this Sonic Drive-In location
from April 7, 2017 through October 28, 2017
and pay with a debit or credit card?**

If so, you may be eligible for a cash payment from a class action settlement.

For more information:

[insert scannable QR code]

**visit www.SonicDataBreachSettlement.com or call 1-800-XXX-XXXX
to learn more about the Settlement and find out how to submit a claim.**

Exhibit D

If you used a credit or debit card at certain [insert Sonic logo] Drive-In locations from April 7, 2017 through October 28, 2017, you may be eligible for a cash payment from a class action settlement.

[Click here to learn more about your legal rights, your eligibility, and how to submit a claim in the Sonic Data Breach settlement.](#)

Exhibit E

NOTICE OF CLASS ACTION SETTLEMENT

NORTHERN DISTRICT OF OHIO

*In re: Sonic Corp. Customer Data Breach Litigation,
MDL Case No. 1:17-md-02807-JSG (N.D. Ohio)*

If you used a credit or debit card at one of 325 certain Sonic Drive-In locations from April 7, 2017 through October 28, 2017, you may be eligible for a cash payment from a class action settlement.

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

- A Settlement has been reached with Sonic in a class action lawsuit asserting claims against several Sonic entities relating to a data breach arising out of a third-party cyber attack in 2017 that targeted the point of sale systems of Sonic Drive-In locations in an effort to steal customer payment card information (the “Data Breach”). Sonic denies all of the claims in the lawsuit. The Settlement does not establish who is right, and is not an admission of fault, but rather reflects a compromise to end the lawsuit.
- For a list of the 325 impacted Sonic Drive-In locations, go to www.SonicDataBreachSettlement.com.
- The Settlement includes all residents of the United States of America who made a purchase at any one of the 325 impacted Sonic Drive-In locations and paid using a credit or debit card from April 7, 2017 through October 28, 2017 (the “Relevant Time Period”).
- The Settlement provides payments to people who submit valid and timely claims attesting (i) that they made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations during the Relevant Time Period (**Category 1**), or (ii) that they made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations during the Relevant Time Period *and* that they experienced fraudulent or unauthorized charges on the credit or debit card used at the impacted location any time thereafter up through February 28, 2018 (**Category 2**).

Your legal rights are affected even if you do nothing. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a Claim	This is the only way to receive a payment to compensate you for losses which you believe you suffered as a result of the Data Breach.
Ask to be Excluded	You will not receive a payment, but you will retain any rights you currently have with respect to Sonic and the issues in this lawsuit. This is the only option that allows you to bring your own lawsuit against Sonic related to the Data Breach.

Object	Write to the Court about why you do not like the Settlement.
Go to the Hearing	Ask to speak in Court about the fairness of the Settlement.
Do Nothing	Get no payment. Give up rights to submit a claim or bring a different lawsuit against Sonic related to the Data Breach.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this lawsuit still has to decide whether to grant final approval of the Settlement. Payments will only be made after the Court grants final approval of the Settlement and after any appeals are resolved.

WHAT THIS NOTICE CONTAINS

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3. Why is this lawsuit a class action?	
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BASIC INFORMATION

1. Why was this Notice issued and why should I read it?

The Court authorized this Notice because you may be included in the settlement class and have a right to know about the proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give “final approval” to the Settlement. This Notice explains the legal rights and options that you may exercise before the Court decides whether to approve the Settlement.

Judge James S. Gwin of the United States District Court for the Northern District of Ohio is overseeing this case known as *In re: Sonic Corp. Customer Data Breach Litigation*, MDL Case No. 1:17-md-02807-JSG. The people who sued the Sonic entities are called the Plaintiffs. The Sonic entities that were sued are called the Defendants.

2. What is this lawsuit about?

The lawsuit claims that Sonic did not have adequate safeguards in place and should be held responsible for the Data Breach and asserts claims such as: breach of implied contract, negligence, negligence per se, unjust enrichment, and violations of numerous state consumer-protection and data breach statutes. Sonic denies these claims in their entirety and asserts that Sonic did have adequate safeguards in place and did nothing 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 validly and timely exclude themselves from the class. Here, 22 Representative Plaintiffs sued on behalf of a class of all customers who made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations from April 7, 2017 through October 28, 2017.

4. Why is there a Settlement?

The Court did not issue a ruling in favor of the Plaintiffs or Sonic. Rather, both sides, with the assistance of Magistrate Judge Jonathan D. Greenberg as mediator, agreed to a settlement. The Settlement is not an admission that Sonic did anything wrong, but rather reflects a compromise to end the lawsuit. By agreeing to settle, both sides avoid the cost and risk of a trial, and people who submit valid claims will get compensation. The Representative Plaintiffs and their attorneys believe the Settlement is fair, reasonable, and adequate and, thus, in the best interests of the Settlement Class.

WHO IS IN THE SETTLEMENT?

5. How do I know if I am included in the Settlement Class?

You are included in the Settlement Class if you reside in the United States and you made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations from April 7, 2017 through October 28, 2017.

Specifically excluded from the Settlement Class are:

(i) the Sonic entities named as Defendants, Sonic Franchisees, Sonic's third-party point-of-sale vendor, Infor Restaurant Systems, their respective parents, subsidiaries, affiliated companies, divisions, predecessors, and successors, and their respective officers, directors, employees, principals, agents, attorneys, insurers, and reinsurers; (ii) all Settlement Class Members who timely and validly request exclusion from or opt out of the Settlement Class; (iii) the Judge or Magistrate Judge to whom the lawsuit is assigned and any member of those Judges' staffs or immediate family members; 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 or occurrence of the Data Breach or who pleads *nolo contendere* to any such charge.

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

The Settlement website at www.SonicDataBreachSettlement.com provides the list of 325 impacted Sonic Drive-In locations; if you made a purchase using a credit or debit card at one of these 325 impacted Sonic Drive-In locations from April 7, 2017 through October 28, 2017, then you are included in the Settlement. If you are still not sure whether you are included in the Settlement, you may call 1-XXX-XXX-XXXX with any further questions. You may also write with questions to the Settlement Administrator, P.O. Box XXXX, [City], [State] XXXXX-XXXX.

THE SETTLEMENT BENEFITS – WHAT YOU GET IF YOU QUALIFY

7. What does the Settlement provide?

The Settlement will provide payments to people who submit valid and timely claims. There are different settlement payments available to Settlement Class Members depending upon which one of two categories the Settlement Class Member falls into: (1) Category 1 Settlement Class Members (see Question 8 below) or (2) Category 2 Settlement Class Members (see Question 9 below).

You can only receive payment under one category: either Category 1 or Category 2.

8. What payment is available for Category 1 Settlement Class Members?

Category 1 Settlement Class Members are eligible to receive a one-time payment of approximately \$10.00 if they made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations during the Relevant Time Period (April 7, 2017 through October 28, 2017). Settlement Class Members who file a claim under Category 1 are eligible for the approximately \$10.00 payment even if they did not experience any fraudulent or unauthorized charges subsequent to their purchase at one of the 325 impacted Drive-In locations. The precise amount of the payment may be adjusted up or down based on the total number of valid claims received (see Question 11 below).

9. What payment is available for Category 2 Settlement Class Members?

Category 2 Settlement Class Members are eligible to receive a one-time payment of \$40.00 only if they satisfy these conditions: (i) they made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations during the Relevant Time Period (April 7, 2017 through October 28, 2017); and (ii) they experienced fraudulent or unauthorized charges on the credit or debit card used at the impacted Sonic Drive-In location anytime thereafter up through February 28, 2018. The precise amount of the payment may be adjusted up or down based on the total number of valid claims received (see Question 11 below).

HOW DO YOU SUBMIT A CLAIM?

10. How do I get a payment?

To request to receive a payment, you must complete and submit a Claim Form that will be used to determine your eligibility. Claim Forms are available at www.SonicDataBreachSettlement.com or by calling 1-XXX-XXX-XXXX. Read the instructions carefully, fill out the Claim Form, and submit it online or mail it in, postmarked no later than [MONTH], [DAY], [YEAR], to:

Sonic Data Breach Settlement Administrator
P.O. Box XXXXX
[City], [State], XXXXX-XXXX

11. How will claims be decided?

The Settlement Administrator will ultimately decide whether the information provided on each Claim Form is complete and valid. The Settlement Administrator may require additional information. If you do not provide the additional information in a timely manner the claim will be considered invalid and will not be paid.

The Settlement Administrator, Sonic, or Class Counsel may require you to provide support for your claim. You should retain in your possession any receipts, credit card statements, bank statements, or other documents that support your purchase(s) at one of the 325 impacted Sonic Drive-In locations during the Relevant Time Period and, if applicable, any documents supporting your claim that you experienced a fraudulent or unauthorized charge on or before February 28, 2018 on the credit or debit card used at the impacted Sonic Drive-In location during the Relevant Time Period.

Verified Claims are those submitted in a timely manner and found to be valid by the Settlement Administrator.

Sonic's payments under the Settlement for (1) Verified Claims to Settlement Class Members, (2) any Court-awarded attorneys' fees, costs, and expenses, (3) any Court-awarded service awards to Representative Plaintiffs, and (4) the costs involved in notice and administering the Settlement are capped in the aggregate at \$4,325,000.00. If, after deducting the court-awarded attorneys' fees, costs, and expenses, service awards, and costs of notice and settlement administration, the total amount of Verified Claims is greater than the balance remaining in the Net Settlement Fund, then each Verified Claim payment will be reduced on a *pro rata* (proportionate) basis such that the total aggregate amount of Verified Claims does not exceed the value of the Net Settlement Fund. However, if, after deducting the court-awarded attorneys' fees, costs, and expenses, service awards, and the costs of notice and settlement administration, the total amount of Verified

Claims is less than the balance remaining in the Net Settlement Fund, then each Verified Claim payment will be increased on a *pro rata* (proportionate) basis in order to fully allocate the full Net Settlement Fund.

12. When will I get my payment?

The Court will hold a hearing on [MONTH], [DAY], [YEAR] to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than one year. It also takes time for all the Claim Forms to be processed. Please be patient.

WHAT DOES SONIC GET?

13. What am I giving up as part of the Settlement?

If the Settlement becomes final and you do not exclude yourself from the Settlement, you will remain a Settlement Class Member and you will give up your right to sue Sonic, Sonic Franchisees, Infor Restaurant Systems, and all Released Persons for any Released Claims arising out of or relating to the Data Breach. The specific claims being released are described below and in the “Release” section (§§ 1.21, 11.1) of the Settlement Agreement. Capitalized terms in the Release below are defined in the Settlement Agreement. If you have any questions you can talk to the law firms listed in Question 19 for free or you can, of course, talk to your own lawyer.

Plaintiffs’ Release

Upon the Effective Date, each Settlement Class Member who has not timely opted-out of this Settlement, including Representative Plaintiffs, shall be deemed to have, and by operation of the Final Judgment shall have, completely, fully, finally, irrevocably, and forever released, relinquished, and discharged all Released Claims. Further, upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member who has not timely opted-out of this Settlement, including Representative Plaintiffs, shall, either directly, indirectly, representatively, as a member of or on behalf of the general public or in any capacity, be permanently barred and enjoined from commencing, prosecuting, or participating in any recovery in any action in this or any other forum based on, relating to, concerning, or arising out of any of the Released Claims.

It is the intent of the Parties that this Release shall not be considered, interpreted, or construed to prevent Settlement Class Members from pursuing claims related to the Data Breach against any person or entity that is not a “Released Person” as that term is defined in the Settlement Agreement.

“Released Claims” means any and all claims, rights, rights of set-off and recoupment, demands, actions, obligations, and causes of action of any and every kind, nature, and character, known and unknown, including without limitation, negligence, negligence per se, breach of contract, breach of implied contract, breach of fiduciary duty, breach of confidence, invasion of privacy, misrepresentation (whether fraudulent, negligent, or innocent), unjust enrichment, bailment, wantonness, failure to provide adequate notice pursuant to any breach notification statute or common law duty, any federal, state, or local statutory or regulatory claims, including, but not limited to, pursuant to consumer protection laws, unfair and deceptive trade practice laws, and further including,

but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys' fees, costs, and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, the appointment of a receiver, and any other form of relief that any Settlement Class Member has, has asserted, could have asserted, or could assert against any of the Released Persons based on, relating to, concerning, or arising out of the Data Breach (including, but not limited to, the theft or compromise of Personal Information) or the allegations, facts, or circumstances described in the Litigation. "Released Claims" include Unknown Claims, as that term is defined in the Settlement Agreement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to be part of this Settlement, but you want to keep the right to sue Sonic about the legal issues in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from—or is sometimes referred to as "opting out" of—the Settlement Class.

14. If I exclude myself, can I get a payment from this Settlement?

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

15. If I do not exclude myself, can I sue Sonic for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Sonic (and the Released Persons as that term is defined in the Settlement Agreement) for the claims that this Settlement resolves. You must exclude yourself from the Settlement Class to start your own lawsuit or to be part of any different lawsuit relating to the claims in this case. If you exclude yourself, do not submit a Claim Form to ask for a payment. If you exclude yourself and submit a Claim Form, your exclusion will be deemed invalid.

If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this class action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statute of limitations or repose.

16. How do I exclude myself from the Settlement?

To exclude yourself, you must send a letter that says you want to be excluded from the Settlement in *In re: Sonic Corp. Customer Data Breach Litigation*, MDL Case No. 1:17-md-02807-JSG. Include your name, address, and signature. You must mail your written request for exclusion postmarked by [MONTH], [DAY], [YEAR], to:

Sonic Data Breach Settlement Administrator
P.O. Box XXXXX
City, State XXXXX

OBJECTING TO THE SETTLEMENT

17. 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 to approve the Settlement. To object, you must file a written objection in this case, *In re: Sonic Corp. Customer Data Breach Litigation*, MDL Case No. 1:17-md-02807-JSG, with the Clerk of Court, and mail copies to Class Counsel and Defense Counsel at the addresses below.

Your objection must state: (1) your full name, current address, telephone number, and email address (if any); (2) a statement that you are a Settlement Class Member, including an attestation that you made a purchase using a debit or credit card at one of the 325 impacted Sonic Drive-In locations during the Relevant Time Period and identifying the address of the location where you made your purchase; (3) a written statement of all grounds for the objection, accompanied by any legal support for the objection that you believe is applicable; (4) the identity of all counsel representing you, if any; (5) a written statement indicating whether you intend to appear at the final approval hearing and the identity of all counsel, if any, representing you who will appear at the final approval hearing on your behalf; (6) a statement identifying all persons who you will call to testify at the final approval hearing in support of the objection; (7) your signature and the signature of your duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (8) a list, by case name, court, and docket number, of all other cases in which you (directly or through counsel) have filed an objection to any proposed class action settlement within the last three (3) years; and (9) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three (3) years.

To be considered, your objection must be **filed** with the Clerk of the Court for the United States District Court for the Northern District of Ohio no later than **[MONTH], [DAY], [YEAR]**. In addition, you must **mail** a copy of your objection to both Class Counsel and Defense Counsel, postmarked no later than **[MONTH], [DAY], [YEAR]**:

Court	Class Counsel	Defense Counsel
Clerk of the Court Carl B. Stokes U.S. Court House 801 West Superior Ave. Cleveland, OH 44133	William B. Federman Federman & Sherwood 10205 North Pennsylvania Ave. Oklahoma City, OK 73120	Kari M. Rollins Sheppard Mullin Richter & Hampton, LLP 30 Rockefeller Center New York, NY 10112

18. What is the difference between objecting and asking to be excluded?

Objecting is telling the Court that you do not like the Settlement or some part of the Settlement and why you do not think it should be approved. You can object only if you are a member of the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class and do not want to receive any payment from the Settlement. If you exclude yourself, you have no basis to object because you are no longer a member of the Settlement Class and the case no longer affects you.

THE LAWYERS REPRESENTING YOU

19. Do I have a lawyer in this case?

Yes. The Court appointed William B. Federman of Federman & Sherwood as Lead Counsel for the Plaintiffs and Settlement Class. The Court also appointed the following attorneys as Class Counsel to represent the Settlement Class: Carin Marcussen of Federman & Sherwood; Marc Dann and Brian Flick of Dann Law; Thomas Zimmerman, Jr. of Zimmerman Law Offices, P.C.; Melissa Emert of Stull, Stull & Brady; Michael Fuller of Olsen Daines; and Miles Clark of Knepper & Clark LLC.

20. How will the lawyers be paid?

Class Counsel will ask the Court for an award of attorneys' fees of up to one-third of the Settlement Fund (*i.e.*, up to \$1,441,667), plus reimbursement of their litigation costs and expenses. Any award of attorneys' fees, plus reasonable costs and expenses, would compensate Class Counsel for investigating the facts, litigating the case, engaging in formal discovery with Sonic and third parties, retaining experts, and negotiating the settlement and will be the only payment to them for their efforts in achieving the Settlement and for their risk in undertaking this representation on a wholly contingent basis.

Class Counsel will also ask the Court for service awards totaling \$42,000 in the aggregate for the twenty-two (22) Representative Plaintiffs.

Any award of attorneys' fees, costs, and expenses for Class Counsel, and service awards to the Representative Plaintiffs must be approved by the Court. The Court may award less than the amounts requested. If approved, these amounts will be deducted from the \$4,325,000 total Settlement Fund prior to making payments to Settlement Class Members who submit valid Claim Forms. Class Counsel's preliminary application for attorneys' fees, costs, and expenses, and service awards will be filed no later than **[MONTH], [DAY], [YEAR]** and these documents will be posted on the Settlement website.

THE COURT'S FINAL APPROVAL HEARING

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

The Court will hold a final approval hearing at ____:**_____**.m. on **[MONTH], [DAY], [YEAR]**, at the Carl B. Stokes United States Court House, Courtroom 18A, 801 West Superior Avenue, Cleveland, Ohio 44113. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and should be granted final approval. If there are timely objections, 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 costs and expenses, as well as the request for service awards for the Representative Plaintiffs. 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 it is a good idea to check for updates at **www.SonicDataBreachSettlement.com** or by calling **1-XXX-XXX-XXXX**.

22. 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 come to 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 17, the Court will consider it.

23. 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 17, including all the information required. Your objection must be **filed** with the Clerk of the Court for the United States District Court for the Northern District of Ohio no later than **[MONTH], [DAY], [YEAR]**. In addition, you must **mail** a copy of your objection to both Class Counsel and Defense Counsel listed in Question 17, postmarked no later than **[MONTH], [DAY], [YEAR]**.

IF YOU DO NOTHING

24. What happens if I do nothing?

If you do nothing, you will not get any money from this Settlement and after the Settlement is granted final approval and the judgment becomes final, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Sonic or any of the other Released Persons about the Data Breach, ever again.

GETTING MORE INFORMATION

25. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. A copy of the Settlement Agreement is available at **www.SonicDataBreachSettlement.com**. You may also call the Settlement Administrator with questions (or to get a Claim Form) at **1-XXX-XXX-XXXX** (toll-free number).

Exhibit F

If you used a credit or debit card at certain Sonic Drive-In locations from April 7, 2017 through October 28, 2017, you may be eligible for a cash payment from a class action settlement.

A Settlement has been reached with Sonic in a class action lawsuit about a data breach that occurred at Sonic Drive-In locations from April 7, 2017 through October 28, 2017 ("Data Breach"). The Settlement provides cash payments to people who (i) made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations during the Data Breach period, or (2) made a purchase at one of the 325 impacted Sonic Drive-In locations during the Data Breach period **and** experienced fraudulent or unauthorized charges on the credit or debit card used at the impacted Sonic Drive-In location any time thereafter up through February 28, 2018.

The United States District Court for the Northern District of Ohio authorized this notice in the case, known as *In re: Sonic Corp. Customer Data Breach Litigation*, MDL Case No. 1:17-md-02807-JSG.

Go to www.SonicDataBreachSettlement.com for additional Settlement information, including the list of 325 impacted Sonic Drive-In locations.

WHAT IS THIS ABOUT?

The lawsuit claims that Sonic should be held responsible for the Data Breach. Sonic denies all of the claims and says it did not do anything wrong. The Court did not decide in favor of either side. Instead, both sides agreed to a settlement. This Settlement is not an admission of wrongdoing or an indication that any law was violated.

WHO IS INCLUDED?

You are included in the Settlement if you reside in the United States and made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations from April 7, 2017 through October 28, 2017 ("Settlement Class Members").

WHAT DOES THE SETTLEMENT PROVIDE?

The Settlement provides for payments to Settlement Class Members who submit valid claim forms. The amount of any settlement payment for a Verified Claim will depend upon whether you qualify as a Category 1 Class Member or a Category 2 Class Member, and may be adjusted up or down depending on the number of total claimants:

- (1) **Category 1:** A one-time payment of approximately \$10.00 to Settlement Class Members who made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In locations from April 7, 2017 through October 28, 2017. The precise amount of the payment may be adjusted up or down depending on the number of valid claims received.
- (2) **Category 2:** A one-time payment of approximately \$40.00 to Settlement Class Members who (i) made a purchase using a credit or debit card at one of the 325 impacted Sonic Drive-In

locations from April 7, 2017 through October 28, 2017, **and** (ii) experienced a fraudulent or unauthorized charge on the credit or debit card used at the impacted Sonic Drive-In location any time thereafter up through February 28, 2018. The precise amount of the payment may be adjusted up or down depending on the number of valid claims received.

Sonic will pay \$4.325 million into a non-reversionary Settlement Fund to settle the lawsuit. Court-awarded attorneys' fees, costs and expenses, service awards to the Representative Plaintiffs, and costs associated with notice and administering the Settlement will be deducted from the Settlement Fund prior to payments being made to Settlement Class Members who submit valid Claim Forms.

How Do You Get a Payment?

To request a payment you must submit a Claim Form that will be used to determine your eligibility by **_____, 201_____**. Claim Forms are available at www.SonicDataBreachSettlement.com or by calling toll-free **XXX-XXX-XXXX**.

WHAT ARE YOUR OPTIONS?

If you do not want to be legally bound by the Settlement, you must exclude yourself from it by **_____, 201_____**, or you will not be able to sue, or continue to sue, Sonic about the legal claims this Settlement resolves. If you exclude yourself, you cannot get money from the Settlement.

If you stay in the Settlement Class, you can tell the Court that you do not agree with the Settlement or some part of it by objecting to it by **_____, 201_____**.

The **_____** Long **_____** Notice **_____** available **_____** at www.SonicDataBreachSettlement.com explains how to exclude yourself or object and describes the released claims in detail.

WHO REPRESENTS YOU?

The Court appointed William Federman of Federman & Sherwood as Lead Counsel. The Court also appointed the following attorneys as Class Counsel to represent the Settlement Class: Carin Marcussen of Federman & Sherwood; Marc Dann and Brian Flick of Dann Law; Thomas Zimmerman, Jr. of Zimmerman Law Offices, P.C.; Melissa Emert of Stull, Stull & Brady; Michael Fuller of Olsen Daines; and Miles Clark of Knepper & Clark LLC. Class Counsel will ask the Court for an award for attorneys' fees of up to \$1,441,667, plus reasonable costs and expenses, and service awards up to a total of \$42,000 for the 22 Representative Plaintiffs. If you want to be represented by your own lawyer, you may hire one at your own expense.

WHEN WILL THE SETTLEMENT BE APPROVED?

The Court will hold a hearing on **Month Day, Year**, at **TIME** at Carl B. Stokes U.S. Court House, Courtroom 18A, 801 W. Superior Ave.,

Cleveland, OH 44133 to consider whether to approve the Settlement and Class Counsel's request for attorneys' fees, costs and expenses, and service awards. You or your own lawyer may ask to appear and speak at the hearing at your own cost, but you do not have to.

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Want more information?

Visit www.SonicDataBreachSettlement.com or call toll-free XXX-XXX-XXXX.

Exhibit G-1

NOTICE OF DATA BREACH CLASS ACTION SETTLEMENT

Exhibit G-2

NOTICE OF CLASS ACTION SETTLEMENT

If you used a credit or debit card at certain Sonic Drive-In locations from April 7, 2017 through October 28, 2017, you may be eligible for a cash payment from a class action settlement.

For a list of the 325 impacted Sonic Drive-In locations and for more information about the settlement and how to submit a claim, please visit www.SonicDataBreachSettlement.com or call 1-800-XXX-XXXX.

Exhibit H

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION AT CLEVELAND**

In re:

**SONIC CORP. CUSTOMER DATA
BREACH LITIGATION**

Case No. 1:17-md-02807-JSG

Judge James S. Gwin

**THIS DOCUMENT RELATES TO
ALL CASES**

[PROPOSED] PRELIMINARY APPROVAL ORDER

The matter before the Court is the motion of Plaintiffs Septabeya Bean, Patrick Blanford, Cornelius Bogard, Penny Bolin, Shadawna Carson, John Dolembro, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Megan MacKay, Dometric Pearson, Denise Ramirez, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams (“Representative Plaintiffs”), for preliminary approval of a proposed class action settlement with Defendants Sonic Corp., Sonic Industries Services Inc., Sonic Capital LLC, Sonic Franchising LLC, Sonic Industries LLC, and Sonic Restaurants, Inc. (collectively, “Sonic” or the “Sonic Defendants”), on behalf of a Settlement Class. The proposed Settlement would resolve all of the claims asserted by Representative Plaintiffs and members of the proposed Settlement Class in this action against Sonic (the “Litigation”).

This matter has been resolved by compromise as a result of two full-day mediation sessions on August 3 and 10, 2018 and a telephonic conference on October 2, 2018 with the Honorable Jonathan D. Greenberg (the “Mediation”). Plaintiffs and Sonic (collectively, the “Parties”), through their respective counsel, have executed and filed with this Court a Settlement Agreement that resolves this Litigation and all claims asserted by Representative Plaintiffs and members of

the proposed Settlement Class relating to or arising from the Data Breach (as defined in Paragraph 1.10 of the Settlement Agreement). The Court, having overseen the Mediation, reviewed the Settlement Agreement, including the exhibits thereto, and considered the briefing submitted in support of the unopposed motion and the arguments of counsel thereon, finds that the terms of the proposed Settlement are fair, reasonable and adequate to Representative Plaintiffs and the Settlement Class and that the interests of fairness, consistency, and efficiency are well served by a single class settlement. The Court therefore hereby GRANTS the preliminary approval motion and ORDERS as follows.

1. Except as otherwise stated, this Order incorporates the defined terms set forth in the Settlement Agreement.

2. For purposes of settlement, and conditioned upon the Settlement Agreement receiving final approval following the final approval hearing, the Court conditionally certifies the following Settlement Class, pursuant to Federal Rule of Civil Procedure 23(b)(3): All residents of the United States who made a purchase at one of the Impacted Sonic Drive-Ins and paid using a debit or credit card during the period of time from April 7, 2017 through October 28, 2017. The Settlement Class specifically excludes: (i) Sonic (as defined in Paragraph 1.31 of the Settlement Agreement); (ii) Sonic Franchisees (as defined in Paragraph 1.32 of the Settlement Agreement); (iii) Infor (as defined in Paragraph 1.15 of the Settlement Agreement); (iv) all Settlement Class Members who timely and validly request exclusion from and/or opt-out of the Settlement Class; (v) the Judge or Magistrate Judge to whom the action is assigned and, any member of those Judges' staffs or immediate family members; and (vi) 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 or occurrence of the Data Breach (as defined in Paragraph 1.10 of the Settlement Agreement) or who pleads *nolo contendere* to any such charge.

3. With respect to the Settlement Class, the Court preliminarily finds, solely for purposes of effectuating the Settlement and for no other purpose, that (i) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members in this action would be impracticable, as the Settlement Class comprises more than 40 members; (ii) there are questions of law and fact common to the Settlement Class that predominate over individual questions, including whether Defendants failed to take adequate security measures to protect consumers' cardholder data, whether Defendants were negligent, whether Defendants breached an implied contract, whether Defendants have been unjustly enriched at the expense of Plaintiffs and Settlement Class Members, whether Defendants violated applicable state consumer protection laws, whether Defendants violated applicable state data breach statutes, whether Plaintiffs and Settlement Class Members are entitled to injunctive/declaratory relief, and whether Plaintiffs and Settlement Class Members are entitled to, and the proper amount of, damages; (iii) the claims of the Representative Plaintiffs are typical of the claims of the Settlement Class, and Representative Plaintiffs do not have any conflicts of interest with the other members of the Settlement Class; (iv) Representative Plaintiffs and Plaintiffs' Counsel can fairly and adequately represent and protect the interests of the Settlement Class Members, as shown by their extensive investigation, vigorous prosecution of this Litigation, and services performed to date; and (v) a class action is superior to other available methods for the fair and efficient adjudication of the controversy as it relates to the proposed Settlement, considering the interests of the Settlement Class Members in individually controlling the prosecution of separate actions, the extent and nature of any litigation concerning the controversy already commenced by Settlement Class Members, the desirability or

undesirability of continuing the Litigation of these claims in this forum, and the difficulties likely to be encountered in the management of a class action.

4. The Settlement, on the terms and conditions set forth in the Settlement Agreement, is preliminarily approved by this Court as being fair, reasonable, adequate, and within the range of possible final judicial approval. The Court finds that the Settlement resulted from arm's-length negotiations conducted in good faith by the Parties in a mediation before this Court, and reflects a settlement that was reached voluntarily after consultation with experienced legal counsel.

5. The Court provisionally finds that the Representative Plaintiffs are able to fairly and adequately represent the Settlement Class and appoints Representative Plaintiffs as the Class Representatives for the Settlement Class. Representative Plaintiffs have diligently prosecuted this Litigation.

6. The Court appoints the following as "Class Counsel": William B. Federman of Federman & Sherwood ("Interim Lead Counsel"), Marc E. Dann of DannLaw ("Interim Liaison Counsel"), Carin L. Marcussen of Federman & Sherwood, Brian D. Flick of DannLaw, Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC, finding that these attorneys are able to fairly and adequately represent the Settlement Class, and have competently represented the Representative Plaintiffs and Settlement Class in this matter.

7. The Court preliminarily approves the monetary relief to Settlement Class Members provided in the Settlement Agreement, and recognizes that Sonic has acknowledged that it made certain governance changes since the filing of this Litigation and has agreed to continue employing certain data security practices set forth in Paragraph 3.4 of the Settlement Agreement for no less

than three (3) years, with the Court finding that this relief is within the range of fair, reasonable and adequate.

8. The Court orders the Sonic Defendants to pay within thirty (30) days after entry of this Order four million three hundred twenty five thousand dollars (\$4,325,000.00) (the “Settlement Fund”) into an escrow account established and administered by the Settlement Administrator, pursuant to the terms set forth in the Settlement Agreement. The Settlement Administrator shall take all necessary steps to establish, organize, and operate the escrow account as a Qualified Settlement Fund pursuant to applicable rules and regulations of the Internal Revenue Service and the Treasury Department and the terms of the Settlement Agreement.

9. The Court approves the Notice Program set forth in the Settlement Agreement, as well as the Notices attached as Exhibit C (In-Store Notice), Exhibit D (Internet Banner Notice), Exhibit E (Long Form Notice), Exhibit F (Publication Notice), and Exhibits G-1 and G-2 (Website and Facebook Notice) thereto. The Court finds that the Notices collectively provide a sufficiently clear and concise description of the Litigation, the Settlement terms, and the rights and responsibilities of the Settlement Class Members. The Court further finds that the plan for dissemination of the Notices by the following methods: (i) conspicuously posting the In-Store Notice at the Impacted Sonic Drive-In locations, (ii) posting the Internet Banner Notice geo-tagged to the Facebook pages of Facebook users located with the zip codes of Impacted Sonic Drive-In locations, (iii) publishing the Publication Notice in a manner certified by the Settlement Administrator as being targeted to adults over 18 years of age located within the zip codes of the Impacted Sonic Drive-In locations, (iv) conspicuously posting the Website Notice on the Sonic website and Facebook page, and (v) posting the Long Form Notice on the Settlement Website as set forth in the Settlement Agreement, is the best means practicable, and is reasonably calculated

to apprise the Settlement Class Members of the Litigation and their right to participate in, object to, or exclude themselves from the Settlement. Accordingly, the Parties and their counsel are directed to disseminate the Notices pursuant to the terms of the Settlement Agreement.

10. The Court approves the Claim Forms attached to the Settlement Agreement as Exhibits B-1 and B-2.

11. The Court approves and appoints KCC LLC as the Settlement Administrator, and directs them to perform the duties set forth in the Settlement Agreement. As set forth in the Settlement Agreement, all costs and expenses incurred by the Settlement Administrator in connection with disseminating the notice and administering the Settlement shall be paid from the Settlement Fund.

12. The Court will conduct a final approval hearing, at which time it will consider any objections to the Settlement Agreement and determine whether the Settlement Agreement should be finally approved, on _____, 2019 commencing at _____ .m. Class Counsel shall file their motion for final approval of the Settlement no later than fourteen (14) days prior to the final approval hearing.

13. Class Counsel shall file their preliminary motions for an award of Attorneys' Fees and Costs, and for Service Awards to the Representative Plaintiffs as Class Representatives, no earlier than thirty (30) days from entry of the Preliminary Approval Order by the Court, and no later than fourteen (14) days prior to the deadline for submission of Requests for Exclusion and Objections. These motions may be supplemented prior to the final approval hearing, and the Court will rule upon the motions at the final approval hearing. As set forth in the Settlement Agreement, all such awards shall be paid only from the Settlement Fund.

14. Any Settlement Class Member who intends to object to the fairness, reasonableness, or adequacy of the Settlement, the proposed Attorneys' Fees and Costs, and/or the proposed Service Awards, must deliver to Kari M. Rollins of Sheppard Mullin Richter & Hampton LLP as counsel for the Sonic Defendants, and to William B. Federman of Federman & Sherwood as Class Counsel, and file with the Court, a written statement of the objections, as well as the specific reasons for each objection, including any legal support the Settlement Class Member wishes to bring to the Court's attention and any evidence or other information the Settlement Class Member believes supports the objections. Any Settlement Class Member who objects must also set forth their full name and current address; include a written statement that he/she is a Settlement Class Member, including an attestation that he/she made a purchase using a debit or credit card at one of the 325 Impacted Sonic Drive-Ins during the Settlement Class Period and identifying the address of the location where he/she made his/her purchase; state the identity of all counsel representing the objector, if any; include a statement indicating if he/she intends to appear and/or testify at the final approval hearing and the identity of all counsel representing the objector who will appear at the final approval hearing; include a statement identifying any person who will be called to testify at the final approval hearing in support of the objection; include the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); include a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last three (3) years; and include a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three (3) years.

15. All objections must be filed with the Court and delivered to counsel for Defendants and Class Counsel not later than _____, 201_. Objections must be delivered to the Court, Class Counsel, and the Sonic Defendants' counsel at the addresses listed below:

Court:

Clerk of the Court
U.S. District Court for the Northern District of Ohio
Carl B. Stokes United States Court House
801 West Superior Avenue
Cleveland, Ohio 44113

Class Counsel:

William B. Federman
Federman & Sherwood
10205 N. Pennsylvania Ave.
Oklahoma City, Oklahoma 73120

The Sonic Defendants' Counsel:

Kari M. Rollins
Sheppard Mullin Richter & Hampton LLP
30 Rockefeller Plaza
New York, New York 10112

No person will be entitled to be heard at the final approval hearing, and no written objections will be received or considered by this Court at the final approval hearing, unless all pertinent terms and conditions set forth above and in the Settlement Class Notice have been fully met. If an objection is overruled, the objecting Settlement Class Member will be bound by the terms of the Settlement and may not exclude him/herself later.

16. Any person who elects to opt out of the Settlement Class shall not be bound by any orders, including, but not limited to, any final order approving the Settlement, entered in this Litigation, not be entitled to relief under the Settlement Agreement, not gain any rights by virtue of the Settlement Agreement, and not be entitled to object to any aspect of the Settlement

Agreement. No person may opt out of the Settlement Class through a so-called “mass” or “class” opt-out.

17. Any Settlement Class Member who wishes to be excluded from the Settlement must fully comply with all pertinent terms and conditions set forth in the Long Form Notice. All Requests for Exclusion must be postmarked no later than _____, 201_. Settlement Class Members who submit a timely and valid Request for Exclusion will have no rights under the Settlement Agreement, will not share in the distribution of the Net Settlement Fund, and will not be bound by the Settlement Agreement. Any Settlement Class Member who does not submit a timely and valid Request for Exclusion shall be bound by all terms of the Settlement Agreement and any final order approving the Settlement.

18. No later than fourteen (14) days after the deadline for submission of Claim Forms, the Settlement Administrator shall provide a declaration to Class Counsel and the Sonic Defendants’ counsel attesting to the measures taken to provide the notice to the Settlement Class Members pursuant to the Notice Program, and the information pertaining to claims and requests for exclusion as set forth in the Settlement Agreement.

19. In the event this Court does not finally approve the Settlement Agreement, any and all rights of the Parties existing prior to the execution of the Settlement Agreement, including but not limited to Plaintiffs’ right to seek and the Sonic Defendants’ right to oppose class certification in the Litigation, shall be preserved, and the Litigation shall proceed in all respects as if the Settlement Agreement and any related orders had not been entered. In such event, none of the terms of the Settlement Agreement shall be admissible in any trial or otherwise used against any Party, except to enforce the terms thereof that relate to the Parties’ obligations in the event of termination. The portion of the Settlement Fund transferred to the Settlement Administrator shall

be returned to the Sonic Defendants, less notice and administrative expenses actually incurred by the Settlement Administrator (as to which the Sonic Defendants shall have no right of reimbursement from any person, including the Settlement Administrator, Plaintiffs, or Plaintiffs' Counsel).

20. For the benefit of the Settlement Class Members and as provided in the Settlement Agreement, this Court retains continuing jurisdiction over the implementation, interpretation, and enforcement of the Settlement Agreement.

21. The Parties are directed to carry out their obligations under the Settlement Agreement.

Summary of Applicable Dates

1.	Preliminary Approval Order entered	<u> </u> , 2018
2.	Defendants to pay \$4,325,000.00 into an escrow account established by the Settlement Administrator	No later than thirty (30) calendar days after entry of this Order
3.	Commencement of the Notice Program as set forth in Section 7 of the Settlement Agreement	No later than thirty (30) calendar days after entry of this Order
4.	Deadline to Opt Out, or Object	No later than ninety (90) calendar days from the commencement of the Notice Program
5.	Deadline to submit a Claim Form ("Claim Deadline")	No later than ninety (90) calendar days from the commencement of the Notice Program
6.	Deadline for Settlement Administrator to Submit Declaration re: Notice, Opt-Outs, and Claims	No later than fourteen (14) calendar days after Claim Deadline
7.	Motion for Final Approval of Settlement to be filed	No later than fourteen (14) calendar days prior to Final Approval Hearing
8.	Final Approval Hearing	At the Court's convenience, no earlier than one hundred twenty

		(120) days after the commencement of the Notice Program
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SO ORDERED.

Dated: _____

Hon. James S. Gwin
United States District Court Judge

Exhibit I

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION AT CLEVELAND**

In re:

**SONIC CORP. CUSTOMER DATA
BREACH LITIGATION**

Case No. 1:17-md-02807-JSG

Judge James S. Gwin

**THIS DOCUMENT RELATES TO
ALL CASES**

[PROPOSED] FINAL ORDER AND JUDGMENT

The Court, having considered the Representative Plaintiffs' Motion for Final Approval (the "Motion") of the settlement (the "Settlement") of the above-captioned case ("the Litigation") pursuant to the Settlement Agreement dated October ___, 2018, between Representative Plaintiffs Septabeya Bean, Patrick Blanford, Cornelius Bogard, Penny Bolin, Shadawna Carson, John Dolemba, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Megan MacKay, Dometric Pearson, Denise Ramirez, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams ("Representative Plaintiffs") and Defendants Sonic Corp., Sonic Industries Services Inc., Sonic Capital LLC, Sonic Franchising LLC, Sonic Industries LLC, and Sonic Restaurants, Inc. (collectively "Sonic" or the "Sonic Defendants"), having considered all of the submissions and arguments with respect to the Motion, and having held a Fairness Hearing on _____, 2019, finds that:

1. Unless defined herein, all capitalized terms in this Order shall have the respective meanings as the same terms in the Settlement Agreement.
2. Notice to the Settlement Class Members has been provided in accordance with the Court's Preliminary Approval Order, and the substance of, and dissemination program for, the

Notice fully complied with the requirements of Federal Rule of Civil Procedure 23(b) and due process, constituted the best notice practicable under the circumstances, and provided due and sufficient notice to all persons entitled to notice of the Settlement of this Litigation.

3. The Settlement Agreement was arrived at as a result of arm's-length negotiations conducted in good faith and without collusion by counsel for the Parties and is supported by Representative Plaintiffs and Class Counsel.

4. The Settlement as set forth in the Settlement Agreement is fair, reasonable, adequate, and in the best interests of the Settlement Class in light of the complexity, expense, and duration of litigation and the risks involved in establishing liability and damages, and in maintaining the class action through trial and appeal.

5. The consideration provided under the Settlement Agreement constitutes fair value given in exchange for the release by Representative Plaintiffs and Settlement Class Members of the Released Claims. The Court finds that the consideration to be paid to members of the Settlement Class is reasonable, considering the facts and circumstances of the numerous types of claims and affirmative defenses asserted in the Litigation, and the potential risks and likelihood of success of alternatively pursuing trials on the merits.

6. The persons listed on Exhibit A hereto are found to have validly excluded themselves from the Settlement in accordance with the provisions of the Preliminary Approval Order.

7. It is in the best interests of the Parties and the Settlement Class Members, and consistent with principles of judicial economy, that any dispute between any Settlement Class Member and Sonic regarding a Settlement Matter (as defined below) should be presented exclusively to and resolved by this Court.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

8. The Settlement Agreement is finally approved as fair, reasonable, adequate, and in the best interests of the Settlement Class. The Parties are directed to consummate the Settlement Agreement in accordance with its terms. The Parties, and Settlement Class Members who did not timely exclude themselves from the Settlement Class, are bound by the terms and conditions of the Settlement Agreement.

9. The following Settlement Class is hereby finally certified, solely for purposes of this Settlement, pursuant to Federal Rule of Civil Procedure 23: All residents of the United States who made a purchase at one of the Impacted Sonic Drive-Ins and paid using a debit or credit card during the period of time from April 7, 2017 through October 28, 2017. The Settlement Class specifically excludes: (i) Sonic (as defined in Paragraph 1.31 of the Settlement Agreement); (ii) Sonic Franchisees (as defined in Paragraph 1.32 of the Settlement Agreement); (iii) Infor (as defined in Paragraph 1.15 of the Settlement Agreement); (iv) all Settlement Class Members who timely and validly request exclusion from and/or opt-out of the Settlement Class; (v) the Judge or Magistrate Judge to whom the action is assigned and, any member of those Judges' staffs or immediate family members; and (vi) 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 or occurrence of the Data Breach (as defined in Paragraph 1.10 of the Settlement Agreement) or who pleads *nolo contendere* to any such charge.

10. The requirements of Rule 23 have been satisfied for settlement purposes. The Settlement Class is so numerous that joinder of all members is impracticable; there are at least some questions of law or fact common to the Settlement Class, which common questions predominate over any questions affecting only individual members; the claims of the

Representative Plaintiffs are typical of the Settlement Class Members' claims; and the Representative Plaintiffs have fairly and adequately represented the interests of the Settlement Class.

11. The Court hereby confirms the preliminary appointment of Representative Plaintiffs as representatives of the Settlement Class. The Class Representatives have fairly and adequately represented the interests of the Settlement Class.

12. The Court hereby confirms the preliminary appointment of the following as Class Counsel: William B. Federman of Federman & Sherwood ("Lead Counsel"), Marc E. Dann of DannLaw ("Liaison Counsel"), Carin L. Marcussen of Federman & Sherwood, Brian D. Flick of DannLaw, Thomas A. Zimmerman, Jr. of Zimmerman Law Offices, P.C., Melissa R. Emert of Stull, Stull, & Brody, Michael Fuller of Olsen Daines, and Miles N. Clark of Knepper & Clark LLC. Class Counsel is experienced in complex class litigation and has fairly and adequately represented the interests of the Settlement Class.

13. The Settlement Administrator is directed to distribute according to the terms of the Settlement Agreement the consideration provided for under the Settlement Agreement to Settlement Class Members who have submitted Verified Claims.

14. The Releasing Parties release and forever discharge the Released Parties from the Released Claims, as set forth below:

Upon the Effective Date, each Settlement Class Member who has not timely opted-out of this Settlement, including Representative Plaintiffs, shall be deemed to have, and by operation of this Final Judgment shall have, completely, fully, finally, irrevocably, and forever released, relinquished, and discharged all Released Claims. Further, upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member who has not timely opted-out of this Settlement, including Representative Plaintiffs, shall, either directly, indirectly, representatively, as a member of or on behalf of the general public or in any capacity, be permanently barred and enjoined from commencing, prosecuting, or

participating in any recovery in any action in this or any other forum based on, relating to, concerning, or arising out of any of the Released Claims. It is the intent of the Parties that this Release shall not be considered, interpreted, or construed to prevent Settlement Class Members from pursuing claims related to the Data Breach against any person or entity that is not a “Released Person” as that term is defined in the Settlement Agreement.

“Released Claims” means any and all claims, rights, rights of set-off and recoupment, demands, actions, obligations, and causes of action of any and every kind, nature, and character, known and unknown, including without limitation, negligence, negligence per se, breach of contract, breach of implied contract, breach of fiduciary duty, breach of confidence, invasion of privacy, misrepresentation (whether fraudulent, negligent, or innocent), unjust enrichment, bailment, wantonness, failure to provide adequate notice pursuant to any breach notification statute or common law duty, any federal, state, or local statutory or regulatory claims, including, but not limited to, pursuant to consumer protection laws, unfair and deceptive trade practice laws, and further including, but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys’ fees, costs, and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, the appointment of a receiver, and any other form of relief that any Settlement Class Member has, has asserted, could have asserted, or could assert against any of the Released Persons based on, relating to, concerning, or arising out of the Data Breach (including, but not limited to, the theft or compromise of Personal Information) or the allegations, facts, or circumstances described in the Litigation. Released Claims shall also include Unknown Claims, as that term is defined in the Settlement Agreement.

15. Representative Plaintiffs and members of the Settlement Class are permanently enjoined and barred from commencing, prosecuting, or otherwise litigating, in whole or in part, either directly, representatively, derivatively, or in any other capacity, whether by a complaint, counterclaim, defense, or otherwise, in any local, state, or federal court, or in any agency or other authority or forum wherever located, any of their respective Released Claims. Any person or entity that knowingly violates such injunction shall pay the reasonable costs and attorneys’ fees incurred by the other party as a result of such violation.

16. The Court hereby awards Settlement Class Counsel \$_____ for attorneys' fees plus \$_____ for reimbursement of their litigation costs and expenses. The Court finds this award of attorneys' fees, costs and expenses is fair and reasonable.

17. The Court hereby approves the following payments of a service award to each of the twenty-two (22) Class Representatives in the amounts set forth below:

- (a) \$_____ for Representative Plaintiff Cornelius Bogard who prosecuted this action on behalf of the Settlement Class, attended court hearings, the mediation, answered discovery, and appeared for a deposition;
- (b) \$_____ for Representative Plaintiffs Megan MacKay and Denise Ramirez who each prosecuted this action on behalf of the Settlement Class, attended the mediation, answered discovery, and appeared for a deposition;
- (c) \$_____ for Representative Plaintiffs Septabeya Bean, John Dolembro, and Dometric Pearson, who each prosecuted this action on behalf of the Settlement Class, answered discovery, and appeared for a deposition, and
- (d) \$_____ for each of the 16 remaining Representative Plaintiffs: Patrick Blanford, Penny Bolin, Shadawna Carson, Carlton Donovan, Shannon Gannon, Henry Gil, Esmeralda Hernandez, Melvin Hildreth III, Vonda Hoover, Barbara Kelley, Mark Korabelnikov, Edward Ramirez, Paula Sbabo, Cassandra Sharp, Linda Sipple, and Angela Williams, who each prosecuted this action on behalf of the Settlement Class.

The Court finds the service awards are fair and reasonable.

18. Without affecting the finality of this judgment, the Court retains exclusive jurisdiction over the Settlement Agreement and all matters, disputes, claims or defenses arising

out of or related in any way to the Settlement Agreement, including without limitation its applicability, administration, and consummation (collectively, the “Settlement Matters”). The Court also retains exclusive jurisdiction as to the Settlement Matters over Representative Plaintiffs, members of the Settlement Class and the Sonic Defendants, each of whom are hereby deemed to have submitted irrevocably to the exclusive jurisdiction of this Court with regard to all Settlement Matters and to have waived any defenses based on personal jurisdiction, venue, or that the forum is inconvenient. Without limiting the generality of the foregoing, any dispute arising out of or related in any way to the Settlement Agreement, including, but not limited to, any suit, action, arbitration, or other proceeding by a Settlement Class Member in which the provisions of the Settlement Agreement are asserted as a defense in whole or in part to any claim or cause of action or otherwise raised as an objection, constitutes a Settlement Matter.

19. The Settlement Agreement and the proceedings taken and statements made pursuant to the Settlement Agreement or papers filed seeking approval of the Settlement Agreement, and this Order, are not and shall not in any event be construed as, offered in evidence as, received in evidence as, and/or deemed to be evidence of a presumption, concession, or an admission of any kind by any of the Parties of (i) the truth of any fact alleged or the validity of any claim or defense that has been, could have been, or in the future might be asserted in the Litigation, any other litigation, court of law or equity, proceeding, arbitration, tribunal, investigation, government action, administrative proceeding, or other forum, or (ii) any liability, responsibility, fault, wrongdoing, or otherwise of the Sonic Defendants. The Sonic Defendants have denied and continue to deny the claims asserted by Representative Plaintiffs. The Court makes no finding as to the merits of these claims. Nothing contained herein shall be construed to prevent a party from offering the Settlement Agreement into evidence for the purposes of enforcing its terms.

20. In the event that the Settlement Agreement is terminated pursuant to its terms or the Court's approval of the Settlement is reversed, vacated, or modified in any material respect by this or any other Court, the certification of the Settlement Class shall be deemed vacated, the Litigation shall proceed as if the Settlement Class had never been certified (including but not limited to the Parties' rights to engage in discovery and the Sonic Defendants' right to oppose any subsequent motion for class certification), and no reference to the Settlement Class, this Settlement Agreement, or any documents, communications, or negotiations related in any way hereto shall be made for any purpose.

21. The Action is hereby **DISMISSED WITH PREJUDICE** and without costs. This judgment has been entered without any admission by the Sonic Defendants as to the merits of any of Representative Plaintiffs' allegations in the Litigation.

22. The Court directs the Clerk to enter final judgment.

SO ORDERED.

Dated: _____

Hon. James S. Gwin
United States District Court Judge

Exhibit 2

SONIC DATA BREACH LITIGATION SETTLEMENT TIMELINE

CAFA Notice to appropriate government officials must be given not later than 10 days after the proposed class action settlement is provided to the Court.

Preliminary Approval Order Entered by the Court (§12.1) →

10/31/18**(All other dates change automatically)**

30 days

30 days

Sonic Transfers \$4,325,000
to Settlement Administrator
Admin. (§4.1) →**11/30/18**Internet & Facebook Banner Notice Submitted,
In-Store Notice Submitted to Sonic & Website Notice Put Up,
Settlement Website Goes Live,
Publication Notice Submitted
(§§7.2.1, 7.2.2, 7.2.3, 7.2.4, 7.3, 7.7) →**11/30/18**Petition for Fees and Service
Awards Filed (§§10.1, 10.7) →**2/14/19**

90 days

14 days

162 DaysObjection & Opt-Out Deadline,
Claims Deadline (§§1.4, 8.1.3, 9.1.1) →**2/28/19**

14 days

Settlement Admin. Gives Declaration re.
Notice, Opt-Outs, and Claims to Parties'
Counsel (§§6.1, 7.6, 8.1.2) →**3/14/19**

30 days

Deadline for Settlement Admin. to
Notify Claimants of Defects in
Claim Forms, and for Parties to demand
Proof of Purchase (§§ 5.3, 5.6) →**3/30/19**Motion for Final Approval
Filed (§13.1) →**3/28/19**

14 days

Fairness Hearing and Entry of Judgment
(To Be Set In Prelim.App.Ord.) →**4/11/19**

10 days

30 days

Attorneys' Fees &
Costs Transferred to Escrow
Acct. by Settlement Admin.
(§10.3) →**4/21/19**

31 days

Deadline for Claimants to Cure
Defect in Claim Form, and to provide
Proof of Purchase. Sonic may also
demand additional Proof of
Purchase (§§ 5.3, 5.6) →**4/29/19**

45 days

Deadline for Settlement Admin. to Provide
Verified Claims Report (§ 6.1) →**5/14/19**

Effective Date (§14.1) →

5/12/19

30 days

60 days

Settlement Admin. Pays
Verified Claims (§6.2) →**7/11/19**

90 days

Deadline for Settlement Admin. to
Accept/Reject Cured Claims (§ 5.4) →**5/29/19**

Settlement Checks Void (§6.4) →

10/9/19

Exhibit 3



The Aftermath of a Data Breach: Consumer Sentiment

Sponsored by Experian® Data Breach Resolution

Independently conducted by Ponemon Institute LLC

Publication Date: April 2014



The Aftermath of a Data Breach: Consumer Sentiment

Ponemon Institute, April 2014

Part 1. Introduction

Data breaches are in the headlines and on the minds of both businesses and consumers. While much of the dialog has been driven by companies that experienced a data breach, this new study sponsored by Experian® Data Breach Resolution explores consumers' sentiments about data breaches. Our goal is to learn the affect data breaches have on consumers' privacy and data security concerns. A similar study was conducted in 2012 and reveals some interesting trends in consumers' perceptions.

As part of the study, we asked consumers who were victims of a data breach questions about their experience. It may not come as a surprise that individuals who have had their personal information lost or stolen increased 100 percent since the 2012 study when only 25 percent of individuals surveyed were victims of a data breach.

For purposes of this research, we define a data breach as the loss or theft of information that can be used to uniquely identify, contact or locate you. This includes, but is not limited to, such information as Social Security number, IP address, driver's license number, credit card numbers and medical records.

A total of 797 individuals were surveyed and approximately 400 of these respondents say they were the victims of a data breach. By far, the primary consequence of a data breach is suffering from stress (76 percent of respondents) followed by having to spend time resolving problems caused by the data breach (39 percent of respondents).

The major themes of this research are as follows:

- Consumers' perceptions about organizations' responsibility to the victims.
- Trends in the experiences of data breach victims.
- The impact of media coverage on consumer sentiment about data breaches.

Following are some of the most salient findings of this research:

What companies should do following a data breach. Most consumers continue to believe that organizations should be obligated to provide identity theft protection (63 percent of respondents), credit monitoring services (58 percent) and such compensation as cash, products or services (67 percent). These findings are similar to the findings in the 2012 study.

Credit card companies and retail stores sent the most notifications. Sixty-two percent of respondents say they received two data breach notifications involving separate incidents. These notifications can be in the form of a letter, telephone call, email or public notice.

Becoming a victim of a data breach increases fears about becoming an identity theft victim. Prior to having their personal information lost or stolen, 24 percent say they were extremely or very concerned about becoming a victim of identity theft. Following the data breach, this concern increased significantly to 45 percent. Forty-eight percent of respondents say their identity is at risk for years or forever.

How important is media coverage of data breaches? The majority of respondents believe it is important for the media to report details about data breaches. Mainly because it requires companies to be more responsive to victims followed by the creation of greater awareness about how the data breach could affect individuals and alerts potential victims to take action to protect their personal information from identity theft.

Part 2. Key findings

In this section, we provide an analysis of the key results. The complete audited findings are presented in the appendix of this report.

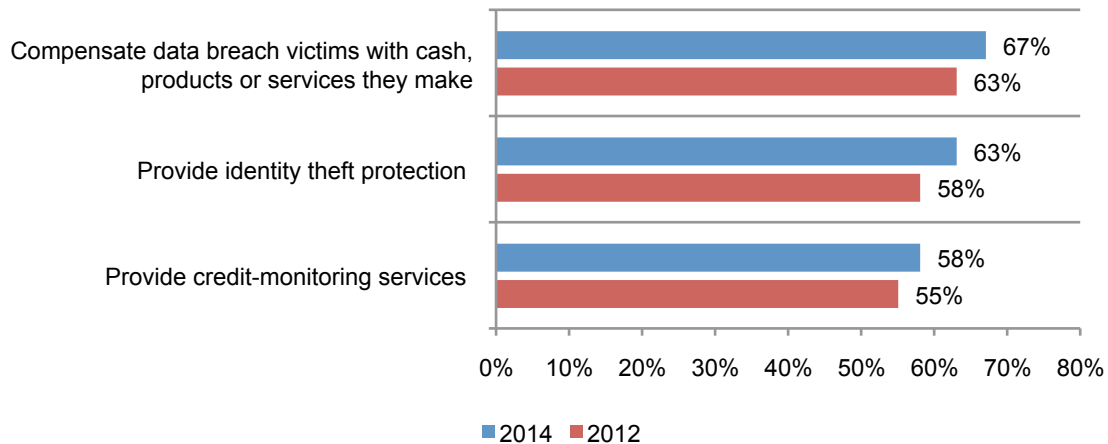
- Consumers' perceptions about organizations' responsibility to the victims
- Trends in the experiences of data breach victims
- The impact of media coverage on consumer sentiment about data breaches

Consumers' perceptions about organizations' responsibility to the victims

What companies should do following a data breach. Most consumers continue to believe that organizations should be obligated to provide identity theft protection (63 percent of respondents), credit monitoring services (58 percent) and such compensation as cash, products or services (67 percent), as shown in Figure 1. These findings are similar to the findings in the 2012 study.

Figure 1. Organization's obligation following a data breach

Strongly agree and agree responses combined

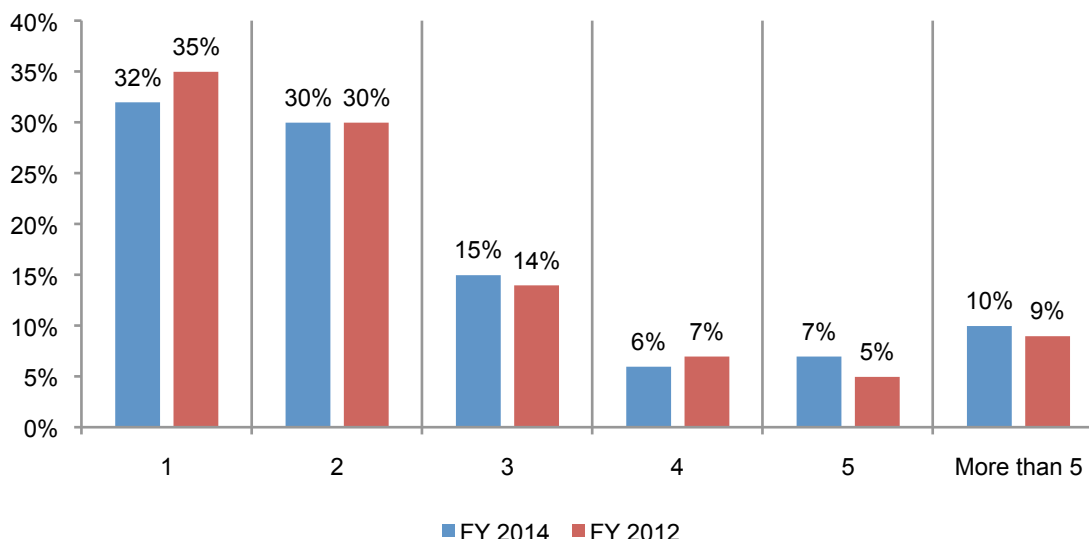


Trends in the experiences of data breach victims

As part of the study, we asked consumers who were victims of a data breach questions about their experience. Fifty percent of respondents in this year's study say they received at least one data breach notification. Only respondents who had a data breach in the past two years participated in this part of the study.

Credit card companies and retail stores sent the most notifications. According to Figure 2, 62 percent of respondents say they received two data breach notifications involving separate incidents. These notifications can be in the form of a letter, telephone call, email or public notice.

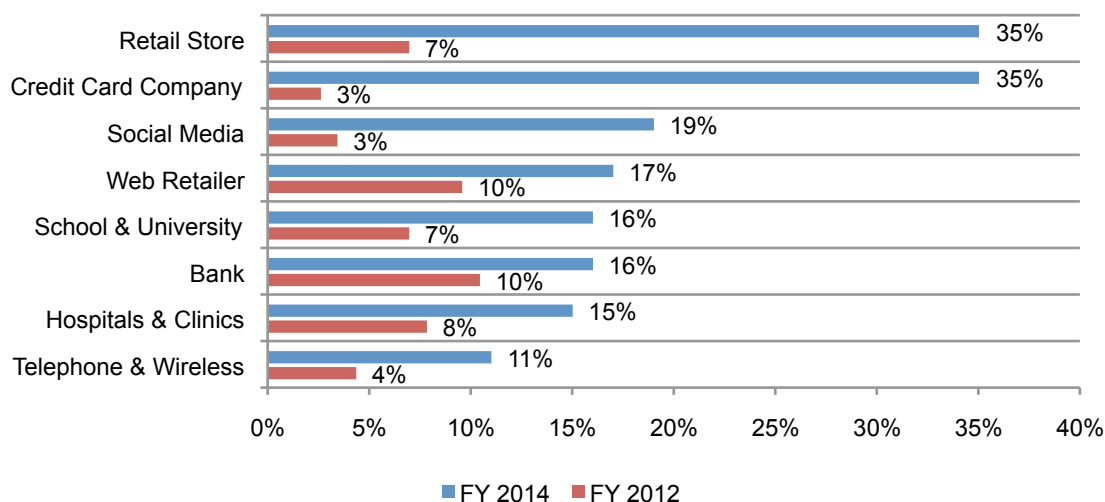
Figure 2. Number of data breach notifications received for different incidents in the past 2 years



Respondents say most notifications came from credit card companies, retail stores, social media, web retailer, banks and schools & universities, as shown in Figure 3. Since 2012, there were significant increases in notifications from certain industries.

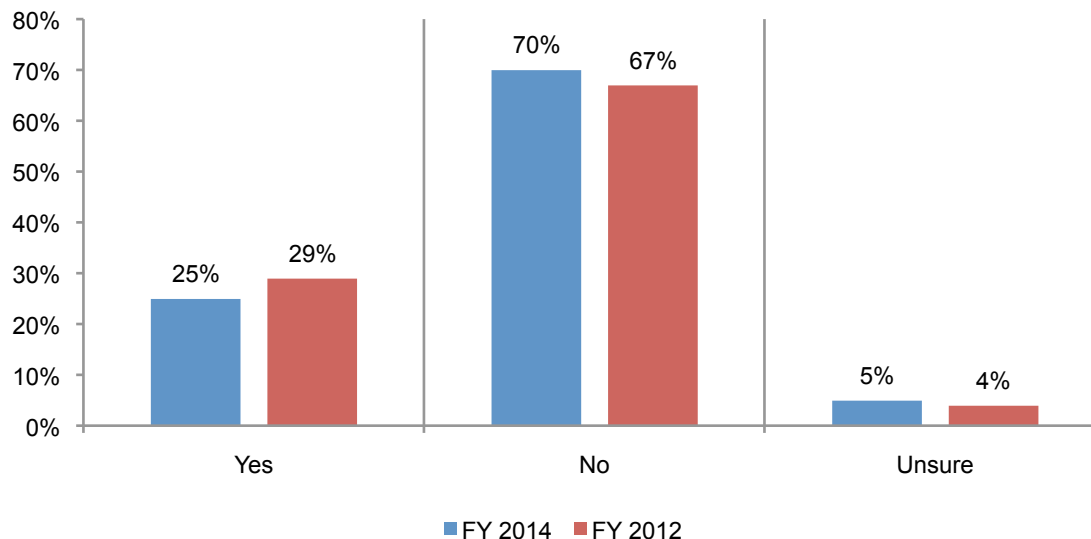
Figure 3. Types of organizations that sent notifications

More than one response permitted



Identity theft protection is not often offered in the notification. As shown in Figure 4, only 25 percent of data breach notifications offered identity theft protection such as credit monitoring or fraud resolution services. This is a slight decrease from 2012 when 29 percent of respondents received such an offer.

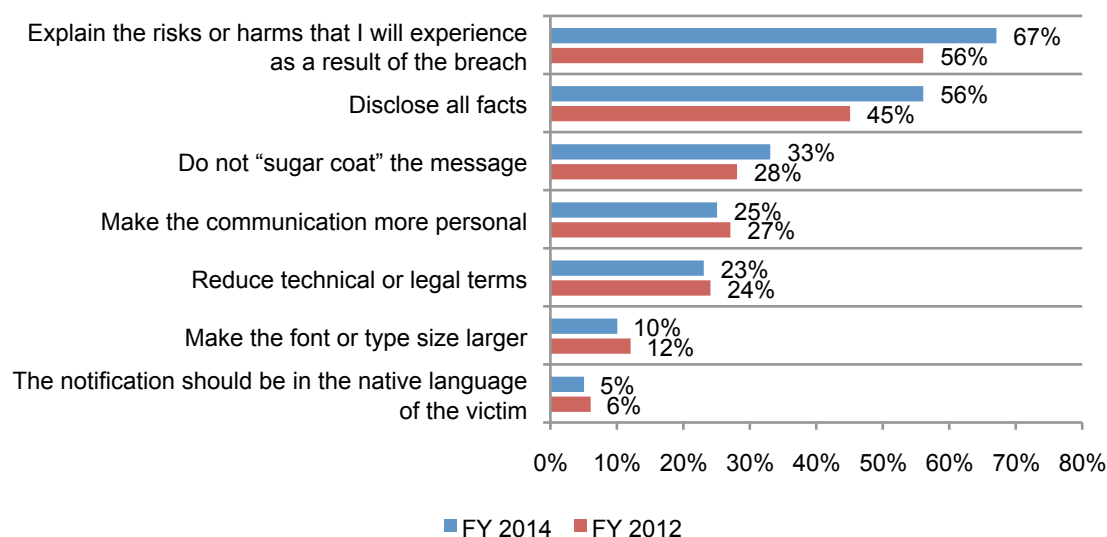
Figure 4. Did any of the notifications offer identity theft protection?



Notifications should focus on facts and what harms are possible. Consumers' sentiments about how data breach notifications can be improved have not changed since 2012. However, respondents are even more adamant that notifications should explain the risks or harms they are most likely to experience as a result of a data breach and disclose all the facts, as shown in Figure 5. They also do not want companies to "sugar coat" the message.

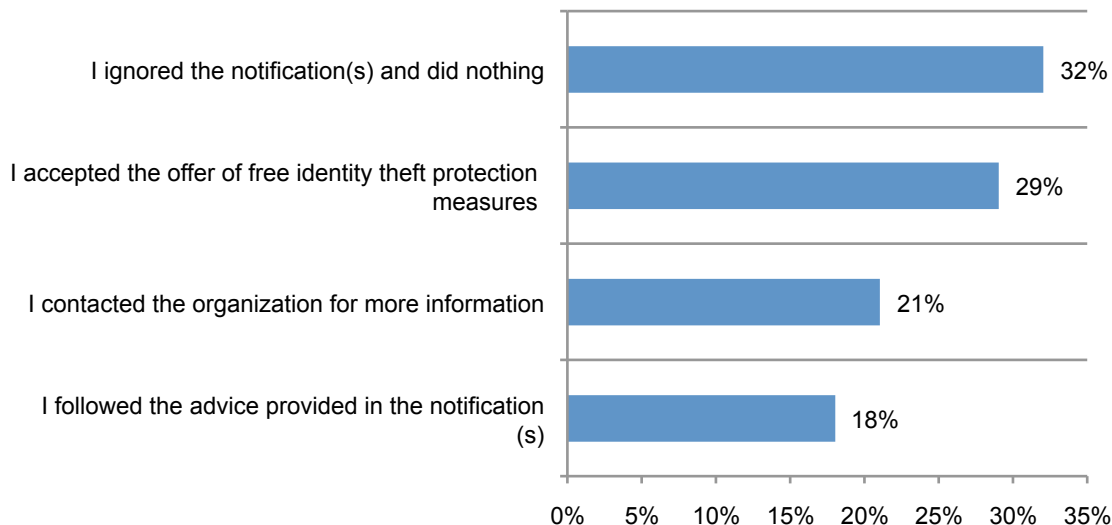
Figure 5. What could the organization do to improve the communication?

Two responses permitted



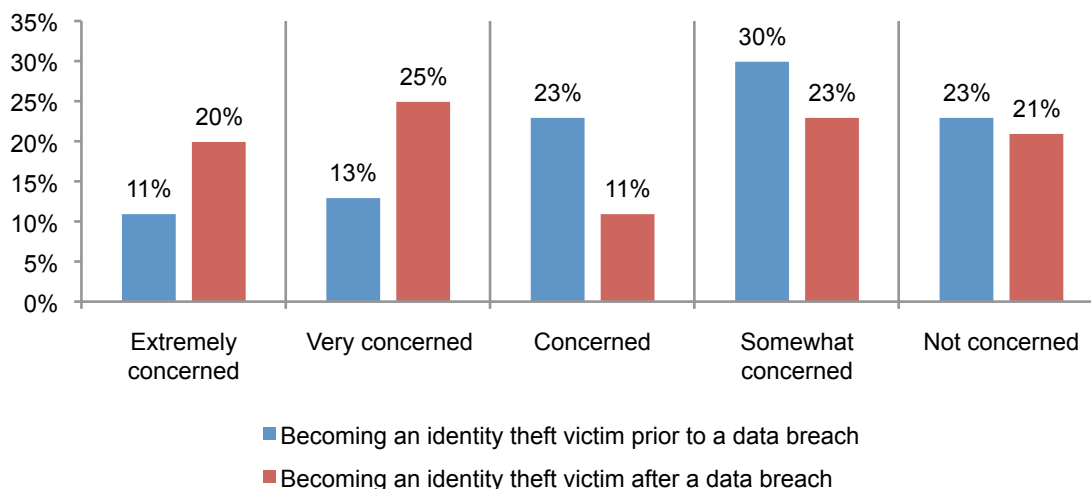
Consumers mostly ignore the notification. The most frequent response to a notification is to ignore it and do nothing (32 percent of respondents) followed by the acceptance of free identity theft protection measures such as credit monitoring or fraud resolution services, as shown in Figure 6.

Figure 6. How did you respond to the notifications you received in the past two years?



Becoming a victim of a data breach increases fears about becoming an identity theft victim. Prior to having their personal information lost or stolen, 24 percent say they were extremely or very concerned about becoming a victim of identity theft, as revealed in Figure 7. Following the data breach, this concern increased significantly to 45 percent. Forty-eight percent of respondents say their identity is at risk for years or forever.

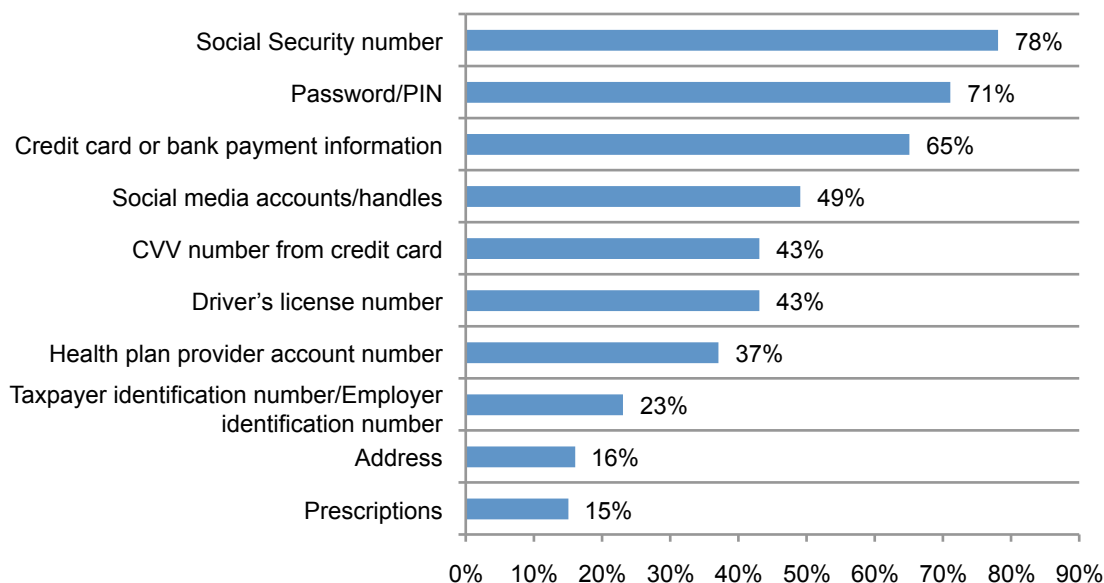
Figure 7. Concerned about becoming an identity theft victim



Respondents worry about their Social Security numbers and passwords. While 50 percent say the specific data stolen or lost was their name, 43 percent do not know what personal information was involved in the data breach. Figure 8 reveals the personal data respondents are most concerned about. Seventy-eight percent of respondents say they worry most about having their Social Security number stolen followed by passwords and PIN (71 percent) and credit card or bank payment information (65 percent).

Figure 8. Personal data if lost or stolen would cause the most stress and financial loss

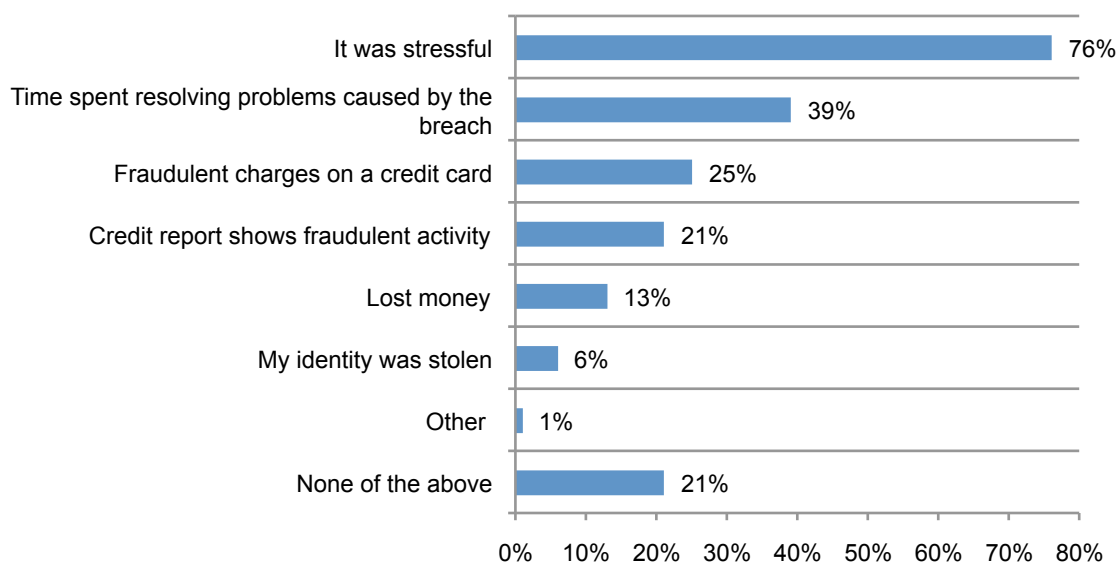
Five responses permitted



By far, the biggest impact of the data breach was stress (76 percent of respondents). This is followed by having to spend time resolving problems caused by the data breach (39 percent of respondents). Only 6 percent say they found out that their identity was stolen, see Figure 8.

Figure 9. What happened as a result of the data breach?

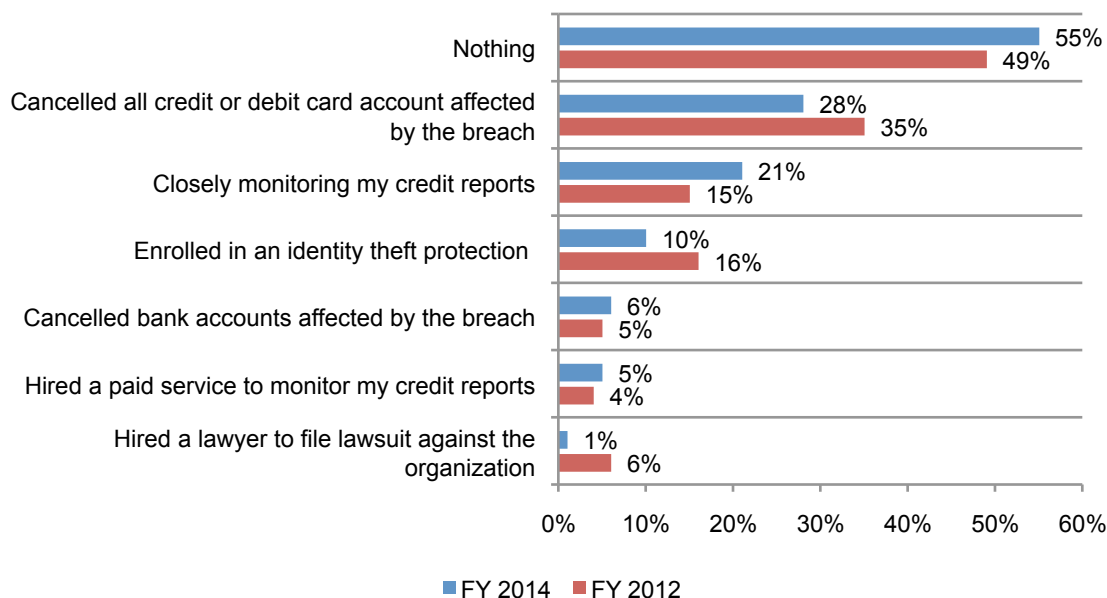
More than one response permitted



Financial consequences of a data breach are insignificant. Eighty-one percent of respondents who were victims of a data breach did not have any out-of-pocket costs. If they did, it averaged about \$38. Thirty-four percent say they were able to resolve the consequences of the breach in one day. Perhaps because the financial consequences are insignificant, 55 percent say they have done nothing to protect themselves and their family from identity theft, as shown in Figure 10.

Figure 10. Steps taken to protect yourself from identity theft

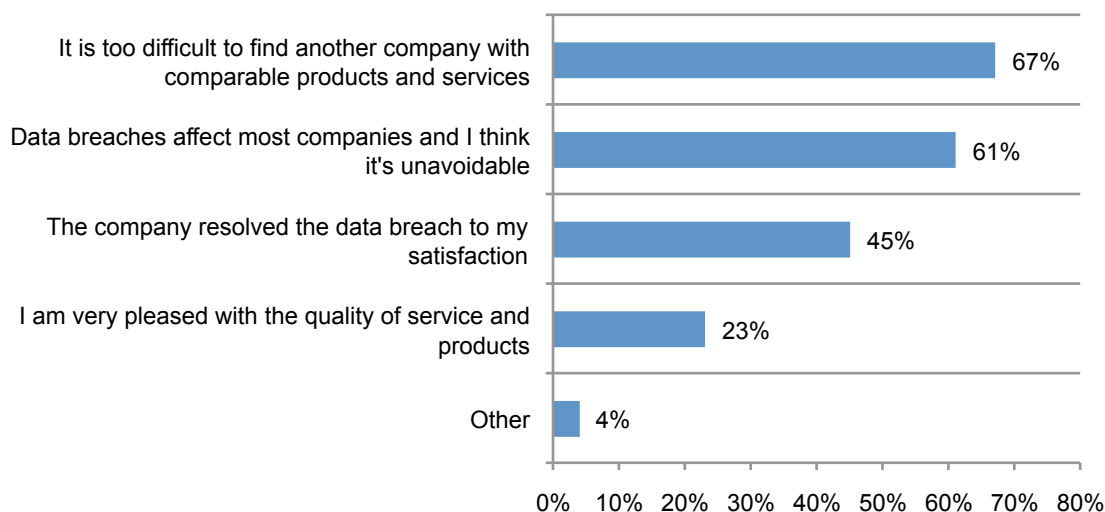
More than one response permitted



Respondents rarely discontinued their relationship with the company that had a data breach. Seventy-one percent of respondents say they did not leave the company primarily because it is too difficult to find another company with comparable products and services (67 percent of respondents) and data breaches affect most companies and they think it is unavoidable (61 percent of respondents), as shown in Figure 11.

Figure 11. Reasons for continuing a relationship with the company after a data breach

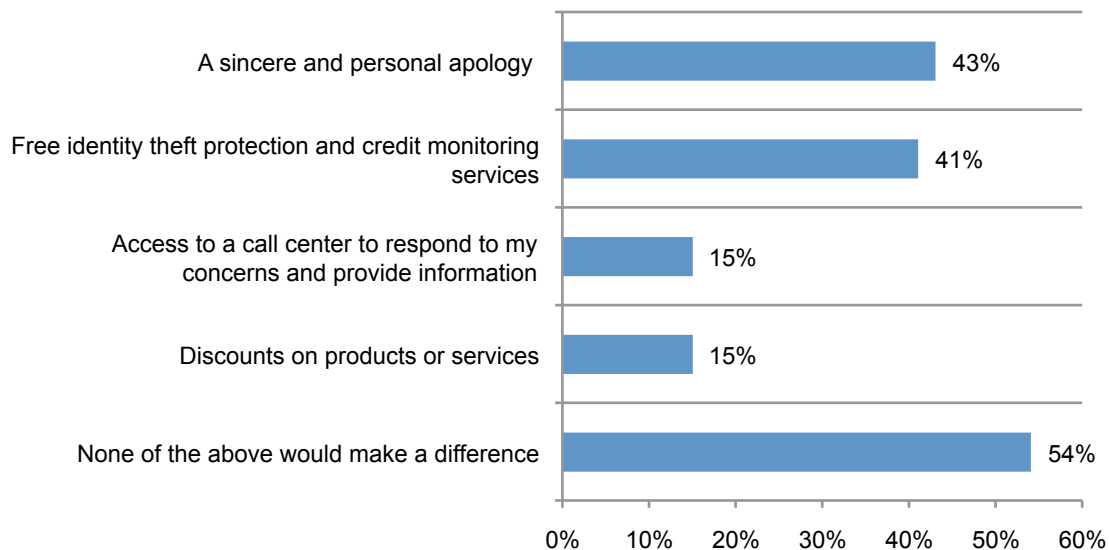
Two responses permitted



What would encourage someone to stay a customer? According to Figure 12, the majority of those respondents (54 percent) who say they discontinued the relationship said nothing would make a difference. This is followed by a sincere and personal apology (43 percent of respondents) and free identity theft protection and credit monitoring services (41 percent of respondents).

Figure 12. What could be done to prevent you from discontinuing your relationship?

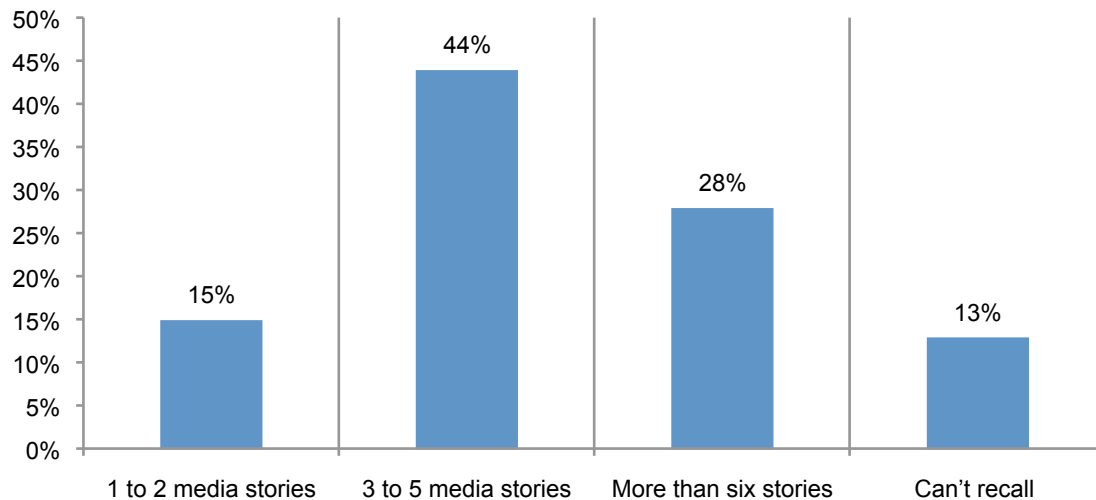
Two responses permitted



The impact of media coverage on consumer sentiment about data breaches

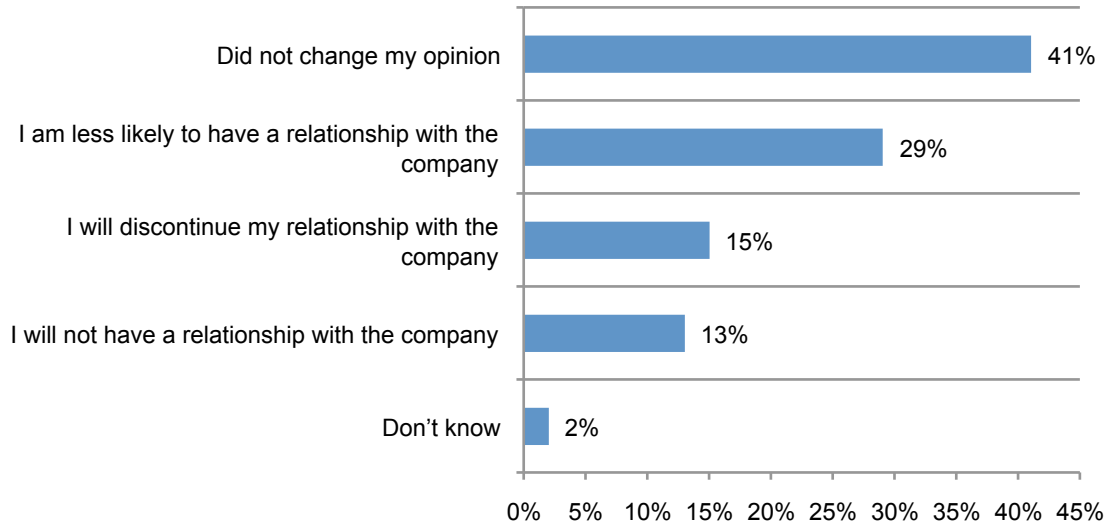
How aware are respondents about media coverage of data breaches? Seventy-two percent of all respondents in this research say that they have heard or read about at least three stories about a data breach reported in the media in the past two years and 13 percent can't recall how many media stories they heard or read about, as shown in Figure 13. The Internet and newspapers are the primary source for the news about data breaches.

Figure 13. How frequently did you hear or read about a data breach reported in the media in the past two years?



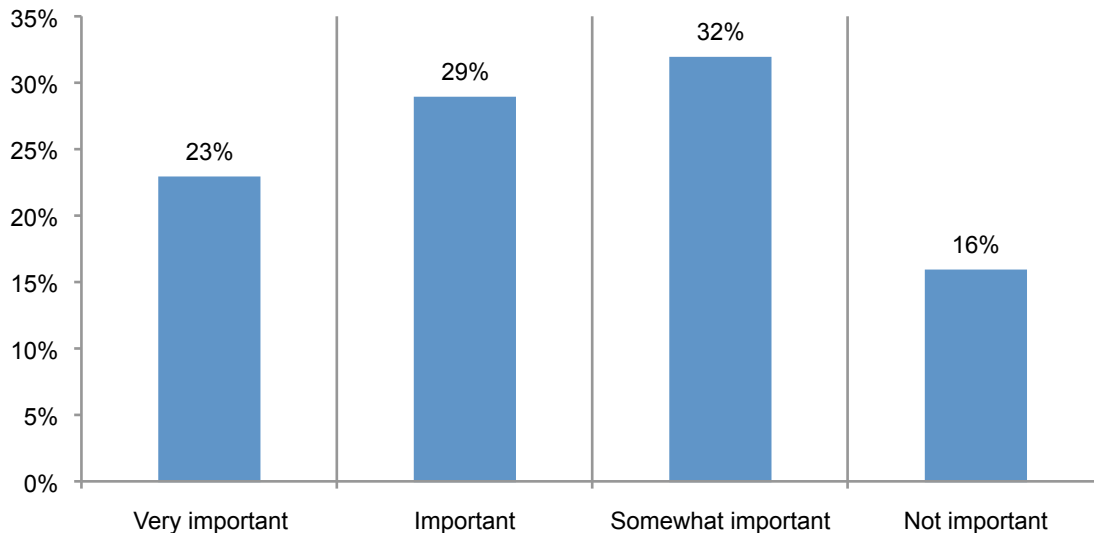
Media coverage about data breaches involving retail stores, social media and credit card companies were the most memorable for respondents. However, 41 percent of respondents reading or hearing about the data breaches say it did not change their opinion about the company, as shown in Figure 13. Only 29 percent say they are less likely to have a relationship with the company. Only 29 percent say they are less likely to have a relationship with the company. Only 29 percent say they are less likely to have a relationship with the company.

Figure 13. How did reading about the data breach affect your opinion about the company?



How important is media coverage? According to Figure 14, the majority of respondents believe it is important for the media to report details about data breaches. Mainly because it requires companies to be more responsive to victims followed by the creation of greater awareness about how the data breach could affect individuals and alerts potential victims to take action to protect their personal information from identity theft.

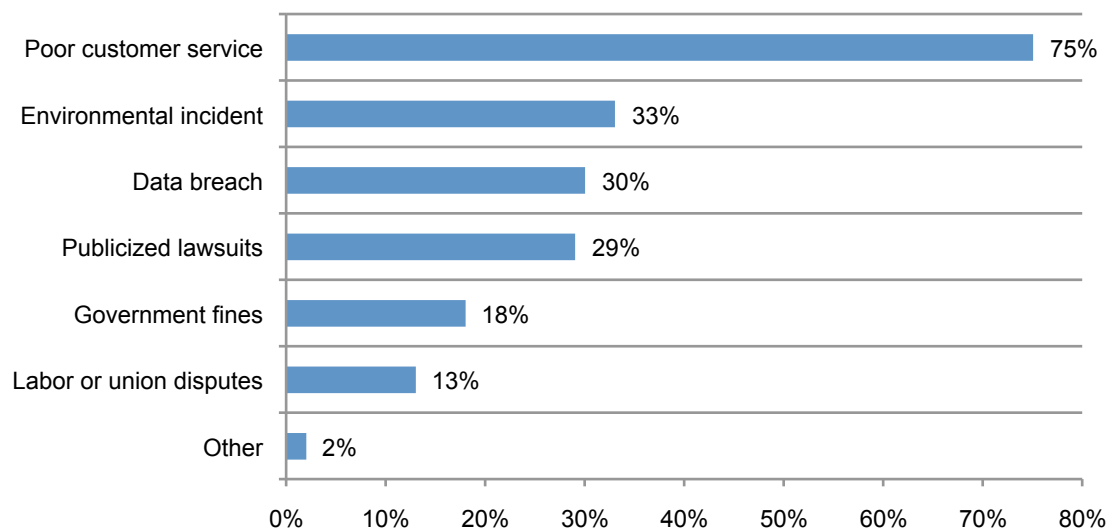
Figure 14. How important is it for the media to report details about data breaches?



What affects reputation most? Data breaches are in the top 3 of incidents that affect reputation. As shown, the biggest reputation spoiler is poor customer service, according to 75 percent of respondents, as shown in Figure 15.

Figure 15. The incident that would have the greatest impact on a company's reputation

Two responses permitted



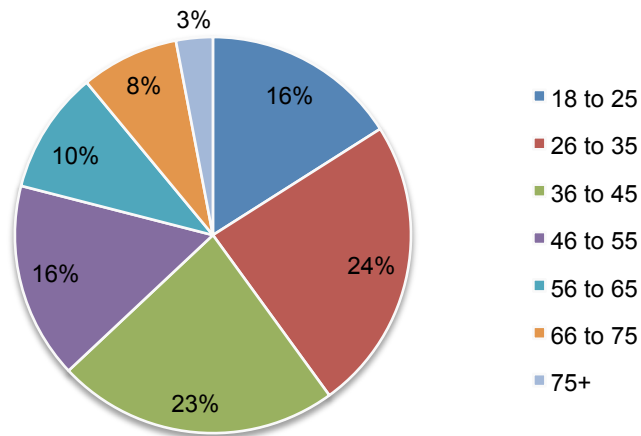
Part 3. Methods

A randomized sampling frame consisting of 20,088 adult-aged individuals who reside within the United States were selected to participate in this survey. A total of 906 respondents completed the survey. Screening and failed reliability checks required us to remove 109 surveys. The final sample includes 797 surveys with a 4.0 percent response rate.

Table 1. Sample response	Freq	Pct%
Sampling frame	20,088	100%
Returned surveys	906	4.5%
Screened or rejected surveys	109	0.5%
Final sample	797	4.0%

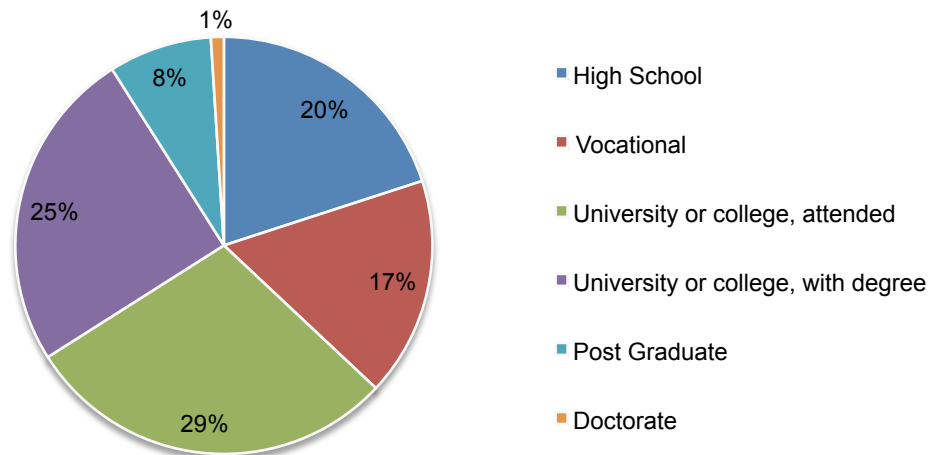
Pie Chart 1 shows 47 percent of respondents say they are between the ages of 26 and 45. Eleven percent are above 65 years.

Pie Chart 1. Age range of respondents



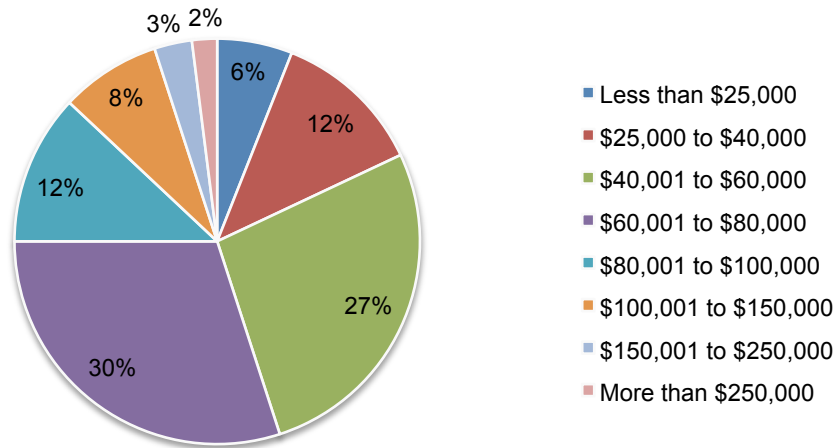
Pie Chart 2 shows 54 percent of respondents say they have attended a university or college. Twenty-five percent say they completed a bachelor's degree.

Pie Chart 2. Highest level of education attained by respondents



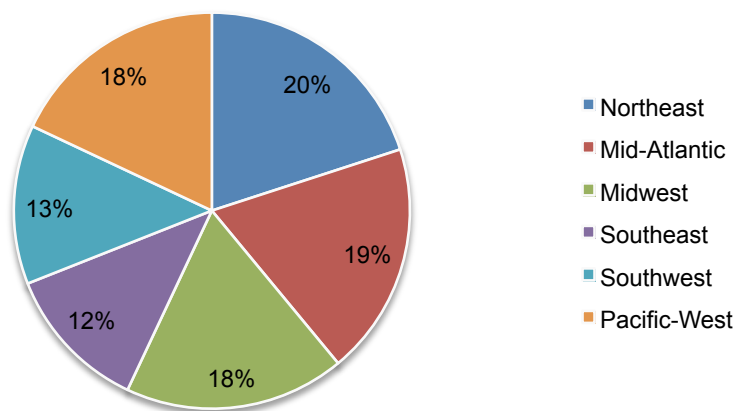
According to Pie Chart 3, 45 percent of respondents say they have household incomes at or below \$60,000. Less than 2 percent say their household income is above \$250,000.

Pie Chart 3. Annual household income of respondents



Pie Chart 4. U.S. regional location of respondents

Pie Chart 4 shows 20 percent of respondents are located in the Northeast region and 19 percent located in the Mid-Atlantic region. Both the Midwest and Pacific-West regions each represents 18 percent of the sample. The Southeast represents the smallest regional segment at 12 percent.





Part 4. Caveats

There are inherent limitations to survey research that need to be carefully considered before drawing inferences from findings. The following items are specific limitations that are germane to consumer-based surveys.

- **Non-response bias:** The current findings are based on a sample of survey returns. We sent surveys to a representative sample of adult-aged consumers located in all regions of the United States, resulting in a large number of usable returned responses. Despite non-response tests, it is always possible that individuals who did not participate are substantially different in terms of their underlying beliefs than those who decided to complete the survey.
- **Sampling-frame bias:** The accuracy is based on contact information and the degree to which the sample is representative of individuals who are likely to receive data breach notifications. We also acknowledge that the results may be biased by external events such as media coverage at the time we fielded our survey. Because we used a web-based collection method, it is possible that non-web responses would have resulted in a different pattern of findings.
- **Self-reported results:** The quality of survey research is based on the integrity of confidential responses received from subjects. While certain checks and balances can be incorporated into the survey process, there is always the possibility that certain respondents did not provide accurate responses.



Appendix: Detailed Survey Results

The following tables provide the frequency or percentage frequency of responses to all survey questions contained in this study. All survey responses were captured over a six-week period ending in March, 2014.

Part 1: Attributions: Please rate the following statements using the five-point scale provided below each item.	Strongly agree	Agree
Q1. Organizations should be obligated to provide identity theft protection following a data breach involving the loss or theft of my personal information.	31%	32%
Q2. Organizations should be obligated to provide credit-monitoring services following a data breach involving the loss or theft of my personal information.	30%	28%
Q3. Organizations should be obligated to compensate data breach victims with cash, products or services they make.	40%	27%

Part 2. Data breach experience

Q4. Has any organization ever notified you about a data breach that involved your personal information?	FY 2014
Yes	50%
No [Proceed to Part 3]	18%
Cannot recall [Proceed to Part 3]	32%
Total	100%

Only victims of a data breach will respond to the following questions: Q5 to Q20.

Q5. How many data breach notifications as described above, representing <u>different incidents</u> , have you received in the past 2 years?	FY 2014
1	32%
2	30%
3	15%
4	6%
5	7%
More than 5	10%
Total	100%

Q6. Did any of the notifications offer identity theft protection such as credit monitoring or fraud resolution services?	FY 2014
Yes	25%
No	70%
Unsure	5%
Total	100%

Q7. What could the organization do to improve the communication? Please check the top two choices only.	FY 2014
Reduce technical or legal terms	23%
Do not "sugar coat" the message	33%
Make the communication more personal	25%
Disclose all facts	56%
Explain the risks or harms that I will most likely experience as a result of the breach	67%
Make the font or type size larger	10%
The notification should be in the native language of the victim	5%
Other (please specify)	0%
Total	219%

Q8. How did you respond to the one or more notifications you received in the past two years? Please check one response only	FY 2014
I ignored the notification(s) and did nothing	32%
I followed the advice provided in the notification(s)	18%
I contacted the organization for more information	21%
I accepted the offer of free identity theft protection measures such as credit monitoring or fraud resolution services	29%
Total	100%

Q9. Have you been the victim of one of the following mega data breaches? Check all that apply.	FY 2014
Target	33%
Snapchat	2%
Coca-Cola	0%
Michaels	5%
Adobe	22%
LinkedIn	16%
J P Morgan Chase	3%
Twitter	11%
Facebook	16%
Apple	15%
Walgreens	2%
Google Chrome	6%
Nationwide Mutual Insurance	8%
South Carolina Dept of Revenue	9%
Sony	29%
Nieman Marcus	4%
None of the above	34%
Total	215%

Q10. Prior to the data breach(s), how concerned were you that you would become an identity theft victim?	FY 2014
Extremely concerned	11%
Very concerned	13%
Concerned	23%
Somewhat concerned	30%
Not concerned	23%
Total	100%

Q11. Following the data breach(s), how concerned are you that you will now become an identity theft victim?	FY 2014
Extremely concerned	20%
Very concerned	25%
Concerned	11%
Somewhat concerned	23%
Not concerned	21%
Total	100%



Q12. Please indicate the specific data that was lost or stolen? Check all that apply	FY 2014
Name	50%
Address	26%
Email address	22%
Telephone or mobile number	27%
Age/DOB	5%
Driver's license number	1%
Gender	2%
Marital status	1%
Employer	6%
Insurance policy number	6%
CVV number from credit card	15%
Educational background	0%
Credit card or bank payment information	38%
Credit or payment history	9%
Password/PIN	21%
Prescriptions	2%
Social media accounts/handles	15%
Health plan provider account number	10%
Taxpayer identification number/Employer identification number	2%
Social Security number	26%
Other (please specify)	2%
Don't know	43%

Q13. What personal data if lost or stolen in this data breach do you believe would cause you the most stress and financial loss? Please select the top 5 only.	FY 2014
Name	5%
Address	16%
Email address	12%
Telephone or mobile number	6%
Age/DOB	5%
Driver's license number	43%
Gender	1%
Marital status	0%
Employer	11%
Insurance policy number	10%
CVV number from credit card	43%
Educational background	1%
Credit card or bank payment information	65%
Credit or payment history	9%
Password/PIN	71%
Prescriptions	15%
Social media accounts/handles	49%
Health plan provider account number	37%
Taxpayer identification number/Employer identification number	23%
Social Security number	78%
Other (please specify)	0%
Total	500%

Q14. Please indicate the type of organization that reported the data breach to you? Please check all organizations that sent you a notice.	FY 2014
Airline	0%
Bank	16%
Cable Company	0%
Catalogue Merchant	0%
Charitable Organization	6%
Court & Public Records	0%
Credit Card Company	35%
Drug Store	0%
Electric & Gas Utility	0%
Gaming	5%
Grocery Store	8%
Hospitals & Clinics	15%
Hotel	8%
Information Broker	0%
Insurance Company	8%
Internet Service Provider	5%
Financial Advisor	2%
Law Enforcement	0%
Legal & Accounting Firms	0%
Mail or Postal Services	0%
Railways or Bus Line	0%
Retail Store	35%
School & University	16%
Social Media	19%
State & Local Gov Agency	9%
Telephone & Wireless	11%
Travel Agency	0%
Web Retailer	17%
Other (please specify)	2%

Q15. What happened to you as a result of the data breach? Check all that apply.	FY 2014
I found out that my identity was stolen	6%
I have had to spend time resolving problems caused by the breach	39%
I have had fraudulent charges on my credit card	25%
My credit report shows fraudulent activity	21%
It was stressful	76%
I lost money	13%
None of the above	21%
Other (please specify)	1%
Total	202%



Q16. What were your out-of-pocket costs to resolve the consequences of the data breach?	FY 2014
Zero	81%
Less than \$10	9%
Between \$10 and \$50	5%
Between \$51 and \$100	3%
Between \$101 and \$500	1%
Between \$501 and \$1,000	0%
Between \$1,001 and \$5,000	1%
Between \$5,001 and \$10,000	0%
Between \$10,001 and \$25,000	0%
Between \$25,001 and \$50,000	0%
Between \$50,001 and \$100,000	0%
Greater than \$100,000	0%
Total	100%

Q17. How long did it take to resolve the consequences of the breach?	FY 2014
1 day	34%
1 week	21%
1 month	12%
3 months	4%
6 months	2%
12 months	5%
More than 1 year	7%
Never resolved	15%
Total	100%

Q18. What are you doing to protect yourself from identity theft? Check all that apply..	FY 2014
Nothing	55%
Cancelled all credit or debit card account affected by the breach	28%
Cancelled bank accounts affected by the breach	6%
I am closely monitoring my credit reports	21%
I hired a paid service to monitor my credit reports	5%
I enrolled in an identity theft protection	10%
I hired a lawyer to file lawsuit against the organization	1%
Total	126%

Q19a. Did you discontinue your relationship with the company after the data breach?	FY 2014
Yes	29%
No	71%
Total	100%

Q19b. If yes, what could the company have done to prevent you from discontinuing the relationship? Please select the top two reasons	FY 2014
Free identity theft protection and credit monitoring services	41%
A sincere and personal apology (not a generic notification)	43%
Discounts on products or services	15%
Gift cards	8%
Access to a call center to respond to my concerns and provide information	15%
None of the above would make a difference	54%
Total	176%

Q19c. If no, why did you continue your relationship with the company? Please select the top two reaches	FY 2014
I am very pleased with the quality of service and products	23%
The company resolved the data breach to my satisfaction	45%
Data breaches affect most companies and I think unavoidable	61%
It is too difficult to find another company with comparable products and services	67%
Other	4%
Total	200%

Q20. How long following the data breach do you believe your identity is at risk?	FY 2014
Days	23%
Weeks	14%
Months	15%
Years	22%
Forever	26%
Total	100%

Part 3. Media coverage of data breaches (all respondents)

Q21. How frequently did you hear or read about a data breach reported in the media in the past two years?	FY 2014
None	0%
1 to 2 media stories	15%
3 to 5 media stories	44%
More than six stories	28%
Can't recall how many media stories	13%
Total	100%

Q22. If you heard or read about a data breach in the media, what was the source of the news? Check all that apply.	FY 2014
Radio	19%
Television	39%
Newspapers	40%
Internet	48%
Social media	26%
Total	172%

Q23. After reading about the data breach in the media, how did it affect your opinion about the company?	FY 2014
Did not change my opinion	41%
I am less likely to have a relationship with the company	29%
I will not have a relationship with the company	13%
I will discontinue my relationship with the company	15%
Don't know	2%
Total	100%

Q24. From the list below, please check the types of organizations that you remember had their data breach reported in the media.	FY 2014
Airline	0%
Bank	26%
Cable Company	0%
Catalogue Merchant	0%
Charitable Organization	12%
Court & Public Records	0%
Credit Card Company	44%
Drug Store	2%
Electric & Gas Utility	0%
Gaming	3%
Grocery Store	8%
Hospitals & Clinics	13%
Hotel	16%
Information Broker	4%
Insurance Company	10%
Internet Service Provider	11%
Financial Advisor	2%
Law Enforcement	8%
Legal & Accounting Firms	0%
Mail or Postal Services	0%
Railways or Bus Line	0%
Retail Store	91%
School & University	24%
Social Media	67%
State & Local Gov Agency	39%
Telephone & Wireless	20%
Travel Agency	0%
Web Retailer	60%
Other (please specify)	5%

Q25a. How important is it for the media to report details about data breaches?	FY 2014
Very important	23%
Important	29%
Somewhat important	32%
Not important	16%
Total	100%

Q25b. If important, why?	FY 2014
Provides information about the data breach before the company can notify the victims	11%
Creates greater awareness about how the data breach could affect individuals	54%
Alerts potential victims to take action to protect their personal information from identity theft	53%
Requires companies to be more responsive to victims	67%
Could increase the services and financial compensation to victims	12%
None of the above	30%
Total	227%

Q26. In your opinion, what incident involving a company would have the greatest impact on its reputation? Select the top two.	FY 2014
Poor customer service	75%
Labor or union disputes	13%
Environmental incident	33%
Data breach	30%
Government fines	18%
Publicized lawsuits	29%
Other	2%
Total	200%

Part 4. Demographics

D1. Gender	FY 2014
Female	51%
Male	49%
Total	100%

D2. Age range	FY 2014
18 to 25	17%
26 to 35	23%
36 to 45	23%
46 to 55	16%
56 to 65	9%
66 to 75	8%
75+	4%

D3. Household income range	FY 2014
Less than \$25,000	6%
\$25,000 to \$40,000	12%
\$40,001 to \$60,000	27%
\$60,001 to \$80,000	30%
\$80,001 to \$100,000	12%
\$100,001 to \$150,000	8%
\$150,001 to \$250,000	3%
More than \$250,000	2%
Total	100%

D4. Highest level of education	FY 2014
High School	19%
Vocational	18%
College (attended, no degree)	28%
College (4 year degree)	25%
Post Graduate	9%
Doctorate	1%
Total	100%

Are you or another member of your immediate family an identity theft victim?	FY 2014
Yes	17%
No	68%
Unsure	15%
Total	100%



Region where you are located	FY 2014
Northeast	19%
Mid-Atlantic	19%
Midwest	17%
Southeast	12%
Southwest	13%
Pacific-West	20%
Total	100%

For more information about this study, please contact Ponemon Institute by sending an email to research@ponemon.org or calling our toll free line at 1.800.887.3118.

Ponemon Institute

Advancing Responsible Information Management

Ponemon Institute is dedicated to independent research and education that advances responsible information and privacy management practices within business and government. Our mission is to conduct high quality, empirical studies on critical issues affecting the management and security of sensitive information about people and organizations.

As a member of the **Council of American Survey Research Organizations (CASRO)**, we uphold strict data confidentiality, privacy and ethical research standards. We do not collect any personally identifiable information from individuals (or company identifiable information in our business research). Furthermore, we have strict quality standards to ensure that subjects are not asked extraneous, irrelevant or improper questions.

Exhibit 4



KCC Class Action Services Resume

KCC is an industry leader in class action settlement administration. We administer claims processes and distribute funds in a vast array of varying matters, ranging from small and simple settlements to multi-year complex settlements involving millions of claimants.

KCC's parent company, Computershare, is a \$6 billion publicly-traded company which, among its many business lines, provides global financial services centering on communications with customers on behalf of our corporate clients. Computershare employs over 16,000 people and does business with more than 16,000 clients in more than 21 countries. KCC's operations are regulated by federal agencies, including both the SEC and OCC. KCC has the largest infrastructure in the class action industry, and is backed by superior data security, call center support and technology. In addition to the immense resources and capabilities brought to bear through Computershare, KCC can execute all operations in-house with zero outsourcing; a capacity which allows for full quality control over each aspect of service.

KCC has administered over 6,500 class action settlements and handled thousands of distribution engagements in other contexts as well. Our domestic infrastructure includes call centers with over 1,200 seats, claims intake facilities that can open and scan 200,000 claims in a single day, and document production capabilities that print and mail millions of documents annually. Last year, our disbursement services team distributed over half a trillion dollars.

Locations

KCC has an administrative office in El Segundo, CA, an operation office in San Rafael, CA, and presence in the East Coast, South and Midwest. In addition to these offices, KCC has the global support of Computershare. In the United States Computershare has more than 20 offices.

KCC Personnel

KCC's experienced team of experts knows first-hand the intricacies contained in every aspect of settlement administration, and approach each matter with careful analysis and procedural integrity. Each client is assigned a team of experienced consultants, specialists and technology experts who serve as knowledgeable, reliable and accessible partners that have earned a reputation for exceeding clients' expectations. KCC's executive team – Gerry Mullins, President; Patrick Ivie, Senior Executive Vice President; Daniel Burke, Executive Vice President; Peter Crudo, Executive Vice President; and Patrick Passarella, Senior Vice President – are experienced industry leaders.

Our personnel have considerable experience which includes years of practice with KCC and related endeavors. KCC's professionals have extensive training, both on-the-job and formal, such as undergraduate and advanced business, information technology and law degrees, and they possess and/or have had licenses and certificates in disciplines that are relevant to class action administration.

Recognition

Our high-quality, cost-effective notice and settlement administration services have been recognized by *The National Law Journal*, *The New York Law Journal*, *The New Jersey Law Journal*, *The Recorder*, *Legal Intelligencer*, *Legal Times* and other leading publications. KCC has earned the trust and confidence of our clients with our track record as a highly-responsive partner.



Settlement Value Case	Value
Fortis Settlement	\$1,572,690,000
U.S.A. v. The Western Union Company	\$586,000,000
Vaccarino v. Midland National Life Ins. Co	\$555,000,000
Safeco v. AIG	\$450,000,000
Johnson v. Caremark Rx, LLC	\$310,000,000
In re Activision Blizzard, Inc. Stockholder Litigation	\$275,000,000
Harborview MBS	\$275,000,000
Dial Corp. v. News Corporation, et al.	\$244,000,000
In re Medical Capital Securities Litigation Settlement	\$219,000,000
In Re: NCAA Athletic Grant-In-Aid Antitrust Litigation	\$208,664,445
Gutierrez v. Wells Fargo Bank, N.A	\$203,000,000
Bell v. Farmers - Bell III	\$170,000,000
McReynolds v. Merrill Lynch	\$160,000,000
Haddock v. Nationwide Life Insurance Co. Settlement	\$140,000,000
Miramonte Qualified Settlement Fund	\$139,500,000
In re Freeport-McMoran Copper & Gold Inc. Derivative Litigation Notice	\$137,500,000
Bank of America, et al. v. El Paso Natural Gas Company, et al.	\$115,000,000
Rural/Metro Corporation Stockholders Litigation	\$97,793,880
J.C. Penney Securities Litigation	\$97,500,000
Smokeless Tobacco Cases	\$96,000,000
Oubre v. Louisiana Citizens	\$92,865,000
Ormond, et al, v. Anthem, Inc.	\$90,000,000
In re DRAM Antitrust Litigation	\$87,750,000
Ideal v. Burlington Resources Oil & Gas Company LP	\$85,000,000
Willoughby v. DT Credit Corporation, et al. (Drivetime)	\$78,000,000
Bank of America Wage and Hour Employment Practices Litigation	\$73,000,000
WaMu TIA	\$69,000,000
Dana Corporation Securities Litigation	\$65,000,000
Abarca v. and Hernandez v. Merck & Co., Inc.	\$60,000,000
Birchmeier et al. v. Caribbean Cruise Line, Inc.	\$56,000,000
In re Intercept Pharmaceuticals, Inc. Securities Litigation	\$55,000,000
Ideal v. BP America	\$55,000,000
United States of America v JP Morgan Chase Bank, NA	\$54,300,000
In re Apple iPhone/iPod Warranty Litigation	\$53,000,000
Eck v. City of Los Angeles, et al.	\$52,000,000
Edwards v. National Milk Producers Federation et al.	\$52,000,000
DeLaTorre Qualified Settlement Fund	\$51,900,000
Anderson v. The Attorney General of Canada	\$50,000,000
eMachine Consumer Settlement	\$50,000,000



Class Members	
Case	Volume
Edwards v. National Milk Producers Federation et al.	90,000,000
The Home Depot, Inc. Customer Data Security Breach Litigation	40,000,000
Cassese v. WashingtonMutual	23,200,344
In Re Lithium Ion Batteries Antitrust Litigation	16,000,000
Gordon v. Verizon Communications, Inc.	15,236,046
Opperman et al v. Path, Inc.	14,000,000
Discover TCPA	9,830,433
Elvey v. TD Ameritrade, Inc.	8,639,226
Russell v. Kohl's Department Stores Inc.	8,500,000
Suchanek v. Sturm Foods, Inc., Grove Square Coffee Class Certification	8,200,000
Shames v. The Hertz Corporation	7,271,238
In re MagSafe Power Adapter Litigation	5,293,952
Portfolio Recovery Associates Telephone Consumer Protection Act Litigation	5,000,000
Morales v. Conopco Inc. dba Unilever (TRESemmé Naturals)	5,000,000
Tammy Raab v. Kent W. Abernathy & Indiana Bureau of Motor Vehicles II	5,000,000
Raab v. Waddell and The Indiana Bureau of Motor Vehicles	4,677,968
In re Lidoderm Antitrust Litig. Class Cert.	4,400,000
Couser v Comenity Bank	4,115,621
Torczyner v. Staples, Inc.	4,000,000
Siciliano v. Apple, Inc.	4,000,000
Horosny v. Burlington Coat Factory of California LLC	3,700,000
Apple Purchase Litigation	3,548,612
Flaum v. Subway	3,503,113
Luster v. Wells Fargo	3,385,048
Kearney v. Equilon Enterprises LLC dba Shell Oil	3,000,000
Walter, et al. v. Hughes Communications, Inc., et al.	2,792,574
Cappalli v. BJ's Wholesale Club, Inc.	2,767,358
Shurtleff v. Health Net of California, Inc.	2,529,949
Clark v. Gannett Co. Inc. et al.	2,500,000
Alvarez v. Kmart Holding Corp.	2,240,000
Mullins v. Direct Digital LLC	2,200,000
Nicole Newman v. AmeriCredit Financial Services	2,033,588
Hankinson, et al. v. RTG Furniture Corp., dba Rooms To Go	2,000,000
National Veterans Legal Services Program, et al. v. United State	2,000,000
Davenport v. Discover	2,000,000
Ayyad v. Sprint	2,000,000