

IF YOU WERE ENROLLED IN AN AUTOMATIC RENEWAL MAGAZINE SUBSCRIPTION BY SYNAPSE, YOU MAY BE ENTITLED TO MONEY

NOTICE OF CLASS ACTION SETTLEMENT

Cruz, et al. v. Synapse Group, Inc., et al.
San Diego County Superior Court
Case No. 37-2018-00032240-CU-MC-CTL

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A PROPOSED CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.

The purpose of this Notice is to inform Class Members about a proposed settlement (“Settlement”) of a class action lawsuit that is pending in the San Diego County Superior Court (the “Court”). The lawsuit is called *Cruz, et al. v. Synapse Group, Inc., et al.*, Case No. 37-2018-00032240-CU-MC-CTL (the “Lawsuit”).

This Notice will explain: (1) what the Lawsuit is about; (2) the main terms of the Settlement; and (3) Class Members’ rights and options under the Settlement. A full version of the Settlement Agreement is available on the Website: www.synapsesettlement.com.

To receive money under the Settlement, Class Members must submit a timely and valid Claim. The deadline to submit a Claim is May 3, 2019. If you do not submit a Claim by this deadline, you will not receive money under the Settlement and you will be subject to the Release in Section IV, unless you exclude yourself pursuant to Section II.4.

I. What the Litigation is About

The Lawsuit alleges that defendants Synapse Group, Inc. and SynapseConnect, Inc. (together, “Synapse”) enrolled certain California consumers in automatic renewal or continuous service magazine subscriptions without first presenting the consumer with the automatic renewal offer terms in a clear and conspicuous manner. The Lawsuit alleges that Synapse has violated the California Automatic Renewal Law, Cal. Bus. & Prof. Code § 17600 *et seq.*, and certain other provisions of California consumer protection law. The Lawsuit is brought on behalf of a class defined as follows:

All individuals in California who, between May 17, 2012 and October 8, 2018, were enrolled by Synapse in an automatic renewal or continuous service magazine subscription. Excluded from the Class are all employees of Synapse, all employees of plaintiffs’ counsel, and the judicial officers to whom this case is assigned.

Each individual within the foregoing Class definition is referred to as a “Class Member.”

The defendants deny the allegations of the Lawsuit. The Court has not decided which party is right. The parties have agreed to a Settlement to provide benefits to eligible Class Members and to resolve the case.

The parties have exchanged detailed information about the claims, defenses, and alleged damages in the Lawsuit. After lengthy settlement negotiations overseen by an independent mediator, the parties have reached a proposed Settlement that, if approved by the Court, will resolve the claims asserted against all defendants. Plaintiffs and their counsel believe the Settlement is fair, reasonable, and in the best interests of the Class Members. In entering into the Settlement, defendants continue to deny any and all allegations of liability, fault, or wrongdoing asserted in the Lawsuit.

On March 1, 2019, the Court preliminarily approved the Settlement; certified the Class for settlement purposes only; appointed the law firm of Dostart Hannink & Coveney LLP as Class Counsel for settlement purposes only; appointed Cathie Cruz, Shannon Dale Price, Cheryl Edgemon, Robert Davenport, Patrick Bergeron, and Mary Schnurer as Class Representatives, for settlement purposes only; designated CPT Group, Inc. as the Settlement Administrator; and authorized the parties to provide this Notice to the Class.

II. The Main Terms of the Settlement

Subject to Court approval, the main terms of the Settlement are as follows:

1. **Settlement Amount.** In full and complete settlement of the claims of the Class Members who do not exclude themselves, Synapse will pay the principal amount of Four Million Nine Hundred Eighty Thousand Dollars (\$4,980,000). The Settlement Amount, plus any interest thereon, will be used to pay Class Counsel's attorneys' fees and litigation expenses (as approved by the Court), any service payment that the Court may award to the Class Representatives, the expenses of settlement administration (including class notice), and the settlement payments to the Class Members who submit timely and valid Claims. If any funds are remaining by reason of uncashed settlement checks or otherwise, the remaining amount will be paid to one or more *cy pres* recipients approved by the Court, or as otherwise directed by the Court. In addition to the monetary consideration, the Settlement also includes injunctive relief.

2. **Notice to Class Members.** No later than thirty (30) days following the Preliminary Approval Date, the Settlement Administrator will email the Court-approved Summary Class Notice to the last-known email address of each potential Class Member, as reflected in the business records of Synapse. If the business records of Synapse do not contain an email address for a potential Class Member, the Settlement Administrator will mail the Court-approved Summary Class Notice to the last-known mailing address of that potential Class Member, as reflected in the business records of Synapse, or an updated address provided by the U.S. Postal Service. Before mailing, the Settlement Administrator will run the mailing addresses through the U.S. Postal Service's National Change of Address database, and will update the addresses accordingly. The date on which the Summary Class Notice is emailed and mailed as set forth above is referred to as the "Notice Date."

3. **Submission of Claims; Eligibility for Payment.** In order to qualify to receive a payment under the Settlement, Class Members must submit a Claim that is both (i) timely and (ii) validated by the Settlement Administrator. To be timely, the Claim must be submitted to the Settlement Administrator on or before May 3, 2019 (the "Claim/Exclusion/Objection Deadline"). See Section III.1., on the next page, regarding how to file a Claim. Class Members who submit a timely and valid Claim on or before the Claim/Exclusion/Objection deadline will be referred to as "Participating Class Members" and, if the Settlement is granted final approval by the Court, will receive a settlement payment in accordance with the terms of the Settlement.

4. **Right to Request Exclusion or Object.** Any Class Member who does not want to be legally bound by the Settlement can exclude himself or herself on or before the Claim/Exclusion/Objection Deadline, as described on the next page in Section III.3. Any Class Member who wishes to object to the Settlement may do so either orally or in writing. Any written objection must be filed with the Court and served on Counsel for the settling parties and on the Settlement Administrator no later than the Claim/Exclusion/Objection Deadline, as described below in Section III.4. Alternatively, any Class Member may present an objection to the Court orally at the final approval hearing. Any Class Member who does not request to be excluded from the Class may, if so desired, enter an appearance through counsel.

5. **Settlement Payments to Participating Class Members.** If the Settlement is granted final approval, after deduction of any Court-approved attorneys' fees, litigation expenses, service payments to the Class Representatives, and the expenses of settlement administration, the remaining amount ("Net Settlement Amount") will be divided equally between the Participating Class Members. As soon as practicable after the Effective Date of the Settlement, the Settlement Administrator will mail to each Participating Class Member a check representing that person's settlement payment.

6. Service Payments. Class Counsel will file a motion requesting a service payment to the Class Representatives not to exceed Fifty Thousand Dollars (\$50,000.00) in the aggregate. Defendants have agreed that they will take no position regarding this request, provided the request made to the Court is consistent with this Section. As soon as practicable following the Effective Date, the Settlement Administrator will pay from the Settlement Amount any service payment awarded by the Court.

7. Attorneys' Fees and Litigation Expenses. Class Counsel will file a motion requesting an award of attorneys' fees of up to 38% of the Settlement Amount, plus reimbursement of actual litigation expenses not to exceed \$150,000. Defendants have agreed that they will take no position regarding these requests, provided the requests made to the Court are consistent with this Section. As soon as practicable following the Effective Date, the Settlement Administrator will pay to Class Counsel from the Settlement Amount the attorneys' fees and litigation expenses awarded by the Court. These amounts are all subject to Court approval.

8. Release. Class Members who do not exclude themselves from the Settlement will be deemed to release all of the claims described in Section IV below.

III. Class Members' Rights and Options Under the Settlement

Class Members have four options under the Settlement. If you are a Class Member, you may: (1) file a Claim, which if submitted timely and validated by the Settlement Administrator, will qualify you as a Participating Class Member qualified to receive a monetary payment following final court approval; (2) do nothing, in which case you will not be a Participating Class Member and you will not qualify to receive a monetary payment, but you will be bound by the release in the Settlement Agreement; (3) exclude yourself from the Settlement; or (4) object to the Settlement. The following paragraphs explain these options in more detail.

1. File a Claim. To potentially qualify for a monetary payment from the Settlement, potential Class Members must file a Claim.

(a) Potential Class Members whose name, address, and/or email information is reflected in the business records produced by Synapse are being sent a Court-approved Summary Class Notice via email or mail, which includes a hyperlink to the Settlement Website or other information which enables those potential Class Members to submit a Claim electronically via the Settlement Website. The deadline for submitting a Claim is May 3, 2019. If you miss this deadline, you will not receive any money under the Settlement, but you will be bound by the other terms of the Settlement if you do not request exclusion from the Settlement.

(b) Potential Class Members who do not receive a Summary Class Notice via email or mail may print a Claim Form from the Settlement Website or request a Claim Form from the Settlement Administrator. A printed Claim Form must be completed, dated by the Claimant, signed by the Claimant under penalty of perjury, and returned to the Settlement Administrator via U.S. Mail, personal delivery, or email. Upon receipt of a Claim Form, the Settlement Administrator will verify whether the Claimant is a member of the Class by comparing the information provided on Claim Form against the records of Synapse. The deadline for submitting a Claim is May 3, 2019. If you miss this deadline, you will not receive any money under the Settlement, but you will be bound by the other terms of the Settlement if you do not request exclusion from the Settlement. If you submit a Claim that is timely and that is validated by the Settlement Administrator, you will be a Participating Class Member and, if the Settlement is given final court approval, you will receive a settlement payment in accordance with the terms of the Settlement.

2. Do Nothing. If you do nothing, you will not be a Participating Class Member and you will not qualify to receive a monetary payment, but you will be bound by the release in the Settlement Agreement.

3. To Be Excluded From the Settlement. Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. Mail, email, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator. The request for exclusion must be in

writing, and must list the Class Member's name, address, and telephone number, along with the statement: "I wish to be excluded from the *Cruz v. Synapse Settlement*" or words to that effect, and must be dated and signed by the person requesting exclusion. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than May 3, 2019. If the request for exclusion is returned by U.S. Mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will be the date the request for exclusion is received by the Settlement Administrator. Those Class Members who submit timely and valid requests for exclusion in the form described above will be referred to as "Excluded Class Members." Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement. Requests for exclusion can be mailed or delivered to the Settlement Administrator, as follows: Cruz v. Synapse Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; email: synapsesettlement@cptgroup.com. A judgment in the action will bind all Class Members who do not timely request exclusion. Any Class Member may enter an appearance through counsel. **You may not submit both a Claim Form and a letter requesting to be excluded from this Settlement.**

4. To Object to the Settlement. Any Class Member who wishes to object to the Settlement may do so orally or in writing. Any written objection must be filed with the Court and served on Class Counsel, Defendants' counsel, and the Settlement Administrator, no later than May 3, 2019. A written objection must set forth the name of the lawsuit (*Cruz v. Synapse Group, Inc., et al.*, Case No. 37-2018-00032240-CU-MC-CTL), the objector's full name, address, and current telephone number, and the following statement: "I declare under penalty of perjury that, to the best of my knowledge, I am a Class Member and I wish to object to the Settlement." Any written objection must state the basis of the objector's belief that he or she is a Class Member, and must also state the factual and legal basis for the objection, and whether he or she intends to appear at the Final Approval Hearing on his or her own behalf or through counsel. Any written objection shall also identify any lawyer who assisted, provided advice, or represents the objecting Class Member with respect to the Lawsuit or such objection. If an objection is submitted in writing, any documents that the objecting Class Member wishes for the Court to consider must also be attached to the objection. Class Counsel and Defendants will respond to any objections, as appropriate, either in briefs filed in advance of the Final Approval Hearing or at the Final Approval Hearing. Any written objection must be filed with the Court and served by mail as follows: (1) to the Settlement Administrator, at Cruz v. Synapse Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; (2) to counsel for Synapse, Dante Marinucci, Baker & Hostetler LLP, Key Tower, 127 Public Square, Suite 2000, Cleveland, OH 44114; and (3) to Class Counsel, Zach P. Dostart, Dostart Hannink & Coveney LLP, 4180 La Jolla Village Drive, Suite 530, La Jolla, CA 92037. Alternatively, an objection may be made to the Court orally at the Final Approval Hearing. If you intend to object to the Settlement but also wish to receive your share of the Settlement if it is approved by the Court, you must also submit a timely and valid Claim Form as explained above.

IV. Release of Claims by Class Members

If the Settlement is approved by the Court and becomes effective, then immediately upon full payment of the Settlement Amount by Synapse, Plaintiffs and all Class Members who do not exclude themselves from the Settlement, on behalf of themselves, and each of their respective assigns, executors, administrators, successors and agents, shall be deemed to release, resolve, relinquish, and discharge each and all of the Released Parties from each of the Released Claims (as defined below). For purposes of this paragraph, "Released Parties" means Synapse Group, Inc., SynapseConnect, Inc., and any of their respective past, present, and future parents, subsidiaries, affiliated companies and corporations, and any of their past, present, and future officers, directors, managers, employees, general partners, limited partners, principals, insurers, reinsurers, shareholders, attorneys, advisors, representatives, or assigns. For purposes of this paragraph, "Released Claims" means any and all claims, causes of action, suits, obligations, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses and attorneys' fees of any nature whatsoever, whether based on any law (including federal law, state law, common law, contract, rule, or regulation) or equity, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent,

liquidated or unliquidated, punitive or compensatory, monetary or non-monetary, that arise out of or relate to the enrollment by Synapse in automatically renewing magazine subscriptions from May 17, 2012 to October 8, 2018.

V. Final Approval Hearing

The Court will hold a hearing on June 14, 2019 at 8:30 a.m. to determine whether the Settlement should be finally approved and to rule on Class Counsel’s motion for award of attorneys’ fees, reimbursement of litigation expenses, and class representative service payments. The Court is located at 330 West Broadway, Department 65, San Diego, CA 92101. The hearing may be continued without further notice. **YOU ARE NOT REQUIRED TO ATTEND THE HEARING, BUT YOU MAY IF YOU CHOOSE.**

VI. For More Information

This Notice contains only a summary of the terms of the proposed Settlement. You may view the Settlement Agreement and other important documents on the Settlement Website. You may also review the pleadings and other papers filed in the Lawsuit at the Court’s Business Office, located at 330 West Broadway, San Diego, CA 92101.

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE.

If you have questions about the Settlement, please contact the Settlement Administrator or Class Counsel, as follows:

Settlement Administrator

Cruz v. Synapse Settlement Administrator
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Tel: 1-888-202-1382
Email: synapsesettlement@cptgroup.com

Class Counsel

Dostart Hannink & Coveney LLP
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