

The Honorable Robert S. Lasnik

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**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

DONNA REED, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

SCIENTIFIC GAMES CORP., a Nevada
corporation.

Defendant.

No. 18-cv-00565-RSL

**CLASS ACTION SETTLEMENT
AGREEMENT**

1 This Class Action Settlement Agreement (the “Agreement”, “Settlement”, or “Settlement
2 Agreement”) is entered into by and among the Class Representative(s) (as defined below,
3 including Plaintiff Donna Reed [“Reed” or “Plaintiff”]), for themselves individually and on
4 behalf of the Settlement Class (as defined below), Defendant Scientific Games Corp. (“Scientific
5 Games”), and SciPlay Corp. (“SciPlay,” and together with Scientific Games, “Defendants”)
6 (altogether, the “Parties”). This Agreement is intended by the Parties to fully, finally, and forever
7 resolve, discharge, and settle the Released Claims (as defined below), upon and subject to the
8 terms and conditions of this Agreement and subject to the final approval of the Court.

9 RECITALS

10 A. On April 17, 2018, Sheryl Fife filed a putative class action complaint against
11 Scientific Games in the United States District Court for the Western District of Washington,
12 Case No. 18-cv-00565. The complaint was later amended to substitute Plaintiff Donna Reed as
13 the Class Representative.

14 B. Plaintiff Reed alleges that Defendants’ Applications (as defined below) fall within
15 the definition of an illegal gambling game and that players can recover their losses under
16 Washington law, setting forth claims for violations of RCW 4.24.070 (the “Recovery of Money
17 Lost at Gambling Act” or “RMLGA”), violations of RCW 19.86.010 *et seq.* (the “Washington
18 Consumer Protection Act” or “CPA”) and unjust enrichment, based on Plaintiff’s use of and
19 purchases of virtual items in Defendants’ Applications.

20 C. On July 2, 2018, the Court entered a stipulation and order staying pleading and
21 discovery dates pending determination of Defendants’ motion to dismiss.

22 D. That same day, Scientific Games moved to dismiss for failure to state a claim.
23 After full briefing, the district court, with the Honorable Ronald B. Leighton presiding, denied
24 the motion to dismiss on December 18, 2018.

25 E. Scientific Games answered Plaintiff’s complaint on January 18, 2019.

26 F. On May 12, 2020, Plaintiff moved for leave to amend and to substitute Donna
27 Reed for Ms. Fife as the Class Representative. Ms. Reed moved to intervene in the case on June

1 25, 2020.

2 G. On June 22, 2020, Scientific Games filed a second motion to dismiss, for lack of
3 subject matter jurisdiction.

4 H. After full briefing on both Plaintiff's motion for leave to amend and the
5 Defendants' motion to dismiss, the district court, with the Honorable Ronald B. Leighton
6 presiding, denied Defendants' motion on August 24, 2020 and granted Plaintiff leave to amend
7 her complaint and substitute Donna Reed as Class Representative. Ms. Reed's motion to
8 intervene was denied as moot.

9 I. On September 8, 2020, Scientific Games moved to compel arbitration, arguing
10 that Donna Reed had agreed to arbitrate any claims related to Jackpot Party Casino when she
11 clicked "Accept" on a pop-up window within the game notifying her that the terms of service for
12 the game had changed.

13 J. After briefing on the motion to compel arbitration was complete, on February 4,
14 2021, Scientific Games also moved to stay discovery and class certification briefing pending the
15 Court's ruling on the arbitration motion.

16 K. Plaintiff opposed the stay and filed a motion for class certification and
17 preliminary injunction on April 9, 2021. Scientific Games filed a motion for relief from the
18 deadline to respond, which Plaintiff also opposed.

19 L. On April 26, 2021, the district court, with the Honorable Robert S. Lasnik now
20 presiding after Judge Leighton's retirement, granted Defendants' motions to stay and for relief
21 from a deadline, stayed discovery pending the Court's ruling on the motion to compel arbitration,
22 and scheduled oral argument on the arbitration motion.

23 M. Following oral argument on June 15, 2021, the Court denied Defendants' motion
24 to compel arbitration on June 17, 2021.

25 N. On June 23, 2021, Scientific Games filed a notice of appeal to the United States
26 Court of Appeals for the Ninth Circuit from the district court's order denying its arbitration
27 motion. The same day, Scientific Games also moved in the district court to stay proceedings

1 pending appeal. Plaintiff opposed the motion to stay, and Scientific Games filed a reply. The
2 motion remained pending when the Parties agreed to this Settlement.

3 O. On October 14, 2021, Plaintiff filed a motion to compel Scientific Games to
4 complete production of documents responsive to one of her document requests. Scientific Games
5 opposed the motion, and Plaintiff filed a reply; this motion also remained pending when the
6 Parties agreed to this Settlement.

7 P. The Parties agreed to schedule a videoconference mediation session on November
8 18, 2021, with Niki Mendoza at Phillips ADR to attempt to reach a negotiated resolution of the
9 Action.

10 Q. In the days leading up to the mediation, the Parties were in frequent
11 communication with the Phillips ADR team and each other in order to start narrowing the
12 potential frameworks for resolution. The Parties submitted opening and response briefs to the
13 mediator on the core facts, legal issues, litigation risks, and potential settlement structures, and
14 the Parties supplemented that briefing with telephonic correspondence with each other and with
15 the Phillips ADR team, clarifying each other's position in advance of the mediation.

16 R. Prior to the scheduled mediation, on November 17, 2021, the Parties reached an
17 agreement in principle on the material terms of a class action settlement. Over the next several
18 days, the parties continued negotiating the details of the settlement, and that process culminated
19 in the signing of a term sheet on November 23, 2021.

20 S. Plaintiff and Class Counsel have conducted a comprehensive examination of the
21 law and facts regarding the claims against Defendant, and the potential defenses available.

22 T. Plaintiff believes that her claims have merit, that she would have succeeded in
23 obtaining adversarial certification of the proposed Settlement Class, and that she would have
24 ultimately prevailed on the merits at summary judgment or at trial. Nonetheless, Plaintiff and
25 Class Counsel recognize that Scientific Games has raised factual and legal claims and defenses
26 that present a risk that Plaintiff may not prevail on her claims. Plaintiff and Class Counsel have
27 also taken into account the uncertain outcome and risks of any litigation, especially in complex

1 actions, as well as the difficulty and delay inherent in such litigation. Therefore, Plaintiff and
2 Class Counsel believe that it is desirable that the Released Claims be fully and finally
3 compromised, settled, resolved with prejudice, and barred pursuant to the terms and conditions
4 set forth in this Agreement.

5 U. Based on their comprehensive examination and evaluation of the law and facts
6 relating to the matters at issue, Class Counsel have concluded that the terms and conditions of
7 this Agreement are fair, reasonable, and adequate to resolve the alleged claims of the Settlement
8 Class and that it is in the best interests of the Settlement Class Members to settle the Released
9 Claims pursuant to the terms and conditions set forth in this Agreement.

10 V. Scientific Games has at all times denied—and continues to deny—all allegations
11 of wrongdoing and liability and denies all material allegations in the Action. Specifically,
12 Scientific Games denies that the Applications constitute or constituted illegal gambling, and that
13 any aspect of the Applications' operation constituted unfair business practices or resulted in
14 unjust enrichment. Scientific Games is prepared to continue its vigorous defense. Even so, taking
15 into account the uncertainty and risks inherent in litigation, Defendants have concluded that
16 continuing to defend the Action would be burdensome and expensive. Defendants have further
17 concluded that it is desirable to settle the Released Claims pursuant to the terms and conditions
18 set forth in this Agreement to avoid the time, risk, and expense of defending protracted litigation
19 and to resolve finally and completely the pending and potential claims of Plaintiff and the
20 Settlement Class.

21 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the
22 Class Representative(s), the Settlement Class, and Defendants that, subject to the Court's final
23 approval after a hearing as provided for in this Agreement, and in consideration of the benefits
24 flowing to the Parties from the Settlement set forth herein, the Released Claims shall be fully and
25 finally compromised, settled, and released, and the Action shall be dismissed with prejudice,
26 upon and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

1. DEFINITIONS

As used herein, in addition to any definitions set forth elsewhere in this Agreement, the following terms shall have the meanings set forth below:

1.1. “Action” means the case captioned *Donna Reed v. Scientific Games Corp.*, Case No. 18-cv-00565, pending in the United States District Court for the Western District of Washington.

1.2. “Agreement” or “Settlement” or “Settlement Agreement” means this Class Action Settlement Agreement.

1.3. “Applications” means Jackpot Party Casino, Gold Fish Casino, Hot Shot Casino, Quick Hit Slots, 88 Fortunes Slots, and Monopoly Slots.

1.4. “App ID” means the unique identifier assigned by a Platform Provider to a person who has a Platform Provider account and/or login. For avoidance of doubt, App IDs are not assigned/generated by or known to Scientific Games or SciPlay.

1.5. “Approved Claim” means a Claim Form submitted by a Settlement Class Member that is timely and submitted in accordance with the directions on the Claim Form and the terms of this Agreement, or is otherwise accepted by the Court or Settlement Administrator and satisfies the conditions of eligibility for a Settlement Payment as set forth in this Agreement.

1.6. “Claim Form” means the document substantially in the form attached hereto as Exhibit A, as approved by the Court. The Claim Form, to be completed by Settlement Class Members who wish to file a claim for a Settlement Payment, shall be available in electronic and paper format. The Claim Form shall request that the Settlement Class Member provide the following information: (i) full legal name; (ii) List of any and all Application(s) played; (iii) App ID(s) and Player ID(s) associated with any and all Application(s) account(s); (iv) email address(es) associated with any and all Application(s) account(s); (v) email addresses associated with Facebook, Apple, Google, and/or Amazon accounts from which in-Application purchases of virtual chips were made; and (vi) current telephone number, U.S. Mail address, and email

1 address. The Claim Form will provide Class Members with the option of having their Settlement
2 Payment transmitted to them electronically or via check.

3 **1.7. “Claims Deadline”** means the date by which all Claim Forms must be
4 postmarked or submitted on the Settlement Website to be considered timely and shall be fifty-six
5 (56) days after the Notice Date. The Claims Deadline shall be clearly set forth in the order
6 preliminarily approving the Settlement, as well as in the Notice and the Claim Form.

7 **1.8. “Class Counsel”** means Jay Edelson, Rafey Balabanian, Todd Logan, Alexander
8 Tievsky, Brandt Silver-Korn, and Amy Hausmann of Edelson PC.

9 **1.9. “Class Representative(s)”** means Plaintiff Donna Reed together with Laura
10 Perkinson.

11 **1.10. “Court”** means the United States District Court for the Western District of
12 Washington, the Honorable Robert S. Lasnik presiding, or any Judge who shall succeed him as
13 the Judge assigned to the Action.

14 **1.11. “Defendants”** means Scientific Games Corp. and SciPlay Corp.

15 **1.12. “Defendants’ Counsel”** means Bartlit Beck LLP and Perkins Coie LLP.

16 **1.13. “Effective Date”** means the date upon which the last (in time) of the following
17 events occurs: (i) the date upon which the time expires for filing or noticing any appeal of the
18 Final Judgment; (ii) if there is an appeal or appeals, other than an appeal or appeals solely with
19 respect to the Fee Award or incentive award(s), the date of completion, in a manner that finally
20 affirms and leaves in place the Final Judgment without any material modification, of all
21 proceedings arising out of the appeal(s) (including, but not limited to, the expiration of all
22 deadlines for motions for reconsideration or petitions for review and/or certiorari, all proceedings
23 ordered on remand, and all proceedings arising out of any subsequent appeal(s) following
24 decisions on remand); or (iii) the date of final dismissal of any appeal or the final dismissal or
25 resolution of any proceeding on certiorari with respect to the Final Judgment. The Effective Date
26 is further subject to the conditions set forth in Section 9.1.

1 **1.14. “Escrow Account”** means the separate, interest-bearing escrow account to be
2 established by the Settlement Administrator under terms acceptable to all Parties. The Escrow
3 Account will be at a depository institution of the Settlement Administrator’s choice (subject to
4 either Party’s reasonable veto) that is insured by the Federal Deposit Insurance Corporation. The
5 Settlement Fund shall be deposited by Defendants into the Escrow Account consistent with the
6 provisions in Section 2.1 below, and the money in the Escrow Account shall be invested in the
7 following types of accounts and/or instruments and no other: (i) demand deposit accounts and/or
8 (ii) time deposit accounts and certificates of deposit, in either case with maturities of forty-five
9 (45) days or less. The costs of establishing and maintaining the Escrow Account shall be paid
10 from the Settlement Fund.

11 **1.15. “Fee Award”** means the amount of attorneys’ fees and reimbursement of
12 expenses awarded by the Court to Class Counsel, which will be paid out of the Settlement Fund.

13 **1.16. “Final Approval Hearing”** means the hearing before the Court where the
14 Plaintiff will request that the Final Judgment be entered by the Court finally approving the
15 Settlement as fair, reasonable and adequate, and approving the Fee Award and any incentive
16 award(s) to the Class Representative(s).

17 **1.17. “Final Judgment”** means the final judgment and order to be entered by the Court
18 approving the Agreement after the Final Approval Hearing.

19 **1.18. “Lifetime Spending Amount”** means the total amount of money a Settlement
20 Class Member spent within the Applications through and including the date of Preliminary
21 Approval.

22 **1.19. “Notice”** means the notice of this Settlement and Final Approval Hearing, which
23 is to be sent to the Settlement Class substantially in the manner set forth in this Agreement and
24 approved by the Court, is consistent with the requirements of Due Process and Rule 23, and
25 which is substantially in the form of Exhibits B, C, and D attached hereto.

1 **1.20. “Net Settlement Fund”** means the Settlement Fund; plus any interest or
2 investment income earned on the Settlement Fund; less any Fee Award, incentive award(s) to the
3 Class Representative(s), taxes, and Settlement Administration Expenses.

4 **1.21. “Notice Date”** means the date upon which the Notice set forth in Section 4.1 is
5 complete, which shall be a date no later than thirty-five (35) days after entry of Preliminary
6 Approval.

7 **1.22. “Objection/Exclusion Deadline”** means the date by which a written objection to
8 this Settlement Agreement or a request for exclusion submitted by a member of the Settlement
9 Class must be postmarked and/or filed with the Court, which shall be designated as a date no
10 later than fifty-six (56) days following the Notice Date and no sooner than fourteen (14) days
11 after papers supporting the Fee Award are filed with the Court and posted to the Settlement
12 Website, or such other date as ordered by the Court.

13 **1.23. “Plaintiff”** means Donna Reed, the plaintiff in the Action.

14 **1.24. “Plan of Allocation”** means the Plan of Allocation attached as Exhibit E to this
15 Settlement Agreement.

16 **1.25. “Platform Provider(s)”** means Amazon, Apple, Facebook, Microsoft, Samsung,
17 and/or Google.

18 **1.26. “Player ID”** means the unique identifier, assigned by the Application, to a person
19 who has registered an account with an Application.

20 **1.27. “Preliminary Approval”** means the order preliminarily approving the
21 Settlement, preliminarily certifying the Settlement Class for settlement purposes, preliminarily
22 appointing Class Counsel and the Class Representative(s), and approving the form and manner of
23 the Notice.

24 **1.28. “Released Claims”** means any and all actual, potential, filed, unfiled, known or
25 unknown, fixed or contingent, claimed or unclaimed, suspected or unsuspected claims, demands,
26 liabilities, rights, causes of action, contracts or agreements, extra-contractual claims, damages,
27 punitive damages, expenses, costs, attorneys’ fees and/or obligations (including “Unknown

1 Claims” as defined below), whether in law or in equity; accrued or unaccrued; direct, individual
 2 or representative; of every nature and description whatsoever; whether based on violations of
 3 Washington or other federal, state, local, statutory or common law or any other law, including
 4 the law of any jurisdiction outside the United States, that are or have been alleged or otherwise
 5 raised in the Action or that arise out of or relate to facts, transactions, events, matters,
 6 occurrences, acts, disclosures, statements, representations, omissions, or failures to act relating to
 7 the operation of the Applications and/or the sale of virtual chips in the Applications, such as
 8 claims that the Applications are illegal gambling, that virtual chips in the Applications are
 9 “things of value,” or that aspects of the Applications are deceptive or unfair, against the Released
 10 Parties or any one of them. For the avoidance of doubt, this release includes but is not limited to
 11 (1) claims potentially subject to arbitration agreements; and (2) claims for amounts spent on in-
 12 Application purchases that are attributable to Platform Provider fees.

13 **1.29. “Released Parties”** means Scientific Games, SciPlay, Platform Providers, and
 14 their present or former administrators, predecessors, successors, assigns, parents, subsidiaries,
 15 holding companies, investors, divisions, employees, agents, representatives, consultants,
 16 independent contractors, directors, service providers, vendors, directors, managing directors,
 17 officers, partners, principals, members, attorneys, accountants, fiduciaries, financial and other
 18 advisors, investment bankers, insurers, reinsurers, employee benefit plans, underwriters,
 19 shareholders, lenders, auditors, and investment advisors.

20 **1.30. “Releasing Parties”** means Plaintiff, Class Representative(s), and other
 21 Settlement Class Members and their respective past, present, and future heirs; children; spouses;
 22 beneficiaries; conservators, executors; estates; administrators; assigns; agents; consultants;
 23 independent contractors; insurers; attorneys; accountants; financial and other advisors;
 24 investment bankers; underwriters; lenders; and any other representatives of any of these persons
 25 and entities.

26 **1.31. “Settlement Administration Expenses”** means (i) the expenses incurred by the
 27 Settlement Administrator in providing Notice, hosting the Settlement Website, processing

1 claims, responding to inquiries from members of the Settlement Class, distributing funds for
2 Approved Claims, related tax expenses, fees of the escrow agent, and related services, and (ii)
3 the fees and expenses of any Settlement Special Master the Court may appoint, if applicable,
4 with all such expenses to be paid from the Settlement Fund.

5 **1.32. “Settlement Administrator”** means JND Legal Administration, subject to
6 approval of the Court, which will administer the Notice and Settlement Website, process
7 Approved Claims, distribute Settlement Payments to Settlement Class Members, be responsible
8 for tax reporting, and perform other such settlement administration matters as set forth in or
9 contemplated by this Agreement.

10 **1.33. “Settlement Class”** means all individuals who, in Washington (as reasonably
11 determined by IP address information or other information furnished by Platform Providers),
12 played the Applications on or before preliminary approval of the settlement. Excluded from the
13 Settlement Class are (1) any Judge or Magistrate presiding over this Action and members of their
14 families, (2) Defendants, Defendants’ subsidiaries, parent companies, successors, predecessors, and
15 any entity in which Defendants or their parents have a controlling interest and their current or former
16 officers, directors, and employees, (3) persons who properly execute and file a timely request for
17 exclusion from the Settlement Class, and (4) the legal representatives, successors or assigns of any
18 such excluded persons.

19 **1.34. “Settlement Class Member”** means any person who falls within the definition of
20 the Settlement Class and who does not submit a valid request for exclusion from the Settlement
21 Class.

22 **1.35. “Settlement Fund”** means the non-reversionary cash fund that shall be
23 established by Defendants in the total amount of twenty-four million five hundred thousand
24 dollars (\$24,500,000), to be deposited by Defendants into the Escrow Account, plus all interest
25 earned thereon. From the Settlement Fund, the Settlement Administrator shall pay all Approved
26 Claims made by Settlement Class Members, Settlement Administration Expenses, any incentive
27 award(s) to the Class Representative(s), taxes, and any Fee Award to Class Counsel. The

1 Settlement Fund shall be kept in the Escrow Account with permissions granted to the Settlement
2 Administrator to access said funds until such time as the above-listed payments are made. The
3 Settlement Administrator shall be responsible for all tax filings with respect to any earnings on
4 the amounts in the Settlement Fund and the payment of all taxes that may be due on such
5 earnings. The Settlement Fund represents the total extent of Defendants' monetary obligation
6 under this Agreement.

7 **1.36. "Settlement Payment(s)"** means the payment(s) from the Net Settlement Fund to
8 be made to Settlement Class Members with Approved Claims according to the Plan of
9 Allocation.

10 **1.37. "Settlement Website"** means the website to be created, launched, and maintained
11 by the Settlement Administrator which shall allow for the electronic submission of Claim Forms
12 and shall provide access to relevant case documents including the Notice, information about the
13 submission of Claim Forms, and other relevant documents. The Settlement Website shall also
14 advise the Settlement Class of the total value of the Settlement Fund and give Settlement Class
15 Members the ability to estimate their Settlement Payment. The Settlement Website shall remain
16 accessible until at least thirty (30) days after the Effective Date.

17 **1.38. "Unknown Claims"** means claims that could have been raised in the Action and
18 that any or all of the Releasing Parties do not know or suspect to exist, which, if known by him
19 or her, might affect his or her agreement to release the Released Parties or the Released Claims
20 or might affect his or her decision to agree, object, or not object to the Settlement, or to seek
21 exclusion from the Settlement Class. Upon the Effective Date, the Releasing Parties shall be
22 deemed to have, and shall have, expressly waived and relinquished, to the fullest extent
23 permitted by law, the provisions, rights and benefits of § 1542 of the California Civil Code (if
24 applicable), which provides as follows:

25
26 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
27 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

1 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
2 DEBTOR OR RELEASED PARTY.

3 Upon the Effective Date, the Releasing Parties also shall be deemed to have, and shall have, waived
4 any and all provisions, rights, and benefits conferred by any law of any state or territory of the
5 United States, or principle of common law, or the law of any jurisdiction outside of the United
6 States, which is similar, comparable, or equivalent to § 1542 of the California Civil Code. The
7 Releasing Parties acknowledge that they may discover facts in addition to or different from those
8 that they now know or believe to be true with respect to the subject matter of this release, but that
9 it is their intention to finally and forever settle and release the Released Claims, notwithstanding
10 any Unknown Claims they may have, as that term is defined in this Paragraph.

11 **1.39. "User ID"** means the unique identifier selected by and attached to a person who
12 has a Jackpot Party Casino, Gold Fish Casino, Hot Shot Casino, Quick Hit Slots, 88 Fortunes
13 Slots, and/or Monopoly Slots account and/or login.

14 **2. SETTLEMENT RELIEF**

15 **2.1. Monetary Compensation.**

16 (a) Defendants shall pay or cause to be paid into the Escrow Account the full
17 Settlement Fund (\$24,500,000), within fourteen (14) calendar days after the entry of Final
18 Approval.

19 (b) Settlement Class Members shall have until the Claims Deadline to submit
20 a Claim Form. Each Settlement Class Member with an Approved Claim shall be entitled to a
21 Settlement Payment from the Net Settlement Fund.

22 (c) The Settlement Payment will be determined according to the Plan of
23 Allocation attached as Exhibit E.

24 (d) If the total Approved Claims do not exhaust the Net Settlement Fund
25 under the baseline marginal recovery percentages in the Plan of Allocation, the marginal
26 recovery percentages will be increased pro rata so that the Settlement Payments will exhaust or
27 leave only *de minimis* funds in the Net Settlement Fund.

1 (e) Within sixty (60) days after the Effective Date, or such other date as the
2 Court may set, the Settlement Administrator shall pay from the Settlement Fund all Approved
3 Claims by check or electronic payment.

4 (f) Each payment issued to a Settlement Class Member via check will state on
5 the face of the check that it will become null and void unless cashed within ninety (90) calendar
6 days after the date of issuance.

7 (g) In the event that an electronic deposit to a Settlement Class Member is
8 unable to be processed, the Settlement Administrator shall attempt to contact the Settlement
9 Class Member within thirty (30) calendar days to correct the problem.

10 (h) To the extent that a check issued to a Settlement Class Member is not
11 cashed within ninety (90) calendar days after the date of issuance or an electronic deposit is
12 unable to be processed within ninety (90) calendar days after the first attempt, such funds shall
13 remain in the Net Settlement Fund and shall be apportioned pro rata to participating Settlement
14 Class Members in a second distribution, if practicable, subject to the provisions set forth in
15 paragraph (f) above. To the extent that any second distribution is impracticable or would violate
16 the provisions set forth in paragraph (f) above, or that any second-distribution funds remain in
17 the Net Settlement Fund after an additional ninety (90) calendar days, such funds shall revert to
18 the Legal Foundation of Washington, as approved by the Court.

19 (i) No amount paid by Defendants into the Escrow Account shall revert to
20 Defendants unless the Settlement is terminated in accordance with Sections 7.1 through 7.3.

21 (j) In no event shall any amount be paid to Class Counsel except for the
22 amount of an approved Fee Award.

23 **2.2. Prospective Measures.** Defendants shall take the following steps in connection
24 with this Settlement within one-hundred twenty (120) days of an order granting Preliminary
25 Approval:

26 (a) SciPlay will place resources relating to video game behavior disorders
27 within the Applications. Within the self-service resources available to players, SciPlay shall add

1 an additional button or link with labeling referring to video game behavior disorder resources.
2 This link or button shall be similarly prominent to other links or buttons within the self-service
3 resources. When clicked, the link or button will take players to a webpage that (1) encourages
4 responsible gameplay; (2) describes what video game behavior disorders are; (3) provides or
5 links to resources relating to video game behavior disorders; and (4) includes a link to SciPlay's
6 self-exclusion policy. SciPlay will implement a policy and will make commercially reasonable
7 efforts to enforce that policy, such that customer service representatives will provide the same
8 information to any player that contacts them and references or exhibits video game behavior
9 disorders, and will face no adverse employment consequences for providing players with this
10 information.

11 (b) SciPlay shall publish on its website a voluntary self-exclusion policy. That
12 policy shall provide that, when a player self-excludes by specifying the Player ID that the player
13 wishes to ban, SciPlay shall use commercially reasonable efforts to immediately ban the
14 account(s) associated with those Player ID(s). SciPlay shall retain discretion as to the particular
15 method by which players may self-exclude; for example, SciPlay may permit players to self-
16 exclude by contacting SciPlay customer support, completing a form on SciPlay's website, or any
17 other reasonably accessible means. SciPlay shall use commercially reasonable efforts to prevent
18 any use of the Application specified by the player, including by creation of a new Application
19 account, from any device ID determined by SciPlay, using commercially reasonable efforts, to be
20 associated with the excluded account. After a self-exclusion request is responded to in full by
21 SciPlay, SciPlay shall not remove these restrictions for the period identified in the self-exclusion
22 policy at the time the self-exclusion is requested.

23 (c) The Parties acknowledge that SciPlay, in response to this litigation, made
24 changes to the game mechanics for the Applications to ensure that players who run out of
25 sufficient virtual chips to continue to play the Applications they are playing will be able to
26 continue to play games within the app without needing to purchase additional virtual chips or
27 wait until they would have otherwise received free additional virtual chips in the ordinary course.

1 Specifically, players who run out of chips will be able to continue to play at least one game
2 within the Application they are playing.

3 **3. RELEASES**

4 **3.1.** The obligations incurred pursuant to this Settlement Agreement shall be a full and
5 final disposition of the Action and any and all Released Claims, as against all Released Parties.

6 **3.2.** Upon the Effective Date, the Releasing Parties, and each of them, shall be deemed
7 to have, and by operation of the Final Judgment shall have, fully, finally, and forever released,
8 relinquished, and discharged all Released Claims against the Released Parties, and each of them.

9 **3.3.** Upon the Effective Date, the Released Parties, and each of them, further shall by
10 operation of the Final Judgment have, fully, finally, and forever released, relinquished, and
11 discharged all claims against Plaintiff, the Settlement Class, and Class Counsel that arise out of
12 or relate in any way to the commencement, prosecution, settlement, or resolution of the Action,
13 except for claims to enforce the terms of the Settlement.

14 **3.4.** Plaintiff and all other Settlement Class Members further stipulate that, with the
15 changes delineated in Sections 2.2(a)-2.2(c), virtual chips in the Applications are gameplay
16 enhancements, not “things of value” as defined by RCW 9.46.0285. As long as those prospective
17 measures remain implemented in the Applications as described, Settlement Class Members are
18 estopped from contending that virtual chips in the Applications are “things of value” under
19 current Washington law or that aspects of the Applications at issue in these cases render the
20 Applications deceptive or unfair under Washington law.

21 **4. NOTICE**

22 **4.1. Class List.** To effectuate the Notice Plan, within thirty (30) calendar days of the
23 execution of this Settlement Agreement:

24 (a) Defendants shall provide the Class Counsel and the Settlement
25 Administrator all Settlement Class Member contact information reasonably available to
26 Defendants, including names, emails addresses, and mailing addresses. To the extent reasonably
27

1 available to Defendants, for each Player ID with a Lifetime Spending Amount greater than zero,
2 Defendants shall further provide the Player ID's Lifetime Spending Amount.

3 (b) Defendants and Class Counsel shall each provide the Settlement
4 Administrator the information reflected in any opt-out letters received by either of them before
5 the date of the execution of this Settlement Agreement.

6 (c) Class Counsel and Defendants' Counsel shall cooperate to work with the
7 Platform Providers to obtain all contact information in the Platform Providers' possession,
8 including all names, AppIDs/UserIDs/PlayerIDs, phone numbers, email addresses, and mailing
9 addresses, of all persons in the Settlement Class with a Lifetime Spending Amount greater than
10 zero.

11 (d) Class Counsel and Defendants' Counsel shall cooperate to work with the
12 Platform Providers to obtain all Lifetime Spending Amounts greater than zero for each
13 AppId/UserID/PlayerId associated with a Settlement Class Member whose contact information is
14 obtained pursuant to Section 4.1(c).

15 (e) Class Counsel and Defendants' Counsel shall provide all information
16 obtained through Sections 4.1(c)-(d) to the Settlement Administrator.

17 (f) The Settlement Administrator will use the information obtained through
18 Sections 4.1(a)-(e) to create the "Class List." The Settlement Administrator shall keep the Class
19 List and all personal information obtained therefrom, including the identity, mailing, and e-mail
20 addresses of all persons, strictly confidential. To prepare the Class List for potential Settlement
21 Payments, the Settlement Administrator will (1) *first*, attach to each unique and identifiable
22 person all of his/her associated Applications accounts (*e.g.*, by Player IDs, UserIDs, and/or
23 AppIDs); (2) *second*, use Claim Forms to supplement, amend, verify, adjust, and audit the
24 foregoing data, as necessary; (3) *third*, calculate the total Lifetime Spending Amount for each
25 unique and identifiable person; and (4) *fourth*, categorize each unique and identifiable person
26 according to the appropriate Lifetime Spending Amount levels identified in the Plan of
27 Allocation. The Class List may not be used by the Settlement Administrator for any purpose

1 other than advising specific individual Settlement Class Members of their rights, distributing
2 Settlement Payments, and otherwise effectuating the terms of the Settlement Agreement or the
3 duties arising thereunder, including the provision of Notice of the Settlement.

4 **4.2. Notice Plan.** The Notice Plan shall consist of the following:

5 (a) *Direct Notice via Email and/or U.S. Mail.* No later than the Notice Date,
6 the Settlement Administrator shall send Notice via email substantially in the form attached as
7 Exhibit B, along with an electronic link to the Claim Form, to all Settlement Class Members for
8 whom a valid email address is available in the Class List. In the event transmission of email
9 notice results in any “bounce-backs,” the Settlement Administrator shall, where reasonable: (i)
10 correct any issues that may have caused the “bounce-back” to occur and make a second attempt
11 to re-send the email notice, and (ii) send Notice substantially in the form attached as Exhibit C
12 via First Class U.S. Mail provided an associated U.S. Mail address is contained in the Class List.
13 The Settlement Administrator shall also send Notice substantially in the form attached as Exhibit
14 C via First Class U.S. Mail to all Settlement Class Members with a Lifetime Spending Amount
15 greater than \$100.00 provided an associated U.S. Mail address is contained in the Class List.

16 (b) *Update Addresses.* Prior to mailing any Notice, the Settlement
17 Administrator will update the U.S. mail addresses of persons on the Class List using the National
18 Change of Address database and other available resources deemed suitable by the Settlement
19 Administrator. The Settlement Administrator shall take all reasonable steps to obtain the correct
20 address of any Settlement Class members for whom Notice is returned by the U.S. Postal Service
21 as undeliverable and shall attempt re-mailings.

22 (c) *Reminder Notice.* Thirty (30) days prior to the Claims Deadline and seven
23 (7) days prior to the Claims Deadline, the Settlement Administrator shall again send Notice via
24 email along with an electronic link to the Claim Form, to all Settlement Class Members for
25 whom a valid email address is available in the Class List. The reminder emails shall be
26 substantially in the form of Exhibit B, with minor, non-material modifications to indicate that it
27 is a reminder email rather than an initial notice.

1 (d) *Settlement Website*. Within seven (7) days after Preliminary Approval,
2 Notice shall be provided on a website at www.scientificgamesettlement.com, which shall be
3 administered and maintained by the Settlement Administrator and shall include the ability to file
4 Claim Forms online. The Notice provided on the Settlement Website shall be substantially in the
5 form of Exhibit D hereto. The Settlement Website shall also advise the Settlement Class of the
6 total value of the Settlement Fund and provide Settlement Class Members the ability to
7 approximate their Settlement Payment.

8 (e) *Digital Publication Notice*. The Settlement Administrator will supplement
9 the direct notice program with a digital publication notice program that will deliver more than
10 ten million (10,000,000) impressions to likely Settlement Class Members. The digital publication
11 notice campaign will be targeted, to the extent reasonably possible, to the state of Washington,
12 will run for at least one month, and will contain active hyperlinks to the Settlement Website. The
13 final digital notice advertisements, and the overall digital publication notice program to be used,
14 shall be subject to the final approval of Defendants, which approval shall not be unreasonably
15 withheld.

16 (f) *CAFA Notice*. Pursuant to 28 U.S.C. § 1715, not later than ten (10) days
17 after the Agreement is filed with the Court, Defendants shall cause the Settlement Administrator
18 to cause to be served upon the Attorney General of the United States and all appropriate State
19 officials notice of the proposed settlement as required by law.

20 (g) *Contact from Class Counsel*. Class Counsel, in their capacity as counsel to
21 Settlement Class Members, may from time to time contact Settlement Class Members to provide
22 information about the Settlement Agreement and to answer any questions Settlement Class
23 Members may have about the Settlement Agreement.

24 **4.3.** The Notice shall advise the Settlement Class of their rights under the Settlement,
25 including the right to be excluded from or object to the Settlement or its terms. The Notice shall
26 specify that any objection to the Settlement Agreement, and any papers submitted in support of
27 said objection, shall be considered by the Court at the Final Approval Hearing only if, on or

1 before the Objection/Exclusion Deadline approved by the Court and specified in the Notice, the
2 Class Member making the objection files notice of an intention to do so and at the same time
3 files copies of such papers he or she proposes to be submitted at the Final Approval Hearing. An
4 unrepresented Class Member may submit such papers to the Clerk of the Court or, if the Clerk of
5 the Court will not permit manual filings due to COVID-19 related restrictions, through the
6 Court's CM/ECF system. A Class Member represented by counsel *must* timely file any objection
7 through the Court's CM/ECF system.

8 **4.4. Right to Object or Comment.** Any Settlement Class Member who intends to
9 object to this Settlement must present the objection in writing, which must be personally signed
10 by the objector and must include: (i) any App ID(s), Player IDs, or User IDs; (ii) any email
11 address(es) associated with the use of the Applications, (iii) current contact telephone number,
12 U.S. Mail address, and email address, (iv) the specific grounds for the objection, (v) all
13 documents or writings that the Settlement Class Member desires the Court to consider, (vi) the
14 name and contact information of any and all attorneys representing, advising, or in any way
15 assisting the objector in connection with the preparation or submission of the objection or who
16 may profit from the pursuit of the objection, and (vii) a statement indicating whether the objector
17 intends to appear at the Final Approval Hearing (either personally or through counsel, who must
18 file an appearance or seek *pro hac vice* admission). All written objections must be filed with or
19 otherwise received by the Court, and e-mailed or delivered to Class Counsel and Defendants'
20 Counsel, no later than the Objection/Exclusion Deadline. Any Settlement Class Member who
21 fails to timely file or submit a written objection with the Court and notice of his or her intent to
22 appear at the Final Approval Hearing in accordance with the terms of this Section and as detailed
23 in the Notice, and at the same time provide copies to designated counsel for the Parties, shall not
24 be permitted to object to this Settlement Agreement or appear at the Final Approval Hearing, and
25 shall be foreclosed from seeking any review of this Settlement by appeal or other means and
26 shall be deemed to have waived his or her objections and be forever barred from making any
27 such objections in the Action or any other action or proceeding.

1 **4.5. Right to Request Exclusion.** Any Settlement Class Member may request to be
2 excluded from the Settlement Class by sending a written request that is received on or before the
3 Objection/Exclusion Deadline approved by the Court and specified in the Notice. To exercise the
4 right to be excluded, a person in the Settlement Class must timely send a written request for
5 exclusion to the Settlement Administrator that (i) provides his/her name, (ii) identifies the case
6 name, “*Donna Reed v. Scientific Games Corp.*, No. 18-cv-00565 (W.D. Wash),” or in some
7 substantially similar, reasonably identifiable fashion, (iii) states the individual’s App ID, Player
8 ID, or User ID, and email addresses associated with the Applications, (iv) states the individual’s
9 current contact telephone number, U.S. Mail address, and email address, (v) is physically signed
10 by the individual seeking exclusion, and (vi) contains a statement to the effect that “I/We hereby
11 request to be excluded from the proposed Settlement Class.” The Settlement Administrator shall
12 create a dedicated e-mail address to receive exclusion requests electronically. A request for
13 exclusion that does not include all of the foregoing information, that is sent to an address other
14 than that designated in the Notice, or that is not received within the time specified shall be
15 invalid, and the individual serving such a request shall be deemed to remain a Settlement Class
16 Member and shall be bound as a Settlement Class Member by this Settlement Agreement, if
17 approved by the Court. Any person who timely and properly elects to request exclusion from the
18 Settlement Class shall not (i) be bound by any orders or Final Judgment entered in the Action,
19 (ii) be entitled to relief under this Agreement, (iii) gain any rights by virtue of this Agreement, or
20 (iv) be entitled to object to any aspect of this Agreement. No person may request to be excluded
21 from the Settlement Class through “mass” or “class” opt-outs.

22 **5. CLAIMS PROCESS AND SETTLEMENT ADMINISTRATION**

23 **5.1.** The Settlement Administrator shall, under the supervision of the Court, administer
24 the relief provided by this Settlement Agreement by processing Claim Forms in a rational,
25 responsive, cost effective, and timely manner. The Settlement Administrator shall maintain
26 reasonably detailed records of its activities under this Agreement. The Settlement Administrator
27 shall maintain all such records as are required by applicable law in accordance with its normal

1 business practices and such records will be made available to Class Counsel and Defendants'
2 Counsel upon request. The Settlement Administrator shall also provide reports and other
3 information to the Court as the Court may require. The Settlement Administrator shall provide
4 Class Counsel and Defendants' Counsel with information concerning Notice, administration, and
5 implementation of the Settlement Agreement. Should the Court request, the Parties shall submit
6 a timely report to the Court summarizing the work performed by the Settlement Administrator,
7 including a post-distribution accounting of all amounts from the Settlement Fund paid to
8 Settlement Class Members, the number and value of checks not cashed, the number and value of
9 electronic payments unprocessed, and the amount distributed to any *cy pres* recipient. Without
10 limiting the foregoing, the Settlement Administrator shall:

11 (a) Receive requests to be excluded from the Settlement Class and promptly
12 provide Class Counsel and Defendants' Counsel copies thereof. If the Settlement Administrator
13 receives any exclusion forms after the Objection/Exclusion Deadline, the Settlement
14 Administrator shall promptly provide copies thereof to Class Counsel and Defendants' Counsel;

15 (b) Provide weekly reports to Class Counsel and Defendants' Counsel
16 regarding the number of Claim Forms received, the amount of the Settlement Payments
17 associated with those Claim Forms, and the categorization and description of Claim Forms
18 rejected, in whole or in part, by the Settlement Administrator; and

19 (c) Make available for inspection by Class Counsel and Defendants' Counsel
20 the Claim Forms received by the Settlement Administrator at any time upon reasonable notice.

21 **5.2.** The Settlement Administrator shall distribute Settlement Payments according to
22 the provisions enumerated in Section 2.1.

23 **5.3.** The Settlement Administrator shall be obliged to employ reasonable procedures to
24 screen claims for abuse or fraud and deny Claim Forms where there is evidence of abuse or
25 fraud, including by cross-referencing Approved Claims with the Class List. The Settlement
26 Administrator shall determine whether a Claim Form submitted by a Settlement Class Member is
27 an Approved Claim and shall reject Claim Forms that fail to (a) comply with the instructions on

1 the Claim Form or the terms of this Agreement, or (b) provide full and complete information as
2 requested on the Claim Form. In the event a person submits a timely Claim Form by the Claims
3 Deadline but the Claim Form is not otherwise complete, then the Settlement Administrator shall
4 give such person reasonable opportunity to provide any requested missing information, which
5 information must be received by the Settlement Administrator no later than twenty-eight (28)
6 calendar days after the Claims Deadline. In the event the Settlement Administrator receives such
7 information more than twenty-eight (28) calendar days after the Claims Deadline, then any such
8 claim shall be denied. The Settlement Administrator may contact any person who has submitted
9 a Claim Form to obtain additional information necessary to verify the Claim Form.

10 **5.4.** Class Counsel and Defendants' Counsel shall both have the right to challenge the
11 Settlement Administrator's acceptance or rejection of any particular Claim Form *or* the amount
12 proposed to be paid on account of any particular Settlement Class Member's claim. The
13 Settlement Administrator shall follow any joint decisions of Class Counsel and Defendants'
14 Counsel as to the validity of any disputed claim. Where Class Counsel and Defendants' Counsel
15 disagree, the dispute shall be submitted to Niki Mendoza of Phillips ADR. In addition, Ms.
16 Mendoza shall be responsible for all Final Claims Determinations, meaning she shall:

17 **5.4.1.** Determine and work with the Settlement Administrators to implement a process
18 by which each claimant shall be informed of the Settlement Administrators' initial
19 determination as to claimant's claim validity and Lifetime Spending Amount, and
20 that the claimant has the right within twenty-one (21) calendar days of receipt of
21 that notice to challenge that initial determination;

22 **5.4.2.** Determine and work with the Settlement Administrators, Class Counsel, and
23 Defendants' Counsel to implement a process by which any claimant shall be able to
24 challenge the Settlement Administrators' initial determination as to claim validity
25 (including any late claims) and Lifetime Spending Amount,

26 **5.4.3.** Allow, as to any challenges to the Settlement Administrators' initial
27 determination as to claim validity or amount, the Settlement Administrators to first

1 confer with the claimant to explain the determination in an effort to resolve the
2 challenge;

3 **5.4.4.** With respect to any unresolved challenges, finally resolve any challenges to the
4 Settlement Administrators' initial determinations as to claim validity or Lifetime
5 Spending Amount,

6 **5.4.5.** To the extent deemed appropriate and necessary by Ms. Mendoza, retain one or
7 more claims administration consultants to review the Settlement Administrators'
8 models and programming for accuracy and to suggest any necessary corrections
9 which will, in the first instance be reviewed by Class Counsel, and then if any issues
10 as to the models and programming remains, be recommended to Ms. Mendoza, who
11 has the non-appealable final binding decision-making authority;

12 **5.4.6.** Finally determine the amount of each valid claim, consistent with the Plan of
13 Allocation; and

14 **5.4.7.** Determine whether any portion of the Settlement Fund should be held back as
15 reserve funds to address any unforeseen circumstances within the claims processes,
16 and if so, work with the Settlement Administrators to implement the distribution of
17 the reserve funds to Class Members with Approved Claims;

18 **5.4.8.** For the avoidance of doubt, Ms. Mendoza shall have no authority to increase the
19 size of the Settlement Fund, to seek or order additional discovery from Defendants,
20 or to otherwise impact and Defendants' liability or other obligations under the
21 Settlement Agreement.

22 **5.4.9.** Ms. Mendoza's regular hourly rates, as well as the regular hourly rates of any
23 Phillips ADR staff Ms. Mendoza may choose to assist with the Final Claims
24 Determinations, along with any authorized consultants retained as deemed
25 appropriate in Ms. Mendoza's discretion, shall be paid from the Settlement Funds.
26
27

1 **6. PRELIMINARY APPROVAL ORDER AND FINAL APPROVAL ORDER**

2 **6.1.** Promptly after execution of this Agreement, Class Counsel shall move the Court
3 to enter an order preliminarily approving the Settlement, and attach this Agreement as an exhibit
4 to the motion. The proposed preliminary approval order shall include, among other provisions, a
5 request that the Court:

- 6 (a) Appoint Plaintiff Donna Reed and Laura Perkinson as Class
7 Representatives of the Settlement Class for settlement purposes only;
- 8 (b) Appoint Class Counsel to represent the Settlement Class for settlement
9 purposes only;
- 10 (c) Preliminarily certify the Settlement Class under Fed. R. Civ. P. 23 for
11 settlement purposes only;
- 12 (d) Preliminarily approve this Agreement for purposes of disseminating
13 Notice to the Settlement Class;
- 14 (e) approve the form and contents of the Notice and the method of its
15 dissemination to the Settlement Class; and
- 16 (f) schedule a Final Approval Hearing to review comments and/or objections
17 regarding the Settlement; to consider its fairness, reasonableness, and adequacy; to consider the
18 application for any Fee Award and incentive award(s) to the Class Representative(s); and to
19 consider whether the Court shall issue a Final Judgment approving this Agreement and
20 dismissing the Action with prejudice.

21 **6.2. Final Approval Order.** After Notice is given, and no earlier than twenty-one (21)
22 days following the Claims Deadline, Class Counsel shall move the Court for final approval and
23 entry of a Final Judgment, which shall include, among other a provisions, a request that the
24 Court:

- 25 (a) find that the Court has personal jurisdiction over all Settlement Class
26 Members and Defendants for settlement purposes only and that the Court has subject matter
27 jurisdiction to approve the Settlement Agreement, including all exhibits thereto;

1 (b) approve the Settlement Agreement and the proposed settlement as fair,
2 reasonable, and adequate as to, and in the best interests of, the Settlement Class Members; direct
3 the Parties and their counsel to implement and consummate the Settlement Agreement according
4 to its terms and provisions; and declare the Settlement Agreement to be binding on, and have res
5 judicata and preclusive effect in all pending and future lawsuits or other proceedings maintained
6 by or on behalf of, Plaintiff and the Releasing Parties with respect to the Released Claims;

7 (c) find that the Notice implemented pursuant to the Agreement (i) constitutes
8 the best practicable notice under the circumstances; (ii) constitutes notice that is reasonably
9 calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the
10 Action, their right to object to the Settlement or exclude themselves from the Settlement Class,
11 and to appear at the Final Approval Hearing; (iii) is reasonable and constitutes due, adequate,
12 and sufficient notice to all persons entitled to receive notice; and (iv) meets all applicable
13 requirements of the Federal Rules of Civil Procedure, the Due Process Clause of the United
14 States Constitution, and the rules of the Court;

15 (d) find that the Class Representative(s) and Class Counsel adequately
16 represent the Settlement Class for purposes of entering into and implementing the Settlement
17 Agreement;

18 (e) dismiss the Action (including all individual claims and class claims
19 presented thereby) on the merits and with prejudice, without fees or costs to any party except as
20 provided in the Settlement Agreement;

21 (f) incorporate the Releases set forth above, make the Releases effective as of
22 the Effective Date, and forever discharge the Released Parties from the Released Claims as set
23 forth herein;

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

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

5 **6.3.** The Parties shall, in good faith, cooperate, assist and undertake all reasonable
6 actions and steps in order to accomplish these required events on the schedule set by the Court,
7 subject to the terms of this Settlement Agreement.

8 **7. TERMINATION AND CONFIRMATORY DISCOVERY**

9 **7.1.** If the amount of the Base Payment Amounts, as defined in the Plan of Allocation,
10 of persons in the Settlement Class who request exclusion exceeds 5% of the Settlement Fund,
11 then Defendants may notify the other parties in writing that they have elected to terminate this
12 Settlement Agreement (“Termination Notice”). Such Termination Notice must be provided
13 within ten (10) calendar days of the *earlier* of: (1) the date the Parties receive a final tabulation
14 from the Settlement Administrator of the claims, objections, and requests for exclusion timely
15 received by the Claims Deadline and the Objection/Exclusion Deadline, or (2) the date the
16 Parties agree in good faith that they have received sufficient evidence from the Settlement
17 Administrator to establish beyond a reasonable doubt that no thresholds for a Section 7.1 or
18 Section 7.2 Termination Notice have been or will be met. For example, if the Settlement
19 Administrator—after the Claims Deadline—notifies the Parties that there were no objections and
20 just a single opt-out associated with \$1 of Total Lifetime Spending, that evidence would be
21 sufficient to establish beyond a reasonable doubt that no thresholds for a Section 7.1 or Section
22 7.2 Termination Notice have been or will be met. If this Settlement Agreement is terminated, it
23 will be deemed null and void ab initio.

24 **7.2.** Defendants additionally shall each have the right, but not the obligation, to
25 terminate the settlement agreement if more than 2% of the members of the Settlement Class or
26 more than 3% of the revenue associated with the Settlement Class exclude themselves from the
27 settlement. Notification of intent to terminate the Settlement Agreement must be provided within

1 ten (10) calendar days of the *earlier* of: (1) the date the Parties receive a final tabulation from the
2 Settlement Administrator of the claims, objections, and requests for exclusion timely received by
3 the Claims Deadline and the Objection/Exclusion Deadline, or (2) the date the Parties agree in
4 good faith they have received sufficient evidence from the Settlement Administrator to establish
5 beyond a reasonable doubt that no thresholds for a Section 7.1 or Section 7.2 Termination Notice
6 have been or will be met. For example, if the Settlement Administrator—after the Claims
7 Deadline—notifies the Parties that there were no objections and just a single opt-out associated
8 with \$1 of Total Lifetime Spending, that evidence would be sufficient to establish beyond a
9 reasonable doubt that no thresholds for a Section 7.1 or Section 7.2 Termination Notice have
10 been or will be met. If this Settlement Agreement is terminated, it will be deemed null and void
11 ab initio.

12 **7.3.** Subject to Sections 9.1-9.3 below, the Parties to this Settlement Agreement shall
13 additionally have the right to terminate this Agreement by providing a Termination Notice to all
14 other Parties hereto within twenty-one (21) calendar days of any of the following events: (i) the
15 Court's refusal to grant Preliminary Approval of this Agreement; (ii) the Court's refusal to enter
16 the Final Judgment in the Action; (iii) the date upon which the Final Judgment is modified or
17 reversed in any material respect by the Court of Appeals or the Supreme Court; or (iv) the date
18 upon which an Alternative Judgment, as defined in Section 9.1(d) of this Agreement, is modified
19 or reversed in any material respect by the Court of Appeals or the Supreme Court.

20 **7.4. Confirmatory Discovery.** Defendants have represented that the Washington-
21 based in-Application (i.e., Jackpot Party Casino, Gold Fish Casino, Quick Hit Slots, 88 Fortunes
22 Slots, Hot Shot Casino, and Monopoly Slots) revenues for the time period from April 17, 2014,
23 through and including September 30, 2021 are less than or equal to \$94,652,512. Simultaneous
24 with the execution of this Agreement, Defendants have provided a declaration, from a person
25 with sufficient knowledge, of Defendants' best estimate of the amount of revenue for that period.
26 In the event that the declaration shows that revenues for this period exceed \$94,652,512 by more
27 than one percent (1%), the Parties further agree that they shall execute an amended settlement

1 agreement that adjusts the amount of the Settlement Fund proportionately to the increase in
2 revenue to account for the error.

3 **8. INCENTIVE AWARD(S) AND CLASS COUNSEL'S ATTORNEYS' FEES AND**
4 **REIMBURSEMENT OF EXPENSES**

5 **8.1. The Fee Award.** Pursuant to Fed. R. Civ. P. 23(h), Defendants agree that Class
6 Counsel shall be entitled to an award of reasonable attorneys' fees and costs out of the
7 Settlement Fund in an amount determined by the Court as the Fee Award. Without the Parties
8 having discussed the issue of the amount of attorneys' fees at any point in their negotiations, and
9 with no consideration given or received, Class Counsel will limit its petition for attorneys' fees
10 to no more than thirty percent (30%) of the Settlement Fund, plus reimbursement of expenses.
11 Defendants may challenge the amount requested. Payment of any Fee Award shall be made from
12 the Settlement Fund, and should Class Counsel seek or be awarded less than this amount, the
13 difference in the amount sought and/or the amount ultimately awarded pursuant to this paragraph
14 shall remain in the Settlement Fund for distribution to eligible Settlement Class Members.

15 **8.2.** The Fee Award shall be payable from the Settlement Fund within fourteen (14)
16 business days after entry of the Court's Final Judgment, subject to Class Counsel executing the
17 Undertaking Regarding Attorneys' Fees and Costs (the "Undertaking"), attached hereto as
18 Exhibit F. Payment of the Fee Award shall be made by wire transfer to Class Counsel in
19 accordance with wire instructions to be provided to the Escrow Account agent, after completion
20 of necessary forms, including but not limited to W-9 forms. Additionally, should any party to the
21 Undertaking dissolve, merge, declare bankruptcy, become insolvent, or cease to exist prior to the
22 final payment to Settlement Class Members, that party shall execute a new undertaking
23 guaranteeing repayment of funds within fourteen (14) days of such an occurrence. All
24 obligations set forth in this paragraph shall expire upon the Effective Date.

25 **8.3. Incentive Award(s).** Class Counsel intend to file a motion for Court approval of
26 incentive award(s) to the Class Representative(s), to be paid from the Settlement Fund, in
27 addition to any funds the Class Representative(s) stand(s) to otherwise receive from the

1 Settlement. With no consideration having been given or received for these limitations, Donna
2 Reed will seek no more than ten thousand dollars (\$10,000) as an incentive award, and no other
3 Class Representative will seek more than two-thousand five-hundred dollars (\$2,500) as an
4 incentive award. Any award shall be paid by the Settlement Administrator from the Escrow
5 Account (in the form of a check to the Class Representative that is sent care of Class Counsel)
6 within five (5) business days after entry of the Final Judgment if there have been no objections to
7 the Settlement Agreement and, if there have been such objections, within five (5) business days
8 after the Effective Date. Defendants reserve their right to challenge any incentive award petition.

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

11 **9.1.** Consistent with Section 1.13, the Effective Date shall not occur unless and until
12 each of the following events occurs and shall be the date upon which the last (in time) of the
13 following events occurs:

- 14 (a) The Parties have executed this Agreement;
- 15 (b) The Court has granted Preliminary Approval;
- 16 (c) The Court has entered an order finally approving the Agreement,
17 following Notice to the Settlement Class and a Final Approval Hearing, as provided in the
18 Federal Rules of Civil Procedure, and has entered the Final Judgment, or a judgment consistent
19 with this Agreement in all material respects, and such Final Judgment or other judgment
20 consistent with this Agreement in all material respects has become final and non-appealable;
- 21 (d) Defendants have funded the Settlement Fund; and
- 22 (e) The Final Judgment has become final and unappealable, or in the event
23 that the Court enters an order and final judgment in a form other than that provided above
24 (“Alternative Judgment”), and that has the approval of the Parties, such Alternative Judgment
25 becomes final and unappealable.

26 **9.2.** If some or all of the conditions specified in Section 9.1 are not met, or in the event
27 that this Agreement is not approved by the Court, or the settlement set forth in this Agreement is

1 terminated or fails to become effective in accordance with its terms, then this Settlement
2 Agreement shall be canceled and terminated subject to Sections 7.1 through 7.3 unless Class
3 Counsel and Defendants' Counsel mutually agree in writing to proceed with this Agreement. If
4 any Party is in material breach of the terms hereof, any other Party, provided that it is in
5 substantial compliance with the terms of this Agreement, may terminate this Agreement on
6 notice to all of the Parties. Notwithstanding anything herein, the Parties agree that the Court's
7 failure to approve, in whole or in part, the attorneys' fees payment to Class Counsel and/or
8 incentive awards to the Class Representative(s) set forth in Section 8 above shall not prevent the
9 Agreement from becoming effective, nor shall it be grounds for termination.

10 **9.3.** If this Settlement Agreement is terminated or fails to become effective for the
11 reasons set forth above, the Parties shall be restored to their respective positions as of the date of
12 the signing of this Agreement. In such event, any Final Judgment or other order entered by the
13 Court in accordance with the terms of this Agreement shall be treated as vacated, nunc pro tunc,
14 and the Parties shall be returned to the status quo ante as if this Settlement Agreement had never
15 been entered into.

16 **9.4.** In the event the Settlement is terminated or fails to become effective for any
17 reason, the Settlement Fund, together with any earnings thereon at the same rate as earned by the
18 Settlement Fund, less any taxes paid or due, less Settlement Administrative Expenses actually
19 incurred and paid or payable from the Settlement Fund, shall be returned to Defendants within
20 thirty (30) calendar days after written notification of such event in accordance with instructions
21 provided by Defendants' Counsel to Class Counsel and the Settlement Administrator. At the
22 request of Defendants' Counsel, the Settlement Administrator or their designees shall apply for
23 any tax refund owed on the amounts in the Settlement Fund and pay the proceeds, after any
24 deduction of any fees or expenses incurred in connection with such application(s), of such refund
25 to Defendants or as otherwise directed.

26 **10. CONFIDENTIALITY AND PUBLIC STATEMENTS**
27

1 **10.1.** Except as otherwise agreed by Class Counsel and Defendants' Counsel in writing
2 and/or as required by legal disclosure obligations, all terms of this Agreement will remain
3 confidential and subject to Rule 408 of the Federal Rules of Evidence until presented to the
4 Court along with Plaintiff's motion for preliminary approval.

5 **11. MISCELLANEOUS PROVISIONS**

6 **11.1.** The Parties (a) acknowledge that it is their intent to consummate this Settlement
7 Agreement; and (b) agree, subject to their fiduciary and other legal obligations, to cooperate to
8 the extent reasonably necessary to effectuate and implement all terms and conditions of this
9 Agreement, to exercise their reasonable best efforts to accomplish the foregoing terms and
10 conditions of this Agreement, to secure final approval, and to defend the Final Judgment through
11 any and all appeals. Class Counsel and Defendants' Counsel agree to cooperate with one another
12 in seeking Preliminary Approval, and entry of the Final Judgment, and promptly to agree upon
13 and execute all such other documentation as may be reasonably required to obtain final approval
14 of the Agreement.

15 **11.2.** The Parties intend this Settlement Agreement to be a final and complete
16 resolution of all disputes between them with respect to the Released Claims by the Class
17 Representatives, the Settlement Class Members, and each or any of them, on the one hand,
18 against the Released Parties, and each or any of the Released Parties, on the other hand.
19 Accordingly, the Parties agree not to assert in any forum that the Action was brought by Plaintiff
20 or defended by Defendants in bad faith or without a reasonable basis.

21 **11.3.** Each signatory to this Agreement warrants (a) that he, she, or it has all
22 requisite power and authority to execute, deliver and perform this Settlement Agreement and to
23 consummate the transactions contemplated herein, (b) that the execution, delivery and
24 performance of this Settlement Agreement and the consummation by it of the actions
25 contemplated herein have been duly authorized by all necessary corporate action on the part of
26 each signatory, and (c) that this Settlement Agreement has been duly and validly executed and
27 delivered by each signatory and constitutes its legal, valid and binding obligation.

1 **11.4.** The Parties have relied upon the advice and representation of counsel, selected by
2 them, concerning the claims hereby released. The Parties have read and understand fully this
3 Settlement Agreement and have been fully advised as to the legal effect hereof by counsel of
4 their own selection and intend to be legally bound by the same.

5 **11.5.** Whether or not the Effective Date occurs or the Settlement Agreement is
6 terminated, neither this Agreement nor the settlement contained herein, nor any act performed or
7 document executed pursuant to or in furtherance of this Agreement or the settlement:

8 (a) is, may be deemed, or shall be used, offered or received against the
9 Released Parties, or each or any of them, as an admission, concession or evidence of, the validity
10 of any Released Claims, the truth of any fact alleged by Plaintiff, the deficiency of any defense
11 that has been or could have been asserted in the Action, the violation of any law or statute, the
12 reasonableness of the settlement amount or the Fee Award, or of any alleged wrongdoing,
13 liability, negligence, or fault of the Released Parties, or any of them;

14 (b) is, may be deemed, or shall be used, offered or received against
15 Defendants as an admission, concession or evidence of any fault, misrepresentation or omission
16 with respect to any statement or written document approved or made by the Released Parties, or
17 any of them;

18 (c) is, may be deemed, or shall be used, offered or received against the
19 Released Parties, or each or any of them, as an admission or concession with respect to any
20 liability, negligence, fault or wrongdoing as against any Released Parties, in any civil, criminal
21 or administrative proceeding in any court, administrative agency or other tribunal. However, the
22 settlement, this Agreement, and any acts performed and/or documents executed in furtherance of
23 or pursuant to this Agreement and/or Settlement may be used in any proceedings as may be
24 necessary to effectuate the provisions of this Agreement. Further, if this Settlement Agreement is
25 approved by the Court, any Party or any of the Released Parties may file this Agreement and/or
26 the Final Judgment in any action that may be brought against such Party or Parties in order to
27 support a defense or counterclaim based on principles of res judicata, collateral estoppel, release,

1 good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue
2 preclusion or similar defense or counterclaim;

3 (d) is, may be deemed, or shall be construed against Plaintiff, the Settlement
4 Class, the Releasing Parties, or each or any of them, or against the Released Parties, or each or
5 any of them, as an admission or concession that the consideration to be given hereunder
6 represents an amount equal to, less than or greater than that amount that could have or would
7 have been recovered after trial; and

8 (e) is, may be deemed, or shall be construed as or received in evidence as an
9 admission or concession against Plaintiff, the Settlement Class, the Releasing Parties, or each
10 and any of them, or against the Released Parties, or each or any of them, that any of Plaintiff's
11 claims are with or without merit or that damages recoverable in the Action would have exceeded
12 or would have been less than any particular amount.

13 **11.6.** The Parties acknowledge and agree that any Party may request that the Court
14 appoint a Settlement Special Master. Each Party explicitly reserves the right to oppose any such
15 request. Any fees earned or costs incurred by any such Settlement Special Master shall be paid
16 exclusively from the Settlement Fund.

17 **11.7.** The Parties acknowledge and agree that no opinion concerning the tax
18 consequences of the proposed Settlement to Settlement Class Members is given or will be given
19 by the Parties, nor are any representations or warranties in this regard made by virtue of this
20 Settlement Agreement. Each Settlement Class Member's tax obligations, and the determination
21 thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the
22 tax consequences may vary depending on the particular circumstances of each individual
23 Settlement Class Member.

24 **11.8.** The headings used herein are used for the purpose of convenience only and are
25 not meant to have legal effect.

1 **11.9.** The waiver by one Party of any breach of this Settlement Agreement by any other
2 Party shall not be deemed as a waiver of any other prior or subsequent breaches of this
3 Settlement Agreement.

4 **11.10.** All of the exhibits to this Settlement Agreement are material and integral parts
5 hereof and are fully incorporated herein by reference.

6 **11.11.** This Settlement Agreement and its exhibits set forth the entire agreement and
7 understanding of the Parties with respect to the matters set forth herein, and supersede all prior
8 negotiations, agreements, arrangements and undertakings with respect to the matters set forth
9 herein. No representations, warranties or inducements have been made to any party concerning
10 this Settlement Agreement or its exhibits other than the representations, warranties and
11 covenants contained and memorialized in such documents. This Settlement Agreement may be
12 amended or modified only by a written instrument signed by or on behalf of all Parties or their
13 respective successors-in-interest.

14 **11.12.** Except as otherwise provided herein, each Party shall bear its own attorneys' fees
15 and costs incurred in any way related to the Action.

16 **11.13.** Plaintiff represents and warrants that she has not assigned any claim or right or
17 interest relating to any of the Released Claims against the Released Parties to any other person or
18 party and that she is fully entitled to release the same.

19 **11.14.** Each person executing this Settlement Agreement, any of its Exhibits, or any
20 related settlement documents on behalf of any Party hereto, hereby warrants and represents that
21 such person has the full authority to do so and has the authority to take appropriate action
22 required or permitted to be taken pursuant to the Settlement Agreement to effectuate its terms.

23 **11.15.** This Settlement Agreement may be executed in one or more counterparts. All
24 executed counterparts and each of them shall be deemed to be one and the same instrument.
25 Signature by digital, facsimile, or in PDF format will constitute sufficient execution of this
26 Settlement Agreement. A complete set of original executed counterparts shall be filed with the
27 Court if the Court so requests.

1 **11.16.** The Court shall retain jurisdiction with respect to implementation and
2 enforcement of the terms of this Settlement Agreement, and all Parties hereto submit to the
3 jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in
4 this Settlement Agreement.

5 **11.17.** This Settlement Agreement shall be governed by and construed in accordance
6 with the laws of the State of Washington without reference to the conflicts of laws provisions
7 thereof.

8 **11.18.** This Settlement Agreement is deemed to have been prepared by counsel for all
9 Parties, as a result of arm's-length negotiations among the Parties. Whereas all Parties have
10 contributed substantially and materially to the preparation of this Settlement Agreement, no
11 Party is entitled to have this Settlement Agreement construed against any other Party on the basis
12 of such Party's capacity as drafter of any provision of this Settlement Agreement.

13 **11.19.** Where this Settlement Agreement requires notice to the Parties, such notice shall
14 be sent to the following counsel. For Plaintiff: Todd Logan, Edelson PC, 150 California Street,
15 18th Floor, San Francisco, California 94111. For Defendant: Adam Hoeflich, Bartlit Beck LLP,
16 54 West Hubbard Street, Suite 300, Chicago, IL 60654.

17 **11.20.** All time periods and dates described in this Agreement are subject to the Court's
18 approval. These time periods and dates may be changed by the Court or by the Parties' written
19 agreement without notice to the Settlement Class. The Parties reserve the right, subject to the
20 Court's approval, to make any reasonable extensions of time that might be necessary to carry out
21 any provision of this Agreement.

22 **11.21.** Defendants shall be given an opportunity to review and provide comments to
23 Plaintiff's preliminary and final approval briefs, and Plaintiff shall consider in good faith all such
24 comments.

25
26 **[SIGNATURES BEGIN ON FOLLOWING PAGE]**

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

3
4 Date: 1/17/2022

Donna Reed
By: (signature) Donna Reed
Name: (printed) Donna Reed

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9 Date: _____

Laura Perkinson
By: (signature) _____
Name: (printed) _____

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15 Date: _____

Edelson PC
By: (signature) _____
Name: (printed) _____

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

Donna Reed

Date: _____

By: (signature) _____

Name: (printed) _____

Laura Perkinson

Date: 1/17/2022

By: (signature) Laura Perkinson

Name: (printed) Laura Perkinson

Edelson PC

Date: _____

By: (signature) _____

Name: (printed) _____

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

3 **Donna Reed**

4 Date: _____

By: (signature) _____

5 Name: (printed) _____
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8 **Laura Perkinson**

9 Date: _____

By: (signature) _____

10 Name: (printed) _____
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14 **Edelson PC**

1/17/2022

15 Date: _____

By: (signature) Todd Logan _____

16 Name: (printed) Todd Logan _____
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Date: Jan. 18, 2022

Scientific Games Corporation

By: (signature)

Its:

Chief Legal Officer

Name: (printed)

James Sottile

SciPlay Corp.

By: (signature)

Its:

Name: (printed)

Date: _____

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Scientific Games Corporation

Date: _____

By: (signature) _____

Its: _____

Name: (printed) _____

SciPlay Corp.

Date: 1/18/2022

By: (signature)  _____

Its: CEO

Name: (printed) Josh Wilson