

SETTLEMENT AGREEMENT

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

This Settlement Agreement (“Agreement,” the terms of which are sometimes referred to as the “Settlement”) is entered into by and between Cathie Cruz (“Cruz”), Shannon Dale Price (“Price”), Cheryl Edgemon (“Edgemon”), Robert Davenport (“Davenport”), Patrick Bergeron (“Bergeron”), and Mary Schnurer (“Schnurer”), on the one hand, on behalf of themselves and all other individuals who are members of the Class as defined in Section III below, and Synapse Group, Inc. and SynapseConnect, Inc. (together referred to as “Synapse” or “defendants”), on the other hand. Each of the foregoing is a “Party” (collectively, the “Parties”).

I. RECITALS

A. On May 17, 2016, Price and Edgemon filed a complaint in the Superior Court of the State of California, County of San Diego, entitled *Price v. Synapse Group, Inc., et al.*, Case No. 37-2016-00016453-CU-MC-CTL (the “*Price*” action). The *Price* action alleges that defendants enrolled Price, Edgemon, and other Class Members in automatic renewal magazine subscriptions without first presenting the consumer with the automatic renewal offer terms in a clear and conspicuous manner; charged the consumer’s credit card, debit card, or third party payment account without first obtaining the consumer’s affirmative consent to an agreement containing clear and conspicuous disclosure of the automatic renewal offer terms; and failed to provide the consumer with an acknowledgment that included clear and conspicuous disclosure of the automatic renewal offer terms, cancellation policy, and information regarding how to cancel. As originally filed, the *Price* action sought both monetary and injunctive relief.

B. On June 17, 2016, defendants removed the *Price* action to the United States District Court for the Southern District of California (the “District Court”), where it was assigned Case No. 3:16-cv-01524-BAS-BLM.

C. On July 24, 2017, District Judge Cynthia Bashant granted in part and denied in part defendants’ motion to dismiss the *Price* action. Among other things, the District Court dismissed the prayer for injunctive relief on the ground that the *Price* plaintiffs did not have Article III standing to seek injunctive relief in federal court. Thereafter, defendants filed an Answer and the *Price* action entered an extended period of discovery and motion practice.

D. On June 28, 2018, plaintiff Cruz commenced the instant action by filing a complaint in the Superior Court of the State of California, County of San Diego, entitled *Cruz v. Synapse Group, Inc., et al.*, Case No. 37-2018-00032240-CU-MC-CTL (the “*Cruz* action”). Among other things, the *Cruz* action alleges that defendants enrolled Cruz and other Class Members in automatic renewal magazine subscriptions without first presenting the consumer with the automatic renewal offer terms in a clear and conspicuous manner; charged the consumer’s credit card, debit card, or third party payment account without first obtaining the consumer’s affirmative consent to an agreement containing clear and conspicuous disclosure of the automatic renewal offer terms; and failed to provide the consumer with an acknowledgment that included clear and conspicuous disclosure of the automatic renewal offer terms, cancellation policy, and information regarding how to cancel. As originally filed, the *Cruz* action sought only injunctive relief, since monetary relief was already being sought in the *Price* action.

E. On August 1, 2018, defendants removed the *Cruz* action to the District Court, where it ultimately was assigned Case No. 3:18-cv-01775-BAS-BLM. On August 9, 2018, plaintiff Cruz filed a motion to remand the *Cruz* action to the San Diego County Superior Court.

F. On October 8, 2018, the parties to the *Cruz* action and the *Price* action participated in a full-day mediation before the Honorable Carl J. West (Ret.), retired judge of the Los Angeles County Superior Court. The Parties were able to reach a resolution of both the *Cruz* action and the *Price* action on the terms set forth in this Agreement. The Settlement was entered into with the express understanding that proceedings concerning judicial approval of the Settlement take place as part of the *Cruz* action, following remand to the state court, so as to ensure that the court that reviews the settlement and enters any order or judgment thereon has subject matter jurisdiction over all aspects of the Settlement.

G. On October 10, 2018, the District Court entered an order remanding the *Cruz* action to the San Diego County Superior Court.

H. This Agreement represents a compromise of disputed claims. Defendants deny any and all allegations of liability, fault, or wrongdoing and deny that any claims alleged in the pleadings of either the *Cruz* action or the *Price* action are suitable for class certification other than for purposes of this Settlement. The parties have entered into the Settlement described herein to fully and finally resolve their disputes and the disputes of class members.

Therefore, the Parties agree as follows:

II. CONDITIONS PRECEDENT TO EFFECTIVENESS OF SETTLEMENT

A. The Settlement will become final and effective upon the occurrence of all of the following events:

1. The San Diego County Superior Court (the “Court”) enters an order preliminarily approving the Settlement and certifying the Class as defined in Section III. The date the Court enters an order granting preliminary approval of the Settlement will be referred to as the “Preliminary Approval Date.”

2. The Court enters an order and judgment granting final approval of the Settlement. The date the Court enters the judgment will be referred to as the “Judgment Entry Date.”

3. The Effective Date occurs. The “Effective Date” will be determined as follows:

(a) The Effective Date will be the Judgment Entry Date unless a Class Member, as defined in Section III.A., files a timely objection to the Settlement that is not withdrawn on or before the Judgment Entry Date.

(b) If a Class Member files a timely objection to the Settlement that is not withdrawn on or before the Judgment Entry Date, then the Effective Date will be sixty-one (61) days following the Judgment Entry Date, unless that Class Member files a timely notice of appeal of the judgment.

(c) If a Class Member who has filed a timely objection to the Settlement also files a timely notice of appeal of the judgment, then the Effective Date will be the date the appeal is dismissed or the judgment is affirmed and no longer subject to mandatory or discretionary appellate review.

B. The Parties and their respective counsel will cooperate with each other and do all things reasonably necessary to obtain preliminary approval of the Settlement, obtain final approval of the Settlement, protect and support the Settlement if an appeal is taken or any other form of judicial review is sought, and otherwise seek to ensure that the Effective Date occurs. No Party or counsel may encourage a class member to exclude himself or herself from the Settlement or object to the Settlement. Nothing herein imposes upon counsel any obligation inconsistent with their ethical obligations or obligations to their respective clients.

C. Class Counsel will have the right to appeal any award of attorneys’ fees, litigation expenses, or service payments, but any such appeal, if taken, will not otherwise affect the binding

nature of the Settlement, including the release of claims set forth in Section IX below. In the event of any such appeal of attorneys' fees, litigation expenses, or a service payment, the Parties will cooperate to carry out the other terms of the Settlement that are unaffected by that appeal.

D. If the Effective Date does not occur because the Superior Court or a reviewing court enters a final order or decision disapproving of the Settlement with prejudice, or if the Settlement is terminated by agreement of the Parties, or if for other reasons it becomes certain that the Effective Date cannot occur: (1) this Agreement will be void *ab initio* and without any further force or effect; (2) any conditional certification of the Class pursuant to a preliminary approval order shall be withdrawn; (3) the First Amended Complaint and any Answer thereto filed pursuant to this Agreement shall be stricken or withdrawn; (4) the Settlement Administrator will, after deducting any settlement administration expenses incurred as of that date, return any Settlement funds in its possession to defendants; and (5) the Parties will endeavor to return the litigation as nearly as practicable to the status quo *ante*.

III. CLASS CERTIFICATION

A. Solely for the purpose of effectuating the Settlement, and subject to Court approval, the Parties stipulate to class certification of the following Class (the members of which are referred to as the "Class Members"):

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.

B. Solely for the purpose of effectuating the Settlement, the Parties stipulate to the filing of a First Amended Complaint which, among other things, sets forth the foregoing definition of the Class, adds Price, Edgemon, Davenport, Bergeron, and Schnurer as named plaintiffs in the *Cruz* action, and adds claims for monetary relief in the *Cruz* action. Promptly upon execution of this

Agreement, plaintiff Cruz and defendants will submit to the Court a stipulation and proposed order for the filing of the First Amended Complaint.

C. Within three (3) court days of the filing of said First Amended Complaint, defendants shall file an Answer without any pleading challenges to the First Amended Complaint. However, if the Settlement is not granted final approval by the Court, the Parties stipulate and agree that (a) the First Amended Complaint shall be stricken, (b) the Answer to the First Amended Complaint shall be withdrawn, and (c) the Parties will endeavor to return the litigation as nearly as practicable to the status quo *ante*.

D. Solely for the purpose of effectuating the Settlement, and subject to Court approval, the Parties stipulate that the law firm of Dostart Hannink & Coveney LLP will be appointed as counsel for the Class (“Class Counsel”).

E. Solely for the purpose of effectuating this Settlement, and subject to Court approval, the Parties stipulate that Cruz, Price, Edgemon, Davenport, Bergeron, and Schnurer will be appointed as Class Representatives.

F. Subject to Court approval, the parties agree that CPT Group, Inc. will be the Settlement Administrator. The Settlement Administrator will be responsible for: disseminating the Summary Class Notice; establishing and maintaining the Settlement Website; researching and updating addresses through skip-traces and similar means, if and to the extent necessary; receiving and validating claims; preparing a declaration regarding its due diligence; mailing settlement checks to Class Members; and doing such other things as the Parties or the Court may direct in order to effectuate the Settlement.

G. After the filing of the First Amended Complaint, plaintiffs shall promptly submit this Agreement to the Court along with a motion for (1) preliminary approval of class action settlement (the proposed form of the Preliminary Approval Order is attached hereto as Exhibit A),

(2) conditional certification of the settlement class, and (3) approval of class notice of the proposed settlement (proposed forms for the Summary Notice, the Long Form Notice, and the paper Claim Form are attached hereto as Exhibits B, C, and D, respectively). The Parties agree to cooperate in obtaining preliminary approval as soon as the Court's calendar will permit. The preliminary approval motion will also ask the Court to schedule a fairness hearing on the question of whether the proposed settlement, including payment of attorneys' fees and costs and class representative service payments, should be finally approved as fair, reasonable, and adequate as to the Class.

IV. SETTLEMENT CONSIDERATION

A. Monetary Consideration. The monetary consideration to be paid by defendants is the principal amount of Four Million Nine Hundred Eighty Thousand Dollars (\$4,980,000) (the "Settlement Amount"). Defendants will pay \$1,000,000 of the Settlement Amount to the Settlement Administrator by wire transfer no later than fourteen (14) days following the Preliminary Approval Date. The Settlement Administrator shall hold said funds in an interest-bearing account, to be distributed only as set forth in this Agreement. The remaining \$3,980,000 of the Settlement Amount shall be paid by defendants to the Settlement Administrator by wire transfer within ten (10) days after the Effective Date. Under no circumstances shall defendants be obligated to pay any monetary amount pursuant to this Settlement in excess of the Settlement Amount.

B. As provided in Sections V, VI, VII, and VIII below, the Settlement Amount will be used to pay Class Counsel's attorneys' fees and litigation expenses (as approved by the Court), any service payment awarded by the Court to a Class Representative, the expenses of settlement administration (including class notice), and the settlement payments to Class Members. If any funds are remaining by reason of uncashed settlement checks or otherwise, the remaining funds will be paid to a *cy pres* recipient mutually proposed by the Parties and approved by the Court, unless the

Court orders otherwise. Provided that the Effective Date occurs, no portion of the Settlement Amount will revert to defendants.

C. Injunctive Relief and Change of Business Practices. Within three months after the Effective Date and for a period of at least two years thereafter, defendants will implement and maintain the following business practices with respect to automatic renewal or continuous service magazine subscriptions in the State of California.

1. Consistent with Cal. Bus. & Prof. Code § 17602(a)(1), defendants' offer materials relating to automatic renewal or continuous service magazine subscriptions that are presented in writing or online to California consumers will present the automatic renewal offer terms in larger type than the surrounding text, or in contrasting type, font, or color to surrounding text of the same size, or set off from surrounding text of the same size by symbols or other marks, and in visual proximity to the request for consent to the offer. Defendants' offers relating to automatic renewal or continuous service magazine subscriptions that are conveyed by voice to California consumers will present the automatic renewal offer terms in temporal proximity to the request for consent to the offer and in a volume and cadence sufficient to be readily audible and understandable.

2. Consistent with Cal. Bus. & Prof. Code § 17602(a)(3), for California consumers who submit an order for an automatic renewal or continuous service magazine subscription, Defendants will provide the consumer with an acknowledgement that includes the automatic renewal or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer. Defendants will provide the acknowledgment by mail, e-mail, text message (if permitted by law), or any other means permitted by law.

3. Consistent with Cal. Bus. & Prof. Code § 17602(c), for California consumers who accept an automatic renewal or continuous service magazine subscription offer online,

defendants will provide an online mechanism by which those consumers can terminate the automatic renewal or continuous service.

If California law (whether statutory or controlling case law) concerning automatic renewal or continuous service arrangements changes in the future so as to impose different requirements, defendants will be free to conform their practices to then-established law. Because this Settlement is a compromise of disputed allegations and claims, defendants' agreement to this Section IV.C. is expressly for the purposes of settlement and is not an admission of wrongdoing, fault, or liability with respect to any of the allegations in the *Cruz* action or the *Price* action.

V. ATTORNEYS' FEES AND LITIGATION EXPENSES

Class Counsel will file a motion for an award of attorneys' fees of up to 38% of the Settlement Amount, plus actual litigation expenses not to exceed \$150,000 incurred in connection with the *Cruz* and *Price* actions. Defendants 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.

VI. SERVICE PAYMENT

Class Counsel will file a motion requesting service payments to Cruz, Price, Edgemon, Davenport, Bergeron, and Schnurer, not to exceed Fifty Thousand Dollars (\$50,000) in the aggregate. Defendants 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 from the Settlement Amount any service payments awarded by the Court.

VII. SETTLEMENT ADMINISTRATION

A. Defendants have provided to the Settlement Administrator and Class Counsel an electronic database (“Database”) that includes the name, billing address, delivery address, telephone number, email address, and transaction information for all Class Members, to the extent available. Defendants will provide the Settlement Administrator and Class Counsel with documents or data in their possession, custody, or control reasonably necessary to validate claims. The Database and any other documents or data provided pursuant to this paragraph are designated as “Confidential” and shall be used only for implementation of the Settlement and for no other purpose.

B. 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 Class Member, as reflected in the Database. The date on which the email notice is disseminated to Class Members is referred to as the “Notice Date.” The emailed Summary Class Notice will include a link to the Settlement Website (discussed below) or other suitable methodology to enable the email recipient to submit a Claim electronically. For individuals with respect to whom the Database does not contain an email address (if any), the Settlement Administrator will send a copy of the Summary Class Notice to the individual’s last-known mailing address, to the extent that information is available in the Database, via first class U.S. Mail, postage pre-paid. Prior to such mailing, the Settlement Administrator will run the Class Members’ last-known addresses through the U.S. Postal Service’s National Change of Address (“NCOA”) database and update the Database as appropriate. If any emailed Summary Class Notice documents are “bounced back” as undeliverable, then within fourteen (14) days after the Notice Date, the Settlement Administrator will mail a copy of the Summary Class Notice to the person’s last-known mailing address, to the extent that information is available in the Database, as updated by the NCOA database. Class Counsel will attempt to notify class members via email of their opportunity to file

a claim in order to recover a monetary reward at least two times in addition to the initial Class Notice. Class Counsel is authorized to direct the Settlement Administrator to undertake additional steps to disseminate the Summary Class Notice.

C. For a period of twenty-one (21) days following the Notice Date, if any mailed Summary Class Notice is returned to the Settlement Administrator as undeliverable, the Settlement Administrator will perform a skip-trace and/or other customary address search in an attempt to locate a valid address, and if a new address is obtained, will re-mail the Summary Class Notice to that address.

D. No later than the Notice Date, the Settlement Administrator will establish a Settlement Website on which it will make available the First Amended Complaint, the Settlement Agreement, the order granting preliminary approval of the Settlement, the Summary Class Notice, the Long Form Class Notice, the Claim Form (in a format that may be printed), and any other materials agreed to by the Parties. The Settlement Website will include a mechanism by which individuals whose name and contact information appears in the Database and who receive an emailed Summary Class Notice or a mailed Summary Class Notice may submit a Claim electronically via the Settlement Website.

E. If any individual who does not appear in the Database contacts the Settlement Administrator to request a claim form, the Settlement Administrator will provide that person with a paper Claim Form substantially in the form of Exhibit D.

F. The date that is forty-nine (49) days after the Notice Date shall be referred to as the “Claim/Exclusion/Objection Deadline.”

G. In order to receive a share of the Settlement Amount, Class Members must file a timely Claim, either electronically via the Settlement Website or a paper Claim Form, and that Claim must be validated by the Settlement Administrator.

1. Completed Claims that are timely submitted electronically through the Settlement Website by individuals to whom the emailed or mailed Summary Class Notice was sent will be deemed valid.

2. Completed Claims that are submitted in the form of a paper Claim Form will be deemed valid if the claimant's name and the claimant's mailing address and/or email address match information in the Database. The paper Claim Form must be completed and signed by the claimant.

H. To be timely, the Claim must be returned to the Settlement Administrator no later than forty-nine (49) days following the Notice Date (the "Claim/Exclusion/Objection Deadline"). If the Claim is returned via the Settlement Website, the date of return will be the date of submission through the Settlement Website. If the Claim is returned by U.S. Mail, the date of return will be the date of postmark. If the Claim is returned by personal delivery or e-mail, the date of return will be the date the Claim is received by the Settlement Administrator. Class Counsel in its discretion may direct the Settlement Administrator to treat as timely a Claim received by the Settlement Administrator after the Claim/Objection/Exclusion Deadline.

I. If the Settlement Administrator disallows a Claim based on a deficiency that can be cured (such as the failure to sign the Claim Form), the Settlement Administrator may either waive the deficiency or notify the claimant by postcard of the reason for the disallowance and invite the claimant to cure the deficiency. The Settlement Administrator will consider any additional information or corrective action by the claimant so long as the additional information or corrective action is submitted within twenty-one (21) days after the mailing of the notice of deficiency. Class Counsel shall be kept apprised of the volume and nature of deficient claims and allowed to communicate with Class Members as they deem appropriate in an effort to cure such deficiencies.

J. In the event multiple or conflicting claims are submitted with respect to the same name or transaction, then subject to any order the Court may make, the Settlement Administrator shall have authority to resolve the issue as between the claimants.

K. Unless otherwise ordered by the Court, the Settlement Administrator's decision regarding the validity of any Claim will be final and not subject to review or appeal.

L. Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. Mail, e-mail, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator as provided in this section. The request for exclusion must be in writing, must list the Class Member's name, mailing address, and telephone number, along with the statement "I wish to be excluded from the Cruz v. Synapse Settlement." To be timely, the request for exclusion must be returned to the Settlement Administrator no later than the Claim/Exclusion/Objection Deadline. 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 e-mail, the date of return will be the date the request for exclusion is received by the Settlement Administrator. Those Class Members who submit timely requests for exclusion 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 shall be sent by regular mail, electronic mail, or hand-delivery to the Settlement Administrator, as follows: CPT Group, 50 Corporate Park, Irvine, CA 92606; email: _____.

M. Any Class Member who wishes to object to the Settlement must file a written objection with the Court and serve copies of the objection on Class Counsel, defendants' counsel, and the Settlement Administrator, no later than the Claim/Exclusion/Objection Deadline. The 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 Class Member's name, address, and telephone number, and the following statement: "I declare under penalty of perjury that, to the best of my knowledge, I was enrolled by Synapse in an automatic renewal or continuous service program between May 17, 2012 and October 8, 2018, and I wish to object to the Settlement." The objection must also state the factual and legal basis for the objection. Any objection must be filed with the Court and served by mail as follows: (1) to the Settlement Administrator, at CPT Group, 50 Corporate Park, Irvine, CA 92606; (2) to defendants' counsel, Thomas Warren, 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. The Settlement Administrator will promptly compare the information submitted by the objector against the Database and advise Class Counsel and defendants' counsel whether it appears that the objector is in fact a Class Member. 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.

N. No later than fifteen (15) court days following the Claim/Exclusion/Objection Deadline, the Settlement Administrator will make available to Class Counsel and defendants' counsel a written report listing the name and contact information of each Participating Class Member, each Excluded Class Member, and any Class Member who has objected to the Settlement.

O. Class Members who submit timely Claims that are validated by the Settlement Administrator are referred to as the "Participating Class Members." Only Participating Class Members will receive settlement payments under the Settlement, in accordance with Section VIII, below.

VIII. SETTLEMENT PAYMENTS

A. Each Participating Class Member will receive a pro-rata portion of the Net Settlement Amount. The “Net Settlement Amount” is the Settlement Amount (plus any accrued interest thereon) reduced by any sums awarded by the Court for attorneys’ fees, litigation expenses, service payments, and all expenses of settlement administration (including expenses previously incurred and the Settlement Administrator’s good faith estimate of future expenses to be incurred). The pro-rata share of each Participating Class Member shall be computed by dividing the Net Settlement Amount by the number of Participating Class Members.

B. As soon as practicable after the Effective Date, the Settlement Administrator will mail to each Participating Class Member a check representing that person’s settlement payment. The Settlement Administrator will indicate on the check stub that the Participating Class Member should consult his or her tax advisor regarding the tax consequences of the settlement payment. In the event any check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator will attempt to contact the Participating Class Member by telephone or perform a skip trace to attempt to locate a current address and re-mail the check. Any check that is not cashed within one hundred and twenty (120) days of its mailing by the Settlement Administrator will be void. Any portion of the Settlement Amount, including any accrued interest, that remains unpaid at the end of 120 days will be paid to a *cy pres* recipient mutually proposed by the Parties and approved by the Court, unless the Court orders otherwise.

IX. RELEASE OF CLAIMS

A. General Release By Cruz, Price, Edgemon, Davenport, Bergeron, and Schnurer. Following the Effective Date, Cruz, Price, Edgemon, Davenport, Bergeron and Schnurer, each on behalf of himself or herself, and his or her heirs, as well as their respective heirs, assigns, executors, administrators, successors, and agents, hereby release, resolve, relinquish, and discharge Synapse

Group, Inc., SynapseConnect, Inc., and any of their respective past, present, and future parents, subsidiaries, affiliated companies and corporations, third party vendors and agents 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 (the “Released Parties”) from 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, equitable or compensatory, monetary or non-monetary, that he or she has or may have against any of the Released Parties. Following the Effective Date, Cruz, Price, Edgemon, Davenport, Bergeron and Schnurer each waives to the fullest extent permitted by law, all provisions, rights and benefits of Section 1542 of the California Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

B. Cruz, Price, Edgemon, Davenport, Bergeron and Schnurer each acknowledges and agrees that the foregoing waiver was separately bargained for and is a key element of the Settlement, of which the release contained herein is a part. Cruz, Price, Edgemon, Davenport, Bergeron and Schnurer each acknowledges and is aware that he or she hereafter may discover facts different from or in addition to the facts which he or she or his or her attorneys now know or believe to be true with respect to the subject matter of this Settlement, but it is his or her intention to fully and finally release and settle all manner of liabilities and claims as described in this Settlement which exist or may exist. It is understood by Cruz, Price, Edgemon, Davenport, Bergeron and Schnurer that claims may exist in his or her favor against some person or organization released as provided in this

Settlement which are not presently known, suspected or understood by said party, and which, if known, suspected or understood by said party, would have materially affected the existence, form or extent of the releases provided for in this Settlement. Cruz, Price, Edgemon, Davenport, Bergeron and Schnurer each agrees this his or her release set forth in this Settlement will be in all respects effective and not subject to termination, rescission, alteration or reformation as a result of or in connection with any such subsequently discovered facts or claims. In the event that any waiver of the provisions of section 1542 of the California Civil Code or any similar law of the United States or any state or territory of the United States provide in the Settlement should be judicially determined to be invalid, void or unenforceable for any reason, such waiver, to that extent, shall be severable from the remaining provisions of this Settlement, and the invalidity, voidability, or unenforceability of the waiver shall not affect the validity, effect, enforceability or interpretation of the remaining provisions of this Settlement.

C. Release By Class Members. Following the Effective Date and immediately upon payment by defendants of the full Settlement Amount, all Class Members who have not timely requested exclusion from the Settlement, as well as their respective heirs, assigns, executors, administrators, successors, and agents, shall be deemed to release, resolve, relinquish, and discharge each and all of the Released Parties (as defined above) from each of the Released Claims (as defined below). 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, equitable or compensatory, monetary or non-

monetary, that, in any way, arise out of or relate to the enrollment by Synapse in automatically renewing magazine subscriptions from May 17, 2012 to October 8, 2018.

D. Release by Defendants. Provided that the Effective Date occurs, defendants and each of their respective predecessors, successors, parents, subsidiaries, affiliates, and assigns, hereby release Cruz, Price, Edgemon, Davenport, Bergeron, Schnurer, and all Class Members, as well as each of their heirs, representatives, successors, assigns, trusts, executors, and attorneys, from any and all claims based on or arising from acts, omissions, or events leading to the filing of the *Cruz* action or the *Price* action, including without limitation any claim for malicious prosecution or abuse of process.

X. MISCELLANEOUS

A. The Settlement represents a compromise of disputed claims, which defendants deny with respect to all allegations of liability, fault, or wrongdoing. Nothing in this Agreement constitutes an admission by any Party as to the validity of any claim or defense asserted in the action or as to the merits or the propriety of class certification of any claims, other than for purposes of settlement.

B. Plaintiffs shall have the right to conduct confirmatory discovery, which may consist of requests for production of documents and/or deposition testimony. As part of the confirmatory discovery, defendants shall produce an updated Database reflecting Class Member transactions through and including October 8, 2018, which shall include the name and contact information for all Class Members (including, without limitation, all address information and all email information). Defendants shall have the right to designate discovery materials as Confidential or Confidential – For Counsel Only, under the terms of a protective order. Plaintiffs’ counsel shall not use the Database for any purpose other than the implementation of the Settlement.

C. Plaintiffs' counsel shall, within thirty (30) days after the Effective Date, either return to Defendants' counsel all documents and databases (including copies) produced in discovery or in the implementation of this Settlement and designated as "Confidential" in accordance with the Protective Order, or provide an affidavit of counsel confirming that all such documents and data have been destroyed (including copies). "Documents" shall be construed as broadly as possible, to include, among other things, paper documents, voice recordings, electronic documents and data, deposition transcripts and expert reports.

D. This Agreement may be modified only by a writing signed by the Parties.

E. This Agreement, including its exhibits, constitutes the entire agreement between the Parties concerning the subject matter hereof. This Agreement and exhibits will be construed as a whole, and with reference to one another, according to their fair meaning and intent. The Parties agree that the rule of construction that ambiguities in agreements must be construed against the drafting party will not apply in interpreting this Agreement or its exhibits.

F. The invalidity or unenforceability of any of the provisions contained in this Agreement shall not render invalid or unenforceable any of the other provisions of this Agreement. If any provision of this Agreement or the application thereof to any person, organization or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement or the application thereof to any person, organization or circumstance shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

G. The Parties represent and warrant that they have not assigned or transferred in any manner, including by way of subrogation or operation of law or otherwise, any claims, suits, actions, causes of action, demands, liabilities, duties, obligations, rights, damages, benefits, costs, awards, loss of service, expenses and/or compensation released by such party herein.

H. Each Party hereto hereby covenants and agrees not to bring any claim, action, suit, or proceeding against any other Party hereto, directly or indirectly relating in any way to the matters settled and released hereby, and each Party further covenants and agrees that this Agreement is a bar to any such claim, action, suit or proceeding.

I. The Parties hereby agree to do such things and to execute such other and further documents, writings and/or instruments as may be necessary or convenient to the performance of this Agreement and/or to assure that its intent, purposes, and/or objects shall be fully and completely carried out.

J. The Parties have been represented by independent counsel of their own choice, and the settlement and releases referred to herein are an arm's length transaction.

K. The Parties and their respective counsel agree that they will not issue any press release or make any statements or comments to media regarding the settlement of this action. If contacted by media or press, the Parties shall respond to the effect that the action has been settled, and/or "no comment."

L. Each individual signing this Agreement warrants that he or she has the authority to sign the Agreement on behalf of the Party for which he or she signs. Synapse Group, Inc. and SynapseConnect, Inc. warrant that they have obtained all necessary authorizations under their respective organizational documents and under law to make this Agreement binding on them.

M. The Parties agree that this Agreement, and any and all disputes that arise from or in any way relate to this Agreement, will be governed and interpreted and enforced in accordance with the laws of the State of California, but without regard to its law concerning conflict of laws.

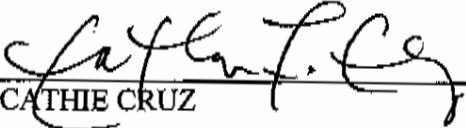
N. This Agreement may be executed in counterparts.

O. Except as otherwise specifically provided for herein, each Party will bear its own attorneys' fees, costs and expenses in relation to both the *Cruz* action and the *Price* action.

P. The Superior Court of the State of California, County of San Diego, will retain continuing jurisdiction to interpret and enforce this Agreement pursuant to Code of Civil Procedure section 664.6.

IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: 12/14, 2018


CATHIE CRUZ

Dated: _____, 2018

SHANNON DALE PRICE

Dated: _____, 2018

CHERYL EDGEMON

Dated: _____, 2018

ROBERT DAVENPORT

Dated: _____, 2018

PATRICK BERGERON

Dated: _____, 2018

MARY SCHNURER

Dated: _____, 2018

SYNAPSE GROUP, INC.

Name:

Title:

Dated: _____, 2018

SYNAPSECONNECT, INC.

Name:

Title:

P. The Superior Court of the State of California, County of San Diego, will retain continuing jurisdiction to interpret and enforce this Agreement pursuant to Code of Civil Procedure section 664.6.

IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: _____, 2018

CATHIE CRUZ

Dated: 14 DEC, 2018



SHANNON DALE PRICE

Dated: _____, 2018

CHERYL EDGEMON

Dated: _____, 2018

ROBERT DAVENPORT

Dated: _____, 2018

PATRICK BERGERON

Dated: _____, 2018

MARY SCHNURER

Dated: _____, 2018

SYNAPSE GROUP, INC.

Name:
Title:

Dated: _____, 2018

SYNAPSECONNECT, INC.

Name:
Title:

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IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: _____, 2018

CATHIE CRUZ

Dated: _____, 2018

SHANNON DALE PRICE

Dated: 12-12, 2018

Cheryl Edgemon

CHERYL EDGEMON

Dated: _____, 2018

ROBERT DAVENPORT

Dated: _____, 2018

PATRICK BERGERON

Dated: _____, 2018

MARY SCHNURER

Dated: _____, 2018

SYNAPSE GROUP, INC.

Name:
Title:

Dated: _____, 2018

SYNAPSECONNECT, INC.

Name:
Title:

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IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: _____, 2018

CATHIE CRUZ

Dated: _____, 2018

SHANNON DALE PRICE

Dated: _____, 2018

CHERYL EDGEMON

Dated: DECEMBER 12, 2018



ROBERT DAVENPORT

Dated: _____, 2018

PATRICK BERGERON

Dated: _____, 2018

MARY SCHNURER

Dated: _____, 2018

SYNAPSE GROUP, INC.

Name:

Title:

Dated: _____, 2018

SYNAPSECONNECT, INC.

Name:

Title:

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Dated: _____, 2018

CATHIE CRUZ

Dated: _____, 2018

SHANNON DALE PRICE

Dated: _____, 2018

CHERYL EDGEMON

Dated: _____, 2018

ROBERT DAVENPORT

Dated: 12/12, 2018



PATRICK BERGERON

Dated: _____, 2018

MARY SCHNURER

Dated: _____, 2018

SYNAPSE GROUP, INC.

Name:
Title:

Dated: _____, 2018

SYNAPSECONNECT, INC.

Name:
Title:

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IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: _____, 2018

CATHIE CRUZ

Dated: _____, 2018

SHANNON DALE PRICE

Dated: _____, 2018

CHERYL EDGEMON

Dated: _____, 2018

ROBERT DAVENPORT

Dated: _____, 2018

PATRICK BERGERON

Dated: 12/12/, 2018

Mary M. Schurer

MARY SCHURER

Dated: _____, 2018

SYNAPSE GROUP, INC.

Name:

Title:

Dated: _____, 2018

SYNAPSECONNECT, INC.

Name:

Title:

P. The Superior Court of the State of California, County of San Diego, will retain continuing jurisdiction to interpret and enforce this Agreement pursuant to Code of Civil Procedure section 664.6.

IN WITNESS WHEREOF, the Parties accept and agree to this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: _____, 2018

CATHIE CRUZ

Dated: _____, 2018

SHANNON DALE PRICE

Dated: _____, 2018

CHERYL EDGEMON

Dated: _____, 2018

ROBERT DAVENPORT

Dated: _____, 2018

PATRICK BERGERON

Dated: _____, 2018

MARY SCHNURER

Dated: _____, 2018

SYNAPSE GROUP, INC.


Name:
Title:

Dated: _____, 2018


SYNAPSECONNECT, INC.


Name:
Title:

APPROVED AS TO FORM:

Dated: December 20, 2018

DOSTART HANNINK & COVENEY LLP


ZACH P. DOSTART
Attorneys for Plaintiffs

Dated: _____, 2018

BAKER & HOSTETLER LLP

THOMAS D. WARREN
Attorneys for Defendants

868809.1

APPROVED AS TO FORM:


Dated: _____, 2018

DOSTART HANNINK & COVENEY LLP

ZACH P. DOSTART
Attorneys for Plaintiffs

Dated: DECEMBER 17, 2018

BAKER & HOSTETLER LLP



THOMAS D. WARREN
Attorneys for Defendants

868809.1