

NOTICE OF CLASS ACTION SETTLEMENT

McBurnie, et al. v. Acceptance Now, LLC
Case No. 3:21-cv-01429-JD
U.S. District Court, Northern District of California

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

The purpose of this Notice is to provide information about a proposed settlement (“Settlement”) of a class action lawsuit pending in the U.S. District Court for the Northern District of California (the “Court”), *McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD (the “Lawsuit”).

This Notice explains: (1) what the Lawsuit is about; (2) the main terms of the Settlement; and (3) Class Members’ rights and options under the Settlement. A full version of the Settlement Agreement, other important documents, and information about key deadlines are available at www.acceptancenowclassaction.com (the “Settlement Website”).

I. What the Lawsuit Is About

The Lawsuit alleges that RAC Acceptance East, LLC (“RAC”) violated California law by charging a \$45 processing fee to customers who entered into rental-purchase agreements at kiosks operated by RAC in California under the “Acceptance Now” tradename. Rental-purchase agreements are also known as “rent-to-own” agreements. Specifically, the Lawsuit alleges that by charging the processing fee, RAC violated the Karmette Rental-Purchase Act, Cal. Civ. Code § 1812.620, et seq., the Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq., and the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq. The Court has certified the “Class” defined as:

All individuals who entered into a Rental-Purchase Agreement with RAC Acceptance East, LLC in California at any time between December 11, 2016 and June 30, 2021 and who were charged a processing fee.

Excluded from the Class are all current employees of RAC, all current employees of Plaintiffs’ counsel, and the judicial officers to whom this action is assigned and each such judicial officer’s current spouse, minor children, and court staff, and any person, or the spouse of a person, who is within a third degree of relationship to such judicial officer or to the judicial officer’s spouse. Individuals within the foregoing Class definition are referred to as “Class Members.”

The named plaintiffs in the Lawsuit are Shannon McBurnie and April Spruell. The Court has appointed them as Class Representatives and has appointed the law firms of Dostart Hannink LLP and Altshuler Berzon LLP as Class Counsel.

The parties have exchanged detailed information about the claims, defenses, and alleged damages in the Lawsuit. After lengthy settlement negotiations overseen by an independent mediator, the parties have reached a proposed Settlement that, if approved by the Court, will resolve the claims asserted against RAC. The Class Representatives and Class Counsel believe the Settlement is fair, reasonable, and in the best interests of the Class. In entering into the Settlement, RAC continues to deny any and all allegations of liability, fault, or wrongdoing asserted in the Lawsuit. There has been no legal or factual finding by the Court or otherwise as to the validity or invalidity of any Party’s claims, defenses or allegations. The Parties have agreed to this Settlement to avoid the time, expense and risk to all Parties from continued litigation of this matter.

On October 31, 2025, the Court preliminarily approved the Settlement, designated Rust Consulting as the Settlement Administrator, and authorized and directed this Notice to be posted on the Settlement Website to provide information about the Lawsuit and the Settlement.

II. The Main Terms of the Settlement

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

1. **Settlement Amount.** In full and complete settlement of the claims of the Class Members who do not exclude themselves, RAC will pay the principal amount of Fourteen Million Dollars (\$14,000,000.00) (the “Settlement Amount”). The Settlement Amount, plus any interest thereon, will be used to pay settlement payments to Participating Class Members, Class Counsel’s attorneys’ fees and litigation expenses (as approved by the Court), and any service payments that the Court may award to the Class Representatives.

2. Notice to Class Members. In addition to the posting of this Notice on the Settlement Website, the Settlement Administrator is providing a Summary Class Notice to Class Members as follows. No later than twenty-eight (28) days after the order granting preliminary approval, 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 Class List. For individuals with respect to whom the Class List does not contain an email address, 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 Class List, 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 Class List as appropriate. The date on which the email and mail notice is disseminated to Class Members is referred to as the "Notice Date." Thereafter, if any emails to Class Members are "bounced back" so as to indicate that the email address is not valid, the Settlement Administrator will mail a copy of the Summary Class Notice to the individual's last-known mailing address, to the extent that information is available in the Class List, via first class U.S. mail, postage pre-paid.
3. Right to Request Exclusion from the Settlement. Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. mail, email, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator. Any request for exclusion must set forth the Class Member's name, mailing address, and e-mail address (if any), along with the statement "I wish to be excluded from the *McBurnie v. RAC* settlement" or words to that effect. Any request for exclusion must be personally signed by each person requesting exclusion. So-called "mass" or "class" opt-outs shall not be allowed. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than **February 9, 2026**. If the request for exclusion is returned by U.S. mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will be the date the request for exclusion is actually 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 payment or other consideration under the Settlement and will not be bound by any provision of the Settlement. Requests for exclusion may be mailed or delivered to the Settlement Administrator, as follows: *McBurnie v. RAC* Settlement Administrator, c/o Rust Consulting, Inc. - 9012, PO Box 2599, Faribault MN 55021-9599; email: info@acceptancenowclassaction.com. A judgment in the action will bind all Class Members who do not timely request exclusion. You may not both receive a settlement payment and submit a letter requesting to be excluded from this Settlement.
4. Right to Object to the Settlement. Any Class Member who wishes to object to the Settlement must send a written objection to the Court no later than **February 9, 2026**. You may ask the Court to deny approval by filing an objection. You may not ask the Court to order a different settlement; the Court may only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out, and the Lawsuit will continue. Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*McBurnie, et al. v. Acceptance Now, LLC*, Case No. 3:21-cv-01429-JD), (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, Box 36060, San Francisco, CA 94102-3489, and (c) be filed or postmarked on or before **February 9, 2026**. The objection must also state whether the objecting Class Member intends to appear at the Final Approval Hearing, and whether any such appearance will be made with or without counsel. In accordance with Federal Rule of Civil Procedure 23(e)(5), the objection must state whether it applies only to the objector, to a specific subset of the Class, or to the entire Class, and must also state with specificity the grounds for the objection. Class Counsel and RAC will respond to any objections, as appropriate, either in briefs filed in advance of the Final Approval Hearing or at the Final Approval Hearing.
5. Settlement Payments to Participating Class Members. If the Court grants final approval, and after the time for any appeal has lapsed or an appeal is finally resolved affirming the Settlement (referred to as the "Effective Date"), after deduction of any Court-approved attorneys' fees, litigation expenses, and service payments, the remaining amount ("Net Settlement Amount") will be distributed to the Participating Class Members. For purposes of this paragraph, a "Covered Transaction" means a rental-purchase agreement entered into in California between December 11, 2016 and June 30, 2021, inclusive, for which the customer paid a processing fee, as reflected in documents produced by RAC; and a "Statutory Damage Transaction" is a Covered Transaction for which the rental-purchase agreement was entered into between December 11, 2019, and June 30, 2021, inclusive. Provided that the Effective Date occurs, and unless the Court requires a different manner of distribution, each Participating Class Member will be entitled to receive a share of the Net Settlement Amount determined as follows: (a) First, from the Net Settlement Amount, each Participating Class Member will be entitled to receive the dollar amount paid

to RAC for processing fees in connection with the Participating Class Member's Covered Transaction(s), as a distribution of actual damages or restitution; and (b) second, the remaining balance of the Net Settlement Amount will be distributed to those Participating Class Members who entered into one or more Statutory Damage Transactions, as a distribution of statutory damages. The Statutory Damage Amount for each Statutory Damage Transaction will be computed, solely for the purposes of this Settlement and not for purposes of any interpretation of the Karmette Act or otherwise, by multiplying the remaining balance of the Net Settlement Amount by a fraction, the numerator of which is 25% of the Total of Payments stated in the rental-purchase agreement for a Participating Class Member's Statutory Damage Transaction, subject to a minimum of \$100 and a maximum of \$1,000, and the denominator of which is the aggregate sum derived when applying that same formula (25% of the stated Total of Payments, subject to a minimum of \$100 and a maximum of \$1,000) to all Statutory Damage Transactions of all Participating Class Members combined. The minimum amount a Participating Class Member will receive is \$45 (the processing fee for a single Covered Transaction). If a Participating Class Member entered into more than one Covered Transaction, the Participating Class Member will receive a monetary distribution for each such Covered Transaction. As soon as practicable after the Effective Date of the Settlement, the Settlement Administrator will transmit to each Participating Class Member a payment representing that person's settlement payment. Participating Class Members will be notified of the opportunity to select whether to receive their settlement payment in the form of an electronic payment such as Venmo, direct deposit/ACH, PayPal, or another electronic method the Settlement Administrator deems effective. Participating Class Members who do not select a payment method will be sent a paper check.

6. Attorneys' Fees and Litigation Expenses. Class Counsel will file a motion for an award of attorneys' fees of up to 33-1/3% of the Settlement Amount, and for reimbursement of litigation expenses not exceeding \$500,000, to be paid from the Settlement Amount. The Court will determine what amounts will be awarded.
7. Service Payments. Class Counsel will file a motion requesting service payments to the Class Representatives, to be paid from the Settlement Amount, not to exceed Ten Thousand Dollars (\$10,000) in the aggregate. The Court will determine what amounts will be awarded.
8. Release. Class Members who do not exclude themselves from the Settlement will be deemed to release all of the claims described in this paragraph. Upon the Effective Date, the release will encompass any and all claims, causes of action, suits, liabilities, damages (actual, statutory, exemplary, punitive, or otherwise), losses, controversies, penalties, 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 (restitution, disgorgement, injunctive relief or otherwise), whether known or unknown, actual or contingent, monetary or nonmonetary, by the Participating Class Members that have been or could have been pled or alleged in this Litigation based upon the factual allegations set forth in the Complaint. The release will operate in favor of RAC and RAC's past, present, and future affiliated entities and all of their past, present and future officers, directors, employees, agents and/or owners.

III. Final Approval Hearing

The Court will hold a hearing on March 12, 2026 at 10:00 a.m. to determine whether the Settlement should be finally approved and to rule on Class Counsel's motion for award of attorneys' fees, reimbursement of litigation expenses, and service payments. The Court is located at 450 Golden Gate Avenue, Courtroom 11, 19th Floor, San Francisco, California 94102. The hearing may be continued without further notice to the Class. If you plan to attend the Final Approval Hearing, it is advised that you check the Settlement Website or the Court's Public Access to Court Electronic Records (PACER) system (as detailed below) to confirm that the date has not been changed. **YOU ARE NOT REQUIRED TO ATTEND THE HEARING, BUT YOU MAY IF YOU CHOOSE.**

IV. For More Information

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement and other important documents and information, including key deadlines, available on the Settlement Website at acceptancenowclassaction.com, by contacting the Settlement Administrator or Class Counsel (as detailed below), by accessing the Court docket in this case, for a fee, through the Court's PACER system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the U.S. District Court for the Northern District of California, at 450 Golden Gate Avenue, 16th Floor, San Francisco, California 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. If visiting the Court, you may review the pleadings and other papers filed in the Lawsuit by accessing the PACER system on one of the public terminals at the Clerk's Office, or, alternatively, the Clerk's Office staff will print e-filed documents from the electronic filing system for a charge of \$.10 per page.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE
ABOUT THIS SETTLEMENT.**

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

Settlement Administrator

McBurnie v. RAC Settlement Administrator
c/o Rust Consulting, Inc. - 9012
PO Box 2599
Faribault MN 55021-9599
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