

**PLAN OF ALLOCATION**

Each Settlement Payment will be comprised of (1) a Base Payment Amount, (2) *plus* a Supplemental Payment Amount, (3) *minus* the Settlement Class Member's share of any Fee Award, incentive awards to the Class Representatives, and Settlement Administration Expenses.

**1. Base Payment Amounts.**

Base Payment Amounts will be calculated by applying an escalating marginal recovery formula to the Settlement Class Member's Lifetime Spending Amount through and including [the date of the execution of the Settlement Agreement], with the portion of the Settlement Class Member's spending attributable to Platform Provider fees (fixed for settlement purposes as 30% of each Settlement Class Member's lifetime spending) discounted by 75%.

Settlement Class Members will be subject to an escalating marginal recovery formula based on the percentages described in Figure 1 below.

**Figure 1**

Lifetime Spend (\$)	Marginal Rate (%)
.01-1,000	10
1,000.01-10,000	17.5
10,000.01-100,000	30
100,000.01+	60

By way of example, an individual with a Lifetime Spending Amount of \$40,000 will be entitled to a Base Payment Amount of \$8,273.12, calculated as: ((10% of their first \$1,000 in spending [\$100]) + (17.5% of their next \$9,000 in spending ([\$1,575])) + (30% of their next \$30,000 in spending [\$9,000])) \* (1 - (75% \* 30%)).

//

1 **2. Supplemental Payment Amounts.**

2 Supplemental Payment Amounts will be calculated on a *pro rata* basis and will depend  
3 on Settlement Class Member participation rate in the Settlement. Upon the close of the claims  
4 period, the sum of all unclaimed Base Payment Amounts will be considered the Supplemental  
5 Payment Fund. The Supplemental Payment Fund will be apportioned *pro rata* to each Settlement  
6 Class Member who submitted a valid claim, based on the participating Settlement Class  
7 Member's Base Payment Amount. For example, if valid claims total \$19 million in Base  
8 Payment Amounts (*i.e.*, 50% of the Gross Settlement Fund), then the Supplemental Payment  
9 amount of a Settlement Class Member whose Base Payment Amount was \$8,273.12 would  
10 likewise be \$8,273.12 (for a Gross Payment Amount of \$16,546.24). Gross Payment Amounts  
11 are subject to the deductions described in Section (3).

12 Regardless of Settlement Class Member participation rates, the sum of Base Payment  
13 Amounts and Supplemental Payments Amounts will equal the Settlement Fund (\$38 million.)

14 **3. Fee Award, Incentive Awards, and Settlement Administration Expenses.**

15 Settlement Payment Amounts will be a Settlement Class Member's Base Payment  
16 Amount plus their Supplemental Payment Amount, minus their share of any Fee Award,  
17 Incentive Awards, and Settlement Administration Expenses, anticipated not to exceed 30% of the  
18 Settlement Amount.