

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

You may benefit from this class action settlement.

You are not being sued.

If you have a Minnesota address and signed a Consumer Pet Lease Agreement with Nextep Funding, LLC between February 26, 2016 and January 9, 2019, you may benefit from the settlement of this class action lawsuit.

*This case is titled LuAnn Danger v. Nextep Funding, LLC,
Case No. 0:18-cv-00567-SRN-LIB*

*A federal court authorized this notice.
This is not a solicitation from a lawyer.*

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you signed a Consumer Pet Lease Agreement with Nextep Funding, LLC between February 26, 2016 and January 9, 2019, you will receive a cash payment as explained in Section No. 5 below.
EXCLUDE YOURSELF	You will receive no benefits, but you will not be giving up your legal claims against Nextep Funding, LLC.
OBJECT	Write to the Court about why you don't like the settlement. You may also appear at the fairness hearing.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.

These rights and options, and the deadlines to exercise them, are explained below.

1. What is this lawsuit about?

LuAnn Danger (the "Class Representative") filed a class action lawsuit alleging that the defendant, Nextep Holdings, LLC f/k/a Nextep Funding, LLC ("Defendant"), violated the Consumer Leasing Act ("CLA"), Truth in Lending Act ("TILA"), and Minnesota usury law by (1) offering Consumer Pet Lease Agreements with inadequate disclosures concerning the payments owed under the agreements, and (2) charging finance fees in excess of those allowed under Minnesota law. Defendant denies that its conduct violated the law, affirmatively states that its consumer leases are, and have been lawful, and has asserted defenses to the Class Representative's claims. The Court did not decide who is right or who is wrong. The parties have agreed to a settlement.

2. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, LuAnn Danger) sue on behalf of a group of people (or a “Class”) who have similar claims.

3. Why is there a settlement?

In light of the substantial benefits provided to class members, and in order to avoid the cost, risk, and delay of litigation, and uncertainty of trial, the parties agreed to settle. The Class Representative and class counsel believe the settlement is fair, reasonable, and adequate.

4. How do I know if I am part of the settlement?

The Court has decided that everyone falling under the following definition is a member of the Minnesota Class:

All persons (a) with an address in Minnesota (b) who signed a Consumer Pet Lease Agreement with Nextep Holdings, LLC f/k/a Nextep Funding, LLC (c) between February 26, 2016 and January 9, 2019.

YOUR BENEFITS UNDER THE SETTLEMENT

5. What can I get from the settlement?

Every Minnesota Class member who does not exclude himself or herself will receive a cash payment of at least approximately \$475, though the amount of that payment will depend on whether any Minnesota Class members exclude themselves, as well as the costs and expenses associated with distributing class notice and administrating the settlement. Minnesota Class members will receive equal shares of a dedicated settlement fund in the amount of \$13,700.

If every Minnesota Class Member remains in the settlement, after accounting for related notice and administration expenses, each Minnesota Class member will receive a cash payment of approximately \$475 from the settlement fund. In addition, Defendant no longer uses the Consumer Pet Lease Agreement at issue in this case.

The settlement does not affect any monies you owe to Defendant under your lease agreement, if any.

6. When will I receive these benefits?

If you do not exclude yourself, and if the settlement is approved by the Court, you will receive these benefits approximately 60 days after the settlement has been finally approved.

7. I want to be a part of the settlement and receive these benefits. What do I do?

Nothing. Unless you take steps to exclude yourself from the settlement, you will receive these benefits approximately 60 days after the settlement has been finally approved.

8. What am I giving up to receive these benefits?

By staying in the settlement, all of the Court's orders will apply to you, and you give Defendant a "release." A release means you can't sue or be part of any other lawsuit against Defendant about the claims or issues in this lawsuit.

9. How much will the Class Representative receive?

For her service to the Class, the Class Representative will receive a payment of \$3,000 separate and apart from the settlement fund, subject to the Court's approval. The Class Representative also will receive her equal portion of the settlement fund after deducting the expenses described above.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to receive the benefits of this settlement, but you want to keep your legal claims against the Defendant, then you must take steps to get out of the Class. This is called "excluding yourself."

10. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail stating that you want to be excluded from *LuAnn Danger v. Nextep Funding, LLC*, Case No. 0:18-cv-00567-SRN-LIB. Be sure to include your name, address, telephone number, and email address (if applicable). You must mail your exclusion request so that it is postmarked **no later than October 15, 2020**, and sent to the following address:

First Class, Inc. / J14421 – Danger
5410 Roosevelt Road, Suite 222
Chicago, IL 60644

Be sure to include the name and number of the case.

11. If I exclude myself, do I still receive benefits from this settlement?

No. You will not receive anything resulting from the settlement of this case, but you will have the right to sue Defendant over the claims raised in this case on your own in a different lawsuit. If you exclude yourself, the time you have in which to file your own lawsuit (called the "statute of limitations") will begin to run again. You will have the same amount of time to file the suit that you had when this case was filed.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

The Court has named the law firm of Greenwald Davidson Radbil PLLC as Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. If you choose to hire your own lawyer, he or she must file an appearance by **October 15, 2020**.

13. How will the lawyers be paid?

Class Counsel will ask the Court for an award of attorneys' fees and reimbursement of costs and litigation expenses of up to \$199,800 in total. You will *not* be charged by these lawyers; they will receive a payment from the Defendant in an amount of \$199,800, or less, if that amount is approved by the Court. Any monies awarded to Class Counsel will be paid by Defendant separate and apart from the class settlement fund. In other words, payment of Class Counsel's attorneys' fees, costs, and litigation expenses will not diminish the Class Members' recoveries.

CLASS COUNSEL'S VIEWS ABOUT THE SETTLEMENT

14. Is this a fair settlement?

The CLA and TILA are federal statutes that provide for both individual actions and class actions.

In an individual action, the person bringing the suit may recover (i) any actual damages suffered; and (ii) statutory damages of twice the amount of any finance charge in connection with the disputed transaction, or, for a lease, 25% of the total amount of monthly payments owed under the lease, not to exceed \$2,000.

In a class action, the maximum possible recovery is (i) any actual damages suffered by the class members, plus (ii) the lesser of 1% of the Defendant's net worth or \$1,000,000. The Court, in its discretion, may award anything from \$0 up to the maximum amount to a prevailing party after considering certain prescribed factors. In either an individual or a class action, the person bringing the suit can also recover attorneys' fees and the costs and expenses of prosecuting the suit, if it is successful.

Minnesota usury law states that lenders may not charge interest exceeding 8% per year, subject to certain exceptions. Borrowers charged excessive interest may recover damages tied to the total amount of interest paid to the lender. Here, the parties disagree on whether Defendant charged interest at all.

In light of the violations alleged, the damages allowed under the CLA, TILA, and Minnesota usury law, and given Defendant's book value net worth, Class Counsel believes this is a fair settlement.

15. What is the Defendant's view of this settlement?

As stated above, by settling this lawsuit, Defendant is not admitting that it has done anything wrong. Defendant expressly denies the claims asserted by Plaintiff and denies all allegations of wrongdoing and liability. Defendant affirmatively states that its consumer lease agreements have been, and continue to be valid, enforceable, and fully compliant with the applicable law.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do or do not agree with the settlement or some part of it.

16. How do I tell the Court that I do not like the settlement?

If you are a Class Member, you can object to the settlement. In order to object to the settlement or any part of the settlement, you must submit your objection to the Court at the address listed below by **October 15, 2020**, stating that you object and the reasons why you think the Court should not approve the settlement. You must include the name and number of the case: *LuAnn Danger v. Nextep Funding, LLC*, Case No. 0:18-cv-00567-SRN-LIB, your name, address, telephone number, and email address (if applicable), and evidence demonstrating that you are a member of the Class. If you are objecting to the settlement, you may also appear at the fairness hearing (explained below).

In addition to filing your objection with the Court by **October 15, 2020**, you must also mail your written objection so that it is postmarked no later than **October 15, 2020** to counsel for the parties at the following addresses:

Class Counsel:
Jesse S. Johnson
Greenwald Davidson Radbil PLLC
7601 N. Federal Hwy., Suite A-230
Boca Raton, FL 33487

Counsel for Defendant:
Bruce N. Menkes and/or George Desh
Mandell Menkes LLC
One North Franklin Street, Suite 3600
Chicago, Illinois 60606

Clerk of Court
U.S. District Court for the District of Minnesota
316 North Robert Street, Suite 100
St. Paul, MN 55101

Be sure to include the name and number of the case.

THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend if you wish, but you are not required to do so.

17. Where and when is the fairness hearing?

The Court will hold a fairness hearing at **9:30 a.m.** on **December 7, 2020** at the **United States District Court for the District of Minnesota, 316 North Robert Street, St. Paul, Minnesota 55101**. The

purpose of the hearing will be for the Court to determine whether the proposed settlement is fair, reasonable and adequate and in the best interests of the Class, and to determine the appropriate amount of compensation for Class Counsel. At that hearing the Court will be available to hear any objections and arguments concerning the fairness of the proposed settlement.

The hearing may be postponed to a later date without notice.

YOU ARE NOT REQUIRED TO ATTEND THIS HEARING.

GETTING MORE INFORMATION

18. How do I get more information?

This notice is only a summary of the proposed settlement of this lawsuit. All pleadings and documents filed with the Court, including the class action settlement agreement, may be reviewed or copied in the Clerk of Court, United States District Court for the District of Minnesota.

Please do not call the Judge about this case. *Neither the Judge, nor the Clerk of Court, will be able to give you advice about this case. Furthermore, Defendant's attorneys do not represent you and cannot give you legal advice.*

You can call Greenwald Davidson Radbil PLLC, 7601 N. Federal Hwy., Suite A-230, Boca Raton, FL 33487, the firm representing the Class, at (561) 826-5477 if you have any questions. Before doing so, please read this full notice carefully. You can also send an email to jjohnson@gdrlawfirm.com or obtain information through Class Counsel's website at www.gdrlawfirm.com.

19. What if I have a new address?

If notice was sent to you at your current address, you do not have to do anything more to receive further notices concerning this case. However, if notice was forwarded to you, or if it was otherwise sent to you at an address that is not current, you should notify the class administrator of your new address by writing to:

First Class, Inc. / J14421 – Danger
5410 Roosevelt Road, Suite 222
Chicago, IL 60644

DO NOT CONTACT THE COURT REGARDING THIS NOTICE.