

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

This Notice of Proposed Class Action Settlement (“Notice”) was authorized by the District Court, Denver County, Colorado. It is not a solicitation from a lawyer.

IF YOU RECEIVED A POST-CARD NOTICE ABOUT THIS SETTLEMENT, YOU HAVE BEEN IDENTIFIED AS A CLASS MEMBER

- A proposed Settlement has been reached in a class action lawsuit that may affect your rights.¹
- The Settlement resolves a class action lawsuit against Red Rocks Credit Union (“RRCU”). The lawsuit alleges that RRCU failed to provide customers with a partial refund of the fees paid for Guaranteed Asset Protection (“GAP”) after customers paid off their Finance Agreements early. Plaintiff contends that RRCU was required to automatically issue the refund after the early payoff under Colorado law. RRCU denies any wrongdoing.
- You are a member of the Class if (1) you entered into a Finance Agreement with GAP protection that was governed by Colorado law and that was made with or assigned to RRCU; (2) you paid off your Finance Agreement before the maturity date (an “Early Payoff”); (3) the Early Payoff occurred during the period **October 1, 2014 to July 1, 2020**; and (4) you did not receive a GAP Refund. Excluded from the Class are any persons whose vehicles were repossessed by RRCU due to the failure to pay the money owed to RRCU under the Finance Agreement.
- **You do not need to do anything to receive money under this Settlement.** After the filing of the lawsuit, RRCU paid you the full amount of your GAP refund, which you either received in the mail or was deposited into your account with RRCU. In total, the Class received approximately **\$312,267.84** in GAP refunds.
- RRCU has also agreed to deposit **\$81,254.26** into a Settlement Fund to pay for: (a) the cost of providing notice and administration of this Settlement (estimated to be approximately **\$9,000.00**), (b) a Service Award of **\$500.00** to Plaintiff Saba Rael for serving as the Class Representative; and (c) an Award of Attorneys’ Fees and Costs in the amount of **\$71,754.26** to reimburse Class Counsel for the time and expense incurred representing the Class, subject to final approval by the Court.
- In addition, RRCU has also agreed to continue a Business Practice Change it made after the filing of the lawsuit that provides that from July 1, 2020 forward, RRCU will ensure that GAP refunds are paid to customers within a reasonable time after an Early Payoff of the Finance Agreement.
- You must decide whether to: (1) “Opt-Out” or (2) Object; or (3) Do Nothing

THESE OPTIONS AND THE DEADLINES TO EXERCISE THEM ARE FURTHER DETAILED IN THIS NOTICE AND SUMMARIZED ON THE NEXT PAGE.

YOUR LEGAL RIGHTS WILL BE AFFECTED WHETHER YOU ACT OR NOT. PLEASE READ THIS ENTIRE NOTICE CAREFULLY.

¹ Capitalized terms in this Notice are defined in the Settlement Agreement www.RRCUGapSettlement.com.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
EXCLUDE YOURSELF FROM THE SETTLEMENT BY <u>AUGUST 4, 2022</u>	<p>You may file a written request to exclude yourself or “opt out” from the Settlement by <u>AUGUST 4, 2022</u>. If you do so, you will not be affected by any of the decisions in this lawsuit. (See Section 11)</p> <p>If the Settlement is granted final approval by the Court and you did not timely “opt out” of the Settlement, then you will release certain legal claims against RRCU. (See Section 18)</p>
OBJECT TO THE SETTLEMENT BY <u>AUGUST 4, 2022</u>	<p>If you believe the Settlement is unfair or inadequate, you may file a written objection to the Settlement by <u>AUGUST 4, 2022</u>, so long as you do not file a request to exclude yourself from the Settlement. (See Section 16)</p>
DO NOTHING	<p>If you do nothing, and the Settlement is granted final approval by the Court, then you will release certain legal claims against RRCU. (See Section 18)</p>

THESE OPTIONS AND THE DEADLINES TO EXERCISE THEM ARE FURTHER DETAILED IN THIS NOTICE.

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BASIC INFORMATION

1. WHY DID I RECEIVE NOTICE OF THIS SETTLEMENT?

A Court authorized this Notice because you have a right to know about a proposed Settlement of this class action lawsuit and about your options before the Court decides whether to grant final approval of the Settlement. RRCU's records indicate that you are a Class Member who was entitled to a GAP refund.

This Notice explains the lawsuit, the Settlement, and your legal rights. Judge Marie Avery Moses of the District Court for Denver County, Colorado is overseeing this case and has exclusive jurisdiction over the Settlement. This litigation is known as *Saba Rael et al. v. Red Rocks Credit Union*, Case No. 2020CV32226.

2. WHAT IS THIS LAWSUIT ABOUT?

According to RRCU's records, you entered into a Finance Agreement to finance the purchase of an automobile, and the Finance Agreement was either made with or assigned to RRCU. At the time, you also purchased GAP protection for your Finance Agreement.

GAP protection is an addendum to a customer's Finance Agreement which provides that the creditor on the Finance Agreement (RRCU) will waive certain amounts owed under the Finance Agreement in the event the customer's car is "totaled" or stolen.

According to the Lawsuit, customers are entitled to a partial credit or refund of the amount paid for GAP protection if the Finance Agreement is paid off early (an "Early Payoff"). This amount is referred to in this Notice as a "GAP Refund."

Plaintiff alleges that RRCU was legally and contractually required to pay you a GAP refund within a reasonable time after the Early Payoff of your Finance Agreement pursuant to Colorado law, 4 Colo. Code Regs. § 902-1:8(h). Plaintiff further alleges that you are entitled to interest at a statutory rate of eight percent (8%) per annum. *See* Colo. Rev. Stat. Ann. § 5-12-102(1)(b).

RRCU denies any wrongdoing in the lawsuit, including the allegation that it owes interest on any unpaid GAP refunds.

The Amended Complaint in this lawsuit, which provides greater details about Plaintiff's claims, can be viewed by clicking on the following link: www.RRCUGapSettlement.com.

3. WHY IS THIS A CLASS ACTION?

A class action lawsuit allows a large number of people with a common complaint to sue collectively while being represented by one or more members of the group called the "Class Representatives." In this case, the Class Representative, Saba Rael, has brought this lawsuit on behalf of himself and other Colorado consumers with similar claims. Together, all the individuals with similar claims (with the exception of those who request exclusion or "opt out" from the Class) are referred to as "Class Members."

4. WHAT ARE THE REASONS FOR THE SETTLEMENT?

The Court has not ruled in favor of either the Plaintiff or RRCU. Instead, both sides agreed to a Settlement that they believe is a fair, reasonable and adequate compromise of their respective positions.

By agreeing to the Settlement, the parties avoid the costs, delays, and uncertainty of further litigation, and Class Members receive the benefits described in this Notice. As in any litigation, Plaintiff and the Class Members would face an uncertain outcome if they did not agree to the Settlement, and the case could continue for a long period of time. Continuation of the case could result in a judgment greater or less than the Settlement. Plaintiff and Class Counsel believe this Settlement provides a fair and reasonable resolution of the claims asserted in this lawsuit for the benefit of the Class Members.

RRCU denies any wrongdoing and the Settlement shall in no event be construed or deemed to be evidence or an admission or concession on the part of RRCU with respect to any claim or of any fault, liability, wrongdoing, or damage.

THE SETTLEMENT

5. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

The Class includes all persons (a) whose Finance Agreements with GAP protection were governed by Colorado law and made with or assigned to RRCU; (b) who paid off or refinanced their Finance Agreement before the original maturity date (an “Early Payoff”); (c) whose Early Payoffs occurred during the period October 1, 2014 to July 1, 2020; and (d) who did not receive a GAP Refund from RRCU prior to the filing of the lawsuit on July 1, 2020. The Class does not include and specifically excludes any persons who meet the above criteria but whose vehicles were repossessed by RRCU due to their failure to pay the money owed to RRCU under their Finance Agreement.

If you did not receive a Post-Card Notice but believe you are a member of the Statutory Class or Non-Statutory Class, you can contact the Claims Administrator at 1-888-205-6166 or RRCUGapSettlement@atticusadmin.com. You will be required to provide any documents you have to support your claim to the Claims Administrator.

6. WHAT BENEFITS DOES THE SETTLEMENT PROVIDE?

Under the Settlement, RRCU has agreed to provide the following benefits as consideration for the resolution and release of the Class Members’ claims:

- **Business Practice Change.** Commencing on July 1, 2020 and in September 2021, RRCU implemented changes to its refund policies and procedures so that from July 1, 2020 forward, RRCU ensures that GAP Refunds are made to customers in Colorado within a reasonable time after receipt of an Early Payoff. Customers are not required to take any action after an Early Payoff to receive the GAP Refund. The refund amount is calculated using the Pro Rata Method

unless otherwise required by law, and no cancellation fee will be charged unless expressly authorized in the customer's GAP Agreement. These policies and procedures apply to all customers whose Finance Agreements with GAP Agreements have been or will be assigned to RRCU. RRCU agrees it will continue to provide GAP Refunds after an Early Payoff in Colorado in conformance with 4 Colo. Code Regs. § 902-1:8(h). RRCU's agreement to maintain this Business Practice Change is a material term of the Settlement to be enforced pursuant to the Settlement Agreement.

- **GAP Refunds:** After the filing of the Lawsuit, RRCU paid full GAP Refunds to the Class by either mailing a check in the amount of the GAP Refund to the Class member or depositing the GAP Refund in the Class Member's account with RRCU. Any uncashed refund check has escheated or will escheat to the State in conformance with Colorado's unclaimed property laws. In total, the Class received approximately **\$312,267.84** in GAP Refunds.

- **Settlement Fund.** RRCU has also agreed to deposit **\$81,254.26** into a Settlement Fund to pay for: (a) the cost of providing notice and administration of this Settlement (estimated to be approximately **\$9,000.00**), (b) a Service Award of **\$500.00** to Plaintiff Saba Rael for serving as the Class Representative; and (c) an Award of Attorneys' Fees and Costs in the amount of **\$71,754.26** to reimburse Class Counsel for the time and expense incurred representing the Class, subject to final approval by the Court. The **\$81,254.26** is equal to the amount of interest that accrued from the date of the Early Payoff to the date the refund issued, calculated at 8% per annum and compounded annually pursuant to Colo. Rev. Stat. Ann. § 5-12-102(1)(b).

7. DO I NEED TO DO ANYTHING TO RECEIVE A PAYMENT?

NO. After the filing of the Lawsuit, RRCU directly paid your full GAP Refund by either mailing you a check or depositing the GAP Refund into your account at RRCU.

If you do not believe that you received this payment, please contact the Claims Administrator at **1-888-205-6166** or **RRCUGapSettlement@atticusadmin.com**. You may also send a letter to the Claims Administrator at the following address:

RRCU GAP Settlement
c/o Atticus Administration
PO Box 64053
Saint Paul, MN 55164

8. WHY DID I RECEIVE MULTIPLE NOTICES?

If you received more than one Post-Card Notice about the Settlement, it may mean you have more than one vehicle covered by the Settlement.

9. WHAT CAN I DO IF I BELIEVE MY SETTLEMENT PAYMENT WAS NOT CALCULATED PROPERLY?

If you believe your payment was improperly calculated, you can contact the Claims Administrator at 1-888-205-6166 or **RRCUGapSettlement@atticusadmin.com** and provide your relevant information. If the Claims Administrator or RRCU determines that your payment was improperly calculated, your payment will be updated and a new check will be issued.

Questions? Call 1-888-205-6166 or visit **www.RRCUGapSettlement.com**

10. HOW WILL THIS SETTLEMENT AFFECT MY RIGHTS?

If this Settlement is granted final approval by the Court and you do not “opt-out” or request exclusion from the Settlement, then you will release certain claims against RRCU as described in Section 18 below.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you do not want to be a part of the Settlement, then you must take steps to request exclusion from the Settlement.

To request exclusion or “opt out” from the Settlement, you must mail a written Request for Exclusion to the Claims Administrator at the following address:

RRCU GAP Settlement
c/o Atticus Administration
PO Box 64053
Saint Paul, MN 55164

The Request for Exclusion must be post-marked on or before **August 4, 2022.**

Your Request for Exclusion must include the following information:

1. Your name, address, and telephone number;
2. Your settlement administration claim number provided on the front of the Post-Card Notice you received;
3. A statement that “I do not want to be a member of the Class in *Saba Rael et al. v. Red Rocks Credit Union.*, Case No. 2020CV32226 pending in the District Court for Denver County, Colorado. I understand that it will be my responsibility to pursue any claims I may have, if I so desire, on my own and at my expense”; and
4. Your signature and date.

Your Request for Exclusion must be specific to yourself. Attempts to exclude multiple individuals as part of a single Request for Exclusion are not allowed and shall be of no force or effect.

12. IF I DO NOT REQUEST EXCLUSION, CAN I SUE DEFENDANT FOR THE SAME CLAIMS LATER?

NO. Unless you request exclusion from the Settlement, you will give up the right to sue RRCU for the claims that this Settlement resolves as described in Section 18 below.

THE LAWYERS REPRESENTING YOU

13. DO I HAVE A LAWYER IN THIS CASE?

Yes. The Court has appointed the following law firms to represent you and the other Class Members as “Class Counsel.” You can contact Class Counsel at the addresses or telephone numbers listed below. They are:

Jason M. Frank
Scott H. Sims
FRANK SIMS & STOLPER LLP
19800 MacArthur Blvd.,
Suite 855
Irvine, CA 92612
Telephone: (949) 201-2400
Facsimile: (949) 201-2405

Franklin D. Azar
FRANKLIN D. AZAR & ASSOCIATES, P.C.
14426 East Evans Avenue
Aurora, CO 80014
Telephone: (303) 757-3300
Facsimile: (720) 213-5131

You will not be charged for contacting these lawyers. If you want to be represented by a different lawyer, you may hire one at your own expense.

14. HOW WILL THE LAWYERS BE PAID FOR THEIR SERVICES?

Class Counsel will apply to the Court for an award of attorneys’ fees and costs to compensate them for their legal services and expenses incurred in this matter. The application for an award of attorneys’ fees and costs will be posted to the Settlement Website at www.RRCUGapSettlement.com. Pursuant to the terms of the Settlement, Class Counsel intends to request an award of \$71,754.26 in legal fees and reimbursement of their expenses.

Any fee and expense awards approved by the Court will be paid out from the Settlement Fund.

15. WILL CLASS REPRESENTATIVES RECEIVE SERVICE AWARDS?

Class Counsel will file an application for a Service Award of **\$500.00** to be paid to the Class Representative, Saba Rael, in recognition of the time and effort he provided in this lawsuit, and risks incurred, on behalf of the Class. The application for this Service Award will be posted to the Settlement Website at www.RRCUGapSettlement.com.

Any Service Awards approved by the Court will be paid out from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

16. HOW DO I INFORM THE COURT IF I OBJECT TO THE SETTLEMENT?

If you are a member of the Class, and do not Request Exclusion or “opt out” from the Settlement, you can object to any part of the Settlement. You can give reasons why you think the Court should not approve the entire Settlement or parts of it.

To object, you must timely file a written objection with the Court and mail the same to the Claims Administrator at the following address:

RRCU GAP Settlement
c/o Atticus Administration
PO Box 64053
Saint Paul, MN 55164

The objection must be filed on or before August 4, 2022, and mailed to the Claims Administrator with a post-marked date on or before August 4, 2022.

Your objection must state all of the following:

1. Your name, address, and telephone number;
2. Your settlement administration claim number provided on the front of this Notice;
3. A statement saying that you object to the Settlement in *Saba Rael et al. v. Red Rocks Credit Union*, Case No. 2020CV32226;
4. A statement describing whether your objection applies only to yourself, to a specific subset of the Class, or to the entire Class;
5. The specific grounds for your objection;
6. Any legal authority that supports your objection; and
7. Your signature.

If a lawyer is asserting an objection on your behalf, the lawyer must also:

1. File a notice of appearance with the Court on or before **August 4, 2022**;
2. File a sworn declaration attesting that he or she represents you; and
3. File a sworn declaration that specifies the number of times during the prior five-year period that he or she has objected to a class action settlement on his or her own behalf or on behalf of a class member.

If You wish to appear at the Final Approval Hearing, you (or your attorney) must file a Notice of Intention to Appear with the Court indicating that you (or your attorney) would like to speak at the hearing. The Notice of Intention to Appear must be filed with the Court on or before **August 4, 2022**. If You (or your attorney) do not file a timely Notice of Intention to Appear, you (or your attorney) will be barred from speaking or otherwise presenting any views at the Final Approval Hearing.

You (or your attorney) must file your written objection and any additional documents required above with Courtroom 409 of the District Court for Denver County Colorado, the Honorable Marie Avery Moses, located at 1437 Bannock St., Room 256, Denver, CO, 80202.

17. WHAT IS THE DIFFERENCE BETWEEN OBJECTING TO THE SETTLEMENT AND REQUESTING EXCLUSION?

Objecting is notifying the Court that you think something about the Settlement is unfair, unreasonable, or inadequate. You can only object to the Settlement if you are a Class Member. Requesting exclusion from the Settlement is notifying the Court that you do not want to remain a Class Member. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

RELEASE OF CLAIMS

18. WHAT CLAIMS ARE BEING RELEASED AS PART OF THE SETTLEMENT?

Upon Final Approval of the Settlement by the Court, each Class Member who does not request exclusion, individually or together, and each and every one of their former, present, or future agents, predecessors, successors, heirs, legatees, executors, administrators, insurers, assigns, trustees, spouses, and domestic partners (“Class Releasers”), releases RRCU, and each of their former, present, or future agents, insurers, predecessors, successors, subsidiaries, parent company(ies), affiliates, officers, directors, and employees and attorneys (“Class Releasees”) from any and all past and/or present claims, counterclaims, lawsuits, set-offs, costs, losses, rights, demands, charges, complaints, actions, causes of action, obligations, or liabilities of any and every kind, whether class, individual, or otherwise in nature, including, without limitation, those known or unknown or capable of being known; those which are unknown but might be discovered or discoverable based upon facts other than or different from those facts known or believed at this time; those which are foreseen or unforeseen, suspected or unsuspected, asserted or unasserted, and/or contingent or non-contingent; and those which are accrued, unaccrued, matured or not matured, under the laws of any jurisdiction, which they, whether directly, representatively, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, arising from or relating in any way to the Class Member’s entitlement to a GAP Refund after an Early Payoff that occurred during the Class Period or interest on such GAP Refund (the “Class Released Claims”). Notwithstanding the foregoing, the Class Releasees do not include any Dealers or GAP Administrators, including without limitation, those identified in the Class Members’ GAP Agreements or Finance Agreements.

THE FINAL APPROVAL HEARING

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO GRANT FINAL APPROVAL TO THE SETTLEMENT?

The Court has scheduled a Final Approval Hearing for **September 8, 2022 at 4:00 p.m.** in Courtroom 409 of the District Court for Denver County, Colorado, with the Honorable Marie Avery Moses, located at 1437 Bannock St., Room 256, Denver, CO, 80202. The hearing date and time is subject to change. Updates to the date and time will be posted to the Settlement Website at www.RRCUGapSettlement.com.

At the Final Approval Hearing, the Court will consider granting final approval of the Settlement based on whether it is fair, reasonable, and adequate. The Court will also consider requests by Class Counsel for attorneys’ fees and expenses related to the litigation and the Class

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Representative's Service Award. If there are timely and complete objections, the Court will consider those objections at the hearing as well.

At or after the hearing, a decision will be made whether to grant final approval of the Settlement. It is not known how long it will take for the Court to decide. Class Members should visit the Settlement Website at www.RRCUGapSettlement.com to stay updated about the current status of the case.

20. DO I HAVE TO ATTEND THE HEARING?

No. Attending the hearing is not required, but you are welcome to attend at your own expense.

If you send an objection, you do not have to come to the Court to talk about it. As long as your objection is timely and complies with the requirements set forth in this Notice and the Settlement Agreement, the Court will consider it. You may also pay your own lawyer to attend.

GETTING MORE INFORMATION

21. HOW DO I GET MORE INFORMATION?

This Notice is a summary of the proposed Settlement. More details regarding the terms of the Settlement can be found in the Settlement Agreement posted on the Settlement Website at www.RRCUGapSettlement.com.

You may also contact the Settlement Administrator by calling the toll-free number, 1-888-205-6166 by emailing RRCUGapSettlement@atticusadmin.com or by writing to:

RRCU GAP Settlement
c/o Atticus Administration
PO Box 64053
Saint Paul, MN 55164

You may also contact Class Counsel using the contact information provided above in Section 13. You will not be charged for contacting Class Counsel.