

NOTICE OF CLASS ACTION SETTLEMENT

SUPERIOR COURT OF CALIFORNIA, CONTRA COSTA COUNTY
Service, et al. v. Volkswagen Group of America, et al., Case No. MSC22-01841

If you are a former, current, or prospective Volkswagen or Audi customer who received notice in June 2021 that your personal information may have been compromised in a data security incident, you are eligible for a monetary award from a class action settlement.

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

A settlement has been reached in a class action lawsuit arising from an alleged data security incident involving the personal information (“PI”) and sensitive personal information (“SPI”) of certain current, former, and prospective customers of Volkswagen Group of America, Inc. (“Volkswagen”) and Audi of America, LLC (“Audi”). The class action is brought against Volkswagen, Audi, and Sanctus, LLC d/b/a Shift Digital (“Shift Digital”) (collectively, “Defendants”) by named plaintiffs Ricardo Villalobos, John Hajny, Anthony Service and Jeremy Adams, individually and on behalf of a settlement class of persons residing in the United States to whom Volkswagen and/or Audi sent notice in June 2021 that their PI or SPI may have been exposed as a result of the data security incident.

Defendants dispute that they have violated any laws, deny all of the plaintiffs’ allegations of wrongdoing, and disclaim all liability with respect to all claims. However, to avoid the risk and expense of further litigation, the parties have agreed to settle the lawsuit on the terms and conditions set forth in a settlement agreement between the parties, which is available here: www.AudiDataSettlement.com. If the court gives final approval of the settlement, Defendants will pay \$3.5 million into a settlement fund, which will be used to provide monetary awards to settlement class members as described in this notice. Settlement administration expenses, an award of attorneys’ fees and costs to class counsel, and service awards to the named plaintiffs will also be paid from the settlement fund.

If you are a settlement class member, you should have already received a notice from the settlement administrator in the mail or by email. That notice included a unique code for you to verify your identity to receive certain settlement benefits described in this notice. If for some reason you have not received a notice, but believe you are a member of the settlement class, please call 866-329-0166 to verify your identity and receive further information. You must submit a claim form to receive a settlement award. You can file a claim online on this website, www.AudiDataSettlement.com, download a claim form and mail it, or call 866-329-0166 and ask that a claim form be mailed to you. **The claim deadline is April 12, 2023.**

Your legal rights are affected even if you do nothing. Please read this notice carefully and completely.

YOUR OPTIONS WITH RESPECT TO THIS SETTLEMENT	
Option 1: Claim a settlement award Deadline: Electronically submitted or postmarked by April 12, 2023	You may claim a settlement award by timely submitting a claim form. This is the only way to receive a monetary payment from the settlement fund. You can submit a claim form online at www.AudiDataSettlement.com , download a claim form from the website and mail it, or call 866-329-0166 and ask that a claim form be mailed to you. For more detailed information on how to submit a claim form, see Questions 9 through 11 below.
Option 2: Opt out of the settlement Deadline: Electronically submitted or postmarked by March 13, 2023	You may opt out of the settlement by submitting a timely request for exclusion. By opting out, you will not receive a monetary benefit from this settlement, but you will retain the right to bring your own lawsuit against Defendants related to the data security incident. This is the only option that allows you to bring a separate action against Defendants. For more detailed information on how to opt out from the settlement, see Questions 13 through 15 below.
Option 3: Object to the settlement Deadline: Electronically submitted or postmarked by March 13, 2023	You may object to the terms of the settlement by timely submitting an objection. In the objection, you may tell the court why it should not approve the settlement. For more detailed information on how to object to the settlement, see Questions 18 and 19 below.
Option 4: Do nothing	If you do nothing, you will not get a monetary payment from this settlement. You will give up rights to submit a claim in this settlement or to bring a separate action against Defendants related to the data security incident.

Questions? Call 866-329-0166 or visit www.AudiDataSettlement.com

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BASIC INFORMATION

1. What is this notice about?

The purpose of this notice is to inform you about the terms of the settlement and your rights and obligations as a settlement class member so that you can make an informed decision to participate in, object to, or opt out of the settlement. The parties are currently seeking judicial approval of their settlement in the Superior Court of California, Contra Costa. The Court has granted preliminary approval of the settlement. The Court has also approved the form and content of this notice and the parties' plan to notify the settlement class members of the settlement. After the settlement class members decide to participate in, object to, or opt out of the settlement, the Court will decide whether to grant final approval of the settlement.

2. What is this lawsuit about?

This class action lawsuit arose from an alleged data security incident involving the personal information of certain current and former Volkswagen and Audi customers and prospective customers. The customer data involved includes two general types of information: (1) sensitive personal information (SPI), which is generally considered to be more sensitive in nature, such as Social Security numbers and driver's license numbers, and (2) personal information (PI), which is generally considered to be less sensitive in nature, such as names, addresses and email addresses. The lawsuit was filed against Volkswagen, Audi, and Shift Digital by named plaintiffs Ricardo Villalobos, John Hajny, Anthony Service and Jeremy Adams, individually and on behalf of a class of other customers and prospective customers potentially affected by the data security incident.

The named plaintiffs raise five legal claims against one or more of the Defendants in connection with the alleged failure to properly secure the PI and SPI at issue: (1) negligence; (2) breach of implied contract; (3) violation of the California Consumer Privacy Act, California Civil Code § 1798.150; (4) violation of the California Unfair Competition Law - Unlawful and Unfair Business Practices, California Business & Professions Code § 17200, *et seq.*; and (5) breach of contracts to which Plaintiffs and the class are third-party beneficiaries. The Defendants deny all of the plaintiffs' allegations of wrongdoing and disclaim all liability with respect to all claims.

3. What is a class action?

A class action is a type of lawsuit in which one or more plaintiffs, known as named plaintiffs or class representatives, sue on behalf of themselves and a group of similarly situated persons, known as the "class." Although class members do not participate directly in the lawsuit, class members may be entitled to money or other relief if the lawsuit is successful. Class members are also bound by the judgment in the case, which means that they cannot file their own individual lawsuits if they choose to remain part of the class.

Ricardo Villalobos, John Hajny, Anthony Service and Jeremy Adams are the named plaintiffs in this lawsuit, and the settlement class is composed of persons residing in the United States to whom Volkswagen and/or Audi sent notice in June 2021 that their PI or SPI may have been exposed as a result of the data security incident.

4. Why have the parties settled?

The parties have agreed to settle because they believe it is in the best interests of the named plaintiffs, the Defendants, and the class. Further litigation carries significant risk and imposes substantial costs on both sides. By agreeing to settle, the parties avoid this uncertainty and additional expense. Furthermore, an early resolution allows class members to receive compensation more promptly. The named plaintiffs and their attorneys believe the settlement is fair, reasonable, and adequate and that final approval of the settlement is in the best interests of the class.

WHO IS IN THE SETTLEMENT?

5. Who is included in the settlement?

You are included in the settlement if you reside in the United States and were sent notice by Volkswagen and/or Audi that your information may have been exposed as a result of the data security incident. If you are a member of the settlement class, you should have already received a notice of the settlement from the settlement administrator by

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mail or email. That notice included a unique code for you to verify your identity to receive certain settlement benefits described in this notice. If for some reason you have not received a unique code, but believe you are a settlement class member, please call 866-329-0166 to verify your identity and receive further information.

The settlement class is composed of three subclasses. Each settlement class member belongs to only one subclass. The **California SPI Subclass** consists of settlement class members residing in California at the time of the data security incident to whom Volkswagen and/or Audi sent notice that their SPI may have been exposed as a result of the incident. The **Nationwide SPI Subclass** consists of settlement class members residing in the United States (but not California) at the time of the data security incident to whom Volkswagen and/or Audi sent notice that their SPI may have been exposed as a result of the incident. The **Nationwide PI Subclass** consists of settlement class members residing in the United States at the time of the data security incident to whom Volkswagen and/or Audi sent notice that their PI may have been exposed as a result of the incident. The subclass to which you belong determines the benefits to which you are entitled under the settlement. Your subclass was identified in the emailed or mailed notice you received telling you about the settlement.

Specifically excluded from the settlement class are settlement class members who timely and validly request exclusion from the settlement class (for more information about requesting exclusion see Questions 13–15).

6. What if I am not sure whether I am included in the settlement?

If you are not sure whether you are included in the settlement or the settlement class, or have any other questions related to the settlement, you may contact the settlement administrator by phone at 866-329-0166 or by email at info@AudiDataSettlement.com. You may also write a letter to the settlement administrator at Volkswagen/Audi Data Incident Litigation Settlement Administrator, P.O. Box 3637 Portland, OR 97208-3637. Please do not contact the Court with questions.

THE SETTLEMENT BENEFITS

7. What does the settlement provide?

To fully settle and release the claims of the settlement class members related to the data security incident, Defendants have agreed to pay \$3.5 million into a settlement fund, which will be used to pay (1) settlement awards to settlement class members, as described in response to Question 8 below; (2) settlement administration expenses; (3) an award to class counsel for their reasonable attorneys' fees and costs; and (4) service awards for the named plaintiffs. In addition, Shift Digital has agreed to implement and maintain certain measures to further secure the personal information in its possession.

8. What monetary benefits are available?

All settlement class members are eligible for monetary awards from the settlement fund. There are two types of awards: (1) cash payments, and (2) reimbursement for out-of-pocket losses. California SPI and Nationwide SPI Subclass members may file claims for either cash payments or for reimbursement for out-of-pocket losses, but not for both.

Cash Payments: All settlement class members are eligible for cash payments. The amount of the cash payment depends on the subclass to which the settlement class member belongs. California SPI Subclass members are eligible to receive cash payments of \$350. Nationwide SPI members are eligible to receive cash payments of \$80. Nationwide PI Subclass members are eligible to receive cash payments of \$20. All payment amounts listed above are subject to an upward or downward proration based on how much money is available to disburse settlement awards and the number of valid claims filed. The proration of cash payments is set forth in greater detail in the settlement agreement.

Reimbursement for Out-of-Pocket Losses: Members of the California SPI Subclass and Nationwide SPI Subclass are eligible for reimbursement for out-of-pocket losses up to \$5,000 per person. Examples of out-of-pocket losses include: (1) unreimbursed costs, expenses, losses, or charges incurred as a result of identity theft or identity fraud, falsified tax returns, or other possible misuse of settlement class members' SPI; (2) costs associated with accessing or freezing/unfreezing credit reports with any credit reporting agency; (3) other miscellaneous expenses incurred related to any out-of-pocket loss such as notary, fax, postage, copying, mileage, and long-distance telephone charges; and (4) unpaid time off work to address issues fairly traceable to the data security incident at the actual

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hourly rate of that settlement class member (i.e., hourly wage or annual salary divided by estimated number of hours worked per year), up to \$50 per hour, for up to four hours. To be reimbursable, out-of-pocket losses must be fairly traceable to the data security incident and require documentation.

HOW TO GET BENEFITS

9. How do I get benefits?

To receive a monetary award from the settlement, you must timely submit a valid claim. To submit a claim, you must complete, sign, and send a claim form to the settlement administrator on or before **April 12, 2023**. You can access digital copies of the claim form online at www.AudiDataSettlement.com. You can also request a claim form by mail by calling 866-329-0166 or visiting www.AudiDataSettlement.com. To ensure that you properly complete the claim form, please read the instructions carefully. If you are seeking reimbursement for out-of-pocket losses, you will need to attach supporting documentation. You may submit the claim form online www.AudiDataSettlement.com or mail it to the Settlement Administrator at the following address:

Volkswagen/Audi Data Incident Litigation
Settlement Administrator
P.O. Box 3637
Portland, OR 97208-3637

A claim form is considered timely submitted if it is postmarked or submitted electronically on or before April 12, 2023.

Please read the claim form's instructions carefully, fill it out, provide reasonable documentation (where applicable), and submit it online at www.AudiDataSettlement.com or mail it **postmarked no later than April 12, 2023** to Volkswagen/Audi Data Incident Litigation Settlement Administrator, P.O. Box 3637 Portland, OR 97208-3637. On the claim form, you will have the option to select how you would like to be paid. Awards will be distributed after the settlement becomes effective, and you will receive payment in the manner that you selected on the claim form.

10. How will claims be decided?

The settlement administrator will initially decide whether the information provided on a claim form is complete and valid. The settlement administrator may request additional information from any claimant. If the required information is not provided on a timely basis, the claim will be considered invalid and will not be paid.

REMAINING IN THE SETTLEMENT CLASS

11. Do I need to do anything to receive a cash benefit from the settlement?

If you want a monetary award from the settlement fund, you must submit a claim by April 12, 2023, as explained in Question 9. If you do nothing, you will remain in the settlement class but you will not receive the settlement benefits.

12. What am I giving up as part of the settlement?

If the settlement becomes effective and you do not opt out, you will give up your right to bring your own lawsuit against certain parties for any claims related to the data security incident. The specific persons and entities who you are giving up claims against are described in Paragraph 3.30 of the Settlement Agreement. The specific claims you are giving up are described in Paragraphs 3.29 and 3.42 of the Settlement Agreement. The Settlement Agreement is available at www.AudiDataSettlement.com. The Settlement Agreement describes the released parties and released claims in detail, so read it carefully. If you have any questions, you may talk to the attorneys listed in Question 16 for free. Alternatively, you may talk to your personal attorney at your own expense.

Questions? Call 866-329-0166 or visit www.AudiDataSettlement.com

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to participate in the settlement and want to preserve the right to bring your own lawsuit against Audi, Volkswagen, and/or Shift Digital regarding the data security incident, then you must take steps to exclude yourself from the settlement class. This is sometimes referred to as “opting out” of the settlement class.

13. If I exclude myself, can I get monetary benefits from this settlement?

No. If you exclude yourself from the settlement, you will not be entitled to any monetary benefits. If you exclude yourself and you submit a claim form, you will not receive any money. You will also not be bound by any judgment in this case, and thus may bring an individual lawsuit against the Defendants. However, you cannot exclude yourself from the non-monetary benefits provided by Shift Digital, who will implement and maintain certain measures to further secure the personal information in its possession.

14. If I do not exclude myself, can I bring a claim against Defendants for the same thing later?

No. If you do not exclude yourself from the settlement class, you will give up any right to bring your own lawsuit against Defendants and related parties for the claims that this settlement resolves. You must exclude yourself from the settlement class if you want to bring a separate action or to be part of any different proceeding relating to the claims in this case.

15. How do I exclude myself from the settlement?

To exclude yourself from the settlement class, you will need to submit a written request for exclusion to the settlement administrator. In the request for exclusion, you must (a) provide your full name, address, telephone number, and email address (if any), and (b) state unequivocally that you would like to be excluded from the settlement. You or a person authorized by law to act on your behalf must sign the request for exclusion. To submit your request for exclusion, you must mail it to the following address: Volkswagen/Audi Data Incident Litigation Settlement Administrator, P.O. Box 3637 Portland, OR 97208-3637. You may also electronically submit your request for exclusion by uploading it to www.AudiDataSettlement.com. To be timely, your request for exclusion must be postmarked or electronically submitted by March 13, 2023.

THE LAWYERS REPRESENTING THE CLASS

16. Do I have a lawyer in this case?

The Court has appointed the following attorneys as class counsel:

Rachele R. Byrd WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP 750 B Street, Suite 1820 San Diego, California 92101 Tel: (619) 239-4599 Fax: (619) 234-4599 byrd@whafh.com	Gayle M. Blatt CASEY GERRY SCHENK FRANCAVILLA BLATT & PENFIELD, LLP 110 Laurel Street San Diego, California 92101 Tel: (619) 238-1811 Fax: (619) 544-9232 gmb@cglaw.com	M. Anderson Berry CLAYEO C. ARNOLD A PROFESSIONAL LAW CORP. 865 Howe Avenue Sacramento, CA 95825 Tel: (916) 777-7777 Fax: (916) 924-1829 aberry@justice4you.com	Karen Hanson Riebel LOCKRIDGE GRINDAL NAUEN P.L.L.P 100 Washington Ave S. Ste. 2200 Minneapolis, MN 55401 Tel: (612) 339-6900 Fax: (612) 339-0981 khriebel@locklaw.com
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As class counsel, these attorneys represent the settlement class. You will not be individually charged for these lawyers. If you decide to exclude yourself from the settlement, then class counsel will no longer represent you. If you decide to object to the settlement, class counsel will not represent you for purposes of your objection. If you want to be represented by your own lawyer, you may hire one at your own expense.

Questions? Call 866-329-0166 or visit www.AudiDataSettlement.com

17. How will class counsel and the class representatives be paid?

The settlement agreement does not provide for a specific amount to be paid to class counsel but does allow class counsel to request—and the Court to award—reasonable attorneys’ fees and costs. Class counsel will request an award of no more than \$1.05 million in fees and \$50,000 in costs. The Court will then decide whether to award attorneys’ fees and costs and if so, how much. If the Court decides to award attorneys’ fees and costs, they will be paid out of the settlement fund.

Class counsel will also request that the Court award \$5,000 to each of the named plaintiffs to reward them for the time and burdens of serving as class representatives. If the Court approves these service awards, they will be paid out of the settlement fund.

OBJECTING TO THE SETTLEMENT

If you do not want the Court to grant final approval of the settlement, you may object to the settlement. By objecting to the settlement, you can tell the Court why you think the settlement should not be finally approved.

18. How do I object to the settlement?

To object to the settlement, you must (1) timely submit a written objection to the settlement administrator, or (2) appear and state your objection at the final approval hearing, as explained in Questions 20 through 22. If you wish, you may submit a written objection *and* voice your objection at the final approval hearing. If you submit a written objection, you should provide (a) your full name, address, telephone number, and email address; (b) the case name and number (i.e., *Service et al. v. Volkswagen Group of America, Inc., et al.*, Case No. MSC22-01841); and (c) the grounds for your objection. The objection must be signed by you or someone authorized to sign on your behalf. If you are represented by your own attorney, please provide their name and phone number.

If you submit a written objection, you must mail it to the settlement administrator at Volkswagen/Audi Data Incident Litigation Settlement Administrator, P.O. Box 3637 Portland, OR 97208-3637 or submit it electronically to the settlement administrator by uploading it to the settlement website, www.AudiDataSettlement.com. To be timely submitted, the written objection must be postmarked or electronically submitted no later than March 13, 2023.

19. What is the difference between objecting and opting out?

Objecting is telling the Court that you do not like something about the settlement and why you do not think it should be approved. Opting out is excluding yourself from the settlement. If you opt out, you cannot object to the settlement because it no longer affects you.

THE FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to grant final approval of the settlement and to determine whether to award attorneys’ fees and costs to class counsel and service awards to the class representatives, and if so, in what amounts.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a final approval hearing at 9:00 a.m. on May 18, 2023, in Department 39, 725 Court Street, Martinez, CA 94553. The details for attending the final approval hearing can be found at www.AudiDataSettlement.com. You do not need to attend this hearing to receive benefits from the settlement. The hearing may be moved to a different date or time without additional notice, so it is a good idea to keep checking www.AudiDataSettlement.com or calling 866-329-0166 to stay up to date.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will consider any written objections and will listen to any objectors who attend the hearing and wish to speak. The Court will also consider class counsel’s request for an award of attorneys’ fees and costs, as well as the request for service awards for the class representatives. After the hearing, the Court will decide whether to approve the settlement and the awards. We do not know how long the Court will take to make these decisions.

Questions? Call 866-329-0166 or visit www.AudiDataSettlement.com

21. Do I have to attend the hearing?

No. Class counsel will present the settlement to the Court. You or your own lawyer are welcome to attend at your own expense, but you are not required to do so. If you submit a written objection, you do not have to attend to present it to the Court. As long as you properly submitted your objection according to the instructions in Question 18, the Court will consider your objections.

22. May I speak at the hearing?

You may speak at the final approval hearing if you wish to object to the settlement.

IF YOU DO NOTHING

23. What happens if I do nothing?

If you do nothing, you will not receive any monetary benefits from the settlement. If the Court grants approval of the settlement and the judgment becomes final, you will not be able to bring your own lawsuit against the Defendants or other related parties in connection with the data security incident.

GETTING MORE INFORMATION

24. How do I get more information?

This notice only provides a summary of the proposed settlement. You are encouraged to review the complete details of the settlement, which can be found in the Settlement Agreement available at www.AudiDataSettlement.com. You also may send written questions to the settlement administrator at info@AudiDataSettlement.com, or call the toll-free number, 866-329-0166.

Again, the important deadlines are:

Last day to opt out of the settlement class or object to the settlement: March 13, 2023

Last day to electronically submit or postmark a claim form: April 12, 2023

Final approval hearing: May 18, 2023

Questions? Call 866-329-0166 or visit www.AudiDataSettlement.com