

EXHIBIT A

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19 Attorneys for Defendant
20 R.J. REYNOLDS TOBACCO CO.

21 **UNITED STATES DISTRICT COURT**
22 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

23 AMANDA SATERIALE, et al.,

24 Plaintiffs,

25 v.

26 R.J. REYNOLDS TOBACCO CO.,

27 Defendant.

28 CASE No. CV 09 08394 CAS (SSx)

**STIPULATION OF CLASS
ACTION SETTLEMENT**

1 affirmed the district court’s dismissal of Plaintiffs’ UCL and CLRA claims, but
2 reversed the district court’s dismissal of Plaintiffs’ breach of contract and
3 promissory estoppel claims.

4 **WHEREAS**, on December 21, 2012, Reynolds answered the Third Amended
5 Complaint, denying the substance of the claims and allegations asserted and raising
6 numerous defenses.

7 **WHEREAS**, on June 16, 2014, Plaintiffs moved for class certification.

8 **WHEREAS**, on December 19, 2014, the district court certified a class of
9 “All persons in California who, as adult smokers, were assigned registration
10 numbers by RJR, collected C-Notes, and held C-Notes as of October 1, 2006.”
11 The district court denied certification of a nationwide class and denied certification
12 of Plaintiffs’ promissory estoppel claim.

13 **WHEREAS**, on July 8, 2015, the district court reopened discovery.

14 **WHEREAS**, on September 17, 2015, Reynolds moved to decertify the class
15 based upon new evidence obtained after discovery was reopened.

16 **WHEREAS**, on September 17, 2015, Reynolds communicated to Plaintiffs
17 that Reynolds intended to unilaterally provide specific performance to the class, and
18 move to conditionally dismiss the Action as moot.

19 **WHEREAS**, on November 13, 2015, the Parties participated in full-day
20 private mediation before The Honorable Stephen Crane (Ret.) of JAMS in
21 New York, at which the Parties, through arm’s length negotiations, were able to
22 reach an agreement on a settlement.

23 **WHEREAS**, Plaintiffs and Class Counsel have conducted a thorough
24 examination of the law and facts relating to the matters at issue in the Action
25 regarding Plaintiffs’ claims and Reynolds’ potential defenses, including an
26 assessment of risk associated with Reynolds’ motion to decertify the class.

27 **WHEREAS**, based on an analysis of the facts and the law applicable to
28 Plaintiffs’ claims in the Action, and taking into account the burden and expense of

1 such litigation, including the risks and uncertainties associated with a protracted trial
2 and appeals, as well as the fair, cost-effective and assured method of resolving the
3 claims of the Settlement Class, Plaintiffs and Class Counsel have concluded that this
4 Settlement provides substantial benefits to the Settlement Class, and is fair,
5 reasonable, adequate, and in the best interest of Plaintiffs and the Settlement Class.

6 **WHEREAS**, Reynolds has similarly concluded that this Agreement is
7 desirable in order to avoid the time, risk and expense of defending protracted
8 litigation, and to resolve finally and completely the claims of Plaintiffs and the
9 Settlement Class.

10 **NOW, THEREFORE**, the Parties stipulate and agree that any and all
11 Released Claims against Reynolds and all other Released Parties, shall be finally
12 settled and resolved on the terms and conditions set forth in this Agreement, subject
13 to Court approval, as a fair, reasonable and adequate settlement.

14 **AGREEMENT**

15 **I. DEFINITIONS**

16 As used herein, in addition to any definitions set forth elsewhere in this
17 Agreement, the following terms shall have the meanings set forth below:

18 1.1. **“Action”** means the case captioned *Sateriale, et. al. v. R.J. Reynolds*
19 *Tobacco, Co.*, U.S.D.C. Case No. CV 09 08394 CAS (SSX).

20 1.2. **“Agreement”** means this Stipulation of Class Action Settlement
21 (including all exhibits and attachments hereto).

22 1.3. **“Class Counsel”** means attorneys Jeffrey Squire, Lawrence Egel, and
23 David J. Stone of Bragar Egel Squire, PC, and Lionel Z. Glancy, Marc Godino,
24 and Kevin F. Ruf of Glancy Prongay & Murray LLP.

25 1.4. **“Class Representatives”** means Plaintiffs Daniel Polese, Heather Polese,
26 and Fred Javaheri.

27 1.5. **“Court”** means the United States District Court for the Central District
28 of California, The Honorable Christina A. Synder (or any judge sitting in her stead

1 or to whom the Action may be transferred) presiding.

2 1.6. “**Defendant’s Counsel**” means attorneys Peter Biersteker and John A.
3 Vogt of Jones Day, and Geoff Beach of Womble Carlyle Sandridge & Rice LLP.

4 1.7. “**Effective Date**” means one business day following the latest of:
5 (i) the date upon which the time expires for filing or noticing any appeal of the
6 Judgment; (ii) if there is an appeal or appeals, other than an appeal or appeals solely
7 with respect to attorneys’ fees and reimbursement of expenses, the date of
8 completion, in a manner that finally affirms and leaves in place the Judgment
9 without any material modification, of all proceedings arising out of the appeal(s)
10 (including, but not limited to, the expiration of all deadlines for motions for
11 reconsideration or petitions for review and/or certiorari, all proceedings ordered on
12 remand, and all proceedings arising out of any subsequent appeal(s) following
13 decisions on remand); or (iii) the date of final dismissal of any appeal or the final
14 dismissal of any proceeding on certiorari with respect to the Judgment.

15 1.8. “**Fairness Hearing**” means the hearing before the Court where the
16 Parties will request that the Judgment be entered by the Court finally approving the
17 Settlement as fair, reasonable and adequate, and approving the Fee Award.

18 1.9. “**Fee Award**” means the amount of attorneys’ fees and reimbursement
19 of costs awarded by the Court to Class Counsel.

20 1.10. “**Incentive Awards**” means the amount of remuneration to be paid to
21 the Plaintiffs in recognition of their efforts on behalf of the Settlement Class.

22 1.11. “**Judgment**” means, collectively, the orders in the forms attached as
23 Exhibits B ([Proposed] Final Approval Order) and C ([Proposed] Final Judgment)
24 to this Agreement to be entered by the Court finally approving this Agreement and
25 entering final judgment without material modifications to the proposed order,
26 proposed judgment or this Agreement that are unacceptable to the Parties.

27 1.12. “**Notice Date**” means the date upon which Settlement Class Notice is
28 first disseminated to the Settlement Class.

1 1.13. “**Notice Expenses**” means all reasonable costs and expenses expended
2 in the execution of the Notice Plan, including (i) all reasonable costs and expenses
3 incurred in connection with preparing, printing, mailing, disseminating, posting,
4 promoting, e-mailing, hosting on the Internet and publishing the Settlement Class
5 Notice, identifying members of the Settlement Class and informing them of the
6 Settlement, and (ii) any other reasonable and necessary Notice and Notice-
7 related expenses.

8 1.14. “**Notice Plan**” means the plan described in Section VII of this
9 Agreement for disseminating Notice to the Settlement Class Members of the terms
10 of this Agreement and the Fairness Hearing.

11 1.15. “**Objection Deadline**” means the date by which Settlement Class
12 Members must file and postmark all required copies of any written objections to
13 this Settlement Agreement, which shall be sixty (60) days following the
14 Notice Date.

15 1.16. “**Offer of Specific Performance**” means the offer that Reynolds shall
16 make to the Releasing Parties, the terms of which are fully set forth in Exhibits A-1 and
17 A-2 hereto.

18 1.17. “**Parties**” means, collectively, Daniel Polese, Heather Polese, Fred
19 Javaheri, Jeffrey Feinman, Richard Holter, Donald Wilson, Jackie Warren, and
20 R.J. Reynolds Tobacco Co., Inc..

21 1.18. “**Person**” means any individual, corporation, trust, partnership, limited
22 liability company or other legal entity and their respective predecessors, successors
23 or assigns. The definition of “Person” is not intended to include any governmental
24 agencies or governmental actors, including, without limitation, any state Attorney
25 General office.

26 1.19. “**Plaintiffs**” means, collectively, Daniel Polese, Heather Polese,
27 Fred Javaheri, Jeffrey Feinman, Richard Holter, Donald Wilson, and Jackie Warren.

28 1.20. “**Preliminary Approval**” means the Court’s Order preliminarily

1 approving this Settlement without material modifications to the proposed order or
2 this Agreement that are unacceptable to the parties. A Proposed Preliminary
3 Approval Order is attached to this Agreement as Exhibit D.

4 1.21. “**Released Claims**” means any and all claims or causes of action of
5 every kind and description (including any causes of action in law, claims in equity,
6 complaints, suits or petitions) and any allegations of wrongdoing (including but not
7 limited to any assertions of liability, debts, legal duties, torts, unfair or deceptive
8 practices, statutory violations, contracts, agreements, obligations, promises,
9 promissory estoppel, detrimental reliance, or unjust enrichment) and any demands
10 for legal, equitable or administrative relief (including but not limited to any claims
11 for injunction, rescission, reformation, restitution, disgorgement, constructive trust,
12 declaratory relief, compensatory damages, consequential damages, penalties,
13 exemplary damages, punitive damages, attorneys’ fees, costs, interest, or expenses)
14 that the Releasing Parties had or have (including but not limited to assigned claims
15 and any and all “Unknown Claims” as defined below) that have been or could have
16 been asserted in the Action or in any other action or proceeding before any court,
17 arbitrator(s), tribunal or administrative body (including but not limited to any state,
18 local or federal regulatory body), regardless of whether the claims or causes of
19 action are based on federal, state, or local law, statute, ordinance, regulation,
20 contract, common law, or any other source, and regardless of whether they are
21 known or unknown, foreseen or unforeseen, suspected or unsuspected, or fixed or
22 contingent, arising out of, or related or connected in any way with the claims or
23 causes of action of every kind and description that were brought, alleged, argued,
24 raised, or asserted in any pleading or court filing in the Action.

25 1.22. “**Released Parties**” means Reynolds and its respective predecessors,
26 successors, assigns, parents, subsidiaries, divisions, affiliates, departments, and any
27 and all of their past, present, and future officers, directors, employees, stockholders,
28 partners, servants, agents, successors, attorneys, representatives, insurers,

1 reinsurers, subrogees and assigns of any of the foregoing, as well as Plaintiffs and
2 Class Counsel. Each of the Released Parties may be referred to individually as a
3 “Released Party.”

4 1.23. “**Releasing Parties**” means Reynolds, Plaintiffs, any Person in the
5 Settlement Class, any Person claiming or receiving a Settlement Benefit, and each
6 of their respective spouses, children, heirs, associates, co-owners, attorneys, agents,
7 administrators, executors, devisees, predecessors, successors, assignees,
8 representatives of any kind, shareholders, partners, directors, employees, or
9 affiliates. Each of the Releasing Parties may be referred to individually as a
10 “Releasing Party.”

11 1.24. “**Settlement Administration Expenses**” means Notice Expenses
12 (defined above) and all other reasonable and necessary expenses incurred by the
13 Settlement Administrator in handling the administration of the Settlement and
14 performing the services it is obligated to perform under this Agreement related to
15 administration of the Settlement.

16 1.26. “**Settlement Administrator**” means, subject to approval of the Court,
17 The Angeion Group, which will oversee the Notice Plan and related obligations..

18 1.27. “**Settlement Benefit**” means the benefit a Settlement Class Member
19 may receive pursuant to this Agreement.

20 1.28. “**Settlement Class**” means and includes Plaintiffs, and all persons in
21 California who, as adult smokers, were assigned registration numbers by Reynolds,
22 collected C-Notes, and held C-Notes as of October 1, 2006, as certified by the
23 Court on December 19, 2014. Excluded from the Settlement Class are: (1) the
24 Judges presiding over the Action, and members of their families; (2) the Defendant,
25 its subsidiaries, parent companies, successors, predecessors, and any entity in which
26 the Defendant or its parents have a controlling interest and their current or former
27 officers, directors, and employees; and (3) any person that opted out of the class
28 that the Court certified on December 19, 2014..

1 1.29. “*Settlement Class Member*” or “*Class Member*” means an individual
2 who falls within the definition of the Settlement Class as set forth in this
3 Agreement.

4 1.30. “*Settlement Class Notice*” or “*Notice*” means the form of Court-
5 approved notice of this Agreement that is disseminated to the Settlement Class.
6 The Parties have proposed that the Court approve notice in the form attached to this
7 Agreement as Exhibit E.

8 1.31. “*Settlement Website*” means the website to be created, launched, and
9 maintained by the Settlement Administrator.

10 1.32. “*Unknown Claims*” shall have the meaning set forth in Section IV of
11 this Agreement.

12 **II. FOR SETTLEMENT PURPOSES ONLY**

13 2.1. This Agreement, whether or not consummated, and any actions or
14 proceedings taken pursuant to this Agreement, are for settlement purposes only and
15 Reynolds specifically denies any and all wrongdoing. The existence of, terms in,
16 and any action taken under or in connection with this Agreement shall not
17 constitute, be construed as, or be admissible in evidence as, any admission by
18 Reynolds of (i) the validity of any claim, defense or fact asserted in the Action or
19 any other pending or future action, or (ii) any wrongdoing, fault, violation of law,
20 or liability of any kind on the part of the Parties.

21 **III. REQUIRED EVENTS AND COOPERATION BY PARTIES**

22 3.1. Preliminary and Final Approval. Promptly after execution of this
23 Agreement, Class Counsel shall submit this Agreement to the Court and shall move
24 the Court to enter a Preliminary Approval Order, in the form attached as Exhibit D.

25 3.2. Cooperation. The Parties shall, in good faith, cooperate, assist and
26 undertake all reasonable actions and steps in order to accomplish the events
27 required in Section 3.1 of this Agreement on the schedule set by the Court, subject
28 to the terms of this Agreement.

1 3.3. Final Approval. Within 10 days of the Court issuing preliminary
2 approval of this Settlement, Reynolds shall notify the appropriate government
3 officials of this Settlement Agreement pursuant to the Class Action Fairness Act of
4 2005 (“CAFA”), 28 U.S.C. § 1715.

5 **IV. RELEASES**

6 4.1. The Release. Upon the Effective Date, and in consideration of the
7 Settlement Benefits described herein, each Releasing Party shall be deemed to have
8 released, acquitted and forever discharged Reynolds and each of the Released
9 Parties from any and all Released Claims.

10 4.2. Unknown Claims. The Released Claims include the release of
11 Unknown Claims. “Unknown Claims” means claims that could have been raised in
12 the Action and that Plaintiffs, any member of the Settlement Class or any Releasing
13 Party, do not know or suspect to exist, which, if known by him, her or it, might
14 affect his, her or its agreement to release the Released Parties or the Released
15 Claims or might affect his, her or its decision to agree, object or not to object to the
16 Settlement. Upon the Effective Date, Plaintiffs, the Settlement Class, and any
17 Releasing Party shall be deemed to have, and shall have, expressly waived and
18 relinquished, to the fullest extent permitted by law, the provisions, rights and
19 benefits of Section 1542 of the California Civil Code, which provides as follows:

20 **A GENERAL RELEASE DOES NOT EXTEND TO**
21 **CLAIMS WHICH THE CREDITOR DOES NOT**
22 **KNOW OR SUSPECT TO EXIST IN HIS OR HER**
23 **FAVOR AT THE TIME OF EXECUTING THE**
24 **RELEASE, WHICH IF KNOWN BY HIM OR HER**
25 **MUST HAVE MATERIALLY AFFECTED HIS OR**
26 **HER SETTLEMENT WITH THE DEBTOR.**

27 Upon the Effective Date, each of the Releasing Parties shall be deemed to have, and
28 shall have, waived any and all provisions, rights and benefits conferred by any law

1 of any state, the District of Columbia or territory of the United States, by federal
2 law, or principle of common law, or the law of any jurisdiction outside of the
3 United States, which is similar, comparable or equivalent to Section 1542 of the
4 California Civil Code. Plaintiffs, the Settlement Class, and the Releasing Parties
5 acknowledge that they may discover facts in addition to or different from those that
6 they now know or believe to be true with respect to the subject matter of the
7 Release, but that it is their intention to finally and forever settle and release the
8 Released Claims, including but not limited to any Unknown Claims they may have,
9 as that term is defined in this Paragraph.

10 4.3. Exclusive Remedy. This Agreement shall be the sole and exclusive
11 remedy of the Releasing Parties against any of the Released Parties relating to any
12 and all Released Claims. . Upon the entry of the Judgment, each and every
13 Releasing Party shall be permanently barred and enjoined from initiating, asserting
14 and/or prosecuting any Released Claim(s) against any of the Released Parties in any
15 court, arbitration, tribunal, forum or proceeding.

16 4.4. Jurisdiction of the Court. The Parties agree that the Court shall retain
17 exclusive and continuing jurisdiction over the above-captioned Action, the Parties,
18 Settlement Class Members, and the Settlement Administrator in order to interpret
19 and enforce the terms, conditions, and obligations of this Agreement.

20 **V. SETTLEMENT BENEFITS**

21 5.1. Offer of Specific Performance. Within sixty (60) days of the Effective
22 Date, Reynolds shall commence the specific performance set forth in Exhibits A-1
23 and A-2 hereto.

24 **VI. SETTLEMENT ADMINISTRATION**

25 6.1. Dissemination of Notices. The Settlement Administrator shall
26 disseminate the Settlement Class Notice as provided in Section VII of this
27 Agreement.

28 6.2. Maintenance of Records. The Settlement Administrator shall maintain

1 reasonably detailed records of its activities under this Agreement. The Settlement
2 Administrator shall maintain all such records as required by applicable law in
3 accordance with its business practices and such records will be made available to
4 Class Counsel and Defendant's Counsel upon request. The Settlement
5 Administrator shall also provide reports and other information to the Court as the
6 Court may require. Upon request, the Settlement Administrator shall provide Class
7 Counsel and Defendant's Counsel with information concerning Notice,
8 administration, and implementation of the Settlement.

9 6.3. Creation of Settlement Website. The Settlement Administrator shall
10 create the Settlement Website. The Settlement Website shall contain relevant
11 documents, including but not limited to a copy of the Settlement Class Notice, this
12 Agreement, the Preliminary Approval Order entered by the Court, and the operative
13 complaint in the Action. The Settlement Website shall also include a toll free
14 telephone number and mailing address through which Settlement Class Members
15 may contact the Settlement Administrator directly.

16 6.4. Payment of Notice and Settlement Administration Expenses. Class
17 Counsel shall pay or cause to be paid all Settlement Administration Expenses.
18 Class Counsel shall pay or cause to be paid all Notice expenses related to online
19 advertising and social media outreach notifications. Class Counsel and Reynolds
20 shall split the expenses related to publication of Notice in news outlets, with
21 Reynolds responsibility for such costs capped at \$20,000.00. Reynolds shall pay or
22 cause to be paid all Notice expenses related to e-mail notifications.

23 **VII. SETTLEMENT CLASS NOTICE**

24 7.1. Notice. Within twenty-one (21) days after Preliminary Approval of
25 this Agreement, including the form and content of the Settlement Class Notice, the
26 Settlement Administrator shall provide Notice, substantially in the form attached as
27 Exhibit E, as approved by the Court, to the Settlement Class as follows:

28 a. The Settlement Administrator will provide Notice to all

1 members of the Settlement Class in the same manner as notice was provided
2 pursuant to the Court's August 10, 2015 order (Dkt. No. 196);

3 b. The Settlement Administrator shall create and maintain an
4 Internet website housing the information contained in the Notice along with
5 other information consistent with industry standards; and,

6 c. The Settlement Administrator shall provide a report to the
7 parties summarizing its efforts undertaken to satisfy items (a)-(b) above,
8 including the fees and expenses incurred in its work. .

9 7.2. Contents of the Settlement Class Notice. The Settlement Class Notice
10 shall be in the form as Exhibit E hereto.

11 **VIII. RIGHT TO OBJECT OR COMMENT**

12 8.1. Right to Object or Comment. Any Settlement Class Member may
13 comment in support of or in opposition to the Settlement and may do so in writing,
14 in person, or through counsel, at his or her own expense, at the Fairness Hearing.
15 Except as the Court may order otherwise, no Settlement Class Member objecting to
16 the Settlement shall be heard and no papers, briefs, pleadings, or other documents
17 submitted by any such Settlement Class Member shall be received and considered
18 by the Court unless such Settlement Class Member shall both file with the Court
19 and mail to Class Counsel and Defendant's Counsel a written objection with the
20 caption *Sateriale, et. al. v. R.J. Reynolds Tobacco, Co.*, U.S.D.C. Case No. CV 09
21 08394 CAS (SSX), that includes: (i) the Settlement Class Member's full name,
22 current address, telephone number, and Registration Number in the Reynolds'
23 smoker database, (ii) a signed declaration that he or she believes himself or herself
24 to be a member of the Settlement Class, (iii) the specific grounds for the objection,
25 (iv) all documents or writings that the Settlement Class Member desires the Court
26 to consider, and (vi) a statement regarding whether they (or counsel of their
27 choosing) intend to appear at the Fairness hearing. All written objections must be
28 filed and postmarked no later than the Objection Deadline. Any Settlement Class

1 Member who fails to object in the manner prescribed herein shall be deemed to
2 have waived his or her objections and forever be barred from making any such
3 objections in the Action or in any other action or proceeding. While the statement
4 described in subsection (ii) above is prima facie evidence that the objector is a
5 member of the Settlement Class, Plaintiffs and/or Defendant may take discovery
6 regarding the matter, subject to Court approval.

7 **IX. TERMINATION OF THE AGREEMENT**

8 9.1. The Class Representatives (on behalf of the Settlement Class
9 Members) and Defendant shall each have the right to terminate this Agreement by
10 providing written notice of their or its election to do so (“Termination Notice”)
11 within seven (7) days of the Court’s refusal to grant Preliminary Approval of the
12 Agreement in any material respect or within fourteen (14) days of any of the
13 following: (i) the Court’s refusal to enter the Judgment in any material respect, or
14 (ii) the date upon which the Judgment is modified or reversed in any material
15 respect by any appellate or other court.

16 **X. FEE AWARD AND COSTS**

17 10.1. Fee Award. After a full day of mediation, Class Counsel and Reynolds,
18 through arms-length and good faith negotiations, have agreed on an award of
19 attorney’s fees and costs to be paid to Class Counsel in the amount of
20 \$4,750,000.00, which is below Class Counsel’s lodestar fees. From that amount,
21 Class Counsel has agreed to pay Incentive Awards to the Plaintiffs, as well as the
22 costs of Notice and Settlement Administration Expenses set forth in Paragraph 6.2.
23 Reynolds shall pay or cause to be paid to Class Counsel the Fee Award within thirty
24 (30) days after the Judgment and the receipt by Reynolds of sufficient written wire
25 instructions from Class Counsel. In the event that the Judgment is reversed,
26 vacated, or set aside, Class Counsel shall repay Reynolds the Fee Award, with
27 interest, calculated at the 1-Year T-Bill rate at the time.

28 10.2. Tax Forms. Prior to the disbursement or payment of the Fee Award

1 under this Agreement, Class Counsel shall provide to Reynolds and the Settlement
2 Administrator a properly completed and duly executed IRS Form W-9.

3 **XI. JUDGMENT**

4 11.1. This Agreement is subject to and conditioned upon the issuance by the
5 Court of the Judgment, which will grant final approval of this Agreement and
6 among other things shall:

7 a. Dismiss the Action with prejudice and without costs, except as
8 contemplated by this Agreement;

9 b. Decree that neither the Judgment nor this Agreement constitutes
10 an admission by Defendant of any liability or wrongdoing whatsoever;

11 c. Bar and enjoin all Releasing Parties from asserting against any
12 of the Released Parties any and all Released Claims;

13 d. Release each Released Party from any and all Released Claims;

14 e. Determine that this Agreement is entered into in good faith and
15 represents a fair, reasonable and adequate settlement that is in the best
16 interests of the members of the Settlement Class; and

17 f. Preserve the Court's continuing and exclusive jurisdiction over
18 the Parties to this Agreement, including Defendant and all Settlement Class
19 Members, to administer, supervise, construe and enforce this Agreement in
20 accordance with its terms for the mutual benefit of the Parties, but without
21 affecting the finality of the Judgment.

22 **XII. REPRESENTATIONS AND WARRANTIES**

23 12.1. Each signatory to this Agreement represents and warrants (i) that he,
24 she, or it has all requisite power and authority to execute, deliver and perform this
25 Agreement and to consummate the transactions contemplated herein, (ii) that the
26 execution, delivery and performance of this Agreement and the consummation by it
27 of the actions contemplated herein have been duly authorized by all necessary
28 corporate action on the part of each signatory, and (iii) that this Agreement has been

1 duly and validly executed and delivered by each signatory, and constitutes its legal,
2 valid and binding obligation.

3 **XIII. NO ADMISSION OF LIABILITY OR WRONGDOING**

4 13.1. This Agreement, whether or not consummated, and any negotiations,
5 proceedings or agreements relating to this Agreement, and any matters arising in
6 connection with settlement negotiations, proceedings, or agreements:

7 a. Shall not be admissible in any action or proceeding for any
8 reason, other than an action to enforce the terms hereof;

9 b. Shall not be described as, construed as, offered or received
10 against the Released Parties as evidence of and/or deemed to be evidence of
11 any presumption, concession, or admission by any Released Party of the truth
12 of any fact alleged by Plaintiffs; the validity of any claim that has been or
13 could have been asserted in the Action or in any litigation; the deficiency of
14 any defense that has been or could have been asserted in the Action or in any
15 litigation; or any liability, negligence, fault, or wrongdoing of any of the
16 Released Parties; and

17 c. Shall not be described as or construed against the Released
18 Parties, Plaintiffs, or any Settlement Class Members as an admission or
19 concession that the consideration to be given hereunder represents the
20 amount which could be or would have been awarded to said Plaintiffs or the
21 members of the Settlement Class after trial.

22 **XIV. MISCELLANEOUS PROVISIONS**

23 14.1. Entire Agreement. This Agreement, including all exhibits hereto, shall
24 constitute the entire Agreement among the Parties with regard to the subject matter
25 hereof and shall supersede any previous agreements, representations,
26 communications and understandings among the Parties. Each of the Parties to this
27 Agreement acknowledges that no other Party to this Agreement, nor any agent or
28 attorney of any such party, has made any promise, representation, or warranty,

1 express or implied, not contained in this Agreement to induce either party to
2 execute this Agreement. Neither Party is relying on the other Party or their agents
3 or attorneys and rather each Party decided to resolve the dispute in their own
4 independent determination and judgment. This Agreement may not be changed,
5 modified, or amended except in writing signed by all Parties, subject to Court
6 approval. The Parties contemplate that, subject to Court approval or without such
7 approval where legally permissible, the exhibits to this Agreement may be modified
8 by subsequent Agreement of counsel for the Parties prior to dissemination of the
9 Settlement Class Notice to the Settlement Class.

10 14.2. Governing Law. This Agreement shall be construed under and
11 governed by the laws of the State of California, applied without regard to laws
12 applicable to choice of law.

13 14.3. Execution by Counterparts. This Agreement may be executed by the
14 Parties in one or more counterparts, each of which shall be deemed an original but
15 all of which together shall constitute one and the same instrument. Facsimile
16 signatures or signatures sent via e-mail shall be treated as original signatures and
17 shall be binding.

18 14.4. Notices. Any notice, instruction, application for Court approval or
19 application for Court orders sought in connection with this Agreement or other
20 document to be given by any Party to any other Party shall be in writing and
21 delivered personally or sent by registered or certified mail, postage prepaid, if to
22 Defendant to the attention of Defendant’s Counsel, or if to Plaintiffs or the
23 Settlement Class to Class Counsel, or to other recipients as the Court may specify.
24 All notices to the Parties or counsel required by this Agreement shall be made in
25 writing and communicated by mail and e-mail to the following addresses:

If to Plaintiffs or Class Counsel:	If to Defendant or Defendant’s Counsel:
David Stone, Esq. camelcash@bespc.com Bragar Egel Squire, PC	Peter J. Biersteker, Esq. pbiersteker@jonesday.com John A. Vogt, Esq.

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885 3rd Ave., Suite 3040 New York, NY 10022	javogt@jonesday.com JONES DAY 3161 Michelson Drive, Suite 800 Irvine, CA 92612
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14.5. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs, successors, assigns, executors and legal representatives of each of the Parties hereto.

14.6. Construction. For the purpose of construing or interpreting this Agreement, the Parties agree that this Agreement is to be deemed to have been drafted equally by all Parties hereto and shall not be construed strictly for or against any Party.

14.7. Severability. The waiver or breach by one Party of any provision of this Agreement shall not be deemed a waiver or breach of any other provision of this Agreement.

14.8. Integration of Exhibits. The exhibits to this Agreement and any exhibits thereto are an integral and material part of the Settlement and are hereby incorporated and made a part of the Agreement.

14.9. Recitals. The recitals contained in this Agreement are incorporated into this Agreement and are made a part hereof.

14.10. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.11. Taxability. Defendant does not make and has not made any representations regarding the taxability of any Settlement Benefit, Fee Award and/or any other payments made pursuant to this Agreement. Plaintiffs, Class Representatives and Class Counsel on behalf of themselves and the Settlement Class Members) represent that that they have not relied upon any representation of Defendant or its attorneys or the Settlement Administrator on the subject of

1 taxability of any consideration provided under this Agreement. Plaintiffs, Class
2 Representatives and Class Counsel (on behalf of themselves and the Settlement
3 Class Members) understand and expressly agree that any income or other tax,
4 including any interest, penalties or other payment obligations ultimately determined
5 to be payable from or with respect to any Settlement Benefit, Fee Award and/or any
6 other payments made pursuant to this Agreement, as well as any state or federal
7 reporting obligations imposed on them arising therefrom or attributable thereto,
8 shall not be Defendants' responsibility.

9 **IN WITNESS WHEREOF**, each of the Parties hereto has caused this
10 Agreement to be executed on its behalf by its duly authorized counsel of record, all
11 as of the day set forth below:

12 Dated: January 6, 2016

JONES DAY

13
14
15 By: 
Peter J. Biersteker

16 Attorneys for Defendant
17 R.J. REYNOLDS TOBACCO CO.

18 Dated: January 6, 2016

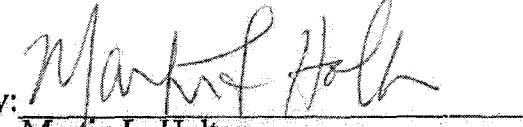
BRAGAR EAGEL & SQUIRE, P.C.

19
20 By: 
21 David J. Stone

22 Attorneys for Plaintiffs and the
23 Settlement Class

24 Dated: January 6, 2016

R.J. REYNOLDS TOBACCO CO.

25
26 By: 
27 Martin L. Holton

28 General Counsel
R.J. REYNOLDS TOBACCO CO.

EXHIBIT A-1

THIS DOCUMENT DESCRIBES THE TERMS BY WHICH R.J. REYNOLDS TOBACCO COMPANY (“REYNOLDS”) WILL PROVIDE THE SETTLEMENT CLASS IN *SATERIALE v. R.J. REYNOLDS TOBACCO Co.*, No.09-CV-8394 (CAS) (“*SATERIALE*”) THE OPPORTUNITY TO REDEEM CAMEL CASH C-NOTES FOR SPECIFIED NON-TOBACCO MERCHANDISE. THE TERMS AND LIMITATIONS OF THIS OFFER, AND THE REQUIREMENTS AND PROCESS BY WHICH SETTLEMENT CLASS MEMBERS CAN PARTICIPATE, ARE SPECIFIED BELOW.

1. REYNOLDS WILL PROVIDE SETTLEMENT CLASS MEMBERS IN *SATERIALE* THE OPPORTUNITY TO REDEEM CAMEL CASH C-NOTES THEY HELD ON OCTOBER 1, 2006 (THE “C-NOTES”) FOR NON-TOBACCO MERCHANDISE OVER A SIX MONTH PERIOD.

2. THIS OFFER WILL COMMENCE WITHIN SIXTY (60) DAYS OF THE EFFECTIVE DATE SETTLEMENT IN *SATERIALE*.

3. THIS OFFER PERMITS SETTLEMENT CLASS MEMBERS COMPLYING WITH THE TERMS OF THIS OFFER TO REDEEM C-NOTES FOR SPECIFIED NON-TOBACCO MERCHANDISE DESCRIBED IN PARAGRAPH 4. A SETTLEMENT CLASS MEMBER MAY SEEK TO REDEEM UP TO A MAXIMUM OF EITHER:

- (i) 3,000 ORIGINAL C-NOTES, IF THE CLASS MEMBER CURRENTLY POSSESSES THOSE C-NOTES AND ATTESTS TO THE POSSESSION OF THOSE C-NOTES ON OCTOBER 1, 2006, AND OTHERWISE COMPLIES WITH REQUIREMENTS OF THIS OFFER SPECIFIED BELOW; OR

- (ii) 1,125 C-NOTES, IF THE SETTLEMENT CLASS MEMBER ATTESTS TO POSSESSION OF THE C-NOTES ON OCTOBER 1, 2006, AND OTHERWISE COMPLIES WITH REQUIREMENTS OF THIS OFFER SPECIFIED BELOW.

4. DURING THE OFFER PERIOD, REYNOLDS SHALL OFFER A TOTAL OF TWENTY-THREE NON-TOBACCO MERCHANDISE ITEMS TO SETTLEMENT CLASS MEMBERS IN EXCHANGE FOR VARYING AMOUNTS OF C-NOTES. EACH NON-TOBACCO MERCHANDISE ITEM IS DEPICTED AND DESCRIBED IN EXHIBIT A-2, INCLUDING THE NUMBER OF C-NOTES NEEDED TO REDEEM IT. MOST OF THESE ITEMS, AND THE C-NOTE "COST" OF THOSE ITEMS, ARE BASED ON HISTORIC CAMEL CASH OFFERS, IN AN EFFORT TO REPLICATE PRIOR CAMEL CASH OFFERS. EXHIBIT A-2 ALSO INCLUDES INFORMATION REGARDING HISTORICALLY ANALOGOUS NON-TOBACCO MERCHANDISE ITEMS. A FEW ADDITIONAL NON-TOBACCO MERCHANDISE ITEMS WITHOUT A SPECIFIC HISTORIC ANALOG ARE INCLUDED IN THIS OFFER IN AN EFFORT TO MAXIMIZE THE TYPES OF ITEMS BEING OFFERED TO REFLECT CURRENT ADULT CONSUMER PREFERENCES.

5. DURING THE PENDENCY OF THE OFFER, REYNOLDS WILL RETAIN A VENDOR TO MAINTAIN A PUBLIC WEBSITE, WWW.WEBSITE.COM, REGARDING THE OFFER, AND MANAGE REDEMPTION OF SETTLEMENT CLASS MEMBER ORDERS. THE WEBSITE WILL ADVISE INDIVIDUALS THAT THEY MAY BE ENTITLED TO REDEEM THE C-NOTES THEY POSSESSED ON OCTOBER 1, 2006, FOR SPECIFIED NON-TOBACCO MERCHANDISE, LIST THE ITEMS AVAILABLE, PROVIDE A BRIEF DESCRIPTION OF EACH ITEM, AND STATE THE DURATION OF THE OFFER

(I.E., THE LAST BUSINESS DAY OF THE SIX MONTH PERIOD DURING WHICH THE OFFER IS MADE). THE WEBSITE WILL EXPLAIN THAT, TO BE ELIGIBLE TO REDEEM C-NOTES FOR ANY OF THESE ITEMS, THE SETTLEMENT CLASS MEMBER MUST COMPLETE AN ORDER FORM AND ATTEST, UNDER PENALTY OF PERJURY, THAT HE OR SHE MEETS THE CRITERIA SPECIFIED IN THE *SATERIALE* CLASS DEFINITION, POSSESSION OF C-NOTES ON OCTOBER 1, 2006, AND THAT ONLY ONE ORDER FORM MAY BE SUBMITTED PER INDIVIDUAL. THE WEBSITE WILL THEN PROMPT THE SETTLEMENT CLASS MEMBER TO RESPOND TO QUESTIONS TO DETERMINE WHETHER THE INDIVIDUAL SATISFIES THE CRITERIA FOR CLASS MEMBERSHIP, AS FOLLOWS: (A) THE INDIVIDUAL OBTAINED A PERSONAL IDENTIFICATION NUMBER FROM REYNOLDS BETWEEN OCTOBER 1, 1991 AND SEPTEMBER 30, 2006; (B) THE INDIVIDUAL PURCHASED CAMEL FILTERED CIGARETTES DURING THAT TIME PERIOD IN CALIFORNIA; (C) THE INDIVIDUAL COLLECTED C-NOTES DURING THAT TIME PERIOD; AND, (D) THE INDIVIDUAL POSSESSED C-NOTES ON OCTOBER 1, 2006. FOR THOSE INDIVIDUALS WHO RESPOND AFFIRMATIVELY TO THESE QUESTIONS, THE WEBSITE WILL PROVIDE A HYPERLINK THAT ENABLES THOSE INDIVIDUALS TO PRINT A NUMBERED ORDER FORM. THE ORDER FORM WILL REQUIRE THE INDIVIDUAL TO SUPPLY THE FOLLOWING INFORMATION: (A) NAME AND CURRENT POSTAL ADDRESS (AND, IF DIFFERENT, LEGAL NAME AND/OR ADDRESS(ES) DURING THE PERIOD BETWEEN OCTOBER 1, 1991 AND SEPTEMBER 30, 2006); (B) CURRENT PHONE NUMBER AND EMAIL ADDRESS; (C) THEIR REYNOLDS' PERSONAL IDENTIFICATION NUMBER, REFERRED TO IN THE CLASS DEFINITION AS THE

“REGISTRATION NUMBER” (REYNOLDS WILL PROVIDE AN 1-800 NUMBER THAT CAN BE CALLED IF THAT NUMBER IS NOT KNOWN BY THE INDIVIDUAL); (D) THE INDIVIDUAL’S SELECTION OF AVAILABLE NON-TOBACCO MERCHANDISE (THE LIST OF ITEMS AND C-NOTE COST OF EACH ITEM WILL BE SPECIFIED ON THE ORDER FORM); (E) A STATEMENT CERTIFYING THAT THE INDIVIDUAL POSSESSED THE ACTUAL OR ATTESTED TO NUMBER OF C-NOTES ON OCTOBER 1, 2006, FOR THE ITEMS ORDERED; AND (F) A SIGNATURE. IN ADDITION, THE ORDER FORM WILL REQUIRE EACH INDIVIDUAL TO ATTEST TO CLASS MEMBERSHIP, UNDER PENALTY OF PERJURY, AS SPECIFIED ABOVE, AND ATTACH A COPY OF HIS OR HER CURRENT DRIVER’S LICENSE OR CURRENT UNITED STATES PASSPORT. THE WEBSITE AND ORDER FORM WILL PROVIDE A MAILING ADDRESS FOR THE COMPLETED CLAIM FORM. THE WEBSITE WILL ALSO PROVIDE A HYPERLINK TO THE SETTLEMENT WEBSITE, WWW.WEBSITE.COM.

6. SUBMITTED ORDER FORMS WILL BE REVIEWED BY THE VENDOR TO CONFIRM THAT ALL REQUIRED INFORMATION HAS BEEN SUPPLIED. IF THE SETTLEMENT CLASS MEMBER OPTS TO SUBMIT ORIGINAL C-NOTES, THE VENDOR WILL REVIEW C-NOTES FOR AUTHENTICITY (BY COMPARING THEM TO COPIES OF C-NOTES ISSUED FROM 1991-2006 PROVIDED BY RJRT) AND INDEPENDENTLY COUNT THE NUMBER OF C-NOTES SUBMITTED. IN ADDITION, THE VENDOR WILL VERIFY THAT THE SETTLEMENT CLASS MEMBER OBTAINED A “REGISTRATION NUMBER” FROM REYNOLDS DURING THE PERIOD FROM OCTOBER 1, 1991 TO SEPTEMBER 30, 2006, AND SUPPLIED AN ADDRESS IN

CALIFORNIA DURING THAT TIME PERIOD CONSISTENT WITH REYNOLDS' RECORDS, USING THE SAME DATA USED TO GENERATE CLASS NOTICE. BASED UPON THIS REVIEW, THE VENDOR WILL EITHER PROCESS THE CLAIM OR NOTIFY THE SETTLEMENT CLASS MEMBER THAT THE ORDER WAS REJECTED AND SPECIFY THE BASIS ON WHICH IT WAS REJECTED. IF THE ORDER WAS REJECTED BECAUSE IT WAS INCOMPLETE, THE SETTLEMENT CLASS MEMBER WILL BE ADVISED THAT THE FORM CAN BE RESUBMITTED WITH THE REQUIRED INFORMATION. IF THE ORDER IS COMPLETE AND VALID, THE VENDOR WILL SHIP THE ORDERED ITEMS TO THE SETTLEMENT CLASS MEMBER, AND FULFILLMENT SHALL BE DEEMED COMPLETE UPON SUCH SHIPMENT TO THE ADDRESS SPECIFIED BY THE SETTLEMENT CLASS MEMBER.

7. THE PARTIES IN *SATERIALE* AGREE THAT REYNOLDS' DECISION TO MAKE THIS OPPORTUNITY AVAILABLE IS NOT, AND SHALL NOT BE CONSTRUED AS, AN ADMISSION OF LIABILITY WITH RESPECT TO THE LEGAL CLAIMS ASSERTED BY PLAINTIFFS IN THIS CASE, OR ANY OTHER LEGAL CLAIMS THAT COULD BE ASSERTED BY PLAINTIFFS IN THE *SATERIALE* CASE. NOR IS IT AN ADMISSION OF LIABILITY IN ANY OTHER CONTEXT OR JURISDICTION.

EXHIBIT A-2

Item Description:

**Zippo® lighter
[300 C-Notes]**

An American classic, the original Zippo lighter is durable and works almost anywhere and is Made in the USA with a lifetime guarantee. Fuel not included.

Available in two styles:

8-ball design [300 C-Notes]

Classic stainless satin chrome [300 C-Notes]

Item History:

Similar items were frequently offered in numerous Camel Cash catalogs and were always very popular. Zippos were offered in 2006 for 300 to 600 C-Notes and more than 5,800 were ordered.



Item Description:

**Brown Cotton Twill Cap
[75 C-Notes]**

100% cotton brushed chino twill. 6-panel, structured mid-profile cap. Moisture-wicking sweatband with Pre-curved visor and adjustable Velcro back strap.

Item History:

A similar cap offered in 2003 for 75 C-Notes. It was a very popular reward item with more than 11,500 ordered.



Item Description:

**JBL® Clip+ Bluetooth Speaker with Carabiner
[500 C-Notes]**

The JBL Clip+ is an ultra-light, ultra-rugged and ultra-powerful portable speaker. This splashproof upgrade to the JBL Clip+ provides 5 hours of playtime, so you can take your music wherever you go, over land or water.

Item History:

This type of product did not exist during Camel Cash, although small electronic goods like AudioVox CD/MP3 Players (in 2005 for 600 C-Notes) and later iPod Shuffles (in 2006 for 1000 C-Notes) were offered. Given the proliferation of Bluetooth capable devices and popularity of playing music on them, this portable, rechargeable speaker should be a popular redemption item.



Item Description:

Square Power Bank [200 C-Notes)

The 2000 mAh rechargeable charger is enough to charge smartphones, MP3 players and more. Includes a strap for easy portability and charges via USB cable (included) which can recharge the battery backup or be used to charge devices.

Item History:

This type of product did not exist during Camel Cash, although small electronic goods like AudioVox CD/MP3 Players (in 2005 for 600 C-Notes) and later iPod Shuffles (in 2006 for 1000 C-Notes) were offered. Given the rise in use of smart phones, this device should be popular owing to the constant need to recharge them and this provides a portable power source to do so.



Item Description:

**Swiss Army SD Knife
[100 C-Notes]**

The 2 1/4" Classic SD is the epitome of Swiss Army Knives- functional, versatile and always there when you need it. Featuring 7 popular implements, stainless steel blades and Swiss Made precision, the Classic is the perfect companion for everyone.

Item History:

Similar Swiss Army knife was offered in 2003 and 2004 for 100 C-Notes. It was a popular reward item with approximately 11,000 ordered.



Item Description:

**Gerber® Multi tool
[300 C-Notes]**

This is a classic workhorse with spring-loaded pliers, the patented Saf.T.Plus® component locking system and the same structural integrity that goes into every Gerber tool.

Item History:

A similar multi-tool was offered in 2006 for 200 C-Notes. It was a popular reward item with more than 1,000 ordered.



Item Description:

**Red Folding Chair with Carry Bag
[200 C-Notes]**

Perfect for the beach, tailgate or the backyard, this folding chair includes a carrying bag.

Item History:

No similar item was offered in Camel Cash, however, given the broad utility and popularity of such chairs due to their portability and light weight, it is anticipated that this would be a popular reward item.



Item Description:

Retro movie t-shirt [200 C-Notes]

Classic images from classic films, these high quality shirts are screen printed on a preshrunk 100% cotton t-shirt.

Available in large and extra large.

Forbidden Planet in black

The Day the Earth Stood Still in black

Item History:

Similar t-shirts were offered in 2005 for 200 C-Notes. The t-shirts were a popular reward item with more than 5,000 ordered.



Item Description:

**Coleman® Road Trip BBQ Cooking Set
[200 C-Notes]**

You'll have everything you need to grill up the perfect beef, chicken, fish and veggies at the BBQ, picnic or campsite when you take the Coleman® RoadTrip® Grill Tools with extendable handles. The spatula and tongs with forked ends are both designed with corrosion-resistant stainless steel and come in their own carrying case.

Item History:

No similar item was offered in Camel Cash, however, given the general popularity of outdoor BBQs and the broad utility of this set, it is anticipated that this would be a popular reward item.



Item Description:

**H2Go® Copper Vacuum Insulated Thermal Bottle
[175 C-Notes]**

A sleek and elegant double wall 18/8 stainless steel thermal bottle with copper vacuum insulation and threaded stainless steel lid.

Available in matte gray or black.

Item History:

A similar item was offered in 1993 for 175 C-Notes and was popular. This modern update of a classic convenience item should be a popular reward item.



Item Description:

**Multi-Tool Windproof Lighter
[200 C-Notes]**

Featuring a lighter, knife, corkscrew and bottle opener, this handy lighter does it all and works virtually anywhere.

Item History:

A similar multi-tool was offered in 2006 for 200 C-Notes. It was a popular reward item with more than 1,000 ordered.



Item Description:

**Presto PopLite® Hot Air Popcorn Popper
[300 C-Notes]**

The Presto PopLite Hot Air Popcorn Popper pops up enjoy healthy, delicious popcorn without added calories, as you won't need to pop your popcorn in oil. This versatile hot air corn popper makes up to 18 cups of fresh, hot popcorn in less than three minutes.

Item History:

A similar item was offered in 2004 for 350 C-Notes. It was a popular item with more than 1,000 ordered.



Item Description:

**iBank® Selfie Stick + Bluetooth Shutter in Black
[100 C-Notes]**

Extendable handheld selfie stick for iPhone, Samsung and other brand cellphones. Adjustable phone adapter fits all phone width less than 8.5 cm. Simple and easy camera shutter remote control for iPhone, iPad, Android and Samsung Galaxy / Notes.

Item History:

No similar item was offered in Camel Cash, however, the high quality delivered by this handy piece of equipment will likely make it a popular reward item.



Item Description:

**Suncloud® Aviator Sunglasses
[600 C-Notes]**

This is the classic wire Aviator. Large size, comfortable with spring hinges for a custom fit. 100% protection from harmful UV rays. Take off!

Available in gold or gunmetal.

Item History:

A similar item was offered in 2003 for 400 C-Notes. It was a popular reward item with more than 9,000 ordered.



Item Description:

**Ace themed coaster set and stand
[75 C-Notes]**

A classic item, attractive hard coasters with wooden stand are a perfect fit for any décor! Set includes four coasters and stand.

Item History:

Similar set of coasters offered in 2005 for 200 C-Notes. It was a popular reward item with more than 1,500 ordered.



Item Description:

**Tervis® Tumbler Set
[350 C-Notes]**

Plain and simple, this 16oz Tervis four-pack is right at home in any situation. These glasses are insulated and can hold hot or cold beverages. The classics never go out of style.

Item History:

Glasses, cups and mugs, offered in plastic, glass and ceramic versions, were a popular item in numerous Camel Cash catalogs – with sets of four ranging in value from 200 to 450 C-Notes. Given the broad utility and high quality of this item, it is anticipated that it will be popular with consumers.



Item Description:

**Maglite® 3D Flashlight
[200 C-Notes]**

Every Mag-Lite flashlight embodies a precise balance of refined optics, efficient power, durability and quality. Each Mag-Lite D-Cell flashlight includes two high intensity White Star Lamps for enhanced brilliance and extended range. Overall size is 12.35" x 1.55".

Item History:

A similar item was offered in 1999 for 150 C-Notes. It was very popular with more than 30,000 ordered.



Item Description:

**High Sierra® Compact Backpack
[300 C-Notes]**

Lightweight nylon backpack packs into its own pocket. 17 liter main compartment has a gusseted drawstring cinch closure. 1 liter top hanging pocket with zippered access and internal webbing loop. Dual poly mesh side pockets hold 1000ml bottles. Pack stuffs into its top hanging pocket for simple storage so you can fit it inside your luggage or any other bag.

Item History:

A similar item was offered in 1993 for 300 C-Notes and was popular. This updated product – offered at the same price – should be a popular reward item as well.



Item Description:

**Cross Canvas® Club Duffle Bag
[750 C-Notes]**

An elegant line of bags combining waxed or standard canvas with top grain leather accents. This club duffle features leather straps and handles. Includes also a full front slip pocket. This duffle also includes a shoulder strap with deluxe hardware. Manufactured in USA.



Item History:

A similar item was offered in 2003 for 750 C-Notes. It was a very popular reward item with more than 14,000 ordered.

EXHIBIT B

1 Marc K. Callahan (State Bar No. 156616)
2 John A. Vogt (State Bar No. 198677)
3 Ann T. Rossum (State Bar No. 281236)
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19 Attorneys for Defendant
20 R.J. REYNOLDS TOBACCO CO.

21 **UNITED STATES DISTRICT COURT**
22 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

23 AMANDA SATERIALE, et al.,

24 Plaintiffs,

25 v.

26 R.J. REYNOLDS TOBACCO CO.,

27 Defendant.

CASE No. CV 09 08394 CAS (SSx)

**[PROPOSED] FINAL APPROVAL
ORDER**

1 This matter came on for hearing on _____, 2016. The Court has
2 considered the Parties' Stipulation of Class Action Settlement entered into by and
3 among Defendant R.J. Reynolds Tobacco Co., Inc. ("Reynolds") and Plaintiffs
4 Daniel Polese, Heather Polese, Fred Javaheri, Jeffrey Feinman, Richard Holter,
5 Donald Wilson, and Jackie Warren (collectively, "Plaintiffs"), for themselves
6 individually and, as to Plaintiffs Daniel Polese, Heather Polese and Fred Javaheri,
7 as Plaintiffs and Class Representatives (collectively the "Parties"), together with all
8 exhibits thereto, the arguments and authorities presented by the Parties and their
9 counsel, and the record in the Action, and good cause appearing,

10 It is hereby ORDERED, ADJUDGED, and DECREED THAT:

11 1. Terms and phrases in this Order not otherwise defined herein shall
12 have the same meaning as ascribed to them in the Parties' Stipulation of Class
13 Action Settlement (ECF No. ___) (the "Settlement Agreement").

14 2. This Court has jurisdiction over the subject matter of this Action and
15 over all parties to the Action, including all members of the class it certified on
16 December 19, 2014, pursuant to Federal Rule of Civil Procedure 23(b)(3)
17 consisting of "all persons in California who, as adult smokers, were assigned
18 registration numbers by RJR, collected C-Notes, and held C-Notes as of October 1,
19 2006," but excluding "(1) the Judges presiding over the Actions, and members of
20 their families; (2) the Defendant, its subsidiaries, parent companies, successors,
21 predecessors, and any entity in which the Defendant or its parents have a
22 controlling interest and their current or former officers, directors, and employees;
23 and (3) any person that opted out of the class that the Court certified on December
24 19, 2014" (the "Settlement Class").

25 3. Pursuant to Federal Rule of Civil Procedure 23(c)(3), all persons
26 within the Settlement Class are "Settlement Class Members."

27 4. On _____, 2016, this Court granted Preliminary
28 Approval of the Settlement Agreement finding the Settlement Agreement to be fair,

1 reasonable, adequate, and in the best interest of the Class, subject to the Final
2 Approval Hearing. (ECF No. ____.)

3 5. The Court finds that the Notice provided to the Settlement Class
4 pursuant to the Settlement Agreement and the Preliminary Approval Order (ECF
5 No. ____)has been successful, was the best notice practicable under the
6 circumstances and (1) constituted notice that was reasonably calculated, under the
7 circumstances, to apprise members of the Settlement Class of the pendency of the
8 Action, their right to object to the Settlement, and their right to appear at the Final
9 Approval Hearing; (2) was reasonable and constituted due, adequate, and sufficient
10 notice to all persons entitled to receive notice; and (3) met all applicable
11 requirements of the Federal Rules of Civil Procedure, Due Process, and the rules of
12 the Court.

13 6. The Court finds that Defendant properly and timely notified the
14 appropriate government officials of the Settlement Agreement, pursuant to the
15 Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715. Further, more
16 than ninety (90) days have elapsed since Defendant provided notice pursuant
17 to CAFA.

18 7. Pursuant to Federal Rule of Civil Procedure 23(c)(3), all Settlement
19 Class Members are bound by this Order and by the terms of the Settlement
20 Agreement.

21 8. Upon the Effective Date, the Releasing Parties, and each of them, shall
22 be deemed to have, and by operation of this Order and the Judgment shall have,
23 fully, finally, and forever released, relinquished, and discharged all Released
24 Claims against the Released Parties.

25 9. The Plaintiffs, Class Representatives and all Settlement Class
26 Members shall, as of the Effective Date, conclusively be deemed to have
27 acknowledged that the Released Claims may include claims, rights, demands,
28 causes of action, liabilities, or suits that are not known or suspected to exist as of

1 the Effective Date. The Plaintiffs, Class Representatives and all Settlement Class
2 Members shall be deemed to have, and shall have, expressly waived and
3 relinquished, to the fullest extent permitted by law, all protections, rights and
4 benefits of California Civil Code, section 1542 and any law or legal principle of
5 similar effect in any jurisdiction, whether federal or state.

6 10. This Court gives final approval to the Settlement and finds that the
7 Settlement Agreement is fair, reasonable, adequate, and in the best interests of the
8 Settlement Class. The consideration provided under the Settlement Agreement
9 constitutes fair value given in exchange for the release of the Released Claims
10 against the Released Parties. The Court finds that the consideration to be provided
11 to Settlement Class Members is reasonable and in the best interests of the
12 Settlement Class Members, considering the disputed issues, circumstances, and
13 affirmative defenses asserted in the Action, and the potential risks and likelihood of
14 success of pursuing litigation on the merits. The complex legal and factual posture
15 of this case and the fact that the Settlement is the result of arm's length negotiations
16 between the Parties, including negotiations presided over by The Honorable Steven
17 Crane (ret.) of JAMS, support this finding. The Court finds that these facts,
18 combined with the lack of other indicators of collusion and the Court's observations
19 throughout the litigation, demonstrate that there was no collusion present in the
20 reaching of the Settlement Agreement, implicit or otherwise. *See In re Bluetooth*
21 *Headset Prods. Liab. Litig.*, 654 F.3d 935, 947 (9th Cir. 2011). This finding is also
22 supported by, among other things: (1) the Settlement provides for specific
23 performance to Settlement Class Members whose damages award at trial could not
24 exceed the value of specific performance, thus providing the Settlement Class
25 Members with everything they could hope to achieve had this matter went to trial
26 and Plaintiffs prevailed in full; and (2) such benefits are not disproportionate to the
27 attorneys' fees and expenses awarded to Class Counsel; and (3) the benefits
28 provided to Settlement Class Members are appropriate under the circumstances of

1 this case.

2 11. The Court has specifically considered the factors relevant to class
3 settlement approval (*see, e.g., Churchill Vill., L.L.C. v. Gen. Elec.*, 361 F.3d 566
4 (9th Cir. 2004))—including, *inter alia*, the strength of the Plaintiffs’ case; the risk,
5 expense, complexity, and likely duration of further litigation; the risk of not
6 maintaining class action status throughout trial; the relief provided for in the
7 Settlement; the extent of discovery completed and stage of the proceedings; the
8 experience and views of counsel; the absence of a governmental participant; and the
9 reaction of members of the Settlement Class to the proposed Settlement (including
10 the number of objections)—and upon consideration of such factors finds that the
11 Settlement is fair, reasonable, and adequate to all concerned.

12 12. The Court acknowledges that, despite entering into the Settlement,
13 Defendant specifically denies any and all wrongdoing, and that Defendant has
14 agreed to settle this case in order to avoid the burdens and expenses of litigation.
15 The Court therefore orders that the existence of, terms in, and any action taken
16 under or in connection with the Settlement shall not constitute, be construed as, or
17 be admissible in evidence as, any admission by Defendant of: (1) the validity of
18 any claim, defense or fact asserted in the Actions or any other pending or future
19 action, or (2) any wrongdoing, fault, violation of law, or liability of any kind on the
20 part of Defendant.

21 13. The Court finds that the Class Representatives and Class Counsel
22 adequately represented the Settlement Class for the purposes of litigating this
23 matter and entering into and implementing the Settlement Agreement.

24 14. Accordingly, the Settlement is hereby finally approved in all respects,
25 and the Parties are hereby directed to implement the Settlement according to its
26 terms and provisions. The Settlement Agreement is hereby incorporated into this
27 Order in full and shall have the full force of an Order of this Court.

28 15. This Court hereby dismisses the Action on the merits and with

1 prejudice.

2 16. Upon the Effective Date, the above releases of claims and the
3 Settlement Agreement will be binding on, and will have *res judicata* and preclusive
4 effect on, all pending and future lawsuits or other proceedings maintained by or on
5 behalf of Plaintiffs and all other Settlement Class Members and Releasing Parties.
6 All Releasing Parties are hereby permanently barred and enjoined from filing,
7 commencing, prosecuting, intervening in, or participating (as class members or
8 otherwise) in any lawsuit or other action in any jurisdiction based on or arising out
9 of any of the Released Claims.

10 17. The Court has also considered the Fee Award to Class Counsel and the
11 Incentive Awards to Plaintiffs. The Court adjudges that the payment of a Fee
12 Award in the amount of \$4,750,000.00, which Defendant shall pay or cause to be
13 paid, is fair and reasonable for the following reasons and those stated in Court. In
14 assessing the requested attorneys' fees and the requested award to the Plaintiffs, the
15 Court has considered the relief achieved for the Settlement Class Members, the time
16 and effort devoted by Class Counsel, the complexity of the legal and factual issues
17 involved, and the fact that this was an arm's length negotiated sum that is below
18 Class Counsel's actual lodestar. The Court further adjudges that the payment of
19 Incentive Awards—Fred Javaheri (\$15,000.00), Dan Polese (\$15,000.00), Heather
20 Polese (\$15,000.00), Jeffrey Feinman (\$12,000.00), Donald Wilson (\$12,000.00),
21 Richard Holter (\$12,000.00), and Jackie Warren (\$10,000.00)—which Class
22 Counsel shall pay or cause to be paid, are fair and reasonable for a case like this and
23 the settlement achieved on behalf of the Settlement Class. Thus, the Court, in its
24 discretion, finds that the Fee Award to Class Counsel and the Incentive Awards to
25 the Plaintiffs, identified above and in the Settlement Agreement, are fair and
26 reasonable. *See Northwestern Fruit Co. v. A. Levy & J. Zentner Co.*, 117 F.R.D.
27 670, 671 (E.D. Cal. 1987).

28 18. Defendant shall provide the offer of specific performance to Plaintiffs

1 and the Settlement Class pursuant to, and in the manner provided by, the terms of
2 the Settlement Agreement.

3 20. Except as otherwise set forth in this Order, the Parties shall bear their
4 own costs and attorneys' fees. The benefits and payments described in the
5 Settlement Agreement and this Order are the only consideration, fees, and expenses
6 Defendant or the Released Parties shall be obligated to give to the Plaintiffs, Class
7 Representatives, Settlement Class Members, Releasing Parties, and Class Counsel
8 in connection with the Settlement. All other relief not expressly granted to the
9 Plaintiffs, Class Representatives, Settlement Class Members, Releasing Parties, and
10 Class Counsel is denied.

11 21. The Parties, without further approval from the Court, are hereby
12 permitted to agree to and to adopt such amendments, modifications, and expansions
13 of the Settlement Agreement and its implementing documents (including all
14 exhibits to the Settlement Agreement) so long as they are consistent in all material
15 respects with this Order and do not further limit the rights of Settlement
16 Class Members.

17 22. Without affecting the finality of this Order or the judgment in any way,
18 this Court hereby retains continuing jurisdiction as to all matters relating to
19 administration, consummation, implementation, enforcement, and interpretation of
20 the Settlement Agreement and this Order and judgment, and for any other necessary
21 purpose all matters ancillary thereto.

22 IT IS SO ORDERED.

23
24 Dated this _____ day of _____, 2016

27 _____
28 HONORABLE CHRISTINA A. SNYDER
UNITED STATES DISTRICT COURT

EXHIBIT C

1 Marc K. Callahan (State Bar No. 156616)
2 John A. Vogt (State Bar No. 198677)
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11 Geoffrey K. Beach (Admitted *Pro Hac Vice*)
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15 One West Fourth Street
16 Winston-Salem, NC 27101
17 Telephone: (336) 721-3504
18 Facsimile: (336) 733-8437

19 Attorneys for Defendant
20 R.J. REYNOLDS TOBACCO CO.

21 **UNITED STATES DISTRICT COURT**
22 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

23 AMANDA SATERIALE, et al.,

24 Plaintiffs,

25 v.

26 R.J. REYNOLDS TOBACCO CO.,

27 Defendant.

CASE No. CV 09 08394 CAS (SSx)

[PROPOSED] FINAL JUDGMENT

1 It is hereby ADJUDGED and DECREED THAT:

2 1. This Court has jurisdiction over the subject matter of this action and
3 over all parties to the action, including all members of the class it certified on
4 December 19, 2014, pursuant to Federal Rule of Civil Procedure 23(b)(3),
5 consisting of “all persons in California who, as adult smokers, were assigned
6 registration numbers by RJR, collected C-Notes, and held C-Notes as of October 1,
7 2006,” but excluding “(1) the Judges presiding over the Actions, and members of
8 their families; (2) the Defendant, its subsidiaries, parent companies, successors,
9 predecessors, and any entity in which the Defendant or its parents have a
10 controlling interest and their current or former officers, directors, and employees;
11 and (3) any person that opted out of the class that the Court certified on
12 December 19, 2014.”

13 2. Pursuant to the settlement reached by the parties, this Court hereby
14 dismisses this action on the merits and with prejudice.

15 3. This Court hereby directs entry of this judgment pursuant to Federal
16 Rule of Civil Procedure 58 based upon the Court’s finding that there is no just
17 reason for delay of enforcement or appeal of this judgment, notwithstanding the
18 Court’s retention of jurisdiction to oversee implementation and enforcement of the
19 settlement agreement.

20 IT IS SO ORDERED.

21 Dated this _____ day of _____, 2016

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HONORABLE CHRISTINA A. SNYDER
UNITED STATES DISTRICT COURT

27 JUDGMENT ENTERED: _____, 2016
28 By: CLERK OF THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

EXHIBIT D

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19 Attorneys for Defendant
20 R.J. REYNOLDS TOBACCO CO.

21 **UNITED STATES DISTRICT COURT**
22 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

23 AMANDA SATERIALE, et al.,

24 Plaintiffs,

25 v.

26 R.J. REYNOLDS TOBACCO CO.,

27 Defendant.

CASE No. CV 09 08394 CAS (SSx)

**[PROPOSED] PRELIMINARY
APPROVAL ORDER**

1 This matter came on for hearing on _____, 2016. The Court has
2 considered the Parties' Stipulation of Class Action Settlement entered into by and
3 among Defendant R.J. Reynolds Tobacco Co., Inc. ("Reynolds") and Plaintiffs
4 Daniel Polese, Heather Polese, Fred Javaheri, Jeffrey Feinman, Richard Holter,
5 Donald Wilson, and Jackie Warren (collectively, "Plaintiffs"), for themselves
6 individually and, as to Plaintiffs Daniel Polese, Heather Polese and Fred Javaheri,
7 as Plaintiffs and Class Representatives (collectively the "Parties"), together with all
8 exhibits thereto, the arguments and authorities presented by the Parties and their
9 counsel, and the record in the Action, and good cause appearing,

10 It is hereby ORDERED, ADJUDGED, and DECREED THAT::

11 1. Defined Terms. Terms and phrases in this Order not otherwise defined
12 herein shall have the same meaning as ascribed to them in the Parties' Stipulation
13 of Class Action Settlement (ECF No. ___) (the "Settlement Agreement").

14 2. Jurisdiction. This Court has jurisdiction over the subject matter of this
15 Action and over all parties to the Action, including all members of the
16 Settlement Class.

17 3. Preliminary Findings. The Court has conducted a preliminary
18 assessment of the fairness, reasonableness, and adequacy of the Settlement
19 Agreement. Based on this preliminary evaluation, the Court finds that: (1) the
20 Settlement Agreement is reasonable and merits further proceedings and possible
21 final approval, and (2) the Settlement Agreement has been negotiated in good faith
22 as the result of arm's length negotiations between experienced attorneys familiar
23 with the legal and factual issues of this case. Accordingly, the Court grants
24 preliminary approval of the Settlement.

25 4. Settlement Administrator. Pursuant to the agreement of the Parties,
26 the Court hereby appoints The Angeion Group as the Settlement Administrator.

27 5. Settlement Class Notice. Finding that the Settlement Class Notice set
28 forth in Exhibit E to the Settlement Agreement will reasonably inform Settlement

1 Class Members of their rights related to this Action and that the Notice Plan set
2 forth in the Settlement Agreement is both reasonable and the best notice practicable
3 under the circumstances, the Court hereby approves the Settlement Class Notice
4 and the Notice Plan attached as Exhibit E to the Settlement Agreement.
5 Accordingly, the Parties shall distribute the Settlement Class Notice to the
6 Settlement Class Members in accordance with the Notice Plan.

7 6. Approval of Objection Deadline. The Court hereby approves and sets
8 the Objection Deadline (as that term is defined in the Settlement Agreement) to
9 occur or expire on the date that is sixty (60) days following the date on which
10 notice is provided to eligible Settlement Class Members in accordance with the
11 preceding Paragraph 5.

12 7. Fairness Hearing. Pursuant to Rule 23(e) of the Federal Rules of Civil
13 Procedure, the Court will hold a Fairness Hearing on _____, 2016 at
14 ____ a.m./p.m. to further consider the Settlement Agreement and to hear from
15 interested parties. Members of the Settlement Class may comment on, support, or
16 object to the Settlement by filing with this Court and serving on all Parties a brief in
17 support of or opposition to the Settlement. Any such filings must conform with the
18 requirements listed in Section 8.2 of the Settlement Agreement and must be filed
19 and served no later than sixty (60) days after notice is provided to Settlement Class
20 Members consistent with Paragraph 8 of this Order. At the Fairness Hearing, the
21 Court also will consider the Fee Award to Class Counsel and Incentive Awards to
22 the Plaintiffs. Briefs in support of such awards, and any supporting documentation,
23 shall be filed no later than fourteen (14) days prior to the Objection Deadline.
24 Plaintiffs' motion seeking final approval of the proposed settlement, and any
25 supporting documentation, shall be filed no later than seven (7) days prior to the
26 Final Fairness Hearing set forth above.

27 8. Termination of Settlement. This Order shall become null and void and
28 shall be without prejudice to the rights of the Parties, all of whom shall be restored

1 to their respective positions existing immediately before this Court entered this
2 Order, if the Settlement Agreement is terminated according to Section 9.1 of the
3 Settlement Agreement.

4 9. Use of Order. This Order shall not be used by any Party or otherwise
5 construed as an admission, concession, or presumption by or against any of the
6 Released Parties of any fault, wrongdoing, or liability or waiver of any claim or
7 defense that he, she, or it may have in the event that the Settlement is not finally
8 approved or the Settlement Agreement is terminated.

9 IT IS SO ORDERED.

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11 Dated this _____ day of _____, 2016

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HONORABLE CHRISTINA A. SNYDER
UNITED STATES DISTRICT COURT

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EXHIBIT E

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

If you were a person in California who, as an adult smoker, was assigned a registration number by R.J. Reynolds Tobacco Company, collected Camel Cash “C-Notes” and held C-Notes as of October 1, 2006

You May Be Part of a Class Action Settlement

- A settlement has been reached in a class action lawsuit styled *Amanda Sateriale, et al. v. R.J. Reynolds Tobacco Co., et al.*, Civil No. 2:09-cv-08394 CAS (SSx) (United States District Court, Central District of California) (the “Class Action”).
- During the period from October 1, 1991, through March 31, 2007, R.J. Reynolds Tobacco Co. (“RJR”) conducted a program known generally as “Camel Cash.” During that period, RJR attached Camel Cash “C-Notes” to certain packages of Camel-brand filtered cigarettes. Plaintiffs claim that adult smokers entered into a contract with RJR by purchasing Camel cigarettes and saving the C-Notes. The class’s claim is for breach of contract regarding the final six months of the Camel Cash program from October 1, 2006-March 30, 2007. It has not been determined that this class’s claim is valid or that RJR did anything wrong whatsoever with regard to how it conducted that promotion. The parties to the Class Action have reached a Settlement.
- You are included in the Settlement if, as of October 1, 2006, you lived in California, were an adult smoker, were assigned registration number(s) by RJR during the period from October 1, 1991, through March 31, 2007, and collected and held C-Notes on October 1, 2006 (the “Settlement Class”).
- If the Court approves the Settlement and you are a member of the Settlement Class, you may be eligible to participate in a Settlement whereby you may use the C-Notes that you collected and held as of October 1, 2006 for specified non-tobacco merchandise. The terms and conditions of the Settlement, in addition to information concerning how to participate in the Settlement if it is approved, are located at www.website.com.
- Please read this notice carefully. Your legal rights are affected whether you act or don’t act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Participate In The Settlement	If you are a member of the Settlement Class and wish to participate in the Settlement if it is approved, you may go to the website, www.website.com , and participate in the Settlement pursuant to its terms and conditions.
Object By [DATE]	Write to the Court explaining why you do or don’t like the Settlement.

QUESTIONS? CALL 1-800-000-0000 TOLL FREE, OR VISIT WWW.[WEBSITE.COM](http://www.website.com)

Attend a Hearing	Ask to speak in Court about the fairness of the Settlement.
Do Nothing	You will waive any right to object to the Settlement or obtain any future relief from RJR about the allegations in this case.

These rights and options—and the deadlines to exercise them—are explained in this notice.

The Court in charge of this case still has to decide whether to approve the Settlement. The Settlement will commence only after any issues with the Settlement are resolved. Please be patient.

BASIC INFORMATION

1. Why did I receive this Notice?

A Court authorized this notice to let you know about a proposed settlement of a class action lawsuit called *Amanda Sateriale, et al. v. R.J. Reynolds Tobacco Co., et al.*, Civil No. 2:09-cv-08394 CAS (SSx) (United States District Court, Central District of California) (the “Class Action”). You have legal rights and options that you may act on before the Court decides whether to approve the proposed Settlement. This notice explains the lawsuit, the Settlement, and your legal rights. The fact that you are receiving this notice, however, does not mean that you qualify as someone who is eligible to participate in this Settlement.

Judge Christina A. Synder of the U.S. District Court for the Central District of California is overseeing the Class Action. The people who sued are called the Plaintiffs. The company they sued, RJR, is called the Defendant.

2. What is a class action lawsuit?

In a class action, one or more people called “Class Representatives”—in this case, Plaintiffs Daniel Polese, Heather Polese, and Fred Javaheri—sue on behalf of a group of people who allegedly have similar claims. On December 19, 2014, the Court certified a class consisting of “all persons in California who, as adult smokers, were assigned registration numbers by RJR, collected C-Notes, and held C-Notes as of October 1, 2006.” Notice of the Court’s class certification order previously was provided to all individuals that are included within that class definition. Anyone that is included within that class definition and did not timely exclude themselves as members of that class, are part of the “Settlement Class” or are “Settlement Class Members.” In a class action, the court resolves the issues for all Settlement Class Members. After the parties in this case reached an agreement to settle this case, the Court granted preliminary approval of the Settlement, and preliminarily recognized it as a case that should be treated as a class action for settlement purposes.

THE CLAIMS IN THE LAWSUIT AND THE SETTLEMENT

3. What is this lawsuit about?

Plaintiffs filed a class action complaint against RJR on behalf of themselves and the Settlement Class. Plaintiffs allege that RJR breached a contract related to the Camel Cash program by failing to offer as Camel Cash rewards non-tobacco merchandise during the period October 1, 2006 through March 31, 2007.

On December 19, 2014, the Court certified a class consisting of “all persons in California who, as adult smokers, were assigned registration numbers by RJR, collected C-Notes, and held C-Notes as of October 1, 2006.” Notice of the Court’s class certification order previously was provided to all individuals that are included within that class definition. Anyone that is included within that class definition and did not timely exclude themselves, is part of the certified class. A more complete description of what Plaintiffs allege is in the Third Amended Class Action Complaint, which is available on the Settlement Website at www.wesbsite.com.

RJR denies the allegations in the Third Amended Complaint, and denies Plaintiffs’ claims of wrongdoing or liability against it. RJR is settling solely to avoid the expense, inconvenience, and inherent risk and disruption of litigation. RJR’s answer to the allegations in the Third Amended Class Action Complaint is available on the Settlement Website at www.wesbsite.com.

4. Why is there a Settlement?

The Court has not decided in favor of either side in the case. Instead, the Parties have agreed to settle the claims—that is, reach a compromise—by entering into a written settlement agreement. RJR denies all allegations of wrongdoing or liability against it, and is settling solely to avoid the expense, inconvenience, and inherent risk and disruption of litigation. Plaintiffs and their attorneys believe that the settlement is in the best interests of the Settlement Class because it provides an appropriate recovery for members of the Settlement Class now while avoiding the risk, expense, and delay of pursuing the case through trial and any appeals.

The settlement agreement has already been preliminarily approved by the Court. Nevertheless, because the settlement of a class action determines the rights of all members of the proposed settlement classes, the Court has ordered this notice to be sent to the Settlement Class, and is required to hold a Fairness Hearing to determine whether to grant final approval of the Settlement before the settlement can take effect. If the Settlement is not granted final approval by the Court, or the Parties terminate it for some reason, the settlement will be void, and the lawsuit will continue as if there had been no settlement and no certification of the Settlement Classes. The settlement agreement is available on the Settlement Website at www.wesbsite.com.

WHO’S INCLUDED IN THE SETTLEMENT?

5. How do I know if I am in the Settlement Class?

The Court decided that this Settlement includes all members of the class that the Court certified on December 19, 2014, which consists of all persons in California who, as adult smokers, were assigned registration numbers by RJR, collected C-Notes, and held C-Notes as of October 1, 2006. Everyone who fits this description is a member of the Settlement Class. You received this Notice because a review of RJR’s records indicate that you were assigned a Personal Identification Number (“PID”) by RJR between October 1, 1991 and October 1, 2006, and provided a California address to RJR in that period. The fact that you are receiving this notice, therefore, does not mean that you qualify as someone who is eligible to participate in this Settlement.

Certain individuals are excluded from the Settlement, including: (1) the Judges presiding over the case and members of their families; (2) current or former officers, directors, and employees of the Defendant and any

of its subsidiary and parent companies; and (3) any person that opted out of the class that the Court certified on December 19, 2014. (See the Settlement Agreement on the Settlement Website (www.website.com) for more information.

6. What if I am still not sure whether I am included?

If you are still not sure whether you are included in the Settlement Class, you can visit www.website.com for more information. You may also contact the attorneys listed below or call the toll-free dedicated helpline at [REDACTED].

THE SETTLEMENT BENEFITS

7. What does the Settlement provide?

Under the Settlement, RJR is offering the Settlement Class Members the opportunity to participate in a Settlement under which RJR will offer Settlement Class Members the opportunity to use Camel Cash for non-tobacco merchandise. The terms and conditions of the Settlement are located at www.website.com. In addition to providing the Settlement Class Members the opportunity to participate in the Settlement, RJR has agreed to pay Class Counsel attorney's fees and costs in the amount of \$4,750,000.00, and from that award, Class Counsel has agreed to pay the Plaintiffs certain Incentive Awards in recognition of their efforts on behalf of the Settlement Class.

HOW TO GET BENEFITS

8. How do I participate in the Settlement?

RJR has agreed to a settlement that affords Settlement Class Members the opportunity to use Camel Cash for non-tobacco merchandise. If, as of October 1, 2006, you lived in California, were an adult smoker, were assigned registration number(s) by RJR, and collected and held C-Notes, you may be eligible to participate. The terms and conditions of the Settlement, including the period of time within which you may be able to participate in the Settlement, are located at www.website.com.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

Yes. In certifying the class on December 19, 2014, the Court has appointed the law firms of Glancy Prongay & Murray LLP and Bragar Eigel & Squire, P.C. as Class Counsel to represent you and other Settlement Class Members. These attorneys are called "Class Counsel." You will not be personally charged for these lawyers.

10. Should I get my own lawyer?

You don't need to hire your own lawyer because Class Counsel is working on your behalf. If you want your own lawyer, you will have to pay that lawyer. For example, you can ask your lawyer to appear in Court for you if you want someone other than Class Counsel to represent you.

11. How will the lawyers be paid?

From the initiation of Plaintiffs’ claims in 2009, Class Counsel have not received any payment for their services in prosecuting the claims or obtaining the Settlement, nor have they been reimbursed for any out-of-pocket expenses they have incurred. Class Counsel will ask the Court for attorneys’ fees and expenses in the amount of \$4,750,000. Under the Settlement, RJR has agreed to pay this amount to Class Counsel. The members of the Settlement Class will not have to pay anything toward the fees or expenses of Class Counsel.

YOUR RIGHTS AND OPTIONS

12. What happens if I do nothing?

If you do nothing, you will forgo the opportunity to object to the Settlement or use the Camel Cash you held on October 1, 2006 for non-tobacco merchandise that RJR is offering in the Settlement.

13. How do I object to the Settlement?

If you are a Settlement Class Member, you can comment on or object to the Settlement if you like or don’t like any part of it. To object, you must file a letter or brief with the Court stating that you object to the Settlement in *Amanda Sateriale, et al. v. R.J. Reynolds Tobacco Co., et al.*, Civil No. 2:09-cv-08394 CAS (SSx) (United States District Court, Central District of California). Your letter or brief must also include: (1) your full name, address, telephone number, and PID; (2) a signed declaration that you believe yourself to be a member of the Settlement Class; (3) the specific grounds for your objection; (4) all documents or writings that you desire the Court to consider; and (5) a statement regarding whether you (or counsel of your choosing) intend to appear at the Fairness Hearing. Your objection and any supporting papers must be filed with the Court and mailed or delivered to Class Counsel and RJR’s counsel at the following addresses, postmarked no later than [Objection Deadline]:

Court	Class Counsel	Defendant’s Counsel
<i>Amanda Sateriale, et al. v. R.J. Reynolds Tobacco Co., et al.</i> , Civil No. 2:09-cv-08394 Clerk of the Court 312 North Spring Street Los Angeles, CA 90012-4701	David Stone, Esq. camelcash@bespc.com Bragar Eigel Squire, PC 885 3rd Ave., Suite 3040 New York, NY 10022	Peter J. Biersteker, Esq. pbiersteker@jonesday.com John A. Vogt, Esq. javogt@jonesday.com JONES DAY 3161 Michelson Drive, Suite 800 Irvine, CA 92612

THE COURT’S FAIRNESS HEARING

14. When and where will the Court hold a hearing on the fairness of the Settlement?

The Court will hold the Fairness Hearing on [redacted], 2016 at [redacted] a.m. / p.m., before the Honorable Christina A. Snyder, in Courtroom 5 on the 2nd Floor of the United States Courthouse, 312 North Spring Street, Los Angeles, CA 90012-4701. The purpose of this hearing will be for the Court to determine

whether to approve the Settlement as fair, reasonable, adequate, and in the best interests of the Class; and to consider Class Counsel's request for attorneys' fees and expenses. At that hearing, the Court will listen to any objections and arguments concerning the fairness of the Settlement.

Note: The hearing may be postponed to a different date or time without notice. Any changes will be posted on the Settlement Website, www.website.com, or through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cacd.uscourts.gov>. If you timely objected to the Settlement, and told the Court that you intend to appear and speak at the Fairness Hearing, you will receive notice of any change in the date of the Fairness Hearing.

15. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have, but you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as your written objection was filed or mailed on time and meets the other criteria described in the Settlement, the Court will consider it. (See Question No. 17.) You may also pay another lawyer to attend, but you don't have to.

16. May I speak at the hearing?

Yes. You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must include a statement in your letter or brief objecting to the Settlement saying whether you (or counsel of your choosing) intend to appear at the Fairness Hearing. Your objection and notice of intent to appear must be filed with the Court and mailed to Class Counsel and Defendant's Counsel no later than Objection Deadline.

GETTING MORE INFORMATION

17. Where can I get additional information?

This notices summarizes the proposed settlement. You can visit www.website.com for Court Documents and updated information about the lawsuit and the Settlement as it becomes available. You may also call the Settlement Administrator at [toll-free number] or contact Class Counsel. (See Question No. 17.) Before doing so, however, please read this notice carefully. The Settlement Agreement and all other pleadings and papers filed in the case are available for inspection and copying during regular business hours at the Office of the Clerk of the United States District Court for the Central District of California, located in Room G-8 of the United States Courthouse, 312 North Spring Street, Los Angeles, CA 90012-4701.

**PLEASE DO NOT CONTACT THE COURT, THE JUDGE, THE DEFENDANT, OR
DEFENDANT'S COUNSEL WITH QUESTIONS ABOUT THE SETTLEMENT**