

**IF YOU WERE ENROLLED IN A SUBSCRIPTION FOR TOTAL ADBLOCK,
TOTALAV, TOTAL PASSWORD, PC PROTECT, SCANGUARD, TOTAL VPN, OR
TOTAL WEBSHIELD BETWEEN OCTOBER 20, 2019 AND JUNE 30, 2024,
YOU MAY BE ENTITLED TO COMPENSATION**

NOTICE OF CLASS ACTION SETTLEMENT

Nelson, et al. v. System1, Inc., et al.
San Diego County Superior Court
Case No. 37-2023-00045878-CU-BT-CTL

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS
IMPORTANT INFORMATION ABOUT A PROPOSED CLASS ACTION
SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.**

The purpose of this Notice is to inform Class Members about a proposed settlement (“Settlement”) of a class action lawsuit that is pending in the San Diego County Superior Court (the “Court”). The lawsuit is called *Nelson, et al. v. System1, Inc., et al.*, Case No. 37-2023-00045878-CU-BT-CTL (the “Lawsuit”). While Defendants deny any wrongdoing and the Court has not decided which party is right, the parties have agreed to a Settlement that provides certain benefits to eligible Class Members and resolves the case without any admission of liability or wrongdoing.

This Notice will explain: (1) what the Lawsuit is about; (2) the main terms of the Settlement; and (3) Class Members’ rights and options under the Settlement. A full version of the Settlement Agreement is available on the settlement website: www.totalsecuritysettlement.com.

To receive money under the Settlement, Class Members must submit a timely and valid Claim. The deadline to submit a Claim is February 4, 2025. If you do not submit a Claim by this deadline, you will not receive money under the Settlement and you will be subject to the Release in Section IV, unless you exclude yourself pursuant to Section II.4.

I. What the Litigation Is About

The Lawsuit alleges—but has not proved—that defendants System1, Inc., Total Security Limited, and Protected.net LLC (collectively referred to as “Defendants”) enrolled certain California consumers in automatic renewal subscriptions for software products without first presenting the consumer with all of the automatic renewal offer terms in a clear and conspicuous manner as required by law. The Lawsuit alleges that Defendants have violated the California Automatic Renewal Law, Bus. & Prof. Code § 17600 et seq., and the Unfair Competition Law, Bus. & Prof. Code § 17200 et seq. The Lawsuit is brought on behalf of a Class defined as follows:

All California residents who, between October 20, 2019 and June 30, 2024, were enrolled in and charged for an automatic renewal or continuous service subscription for Protected Software offered by any of the Defendants, limited to individuals who did not receive a full refund of any amounts paid towards such automatic renewal or continuous service subscription. Excluded from the Class are all employees of Defendants, all employees of Plaintiffs’ counsel, and the judicial officers to whom this case is assigned.

The term “Protected Software” means one or more of the following software products: PC Protect, ScanGuard, Total Adblock, TotalAV, Total Password, Total VPN, and Total WebShield. Each individual within the foregoing Class definition is referred to as a “Class Member.”

Defendants deny the allegations of the Lawsuit, and the Court has not decided which party is right. The parties have agreed to a Settlement to provide certain benefits to eligible Class Members and to resolve the case without any admission of liability or wrongdoing.

The parties have exchanged detailed information about the claims, defenses, and alleged damages in the Lawsuit. After lengthy settlement negotiations overseen by an independent mediator, the parties have reached a proposed Settlement that, if approved by the Court, will resolve the claims asserted against Defendants. Plaintiffs Larry Nelson (“Nelson”) and John Daub (“Daub”) (collectively, “Plaintiffs”) and their counsel believe the Settlement is fair, reasonable, and in the best interests of the Class Members. In entering into the Settlement, Defendants continue to deny any and all allegations of liability, fault, or wrongdoing asserted in the Lawsuit.

On November 8, 2024, the Court preliminarily approved the Settlement; certified the Class for settlement purposes only; appointed the law firm of Dostart Hannink LLP as Class Counsel for settlement purposes only; appointed Nelson and Daub as the Class Representatives for settlement purposes only; designated CPT Group, Inc. as the Settlement Administrator; and authorized the parties to provide this Notice to the Class.

II. The Main Terms of the Settlement

Subject to Court approval, the main terms of the Settlement are as follows:

1. Settlement Amount. In full and complete settlement of the claims of the Class Members who do not exclude themselves, Defendants will pay the principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00). The Settlement Amount, plus any interest thereon, will be used to pay Class Counsel’s attorneys’ fees and litigation expenses (as approved by the Court), any service payments that the Court may award to the Class Representatives and other Class Members who assisted Class Counsel, the expenses of settlement administration (including class notice), and the settlement payments to the Class Members who submit timely and valid Claims. If any funds are remaining by reason of uncashed settlement checks or otherwise, the remaining amount will be paid to one or more *cy pres* recipients approved by the Court, or as otherwise directed by the Court. In addition to the monetary consideration, the Settlement also includes injunctive relief.

2. Notice to Class Members. No later than twenty-eight (28) days after entry of an order granting preliminary approval, the Settlement Administrator will email the Court-approved Summary Class Notice to the last-known email address of each Class Member, as reflected in the business records of Defendants. If the business records of Defendants do not contain an email address for a potential Class Member, the Settlement Administrator will mail the Court-approved Summary Class Notice to the last-known mailing address of that Class Member to the extent reflected in the business records of Defendant or an updated address provided by the U.S. Postal Service. Before mailing, the Settlement Administrator will run the mailing addresses through the U.S. Postal Service’s National Change of Address database, and will update the addresses accordingly. The date on which the Summary Class Notice is emailed and mailed as set forth above is referred to as the “Notice Date.”

3. Submission of Claims; Eligibility for Payment. In order to qualify to receive a payment under the Settlement, Class Members must submit a claim that is both (i) timely and

(ii) validated by the Settlement Administrator. To be timely, the claim must be submitted to the Settlement Administrator on or before February 4, 2025 (the “Claim/Exclusion/Objection Deadline”). See Section III.1., on the next page, regarding how to file a claim. Class Members who submit a timely and valid claim on or before the Claim/Exclusion/Objection deadline will be referred to as “Participating Class Members” and, if the Settlement is granted final approval by the Court, will be entitled to receive a settlement payment in accordance with the terms of the Settlement.

4. Right to Request Exclusion or Object. Any Class Member who does not want to be legally bound by the Settlement can exclude himself or herself on or before the Claim/Exclusion/Objection Deadline, as described on the next page in Section III.3. Any Class Member who wishes to object to the Settlement may do so in writing. Any written objection must be filed with the Court and served on Counsel for the settling parties and on the Settlement Administrator no later than the Claim/Exclusion/Objection Deadline, as described below in Section III.4. Any Class Member who does not request to be excluded from the Class may, if so desired, enter an appearance through counsel.

5. Settlement Payments to Participating Class Members. If the Settlement is granted final approval, after deduction of any Court-approved attorneys’ fees, litigation expenses, and service payments that the Court may award to the Class Representatives and other Class Members who assisted Class Counsel, as well as expenses of settlement administration, the remaining amount (“Net Settlement Amount”) will be divided equally between the Participating Class Members. As soon as practicable after the Effective Date of the Settlement, the Settlement Administrator will transmit to each Participating Class Member a payment representing that person’s settlement payment. Participating Class Members may elect to receive their settlement payment in the form of a check or an electronic payment such as Venmo, direct deposit/ACH, or PayPal.

6. Service Payments. Class Counsel will file a motion requesting service payments to the Class Representatives and to other Class Members who assisted Class Counsel, not to exceed \$40,000 in the aggregate. Defendants have agreed to take no position regarding this request, provided the request made to the Court is consistent with the Settlement Agreement. As soon as practicable following the Effective Date, the Settlement Administrator will pay from the Settlement Amount any service payments awarded by the Court.

7. Attorneys’ Fees and Litigation Expenses. Class Counsel will file a motion requesting an award of attorneys’ fees of up to 38% of the Settlement Amount, plus actual litigation expenses not exceeding \$40,000. Defendants have agreed to take no position regarding these requests, provided the requests made to the Court are consistent with the Settlement Agreement. As soon as practicable following the Effective Date, the Settlement Administrator will pay to Class Counsel from the Settlement Amount the attorneys’ fees and litigation expenses awarded by the Court. These amounts are all subject to Court approval.

8. Release. Class Members who do not exclude themselves from the Settlement will be deemed to release all of the claims described in Section IV below.

III. Class Members’ Rights and Options Under the Settlement

Class Members have four options under the Settlement. If you are a Class Member, you may: (1) file a claim, which if submitted timely and validated by the Settlement Administrator, will qualify you as a Participating Class Member qualified to receive a monetary payment following final court approval; (2) do nothing, in which case you will not be a Participating Class

Member and you will not qualify to receive a monetary payment, but you will be bound by the release in the Settlement Agreement; (3) exclude yourself from the Settlement; or (4) object to the Settlement. The following paragraphs explain these options in more detail.

1. File a Claim. To potentially qualify for a monetary payment from the Settlement, Class Members must file a claim.

(a) Class Members whose name and email address and/or mailing address is reflected in the Defendants' business records are being sent a Court-approved Summary Class Notice via email or mail, which includes a hyperlink to the settlement website or other information which enables those potential Class Members to submit a claim electronically via the settlement website. The deadline for submitting a Claim is February 4, 2025. If you miss this deadline, you will not receive any money under the Settlement, but you will be bound by the other terms of the Settlement if you do not request exclusion from the Settlement.

(b) Class Members who prefer to submit a Claim Form in writing may print a Claim Form from the settlement website or request a Claim Form from the Settlement Administrator. A printed Claim Form must be completed, dated by the claimant, signed by the claimant, and returned to the Settlement Administrator via U.S. mail, personal delivery, or email. Upon receipt of a Claim Form, the Settlement Administrator will verify whether the claimant is a member of the Class by comparing the information provided on the Claim Form against the records of Defendants. The deadline for submitting a Claim is February 4, 2025. If you miss this deadline, you will not receive any money under the Settlement, but you will be bound by the other terms of the Settlement if you do not request exclusion from the Settlement. If you submit a claim that is timely and that is validated by the Settlement Administrator, you will be a Participating Class Member and, if the Settlement is given final court approval, you will be entitled to receive a settlement payment in accordance with the terms of the Settlement.

2. Do Nothing. If you do nothing, you will not be a Participating Class Member and you will not qualify to receive a monetary payment, but you will be bound by the release in the Settlement Agreement.

3. To Be Excluded From the Settlement. Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. mail, email, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator. The request for exclusion must be in writing, and must list the Class Member's name, address, and telephone number, along with the statement: "I wish to be excluded from the *Nelson v. System1, Inc.* Settlement" or words to that effect. Any request for exclusion must be personally signed by each person requesting exclusion. So-called "mass" or "class" opt-outs shall not be allowed. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than February 4, 2025. If the request for exclusion is returned by U.S. mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will be the date the request for exclusion is received by the Settlement Administrator. Those Class Members who submit timely and valid requests for exclusion in the form described above will be referred to as "Excluded Class Members." Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement. Requests for exclusion can be mailed or delivered to the Settlement Administrator, as follows: Nelson v. System1, Inc. Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; email: totalsecuritysettlement@cptgroup.com. A judgment in the action will bind all Class Members who do not timely request exclusion. Any

Class Member may enter an appearance through counsel. **You may not submit both a Claim Form and a letter requesting to be excluded from this Settlement.**

4. To Object to the Settlement. Any Class Member who wishes to object to the Settlement may do so in writing. Any written objection must be filed with the Court and served on Class Counsel, Defendants' counsel, and the Settlement Administrator, no later than February 4, 2025. A written objection must set forth the name of the Lawsuit (*Nelson, et al. v. System1, Inc., et al.*, Case No. 37-2023-00045878-CU-BT-CTL), the objector's full name, address, and current telephone number, and the following statement: "I declare under penalty of perjury that, to the best of my knowledge, between October 20, 2019 and June 30, 2024, I was charged by Defendants for an automatic renewal or continuous service subscription, and I wish to object to the Settlement." Any written objection must also state the factual and legal basis for the objection; the name and contact information of any and all attorneys representing, advising, or in any way assisting the objector in connection with the preparation of submission of the objection or who may profit from the pursuit of the objection; and a statement indicating whether the objector intends to appear at the Final Approval Hearing. Any documents that the objecting Class Member wishes for the Court to consider must also be attached to the objection. Class Counsel and Defendants will respond to any objections, as appropriate, either in briefs filed in advance of the Final Approval Hearing or at the Final Approval Hearing. Any written objection must be filed with the Court and served by mail as follows: (1) to the Settlement Administrator, at Nelson v. System1, Inc. Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; (2) to Defendants' counsel, Patrick C. Justman, Latham & Watkins, LLP, 12670 High Bluff Drive, San Diego, CA 92130; and (3) to Class Counsel, Zach P. Dostart, Dostart Hannink LLP, 4225 Executive Square, Suite 600, La Jolla, CA 92037. If you intend to object to the Settlement but also wish to receive your share of the Settlement if it is approved by the Court, you must also submit a timely and valid Claim Form as explained above.

IV. Release of Claims by Class Members

If the Settlement is approved by the Court and becomes effective, provided that Defendants have paid the full Settlement Amount, all Class Members who do not exclude themselves from the Settlement shall be deemed to release, resolve, relinquish, and discharge each and all of the Released Parties from each of the Released Claims (as defined below). For purposes of this paragraph, "Released Parties" means System1, Inc., Total Security Limited, and Protected.net LLC, and any of their past or present parents, subsidiaries, affiliated companies, and corporations, and any of their past or present officers, directors, managers, employees, general partners, limited partners, principals, insurers, reinsurers, shareholders, attorneys, advisors, representatives, agents, consultants, contractors, licensors, licensees, successors, or assigns. For purposes of this paragraph, "Released Claims" means any and all causes of action or claims for relief, whether in law or equity, including but not limited to injunctive relief, actual damages, nominal damages, statutory damages, punitive damages, restitution, disgorgement, attorneys' fees and costs, and/or any other form of monetary consideration whatsoever, for any and all potential claims by the Class Members that have been pled in the Action, or that could have been pled in the Action based on the facts alleged, whether known or unknown, that relate to or arise out of an automatic renewal or continuous service subscription for Protected Software entered into between October 20, 2019 and June 30, 2024.

V. Final Approval Hearing

The Court will hold a hearing on March 7, 2025 at 9:00 a.m. to determine whether the Settlement should be finally approved and to rule on Class Counsel's motion for award of

attorneys' fees, reimbursement of litigation expenses, and class representative service payments. The Court is located at 330 West Broadway, Department 60, San Diego, CA 92101. Persons interested in attending or participating in the hearing should consult the Court's website, <https://www.sdcourt.ca.gov/sdcourt/civil2/civilicvirtualhearings>, for further information. The hearing may be continued without further notice. **YOU ARE NOT REQUIRED TO ATTEND THE HEARING, BUT YOU MAY IF YOU CHOOSE.**

VI. For More Information

This Notice contains only a summary of the terms of the proposed Settlement. You may view the Settlement Agreement and other important documents on the settlement website. You may also review the pleadings and other papers filed in the Lawsuit at the Court's Business Office, located at 330 West Broadway, San Diego, CA 92101.

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE.

If you have questions about the Settlement, please contact the Settlement Administrator or Class Counsel, as follows:

Settlement Administrator

Nelson v. System1, Inc.
Settlement Administrator
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Tel: 1-(888)-921-0256
Email: totalsecuritysettlement@cptgroup.com

Class Counsel

Dostart Hannink LLP
4225 Executive Square, Ste. 600
La Jolla, CA 92037
Tel: (858) 623-4265
Email: cklobucar@sdlaw.com