

## **If you made purchases from Stein Mart, Inc.’s online store using a credit, debit, or other payment card, you may be eligible for a payment from a class action settlement.**

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

- A Settlement has been reached with Stein Mart, Inc. (“Stein Mart”) and Social Annex, Inc. (d/b/a Annex Cloud) (“Annex”)<sup>1</sup> in a class action lawsuit about a data security incident that occurred between December 28, 2017 and July 9, 2018.
- From on or about December 28, 2017 and July 9, 2018, Stein Mart and Annex were the victims of a cyber-attack in which criminals accessed its computer systems (the “Security Incident”). The Security Incident potentially resulted in unauthorized access to customer payment card data and other personally identifying information. Subsequently, this lawsuit was filed asserting claims against Stein Mart and Annex relating to the Security Incident.
- The Settlement includes all persons who were notified by Stein Mart that they made purchases on Stein Mart’s online store using their credit, debit, or other payment card on certain dates between December 28, 2017 and July 9, 2018.
- The Settlement provides payments to people who submit valid claims for out-of-pocket expenses and charges that were incurred and plausibly arose from the Security Incident, and for other documented extraordinary unreimbursed monetary losses.

**Your legal rights are affected even if you do nothing. Read this Notice carefully.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>Submit a Claim</b>	The only way to get a payment.
<b>Ask to be Excluded</b>	Get no payment. The only option that allows you to sue Stein Mart and/or Annex over the claims resolved by this Settlement.
<b>Object</b>	Write to the Court about why you do not like the Settlement.
<b>Do Nothing</b>	Get no payment. Give up rights.

- 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 grant final approval of the Settlement. Payments will only be made after the Court grants final approval of the Settlement and after any appeals are resolved.

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<sup>1</sup> Annex is a third-party vendor that offers a service to online merchants/retailers (including Stein Mart) that enables consumers to log onto their websites using their accounts with separate websites (such as Facebook and Amazon) to make online purchases.

**Questions? Call 1-844-484-0406 or visit [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com)**

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Questions? Call 1-844-484-0406 or visit [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com)

## BASIC INFORMATION

### 1. Why was this Notice issued?

The Court authorized this Notice because you have a right to know about the proposed Settlement in this class action lawsuit and about all of your options before the Court decides whether to give “final approval” to the Settlement. This Notice explains the legal rights and options that you may exercise before the Court decides whether to approve the Settlement.

The Honorable Colm F. Connolly of the United States District Court for the District of Delaware is overseeing this case. The case is known as *Kyles et al v. Stein Mart, Inc. et al.*, Case No. 1:19-cv-00483-CFC. The persons who sued are called the Plaintiffs. Stein Mart and Annex are each individually called the Defendant, and collectively called the Defendants.

### 2. What is this lawsuit about?

The lawsuit claims that Stein Mart and/or Annex was responsible for the Security Incident that occurred, and asserts claims such as: negligence, negligence per se, breach of implied contract, unjust enrichment and violation of the Missouri and South Carolina consumer protection statutes. The lawsuit seeks compensation for people who had losses as a result of the Security Incident.

Stein Mart and Annex deny all of the Plaintiffs’ claims and say they did not do anything wrong.

### 3. Why is this lawsuit a class action?

In a class action, one or more people called “Representative Plaintiffs” sue on behalf of all people who have similar claims. All of these people together are the “Class” or “Class Members.” In this case, the Representative Plaintiffs are Ande Kyles and Diane Taylor. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

### 4. Why is there a Settlement?

By agreeing to settle, both sides avoid the cost and risk of a trial, and people who submit Valid Claims will get compensation. The Representative Plaintiffs and their attorneys believe the Settlement is fair, reasonable, and adequate and, thus, best for the Class and its members. The Settlement does not mean that Stein Mart and/or Annex did anything wrong.

## WHO IS IN THE SETTLEMENT?

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

You are included in the Settlement Class if you reside in the United States and were notified by Stein Mart that you made purchases on Stein Mart’s online store using your credit, debit, or other payment card on certain dates between December 28, 2017 and July 9, 2018.

Specifically excluded from the Settlement Class are: (i) Stein Mart and its officers and directors; (ii) Annex and its officers and directors; (iii) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; (iv) the Judge assigned to evaluate the fairness of this Settlement; and (v) any other Person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding, or abetting the criminal activity occurrence of the Security Incident or who pleads *nolo contendere* (a no-contest plea, while not technically a guilty plea, has the same immediate effect as a guilty plea and is often offered as part of a plea bargain) to any such charge.

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

If you are not sure whether you are included in the Settlement, you may call 1-844-484-0406 with questions or visit [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com). You may also write with questions to Kyles v Stein Mart Settlement, c/o Claims Administrator, PO Box 34657, Philadelphia, PA 19101-4657. Please do not contact the Court with questions.

## THE SETTLEMENT BENEFITS

### 7. What does the Settlement provide?

The Settlement will provide payments to people who submit Valid Claims.

There are two types of payments that are available: (1) Expense Reimbursement (Question 8) and (2) Other Extraordinary Expense Reimbursement (Question 9). You may submit a Claim for either or both types of payments. In order to claim each type of payment, you must provide related documentation with the Claim Form.

### 8. What payments are available for Expense Reimbursement?

Class Members are eligible to receive reimbursement of up to \$220 (in total) for the following categories of out-of-pocket expenses resulting from the Security Incident:

- unreimbursed bank fees;
- unreimbursed card reissuance fees;
- unreimbursed overdraft fees;
- unreimbursed charges related to unavailability of funds;
- unreimbursed late fees;
- unreimbursed over-limit fees;
- long distance telephone charges;
- cell minutes (if charged by minute);
- internet usage charges and text messages;
- unreimbursed charges from banks or credit card companies;
- postage;
- interest on payday loans due to card cancelation or due to over-limit situation;
- costs of credit report(s);
- costs of credit monitoring and identity theft protection; and
- reimbursement of up to three hours of documented lost time (at \$15 per hour) spent dealing with replacement card issues or in reversing fraudulent charges (only if at least one full hour was spent).

### 9. What payments are available for Extraordinary Expense Reimbursement?

Class Members who had other extraordinary unreimbursed monetary losses because of information compromised as part of the Security Incident are eligible to make a Claim for reimbursement of up to \$4,000. As part of the Claim, the Class Member must show that: (1) it is an actual, documented, and unreimbursed monetary loss; (2) the loss was more likely than not caused by the Security Incident; (3) the loss occurred during the time period from December 28, 2017 and July 23, 2020; (4) the loss is not already

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covered by one or more of the categories in Question 8; and (5) a reasonable effort was made to avoid or seek reimbursement for the loss (including exhaustion of all available credit monitoring insurance and identity theft insurance).

More details are provided in the Settlement Agreement, which is available at [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com).

## HOW TO GET BENEFITS

### 10. How do I get benefits?

To ask for a payment, you must complete and submit a Claim Form. Claim Forms are available at [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com), or you may request one by mail by calling 1-844-484-0406. Read the instructions carefully, fill out the Claim Form, and submit it online or mail it postmarked no later than **July 23, 2020** to:

Kyles v Stein Mart Settlement  
c/o Claims Administrator  
PO Box 34657  
Philadelphia, PA 19101-4657

### 11. How will claims be decided?

The Claims Administrator will initially decide whether the information provided on a Claim Form is complete and valid. The Claims Administrator may require additional information from any claimant. If the required information is not provided timely, the claim will be considered invalid and will not be paid.

If the Claim is complete and the Claims Administrator denies the Claim entirely or partially, the claimant will be provided an opportunity to have their Claim reviewed by an impartial Claim Referee who has been appointed by the Court.

## REMAINING IN THE SETTLEMENT

### 12. Do I need to do anything to remain in the Settlement?

You do not have to do anything to remain in the Settlement, but if you want a payment you must submit a Claim Form postmarked by **July 23, 2020**.

### 13. What am I giving up as part of the Settlement?

If the Settlement becomes final, you will give up your right to sue Stein Mart and/or Annex for the claims being resolved by this Settlement. The specific claims you are giving up against Stein Mart and/or Annex are described in Section 1.20 of the Settlement Agreement. You will be “releasing” Stein Mart and/or Annex and all related people or entities as described in Section 6 of the Settlement Agreement. The Settlement Agreement is available at [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com).

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions you can talk to the law firms listed in Question 17 for free or you can, of course, talk to your own lawyer at your own expense if you have questions about what this means.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue Stein Mart and/or Annex about issues in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from—or is sometimes referred to as “opting out” of—the Settlement Class.

### 14. If I exclude myself, can I get a payment from this Settlement?

No. If you exclude yourself, you will not be entitled to any benefits of the Settlement, but you will not be bound by any judgment in this case.

### 15. If I do not exclude myself, can I sue Stein Mart and/or Annex for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Stein Mart and/or Annex for the claims that this Settlement resolves. You must exclude yourself from the Settlement Class to start your own lawsuit or to be part of any different lawsuit relating to the claims in this case. If you exclude yourself, do not submit a Claim Form to ask for a payment.

### 16. How do I exclude myself from the Settlement?

To exclude yourself, send a letter that says you want to be excluded from the Settlement in *Kyles et al v. Stein Mart, Inc. et al.*, Case No. 1:19-cv-00483-CFC. Include your name, address, and signature. You must mail your Exclusion Request postmarked by **July 23, 2020**, to:

Stein Mart Settlement Exclusions  
c/o Claims Administrator  
PO Box 34657  
Philadelphia, PA 19101-4657

## THE LAWYERS REPRESENTING YOU

### 17. Do I have a lawyer in this case?

Yes. The Court appointed the following lawyers as “Class Counsel”: Benjamin F. Johns of Chimicles Schwartz Kriner & Donaldson-Smith LLP, 361 W. Lancaster Avenue, Haverford, Pennsylvania 19041, and Cornelius P. Dukelow of Abington Cole + Ellery, 320 South Boston Avenue, Suite 1130, Tulsa, Oklahoma 74103. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 18. How will the lawyers be paid?

Class Counsel will request the Court’s approval of an award for attorneys’ fees and reasonable costs and expenses of \$300,000. Class Counsel will also request approval of an incentive award of \$2,500 for each of the Representative Plaintiffs. Any amount that the Court awards for attorneys’ fees, costs, expenses, and an incentive award will be paid separately by Stein Mart and/or Annex, and will not reduce the amount of payments to Class Members who submit Valid Claims.

## OBJECTING TO THE SETTLEMENT

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

### 19. How do I tell the Court that I do not like the Settlement?

You can object to the Settlement if you do not like it or some part of it. The Court will consider your views. To do so, you must file a written objection in this case, *Kyles et al v. Stein Mart, Inc. et al.*, Case No. 1:19-cv-00483-CFC, with the Clerk of the Court at the address below.

Your objection must include all of the following: (i) your full name, address, telephone number, and e-mail address (if any); (ii) information identifying you as a Settlement Class Member, including proof that you are a member of the Settlement Class (e.g., copy of notice, copy of original notice of the Data Incident); (iii) a written statement of all grounds for your objection, accompanied by any legal support for the objection you believe is applicable; (iv) the identity of any and all counsel representing you in connection with the objection; (v) a statement whether you and/or your counsel will appear at the Final Fairness Hearing; (vi) your signature and the signature of your duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); and (vii) a list, by case name, court, and docket number, of all other cases in which you and/or your counsel have filed an objection to any proposed class action settlement within the last three (3) years.

To be timely, your objection must be **postmarked** to the Clerk of the Court for the United States District Court for District of Delaware no later than **July 23, 2020**. In addition, you must **mail** a copy of your objection to both Class Counsel and Defense Counsel, postmarked no later than **July 23, 2020**:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Office of the Clerk United States District Court 844 North King St. Unit 18 Wilmington, DE 19801-3570	Benjamin F. Johns Chimicles Schwartz Kriner & Donaldson-Smith LLP 361 W. Lancaster Avenue Haverford, Pennsylvania 19041	Casie D. Collignon Baker & Hostetler LLP 1801 California Street Suite 4400 Denver, CO 80202  Jon Kardassakis Lewis Brisbois Bisgaard & Smith LLP 633 W. 5th Street, Suite 4000, Los Angeles, CA 90071

### 20. What is the difference between objecting and asking to be excluded?

Objecting is telling the Court that you do not like the Settlement and why you do not think it should be approved. You can object only if you do not exclude yourself from the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**Questions? Call 1-844-484-0406 or visit [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com)**

## THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement.

### 21. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 2:30 p.m. on **August 19, 2020**, at the United States District Court for the District of Delaware located at 844 North King St., Wilmington, DE 19801-3570. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com) or call 1-844-484-0406. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are timely objections, the Court will consider them and will listen to people who have asked to speak at the hearing if such a request has been properly made. The Court will also rule on the request for an award of attorneys' fees and reasonable costs and expenses, as well as the request for an incentive award for the Representative Plaintiffs. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

### 22. Do I have to attend the hearing?

No. Class Counsel will present the Settlement Agreement to the Court. You or your own lawyer are welcome to attend at your expense, but you are not required to do so. If you send an objection, you do not have to come to the Court to talk about it. As long as you filed your written objection on time with the Court and mailed it according to the instructions provided in Question 19, the Court will consider it.

### 23. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must file an objection according to the instructions in Question 19, including all the information required by items (v), (vi), and (vii). Your Objection must be **filed** with the Clerk of the Court for the United States District Court for District of Delaware no later than **July 23, 2020**. In addition, you must **mail** a copy of your objection to both Class Counsel and Defense Counsel listed in Question 19, postmarked no later than **July 23, 2020**.

## IF YOU DO NOTHING

### 24. What happens if I do nothing?

If you do nothing, you will get no benefits from this Settlement. Unless you exclude yourself, after the Settlement is granted final approval and the judgment becomes final, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Stein Mart and/or Annex about the legal issues in this case, ever again.

## GETTING MORE INFORMATION

### 25. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement at [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com). You may also write with questions to Kyles v Stein Mart Settlement, c/o Claims Administrator, PO Box 34657, Philadelphia, PA 19101-4657. You can also get a Claim Form at the website, or by calling the toll-free number, 1-844-484-0406.

**Questions? Call 1-844-484-0406 or visit [www.KylesSecurityIncidentSettlement.com](http://www.KylesSecurityIncidentSettlement.com)**