

[INVESTOR NAME]  
[INVESTOR STREET ADDRESS]  
[INVESTOR CITY, STATE and ZIP CODE]

**If you bought any ATMs from  
Nationwide Automated Systems, Inc.  
("NASI") and lost money, you could get  
a payment from a class action  
settlement.**

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

- A settlement will provide up to a maximum of \$33,000,000 to pay claims from investors who suffered a "Net Loss" on NASI ATM investments, assuming that no class members exclude themselves, or "opt out," of the settlement. That settlement payment will be reduced in relation to the claims of the Settlement Class Members who opt out.
- The settlement resolves lawsuits over whether City National Bank and its employee and his wife (the "Defendants") aided and abetted the Ponzi scheme that NASI perpetrated regarding the ATM sale-leaseback transactions that NASI sold to investors. The Defendants deny any liability to the Settlement Class Members. The settlement is not an admission by Defendants of any liability or wrongdoing. The settlement avoids costs and risks to you from continuing the lawsuits, pays money to investors like you, and releases the Defendants from liability.
- Lawyers for investors ("Plaintiffs' Counsel" as defined in the Settlement Agreement) will collectively ask the Court for up to \$9,900,000, and costs, and the costs of a Claims Administrator, to be paid from the settlement payment, as fees and expenses for investigating the facts, litigating the case, negotiating the settlement, and administering the Settlement. Plaintiffs' Counsel have agreed to cap their request for fees to up to 30% (\$9.9 million), and costs at \$316,100. If the Court awards less than these requested amounts as fees and costs, the difference will be available for distribution to the Class Members. The Claims Administrator has agreed to cap its costs at \$270,000.
- The two sides disagree on how much money could have been won if investors won a trial.
- Your legal rights are affected whether you act or don't act. Read this notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>SUBMIT A RELEASE FORM</b>	The only way to get a payment.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants concerning NASI ATM investments.
<b>OBJECT</b>	Write to the Court about why you don't like the settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of 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 matter still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

## WHAT THIS NOTICE CONTAINS:

### **BASIC INFORMATION ..... PAGE 4**

1. Why did I get this notice package?
2. What are the *Payne* and *Madison* cases about?
3. Why are these lawsuits class actions?
4. Why is there a settlement?

### **WHO IS IN THE SETTLEMENT .....PAGE 6**

5. How do I know if I am part of the settlement?
6. Are there exceptions to being included?
7. I'm still not sure if I am included.

### **THE SETTLEMENT BENEFITS—WHAT YOU GET ..... PAGE 7**

8. What does the settlement provide?
9. How much will my payment be?

### **HOW YOU GET A PAYMENT—SUBMITTING A RELEASE FORM .....PAGE 9**

10. How can I get a payment?
11. When would I get my payment?
12. What am I giving up to get a payment or stay in the Class?

### **EXCLUDING YOURSELF FROM THE SETTLEMENT ..... PAGE 9**

13. How do I get out of the settlement?
14. If I don't exclude myself, can I sue the Defendants for the same thing later?
15. If I exclude myself, can I get money from this settlement?

### **THE LAWYERS REPRESENTING YOU .....PAGE 10**

16. Do I have a lawyer in the case?
17. How will the lawyers be paid?

### **OBJECTING TO THE SETTLEMENT.....PAGE 11**

18. How do I tell the Court that I don't like the settlement?
19. What's the difference between objecting and excluding?

### **THE COURT'S SETTLEMENT HEARING.....PAGE 12**

20. When and where will the Court decide whether to approve the settlement?
21. Do I have to come to the hearing?
22. May I speak at the hearing?

### **IF YOU DO NOTHING .....PAGE 13**

23. What happens if I do nothing at all?

### **GETTING MORE INFORMATION .....PAGE 13**

24. Are there more details about the settlement?
25. How do I get more information?

### **UNDERSTANDING YOUR PAYMENT .....PAGE 14**

## BASIC INFORMATION

### 1. Why did I get this notice package?

You may have invested in one or more ATM sale-leaseback transactions with NASI and received back from NASI a total amount of money -- including any return on investment, monthly rent, return of principal (in connection with NASI's repurchase of the ATMs or otherwise), commissions, fees and other payments -- that was less than the total amount invested. If so, you incurred a "Net Loss" on your NASI ATM sale-leaseback investments.

The Court authorized this notice because people who incurred a "Net Loss" in NASI investments have a right to know about a proposed settlement of two class action lawsuits, titled *Payne v. City National Bank*, Case No. BC655806, and *Madison v. City National Bank*, Case No. BC666719, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement after objections and appeals are resolved, a Claims Administrator appointed by the Court will make the payments that the settlement allows. You will be informed of the progress of the settlement.

This package explains the lawsuits, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of these cases is the Superior Court of the State of California for the County of Los Angeles. The people who sued are called Plaintiffs, and the bank and individuals they sued are called the Defendants.

In addition to settling the *Payne* and *Madison* cases, the settlement also settles several other cases that assert claims relating to NASI and/or its ATM sale-leaseback transactions. Those cases are *Allison v. City National Bank*, Los Angeles Superior Court Case No. BC634285; *Hoffman v. City National Bank*, Los Angeles Superior Court Case No. BC624542; *Hoffman v. Fitzwilliam*, Los Angeles Superior Court Case No. BC659112; *Hoffman v. Soffa*, Los Angeles Superior Court Case No. BC636780; *Nevada Universal Properties, Inc. v. City National Bank*, 8th District Court of Nevada Case No. A-17-762461-C; and *Wilinsky v. City National Bank*, U.S. District Court for the Southern District of New York Case No. 17-cv-07463 (JGK).

### 2. What are the *Payne* and *Madison* cases about?

NASI purported to sell investors ATMs and then to lease the ATMs back from those investors in exchange for monthly "lease" or "rent" payments. However, in general, NASI did not actually own the ATMs it pretended to sell. Instead, it took the money that new investors gave it to purchase ATMs, and used those monies to pay earlier investors monthly returns. In other words, NASI was running a Ponzi scheme. NASI was shut down in 2014. The United States District Court for the Central District of California appointed William J. Hoffman as the Receiver to take over NASI when it was discovered that NASI was a Ponzi scheme.

The *Payne* and *Madison* cases are not against NASI. They are against City National Bank, its employee Patrick Brian Fitzwilliam and, in one instance his wife. NASI was a customer of City National. These lawsuits claimed that City National's employee knew that NASI was conducting a Ponzi scheme but nevertheless continued to allow NASI to conduct its banking at City National, thereby aiding and abetting NASI's Ponzi scheme. Plaintiffs also contend that, if City National's employee knew about the Ponzi scheme, then City National should be deemed to have known about it. Defendants deny these allegations and deny they did anything wrong.

### 3. Why are these lawsuits class action?

In a class action, one or more people called Class Representatives (in this case, Dyanne DiRosario Halsted, Pamela Geremia, Penny Barnett Lipp, Marvin A. Blum, Laszlo Hugo Bakos, Richard Rowack, Stephen Green and Alan Jeffery) sue on behalf of people who have similar claims. For purposes of the settlement, these people are Settlement Class Members or, collectively, the Settlement Class. One court is handling the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class. Superior Court Judge William F. Highberger is in charge of the *Payne* and *Madison* class actions.

With limited exceptions listed in the section below on Question 6, the *Payne* and *Madison* class actions were brought on behalf of a class of all investors who suffered a Net Loss on NASI ATM investments, no matter where they live. The *Wilinsky* case was brought on behalf of all non-Californians who suffered a Net Loss on NASI ATM, and the *Nevada Universal* case was brought on behalf of Nevada residents who suffered a "Net Loss" on NASI ATM. Because the *Payne* and *Madison* classes include all investors no matter where they live, if you are a member of the class defined in the *Wilinsky* or *Nevada Universal* case, you are also a member of the *Payne* and *Madison* classes. The other cases being settled in this settlement are not class actions.

The *Payne* and/or *Madison* cases allege the following claims; aiding and abetting fraud, violation of California Corporations Code §§ 25504.1, conspiracy to commit fraud, aiding and abetting breach of fiduciary duty, violation of California Business and Professions Code § 17200, financial elder abuse, and violation of Penal Code § 496. The *Wilinsky* case alleges claims for aiding and abetting fraud and aiding and abetting breach of fiduciary duty. The *Nevada Universal* case alleges negligence/negligent supervision, violation of Nevada Revised Statutes §§ 90.460, 90.570 and 90.660, conspiracy to commit fraud and deceit, and aiding and abetting fraud.

### 4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. The Plaintiffs think that the total Net Losses of all Class Members were \$126 million. The NASI Receiver has separately recovered and will separately distribute approximately \$35 million to Settlement Class Members in 2018, leaving a total Net Loss of \$91 million. That \$35 million has nothing to do with the settlement of the Class Actions, but represents other funds the NASI Receiver has recovered. Plaintiffs think that they could have won \$91 million or more if they won these cases at trial. The Defendants

think the Plaintiffs would not have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, everyone avoids the cost of a trial, and the people affected will get compensation. The Class Representatives and the attorneys think the settlement is best for all Settlement Class Members.

## **WHO IS IN THE SETTLEMENT**

To get money from this settlement, you must be a Settlement Class Member, that is you must have incurred a Net Loss from your investment in NASI ATM sale/leaseback transactions. Based on NASI's records, among other information, the Receiver has determined which NASI investors incurred a Net Loss. You received this notice because the Receiver has determined that you incurred a Net Loss.

### **5. How do I know if I am part of the settlement?**

Judge William F. Highberger decided that everyone who fits the description below is a Settlement Class Member:

Each person or entity who invested in NASI ATM sale/leaseback transactions and incurred a Net Loss by receiving back from NASI a total amount of money – including any return on investment, monthly rent, return of principal (in connection with NASI's repurchase of the ATMs or otherwise), commissions, assets in kind, fees and other payments – which was less than the total amount of money that that person or entity paid to invest in NASI ATM sale/leaseback transactions.

If all your NASI ATM purchases occurred before mid-2009, it is unlikely that you suffered a Net Loss and therefore it is unlikely that you are a Settlement Class Member.

### **6. Are there exceptions to being included?**

You are not a Settlement Class Member if you are a governmental entity; a judge, justice or judicial officer presiding over this matter or a member of his or her immediate family; a Defendant or a parent, subsidiary or affiliate of a Defendant; a legal representative, heir, successor or attorney of any excluded person or entity referenced above; or a person acting on behalf of any excluded person or entity referenced above; or any person whose claim for his or her NASI losses was dismissed on a motion filed by one or more Defendants and who has a judgment of dismissal entered which has not already been reversed on appeal.

### **7. I'm still not sure if I am included.**

If you are still not sure whether you are included, you can ask for free help. You can call 858-242-1177 or 858-242-1199 toll free, or visit [www.nasi-classsettlement.com](http://www.nasi-classsettlement.com) for more information.

## THE SETTLEMENT BENEFITS—WHAT YOU GET

### 8. What does the settlement provide?

City National Bank has agreed to pay up to \$33 million to be used to, among other things, make settlement payments to all Settlement Class Members who send in a valid Release Form. If no Class Members opt out of the settlement, the fund will be \$33 million. The number of Class Members who opt out and the amount of their cumulative Net Losses can impact this settlement in two different ways.

First, if (i) the number of Settlement Class Members opting out of the settlement constitutes more than 3% of the total number of Settlement Class Members or (ii) the cumulative Net Losses of the Settlement Class Members opting out of the settlement represent more than \$3,000,000 of the total Net Losses of the Settlement Class Members, City National has the right to terminate the settlement in its entirety. If that happens, you will not receive any payment in connection with this settlement.

Second, if there are Opt-Outs but they do not reach either of the thresholds mentioned in the paragraph above (i.e., (i) the number of Settlement Class Members opting out is less than 3% of Settlement Class Members and (ii) the cumulative Net Losses of the Opt-Outs represent less than \$3,000,000 of the total Net Losses), then the settlement will go forward, but the amount of the Bank's Settlement Payment will be reduced by 1.03 times the percentage that the cumulative Net Losses of Opt-Outs represents as a portion of the cumulative Net Losses of all Settlement Class Members. For example, if the cumulative Net Losses of Class Members who opt out of the settlement constitutes 2% of the total Net Losses of all Settlement Class Members, the amount of the Settlement Class Payment will be reduced by 2.06% (i.e., \$679,800). Thus, the Bank would then pay a Settlement Class Payment of \$32,320,200.

### 9. How much will my payment be?

Your share of the money being distributed to Settlement Class Members will depend on the number of valid Release Forms that Class Members send in, how much money you paid to NASI for ATMs, and how much money you received back from NASI. Here's how it works:

NASI paid investors monthly "lease" or "rent" payments for their ATMs, and promised that those payments would equal at least a 20% return on an investor's ATM purchase price. NASI also agreed that, after an investor owned an ATM for at least two years, NASI would repurchase the ATM for the full purchase price if the investor wanted to sell it. NASI also paid some people commissions or other fees in connection with its business. If the amount of all the money you paid NASI to buy ATMs was greater than all the money you received back from NASI (including any return on investment, monthly rent, return of principal (in connection with NAS's repurchase of the Settlement Class Member's ATMs or otherwise), commissions, assets in kind, fees and other payments), then the difference between what you paid and what you got back from NASI is your "Net Loss." The NASI Receiver will act as Claims Administrator for

this settlement and will calculate your Net Loss and your share of the settlement funds. However, by following the instructions on page 14 of this Notice, you can estimate your Net Loss for yourself.

There were about 1,350 NASI investors (or investor accounts) who experienced a Net Loss. If you have a Net Loss, you are entitled to make a claim in the amount of your Net Loss.

In a separate process not related to the Class Actions, the NASI Receiver is charged with collecting NASI assets for the benefit of NASI's creditors, the majority of whom are investors in NASI ATM sale/leaseback transactions. To date, the Receiver has collected more than \$35 million, the majority of which will be distributed to NASI creditors (the "Receiver's Distribution") – separate and apart from, and in addition to the settlement with City National. This \$35 million is not affected by the settlement of the Class Actions. The Receiver has undertaken a process to determine the amount of each creditor's claim (including the amount of each Settlement Class Member's Net Loss) that the Receiver will then use in calculating each creditor's share of the Receiver's Distribution.

The amount of your Net Loss as determined for the Receiver's Distribution will be the same Net Loss used to determine the amount that you will receive from the Class Settlement Payment.

It's very unlikely that you will get a payment for all of your Net Loss from this settlement. After all Class Members have sent in their Release Forms, the payment you get will reflect your Net Loss in relation to the cumulative Net Losses of all Settlement Class Members. Class Members who bought more ATMs, or received back from NASI a smaller amount of money, and so have a larger Net Loss, will get more money. Those who bought fewer ATMs, or held them longer, and so have a smaller Net Loss, will get less.

Plaintiffs' Counsel will ask the Court to award them fees and costs from the Settlement Payment. After deducting the amount of the fees and costs awarded by the Court, all the remainder of the Settlement Payment will be distributed to Class Members.

Here's an example. In order to receive your portion of the Class Settlement Payment, you must send in a Release Form. If every eligible Class Member does not opt out, the Class Settlement Payment would be \$33 million. If the Court awarded Plaintiffs' Counsel \$9.9 million in fees, plus \$200,000 in costs, and there is another \$200,000 in costs for the Claims Administrator to administer the settlement, that would leave \$22.7 million for distribution to the Class Members. In that example, the average Class Member would receive approximately 24.95% ( $\$22,700,000 \div \$91,000,000$  unrecovered Net Losses) of his Net Loss. Typically in class actions, the number of claimants who opt out is low but varies from case to case. If a Class Member does not send in a Release Form, he will not receive a share of the Settlement Proceeds. Instead, his share may be made available to other Class Members or be used as determined by the Court. Plaintiffs' Counsel have agreed to cap their collective request for fees to 30% of the Settlement Amount. If the Court does not grant the full application for Plaintiffs' Counsel's fees of 30%, the difference between the 30% and the amount awarded will be available for distribution to the Class Members.



## HOW YOU GET A PAYMENT—SUBMITTING A RELEASE FORM

### 10. How can I get a payment?

**To qualify for a payment, you must send in a Release Form.** A Release Form is attached to this Notice. You may also get a Release Form on the internet at [www.nasi-classsettlement.com](http://www.nasi-classsettlement.com). Read the instructions carefully, fill out the form, include all the information the form asks for, and sign it. Then, either mail it postmarked no later than May 1, 2019, or submit it no later than May 1, 2019 by following the instructions on the website [www.nasi-classsettlement.com](http://www.nasi-classsettlement.com).

### 11. When would I get my payment?

The Superior Court will hold a hearing on January 29, 2019, to decide whether to approve the settlement. If the Superior Court approves the settlement, there may be appeals. It's always uncertain how long it takes for any appeals to be resolved. It's possible it could take more than a year. Everyone who sends in a Release Form will be informed of the progress of the settlement by posting on the website [www.nasi-classsettlement.com](http://www.nasi-classsettlement.com). Please be patient. The Court may adjourn the hearing for approval or for attorneys' fees and costs.

### 12. What am I giving up to get a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against the Defendants about the legal issues in this matter. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the Release Form, you will agree to a release of claims. The Release Form describes the legal claims that you give up in exchange for receiving a settlement payment.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

You are bound by the settlement and cannot exclude yourself from the settlement if you are a named plaintiff or a cross-complainant in any of the following lawsuits: *Allison v. City National Bank*, Los Angeles Superior Court Case No. BC634285; *Hoffman v. City National Bank*, Los Angeles Superior Court Case No. BC624542; *Hoffman v. Fitzwilliam*, Los Angeles Superior Court Case No. BC659112; *Hoffman v. Soffa*, Los Angeles Superior Court Case No. BC636780; *Madison v. City National Bank*, Los Angeles Superior Court Case No. BC666719; *Nevada Universal Properties, Inc. v. City National Bank*, 8th District Court of Nevada Case No. A-17-762461-C; *Payne v. City National Bank*, Los Angeles Superior Court Case No. BC655806; and *Wilinsky v. City National Bank*, U.S. District Court for the Southern District of New York Case No. 17-cv-07463 (JGK).

However, if you are not a named plaintiff in any of the lawsuits mentioned above and you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue one or more of the Defendants in a lawsuit not listed above, on your own, about the legal issues

in this matter, then you must take steps to get out. This is called excluding yourself—or is sometimes referred to as opting out of the Settlement Class.

### 13. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from the Settlement Class in *Payne v. City National Bank* and *Madison v. City National Bank*. Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than November 30, 2018 to:

Nationwide Automated Systems, Inc.  
NASI Claims Administrator  
Attn: William J. Hoffman  
9339 Genesee Avenue, Suite 130  
San Diego, CA 92121

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in these lawsuits. You may be able to sue (or continue to sue in a lawsuit not listed in this Notice) one of more of the Defendants in the future. You should consult your own attorney or advisor about this.

### 14. If I don't exclude myself, can I sue the Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this settlement resolves. If you have a pending lawsuit that is not listed in this notice, speak to your lawyer in that case immediately. (The lawsuits listed in this notice are being settled and will not continue if the Court grants final approval of the settlement.) You must exclude yourself from this Settlement Class to continue your own lawsuit in a case not listed in this Notice. Remember, the exclusion deadline is November 30, 2018.

### 15. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a Release Form to ask for any money. But, you may sue, continue to sue in a lawsuit not listed in this Notice, or be part of a different lawsuit against the Defendants.

## THE LAWYERS REPRESENTING YOU

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

The Court appointed the law firms of Hollister & Brace, 1126 Santa Barbara Street, Santa Barbara, California 93101, Robert L. Brace, Esq., 1807 Santa Barbara Street, Santa Barbara, California 93101, Ward & Hagen, LLP, 440 Stevens Avenue, Suite 350, Solana Beach, California 92075, and the Law Offices of Julio J. Ramos, 35 Grove Street, Suite 107, San

Francisco, California 94102, to represent you and other Class Members. These lawyers are called Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How will the lawyers be paid?**

Plaintiffs’ Counsel will ask the Court to approve payment of up to \$9.9 million for attorneys’ fees and \$ 316,100 for expenses. The fees would pay Plaintiffs’ Counsel for investigating the facts, litigating the case, and negotiating the settlement. The Court may award less than these amounts and any amount less will be available for distribution to the Class Members. The Claims Administrator will also have expenses to administer the settlement, which he has agreed to cap at \$270,000. These amounts will be deducted from the Settlement Payment that City National Bank is paying, and will reduce the amount that is available for Class Members. The Defendants have agreed not to oppose Plaintiffs’ Counsel’s application for these fees and expenses up to these amounts.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you don’t agree with the settlement or some part of it.

**18. How do I tell the Court that I don’t like the settlement?**

If you’re a Settlement Class Member, you can object to the settlement if you don’t like any part of it or can comment in favor of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. If you want to tell that Court that you approve of the settlement, you can do it the same way.

To object or to voice your approval, you must send a letter saying that you object to or approve of the settlement of *Payne v. City National Bank* and *Madison v. City National Bank*. Be sure to include your name, address, telephone number, your signature, and the reasons (if any) that you object to the settlement. Mail the objection and any supporting briefs or other papers to these four different places postmarked no later than December 17, 2018:

<b>COURT</b>	<b>CLASS COUNSEL</b>	<b>DEFENSE COUNSEL</b>
Clerk of the Court Superior Court of California for the County of Los Angeles 111 N. Hill Street Los Angeles, California 90012	Steven Nuñez Ward & Hagen LLP 440 Stevens Avenue Suite 350 Solana Beach, California 90275  Michael P. Denver Hollister & Brace 1126 Santa Barbara Street Santa Barbara, California 93101	Jeanne Irving McKool Smith Hennigan, PC 300 South Grand Avenue Suite 2900 Los Angeles, California 90071

If the Court disagrees with your objection or other position that you voice, you may want to appeal the Court’s ruling in that regard. If you wish to preserve the right to appeal, then you

should consider filing a motion to intervene in the *Madison* and/or *Payne* cases at or before the deadline for objecting. If you wish to intervene, you may want to consult an attorney to advise you, at your own expense. Any such motion to intervene and any supporting brief or other papers must be mailed to the Court, Class Counsel and Defense Counsel at the four different addresses listed above postmarked no later than December 17, 2018.

### 19. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

## THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

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

The Court will hold a Settlement Hearing at 1:30 p.m. on Tuesday, January 29, 2019, at the Superior Court of the State of California for the County of Los Angeles, 312 North Spring Street, Los Angeles, California, in Courtroom 10. (***Please note that the address for the hearing is different from the Court address where you send any objection or Notice of Intent to Appear to be filed with the Clerk of the Court.***) The Court may adjourn this date without further notice. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Highberger will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

### 21. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer questions Judge Highberger 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 you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

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

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Payne v. City National Bank* and *Madison v. City National Bank*." Be sure to include your name, address, telephone number,

and your signature. Your Notice of Intention to Appear must be postmarked no later than December 17, 2018, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the four addresses in Question 18 above. You cannot speak at the hearing if you excluded yourself from the settlement.

## **IF YOU DO NOTHING**

### **23. What happens if I do nothing at all?**

If you do nothing, you'll get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against any of the Defendants about the legal issues in this matter, ever again.

## **GETTING MORE INFORMATION**

### **24. Are there more details about the settlement?**

This notice summarizes the proposed settlement. More details are in the parties' Settlement Agreement. You can get a copy of the Settlement Agreement by writing to Steven Nuñez, Ward & Hagen, LLP, 440 Stevens Avenue, Suite 350, Solana Beach, California 92075 or Michael P. Denver, Hollister & Brace, 1126 Santa Barbara Street, Santa Barbara, California 93101, or by visiting [www.nasi-classsettlement.com](http://www.nasi-classsettlement.com).

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

You can call 858-242-1177 or 858-242-1199 toll free; write to Nationwide Automated Systems, Inc., NASI Claims Administrator, Attn: William J. Hoffman, 9339 Genesee Avenue, Suite 130, San Diego, CA 92121; or visit the website at [www.nasi-classsettlement.com](http://www.nasi-classsettlement.com), where you will find answers to common questions about the settlement, a Release Form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

DATE: September 30, 2018

## UNDERSTANDING YOUR PAYMENT

STEP 1: Total all the amounts that you paid to NASI to buy ATMs.

STEP 2: Total all the amounts that NASI paid to you, including any return on investment, monthly rent, return of principal (in connection with NASI’s repurchase of the ATMs or otherwise), commissions, assets in kind, fees and other payments.

STEP 3: Subtract the total calculated in Step 2 from the total calculated in Step 1. This is your Net Loss. If your Net Loss is less than zero, you do not have a claim in this settlement.

STEP 4: Your pro rata share of the settlement funds to be distributed to Settlement Class Members will be the percentage that your Net Loss represents as a proportion of the total dollar amount of the cumulative Net Losses of all Participating Class Members. This percentage (your pro rata share) is the same percentage of the settlement funds being distributed to Settlement Class Members that you will get. This amount can be estimated precisely only after the Receiver receives all the Release Forms.

STEP 5: The Receiver will calculate your Net Loss and your payment from the settlement fund.

EXAMPLE—PAYMENT CALCULATION	
Suppose John Smith bought 50 ATMs at \$12,000 per ATM, and received back from NASI only \$100,000 in monthly returns and other payments:	
STEP 1:	John Smith paid total amount of \$600,000 for 50 ATMs. (\$600,000 equals 50 times \$12,000)
STEP 2:	Total amount received from NASI was \$100,000.
STEP 3:	John Smith’s Net Loss is \$500,000. (\$500,000 equals \$600,000 minus \$100,000)
STEP 4:	Assume that John Smith receives \$138,889 as his share of the Receiver Distribution, leaving him with uncompensated \$361,222 in Net Loss. (\$500,000 minus \$138,889 equals \$361,222)
STEP 4:	Suppose in this example that the cumulative Net Losses of all Settlement Class Members who timely provide Release Forms is \$91,000,000. Then John Smith’s pro rate share of the settlement funds being distributed to Settlement Class Members is 0.4%. (\$500,000 divided by \$91,000,000 equals 0.4%)
STEP 5:	Suppose that that there are no opt-outs from the settlement, so that the Class Settlement Payment that City National makes is \$33,000,000, and that the Court awards the Plaintiffs’ Counsel and the Receiver (for Claims Administrator duties) a total of \$10,300,000 in fees and costs, leaving \$22,700,000 in settlement funds to be distributed to Settlement Class Members. In that case, John Smith’s payment would be \$90,079. (\$22,700,000 times 0.4% equals \$90,079)