

LEGAL NOTICE

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 settlement has been proposed in a class action lawsuit over the sale of ATMs by Nationwide Automated Systems, Inc. (“NASI”). The settlement will provide up to a maximum of \$33 million to pay claims from certain investors who lost money on NASI ATMs. If you qualify, you may send in a Release Form to get benefits, or you can exclude yourself from the settlement, or object to it.

The Superior Court of California, County of Los Angeles, authorized this notice. Before any money is paid, the Court will have a hearing to decide whether to approve the settlement.

WHO IS INCLUDED?

You may be a Settlement Class Member and could get benefits if you purchased ATMs from NASI and lost money. You must have incurred a Net Loss from your investment in NASI ATM sale/leaseback transactions. The United States District Court for the Central District of California appointed a Receiver to take over NASI when it was discovered that NASI was a Ponzi scheme. Based on NASI’s records, among other information, the Receiver has determined which NASI investors incurred a Net Loss.

WHAT’S THIS ABOUT?

The settlement resolves a lawsuit over whether City National Bank aided and abetted the Ponzi scheme that NASI perpetrated through the ATM sale-leaseback transactions NASI sold to investors. The Court did not decide in favor of Plaintiffs or Defendants. The two sides disagree about who would have prevailed at trial and about how much money could have been obtained if the investors had won. But both sides agreed to the settlement to resolve the case and get benefits to investors.

WHAT DOES THE SETTLEMENT PROVIDE?

City National Bank 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 valid Release Forms. If no Settlement Class Members opt out of the settlement, the fund will be \$33 million. However, the Settlement Payment will be reduced by 1.03 times the percentage that the cumulative Net Losses of Settlement Class Members opting out of the settlement represents as a portion of the cumulative Net Losses of all Settlement Class Members. For example, if the cumulative Net Losses of the Class Members who opt out constitutes 2% of the sum of the damages asserted by the entire Class, the amount of the Settlement Payment will be reduced by 2.06% of \$33,000,000 (i.e., \$679,800) to equal \$32,320,000. The funds available to be distributed to investors will be further reduced by the amount of fees and costs that the Court awards to Plaintiffs’ Counsel.

There were about 1350 NASI investors who experienced a Net Loss. The Receiver calculates the cumulative Net Losses of these investors to be approximately \$126,000,000. The Receiver has recovered \$35,000,000 independent of this settlement, leaving \$91,000,000 of unrecovered Net Losses.

If you have a Net Loss, you are entitled to make a claim in the amount of your Net Loss. You will not get a payment from this settlement in the amount of your entire Net Loss. 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. Settlement Class Members who bought more ATMs, or received back from NASI a smaller amount of money, have a larger Net Loss and will receive more money; those who bought fewer ATMs, or held them longer, have a smaller Net Loss and will receive less.

If every eligible Class Member does not opt out, the Settlement Payment would be \$33 million. If the Court awarded Plaintiffs’ Counsel \$9.9 million in fees plus \$200,000 in costs [Plaintiffs’ Counsel have agreed to request no more than 30% for fees], and there is \$200,000 of costs 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 or her Net Loss. Generally, in class settlements, 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. If the Court does not grant the full application for Plaintiffs’ Counsel fees of 30%, the difference between the 30% and the amount awarded will be available for distribution to the Class Members.

HOW DO YOU ASK FOR A PAYMENT?

To qualify for a payment, you must send in a Release Form. A detailed notice and Release Form package containing everything you need will be mailed to you. You can also call or visit the website to get one. **Release Forms are due by May 1, 2019.**

WHAT ARE YOUR OTHER OPTIONS?

If you don’t want to be legally bound by the settlement, you must exclude yourself (opt out) by November 30, 2018, or you won’t be able to sue City National Bank or any of its employees about NASI. If you exclude yourself, you can’t get money from this settlement. If you stay in the settlement, you may object to it by December 17, 2018. The detailed notice received by you and available on the website referenced below explains how to exclude yourself or object. If requests for exclusion exceed

certain thresholds, City National Bank will have the right to terminate the settlement.

The Court will hold a hearing in *Madison v. City National Bank*, Case No. BC666719, and *Payne v. City National Bank*, Case No. BC655806 on January 29, 2019 to consider whether to approve the settlement and also whether to approve the requests of Plaintiffs' Counsel (as defined in the settlement), including the lawyers representing all Settlement Class Members (Robert L. Brace, Esq., Michael P. Denver of Hollister & Brace, Christopher Hagen and Steven Nuñez of Ward & Hagen, and Julio J. Ramos of the Law Offices of Julio J. Ramos LLP) for attorneys' fees and

costs for investigating the facts, litigating the case, and negotiating the settlement. The fees and costs will come out of the settlement fund. You may ask to appear at the hearing, but you don't have to. For more information, call 858-242-1177 or 858-242-1199, write to NASI Claims Administrator, Attn: William J. Hoffman, 9339 Genesee Avenue, Suite 130, San Diego, CA 92121, or visit the website www.nasi-classsettlement.com. You can get a copy of the Settlement Agreement by writing to Michael P. Denver at Hollister & Brace, P.O. Box 630, Santa Barbara, CA 93102 or by visiting

www.nasi-classsettlement.com.

858-242-1177 or 858-242-1199

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