

ST. LOUIS COUNTY CIRCUIT COURT, STATE OF MISSOURI

If You Lived in Missouri and Bought adidas Products Remotely (including website) between October 1, 2016 and October 31, 2020

You Qualify to get Money From a Settlement

Includes remote purchases made from adidas’s website or other remote sales channels.

A Missouri court has ordered preliminary approval of the settlement. This is not a solicitation from a lawyer.

- There is a Settlement in a class action lawsuit that claims adidas charged higher state tax to some Missouri consumers (see Question 2). adidas denies it did anything wrong, but has agreed to settle the case to avoid litigation costs.
- Automatic refunds will be provided to eligible consumers. Generally, you are included if: (1) you bought at least one item from adidas either through adidas’ website, www.adidas.com where adidas calculated the tax due on your purchase; (2) you completed your purchase between October 1, 2016 and October 31, 2020; (3) the product was shipped by or for adidas from a location outside of Missouri; (4) your delivery address was located within Missouri; and (5) a tax rate higher than the Vendor’s Use Tax Rate was applied to at least some of your purchases from adidas.
- A Settlement Fund will pay: (1) money to eligible Class Members; (2) the costs of notice and administration; (3) a service award to the class representative; and (4) attorneys’ fees, costs, and expenses.
- Your legal rights are affected whether you act or not.
- **Read this notice carefully because it explains the decisions you must make and actions you must take now.**

YOUR LEGAL RIGHTS AT OPTIONS

DO NOTHING	If you are included, then you will get an automatic payment if your email used to make your adidas purchase is linked to your PayPal account. In exchange, you give up your right to sue adidas about the claims in this lawsuit. You should select your form of payment on the settlement website www.MissouriTaxSettlementadidas.com if the email address used in your purchase is not linked to your PayPal account.
EXCLUDE YOURSELF	Get no money from the Settlement. This is the only choice that allows you to ever be part of any other lawsuit against adidas about the claims in this case (<i>see</i> Question 15).
OBJECT	Write to the Court about why you don’t like the Settlement (<i>see</i> Question 20).
ATTEND A HEARING	Ask to speak in Court about the fairness of the Settlement (<i>see</i> Question 25).

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. Payments will be made to those who qualify if the Court approves the Settlement and after any appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why was this notice issued?

The Court authorized this Notice because you have a right to know about the proposed Settlement, and your rights and options, before the Court decides whether to approval the Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights. Your legal rights are affected whether you act or not.

QUESTIONS? VISIT WWW.MISSOURITAXSETTLEMENTADIDAS.COM OR CALL 1-800-427-0798

Judge Joseph L. Walsh of the St. Louis County Circuit Court of Missouri, Division 17, is overseeing this case. The lawsuit is known as *Sally v. adidas America, Inc.*, Cause No. 20SL-CC03903. The person who sued, in this case Randall Sally, is known as the “Plaintiff,” and adidas, America LLC. (“adidas”) is the “Defendant.”

2. What is this lawsuit about?

The lawsuit claims that adidas charged some Missouri consumers more state tax they should have for products they bought on adidas’s website, or remotely, that were shipped from locations outside the state. adidas denies the claims in this lawsuit and that it did anything wrong.

This notice is only a summary. More detail is provided in the Settlement Agreement, available at www.MissouriTaxSettlementadidas.com.

3. Why is this a class action?

In a class action, one or more people called “class representatives” (in this case, Randall Sally) sue on behalf of themselves and other people who have similar claims. Together, these people are “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the class (*see* Question 15).

4. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or adidas. Instead, both sides have agreed to a Settlement. By agreeing to the Settlement, they avoid the costs and uncertainty of a trial, and Class Members receive the benefits described in this notice. The proposed Settlement does not mean that any law was broken or that adidas did anything wrong. The parties believe that the Settlement is in the best interest of Class Members.

WHO IS IN THE SETTLEMENT?

5. Who is included in the Settlement?

Purchase records indicate that you are included. The Class includes anyone who made a qualifying purchase. A qualifying purchase is where:

- You bought a product from adidas;
- You made the purchase through a transaction on adidas’s website, www.adidas.com, or another remote way where adidas calculated the tax due on your purchase;
- You completed your purchase between October 1, 2016 through October 31, 2020;
- The product was shipped to you by or for adidas from a location outside of Missouri;
- Your delivery address was located within Missouri; and
- A tax rate higher than the Vendor’s Use Tax Rate was applied to at least a portion of the purchase (*see* Question 6).

6. How do I know if a tax rate higher than the Vendor’s Use Tax Rate was applied to my purchase?

Almost all remote purchases made in Missouri during the class period are believed to be charged at the higher rate. Vendor’s Use Tax Rate is the current Missouri state and local vendor’s use tax rates in your location on the date of your purchase.

The total amount of Vendor’s Use Tax Rate can be calculated using the following formula:

$$(\text{Product charges before tax} + \text{shipping \& handling}) \times \text{Vendor’s Use Tax Rate}$$

7. If I have already received a refund on my qualifying purchase, am I included?

If you received a full refund on your qualifying purchase, then you are not included. However, if you received a partial refund then you will be eligible to receive an additional refund.

8. I'm still not sure if I am included. What should I do?

If you are not sure whether you are a Class Member, or have any other questions about the Settlement, visit the website www.MissouriTaxSettlementadidas.com. You may also send questions to the Settlement Administrator at adidas Tax Settlement, c/o Atticus Administration, PO Box 64053, St. Paul, MN 55164 or call toll-free 1-800-427-0798.

SETTLEMENT BENEFITS – WHAT YOU CAN GET

9. What does the Settlement provide?

If the Settlement is approved and becomes final, it will provide money to Class Members. The Settlement Fund will pay Class Members (*see* Question 10), attorneys' fees and costs, costs of notice and administration, and a \$5,000 service award to the Class Representative (*see* Question 19).

The Settlement Agreement and Addendum available at www.MissouriTaxSettlementadidas.com, has more information.

10. What can I get from the Settlement?

You will get an automatic payment based on the amount of Vendor's Use Tax that would have applied to your qualifying purchase(s). The amount of payment will depend on the total amount of money you were originally charged, the number of Class Members eligible for a refund, and the total amount of money available to the settlement class. Payment amounts will be adjusted proportionately to ensure that all eligible Class Members receive a payment.

11. What happens if there are funds remaining after distribution?

If there are any funds remaining after all payments are processed, those funds will be distributed to "The Buddy Fund" (buddfund.org) and Legal Services of Eastern Missouri, or another non-profit organization. No funds will be returned to adidas.

12. When will I get my payment?

Class Members will receive their payments after the Court grants final approval to the Settlement and any appeals are resolved (*see* "The Court's Fairness Hearing" below). If there are appeals, then resolving them can take time. Please be patient.

HOW TO RECEIVE A PAYMENT

13. How can I get a payment?

If the email address you used to make your qualifying purchase is linked to your PayPal account, then you do not need to do anything to receive a payment under the Settlement. Class Members will receive an automatic payment via PayPal to the email account that was used to make the qualify purchase. If you do not have a PayPal account using that email address, then you can link your email address that was used for your qualifying purchase at www.paypal.com.

If you want to receive your payment using a method other than PayPal, then please make your selection on the Payment Method Selection page on the website at www.MissouriTaxSettlementadidas.com.

14. What if I do nothing?

If you are a Class Member and you do nothing, you can get an automatic payment from the Settlement and you will be bound by the Court's decisions. If your email used for the qualifying purchase is linked to your PayPal Account, then

the funds will be delivered via PayPal. Otherwise, you should go to the Settlement Website www.MissouriTaxSettlementadidas.com and select your form of payment.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement and want to keep the right to sue or continue to sue adidas on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from— or it is sometimes referred to as “opting out” of—the Class.

15. How can I get out of the Settlement?

To exclude yourself from the Class, you must write to the Settlement Administrator by July 24, 2023. **Your exclusion request must be postmarked by July 24, 2023 and received by the Settlement Administrator by August 3, 2023.**

Your letter must include:

1. Your first and last name;
2. The unique Claimant ID number from your notice;
3. A statement that you wish to be excluded from the Class in *Sally v. adidas America Inc.*, Cause No. 20SL-CC03903; and
4. Your signature (you must personally sign the letter).

You must comply with all of the above for the exclusion to be valid. Your written exclusion request must be postmarked by **July 24, 2023 and received by August 3, 2023**. Send your request to:

adidas MO Tax Settlement
c/o Atticus Administration
PO Box 64053
St. Paul, MN 55164

16. If I exclude myself, can I still get a payment?

No. You will not receive a payment if you exclude yourself from the Settlement.

17. If I don't exclude myself, can I sue adidas for the same thing later?

No. If the Court approves the proposed Settlement and you do not exclude yourself you will give up or “release” all of the claims made in this lawsuit.

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

Yes. The Court has appointed the attorneys at the law firms below to represent you and the other Class Members in this lawsuit. The lawyers representing you and the Class Members are called “Class Counsel.” You will not be charged for the services of these lawyers.

You may contact Class Counsel as follows:

Daniel J. Orlowsky Orlowsky Law, LLC 7777 Bonhomme, Suite 1910 St. Louis, MO 63105	Adam. M. Goffstein Goffstein Law, LLC 7777 Bonhomme, Suite 1910 St. Louis, MO 63105
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19. How will the lawyers be paid?

Class Counsel have not been paid anything to date for their work on this case. Class Counsel will request attorneys' fees and expenses of 36% of the Settlement Fund.

Class Counsel will also ask the Court for a service award of up to \$5,000 for the Class Representative for his work on behalf of the Class. Any service award will also be paid out of the Settlement Fund.

OBJECTING TO THE SETTLEMENT

20. How can I tell the Court if I do not like the Settlement?

If you choose to remain a Class Member, then you can object to any part of the proposed Settlement. The Court will consider your views.

To object, you must send a letter by mail stating that you object to *Sally v. adidas America Inc.*, Cause No. 20SL-CC03903. Your objection must also include:

1. Your first and last name;
2. The unique Claimant ID number from your notice;
3. A written statement describing your objection(s), including any documentation and/or any supporting evidence;
4. The name and contact information for your attorney, (if any),
5. A statement of whether you (or your attorney) intend to appear and speak at the Final Approval Hearing, and
6. Your signature.

You must mail your objection to the following address, postmarked by **July 24, 2023 and received by August 3, 2023**. **For your objection to be valid, you must comply with all of the above.**

adidas MO Tax Settlement
c/o Atticus Administration
PO Box 64053
St. Paul, MN 55164

21. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you don't like something about the Settlement. You can only object if you stay in the Class. If you object to the Settlement, then you are still a Class Member.

Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, then you have no basis to object to the Settlement and appear at the Fairness Hearing because it no longer affects you.

REMAIN IN THE CLASS

22. What am I giving up if I stay in the Settlement class and receive a payment?

If the settlement becomes final, then you can't sue adidas or be part of any other lawsuit against adidas about the issues in this case. Unless you exclude yourself, all of the decisions by the Court will bind you. The Settlement Agreement is available at www.MissouriTaxSettlementadidas.com and describes the specific claims you give up if you remain in the Settlement. Please read it carefully.

If you have any questions, you can talk to the lawyers listed in Question 18 for free or you can talk to your own lawyer at your own expense if you have questions about what this means.

THE COURT'S FINAL APPROVAL HEARING

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

On **August 31, 2023 at 9:00 a.m.**, the Court will hold a Final Approval Hearing in Division 17 at the St. Louis County Circuit Court at 105 South Central Avenue, Clayton, MO 63105. The hearing may be moved to a different location, date or time without additional notice so check www.MissouriTaxSettlementadidas.com for important updates.

At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, then the Court will consider them at that time. The Court may also decide whether to award attorneys' fees and costs, as well as a special payment to the Class Representative. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long the decision will take.

24. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have at the Final Approval Hearing. But you are welcome to come at your own expense. If you send an objection, then you don't have to come to Court to talk about it. As long as you mailed your written objection on time and it was received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

25. May I speak at the hearing?

Yes. If you file an objection, you may ask the Court for permission to speak at the hearing. To do so, you must submit a valid objection, postmarked by **July 24, 2023 and received by August 3, 2023**, stating that you (or your lawyer's) intend to appear at the Final Approval Hearing (*see* Question 20).

GETTING ADDITIONAL INFORMATION

26. How can I get more information?

This notice is only a summary. More details are in the Settlement Agreement available at www.MissouriTaxSettlementadidas.com. You may also write, email, or call with questions to the Settlement Administrator at: adidas MO Tax Settlement, c/o Atticus Administration, P.O. Box 64053, St. Paul, MN 55164; MissouriTaxSettlementadidas@atticusadmin.com or 1-800-427-0798.