

EXHIBIT A



Claim Requirements

In the process of submitting claims, Financial Institutions were required to elect which Tier(s) their claims would apply to:

For Tier 1: Non GCAR Eligible Tier Claims, the Financial Institutions (FIs) were required to provide the total number of Non GCAR Eligible Compromised Payment Cards for which the FI received an Alert related to the Kmart Data Breach. Additionally, FIs were required to upload supporting documentation consisting of copies of the Data Breach Alerts that were received for the claimed Non GCAR Eligible Compromised Payment Cards. If these documents were unavailable, FIs were asked to provide as much information as possible.

For Tier 2: All Class Tier Claims, the FIs were required to provide the total amount of fraud damages incurred related to the Kmart Data Breach and the total amount of card reissuance damages incurred related to the Kmart Data Breach. Additionally, FIs were required to upload supporting documentation consisting of proof of all fraud expenses incurred within the Fraud Window on Compromised Payment Cards, and/or supporting documentation of proof of actual costs of replacing physical payment cards on Compromised Payment Cards.

Matching to Original Records

Epiq's processing of submitted Claims consisted of both programmatic and manual aspects. First, Epiq programmatically matched FIs to Original Records¹, wherever possible. If a programmatic match could not be found, a manual review of the submission and the existing database would occur, in an attempt to match the submission with an Original Record. As seen in lines 7 and 21, of the Claims Processing Analysis PDF, Epiq matched 140 Tier 1 Claims to Original Records, and 73 Tier 2 Claims to Original Records.

The primary benefit of matching submissions to Original Records was to compare the claimed number of Non GCAR Eligible Compromised Payment Cards against the total number of cards provided in the Visa and MasterCard data files.

Official vs. Unofficial Documents

The most significant undertaking of Epiq's Claims Processing was the review of submitted supporting documents. As no two FIs keep identically formatted records, Epiq devised a protocol for determining documentation type and validity.

Tier 1 Claim's request for Data Breach Alerts resulted in a low variance on the format type of submitted documents. Tier 1 Official Documents are defined as files containing full lists of affected cards, and/or containing the proper alert codes, and/or clearly stating Non GCAR Eligible Compromised Payment Cards. If the number of Non GCAR Eligible Compromised Payment Cards was not clearly stated in the supporting documentation, analysts were instructed to subtract the number of alerted accounts from the number of GCAR eligible accounts. Moreover, screen shots of official documentation were also considered Official Documents. Tier 1 Unofficial Documents are defined as any document that was created by the FI containing only a summary of the affected cards (rather than a list of the affected cards).

¹ Original Records are those records provided in the Visa and MasterCard data files.



Tier 2 Claims did not contain a specific requirement for type or format of supporting documentation; therefore, the variance among the submissions was high. In order to delineate the submission from one another, Epiq defined Tier 2 Official Documents as invoices, bank statements, or fraud reports which contained items or dates that directly corresponded to the data breach and/or Fraud Window. Tier 2 Unofficial Documents are defined as any documents created by the FI, themselves. Examples of Tier 2 Unofficial Documents include FI generated spreadsheets, balance reports, or personal records.

Results

As seen in the green highlighted cells of the Claims Processing Analysis PDF, Epiq recommends paying Claims which provided Official or Unofficial Documents, but not paying Claims that provided no documents, whatsoever, with the exception of Tier 1 Claims that were matched to an Original Record but did not submit any documentation. The reason to include Tier 1 Claims that were matched to an Original Record but did not submit any documentation as eligible for payment, is that Epiq could, at the least, verify those claimed counts against the data provided by Visa and MasterCard. For all other Claims that did not submit any documentation (“deficient” claims), Epiq has no avenue to verify or confirm their claimed counts or amounts.²

Settlement Benefits

Tier 1:

- If the Epiq recommendations are approved, then at least 251 financial institutions will receive the maximum payout of \$2.38 per claimed card, and the minimum total payout for Tier 1 Claims will be \$740,515.58.³

Tier 2:

- If the Epiq recommendations are approved, a minimum of 166 financial institutions will receive payments for Tier 2 Claims. The maximum total payout for Tier 2 Claims will be \$4,331,576.42, which will be distributed on a pro rata basis.

² Epiq is in the process of contacting the representatives for these deficient Claims and has allowed 10 business days for each FI to provide supporting documentation related to its Claim. Any submitted supporting documentation will be evaluated using the same criteria outlined in the above narrative, and previously “deficient” Claims may be re-categorized as valid and eligible. This process may result in an increase to the number of valid and eligible Claims, but the number of paid claims shall not be reduced from what is currently contemplated in the Claims Processing Analysis PDF. Only 21 claims were deemed deficient out of the 438 total claims submitted in Tier 1 and Tier 2.

³ This number may increase if any deficient claims are cured. Assuming that all of the deficient Tier 1 Claims are cured, the maximum total payout for Tier 1 Claims will be \$777,484.12.

**Kmart FI Data Breach Settlement
Claims Processing Analysis**

1	Total Number of Submissions (Claims)	350
2	Total Number of Claimants (Records)	337
3	Total Number of Claimants who filed ONLY Tier 1	159
4	Total Number of Claimants who filed ONLY Tier 2	77
5	Total Number of Claimant who filed both Tier 1 and Tier 2	101

6	Total Number of Tier 1 Claimants	260
7	Tier 1 Claimants Matched to Original Records	140
8	Number of Cards stated in Original Data	217,072
9	Number of Cards Claimed through Portal (will not equal the below three)	114,370
10	Number of Cards Claimed according to provided Official Documents	107,528
11	Number of Cards Claimed according to provided Unofficial Documents	25,329
12	Number of Cards Claimed w/ No Documents (from claimed count)	20,838
13	Tier 1 Claimants NOT Matched to Original Records	120
14	Number of Cards stated in Original Data	-
15	Number of Cards Claimed through Portal (will not equal the below three)	110,120
16	Number of Cards Claimed according to provided Official Documents	91,333
17	Number of Cards Claimed according to provided Unofficial Documents	66,113
18	Number of Cards Claimed w/ No Documents (from claimed counts)	15,533

19	Total Number of Tier 1 Cards Epiq Recommends Including In Calculations	311,141
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20	Total Number of Tier 2 Claimants	178
21	Tier 2 Claimants Matched to Original Records	73
22	Damages Claimed through Portal (will not equal the below three)	\$ 1,114,649.16
23	Damages Claimed according to provided Official Documents	\$ 454,486.55
24	Damages Claimed according to provided Unofficial Documents	\$ 840,414.60
25	Damages Claimed w/ No Documents (from claimed amounts)	\$ 9,414.79
26	Tier 2 Claimants NOT Matched to Original Records	105
27	Damages Claimed through Portal (will not equal the below three)	\$ 7,284,364.36
28	Damages Claimed according to provided Official Documents	\$ 585,511.11
29	Damages Claimed according to provided Unofficial Documents	\$ 5,414,879.60
30	Damages Claimed w/ No Documents (from claimed amounts)	\$ 64,826.69

31	Total Number of Tier 2 Damages Epiq Recommends Including In Calculations	\$ 7,295,291.86
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