

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Zanca v. Epic Games, Inc., Case No. 21-CVS-534
(General Court of Justice, Superior Court Division, Wake County, North Carolina)

*For more information, visit www.EpicLootBoxSettlement.com.
Para informacion en Espanol, visitar www.EpicLootBoxSettlement.com.*

PLEASE READ THIS NOTICE CAREFULLY.

If You Played *Fortnite* or *Rocket League* Between July 1, 2015 and February 25, 2021, and Exchanged In-Game Virtual Currency for any In-Game Item or Purchased In-Game Virtual Currency for Use Within *Fortnite* or *Rocket League*, You May Be Eligible to Receive Cash Compensation or In-Game Virtual Currency From a Class Action Settlement.

This Notice Explains Your Rights and Options and the Deadlines to Exercise Them.

*The Superior Court of Wake County, North Carolina authorized this Notice.
You are not being sued. This is not a solicitation from a lawyer.*

WHY DID I GET THIS NOTICE?

- A Settlement has been reached in a class action lawsuit between Defendant Epic Games, Inc. (“Defendant” or “Epic Games”) and certain individuals who have alleged that Epic Games violated state consumer protection laws, prevented minors from exercising their rights, and negligently misrepresented the value of its in-game items in connection with its *Fortnite* and *Rocket League* videogames. The case is *Zanca, et al. v. Epic Games, Inc.*, Case No. 21-CVS-534, currently pending in the Superior Court of Wake County, North Carolina before the Honorable K. Gregory, General Court of Justice, Superior Court Division (the “Action”). The proposed Settlement is not an admission of wrongdoing by Epic Games, and it denies that it violated the law. The Court has not decided who is right or wrong. Rather, to avoid the time, expense, and uncertainty of litigation, the Parties have agreed to settle the lawsuit. The Court has granted preliminary approval of the Settlement and has conditionally certified the Settlement Class for purposes of settlement only.
- You are a member of the Settlement Class if, at any time between July 1, 2015 and February 25, 2021, you had a *Fortnite* or *Rocket League* account that you used to play either game on any device and in any mode, and (a) exchanged in-game virtual currency for any in-game benefit, or (b) made a purchase of virtual currency or other in-game benefit for use within *Fortnite* or *Rocket League*.
- As part of the Settlement, Epic Games will automatically add 1,000 *Fortnite* V-Bucks to each *Fortnite* account that was used to acquire a “Loot Llama” loot box, and 1,000 *Rocket League* Credits to each *Rocket League* account that was used to acquire a “Crate” loot box, the contents of which were not known before opening them. Additionally, you may submit a Claim Form

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to receive your choice of cash compensation or additional V-Bucks/Credits, as set forth in more detail in this Notice and in the Settlement Agreement available for your review on the Settlement Website, www.EpicLootBoxSettlement.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a claim form	As part of this Settlement, Epic Games will send 1,000 <i>Fortnite</i> V-Bucks to each <i>Fortnite</i> account that was used to acquire a “Loot Llama” loot box, and 1,000 <i>Rocket League</i> Credits to each <i>Rocket League</i> account that was used to acquire a “Crate” loot box, the contents of which were not known before opening. You may also submit a Claim Form for additional compensation for other real money in-game purchase(s) if you believe the purchase gives rise to a claim of consumer fraud, breach of contract, or other claim for damages, or if you wish obtain a partial refund for a purchase you made as a minor with the minor’s own money and without parental permission. <i>Submitting a timely, valid Claim Form is the only way you can receive cash payments or additional V-Bucks/Credits, or if you wish to make a claim for minor disaffirmance.</i>
Do nothing	If you acquired a “Loot Llama” or “Crate” loot box the contents of which were not known before opening, you will still automatically receive the 1,000 <i>Fortnite</i> V-Bucks or the 1,000 <i>Rocket League</i> Credits. However, you will receive <u>no</u> additional cash payments and <u>no</u> additional V-Bucks or Credits under the Settlement, and you will give up your rights to sue Epic Games about the issues in this case (See the Settlement Agreement, available at www.EpicLootBoxSettlement.com , for a full description of what legal claims you will be releasing).
Exclude yourself	You will not be entitled to submit a Claim Form for additional cash payments or V-Bucks/Credits, but you will retain any rights you currently have to sue Epic Games about the issues in this case. If you acquired a “Loot Llama” or “Crate” loot box, you will still automatically receive the 1,000 <i>Fortnite</i> V-Bucks or the 1,000 <i>Rocket League</i> Credits.
Object	Write to the Court explaining why you don’t like the Settlement.
Attend a hearing	Ask to speak in Court about the fairness of the Settlement.

These rights and options—and the deadlines to exercise them—are explained in this Notice. Please review this Notice carefully.

The Court presiding over this case still has to decide whether to approve the Settlement. The cash payments and the additional V-Bucks or Credits made available by this Settlement will be provided only after any issues with the Settlement are resolved. Please be patient.

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WHAT IS THIS LAWSUIT ABOUT?

The lawsuit alleges that Epic Games violated state consumer protection laws, prevented minors from exercising their contractual disaffirmation rights, and negligently misrepresented the value of its in-game items in connection with its *Fortnite* and *Rocket League* videogames. Epic Games denies each and every allegation of wrongdoing, liability, and damages asserted in the Action, and Epic Games denies that the claims in the Action would be appropriate for class treatment if the litigation were to proceed through trial.

The Plaintiffs' Complaint, the Settlement Agreement, and other case-related documents are available on the Settlement Website, accessible at www.EpicLootBoxSettlement.com.

WHY IS THIS A CLASS ACTION?

A class action is a lawsuit in which one or more persons called a "Class Representative" sues on behalf of people who have similar claims. All of these people together are a "Settlement Class" or "Settlement Class Members." The Settlement, if finally approved by the Court, resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class.

WHY IS THERE A SETTLEMENT?

The Plaintiffs and Epic Games have determined that it is in their best interests to settle this case to avoid the expenses and uncertainties associated with litigation. This Settlement resolves all claims asserted in the case against Epic Games and its affiliated entities. The Settlement is not an admission of wrongdoing by Epic Games and does not imply that there has been, or would be, any finding that Epic Games violated any law. Epic Games denies each and every allegation of wrongdoing and liability in the Action.

The Court has already preliminarily approved the Settlement. Nevertheless, because the settlement of a class action determines the rights of all members of the class, the court overseeing these lawsuits must give final approval to the Settlement before it can be effective. The Court has conditionally certified the Settlement Class for settlement purposes only, so that Settlement Class Members have this notice and the opportunity to exclude themselves from the Settlement Class, to voice their support or opposition to final approval of the Settlement, and to have the opportunity to obtain the additional benefits offered by the Settlement. If the Court does not give final approval to the Settlement, or if it is terminated by the Parties, the Settlement will be void, and the lawsuit will proceed as if there had been no settlement and no certification of the Settlement Class.

WHO IS IN THE SETTLEMENT CLASS?

You are a member of the Settlement Class if, at any time between July 1, 2015 and February 25, 2021, you had a *Fortnite* or *Rocket League* account that you used to play either game on any device and in any mode, and (a) exchanged in-game virtual currency for any in-game benefit, or (b) made a purchase of virtual currency or other in-game benefit for use within *Fortnite* or *Rocket League*.

WHAT ARE MY OPTIONS?

(1) Submit a Claim Form.

As part of this Settlement, Epic Games will automatically add 1,000 *Fortnite* V-Bucks to each *Fortnite* account that was used to acquire a "Loot Llama" loot box, and 1,000 *Rocket League*

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Credits to each *Rocket League* account that was used to acquire a “Crate” loot box, the contents of which were not known before opening. You do not need to submit a Claim Form to receive this benefit.

If you believe a real-money purchase you made of virtual currency or other in-game items related to *Fortnite* or *Rocket League* gives rise to a claim of consumer fraud, breach of contract, or other claim for damages, or if you wish obtain a partial refund for a real-money purchase you made of virtual currency or other in-game items related to *Fortnite* or *Rocket League* as a minor with the minor’s own money and without parental permission, pursuant to an asserted statutory right of contractual disaffirmation, you must submit a completed Claim Form to be eligible to receive your choice of a cash award or V-Bucks/Credits.

To receive a cash award or additional V-Bucks/Credits, you must complete a Claim Form and submit it by **April 26, 2021**. An online claim form is available at www.EpicLootBoxSettlement.com, or you may obtain a paper claim form by calling the Settlement Administrator. Claims must be received by the Settlement Administrator by **April 26, 2021**. ***Submitting a valid and timely Claim Form is the only way to receive a cash award from this Settlement, and is the only thing you need to do to seek an award of additional V-Bucks/Credits or a cash award.*** If the Court approves the Settlement and it becomes final and effective, and you have submitted an Approved Claim, then you will receive your elected award. Each Settlement Class Member may submit one Claim Form for all *Fortnite*-related claims and another Claim Form for all *Rocket League*-related claims.

(2) Exclude yourself.

You may exclude yourself from the Settlement. If you do so, and if you acquired a “Loot Llama” or “Crate” loot box, the contents of which were not known before opening, you will still automatically receive the 1,000 *Fortnite* V-Bucks or the 1,000 *Rocket League Credits*, but you will receive no other benefit from the Settlement. You will not release any claims you may have against Epic Games and the Released Parties (as that term is defined in the Settlement Agreement, available for review at www.EpicLootBoxSettlement.com), and you will be free to pursue whatever legal rights you may have by pursuing your own lawsuit against the Released Parties at your own risk and expense. To exclude yourself from the Settlement, you must mail a timely letter to the Settlement Administrator at Epic Games Settlement, c/o Settlement Administrator, PO Box 2973, Portland, OR 97208-2973, postmarked by **April 12, 2021**. Your request to be excluded from the Settlement must be personally signed by you and contain a statement that indicates your desire to be excluded from the Settlement Class in *Zanca v. Epic Games, Inc.* The request should also include your full name, address, telephone number(s), and identify the case name *Zanca v. Epic Games, Inc.*, Case No. 21-CVS-534.

You cannot ask to be excluded by phone or on the Settlement Website. You may opt out of the Settlement Class only for yourself.

(3) Object to the Settlement.

If you are a Settlement Class Member (and do not exclude yourself from the Settlement Class), you can object to any part of the Settlement. To object, you must submit a timely letter that includes the following: (1) your full name and current address, (2) your *Fortnite* or *Rocket League* account number(s) and the email address(es) associated with your *Fortnite* or *Rocket League* account(s), (3) a statement that you believe you are a Settlement Class Member, (4) the specific grounds for the objection, (5) all documents or writings that you wish the Court to consider, (6) the name and contact information of any and all attorneys representing, advising, or in any way assisting you in connection with the preparation or submission of the objection or who may profit from the pursuit of the objection; (7) the identification of any other objections you have filed, or have had filed on

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your behalf, in any other class action cases in the last four years; and (8) a statement indicating whether you intend to appear at the Final Approval Hearing.

IF YOU DO NOT TIMELY AND VALIDLY MAKE YOUR OBJECTION, YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS AND WILL NOT BE ENTITLED TO SPEAK AT THE FINAL APPROVAL HEARING.

If you file and serve a written objection and statement of intent to appear, you may appear at the Final Approval Hearing, either in person or through your personal counsel hired at your own expense, to object to the fairness, reasonableness, or adequacy of the Settlement.

If you wish to object, you must file your objection with the Court (using the Court’s electronic filing system or in any manner in which the Court accepts filings) no later than **April 12, 2021**, and also mail a copy of your objection to the attorneys representing the Plaintiffs and the Settlement Class (Daniel K. Bryson, Whitfield Bryson, LLP, 900 West Morgan Street, Raleigh, North Carolina 27603); and (3) the attorney representing Epic Games, Inc. (Jeffrey S. Jacobson, Faegre Drinker Biddle & Reath LLP, 1177 Avenue of the Americas, New York, New York 10036), postmarked no later than **April 12, 2021**.

If you hire an attorney in connection with making an objection, that attorney must also file with the Court a notice of appearance by **April 12, 2021**. If you do hire your own attorney, you will be solely responsible for payment of any fees and expenses the attorney incurs on your behalf. If you exclude yourself from the Settlement, you cannot file an objection.

(4) Do Nothing.

If you are a Settlement Class Member and do not submit a Claim Form, you will still be bound by all orders and judgments of the Court. If you acquired a “Loot Llama” or “Crate” loot box, the contents of which were not known before opening, you will still automatically receive the 1,000 *Fortnite* V-Bucks or the 1,000 *Rocket League* Credits. However, you will receive no additional cash payments and no additional V-Bucks or Credits under the Settlement. Unless you exclude yourself from the Settlement, you will not be able to file or continue any lawsuit against the Released Parties regarding any of the Released Claims (See the Settlement Agreement, available at www.EpicLootBoxSettlement.com, for a full description of what legal claims you will be releasing). *Submitting a timely, valid Claim Form is the only way you can receive cash payments or additional V-Bucks/Credits, or if you wish to make a claim for minor disaffirmance.*

To submit a Claim Form, or for information on how to request exclusion from the class or file an objection, please visit the Settlement Website, www.EpicLootBoxSettlement.com, or call 1 (800) 466-0862.

WHAT DOES THE SETTLEMENT PROVIDE?

Automatic V-Bucks or Credits. As part of the Settlement, Epic Games will automatically add 1,000 *Fortnite* V-Bucks to each *Fortnite* account that was used to acquire a “Loot Llama” loot box, and 1,000 *Rocket League* Credits to each *Rocket League* account that was used to acquire a “Crate” loot box, the contents of which were not known before opening.

Cash Compensation or Additional V-Bucks/Credits. Epic Games has agreed to make up to \$26,500,000.00 available to further compensate individuals who submit an Approved Claim, as well as settlement administration costs, attorney’s fees and expenses, and Incentive Awards to the Plaintiffs. Subject to the qualification set forth at the end of this paragraph, each Settlement Class Member who timely submits an Approved Claim will be entitled to receive their choice of either a cash award (up to \$50, in the form of a check mailed to you or direct deposit) or a credit of V-Bucks/Credits (up to 13,500 V-Bucks or 13,000 Credits). There is a limit of one Claim Form per

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game per Settlement Class Member per game (for a maximum of 2 Claim Forms per Settlement Class Member who made real money purchases in both *Fortnite* and *Rocket League*), and each Settlement Class Member may receive only one cash award or one award of V-Bucks/Credits per game. Upon receipt of a Claim Form, the Settlement Administrator will determine your eligibility to receive an award. Depending on the number of Approved Claims, it is possible that each Settlement Class Member's award will be reduced on a pro-rata basis after payment of settlement administration costs, attorney's fees and expenses, and Incentive Awards to the Plaintiffs.

Minor Disaffirmation. Additionally, Settlement Class Members who were legal minors at the time they made real money purchases of V-Bucks or Credits from Epic Games or a third party, or made other real money purchases from Epic Games in connection with their play of *Fortnite* or *Rocket League*; who made these real money purchases with their own money and did so without permission from a parent or guardian; and who wish to obtain refunds for those real money purchases pursuant to an asserted statutory right of contractual disaffirmation, may receive an award of one-third (1/3) of their total purchase amounts or \$50.00, whichever is less. Because contractual disaffirmation must be total, Settlement Class Members who elect to assert contractual disaffirmation rights must agree to the closure, upon the Effective Date (as that term is defined in the Settlement Agreement, available for review at www.EpicLootBoxSettlement.com), of all of their Epic Games accounts that were opened as a minor. Thereafter, the Settlement Class Member, or in the case of Settlement Class Members who remain minors, their parent or guardian, may open a new account.

To claim either a cash award or additional V-Bucks/Credits, Class Members must submit a Claim Form received by the Settlement Administrator by **April 26, 2021**. Following the final approval of the Settlement, the Settlement Administrator will provide the cash award (in the form of a check or direct deposit) or V-Bucks/Credits to each Class Member who submits an Approved Claim. All checks issued to Settlement Class Members who choose to receive the cash award will expire and become void ninety (90) days after they are issued. The amount of any uncashed checks after the expiration date, less any funds necessary for settlement administration, will be distributed to a *cy pres* recipient(s) selected by the Parties and approved by the Court.

Additionally, the attorneys who brought the lawsuit (listed below) will ask the Court to award them attorney's fees and expenses in an amount not to exceed \$11,300,000.00, for the time, expense and effort expended in investigating the facts, litigation, and negotiating the Settlement. The Class Representatives will also ask the Court for a payment of up to \$75,000 collectively for their time, effort, and service in this matter.

WHAT RIGHTS AM I GIVING UP IN THIS SETTLEMENT?

Unless you exclude yourself from the Settlement, you cannot sue or be part of any other lawsuit against Epic Games about the issues in this case, including any existing litigation, arbitration, or proceeding. This specifically includes any claim for breach of contract, breach of any state's consumer fraud or deceptive trade practice laws or any similar federal law, breach of any state or federal gaming law, or any tort or common law claim, relating to the purchase or sale of virtual currency or the purchase of any other in-game item, benefit, or enhancement related to the play of *Fortnite* and *Rocket League*. Unless you exclude yourself, all of the decisions and judgments by the Court will bind you.

The Settlement Agreement is available at www.EpicLootBoxSettlement.com. *The Settlement Agreement provides more detail regarding the Releases and describes the Released Claims with specific descriptions in necessary, accurate legal terminology, so read it carefully.* If you have any questions, you can talk for free to the attorneys identified below who have been appointed by

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the Court to represent the Settlement Class, or you are welcome to talk to any other lawyer of your choosing at your own expense.

WHEN WILL I RECEIVE THE V-BUCKS/CREDITS OR CASH AWARD?

If you exchanged *Fortnite* V-Bucks for a “Loot Llama” loot box or *Rocket League* Credits for a *Rocket League* “Crate” loot box, the contents of which were not known before opening, Epic Games will add 1,000 *Fortnite* V-Bucks to your *Fortnite* account or 1,000 *Rocket League* Credits to your *Rocket League* account.

Benefits for Approved Claims will be distributed after the Court grants Final Approval to the Settlement. The parties cannot accurately predict when (or whether) the Court will grant Final Approval to the Settlement, or whether there may be appeals from that order that take additional time to resolve, so please be patient. After the Court finally approves the Settlement, and after any appeals are resolved, those with Approved Claims will receive their cash award or V-Bucks/Credits after all claims are processed. Updated information about the case will be made available at www.EpicLootBoxSettlement.com, or you can call the Settlement Administrator at 1 (800) 466-0862, or contact Class Counsel at the information provided below.

WHEN WILL THE COURT RULE ON THE SETTLEMENT?

The Court has already granted Preliminary Approval of the Settlement. A final hearing on the Settlement, called a final approval or fairness hearing, will be held to determine the fairness of the Settlement. At the Final Approval Hearing, the Court will also consider whether to make final the certification of the Settlement Class for settlement purposes, hear any proper objections and arguments to the Settlement, as well as any requests for an award of attorneys’ fees and expenses and Incentive Awards for the Plaintiffs that may be sought by Class Counsel. The Court will hold the Final Approval Hearing on May 6, 2021 in the Wake County Courthouse, 316 Fayetteville St. Mall, Raleigh, NC 27601. The date and time of the Final Approval Hearing are subject to change by Court Order, and the hearing may be conducted remotely. Any changes will be posted at the settlement website, www.EpicLootBoxSettlement.com.

If the Settlement is given Final Approval, the Court will not make any determination as to the merits of the claims or defenses at issue. Instead, the Settlement’s terms will take effect and the lawsuit will be dismissed on the merits with prejudice. Both sides have agreed to the Settlement in order to achieve an early and certain resolution to the lawsuit, in a manner that provides specific and valuable benefits to the members of the Settlement Class.

If the Court does not grant Final Approval of the Settlement, or if Final Approval is reversed on appeal, or if the Settlement does not become final for some other reason, Plaintiffs, Epic Games, and the Class Members will be in the same position as they were prior to the execution of the Settlement (absent the 1,000 V-Bucks/Credits that will be automatically deposited), and the Settlement will have no legal effect, no class will remain certified (conditionally or otherwise), and Plaintiffs and Epic Games will continue to litigate the lawsuit. There can be no assurance that, if the Settlement is not approved, the Settlement Class will recover more than is provided in the Settlement, or indeed, anything at all.

WHO REPRESENTS THE CLASS?

The Court has approved the following attorneys to represent the Settlement Class. They are called “Class Counsel.” 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.

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WHERE CAN I GET ADDITIONAL INFORMATION?

This Notice is only a summary of the proposed Settlement of this lawsuit. More details are in the Settlement Agreement which, along with other documents, can be obtained at www.EpicLootBoxSettlement.com. If you have any questions, you can also call the Settlement Administrator at 1 (800) 466-0862 or Class Counsel at the numbers or email addresses set forth above. In addition to the documents available on the case website, all pleadings and documents filed in court may be reviewed or copied in the Office of the Clerk.

Please do not contact the Judge or the Clerk of the Court about this case. They will not be able to give you advice on your options.