

CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

This Class Action Settlement Agreement and Release (the “Agreement”) is entered into, subject to approval of the Court consistent with the Federal Rules of Civil Procedure, by and between Plaintiffs William Burrow, Oma Louise Burrow, and Ernest D. Bedwell (“Class Representatives”¹), for themselves individually and as proposed Class Representatives on behalf of the Settlement Class Members (as defined below), and Forjas Taurus, S.A. (now known as Taurus Armas S.A.) and Braztech International, L.C. (referred to herein collectively as “Defendants”) in the Action (as defined below). Defendants, Class Counsel (as defined below), and Class Representatives stipulate and agree that, in consideration of the promises and covenants set forth in this Agreement, upon the Effective Date (as defined below), except as expressly provided herein to the contrary, all claims of Class Representatives and the Settlement Class Members against Defendants in the Action shall be settled, compromised, released, and dismissed on the merits and with prejudice upon the terms and conditions contained in this Agreement.

I. RECITALS

This Agreement is made with reference to and in contemplation of the following facts and circumstances:

On May 5, 2016, William Burrow and Oma Louise Burrow, filed a proposed class action complaint styled *Burrow, et al., v. Forjas Taurus, S.A., et al.*, Case No. 1:16-cv-21606-EGT, in the United States District Court for the Southern District of Florida, alleging that their Rossi brand .38 Special Revolver was defective in that it fired when dropped, and asserting certain causes of action in relation thereto.

¹ Suzanne M. Bedwell is a Named Plaintiff in the Action but not a Class Representative due to the fact that she has asserted personal injury claims on behalf of her minor son, which claims remain stayed pending the resolution of the class claims. Ms. Bedwell will be a Settlement Class Member if this Agreement is approved by the Court.



On September 16, 2016, Suzanne Bedwell filed a proposed class action complaint in the United States District Court for the District of Alaska, Case No. 3:16-cv-00217-JWS, asserting that her Rossi brand .357 Magnum Revolver was defective in that it fired when dropped, and asserting certain causes of action in relation thereto. In an amended complaint filed with leave of court on June 12, 2017, Ernest Bedwell was joined as a named plaintiff in the case, asserting claims on behalf of himself and a proposed class. Thereafter, the Bedwell case was transferred to the United States District Court for the Southern District of Florida.

By order dated February 9, 2018, the Court ordered the Burrow and Bedwell cases consolidated and merged into the Burrow action, provided, however, that the personal-injury claims of the Bedwells on behalf of themselves and their minor son should be stayed pending final disposition of the merged proposed class action in the Burrow case.

On March 2, 2018, Plaintiffs filed their First Amended and Consolidated Class Action Complaint seeking damages, injunctive relief, and other relief against Defendants in connection with alleged defects in the design and manufacturing of the Class Revolvers (as defined below) (Doc. 54).² Plaintiffs sought damages and equitable relief in this case on behalf of themselves and members of a proposed class, premised on alleged economic losses, and did not seek to recover for any member of the proposed class any relief in respect of personal-injury or property-damage claims. Forjas Taurus and Braztech filed separate Answers and Affirmative Defenses to the First Amended Class Action Complaint on April 13, 2018 (Docs. 68 and 69), denying certain factual allegations, denying liability, and denying that the claims made are amenable to class treatment.

² Ms. Bedwell has agreed to file a Stipulation in the Action clarifying that she did not intend to proceed as a proposed class representative bringing claims on behalf of a proposed class in the First Amended and Consolidated Class Action Complaint and, to the extent anything therein could be construed as purporting to state a claim by Ms. Bedwell in a (proposed) representative capacity, it is disavowed in that Ms. Bedwell clarifies that is not asserting any of the proposed class claims therein in a (proposed) representative capacity.



Plaintiffs and Defendants engaged in voluminous and extensive written discovery and depositions regarding the claims and defenses at issue in the Action. Plaintiffs and Defendants litigated various discovery issues and sought the assistance of the Court in advancing discovery on multiple occasions.

Defendants vigorously deny that Plaintiffs can prove the claims asserted in the Action and therefore deny all allegations of wrongdoing and liability alleged in the Action or otherwise; Defendants also dispute the appropriateness of certifying the proposed class Plaintiffs sought to represent. Defendants maintain that they have consistently acted in accordance with governing law and have indicated an intent to contest the claims asserted against them in the Action. Defendants deny the Class Revolvers have the alleged defects; Defendants do not admit that any particular Class Revolver has any alleged defect in design or manufacture. Defendants have nonetheless concluded that it is in their best interest that the Action be settled on the terms and conditions set forth in this Agreement. Defendants have reached this conclusion after considering the factual and legal issues in the Action, the substantial benefits of resolving the Action by mutually acceptable compromise, the expense that would be necessary to defend the Action through trial and any appeals that might be taken, the benefits of disposing of protracted and complex litigation, and the desire of Defendants to conduct their business unhampered by the distractions of continued litigation.

The Parties engaged in substantial and prolonged settlement negotiations, including five formal in-person mediation sessions with Mediator Terrance White, an experienced independent mediator, and further engaged in additional extensive communications with the Mediator and each other in an effort to compromise and settle the Action.



Plaintiffs and Class Counsel have investigated the facts and law underlying the claims asserted in the Action. Plaintiffs and Class Counsel believe that the claims asserted in the Action have substantial merit. Plaintiffs and Class Counsel requested, and Defendants produced, voluminous documents, data and other information in connection with the Action. Class Counsel has deposed numerous witnesses, including representatives of Forjas Taurus and Braztech. Class Counsel retained an engineer to inspect and test the subject revolvers and other revolvers produced and sold by Forjas Taurus and Braztech. Class Counsel has also engaged in numerous discussions with Defendants' Counsel regarding the claims and the underlying operative facts. Class Counsel has also examined the benefits to be obtained under the terms of this Agreement and has considered the costs, risks and delays associated with the continued prosecution of this complex and time-consuming litigation and the likely appeals of any favorable rulings. Plaintiffs and Class Counsel believe that, in consideration of all the circumstances and after prolonged and serious arm's-length negotiations with Defendants and their counsel, facilitated by an experienced independent Mediator, the compromise and settlement reflected in this Agreement is fair, reasonable, adequate and in the best interests of Plaintiffs and all Settlement Class Members.

This Agreement resulted from and is the product of written and oral discovery, motion practice, numerous private mediation sessions, numerous meetings, and other hard-fought negotiations. At certain times, settlement talks broke down completely. Finally, on November 12, 2018, the Parties agreed to the settlement terms that are reflected in this Agreement. For several weeks thereafter, counsel for Plaintiffs and Defendants negotiated the terms of a Term Sheet memorializing the agreement reached on November 12, 2018, then negotiated the terms of this Agreement.



Defendants have agreed to the class treatment of the claims asserted in the Action for settlement purposes only and solely for the purpose of effectuating the compromise and settlement of those claims on a class basis, and Defendants deny that the class proposed by Plaintiffs could be properly certified for purposes of litigation and trial. In compromising with Class Representatives under the terms of this Agreement, Defendants are waiving their right to contest class certification and their right to trial on the merits of the proposed class claims; Defendants are agreeing instead on a process under which class treatment of claims is appropriate and agreeable solely in the context of a settlement. Plaintiffs and Class Counsel believe that the Action could be certified in the litigation context, even absent settlement.

The Parties understand, acknowledge and agree that the execution of this Agreement constitutes the settlement and compromise of disputed claims. This Agreement is inadmissible as evidence against any Party except to enforce the terms of the Agreement and is not intended to be nor shall it be deemed an express or implicit admission of wrongdoing or liability on the part of any Party to this Agreement. It is the Parties' desire and intention to effect a full, complete, and final settlement and resolution of all existing disputes and claims as set forth in this Agreement.

The Parties acknowledge that it is their intent to consummate the settlement and this Agreement and agree to cooperate and use their best efforts to effectuate and implement the terms and conditions of this Agreement.

NOW, THEREFORE, subject to approval by the Court, in light of the foregoing, for good and valuable consideration the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree as follows:



II. DEFINITIONS

A. In addition to the terms defined at various points within this Agreement, the following defined terms apply throughout this Agreement and the attached exhibits:

1. "Action" means the civil action styled *William Burrow, Oma Louise Burrow, Suzanne M. Bedwell and Ernest D. Bedwell, v. Forjas Taurus S.A. and Braztech International, L.C.*, Case No. 1:16cv-21606-EGT, pending in the United States District Court for the Southern District of Florida.

2. "Alleged Defects" means the alleged design and/or manufacturing defects allegedly present in some or all Class Revolvers, as alleged in the First Amended and Consolidated Class Action Complaint.

3. "Agreement" means this Settlement Agreement and Release, including the attached exhibits.

4. "Certification Procedure" means the procedure Braztech (as warranty service provider in the United States for Forjas Taurus) will perform as part of the Enhanced Warranty Service whereby Braztech, following the Inspection Procedure (and Repair Procedure, if applicable), will stamp each Class Revolver deemed safe for its intended use with the letter "R" in a location on the frame underneath the grips, thus indicating completion of the Inspection Procedure and any Repair Procedure that may have been necessary to render such Class Revolver safe for its intended use.

5. "Claim Deadline" shall mean the date that is ten business days after the Claim Period ends.

6. "Claim Form" means the paper or online claim form to be submitted by Settlement Class Members pursuant to Section III.F of this Agreement. The form and content



of the Claim Form shall be as agreed by the Parties or directed by the Court and shall be approved as part of the Final Approval Order.

7. The “Claim Period” means the period commencing five business days after the Effective Date and continuing for a period of twelve months thereafter.

8. “Claims Administrator” means the third party administrator agreed to by the Class Representatives and Defendants and approved by the Court. The Parties have agreed to propose to the Court that Epiq Class Action & Claims Solutions to serve as Claims Administrator, with Hilsoft Notifications (a business unit of Epiq) serving as Notice Provider.

9. “Class Counsel” means Brian W. Warwick, Janet R. Varnell and David K. Lietz of Varnell & Warwick, PA; Brannon J. Buck of Badham & Buck, LLC; Gregory A. Brockwell of Brockwell Smith, LLC; Andrew F. Knopf of Paul, Knopf, Bigger; Chris Bataille of Flanigan & Bataille; and Vincent Swiney of Swiney & Bellenger, LLC.

10. “Class Notice” means all types of notice set forth in the Notice Program, pursuant to Section III.D of this Agreement, as well as any additional notice agreed to by the Parties or ordered by the Court. The form and content of all aspects of Class Notice given shall be as agreed by the Parties or directed by the Court.

11. “Class Period” means the period beginning January 1, 2005, and continuing through December 31, 2017, during which Class Revolvers were manufactured by Forjas Taurus.

12. “Class Revolvers” means Rossi brand revolvers of the following models—R35102, R35202, R85104, R97206, R97104, R46202, R46102—manufactured by Forjas Taurus during the Class Period, as indicated by the serial number stamped on the frame of the revolvers beginning with the letters Y, Z, A, B, C, D, E, F, G, H, I, J, or K.



13. "Cleaning Service" means the service Braztech (as warranty service provider in the United States for Forjas Taurus) will provide as part of the Enhanced Warranty Service whereby a Class Revolver that has undergone the Inspection Procedure, the Repair Procedure (if necessary), and the Certification Procedure, and is being returned to its owner, will be professionally cleaned and test-fired prior to being returned to its owner.

14. "Court" means the United States District Court for the Southern District of Florida.

15. "Defendants' Counsel" means the law firm of Smith, Gambrell & Russell, LLP.

16. "Early Warning Program" has the meaning ascribed to that term in Section III.F. 2 of this Agreement.

17. "Effective Date" means the fifth business day after the last of the following dates:

- a) all Parties, Defendants' Counsel and Class Counsel have signed this Agreement;
- b) the Court has entered the Final Approval Order; and
- c) the Final Approval Order has become a final, non-appealable judgment approving the Agreement in all respects and no longer subject to review, rehearing, appeal, petition for allowance of appeal, petition for certiorari, or other review of any kind.

18. "Enhanced Warranty" means the enhanced product warranty that Forjas Taurus will extend to all owners of Class Revolvers as part of this Agreement, over and above the existing warranty available to owners of Rossi revolvers manufactured by Forjas Taurus. The terms of the Enhanced Warranty are as follows: the owner(s) of a Class Revolver will be allowed submit a Class Revolver once, at any time (whether before or after the Effective Date and without regard to the Claim Period), to Braztech (as warranty service provider in the United States for Forjas Taurus) for the Inspection Procedure; further, if during the Inspection Procedure Braztech determines that the Alleged Defects are or may be present in a given Class Revolver, then Braztech will follow the



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Repair Procedure or the Replacement Procedure (whichever Braztech determines is appropriate for that specific Class Revolver); if a Class Revolver is deemed safe for its intended use upon completion of the Inspection Procedure or is rendered safe for its intended use by the Repair Procedure, Braztech will follow the Certification Procedure; and, following the Certification Procedure, Braztech will provide the Cleaning Service, then return the Class Revolver to its owner. As part of this Enhanced Warranty, Braztech will follow the Replacement Procedure and provide a replacement Taurus-brand revolver to an owner who submits a Class Revolver to Braztech for the Enhanced Warranty Service if (and only if) during the course of following the Inspection Procedure, Braztech (in its sole discretion based on its experience and expertise) determines that a particular Class Revolver for any reason cannot be serviced or repaired in such a way as to render it safe for its intended use. As part of this Enhanced Warranty, Defendants will pay all reasonable and customary costs associated with this providing the Enhanced Warranty Service, including the cost of shipping to and from Braztech by its preferred shipping carrier under contract with Braztech for the one-time special inspection, as well as the cost of any parts needed for any necessary repairs and labor for the Inspection Procedure and Repair Procedure; if a replacement Taurus-brand revolver will be provided under the Replacement Procedure, Defendants will pay all reasonable and customary costs of shipping for delivery of such replacement revolver to the owner who submitted a Class Revolver for the Enhanced Warranty Service. The benefit of this Enhanced Warranty will be available one time per Class Revolver as identified by serial number. An owner of multiple Class Revolvers may enjoy the benefits of this Enhanced Warranty once for each Class Revolver he, she, or it owns. This Enhanced Warranty is NOT limited in duration to the Claim Period, in that an owner may submit a Class Revolver for the Enhanced Warranty Service at any time, and the owner taking advantage of this Enhanced Warranty need not have any reason to



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believe that his, her, or its Class Revolver has any of the Alleged Defects. Owners of Class Revolvers may submit their revolvers for this Enhanced Warranty in conjunction with another service request under the existing warranty or otherwise. Owners of Class Revolvers need not be in privity with Defendants to enjoy the benefits of the Enhanced Warranty provided herein. Owners of Class Revolvers who acquired them after the Opt-Out and Objection Deadline may enjoy the benefits of this Enhanced Warranty, even though such owners may not be Settlement Class Members themselves, as long as no prior owner of such Class Revolver has received the Enhanced Warranty Service for such Class Revolver.

19. “Enhanced Warranty Records” means a documentary record Braztech shall make and maintain reflecting, by serial number, which Class Revolvers have been submitted for the Enhanced Warranty Service under the terms of this Agreement. Class Revolvers that are replaced under the Replacement Procedure shall be listed in the Enhanced Warranty Records with a note indicating the fact of replacement and identifying the replacement revolver. Class Revolvers submitted for the Enhanced Warranty Service provided for in this Agreement that have previously undergone the Enhanced Warranty Service shall be listed in the Enhanced Warranty Records as previously so serviced and shall not undergo such service a second time.

20. “Enhanced Warranty Service” refers to any and all service provided under the Enhanced Warranty provided for in this Agreement, as and when the Enhanced Warranty is available to the owner of a particular Class Revolver, which service includes such of the following as may be applicable to any particular Class Revolver: the Inspection Procedure, the Repair Procedure or the Replacement Procedure, the Certification Procedure, and the Cleaning Service.

21. “Final Approval Hearing” means the hearing at which the Court considers the Parties’ request to enter the Final Approval Order granting final approval of this Agreement and



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determining the amount of fees, costs, and expenses awarded to Class Counsel and the amount of the incentive payment to be awarded to Class Representatives.

22. "Final Approval Order" means the order and judgment that the Court enters upon finally approving this Agreement in connection with the Final Approval Hearing.

23. "Inconvenience Payment" means cash compensation in the amount of \$50.00 per Class Revolver listed in a Valid Claim Form payable under the terms of this Agreement to each Settlement Class Member who qualifies as a Validated Claimant.

24. "Inspection Procedure" means the steps Braztech (as warranty service provider in the United States for Forjas Taurus) will take in performing the Enhanced Warranty Service to determine whether the Alleged Defects are or may be present in a particular Class Revolver and whether such Class Revolver may be serviced or repaired to address and eliminate any Alleged Defect(s).

25. "Mediator" means Terrance White of Upchurch Watson White & Max.

26. "Notice of Opt-Opt" means a document whereby a Person who would otherwise qualify as a Settlement Class Member purports to exercise his, her, or its right to opt-out of the Settlement Class by identifying himself, herself, or itself as an owner of a Class Revolver on the Preliminary Approval Date, identifying the Class Revolver(s) then owned by its (their) serial number(s), and expressing his, her, or its exercise of the right to opt-out of the Settlement Class. The form and content of the Notice of Opt-Out shall be as agreed by the Parties or directed by the Court and shall be approved as part of the Preliminary Approval Order.



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27. "Notice Program" means the methods provided for under this Agreement, as set forth in Section III.D of this Agreement, for giving notice of this Agreement and the Final Approval Hearing to potential Settlement Class Members.

28. "Opt-Out and Objection Deadline" means the date set by the Court in the Preliminary Approval Order, which shall be not less than 90 days after the Notice Program begins and at least 30 days before the date for the Final Approval Hearing.

29. "Party(ies)" refers to, collectively, the Parties to this Agreement, namely Defendants, William O. Burrow, Oma Louise Burrow, and Ernest Bedwell, individually and as Class Representatives.

30. "Person(s)" means, without limitation, any individual natural person, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assigns. The definition of "Person" does not include any governmental agencies or governmental actors, including, without limitation, any state Attorney General's office.

31. "Preliminary Approval" means the Court's preliminary approval of this Agreement and the proposed settlement.

32. "Preliminary Approval Date" means the date on which the Preliminary Approval Order is entered by the Court.

33. "Preliminary Approval Order" means the Court order preliminarily approving this Agreement and the proposed settlement and directing the Parties to implement Class Notice.



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34. "Protocols" has the meaning ascribed to that term in Section III.F.3 of this Agreement.

35. "Releases" means all of the releases contained in Section III.M of this Agreement.

36. "Released Claims" means all claims to be released as set forth in Section III.M of this Agreement.

37. "Released Parties" means (a) Defendants; (b) Defendants; (c) Defendants' past, present, and future direct and indirect owners, investors, parents, subsidiaries, suppliers, vendors, wholesalers, distributors, and other corporate affiliates; (d) Defendants' successors and predecessors and their past, present, and future direct and indirect owners, investors, parents, subsidiaries, suppliers, vendors, wholesalers, distributors, and other corporate affiliates; (e) all suppliers, distributors, wholesalers, re-sellers, vendors, retailers, advertisers, manufacturers, and suppliers of the Class Revolvers, and all others in the marketing and distribution chains of the Class Revolvers; and (f) for each of the foregoing Persons and Defendants, each of their past, present, or future officers, directors, shareholders, owners, investors, employees, contractors, consultants, insurers, insurance brokers, lawyers, accountants, advisors, representatives, agents, independent contractors, spokespersons, endorsers, testimonials, principals, partners, affiliates, members, administrators, legatees, executors, heirs, estates, predecessors, successors, insurers, insurance agencies and assigns.

38. "Releasing Parties" means the Class Representatives and each and every Settlement Class Member, for and on behalf of themselves and each of their respective heirs, trustees, executors, administrators, representatives, fiduciaries, principals, beneficiaries, assigns, agents,



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attorneys, partners, successors and predecessors-in-interest and/or anyone claiming through them or acting or purporting to act for them or on their behalf.

39. “Repair Procedure” means the steps Braztech (as warranty service provider in the United States for Forjas Taurus) will take in performing the Enhanced Warranty Service to service and repair a particular Class Revolver in order to address and eliminate any Alleged Defect(s) found during the Inspection Procedure.

40. “Replacement Procedure” means the procedure Braztech (as warranty service provider in the United States for Forjas Taurus) will follow as part of the Enhanced Warranty Service if, during the course of following the Inspection Procedure, Braztech (in its sole discretion based on its experience and expertise) determines that a particular Class Revolver for any reason cannot be serviced or repaired in such a way as to render it safe for its intended use; the Replacement Procedure will entail Braztech replacing such Class Revolver with a new Taurus-brand revolver of similar caliber and size, free of charge, and delivering the replacement Taurus-brand revolver to the owner who submitted the Class Revolver for the Enhanced Warranty Service; the Replacement Procedure is part of the Enhanced Warranty and will be followed only if Braztech makes the foregoing determination.

41. “Shipping Checklist and Instructions” means a shipping checklist to be followed and completed by Settlement Class Members outlining the steps necessary to render the Class Revolver inert, packed safely and shipped in accordance with appropriate safety guidelines and governing laws and regulations. The Instructions will include specific information on the proper packing and shipping of Class Revolvers.

42. “Settlement Administration Costs” means (i) all costs of providing notice to Persons in the Settlement Class (including, but not limited to, publication notice and website



notice, mail notice, email notice and any additional notice that might be agreed to by the Parties and/or ordered by the Court); (ii) all third-party costs incurred by the Settlement Administrator in connection with administering the settlement provided under this Agreement, including but not limited to the cost of printing and mailing Inconvenience Payments and Claim Forms and the cost of maintaining a designated post office box for receiving Claim Forms; and (iii) the fees, expenses and all other costs of the Claims Administrator.

43. "Settlement Benefits" means the following benefits available to Settlement Class Members under the terms of this Agreement: (1) the Inconvenience Payment; (2) the Enhanced Warranty, including the shipping benefits and the service provided thereunder; and (3) the Enhanced Warranty Service, which includes (as may be applicable to a particular Class Revolver) (a) the Inspection Procedure, (b) the Repair Procedure; (c) the Replacement Procedure; (d) the Certification Procedure; and (e) the Cleaning Service.

44. "Settlement Class" is defined as follows: All individuals in the United States, including its territories and possessions, who owned one or more Class Revolver(s) on the Preliminary Approval Date. Excluded from the Settlement Class are (w) all state, local, or federal bodies or agencies, etc., or Persons in an official capacity; (x) the District Judge and Magistrate Judge to whom the Action is assigned and any appellate judge assigned to any appeal in the Action, together with any member of their staffs and immediate families; (y) any Successful Opt-Out, and (z) any other Person who has been recognized by Order of the Court as excluded from the Settlement Class for any reason.

45. "Settlement Class Member" means any Person meeting the criteria for inclusion within the Settlement Class.



46. "Successful Opt-Out" means any Person who timely and validly exercises his, her, or its right to opt-out of the Settlement Class pursuant to Section III.I of this Agreement and Federal Rule of Civil Procedure 23 by submitting a duly completed Notice of Opt-Out, but does not include (a) a Person whose opt-out is challenged by Plaintiffs or Defendants, and the challenge is not overruled by the Court or withdrawn by the party asserting the challenge, and (b) a Person whose communication is not treated as an opt-out, as provided in Section III.I of this Agreement.

47. "Validated Claimant" means any Settlement Class Member who has both (a) submitted a Valid Claim Form, and (b) submitted his, her, or its Class Revolver for the Enhanced Warranty Service provided for in this Agreement, as shown in the Enhanced Warranty Records.

48. "Valid Claim Form" means a Claim Form submitted by a Settlement Class Member that (a) is submitted in accordance with the directions on the Claim Form and this Agreement, (b) is accurately, fully, and truthfully completed, with all of the information requested in the Claim Form provided by the Settlement Class Member, (c) is signed physically or by e-signature by a Settlement Class Member (or a Person with authority to sign for and bind the Settlement Class Member or Transferee), subject to the penalty of perjury, and (d) is submitted via physical mail, email, or direct submission via the settlement website before the end of the Claim Period and actually received by the Claims Administrator before midnight on the date of the Claims Deadline; provided, however, that a Valid Claim Form does not include any Claim Form listing a Class Revolver's serial number whose current or former owner has already received the Inconvenience Payment, as shown by the records of the Claims Administrator.

49. "Warning Date" means September 17, 2018, the date on which Defendants launched the Early Warning Program.



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B. Capitalized terms used in this Agreement but not defined above shall have the meaning ascribed to them in this Agreement, including the attached exhibits.

III. TERMS OF SETTLEMENT

A. Agreement to Propose Certification of the Settlement Class for Settlement Purposes Only. The Parties agree to propose certification of the Settlement Class solely for the purposes of settling the Action, providing Class Notice, and implementing this Agreement. The Parties' agreement to propose certification of the Settlement Class for settlement purposes shall not be deemed a concession that certification of a litigation class is appropriate in the litigation context, and Defendants are not precluded from challenging class certification in further proceedings in this Action or in any other action or proceeding if the Agreement is not finalized or finally approved or is materially altered by the Court or any appellate court. If the Agreement is not finally approved for any reason whatsoever or is materially altered by the Court or any appellate court, the agreement to propose certification of the Settlement Class shall be void and vacated, and the Action shall proceed as though no agreement to propose certification had been reached and no class had been certified, without prejudice to any Party to either request or oppose class certification on any grounds in such further proceedings. In such event, no doctrine of waiver, estoppel or preclusion may be asserted in any litigated certification proceedings in this Action or in any other action or proceeding. No agreements made by or entered into by Defendants in connection with the Agreement may be used by Plaintiffs, any Settlement Class Member, or any other Person to establish any of the elements of class certification in any litigated class certification proceedings, whether in this Action or any other action or proceeding.

B. Preliminary Approval: After the signing of this Agreement by all parties hereto, and by March 1, 2019, Class Representatives and Defendants will jointly move the Court for entry



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of a Preliminary Approval Order in substantially the form attached as Exhibit __, which shall specifically include provisions that: (a) preliminarily approve this Agreement as fair, adequate, and reasonable to the Settlement Class, and within the reasonable range of possible final approval; (b) find that the parties have shown that the Court will likely approve this Agreement under Federal Rule 23(e)(2) and certify the Settlement Class for purposes of judgment in accordance with this Agreement, such that giving of notice to all Settlement Class Members who would be bound by this Agreement is justified; (c) approve the Notice Program as the best notice practicable under the circumstances, and as meeting the requirements of due process and Federal Rule of Civil Procedure 23; (d) direct that notice be provided to the Settlement Class in accordance with the Notice Program; (e) establish a procedure for Settlement Class Members to object to final approval of this Agreement or for Persons to exclude themselves from the Settlement Class, and set the Opt-Out and Objection Deadline; (f) approve the method of providing the Enhanced Warranty Service and the claim process provided for in this Agreement for submitting Claim Forms and determining whether Persons qualify as Validated Claimants; (g) pending final determination of whether the Agreement should be approved, bar and preliminarily enjoin all Settlement Class Members, directly, on a representative basis or in any other capacity, from commencing, prosecuting, intervening in, or participating as a plaintiff or class member in any action, arbitration, or proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims against any of the Released Parties; (h) pending final determination of whether the Agreement should be approved, stay all proceedings in the Action except those related to approval and effectuation of the Agreement; (i) approve and appoint a Claims Administrator to perform the tasks as set forth in this Agreement and authorize and approve Braztech's role in the claims process as provided for in Part III(C)(2) hereof; (j) provide that no discovery (except for reasonable confirmatory discovery



requested by Class Counsel) with regard to the Agreement or its implementation shall be permitted by any prospective Settlement Class Member or any other Person, other than as may be directed by the Court upon a proper showing seeking permission to conduct such discovery by motion filed with the Court, noticed, and served in accordance with applicable rules and procedures; (k) schedule a hearing on Final Approval of the Agreement, which shall be scheduled no less than thirty days after the Opt-Out and Objection Deadline and provide that such hearing may, from time to time without further notice to the Settlement Class, be continued or adjourned by Order of the Court; and (l) authorize and approve Defendants' continuing the Early Warning Program and beginning to provide the Enhanced Warranty Service prior to Final Approval and approve the evidentiary preclusion provided for in Part IV(B) hereof.

C. Claims Administration.

1. The Claims Administrator. The Claims Administrator shall, subject to the supervision of the Court, administer the Notice Program and receive and monitor all Notices of Opt-Out. The Claims Administrator shall maintain reasonably detailed records of its activities conducting the Notice Program, administering the Claims Process, and performing its other duties set forth in this Agreement by Order of the Court. The Claims Administrator shall maintain all such records as are required by applicable law or are customarily maintained by class action settlement administrators; such records will be made available to Class Counsel and Defendants' Counsel upon request. In conjunction with the Parties, the Claims Administrator, shall submit a timely report to the Court summarizing the work performed. Without limiting the foregoing, the Claims Administrator shall:

- a) Establish and maintain a settlement Website, which shall be interactive and dedicated to the settlement set forth in this Agreement. The website shall publish a copy of this Agreement, the Preliminary Approval Order, the Website Notice, Class Counsel's request for attorneys' fees and



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costs (when filed), Class Representatives' request for a class representative award (when filed), the operative Complaint, and any other materials the Parties agree to include. These documents shall be available on the Website within 15 Days of the Preliminary Approval Order.

b) Secure a URL for the Website selected by Defendants' Counsel and approved by Class Counsel. Ownership of the Website URL shall be transferred to Defendants within 10 days of the date which operation of the Website ceases. The Website shall provide a description of the settlement set forth in this Agreement and the Claim Process and be interactive, with a Serial Number search function (for determining, by serial number, whether a given revolver qualifies as a Class Revolver covered by the Agreement), access to Claim Forms that are printable or can be filled in online and submitted with an e-signature, a viewable or printable Shipping Checklist and Instructions, other information about the Agreement as Class Representatives and Defendants may agree or as the Court may direct, and a form Notice of Opt-Out. During the Claim Period, the Website shall have a function allowing Settlement Class Members to submit a Claim Form to the Claims Administrator directly online. All tangible and electronic records generated from the Website will be made available to the Parties and the Court upon request.

c) Employ reasonable procedures to screen Claim Forms for fraud and shall reject a Claim Form, or any part of a claim for a payment reflected therein, when the Claims Administrator finds evidence of fraud. The Claims Administrator shall review each Claim Form based upon the initial submission by the potential Settlement Class Member and determine that each is complete, properly substantiated, and, based on the information provided in the Claim Form and review of the substantiating material, determine whether each Claim Form submitted by potential Settlement Class Members qualifies as Valid Claim Forms and identify by serial number the Class Revolver(s) to which each Valid Claim Form corresponds.

d) Receive requests from potential Class Members to exclude themselves from the Settlement Class by completing and timely submitting a Notice of Opt-Out before the Opt-Out and Objection Deadline. From the Effective Date until the Opt-Out and Objection Deadline, the Website shall have a function allowing potential class members to complete, sign, and submit a Notice of Opt-Out to the Claims Administrator directly online. From the Effective Date until ten business days after the Opt-Out and Objection Deadline, the Claims Administrator shall also maintain a PO Box for receiving by mail completed Notices of Opt-Out. The Claims Administrator shall promptly provide a summary report of requests to Opt-Out to Class Counsel and Defendants' Counsel, and shall provide copies of the underlying Notices of Opt-Out upon request.



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If the Claims Administrator receives any requests for exclusion from Class Members after the Objection and Opt-Out Deadline, the Claims Administrator shall promptly provide copies thereof to Class Counsel and Defendants' Counsel.

e) Provide reports and summaries, as requested, to Class Counsel and/or Defendants' Counsel, including without limitation, reports regarding the number of Claim Forms and Valid Claim Forms received and the identity of the Settlement Class Members;

f) Periodically provide to Defendants a report detailing Valid Claim Forms received by the Claims Administrator, whereupon Braztech shall review the report and confirm whether Settlement Class Members listed therein have to date submitted their Class Revolver for the Enhanced Warranty Service provided for in this Agreement, as shown by the Enhanced Warranty Records; upon receipt of Braztech's confirmation, the Claims Administrator shall determine whether each Settlement Class Member who submitted a Valid Claim Form qualifies as a Validated Claimant.

g) Promptly issue checks for the Inconvenience Payment to Validated Claimants. All benefit checks issued pursuant to this Agreement shall bear in the legend that they expire if not negotiated within one hundred and eighty days (180) days of their date of issue.

h) Prepare a declaration attesting to the Claims Administrator's execution of and compliance with the Notice Program set forth below and identifying all Opt-Out requests and/or objectors. Such declaration shall be provided to Defendants' Counsel and Class Counsel for filing with the Court no later than fourteen days prior to the Final Approval Hearing;

i) Answers questions about the settlement embodied within this Agreement, the manner of obtaining Enhanced Warranty Service, and the process for submitting Claim Forms.

2. Role of Braztech. Braztech, for and on behalf of itself and Forjas Taurus, (a) during normal business hours during the Claims Period, maintain trained staff at its customer service call center to answer questions by potential Settlement Class Members, assist Settlement Class Members in effecting submission of Class Revolvers to Braztech for Enhanced Warranty Service, and directing potential Settlement Class Members to the Claims Administrator for submission of



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Claim Forms; (b) shall provide a pre-printed shipping label, shipping box, and Shipping Checklist and Instructions to potential Settlement Class Members so that Class Revolvers may be submitted to Braztech for Enhanced Warranty Service as provided herein; (c) shall carry out the inspection and service provided for under the Enhanced Warranty; (d) keep and maintain the Enhanced Warranty Records; (e) follow the Repair Procedure or Replacement Procedure when Braztech determines it is necessary or appropriate to do so; (f) follow the Certification Procedure when appropriate; (g) provide the Cleaning Service; (g) promptly after receiving from the Claims Administrator a periodic report detailing Valid Claim Forms received by the Claims Administrator, review the report and confirm to the Claims Administrator in writing whether Settlement Class Members listed therein have to date submitted their Class Revolver for the Enhanced Warranty Service provided for in this Agreement, as shown by the Enhanced Warranty Records; and (h) during the Claims Period, provide to the Claims Administrator a monthly report from the Enhanced Warranty Records listing the name and contact information of owners who have submitted a Class Revolver for the Enhanced Warranty Service but have not submitted a Claim Form. Braztech and the Claims Administrator may provide reports and information to one another as required by this Agreement in any reliable manner they deem appropriate or desirable, including access to an online portal.

D. Class Notice. Class Representatives and Defendants have agreed upon the joint proposed Notice Program set forth in Exhibit ___ attached, which is designed and intended to maximize claim rates and provide the best notice to potential Class Members practicable under the circumstances through a combination of direct mail notice, emails, online advertising and publications, the settlement website maintained by the Claims Administrator, a separate website previously set up by Defendants under the Early Warning Program (which will be modified



somewhat to reflect the pending settlement set forth in this Agreement), other steps previously taken and to be taken by Defendants under the Early Warning Program, print media, social media outlets, and other media platforms. The Parties agree that the Notice Program is sufficient to satisfy the notice requirements of Rule 23 and comport with constitutional due process, and none of the Parties will argue that additional notice is necessary or appropriate. The Notice Program will be presented to the Court at the Preliminary Approval Hearing for approval, and the Preliminary Approval Order will direct that Class Notice be executed. Once Class Notice has been approved by the Court, execution of the components of the Notice Program and any other elements of the Class Notice directed by the Court shall be completed either by Defendants or the Settlement Administrator, depending on the associated cost and as agreed by the Parties or directed by the Court.

E. CAFA Notice. Pursuant to 28 U.S.C. § 1715(b), not later than 10 days after this Agreement is filed with the Court, Defendants shall, at their own expense, serve upon the Attorneys General of each U.S. State in which there are members of the Settlement Class, the Attorney General of the United States, and other required government officials, notice of this proposed Agreement. Defendants shall be responsible for filing a notice with the Court indicating compliance with the requirements of 28 U.S.C. § 1715(b), within ten (10) days of compliance.

F. Settlement Benefits.

1. Principal Benefits. In addition to the other benefits provided for or available under this Agreement (including notice of the potential existence of the Alleged Defects in Class Revolvers), upon the Effective Date, Settlement Class Members will be entitled to the following:

- a) The Enhanced Warranty, including the shipping costs Defendants will bear thereunder as provided in this Agreement;



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b) The Enhanced Warranty Service (which includes the Inspection Procedure and may include the Repair Procedure, the Replacement Procedure, the Certification Procedure, and the Cleaning Service) if and when the Settlement Class Member submits his, her, or its Class Revolver to Braztech;

c) The Inconvenience Payment, provided the Settlement Class Member qualifies as a Validated Claimant.

2. Early Warning Program. Pursuant to an agreement reached during the initial mediation session, prior to the execution of this Agreement, Defendants launched on the Warning Date and thereafter continuously maintained an early warning program (the "Early Warning Program") designed and intended to make current and future owners of Class Revolvers aware of the potential dangers and to inform them that the Class Revolvers should not be used or carried until they have been inspected and/or repaired. Defendants shall continue to operate the Early Warning Program at least until the Notice Program has been approved by the Court in the Preliminary Approval Order and giving of notice under the Notice Program has begun; Defendants may at their option, but need not, continue to conduct the Early Warning Program simultaneously with and alongside the Notice Program through the Effective Date and thereafter. Any Settlement Class Member who submitted a Class Revolver for service to Braztech before the Effective Date in response to the Early Warning Program or Notice Program, shall, from and after the Effective Date, be entitled to the same Settlement Benefits as all other Settlement Class Members upon the same terms and conditions applicable to all other Settlement Class Members, except that those who submitted their Class Revolver(s) to Braztech prior to the Effective Date (and may have received return of their serviced revolver prior to the Effective Date) will be deemed to have submitted their Class Revolvers for service under the Enhanced Warranty on the day after the Effective Date. Based on information to be provided by Braztech, the Claims Administrator shall invite such Settlement Class Member who submitted a Class Revolver to Braztech prior to the



Effective Date in response to the Early Warning Program or Notice Program to submit a Claim Form during the Claim Period as part of the Claims Process in order to be eligible for the Inconvenience Payment.

3. Enhanced Warranty Service Prior to Effective Date; Protocols. Braztech may, in its sole discretion, immediately begin extending and honoring the Enhanced Warranty and providing the benefits that will be available under the Enhanced Warranty to potential Settlement Class Members who have submitted Class Revolvers to Braztech for service prior to the Effective Date in response to the Early Warning Program or Notice Program; to the extent Braztech does provide such benefits before the Effective Date, such benefits will be deemed to have been provided on the second day after the Effective Date. The Parties have agreed on the following protocols to memorialize the condition of Class Revolvers submitted to Braztech in response to the Early Warning Program or Notice Program prior to the Effective Date, and Braztech's following of the Inspection Procedure, Repair Procedure or Replacement Procedure, and Certification Procedure and providing of the Cleaning Service for any and all such Class Revolvers prior to the Effective Date (the "Protocols"), Braztech shall create and retain through entry of the Final Approval Order photographic evidence of the condition of all such Class Revolvers as and when inducted by Braztech for Enhanced Warranty Service; Braztech shall also retain any parts replaced during the Repair Procedure, identifying such parts to the Class Revolver they were removed from by serial number; Braztech shall also create and retain photographic evidence of the condition of all such Class Revolvers when the Repair Procedure and Certification Procedure is complete; Braztech shall retain any such Class Revolvers that are replaced under the Replacement Procedure and shall, to the extent practicable, keep such Class Revolvers in the condition they were left in upon completion of the Inspection Procedure or cessation of the Repair Procedure.



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Plaintiffs and Class Counsel shall have access to the evidence, information, and documents generated by the Protocols if this Agreement fails to obtain Final Approval for any reason. Compliance with the Protocols by Defendants shall preclude any future argument that Defendants tampered with or failed to preserve evidence of the condition of such Class Revolvers in the event this Agreement does not receive Final Approval. Upon and after entry of the Final Approval Order, Braztech may dispose of any and all photographic evidence, parts, document, other information, and Class Revolvers it will have retained under the Protocols.

4. Value of Class Relief. Class Representatives and Defendants may retain, at their own expense, an expert or experts to establish a value for the relief made available to Settlement Class Members as set forth in this Agreement. Discovery indicated that there are or were approximately 255,000 Class Revolvers. Class Representatives and Defendants agree that the value of the core components of the quantifiable relief available to the class are as follows, based on the cost to Defendants: (a) \$50 cash Inconvenience Payment, (b) up to \$80 for shipping to and from Braztech in connection with obtaining Enhanced Warranty Service, and (c) \$19 for inspection, cleaning, certification, labor, and parts (if necessary) provided as part of the Enhanced Warranty Service. Class Representatives and Defendants further agree that the other relief available to the class (e.g., the Enhanced Warranty itself and the Notice Program) is recognized as an unquantifiable element of value conferred under this Agreement. These values reflect the cost to Defendants based on their special arrangements (e.g., corporate shipping rates), economies of scale, and expertise. Class Representatives may point out that the value received by consumers is an unquantifiable number higher than Defendants' cost. Any press release or public (extra-judicial) comments by Plaintiffs or their counsel regarding the value of the settlement will be subject to approval by Defendants, which shall not be unreasonably withheld.



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G. Incentive Award. Defendants will not object to an incentive award to Class Representatives so long as it does not exceed seven thousand five hundred dollars (\$7,500) per individual Class Representative (William Burrow, Oma Louise Burrow and Ernest D. Bedwell) to be paid by Defendants, subject to Court approval. Any incentive award shall be paid five business days after the Effective Date. Court approval of the incentive award, or its amount, will not be a condition of this Agreement. If the Court denies, in whole or in part, the incentive award, the remainder of the terms of this Agreement shall remain in effect. In addition, no interest will accrue on such amount at any time.

H. Attorneys' Fees and Costs. Plaintiffs shall move the Court for an award of attorneys' fees and costs to be paid by Defendants to Class Counsel. Defendants shall not object to such a motion so long as the amount requested for all attorney's fees and costs is not more than \$5,553,000.00. Plaintiffs and Class Counsel warrant and represent that any motion and/or application that they may file requesting an award of attorneys' fees and costs shall include within its scope all attorneys and law firms with a financial interest in such award with respect to the Action.

Whatever amount of attorneys' fees and costs are approved by the Court, up to \$5,553,000.00, will be paid as follows:

1/5th paid one calendar month after the Effective Date;

1/5th paid two calendar months after the Effective Date;

1/5th paid three calendar months after the Effective Date;

1/5th paid four calendar months after the Effective Date; and

1/5th paid five calendar months after the Effective Date.



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Notwithstanding the paragraph immediately above, should any appeal of the Court's approval of the Agreement be filed and remain pending for more than five months, the amount of attorneys' fees and costs approved by the Court (up to \$5,553,000.00), will be paid in one lump sum within one calendar month after the Effective Date.

Court approval of attorneys' fees and costs, or their amount, will not be a condition of this Agreement. If the Court denies, in whole or in part, Class Counsel's motion for fees and costs, the remainder of the terms of this Agreement shall remain in effect. In addition, no interest will accrue on such amounts at any time.

I. Opt-Out Right/Termination.

1. Opt-Out Requirements. Persons who would otherwise qualify as Settlement Class Members may opt-out of the settlement set forth in this Agreement by submitting a Notice of Opt-Out to the Claims Administrator via the Settlement Website or at the mailing address designated in the Class Notice postmarked or email dated by the Opt-Out and Objection Deadline. Exclusion requests must:

(i) be signed by the potential Settlement Class Member or by an authorized representative of the potential Settlement Class Member for whom exclusion is requested, or submitted electronically with a confirmation of the same;

(ii) include the full name, address, and telephone number of the potential Settlement Class Member requesting exclusion;

(iii) include the Serial Number of the Class Revolver(s) owned by the potential Settlement Class Member;

(iv) include substantially the following statement: "I request to be excluded from the settlement in *Burrow v. Forjas Taurus*," and

(v) No request for exclusion will be valid unless all of the information described above is included. No potential Settlement Class Member, and no Person acting on behalf of or in concert or participation with that potential Settlement Class Member, may exclude any other



potential Settlement Class Member from the Settlement Class, and no Person shall be deemed to have opted-out of the Settlement Class through any purported "mass" or "class" opt-outs.

(vi) Any Person who would otherwise qualify as a Settlement Class Member who timely and properly submits a Notice of Opt-Out shall not (a) be bound by any orders or the Final Judgment and Order Approving Settlement nor by the Release contained herein; (b) be entitled to any relief under this Agreement; (c) gain any rights by virtue of this Agreement; (d) be entitled to object to any aspect of this Agreement; or (e) seek to intervene in this Action.

(vii) In the event that there are more than 5,000 Successful Opt-outs, then Defendants have the right, but not the obligation, to terminate this Agreement and return the Parties back to their pre-settlement positions.

(viii) All Successful Opt-Outs will not be entitled to submit his, her, or its Class Revolver for the Enhanced Warranty service provided for herein but will still enjoy the benefits of the existing warranty applicable to the Class Revolver.

2. Retention of Exclusions. Class Representatives and Defendants shall instruct the Claims Administrator to retain a copy of all Notices of Opt-Out and, upon request, to provide copies of any such requests to counsel for the Parties and/or the Court. The Claims Administrator shall prepare a final list of Successful Opt-Outs and the list will be submitted to the Court prior to Final Approval.

J. Objections To The Settlement.

1. Right To Object. Any Settlement Class Member who has not opted out in accordance with the terms of this Agreement, may object to the proposed settlement and/or to the application of Class Counsel for an award of attorneys' fees and costs, and/or the incentive awards to the Named Plaintiffs. However, to do so, the Settlement Class Member must file a written objection with the Clerk of Court, in accordance with the requirements set forth in Section III.J.2 below. Any Settlement Class Member who does not provide a written objection in the manner described in this Section shall be deemed to have waived any objection and shall forever be



foreclosed from making any objection to the fairness, reasonableness, or adequacy of this Agreement, or the award of attorney fees and/or incentive awards. Further, any Settlement Class Member who intends to appear at the Final Approval Hearing, and any counsel that intends to appear on behalf of any Settlement Class Member, must file with the Court and serve on all Parties a Notice of Intention to Appear.

2. Objection Requirements. In order to object, a Settlement Class Member must file with the Court, and provide a copy to Class Counsel and Defendants' Counsel, a document that:

- a) includes the name, address, telephone number, and, if available, the email address of the Settlement Class Member objecting, and if represented by counsel, the name, address, telephone number, and email of his/her counsel;
- b) states all objections to the Agreement specifically and in writing;
- c) states whether he/she intends to appear at the Final Approval Hearing, either with or without counsel;
- d) includes a statement of his/her membership in the Settlement Class, including the serial number for the Class Revolver owned by the Objecting Class Member;
- e) includes a detailed list of any and all previous objections submitted by the Settlement Class Member, or his/her counsel, in any class actions submitted in any court, whether state or federal, in the United States in the previous ten (10) years. If the Settlement Class Member or his/her counsel has not objected to any other class action settlement in any court in the United States in the previous ten (10) years, he/she shall affirmatively state so in the written materials provided in connection with the objection.
- f) Any Settlement Class Member who fails to file and timely serve a written objection and notice of his/her intent to appear at the Final Approval Hearing shall not be permitted to object to the Settlement and shall be foreclosed from seeking any review of the Agreement or the terms hereof by any means, including but not limited to an appeal.
- g) Any Settlement Class Member who submits a timely written objection must have possession and/or control of their Class Revolver and shall



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consent to an inspection of the Class Revolver and to deposition by any Party prior to the Final Approval Hearing.

K. Final Approval. Following execution of the Notice Program and expiration of the Opt-Out and Objection Deadline, Plaintiffs shall promptly request that the Court enter the Final Approval Order, which shall include provisions that: (a) finally approve the Agreement as fair, reasonable and adequate to the Settlement Class; (b) find that the Class Notice as given was the best notice practicable under the circumstances, is due and sufficient notice to the Settlement Class, and fully satisfies the requirements of due process and Federal Rule of Civil Procedure 23; (c) approve the Settlement Benefits; (d) certify pursuant to Rule 23(e) that the Settlement Class meets the requirements for class certification, appoint the Class Representatives as class representatives, and appoint Class Counsel as counsel for the Settlement Class, each for settlement purposes only; (e) confirm that Class Representatives and the Settlement Class Members (except those who have timely and validly requested to opt-out of the Settlement Class) have released all Released Claims and are permanently barred and enjoined from asserting, commencing, prosecuting, or continuing as a Plaintiff or class member any of the Released Claims against the Released Parties; and (f) dismiss the Action on the merits and with prejudice, without attorneys' fees or costs to any Party, except as ordered by the Court, and (g) retain continuing jurisdiction over the Settlement Class and the Agreement for the purpose of enforcing the terms hereof and the Court's Orders approving of and effectuating this Agreement.

L. Dismissal. Upon entry of the Final Approval Order, the Action shall be dismissed on the merits and with prejudice, and act as res judicata on the Released Claims, as to Plaintiffs, Defendants and all Settlement Class Members.



M. Release. By executing this Agreement, the Parties acknowledge that, upon both the entry of the Final Approval Order by the Court, and the passing of the Effective Date, the Action shall be dismissed with prejudice, an order of dismissal with prejudice shall be entered, and all Released Claims shall thereby be conclusively settled, compromised, satisfied, and released as to the Released Parties. The Final Approval Order shall provide for and affect the full and final release, by Plaintiffs and all Settlement Class Members, of all Released Claims.

The Released Claims include all known and unknown claims, actions, and causes of action relating to the Settlement Class Members' purchase and/or ownership of the Class Revolvers. This Agreement covers and includes all such claims, actions, and causes of action, for losses or damages of any type and specifically provides the following release:

The Releasing Parties fully release and forever discharge the Released Parties from any and all claims, demands, rights, damages, obligations, suits, debts, liens, contracts, agreements, and causes of action of every nature and description whatsoever, ascertained or unascertained, suspected or unsuspected, existing now or arising in the future, whether known or unknown, both at law and in equity which were or could have been brought against Braztech, Forjas Taurus, or the Released Parties based upon, arising from, or related in any way to alleged defects in the design or manufacture of the Class Revolvers (or any component parts thereof) that may result in an unintended discharge, whether arising under statute, rule, regulation, common law or equity, and including, but not limited to, any and all claims, causes of action, rights or entitlements under any federal, state, local or other statute, law, rule and/or regulation, any consumer protection, consumer fraud, unfair business practices or deceptive trade practices laws, any legal or equitable theories, any claims or causes of action in tort, contract, products liability, negligence, fraud, misrepresentation, concealment, consumer protection, restitution, quasi-contract, unjust enrichment, express warranty, implied warranty, and/or any injuries, losses, damages or remedies of any kind, in law or in equity, under common law, statute, rule or regulation, including, but not limited to, compensatory damages, economic losses or damages, exemplary damages, punitive damages, statutory damages, restitution, or any other legal or equitable relief. Released claims also include any claim for attorneys' fees, expenses, costs, and catalyst fees under any state's law or under federal law.



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Provided, however, this Release specifically excludes claims for death, personal injury, or damage to persons or property other than the Class Revolvers themselves.

Without limiting the foregoing, the release specifically extends to claims that the Releasing Parties do not know or suspect to exist in their favor at the time that the Agreement, and the release contained herein, becomes effective. This Paragraph constitutes a waiver of, without limitation as to any other applicable law, section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasing Parties understand and acknowledge the significance of these waivers of California Civil Code section 1542 and any other applicable federal or state statute, case law, rule or regulation relating to limitations on releases. In connection with such waivers and relinquishment, the Releasing Parties acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts that they now know or believe to be true with respect to the subject matter of the Agreement, but that it is their intention to release fully, finally and forever all Released Claims with respect to the Released Parties, and in furtherance of such intention, the release of the Released Claims will be and remain in effect notwithstanding the discovery or existence of any such additional or different facts.

N. Stay/Bar Of Proceedings. All proceedings in the Action will be stayed following entry of the Preliminary Approval Order, except as may be necessary to implement the settlement set forth in this Agreement, comply with the terms of this Agreement, or to depose an objector. Pending determination of whether the Agreement should be given final approval, the Parties in this Action agree not to pursue any claims or defenses otherwise available to them, and no Person



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in the Settlement Class and no person acting or purporting to act directly or derivatively on behalf of a Settlement Class Member, or acting on a representative basis or in any other capacity, will commence, prosecute, intervene in, or participate in any action, arbitration, or proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims against any of the Released Parties. However, this Stay/Bar of Proceedings shall not apply to any claims for death, personal injury, or damage to property other than the Class Revolvers themselves or to individuals who have opted out of this Agreement. The proposed Preliminary Approval Order will contain an injunction preventing Settlement Class Members from commencing, prosecuting, intervening in, or participating as a Plaintiff or class member in any action, arbitration, or proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims.

O. Confidentiality of Discovery. All discovery provided by any party to the Action, including confirmatory discovery, will be kept strictly confidential, except as may be specifically agreed by the parties to support approval of this Agreement or as otherwise ordered by the Court. From and after the Effective Date, the Parties will treat the Action as concluded and will dispose of all discovery previously provided or produced in the Action as provided for by the February 18, 2018 Confidentiality Agreement among the Parties.

P. No Admissions. Defendants expressly disclaims and denies any wrongdoing or liability whatsoever. This Agreement, and any and all negotiations, statements, documents, and/or proceedings in connection with this Agreement, shall not be construed or deemed to be evidence of an admission or concession by Defendants of any liability or wrongdoing by Defendants or any of their affiliates, agents, representatives, vendors, or any other Person or entity acting on their behalf, and shall not be construed or deemed to be evidence of an admission or concession that any Person suffered compensable harm or is entitled to any relief. Neither the Agreement, nor



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any act performed or document executed pursuant to or in furtherance of the Agreement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of Defendants; (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency or other tribunal; or (iii) is or may be deemed a waiver of Defendants' right to challenge class certification if this Agreement for any reason does not become final.

Q. Notices. Unless otherwise indicated in this Agreement, all notices to counsel provided for in this Agreement shall be sent by e-mail, with a hard copy sent by overnight mail to:

As to Plaintiffs and the Settlement Class:

Brian W. Warwick
Varnell & Warwick, P.A.
PO Box 1870
Lady Lake, Florida 32158
bwarwick@varnellandwarwick.com

As to Defendants:

John F. Weeks IV
Smith, Gambrell & Russell, LLP
Promenade, Suite 3100
1230 Peachtree St. N.E.
Atlanta, GA 30309
jweeks@sgrlaw.com

IV. GENERAL PROVISIONS

A. Settlement Conditioned Upon Approval. Defendants and Plaintiffs shall each have the right to terminate the Agreement by providing written notice of their election to do so to the other within thirty days of: (a) the Court's declining to enter the Preliminary Approval Order in any respect; (b) the Court's refusal to approve this Settlement or any



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material part of it; (c) the Court's declining to enter a Final Approval Order in any respect; (d) any appellate Court in this Action entering an order which invalidates or disapproves the Agreement, in whole or in part, or which alters any material term of this Agreement without the Party's written consent; or if (e) the Effective Date does not occur.

B. Evidentiary Preclusion. The Parties agree that, to the fullest extent permitted by law, neither this Agreement, nor the fact that a settlement of the Action was reached, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any claim or of any wrongdoing or liability of the Released Parties; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any Released Party or the appropriateness of class certification in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Evidence, information, and documents available because of or generated by the extension of the Enhanced Warranty and provision of the Enhanced Warranty Service prior to the Effective Date in accordance with the Protocols shall not be admissible in this or any other proceeding, provided, however, that this evidentiary preclusion does not apply to evidence, information, or documents generated by the Protocols if this Agreement fails to obtain Final Approval. In addition, neither the fact of, nor any documents relating to, Defendants' withdrawal from the Agreement, any failure of the Court to approve the Agreement and/or any objections or interventions may be used as evidence in the Action or any other proceeding for any purpose whatsoever. However, the Released Parties may file the Settlement Agreement and/or the Final Approval Order in any action or proceeding that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or



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reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

C. Effect of Non-Approval. In the event that this Agreement is not approved by the Court in substantially its present form, any objection to the Agreement is sustained by the Court, or the Agreement does not become final for any reason, the terms and provisions of this Agreement shall have no further force and effect with respect to the Parties or the Settlement Class Members, and shall not be used in this Action or in any other action or proceeding for any purpose, and any order or judgment entered by the Court in accordance with the terms of this Agreement shall be treated as vacated, *nunc pro tunc*. In such event, this Agreement and all negotiations, proceedings, documents prepared and statements made in connection with this Agreement shall be without prejudice to any Party or Settlement Class Member and shall not be admissible or offered into evidence in any action or proceeding, and shall not be deemed, asserted or construed to be an admission or confession by any Party or any other Person or entity of any fact, matter or proposition of law, and shall not be used or asserted in any other manner or for any purpose, and all Parties and Settlement Class Members shall stand in the same position as if this Agreement had not been negotiated, made or submitted to the Court.

D. No Opinion Regarding Tax Consequences. The Parties and their counsel express no opinion concerning the tax consequences of this Agreement to individual Settlement Class Members and make no representations, warranties or other assurances regarding such tax consequences. No opinion, representations, warranties, or other assurances shall be deemed to have been made by the Parties or their counsel with respect to such tax consequences by virtue of this Agreement or by effectuating this Agreement, and the Parties and their counsel shall not be held liable for any such tax consequences that may occur. The



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Website Notice will direct Settlement Class Members to consult their own tax advisors regarding any tax consequences of the Agreement, including any payments or benefits provided hereunder, and any tax reporting obligations they may have with respect thereto. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

E. Support from the Parties. After a full investigation, discovery and arms-length negotiations, the Parties and their counsel have independently determined that this Agreement is in the best interest of the Settlement Class; shall support motions for Preliminary Approval and Final Approval; and will not encourage any Persons or entity from objecting to the terms of the Agreement.

F. No Other Rights Affected. Nothing contained in this Agreement or in any proceedings concerning this Agreement, the settlement embodied herein, or this Action shall in any way affect the rights of Defendants to seek coverage or recovery from any Person or entity for the losses and/or costs or expenses Defendants have incurred in connection with or arising from the action except that Defendants waive any rights to seek recovery from Plaintiffs, Class Counsel, and Settlement Class Members for such losses and/or costs or expenses. All such rights and remedies are specifically retained and preserved to Defendants.

G. No Other Expense. Except as expressly provided in this Agreement, Defendants shall bear no other expenses, costs, damages or fees alleged or incurred by Plaintiffs or any Settlement Class Member, or any of their attorneys, experts, advisors, agents or representatives in connection with this Action.



H. Time Periods. The time periods and dates described in this Agreement with respect to the giving of Class Notice and hearings will be subject to Court approval and modification by the Court for good cause.

I. No Construction Against Drafter. This Agreement will be deemed to have been drafted jointly by the Parties, and any rule that a document shall be interpreted against the drafter will not apply.

J. Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes all prior understandings, agreements, or writings regarding the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument signed by all Parties or their successors in interest and their respective counsel, and approved by the Court.

K. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to any choice of law principles that may apply.

L. Authority. Plaintiffs and Defendants represent and warrant that the Persons signing this Agreement on their behalf have full power and authority to bind every Person, partnership, corporation, or entity included within the definitions of Plaintiffs and Defendants to all terms of this Agreement. Any Person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

M. Receipt of Advice of Counsel. Each Party acknowledges, agrees and specifically warrants that he, she or it has fully read this Agreement and the Release contained in this Agreement, received independent legal advice with respect to the advisability of entering this



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Agreement and the Release, and the legal effects of this Agreement and the Release, and fully understands the effect of this Agreement and the Release.

N. Agreement Binding on Successors in Interest. This Agreement is binding upon, and shall inure to the benefit of, each of the Parties and their respective agents, attorneys, employees, successors and assigns, and upon all other Persons claiming any interest in the subject matter of this Agreement through any of the Parties, including any Settlement Class Member.

O. Execution In Counterparts. The Parties may execute this Agreement in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures exchanged by facsimile or electronic transmission shall be deemed original signatures.

P. Miscellaneous Provisions.

1. The provisions of this Agreement may be waived only in a writing executed by the waiving Party. The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver by that Party or by any other Party of any other prior or subsequent breach of this Agreement.

2. Each Party to this Agreement warrants that he, she, or it is acting upon his, her or its independent judgment and upon the advice of his, her, or its own counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other Party, other than the warranties and representations expressly made in this Agreement.

3. This Agreement has been carefully read by each of the Parties, or the responsible officers thereof, and its contents are known and understood by each of the Parties. This Agreement is signed freely by each Party executing it.



4. No Party to this Agreement has heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands, or cause or causes of action disposed of by this Agreement.

5. The Court shall retain exclusive and continuing jurisdiction with respect to the implementation and enforcement of the terms of this Agreement, of any orders or the Final Approval Order entered by the Court, and/or of the conduct or policies and procedures described in this Agreement. The Parties, including the Settlement Class Members, submit to the continuing jurisdiction of the Court for these purposes.

[TWO SIGNATURE PAGES TO FOLLOW]



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IN WITNESS WHEREOF, intending to be legally bound, the Defendants have caused this Agreement to be executed as of 07 March 2019:

FORJAS TAURUS, S.A. n/k/a Taurus Armas S.A.

By: _____

Its: _____

Sérgio Sgrillo
Diretor Administrativo
Financeiro e Relações com
Investidores

BRAZTECH INTERNATIONAL, L.C.

By: _____

Its: Manager

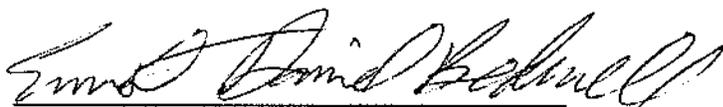
SGR/20252465.6



IN WITNESS WHEREOF, intending to be legally bound, the Class Representatives have caused this Agreement to be executed as of 3-5, 2019:

William Burrow

Oma Louise Burrow

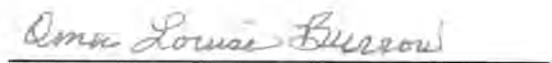


Ernest D. Bedwell

IN WITNESS WHEREOF, intending to be legally bound, the Class Representatives have caused this Agreement to be executed as of ____, 2019:



William Burrow



Oma Louise Burrow

Ernest D. Bedwell

Exhibit 1

(Proposed Order)

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

WILLIAM BURROW, OMA LOUISE)	
BURROW, ERNEST D. BEDWELL, AND)	
SUZANNE BEDWELL)	
)	
Plaintiffs,)	Case No: 1:16-cv-21606-TORRES
)	
v.)	
)	
FORJAS TAURUS S.A. and BRAZTECH)	CLASS ACTION
INTERNATIONAL, L.C.,)	
)	
Defendants.)	

**ORDER GRANTING PRELIMINARY APPROVAL TO CLASS ACTION
SETTLEMENT AND APPROVING NOTICE TO THE CLASS**

The Parties have entered into a Class Action Settlement Agreement (“Settlement”) to resolve and dismiss this litigation on a class-action basis, subject to the Court’s approval. On December 7, 2018 the Parties informed the Court that they had reached a settlement and requested a hearing date for Preliminary Approval (Doc. 114). On February 1, 2019 and again on March 1, 2019, the hearing was moved to accommodate additional time necessary to complete the formal documents and Notice Plan (Doc. 117 and Doc. 122).

On March 8, 2019, Plaintiffs filed their Unopposed Motion for Preliminary Approval of Class Action Settlement and Approval of Proposed Notice Plan. (Doc. [redacted]). Contemporaneously, Plaintiffs filed a Memorandum of Law in support of Preliminary Approval and the Notice Plan, and a Proposed Order. (Doc. [redacted]).

I. Background

On May 5, 2016, William Burrow and Oma Louise Burrow, filed a proposed class action complaint styled *Burrow, et al., v. Forjas Taurus, S.A., et al.*, Case No. 1:16-cv-21606-EGT, in the United States District Court for the Southern District of Florida, alleging that their Rossi brand

.38 Special Revolver was defective in that it fired when dropped, and asserting certain causes of action in relation thereto.

On September 16, 2016, Suzanne Bedwell filed a proposed class action complaint in the United States District Court for the District of Alaska, Case No. 3:16-cv-00217-JWS, asserting that her Rossi brand .357 Magnum Revolver was defective in that it fired when dropped, and asserting certain causes of action in relation thereto. In an amended complaint filed with leave of court on June 12, 2017, Ernest Bedwell joined in case, asserting claims on behalf of himself and a proposed class. Thereafter, the Bedwell case was transferred to the United States District Court for the Southern District of Florida.

By order dated February 9, 2018, the Court ordered the Burrow and Bedwell cases consolidated and merged into the Burrow action, provided, however, that the personal-injury claims of the Bedwells on behalf of themselves and their minor son should be stayed pending final disposition of the merged proposed class action in the Burrow case. (Doc. 51).

On March 2, 2018, Plaintiffs filed their First Amended and Consolidated Class Action Complaint (Doc. 54). Plaintiffs asserted class claims for breach of warranty, strict products liability, negligence, and FDUTPA, seeking damages, injunctive and other relief against the Defendants in connection with alleged defects in the design and manufacture of the Class Revolvers. Plaintiffs sought damages and equitable relief only premised on alleged economic losses, and did not seek to recover for any member of the proposed class any relief for personal-injury or property-damage claims.

Forjas Taurus and Braztech filed separate Answers and Affirmative Defenses to the First Amended Class Action Complaint on April 13, 2018 (Docs. 68 and 69), denying certain factual allegations, denying liability, and denying that the claims made are amenable to class treatment.

Thereafter, Plaintiffs and Defendants engaged in voluminous and extensive written discovery and depositions regarding the claims and defenses at issue in the Action. Plaintiffs and litigated various discovery issues and sought the assistance of the Court in advancing discovery on multiple occasions. Class Counsel deposed numerous witnesses, including representatives of Forjas Taurus and Braztech, many of which had to be conducted through interpreters as a result of the Forjas Taurus's Brazilian origin. Class Counsel retained an expert engineer to inspect and test the subject revolvers and other class revolvers produced and sold by Forjas Taurus and Braztech during the class period. Detailed x-rays and inspections of the four Bedwell revolvers and four Burrow revolvers were conducted by the Parties and their respective experts. Depositions of the Bedwell Plaintiffs, witnesses, law enforcement, and experts were taken in Alaska. Throughout these events, the parties vigorously litigated this action.

The Parties engaged in substantial and prolonged settlement negotiations with Mediator Terrence White, an experienced independent mediator. Between September 11, 2018 and November 7, 2018, the Parties engaged in five separate full-day mediation sessions. At least twice, the settlement process broke down entirely and litigation resumed. Finally, on November 7, 2018, the Parties agreed to the settlement terms that are reflected in the proposed Settlement Agreement. For several weeks thereafter, counsel for Plaintiffs and Taurus negotiated the terms of a Term Sheet memorializing the agreement reached on November 7, 2018, and in the ensuing months negotiated the terms of the formal Settlement Agreement being presented to the Court.

II. Primary Terms of the Settlement

Subject to Court approval and the individual right to opt out, the proposed Settlement provides the following relief.

A. The Proposed Settlement Class

The proposed Settlement Class is defined as:

All individuals in the United States, including its territories and possessions, who owned one or more Class Revolver(s) on the [Preliminary Approval Date]. (Settlement Agreement at § II, ¶44).

The term “Class Revolvers” in the above definition includes all Rossi brand .357 Magnum and .38 Special revolvers of the following models—R35102, R35202, R85104, R97206, R97104, R46202, R46102—manufactured by Forjas Taurus between January 1, 2005 and December 31, 2017, as indicated by the serial number stamped on the frame of the revolver beginning with the letters Y, Z, A, B, C, D, E, F, G, H, I, J, or K.

Discovery revealed that there were approximately 255,000 Class Revolvers manufactured during the Class Period that were sold in the United States.

Excluded from the Settlement Class are (a) all state, local, or federal bodies or agencies, etc., or Persons in an official capacity; (b) the District Judge and Magistrate Judge to whom the Action is assigned and any appellate judge assigned to any appeal in the Action, together with any member of their staffs and immediate families; (c) any Successful Opt-Out, and (d) any other Person who has been recognized by Order of the Court as excluded from the Settlement Class for any reason.

B. Relief Provisions

There are four major components to this Settlement: (1) the safety warning; (2) an Enhanced Warranty, under which Class Members may submit their Class Revolvers for Enhanced Warranty Service one time, automatically extended to present and future owners of all Class Revolvers; (3) an Enhanced Warranty Service that provides for the free shipping, inspection, repair and/or replacement, certification and cleaning of each Class Revolver submitted; and (4) an Inconvenience Payment to compensate class members for having to have their Class Revolvers

submitted for inspection.

1. The Enhanced Warranty

The “Enhanced Warranty” will be extended to current and future owners of Class Revolvers as part of this Settlement, and shall be provided over and above the existing warranty available to owners of Rossi revolvers. Owners may take advantage of the Enhanced Warranty by submitting their Class Revolvers to Braztech one time for Enhanced Warranty Service. The Enhanced Warranty Service includes the following components:

- a. **Shipping Benefits** including the delivery to the Class Member pre-paid shipping labels for shipping through Fed Ex or other accepted shipping company so that Class Revolvers can be safely shipped to Braztech for inspection at no cost to the Class Member.
- b. **Inspection Procedure** whereby Braztech (as warranty service provider in the United States for Forjas Taurus) will take possession of the Class Revolver, and disassemble the firearm to the extent necessary to determine whether the Alleged Defects are or may be present and whether such Class Revolver may be serviced or repaired to address and eliminate any of the Alleged Defect(s).
- c. **Repair Procedure** whereby Braztech will replace any internal components of the Class Revolver deemed necessary to eliminate any of the Alleged Defects found during the Inspection Procedure.
- d. **Replacement Procedure** whereby if Braztech determines that a particular Class Revolver, for any reason, cannot be serviced or repaired in such a way as to render it safe for its intended use,

Braztech will deliver to the Class Member a new Taurus-brand revolver of similar caliber and size, free of charge.

- e. **Certification Procedure** whereby Braztech will, for each Class Revolver that has been through the Inspection and Repair Procedures and been deemed safe for its intended use, stamp each Class Revolver on the frame of the revolver, a “R” to indicate that the firearm has been through the Enhanced Warranty Service process and is deemed safe for its intended use.
- f. **Cleaning Service** whereby Braztech will professionally clean and test fire each Class Revolver before being returned to the Class Member.

The foregoing Enhanced Warranty Service will be provided by Braztech at no charge to owners of Class Revolvers. This Enhanced Warranty Service is available one time per class Revolver and may be taken advantage of at any time: there is no time limit. Additionally, Braztech may begin providing the service immediately after preliminary approval of the settlement, the timeliness of the service being beneficial to the class.

2. **The Inconvenience Payment**

All Class Members who do not opt out who avail themselves of the Enhanced Warranty Service, and submit a valid claim during the Claim Period, will receive the “Inconvenience Payment” of \$50.00 per class member. The receipt of these Inconvenience Payments is contingent upon actually utilizing the Enhanced Warranty Service and having one’s weapon inspected within one-year from the Effective Date of the Settlement. The purpose of this structure is to incentivize Class Members to actually submit their Class Revolvers for inspection and repair.

C. Opt-Out Provisions

The Settlement allows current owners of Class Revolvers to opt-out of the Settlement and the Settlement Class. (Settlement Agreement at § III. I., pp. 28-29). Any Settlement Class Member who wishes to seek exclusion from the Settlement Class will be advised of his or her right to be excluded, and of the deadline and procedures for exercising that right. As noted above, the timetable proposed by the Settlement will afford members of the Settlement Class more than 90 days within which to decide whether to remain in the Settlement Class, or to seek exclusion from it. (*Id.* at § II, ¶ 28). Those who wish to pursue individual claims can do so by opting out.

D. Release

In exchange for the relief described above, and upon entry by the Court of a Final Order and Judgment approving the Settlement, Plaintiffs and the Settlement Class will release Defendants and their affiliated entities (the “Released Parties” as defined in the Settlement) of, among other things, all claims related to the alleged defects in the Class Revolvers as alleged in the Consolidated Complaint. In other words, the Settlement contemplates a release specific to the subject matter addressed in this Action—alleged design or manufacturing defects that could cause unintentional discharges—and does not contemplate a general release of any and all claims of any kind against these Defendants. The Settlement does not include any personal injury or property damage claims. Thus, it is narrowly tailored to address the common issues raised by the alleged defective design or manufacture of the Class Revolvers and is not an excessively broad general release of the type criticized in other class actions.

E. Class Representative Service Award

Under the Settlement, Class Counsel have reserved the right to seek a reasonable Service

Award, not to exceed \$7,500.00, for each Class Representative for his or her service as the named representative of the Settlement Class. Any Service Award approved by the Court up to that amount will be paid separately by Defendants from the relief being offered to the members of the Settlement Class, and would be in addition to any relief the Named Plaintiffs may receive as a member of the Settlement Class. The Service Award is intended to recognize the time and effort expended by the Class Representatives on behalf of the Settlement Class in assisting Class Counsel with the prosecution of this case and negotiating the relief the Settlement proposes to confer to the Settlement Class Members, as well as the exposure and risk Plaintiffs incurred by participating in and taking a leadership role in this Action.

F. Attorneys' Fees and Expenses

Under the Settlement, Class Counsel has reserved the right to petition the Court for an award of attorneys' fees and reimbursement of costs and expenses incurred in the prosecution of this case, in an amount not to exceed \$5,553,000.00. Any Attorneys' Fees and Expenses awarded by the Court, up to this amount, will be paid separately from the relief being offered to the Settlement Class Members.

III. Standard of Review for Class Action Settlements

As Plaintiffs point out, Rule 23 of the Federal Rules of Civil procedure was recently amended with regard to Settlement Classes under Rule 23(e). The amended Rule states:

(e) **Settlement, Voluntary Dismissal, or Compromise.** The claims, issues, or defenses of a certified class--or a class proposed to be certified for purposes of settlement--may be settled, voluntarily dismissed, or compromised only with the court's approval. The following procedures apply to a proposed settlement, voluntary dismissal, or compromise:

(1) Notice to the Class.

(A) **Information That Parties Must Provide to the Court.** The parties must provide the court with information sufficient to enable it to determine whether to give notice of the proposal to the class.

(B) Grounds for a Decision to Give Notice. The court must direct notice in a reasonable manner to all class members who would be bound by the proposal if giving notice is justified by the parties' showing that the court will likely be able to:

(i) approve the proposal under Rule 23(e)(2); and

(ii) certify the class for purposes of judgment on the proposal.

(2) **Approval of the Proposal.** If the proposal would bind class members, the court may approve it only after a hearing and only on finding that it is fair, reasonable, and adequate after considering whether:

(A) the class representatives and class counsel have adequately represented the class;

(B) the proposal was negotiated at arm's length;

(C) the relief provided for the class is adequate, taking into account:

(i) the costs, risks, and delay of trial and appeal;

(ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;

(iii) the terms of any proposed award of attorney's fees, including timing of payment; and

(iv) any agreement required to be identified under Rule 23(e)(3); and

(D) the proposal treats class members equitably relative to each other.

The Advisory Committee Notes that accompany the recent modifications to Rule 23(e) explain that the amendments were intended to focus the Court on the fairness of the settlement and class certification *before* notice is issued to the class. The new process is explained in part by the Advisory Committee as follows:

Subdivision (e)(1). The decision to give notice of a proposed settlement to the class is an important event. It should be based on a solid record supporting the conclusion that the proposed settlement will likely earn final approval after notice and an opportunity to object. The parties must provide the court with information sufficient to determine whether notice should be sent. At the time they seek notice to the class, the proponents of the settlement should

ordinarily provide the court with all available materials they intend to submit to support approval under Rule 23(e)(2) and that they intend to make available to class members. The amended rule also specifies the standard the court should use in deciding whether to send notice--that it likely will be able both to approve the settlement proposal under Rule 23(e)(2) and, if it has not previously certified a class, to certify the class for purposes of judgment on the proposal. The subjects to be addressed depend on the specifics of the particular class action and proposed settlement. But some general observations can be made.

One key element is class certification. If the court has already certified a class, the only information ordinarily necessary is whether the proposed settlement calls for any change in the class certified, or of the claims, defenses, or issues regarding which certification was granted. But if a class has not been certified, the parties must ensure that the court has a basis for concluding that it likely will be able, after the final hearing, to certify the class. Although the standards for certification differ for settlement and litigation purposes, the court cannot make the decision regarding the prospects for certification without a suitable basis in the record. The ultimate decision to certify the class for purposes of settlement cannot be made until the hearing on final approval of the proposed settlement. If the settlement is not approved, the parties' positions regarding certification for settlement should not be considered if certification is later sought for purposes of litigation.

Rule 23. Class Actions, FRCP Rule 23 (Advisory Committee Notes to 2018 Amendments).

Thus, under the revised Rule 23(e), before notice can be issued to the proposed Settlement Class, this Court must determine that it is "likely" to: (1) certify the class for settlement purposes; and (2) approve the proposed settlement as fair, adequate and reasonable. Fed. R. Civ. P. 23(e).

IV. Findings and Orders of the Court

A. Likely Certification of the Settlement Class

The first issue for the Court to determine is whether it is "likely" to certify a class for settlement purposes. In order for a class to be certified, the four requirements of Rule 23(a) of the Federal Rules of Civil Procedure must be satisfied. *Amchem Prods. v. Windsor*, 521 U.S. 591 (1997). The trial court has "broad discretion" in deciding whether to certify a class. *Washington v.*

Brown & Williamson Tobacco Corp., 959 F.2d 1566, 1669 (11th Cir. 1992).

In addition to satisfying the four requirements under Rule 23(a), “a plaintiff must also establish that the proposed class satisfies at least one of the three requirements listed in Rule 23(b).” *Little v. T-Mobile USA, Inc.*, 691 F.3d 1302, 1304 (11th Cir. 2012). Rule 23(b)(3) requires that the “questions of law or fact common to class members predominate over any questions affecting only individual members.” Under Rule 23(b)(3), “[t]he court's inquiry is typically focused on ‘whether there are common liability issues which may be resolved efficiently on a class-wide basis.’” *Drossin v. Nat’l Action Financial Services, Inc.*, 255 F.R.D. 608, 613 (S.D. Fla. 2009) (internal citations omitted). “Under Rule 23(b)(3), it is not necessary that all questions of fact or law be common, but only that some questions are common and that they predominate over individual questions.” *Busby v. JRHBW Realty, Inc.*, 513 F.3d 1314,1324 (11th Cir. 2008), quoting *Klay v. Humana, Inc.*, 382 F.3d 1241, 1254 (11th Cir. 2004).

Plaintiffs have alleged that the Class Revolvers suffer from two defects in the dual safety mechanisms within the Class Revolvers: (1) Rebound Slide Seat Safety Mechanism and (2) the Hammer Block, which can be further explained as follows:

Rebound Slide Seat Safety: The hammer has a tab or “seat” located at the bottom which is designed to sit tightly on top of and against the corresponding Rebound Slide Seat. The purpose of the Rebound Slide Seat is to prevent the hammer from rotating forward *unless* the trigger is pulled. In other words, the hammer is prevented from rotating forward by the rebound slide seat. When the trigger is pulled, the trigger mechanism pushes the rebound slide backward, allowing the hammer to freely rotate forward and thrusting the firing pin into the cartridge.

Hammer Block Safety: The Hammer Block is an arm with a small steel plate at the top which moves up and down when the hammer is cocked. In the resting position, the hammer block is designed to be located between the hammer and cartridge, and in the upper position is designed to prevent the hammer and firing pin from coming into contact with the cartridge.

(Declaration of Chuck Powell, PE).

Plaintiffs have also provided evidence of other drop-fire incidents and inspections by their expert, Mr. Chuck Powell, a Registered Professional Engineer specializing in failure analysis and the deposition testimony of Ms. Debra Gillis, a Forensic Firearm and Toolmark Examiner for the State of Alaska Scientific Crime Lab in Anchorage, Alaska, who support Plaintiffs' theory of the case.

For purposes of settlement only, and without an adjudication of the merits or a determination of whether a class should be certified if the Settlement is not approved or otherwise does not become final, the Court finds that the parties have carried their burden of showing that the Court will likely certify the Settlement Class for purposes of judgment in accordance with the Settlement Agreement, such that giving notice to all Settlement Class Members who would be bound by the Settlement Agreement is justified; in particular, the Court finds, for settlement purposes only, that the Court is likely to find as follows:

a. The Settlement Class is ascertainable. A class is ascertainable if "the class definition contains objective criteria that allow for class members to be identified in an administratively feasible way," such that identifying class members will be "a manageable process that does not require much, if any, individual inquiry." *Karhu v. Vital Pharm., Inc.*, 621 F. App'x 945, 946 (11th Cir. 2015). Here, the proposed definition of the Settlement Class is based on objective criteria focused upon current ownership of Class Revolvers. Individual, subjective inquiries to identify who may be a member of the Settlement Class are unnecessary as long as they are in possession of a Class Revolver which includes a specifically identifiable serial number. The possession of the Revolver and the inclusion of the serial number makes the class ascertainable.

b. The Settlement Class also satisfies the numerosity requirement of Rule 23(a)(1). Defendants produced and sold approximately 255,000 Class Revolvers during the class

period. Even if some Class Members own multiple Class Revolvers, joining thousands of individual class members would not be practicable. *Cox v. Am. Cast Iron Pip Co.*, 784 F.2d 1546, 1553 (11th Cir. 1986) (“[W]hile there is no fixed numerosity rule, generally less than twenty-one is inadequate, more than forty adequate, with numbers between varying according to other factors.”); *Baez v. LTD Fin. Serv., L.P.*, No: 6:15-cv-1043, 2016 WL 3189133, at *2 (M.D. Fla. June 8, 2016) (Rule 23’s numerosity requirement “easily satisfied” where class was comprised of over 34,000 consumers who were sent an allegedly deceptive dunning letter).

c. The commonality requirement of Rule 23(a)(2) is also satisfied for purposes of settlement. Not all factual or legal questions raised in the litigation need to be common so long as at least one issue is common to all class members. *Armstead*, 629 F. Supp. at 280; *Pottingar v. Miami*, 720 F. Supp. 955, 958 (S.D. Fla. 1989). “A sufficient nexus is established if the claims or defenses of the class and the class representative arise from the same event or pattern or practice and are based on the same legal theory.” *Kornberg v. Carnival Cruise Lines, Inc.*, 741 F.2d 1332, 1337 (11th Cir. 1984). Commonality of claims “requires that there be at least one issue whose resolution will affect all or a significant number of the putative class members.” *Williams v. Mohawk Indus., Inc.*, 568 F.3d 1350, 1355 (11th Cir. 2009) (internal citations omitted).

Here, each class member is the current owner of a Class Revolver which is alleged to suffer from design or manufacturing defects that cause the dual safety features to not function properly, thereby allowing the gun to fire even if the trigger is not pulled. Thus, the overriding common question in this action is whether the Class Revolvers suffer from design or manufacturing defects which prevent the safety features from operating as designed.

d. The Settlement Class also satisfies the typicality requirement of Rule 23(a)(3). The test of typicality is “whether other members [of the class] have the same or similar

injury, whether the action is based on conduct which is not unique to the named class plaintiffs, and whether other class members have been injured by the same course of conduct.” *In re Checking Account Overdraft Litig.*, 307 F.R.D. 630, 641 (S.D. Fla. 2015) (quoting *Hanon v. Dataprods. Corp.*, 976 F.2d 497, 508 (9th Cir. 1992)). The typicality requirement “may be satisfied even though varying fact patterns support the claims or defenses of individual class members, or there is a disparity in the damages claimed by the representative parties and the other members of the class,” *In re Domestic Air Transp. Antitrust Litig.*, 137 F.R.D. 677, 698 (N.D. Ga. 1991), so long as the claims or defenses of the class and class representatives “arise from the same events, practice, or conduct and are based on the same legal theories.” *Navelski v. Int’l Paper Co.*, 244 F. Supp. 3d 1275, 1306 (N.D. Fla. 2017) (citing *Kornberg v. Carnival Cruise Lines, Inc.*, 741 F.2d 1332, 1337 (11th Cir. 1984)).

The named Plaintiffs’ Class Revolvers not only suffer from the same defects alleged for all Class Revolvers, but they experienced incidents of alleged drop-fire. As a result, the Court finds the claims of the named Plaintiffs to be typical of the claims of the class members they seek to represent as they all focus on the alleged design or manufacturing defects within the Class Revolvers.

e. The Burrow and Bedwell Plaintiffs are adequate representatives of the Settlement Class under Rule 23(a)(4). “The adequacy-of-representation requirement encompasses two separate inquiries: (1) whether any substantial conflicts of interest exist between the representatives and the class; and (2) whether the representatives will adequately prosecute the action.” *Busby*, 513 F.3d at 1323 (internal citations omitted). Because each Plaintiff owns a Class Revolver and allegedly experienced a drop-fire incident, they have standing, are members of the

Settlement Class they seek to represent, and the Court is aware of no antagonistic interests that exist between the named Plaintiffs and the Settlement Class Members.

Class counsel will be deemed adequate if they are shown to be qualified, adequately financed, and possess sufficient experience in the subject matter of the class action. *City of St. Petersburg v. Total Containment, Inc.*, 265 F.R.D. 630, 651 (S.D. Fla. 2010). A review of the Declarations submitted by Plaintiffs' counsel, and this Court's experience with the same in this case, satisfy this Court that Class Counsel have the qualifications and experience necessary to undertake this litigation and serve as Class Counsel on behalf of the Settlement Class.

f. The requirements of Rule 23(b)(3) also appear to be satisfied for settlement purposes. Rule 23(b)(3) requires that the "questions of law or fact common to class members predominate over any questions affecting only individual members." Under Rule 23(b)(3), "[t]he court's inquiry is typically focused on 'whether there are common liability issues which may be resolved efficiently on a class-wide basis.'" *Drossin v. Nat'l Action Financial Services, Inc.*, 255 F.R.D. 608, 613 (S.D. Fla. 2009) (internal citations omitted). "Under Rule 23(b)(3), it is not necessary that all questions of fact or law be common, but only that some questions are common and that they predominate over individual questions." *Busby v. JRHBW Realty, Inc.*, 513 F.3d 1314, 1324 (11th Cir. 2008), quoting *Klay v. Humana, Inc.*, 382 F.3d 1241, 1254 (11th Cir. 2004).

Here, the Court finds the predominance requirement met because each of Plaintiffs' claims center on Defendants' common conduct and the Class Revolver's alleged common defects. Specifically, Plaintiffs allege that all Class Revolvers suffer from common defects regarding the rebound slide seat and the hammer block. Plaintiffs also assert that Defendants engaged in a common course of conduct in the design, production, and sale of the Class Revolvers and that they breached common warranties.

Because Plaintiffs seek class certification for settlement purposes, the Court need not inquire into whether this Action, if tried, would present intractable management problems. *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997); *Carriuolo v. Gen. Motors Co.*, 823 F.3d 977, 988 (11th Cir. 2016); *In re Am. Int’l Grp., Inc. Sec. Litig.*, 689 F.3d 229, 242 (2d Cir. 2012) (“[M]anageability concerns do not stand in the way of certifying a settlement class.”).

As the Supreme Court held in *Amchem*, when “[c]onfronted with a request for settlement-only class certification, a district court need not inquire whether the case, if tried, would present intractable management problems . . . for the proposal is that there be no trial.” 521 U.S. at 620. *See also Sullivan v. DB Investments, Inc.*, 667 F.3d 273, 302-03 (3d Cir. 2011) (holding that the concern for manageability, a central tenet in the certification of a litigation class, is removed from the equation when certification concerns a settlement class); *Smith v. Wm. Wrigley Jr. Co.*, No. 09-CV-60646, 2010 WL 2401149, at *3 (S.D. Fla. June 15, 2010) (citing *Amchem*, 521 U.S. at 620); *David v. Am. Suzuki Motor Corp.*, No. 08-CV-22278, 2010 WL 1628362, at *3 (S.D. Fla. Apr. 15, 2010) (in the context of proposed settlement classes, district courts may properly consider that there will be no trial). Even though a settlement class must meet the requirements of Rule 23, the “settlement is a factor in the calculus,” and therefore the certification inquiry is not the same in the settlement context as when certification is for the purposes of trial. *See Amchem*, 521 U.S. at 619-22. Thus, while choice-of-law analyses may have presented manageability problems in resolving claims in contested class and litigation proceedings, it is not a factor in the nationwide settlement context that the Parties propose. *Sullivan*, 667 F.3d at 297 (“[C]oncerns regarding variations in state law largely dissipate when a court is considering the certification of a settlement class.”).

For purposes of issuing notice pursuant to Rule 23(e), the Court concludes that use of the class device is also superior to other methods of resolving the issues in this Action “given the large number of claims, the relatively small amount of damages available, the desirability of consistently adjudicating the claims, the high probability that individual members of the proposed classes would not possess a great interest in controlling the prosecution of the claims, and the fact that it would be uneconomical to litigate the issues individually.” *Roundtree v. Bush Ross, P.A.*, 304 F.R.D. 644, 663 (M.D. Fla. 2015).

The Court recognizes that this proposed class settlement provides a means for granting valuable relief to the proposed Settlement Class Members. Perhaps more importantly, it will further make owners aware of the safety concern and the Alleged Defects and give Settlement Class Members the opportunity to have their Class Revolvers inspected, repaired if necessary, and certified. Crucially, the Parties have agreed that Braztech may begin extending the Enhanced Warranty and providing the Enhanced Warranty Service immediately upon entry of this Order and that Settlement Class Members who take advantage of the Enhanced Warranty prior to Final Approval will be able to submit a claim for the Inconvenience Payment after Final Approval.

The Court further finds, for purposes of settlement only, that: (a) Settlement Class Members likely have a limited interest in individually prosecuting the claims at issue; (b) the Court is satisfied with the Parties’ representations that they are unaware of any other pending litigation regarding the claims at issue by members of the Settlement Class; (c) it is desirable to concentrate the claims in this forum; and (d) the Court believes it is unlikely that there will be difficulties encountered in administering the proposed settlement.

Accordingly, for purposes of initially considering, approving and effectuating the Agreement and to fairly and adequately protect the interests of all concerned with regard to all

claims set forth in the Consolidated Complaint, this Court finds that it is likely to finally certify a Settlement Class defined as:

All individuals in the United States, including its territories and possessions, who owned one or more Class Revolver(s) on the [Preliminary Approval Date]. (Settlement Agreement at § II, ¶ 44).

The term “Class Revolvers” in the above definition includes all Rossi brand .357 magnum and .38 Special revolvers of the following models—R35102, R35202, R85104, R97206, R97104, R46202, R46102—manufactured by Forjas Taurus between January 1, 2005 and December 31, 2017, as indicated by the serial number stamped on the frame of the revolver beginning with the letters Y, Z, A, B, C, D, E, F, G, H, I, J, or K. Discovery indicated that there are or were approximately 255,000 Class Revolvers manufactured during the Class Period that were sold in the United States.

Excluded from the Settlement Class are (a) all state, local, or federal bodies or agencies, etc., or Persons in an official capacity; (b) the District Judge and Magistrate Judge to whom the Action is assigned and any appellate judge assigned to any appeal in the Action, together with any member of their staffs and immediate families; (c) any Successful Opt-Out, and (d) any other Person who has been recognized by Order of the Court as excluded from the Settlement Class for any reason.

Pending determination of whether the proposed settlement should be finally approved, the Parties shall not pursue any claims or defenses otherwise available to them, and no person in the Settlement Class and no person acting or purporting to act directly or derivatively on behalf of Plaintiff or a Settlement Class Member, or acting in a representative basis or in any other capacity, shall commence, prosecute, intervene in, or participate in any lawsuit, action, arbitration, or proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims against

any of the Released Parties. However, this Stay/Bar of Proceedings shall not apply to claims for death, personal injury, or damage to property other than to the Class Revolvers themselves.

Pending determination of whether the proposed settlement should be finally approved, all Settlement Class Members are hereby preliminarily enjoined from directly, on a representative basis or in any other capacity, commencing, prosecuting, intervening in, or participating as a plaintiff or class member in any action, arbitration, or proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims against any of the Released Parties.

The Court recognizes that, pursuant to the Settlement Agreement, the Defendants retain the right to dispute that a class may be properly certified in this Action, or that a class is reasonably ascertainable, should the proposed settlement not be finally approved. The foregoing determinations regarding class certification are for purposes of settlement only. Accordingly, preliminary certification of the Settlement Class shall not be deemed a concession that certification of a litigation class is appropriate, nor are the Defendants precluded from challenging class certification in further proceedings in this Action or in any other action or proceeding if the proposed settlement is not finalized or finally approved. If the proposed settlement is not finally approved for any reason, the certification of the Settlement Class shall be void and vacated, and the Action shall proceed as though the Settlement Class had never been certified, without prejudice to any Party to either request or oppose class certification.

B. Preliminary Settlement Approval

The second issue for this Court to determine under amended Rule 23(e) is whether the Court is “likely” to approve the settlement as fair, adequate and reasonable. Rule 23(e)(2)(c) provides four additional considerations that must be taken into account when determining whether the relief being provided under the Settlement is adequate: (i) the costs, risks, and delay of trial

and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorney's fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3). The Court finds that each factor supports approval.

The Court initially notes that the benefits of the settlement appear to be fair and reasonable, such that it is likely to grant final approval. Critically, the Settlement encourages class members to submit their Class Revolver for inspection and repair, which Braztech will provide free of charge. The certification program, which will provide proof that a revolver has undergone the Enhanced Warranty Service, ensures that future owners will be able to know that the safety mechanisms in a particular revolver have been inspected, and repaired if necessary. If a Class Revolver cannot be repaired to operate safely, a replacement revolver from Taurus will be provided. The safety of the class members is the central component to the Settlement. The Settlement pays all of the shipping and repair costs, and the class members receive a fully functional, safe and professionally-cleaned revolver, as well as a \$50 Inconvenience Payment. Accordingly, this Court further finds, subject to any facts or argument made at the Final Approval Hearing, that the Settlement appears to be fair, reasonable, and adequate such that it is likely to grant final approval.

From its review of the record, and the participation of the parties throughout the litigation, the class representatives and class counsel have adequately represented the class. The claims were fully asserted in the Consolidated Complaint, and Class Counsel vigorously pursued the claims of Plaintiffs and the putative class. The Settlement Agreement itself was the product of arm's length negotiations before a professional mediator. More specifically, the parties engaged in five full days of mediation and continued to negotiate thereafter on the details of the formal Settlement

Agreement. The parties kept the Court informed of their progress throughout the process and the Court is convinced that the agreement was negotiated in good faith.

Additionally, the Court is convinced that absent settlement, final resolution of the claims would take considerable time and involve considerable risks. Plaintiffs properly point out that any decision on class certification is likely to result in an appeal under Rule 23(f), which would cause considerable delay. Moreover, another appeal could result at the conclusion of the case. It would likely be several years before a final judgment could be entered on the merits absent settlement.

Furthermore, the settlement treats all class members equally and fairly. In fact, there is no distinction between the benefits offered. All class members receive the benefit of the Enhanced Warranty automatically, and the steps they must take to receive the Enhanced Warranty Service and the Inconvenience Payment are far from onerous. In fact, for the Enhanced Warranty Service, it is the same or easier and cheaper than the steps they would need to receive ordinary warranty service. This second factor also weighs in favor of approval.

The attorney's fee negotiated by Class Counsel equates to approximately 14% of the \$37,995,000 value of the benefits created by the proposed Settlement. "It is well established that when a representative party has conferred a substantial benefit upon a class, counsel is entitled to an allowance of attorneys' fees based upon the benefit obtained." *In re Checking Account Overdraft Litigation*, 830 F.Supp.2d 1330, 1358 (S.D.Fla.,2011)(citing *Camden I Condominium Assn. v. Dunkle*, 946 F.2d 768, 771 (11th Cir.1991); *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478, 100 S.Ct. 745, 62 L.Ed.2d 676 (1980)). In *Camden I*, the Eleventh Circuit criticized lodestar and the inefficiencies that it creates. 946 F.2d at 773–75. In so doing, the court "mandate[d] the exclusive use of the percentage approach in common fund cases, reasoning that it more closely aligns the interests of client and attorney, and more faithfully adheres to market practice." *In re Checking*

Account Overdraft Litig., 830 F. Supp. 2d 1330, 1362–63 (S.D. Fla. 2011) (quoting *Goldberger v. Integrated Resources, Inc.*, 209 F.3d 43, 50 (2d Cir.2000)). The Court finds that 14% is below the amounts regularly negotiated in class actions within the Eleventh Circuit. *See, e.g., Waters v. Int'l Precious Metals Corp.*, 190 F.3d 1291, 1295-96 (11th Cir. 1999) (affirming fee award of 33 1/3% of settlement value); *Wolff v. Cash 4 Titles*, No. 03-cv-22778, 2012 WL 5290155, at *5 (S.D. Fla. Sept. 26, 2012) (approving 33% award, and noting “[t]he requested fee is entirely consistent with fee awards in comparable cases nationwide, within the Eleventh Circuit, and within the Southern and Middle Districts of Florida.”); *Allapattah Servs., Inc. v. Exxon Corp.*, 454 F. Supp. 2d 1185, 1204 (S.D. Fla. 2006) (approving 31 1/3% fee award); *Black v. Winn-Dixie Stores, Inc.*, No. 09-cv-502, 2011 WL 13257526, at *5 (M.D. Fla. June 17, 2011) (approving 30% fee award payable from common fund). As a result, the negotiated attorney fee appears to be reasonable such that the Court is likely to grant final approval.

C. Final Approval Hearing

A Final Approval Hearing shall be held before this Court on [REDACTED], 2019, beginning at [REDACTED]:[REDACTED] a.m./p.m., in Courtroom [REDACTED] of the James Lawrence King Federal Justice Building, 99 N.E. Fourth Street, Miami, FL 33128, to determine whether (a) the Settlement is fair, reasonable, and adequate such that the Settlement should be granted final approval by the Court; (b) the Settlement Class should be certified for settlement purposes pursuant to Federal Rule of Civil Procedure 23; (c) whether Plaintiffs’ counsel should be appointed as Class Counsel and whether Attorneys’ Fees and Expenses should be awarded by the Court to Class Counsel pursuant to Federal Rule of Civil Procedure 23(h); (d) whether Service Awards should be approved by the Court to the named Plaintiffs; and (e) whether a Final Order and Judgment should be entered, and this Action thereby be dismissed with prejudice, pursuant to the terms of the Agreement. The Court may adjourn or

reschedule the Final Approval Hearing without further notice to the Settlement Class Members. Settlement Class Members do not need to appear at the Final Approval Hearing or take any other action to indicate their approval of the proposed Settlement.

D. Further Submissions by the Parties

Any application by Class Counsel for Attorneys' Fees and Expenses and for a Service Award to any Named Plaintiffs shall be filed with the Court no later than thirty (30) days prior to the Opt-Out and Objection Deadline. The Settlement Administrator shall promptly post the motion to the Settlement Website after its filing with the Court. All other submissions of the Parties in support of the proposed Settlement, or in response to any objections submitted by Settlement Class Members, shall be filed no later than ten (10) days before the Final Approval Hearing. The Settlement Administrator is directed to file a list reflecting all requests for exclusion it has received from Settlement Class Members with the Court no later than ten (10) days before the Final Approval Hearing.

E. Administration

The Court authorizes and directs the Parties to establish the means necessary to administer the proposed Settlement, and appoints Epiq Class Action & Claims Solutions to serve as Claims Administrator, with Hilsoft Notifications (a business unit of Epiq) serving as Notice Provider for the Class Notice, at Defendants' expense, to aid in implementing the terms of the Settlement.

F. Notice to Federal and State Regulators

The Court orders the Settlement Administrator to provide notice to Federal and State Regulators pursuant to the requirements of the Class Action Fairness Act ("CAFA"), as codified at 28 U.S.C. § 1715.

G. Notice to the Settlement Class

The Court approves, as to both form and content, the Class Notice Program attached to the Settlement, as well as the proposed methodology for distributing that notice to the Settlement Class Members as set forth in Section III. D. of the Settlement Agreement. Accordingly,

a. The Court orders the Settlement Administrator, within twenty-one (21) days following entry of this Order and subject to the requirements of this Order and the Settlement, to cause the Class Notice to be mailed, by First-Class U.S. Mail, proper postage prepaid, to the Settlement Class Members identified through Defendant's Warranty Cards or website, to mailing addresses or email addresses as reflected in Defendants' records. The Court further orders the Settlement Administrator to: (i) prior to mailing, attempt to update the last known mailing addresses for each Warranty Card class member through the National Change of Address system or similar databases; (ii) promptly re-mail any Class Notices that are returned by the United States Postal Service with a forwarding address and continue to do so with respect to any such returned mail that is received seven (7) days or more prior to the Opt-Out and Objection Deadline; and (iii) determine, as soon as practicable, whether a valid address can be located through use of the United States Postal Service's National Change of Address database and/or use of other reasonable means and without undue cost or delay, for those Class Notices that are returned without a new or forwarding address, and promptly re-mail copies of the Class Notice to any Settlement Class Members for whom the Settlement Administrator is reasonably able to locate valid addresses in accordance herewith, so long as the valid addresses are obtained seven (7) days or more prior to the Opt-Out and Objection Deadline.

b. The Settlement Administrator shall publish all forms of publication Notice set forth in the Notice Plan proposed by the Parties' Notice Expert, Cameron Azari.

c. The Settlement Administrator shall establish an internet website to inform Settlement Class Members of the terms of the Agreement, their rights, dates and deadlines, and related information. The Settlement Website shall include, in .pdf format, materials agreed upon by the Parties and/or required by the Court, and should be operational and live within fourteen (14) days of this Order. At this time, the Court orders that the Settlement Website include the following: (i) the Operative Complaint; (ii) the Settlement, and its exhibits; (iii) a copy of this Order; (iv) the long and short form Notice ; (v) a Claim Form in electronic and PDF formats; and (vi) a disclosure, on the Settlement Website's "home page," of the deadlines for Settlement Class Members to seek exclusion from the Settlement Class, to opt-out of or object to the Settlement, as well as the date, time and location of the Final Approval Hearing.

d. No later than ten (10) days before the date of the Final Approval Hearing, the Settlement Administrator, and to the extent applicable, the Parties, shall file with the Court a declaration or declarations, verifying compliance with the aforementioned class wide notice procedures.

H. Findings Concerning the Notice Program

The Court finds and concludes that the form, content and method of giving notice to the Settlement Class as described in this Order: (a) will constitute the best practicable notice under the circumstances; (b) is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of this Action, the terms of the proposed Settlement, and of their rights under and with respect to the proposed Settlement (including, without limitation, their right to object to or seek exclusion from, the proposed Settlement); (c) is reasonable and constitutes due, adequate and sufficient notice to all Settlement Class Members and other persons entitled to receive notice; and (d) satisfies all applicable requirements of law, including, but not limited to,

28 U.S.C. § 1715, Federal Rule of Civil Procedure 23(c), and the United States Constitution (including the Due Process Clause). The Court further finds that the Class Notice is written in simple terminology, and is readily understandable.

I. Cost Obligations for the Notice Program

All Costs of Administration, including those associated with providing notice to the Settlement Class under the Notice Plan as well as in administering the terms of the Settlement, shall be paid by Defendants as set forth in the Settlement. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs, nor Class Counsel, nor any Settlement Class Members shall have any obligation to Defendants for such costs and expenses.

J. Communications with Settlement Class Members

The Court authorizes Defendants to communicate with Settlement Class Members and potential Settlement Class Members only to the extent necessary to fulfill and commensurate with their duties and obligations under the Settlement. However, Defendants are ordered to refer any inquiries by Settlement Class Members or potential Settlement Class Members about any legal ramifications of the Settlement to Interim Class Counsel.

K. Exclusion (“Opting Out”) from the Settlement Class

Any Settlement Class Member who wishes to be excluded from the Settlement Class must submit a written request for exclusion to the Settlement Administrator, mailed sufficiently in advance to be received by the Settlement Administrator by the Opt-Out and Objection Deadline. A request for exclusion must comply with the requirements set forth in the Agreement and include the Settlement Class Member’s name, mailing and email addresses, contact phone number, and serial number of their revolver, along with a short statement that he or she wishes to be excluded

from the Settlement Class, and containing a caption or title that identifies it as a “Request for Exclusion in *Burrow v. Forjas Taurus, S.A. and Braztech International, Inc.*,” and include the Settlement Class Member’s personal signature. A request for exclusion may not request the exclusion of more than one member of the Settlement Class. The Parties have prepared a suggested form Notice of Opt-Out to be made available on the Settlement Website.

Any Settlement Class Member who timely requests exclusion consistent with these procedures shall not: (a) be bound by a final judgment approving the Settlement; (b) be entitled to any relief under the Settlement; (c) gain any rights by virtue of the Settlement; or (d) be entitled to object to any aspect of the Settlement.

Settlement Class Members who do not exclude themselves from the Settlement Class in full compliance with the requirements and deadlines of this Order shall be deemed to have forever consented to the exercise of personal jurisdiction by this Court and shall have waived their right to be excluded from the Settlement Class and from the Settlement, and shall thereafter be bound by all subsequent proceedings, orders and judgments in this Action, including but not limited to the Release contained in the Settlement.

L. Objections and Appearances

Any Settlement Class Member (or counsel hired at any Settlement Class Member’s own expense) who does not properly and timely exclude himself or herself from the Settlement Class, and who complies with the requirements of this paragraph and the procedures specified in the Class Notice, may object to any aspect or effect of the proposed Settlement.

a. Any Settlement Class Member who has not filed a timely and proper written request for exclusion and who wishes to object to the fairness, reasonableness, or adequacy of the Settlement, or to the certification of the Settlement Class, or to the award of Attorneys’ Fees and

Expenses, or to the Service Award, or to any other aspect or effect of the Settlement, or to the Court's jurisdiction, must file a written statement of objection with the Court no later than the Opt-Out and Objection Deadline.

b. An objection must be in writing, and must include: (1) the Settlement Class Member's name, mailing and email addresses, contact phone number, and loan number(s); (2) a caption or title that identifies it as "Objection to Class Settlement in *Burrow v. Forjas Taurus, S.A., and Braztech International, L.C.*, (case number 1:16-cv-21606-Torres);" (3) all grounds for the objection, including any legal and evidence the objector wishes to introduce in support of the objection; (5) the name and contact information of any and all attorneys representing, advising, or in any way assisting the objector in connection with the preparation or submission of the objection; (6) a statement indicating whether the objector intends to appear and argue at the Final Approval Hearing (either personally or through counsel who files an appearance with the Court in accordance with the Local Rules); and (7) the personal signature of the objecting Settlement Class Member.

c. To file a written statement of objection, an objector must mail it to the Clerk of the Court sufficiently in advance that it is received by the Clerk of the Court on or before the Opt-Out and Objection Deadline, or the objector may file it in person on or before the Opt-Out and Objection Deadline at any location of the United States District Court for the Southern District of Florida, except that any objection made by a Settlement Class Member represented by his or her own counsel must be filed through the Court's Case Management/Electronic Case Filing (CM/ECF) system.

d. Any Settlement Class Member who fails to comply with the provisions in this Order for the submission of written statements of objection shall thereby forever waive and

forfeit any and all rights he or she may have to appear separately and/or to object, and will be deemed to have consented to the exercise of personal jurisdiction by the Court, consented to the Settlement, consented to be part of the Settlement Class, and consented to be bound by all the terms of the Settlement, this Order, and by all proceedings, orders, and judgments that have been entered or may be entered in the Action, including, but not limited to, the Release described in the Settlement. However, any Settlement Class Member who submits a timely and valid written statement of objection shall, unless he or she is subsequently excluded from the Settlement Class by Order of the Court, remain a Settlement Class Member and be entitled to all of the benefits of the Settlement in the event the Settlement is given final approval and the Final Settlement Date is reached.

e. Only those specific objections, grounds and documents that comply with the requirements in paragraph L(b), above, may be presented to the Court. Further, any Settlement Class Member who intends to appear at the Final Approval Hearing, and any counsel that intends to appear on behalf of any Settlement Class Member, must file with the Court and serve on all Parties (as set forth above) a Notice of Intent to Appear.

f. Any Settlement Class Member who submits a timely written objection shall consent to deposition by Class Counsel and/or Defendants' Counsel prior to the Final Approval Hearing.

g. Any Settlement Class Member who does not make his/her/its objection to the Settlement in compliance with the requirements set forth in this Order shall be deemed to have waived any such objection by appeal, collateral attack or otherwise.

M. Termination of Settlement

This Order shall become null and void and shall be without prejudice to the rights of the Parties or Settlement Class Members, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if the Settlement: (a) is not finally approved by the Court, (b) does not become final pursuant to the terms of the Settlement; (c) is terminated in accordance with the Settlement; or (d) does not become effective for any other reason.

N. Use of this Order

In the event the Settlement does not reach the Final Settlement Date or is terminated in accordance with the Settlement, then: (a) the Settlement and the Agreement, and the Court's Orders, including this Order, relating to the Settlement shall be vacated and shall be null and void, shall have no further force or effect with respect to any Party in this Action, and shall not be used or referred to in any other proceeding by any person for any purpose whatsoever; (b) this Action will revert to the status that existed before the Settlement's execution date; (c) this Action shall proceed pursuant to further Orders of this Court; and (d) nothing contained in the Settlement, or in the Parties' settlement discussions, negotiations or submissions (including any declaration or brief filed in support of the preliminary or final approval of the Settlement), or in this Order or in any other rulings regarding the settlement, shall be construed or used as an admission, concession, or declaration by or against any Party of any fault, wrongdoing, breach or liability in this Action or in any other lawsuit or proceeding, or be admissible into evidence for any purpose in the Action or any other proceeding by any person for any purpose whatsoever.¹ This paragraph shall survive

¹ However, otherwise discoverable information that was disclosed or exchanged during settlement discussions, negotiations, or submissions shall not become protected from future discovery and proceedings merely because it was a part of settlement proceedings.

termination of the Settlement and shall remain applicable to the Parties and the Settlement Class Members whether or not they submit a written request for exclusion.

O. Continuing Jurisdiction

This Court shall maintain continuing exclusive jurisdiction over these settlement proceedings to consider all further applications arising out of or connected with the Settlement or this Order, and to assure the effectuation of the Settlement for the benefit of the Settlement Class.

P. Continuance of Final Approval Hearing

The Court reserves the right to adjourn or continue the Final Approval Hearing without further written notice to the Settlement Class Members.

The Court has reviewed the motion, memorandum of law, the Settlement Agreement,² and the pleadings filed to date in this matter to determine whether the proposed Settlement Class should be issued notice of the terms of the proposed Settlement pursuant to Rule 23(e). Having fully considered the issues and the arguments offered by counsel, **IT IS HEREBY ORDERED, DECREED, AND ADJUDGED AS FOLLOWS:**

1. Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement is **GRANTED**.
2. The Court preliminarily approves the Settlement Agreement as fair, adequate, and reasonable to the Settlement Class, and within the reasonable range of possible final approval;
3. The parties have shown that the Court will likely approve the Settlement Agreement under Federal Rule 23(e)(2) and certify the Settlement Class for purposes of

² The definitions used in the Settlement Agreement are hereby incorporated as though fully set forth in this Order, and capitalized terms shall have the meanings attributed to them in the Settlement Agreement.

judgment in accordance with the Settlement Agreement, such that giving of notice to all Settlement Class Members who would be bound by the Settlement Agreement is justified;

4. The Court approves the Notice Program as the best notice practicable under the circumstances, and as meeting the requirements of due process and Federal Rule of Civil Procedure 23;
5. The Court directs that notice be provided to the Settlement Class in accordance with the Notice Program;
6. The procedure for Settlement Class Members to object to final approval of the Settlement Agreement or for Persons to exclude themselves from the Settlement Class is established as set forth in this Order, and the **Opt-Out and Objection Deadline is _____, 2019;**
7. The Court approves the suggested form Notice of Opt-Out, provided that potential Settlement Class Members need not use the suggested form and may opt-out by providing the information required hereby in another form;
8. The Courts approves the method of providing the Enhanced Warranty Service and the claim process provided for in the Settlement Agreement for submitting Claim Forms and determining whether Persons qualify as Validated Claimants;
9. Pending final determination of whether the Settlement Agreement should be approved, the Court bars and preliminarily enjoins all Settlement Class Members, directly, on a representative basis or in any other capacity, from commencing, prosecuting, intervening in, or participating as a plaintiff or class member in any

- action, arbitration, or proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims against any of the Released Parties;
10. Pending final determination of whether the Agreement should be approved, the Court stays all proceedings in this civil action except those related to approval and effectuation of the Settlement Agreement;
 11. The Court approves and appoints Epiq Class Action & Claims Solutions to serve as Claims Administrator, with Hilsoft Notifications (a business unit of Epiq) serving as Notice Provider, to perform the tasks as set forth in the Settlement Agreement and execute the Class Notice and, further, authorizes and approves Braztech's role in the claims process as provided for in Part III(C)(2) of the Settlement Agreement;
 12. No discovery (except for reasonable confirmatory discovery requested by Class Counsel) with regard to the Settlement Agreement or its implementation shall be permitted by any prospective Settlement Class Member or any other Person, other than as may be directed by the Court upon a proper showing seeking permission to conduct such discovery by motion filed with the Court, noticed, and served in accordance with applicable rules and procedures;
 13. The Court schedules a hearing on Final Approval of the Agreement, as set forth in this Order, provided that such hearing may, from time to time without further notice to the Settlement Class, be continued or adjourned by Order of the Court; and
 14. The Court authorizes and approves Defendants' continuing the Early Warning Program and beginning to provide the Enhanced Warranty Service prior to Final

Approval and approves the evidentiary preclusion provided for in Part IV(B) of the Settlement Agreement.

IT IS SO ORDERED this ____ day of _____, 2019.

Judge Edwin G. Torres
United States Magistrate Judge

Exhibit 2

Taurus - Braztech Revised Media Notice Plan Outline
2/27/2019



The notice plan is estimated to reach 86% of adults age 25-64 years old and 83% of adults 18 years old and older.*
The notice plan includes individual notice to all potential Class members for whom mailing or email addresses are available.
The notice plan also builds on and complements the Early Warning Program that began on 9/12/18 and will continue through the implementation of the notice plan.

Media	Frequency	Circulation	Insertions	Ad Unit
National Magazines				
American Rifleman	Monthly	1,891,046	1	1/2 Page B/W
Field and Stream	6x/year	650,000	1	1/2 Page B/W
Guns & Ammo	Monthly	365,009	1	1/2 Page B/W
Handguns	6x/year	112,570	1	1/2 Page B/W
Southern Living	Monthly	2,800,000	1	1/2 Page B/W

Online Display Advertising	Impressions	Campaign Length	Ad Formats
<p><u>Google Doubleclick and Yahoo Ad Networks</u>: Combined ad networks cover 90% of U.S. population that are online. Ads run on thousands of websites including: Gundigest.com, Outdoorlife.com, ESPN.com, Yahoo, Weather.com and many more. Can specifically target to men and women who have an interest in guns.</p> <p><u>Outdoor Sportsman Group</u>: Includes advertising on Gunsandammo.com, Handgunsmag.com, Outdoorchannel.com, ShootingTimes.com and Firearmsnews.com</p> <p><u>AmericanRifleman.com</u></p> <p><u>FieldandStream.com</u></p>	245,000,000	6 weeks	Graphic Ads Mobile, Tablet, and Desktop
	11,500,000	6 weeks	Graphic Ads Mobile and Desktop
	2,500,000	6 weeks	Desktop
	3,000,000	6 weeks	
Social Media	Impressions	Campaign Length	Ad Formats
<p><u>Facebook + Instagram</u>: Leading group of social network sites. Facebook/Instagram combined cover over 200 million users in the U.S. Can specifically target to men and women with an interest in guns.</p>	170,000,000	6 weeks	Newsfeed & Right Side Click Through Ads Lead Forms Ads

Radio	Total Approximate Spots	Ad Formats
<p><u>Sirius XM Conservative Talk Radio</u> - Example stations may include Patriot, POTUS, Fox 24/7, and/or Fox Business</p>	480-520	:30 creative

Sponsored Search Listings (Google, Yahoo! and Bing)

Press Release/US1 newline as well as targeted microlist to over 1,000 contacts in Outdoor/Hunting and Police/Public Safety & Crime categories (700 words max.)

Media Implementation and Production (Notice drafting, media placement, and radio production)

Expert and Professional Time (any testimony, if needed, will be billed separately)

*Radio reach for the A25-64 target is actually measured against A25-54, as the larger target is not available in our research. The radio message will be available to adults 55-64 and as such, we have made the reasonable assumption that radio reach to A25-64, if it were measurable, would be similar to that of A25-54.

**All advertising is subject to publisher approval and availability.