

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

Jeffrey Stephenson, et al. v. Navy Federal Credit Union

Case No. 3:23-cv-01851

If You Had an Account with Navy Federal Credit Union and Submitted a Claim for Unauthorized and/or Fraudulent Transactions That Was Denied Between October 10, 2022, and August 20, 2025, You May Be Entitled to a Payment from a Class Action Settlement.

A court authorized this Notice. This is not a solicitation from a lawyer. You are not being sued.

PLEASE READ THIS NOTICE CAREFULLY

There is a proposed settlement in the class action lawsuit *Jeffrey Stephenson, et al. v. Navy Federal Credit Union*, Case No. 3:23-cv-01851 (the “Class Action”), which claims that Navy Federal Credit Union (Navy Federal) violated the Electronic Funds Transfer Act (EFTA) by: (a) improperly denying claims by credit union members of unauthorized electronic fund transfer(s); (b) failing to provide sufficient explanation regarding the basis for its denial; and (c) failing to provide, upon request by a member, documents relied on in making its determination. Navy Federal denies that it did anything wrong, but it agreed to the settlement to avoid the uncertainties and expenses associated with continuing the case. The Court has not decided which side is right.

Settlement Class Members will be eligible to receive a *pro rata* (meaning equal) portion of the Settlement Fund if they submit a valid and timely Claim Form. As part of the Settlement, Navy Federal agreed to implement changes to its policies and procedures relating to the handling of claims concerning unauthorized electronic fund transfers. **This Settlement does not release any claims for actual damages based on or related to Navy Federal’s purported improper denial of a claim of unauthorized electronic transfer(s).**

The Court will hold a Final Approval Hearing on February 4, 2026. The motion for final approval and motion for attorney’s fees and costs will be posted on the Settlement Website by November 14, 2025.

**IF YOU ARE A SETTLEMENT CLASS MEMBER, YOUR LEGAL RIGHTS ARE AFFECTED
WHETHER YOU ACT OR DON’T ACT**

Your Legal Rights & Options		Deadline
Submit a Claim Form	- Stay in the Settlement Class. - Submit a timely and valid Claim Form to be eligible for payment or account credit. - Be bound by the Settlement. - Give up any rights to sue Navy Federal separately for the claims resolved in the Settlement.	Submitted Online or Postmarked by: DECEMBER 18, 2025
Exclude Yourself (Opt-Out)	- Remove yourself from the Settlement Class. - Get no Settlement Class Member Payment. - Keep your right to sue Navy Federal separately about the claims resolved in the Settlement.	Postmarked by: DECEMBER 3, 2025
Object to the Settlement	- Stay in the Settlement but tell the Court why you don't agree with the Settlement, the request for attorneys' fees and costs, or the Service Awards to the Plaintiffs. - You will be bound by the Settlement if the Court approves it. - To object, you must submit a timely written objection.	Postmarked by: DECEMBER 3, 2025
Do Nothing	- Get no Settlement Class Member Payment. - Stay in the Settlement Class. - Give up any rights to sue Navy Federal separately about the claims resolved in the Settlement.	

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court must decide whether to approve the Settlement, attorneys' fees, expenses and service awards. No Settlement benefits will be provided unless the Court approves the Settlement.

Call **1-833-621-8312** toll free or visit www.stephensoneftalitigation.com for more information.

What Is a Class Action?

A class action is a lawsuit in which one or more individuals called Plaintiffs sue on behalf of other persons or entities who have similar legal claims. These persons or entities are referred to as a class or class members. In a class action, one Court resolves the issues, legal claims, and/or defenses for all class members in a single lawsuit, except for those persons or entities who ask in writing to be excluded from the class.

What Is this Lawsuit About?

Plaintiffs Jeffrey Stephenson and Billy Smith II allege that Navy Federal violated certain provisions of the EFTA and the Navy Federal Account Agreement by: (a) improperly denying their claims of unauthorized electronic fund transfer(s); (b) failing to provide sufficient written explanation regarding the basis for the denial; and (c) failing to provide, on request by them, the documents it relied on in denying

their claims. The Second Amended Complaint in this Action is posted on the Settlement Website and contains the allegations and claims asserted against Navy Federal.

Navy Federal denies that it violated any law or did anything wrong but has agreed to settle the lawsuit to avoid the cost, delay, and uncertainty of litigation. The Settlement is not an admission of wrongdoing. The Court has not determined who is right.

Plaintiffs filed this case as a proposed class action. When the parties reached this proposed Settlement, the Court had not decided whether the case could proceed as a class action.

What benefits does the Settlement provide?

Settlement Class Members are eligible for the following benefits:

Monetary Relief: Navy Federal has agreed to provide \$1,700,000 (Settlement Fund) to fund (a) payments or Account credits to Settlement Class Members who file a valid and timely Claim Form, and (b) any award of attorneys' fees, costs, and expenses.

Other Payments. Navy Federal has also agreed to pay Settlement Administration Costs and Service Awards to the Plaintiffs separate and apart from the Settlement Fund. Settlement Administration Costs are subject to reimbursement in whole or in part if there are uncashed checks remaining after the initial payments and credits to Settlement Class Members.

Prospective Changes: In addition to this monetary relief, Navy Federal has agreed to implement changes to its policies and procedures relating to the handling of claims concerning unauthorized electronic fund transfers, including changes to the written communications sent to members whose claims of unauthorized electronic fund transfers are denied and enhancements to the procedures for responding to member requests for documents in connection with such denials.

A detailed description of the settlement benefits can be found in the [Class Action Settlement Agreement](#) ("Settlement Agreement").

How Do I Know if I'm a Member of the Settlement Classes?

If you received Notice of the Settlement from a postcard or email addressed to you, then the Parties believe you may be in the Settlement Classes.

You are a member of the Settlement Classes if you fall into one of these two categories:

(1) Written Explanation Settlement Class. All Accountholders whose claims of unauthorized electronic fund transfers were denied by Navy Federal Credit Union between October 10, 2022, and August 20, 2025.

(2) Document Request Settlement Subclass. All Accountholders in the Written Explanation Settlement Class who requested documents Navy Federal relied on in making its determination and who did not receive them.

If I Am a Settlement Class Member, What Are My Options?

If you are a Settlement Class Member, you have four options.

Option 1: Submit a Claim Form for Payment.

To be eligible for a payment or account credit, you must submit a timely and valid Claim Form. Settlement Class Members who submit timely and valid Claim Forms will receive a pro rata (meaning equal) portion of the Settlement Fund, after the deduction of Court-approved attorneys' fees, costs, and expenses. You can submit a claim by signing the Claim Form you receive in the mail, carefully tearing at the perforation, and putting the Claim Form in the mail. You can call 1-833-621-8312 to ask the Settlement Administrator to send you a Claim Form or visit www.stephensoneftalitigation.com to access and submit the Claim Form online.

If you submit a Claim Form in the mail, it must be postmarked no later than **December 18, 2025**, and mailed to:

Stephenson, et al. v. Navy Federal Credit Union
c/o Kroll Settlement Administration
PO Box 5324
New York, NY 10150-5324

If the address you submit on your Claim Form changes, you must contact the Settlement Administrator to provide a current address, or you may not receive your Settlement Class Member Payment if it's made by check instead of account credit.

You can also submit a Claim Form online at www.stephensoneftalitigation.com by entering your Claimant ID. Online Claim Forms must be submitted by 11:59 pm ET on December 18, 2025. Your Claimant ID can be found on the postcard and/or email notice you received.

If you submit a Claim Form, even if the Settlement Administrator finds the Claim Form is invalid, you are agreeing to stay in the Settlement Class and give up any right to sue Navy Federal as part of any other lawsuit about the claims resolved in the Settlement.

Option 2. Exclude yourself from the Settlement.

You have the right to not be part of the Settlement by excluding yourself or "opting out" of the Settlement Classes. If you wish to exclude yourself, you must do so on or before **December 3, 2025**, as described below. You do not need to hire your own lawyer to request exclusion from the Settlement Classes. If you exclude yourself from the Settlement Classes, you give up your right to receive any monetary benefits as part of this Settlement, and you will not be bound by any judgments or orders of the Court, whether favorable or unfavorable. However, you will keep any rights you may have to sue Navy Federal separately for the same legal claims that are the subject of this lawsuit at your own expense.

To exclude yourself from this lawsuit and/or preserve any right you may have to bring a separate lawsuit, you must make a request to be excluded in writing and, with sufficient postage, mail the request to:

Stephenson, et al. v. Navy Federal Credit Union
c/o Kroll Settlement Administration
PO Box 5324
New York, NY 10150-5324

A request for exclusion must be postmarked on or before **December 3, 2025**.

Your request for exclusion must contain the following:

1. The name of the case, *Stephenson v Navy Federal Credit Union*;
2. Your name and address;
3. A statement that you wish to be excluded from the Settlement Classes, such as: “I request exclusion from the Settlement”; and
4. Your signature.

If an Account has more than one Account Holder, and one Account Holder opts out, then all Account Holders on that Account will be deemed to have opted out of the Settlement with respect to that Account, and no Account Holder will be entitled to a payment or credit under the Settlement.

The Settlement Administrator will file your request for exclusion with the Court. A request for exclusion must be exercised individually and not on behalf of a group.

Option 3: Object to the Settlement.

The full terms of the Settlement can be found www.stephensoneftlitigation.com. If you think the terms of the Settlement, the requested attorneys’ fees and expenses, and/or the Service Awards to the Plaintiffs are not fair, not reasonable, or not adequate to the Settlement Class Members, you may submit a written objection. If you object to the terms of the Settlement, you cannot request exclusion from the Settlement. If you object to the terms of the Settlement you will still be bound by the terms of the Settlement and all rulings and orders from the Court.

To object to the terms of the Settlement, Class Counsel’s request for attorney’s fees and costs or Service Awards to the Plaintiffs, you must send a written objection postmarked by December 3, 2025, to the following:

Stephenson, et al. v. Navy Federal Credit Union
c/o Kroll Settlement Administration
PO Box 5324
New York, NY 10150-5324

The objection should include:

1. The name of the case;
2. Your name, address, telephone number, and email (if any);
3. Information identifying you as a Settlement Class Member;
4. A written statement of the grounds for the objection, including any legal support;
5. The name, address, bar number, email address, and telephone number of any lawyer who represents you related to your objection;
6. A statement advising whether you and/or your lawyer intend to appear and/or address the Court at the Final Approval Hearing; and
7. Your signature.

If you submit an objection and the Court approves the Settlement, you will be bound by any decisions and orders from the Court and by the terms of the Settlement. If you do not want to be bound by the decisions and rulings by the Court, you must file a request for exclusion and not an objection.

Option 4. Do Nothing Now. Stay in the Lawsuit.

You have the right to do nothing. If you do nothing, and if the Settlement becomes final, you will not be eligible for a Settlement Payment and you will give up your right to sue Navy Federal for the claims released by Settlement Class Members (see the next section below).

If I Do Not Exclude Myself from the Settlement, What Claims Am I Giving Up?

Unless you exclude yourself from the Settlement by submitting a timely and valid request for exclusion, you are agreeing to stay in the Settlement Classes and you give up any right to sue Navy Federal as part of any other lawsuit about the claims resolved in this Settlement. This means that on the Effective Date of the Settlement, you and related parties (the “**Releasing Parties**”) shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all **Released Claims** against the **Released Parties**.

The **Releasing Parties** means Plaintiffs, those Settlement Class Members who do not timely opt out of the Settlement Class, and all of their respective present or past or future heirs, executors, estates, administrators, predecessors, successors, assigns, parent companies, subsidiaries, associates, affiliates, employers, employees, agents, consultants, independent contractors, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, underwriters, shareholders, lenders, auditors, investment advisors, legal representatives, successors in interest, assigns and companies, firms, trusts, and corporations.

The **Released Claims** means any and all claims to statutory damages or injunctive relief, regardless of legal basis and on account of any and all claims, suits, obligations, causes of action of every kind and/or nature, liabilities, rights, claims, actions, causes of action, and demands, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, based on contract, tort or any other theory, that result from, arise out of, are based upon, or relate to the conduct, omissions, duties or matters during the Class Period that were or could have been alleged in the Action. **The Released Claims exclude any claims for actual damages based on or related to Navy Federal’s purported improper denial of a claim of unauthorized electronic transfer(s).** Nothing herein is intended to release any claims any governmental agency or governmental actor may have against Defendant.

The **Released Parties** means Defendant Navy Federal Credit Union, as well as any and all of its respective present or past or future heirs, executors, estates, administrators, predecessors, successors, assigns, parent companies, subsidiaries, licensors, licensees, associates, affiliates, employers, employees, agents, consultants, independent contractors, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, underwriters, shareholders, lenders, auditors, investment advisors, legal representatives, successors in interest, assigns and companies, firms, trusts, and corporations.

Bar to Future Suits. Upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member, shall, either directly, indirectly, representatively, or in any capacity, be permanently barred and enjoined from filing, commencing, prosecuting, intervening in, or participating (as a class member or otherwise) in any lawsuit, action, or other proceeding in any jurisdiction (other than participation in the Settlement as provided herein) against any Released Party based on the Released Claims.

Who Is Representing the Settlement Class Members, How Will the Lawyers Be Paid, and What Will the Plaintiffs Receive?

The Court has appointed lawyers from the law firms of Edelsberg Law, P.A., Shamis & Gentile, P.A., and KalieGold PLLC to represent you and the other Settlement Class Members. These attorneys are called Class Counsel. These lawyers are experienced in handling class action lawsuits, including actions on behalf of accountholders at financial institutions. More information about Class Counsel is available on their websites. They believe, after conducting an extensive investigation, that the Settlement Agreement is fair, reasonable, and in the best interests of the Settlement Class. You will not be charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your expense.

QUESTIONS? CALL 1-833-621-8312 TOLL-FREE, OR VISIT www.stephensoneftalitigation.com

Class Counsel will be filing a motion seeking attorneys' fees of up to one-third of the value of the Settlement and reimbursement of litigation costs to be paid out of the Settlement Fund. The Court will determine how much Class Counsel will be paid for fees and expenses.

Class Counsel will also seek a Service Award for Plaintiff Stephenson and Plaintiff Smith as the Class Representatives in the amount of \$5,000 each, subject to Court approval. The Service Award will be paid separately from the Settlement Fund. It is intended to compensate the Class Representatives for the time spent participating in the lawsuit and prosecuting the legal claims for the benefit of the Settlement Classes, and in exchange for a general release of any and all of the Plaintiffs' individual claims against the Released Parties.

Navy Federal and the Plaintiffs have also reached a settlement of the Plaintiffs' individual claims for actual damages. Under that settlement, Navy Federal will pay each Plaintiff \$5,000 total, to be paid separately from the Settlement Fund and separately from the Service Award.

When and Where will the Court Decide Whether to Approve the Settlement?

The Court will hold a **Final Approval Hearing** on **February 4, 2026, at 10:30 a.m. PT** at the United States District Court for the Southern District of California, James M. Carter and Judith N. Keep United States Courthouse, 333 West Broadway, Courtroom 14B, San Diego, CA 92101. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide Class Counsel's application for attorneys' fees and expenses and the Class Representatives' application for Service Awards. We do not know how long these decisions will take. The Court may change the date or time of the Final Approval Hearing without further notice, so please check the Settlement Website for any changes.

Do I need to Attend the Final Approval Hearing?

No. Settlement Class Members are not required to attend the Final Approval Hearing, but you may attend and speak at the hearing if you wish. Class Counsel will answer any questions the Court may have at the Final Approval Hearing. However, you may come at your own expense if you would like to attend the hearing. You may also pay your own lawyer to attend, but it is not necessary.

If you submit a written objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection on time and followed the instructions above, the Court will consider it.

How Do I Find Out More About This Lawsuit?

This Notice only summarizes the Settlement. The Settlement Agreement includes additional details. You can review or download a copy of the Settlement Agreement, the Claim Form, and other important documents from the Settlement website at www.stephensoneftalitigation.com. You can also call the Settlement Administrator toll-free at **1-833-621-8312** or write to:

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c/o Kroll Settlement Administration
PO Box 5324
New York, NY 10150-5324

PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, NAVY FEDERAL, OR NAVY FEDERAL'S COUNSEL REGARDING THIS NOTICE.

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