

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE CARLOTZ, INC. SECURITIES LITIGATION

Lead Case No. 1:21-cv-5906-AS

**NOTICE OF PENDENCY OF CLASS ACTION  
AND PROPOSED SETTLEMENT**

## **NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**

**If you purchased or otherwise acquired CarLotz, Inc. (ticker symbol “LOTZ”) or Acamar Partners Acquisition Corp. (ticker symbol “ACAM”) common stock between October 22, 2020 and May 26, 2021, inclusive, you could receive a payment from this class action settlement.<sup>1</sup>**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- This Settlement fully and finally resolves the above-captioned federal class action lawsuit against Defendants CarLotz, Acamar, Acamar Partners Sponsor I LLC, Acamar Partners Merger Sub, Inc., Michael W. Bor (“Bor”), Thomas W. Stoltz (“Stoltz”), Luis Ignacio Solorzano Aizpuru (“Solorzano,” and together with Bor and Stoltz, the “Individual Defendants”), Rebecca Polak, Juan Carlos Torres Carretero, James E. Skinner, Domenico De Sole, and Teck H. Wong (collectively, “Defendants”). The lawsuit alleged that Defendants violated various of the federal securities laws by issuing materially false and misleading statements between October 22, 2020 and May 26, 2021, inclusive (the “Settlement Class Period”) regarding, among other things, key aspects of CarLotz’s business, operations, and financial results.
- Individual Defendants deny Lead Plaintiff’s allegations. Individual Defendants and Lead Plaintiff disagree on, among other things, whether Defendants violated any federal securities laws and whether the alleged violations caused any damages to the Settlement Class Members.
- The federal court has certified, for settlement purposes only, a class consisting of all persons and entities that purchased or otherwise acquired CarLotz and/or Acamar Securities between October 22, 2020 and May 26, 2021, inclusive. The Settlement Class excludes Defendants, certain of their officers and/or directors at all relevant times, their Immediate Family members and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants has or had a controlling interest.
- The Individual Defendants’ insurers will provide a \$13,000,000 cash Settlement Fund for the benefit of Settlement Class Members. The average recovery per damaged share of CarLotz or Acamar common stock is approximately \$0.22 before deduction of fees and expenses. However, your recovery from the Settlement Fund will depend on a number of variables, including the number of shares of CarLotz and/or Acamar common stock you purchased during the Settlement Class Period, the timing of your purchases and any sales, and the number and size of claims actually filed.
- The Court-appointed Lead Plaintiff is David Berger. Defendants are the Individual Defendants and all other CarLotz Defendants and Acamar Defendants.
- Upon the Effective Date of Settlement, the remaining claims against Individual Defendants will be dismissed and this action will be fully and finally resolved as to all Defendants.
- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

### **YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT**

|   |  |
|---|--|
| <b>SUBMIT A CLAIM FORM BY MAY 2, 2025</b>   | The only way to get a payment in the Settlement.   |
| <b>EXCLUDE YOURSELF FROM THE SETTLEMENT BY SUBMITTING AN OPT-OUT FORM BY MAY 20, 2025</b> | Get no payment pursuant to the Settlement. This is the <b>only</b> option that allows you to be a part of any other lawsuit against Defendants and their affiliates involving the claims released by the Settlement. |
| <b>OBJECT BY MAY 20, 2025</b>   | Write a letter to the Court objecting to the Settlement. You must still file a claim if you want to receive payment from the Settlement.   |
| <b>GO TO A HEARING ON JUNE 10, 2025</b>   | Ask to speak in Court about the Settlement.  |
| <b>DO NOTHING</b>   | Get no payment from the Settlement. You will also be giving up your rights regarding all claims released by the Settlement and any other lawsuit as to the securities.   |

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case still must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals by Settlement Class Members are resolved.

<sup>1</sup> All capitalized terms not otherwise defined in this document shall have the meaning provided in the Stipulation of Settlement dated January 24, 2025, (the “Stipulation”).

## SUMMARY OF THIS NOTICE

### **Statement of Class Recovery Under the Settlement**

Pursuant to the Settlement described herein, a \$13,000,000 cash Settlement Fund has been established. Lead Plaintiff estimates that there were approximately 58.1 million CarLotz common stock shares traded during the Settlement Class Period that may have been damaged. Lead Plaintiff estimates that the average recovery per damaged share of CarLotz common stock under the Settlement is approximately \$0.22 before deduction of fees and expenses. As explained further below and in the Plan of Allocation, shares of Acamar common stock purchased between October 22, 2020, and January 21, 2021, are eligible for a reduced recovery, notwithstanding the Court's March 29, 2024, Order dismissing claims for this period. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund (defined below), determined by that Claimant's recognized loss (*i.e.*, a claim proved by timely submission of a valid Proof of Claim and Release form) as compared to the total recognized losses of all Settlement Class Members. This proportional allocation is called "proration." See the Plan of Allocation beginning on Page 7 for more information.

### **Statement of Claims, Issues, Defenses, and Potential Outcome of Case**

Lead Plaintiff alleges that the Individual Defendants violated Sections 10(b) and 20(a) of the Exchange Act by making materially false and misleading statements throughout the Settlement Class Period regarding, among other things, key aspects of CarLotz's business, operations, and financial results.

Lead Plaintiff and an Additional Plaintiff filed the Third Amended Complaint for Violations of Federal Securities Laws (the "Complaint") on May 1, 2023. Defendants filed a joint motion to dismiss the Complaint on July 18, 2023. On October 11, 2023, CarLotz filed a Notice of Bankruptcy and Suggestion of Automatic Stay, and the Court stayed the case. On October 20, 2023, Plaintiffs filed a motion to partially lift the bankruptcy stay as to the non-bankrupt individual defendants, which was granted on December 14, 2023. Thereafter, the litigation proceeded as to those Defendants only. The remaining Defendants' motion to dismiss was heard before the Court on March 7, 2024. On March 29, 2024, the Court issued an order granting in part, and denying in part, Defendants' motion to dismiss. Among other things, the Court dismissed Plaintiffs' Securities Act claims, Exchange Act claims based on alleged misstatements before January 21, 2021 (the date of the de-SPAC transaction), claims against Rebecca Polak, claims premised on alleged violations of Item 503 of Regulation S-K, control-person liability claims against Thomas W. Stoltz and Luis Ignacio Solorzano Aizpuru, and certain other Exchange Act claims based on various alleged misstatements. Given this order and the bankruptcy stay, the litigation thus proceeded only as to the Individual Defendants. Individual Defendants filed a motion to dismiss Plaintiffs' scheme liability claims on April 10, 2024, which was granted by the Court on August 23, 2024. The Parties then began discovery.

On October 15, 2024, Lead Plaintiff and Individual Defendants took part in a full-day mediation with Jed Melnick, Esq. of JAMS. The mediation was not successful and discovery continued. While pursuing discovery, Lead Plaintiff and Individual Defendants also continued settlement discussions. Lead Plaintiff and Individual Defendants reached an agreement in principle to settle the action on November 4, 2024.

Had the case gone to trial, Individual Defendants would have asserted a myriad of factual and legal defenses, including their argument that they fully complied with the federal securities laws and did not make any materially false or misleading statements or omissions. Individual Defendants would also have contested: (1) the measure and amount of recoverable damages, if any; and (2) the extent to which the statements that Lead Plaintiff alleged as materially false or misleading influenced (if at all) the trading prices of CarLotz and/or Acamar securities during the Settlement Class Period.

Furthermore, to the extent Lead Plaintiff succeeded on any claims, Individual Defendants could have appealed, which could have resulted in additional years of litigation with no certainty as to outcome. Thus, had this Action continued, Lead Plaintiff and the Settlement Class would have faced the possibility of obtaining no recovery. This Settlement enables the Settlement Class to promptly recover a meaningful percentage of the alleged damages as calculated by Lead Counsel in conjunction with their economics consultant, without incurring any additional risk. As a result, Lead Plaintiff and Lead Counsel believe the Settlement is a fair, reasonable, and adequate recovery.

Lead Plaintiff and Individual Defendants disagree on the amount of damages, if any, which would have been recoverable had Lead Plaintiff prevailed on his claims in this Action. Lead Plaintiff contends that Individual Defendants' misrepresentations and omissions alleged in the Complaint were a direct cause of the artificial elevation and eventual decline in the price of CarLotz/Acamar's common stock and caused Lead Plaintiff and the Settlement Class to be damaged. Lead Plaintiff further contends that the alleged stock decline(s) are fully attributable to the alleged misrepresentations and omissions set forth in the Complaint. Individual Defendants contend that they made no

misrepresentations or omissions and that the alleged misrepresentations and/or omissions set forth in the Complaint did not cause a decline in CarLotz's/Acamar's common stock and, therefore, Lead Plaintiff and the Settlement Class are not entitled to any recovery.

### **Statement of Attorneys' Fees and Costs Sought**

Lead Counsel will move the Court to award (1) attorneys' fees in an amount not greater than thirty-three and one-third percent (33 1/3%) of the gross Settlement Fund, (2) reimbursement of expenses incurred in connection with the prosecution of this Action not to exceed \$190,000, including awards of up to \$15,000 to Lead Plaintiff and Additional Plaintiff, collectively, as reimbursement for their time and expenses in overseeing the prosecution of this Action. The requested fees and expenses, which will be paid out of the gross Settlement Fund, would amount to an average of not more than \$0.08 per damaged share in total for fees and expenses for CarLotz/Acamar common stock shares. *See* Questions 8-11 below for more information. Settlement Class Members are not personally liable for any such fees or expenses.

### **Further Information**

Further information regarding the Action and this Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Settlement Hearing (the "Notice") may be obtained by contacting Lead Counsel: Lewis S. Kahn, Esq., Kahn Swick & Foti, LLC, 1100 Poydras Street, Suite 960, New Orleans, Louisiana 70163, Telephone: 504-455-1400.

### **Reasons for the Settlement**

For Lead Plaintiff, the principal reason for the Settlement is the cash benefit to be provided to the Settlement Class at this time, compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Lead Plaintiff further considered, after conducting a substantial investigation into the factual and legal issues, the risks to proving liability and damages and to sustaining a certified class through trial, as well as the impact of CarLotz's bankruptcy. For Individual Defendants, who deny that they, or any other Defendant engaged in wrongdoing or are subject to liability, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

## **HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM FORM**

### **1. How can I get a payment?**

To qualify for a payment, you must send in a Proof of Claim and Release form ("Claim Form"). A Claim Form is being circulated with this Notice. You may also get a Claim Form on the Internet at [www.CarLotzSecuritiesLitigation.com](http://www.CarLotzSecuritiesLitigation.com). Read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it postmarked no later than May 2, 2025.

### **2. When would I get my payment?**

The Court will hold a hearing on June 10, 2025 to decide whether to approve the Settlement. If the Court approves the Settlement, after that, there may be appeals by Settlement Class Members. Resolving appeals can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed.

### **3. What am I giving up to get a payment?**

Unless you specifically exclude yourself, you will be treated as a member of this Class Action. This means that upon the Effective Date, you will relinquish all Released Plaintiffs' Claims against Defendants' Releasees. These terms are defined below:

"Released Plaintiffs' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether accrued or unaccrued, whether asserted or unasserted, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, whether arising under federal, state, common or foreign law, or in equity, that Plaintiffs or any other member of the Settlement Class asserted or could have asserted in the Complaint (or any other complaint in this Action) or could have asserted in any forum, and that directly or indirectly arise out of, relate to, or are based upon

(a) the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint (or any other complaint in this Action), including any offering, any statements, disclosures, or omissions during the Settlement Class Period in any of Acamar's or CarLotz's filings with the SEC or any other statements or releases, as well as the accuracy of Acamar's or CarLotz's financial statements during the Settlement Class Period, or (b) the purchase, acquisition, sale, disposition, or holding of Acamar and/or CarLotz Securities during the Settlement Class Period. Released Plaintiffs' Claims do not include: (i) any claims relating to the enforcement of the Settlement; (ii); and any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

"Defendants' Releasees" means: (i) the Individual Defendants; (ii) Acamar; (iii) CarLotz; (iv) the Trust, (v) all of the other Acamar Defendants; (vi) all of the other CarLotz Defendants; (vii) for each of the foregoing, their respective attorneys, accountants, assigns, assignees, insurers, reinsurers, consultants, agents, experts, and any entity in which any Defendant has or had a controlling interest, in their capacities as such; (viii) for each the foregoing who is a natural person, their respective Immediate Family members, heirs, executors, beneficiaries, and any trust of which any Individual Defendant is the grantor or settlor or which is for the benefit of any Individual Defendant and/or member(s) of his or her Immediate Family, in their capacities as such; and (ix) for each of the foregoing who is not a natural person, their respective current and former officers, directors, agents, trusts, trustees, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such. For the avoidance of doubt, Defendants' Releasees' includes Michael W. Bor, Thomas W. Stoltz, Luis Ignacio Solorzano Aizpuru, Rebecca Polak, Juan Carlos Torres Carretero, James E. Skinner, Domenico De Sole, Teck H. Wong, and their respective Immediate Family members, heirs, executors, beneficiaries, and any trust of which any of them is the grantor or settlor or which is for their benefit and/or the benefit of member(s) of his or her Immediate Family, in their capacities as such.

The "Effective Date" will occur when an order entered by the Court approving the Settlement becomes final and not subject to appeal.

If you remain a Member of the Settlement Class, all of the Court's orders will apply to you and legally bind you.

#### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Individual Defendants and the other Defendants' Releasees in some other lawsuit as to the Released Claims in this lawsuit, then you must take steps to remove yourself from this lawsuit. **You may wish to consult with your own counsel before excluding yourself or "opting out" of the Settlement.** If more than a certain percentage of Settlement Class Members opt out or exclude themselves from the Settlement, Individual Defendants may withdraw from and terminate the Settlement(s).

#### **4. How do I exclude myself from the proposed settlement?**

To exclude yourself from the Settlement, you must send a signed letter by mail stating that you "request exclusion from the Settlement Class in In re CarLotz, Inc. Securities Litigation, Civil Action No. 1:21-cv-05906." Your letter should state the date(s), price(s), and number of shares of all your purchases and sales of CarLotz and/or Acamar securities during the Settlement Class Period. In addition, be sure to include your name, address, telephone number, and signature. You must mail your exclusion request so that it is received no later than May 20, 2025 to:

CarLotz Securities Litigation  
c/o Epiq Class Action & Claims Solutions, Inc.  
P.O. Box 2109  
Portland, OR 97208-2109  
(by regular mail)

CarLotz Securities Litigation  
c/o Epiq Class Action & Claims Solutions, Inc.  
10300 SW Allen Blvd.  
Beaverton, OR 97005  
(by express delivery service)

You cannot exclude yourself by telephone or by email. If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) Individual Defendants and the other Defendants' Releasees in the future. If you exclude yourself, do not send in a Claim Form to ask for any money.

**5. If I do not exclude myself from the Settlement, can I sue the Individual Defendants and the other Defendants' Releasees later for the same alleged conduct?**

No. Unless you exclude yourself, you give up any rights to sue the Individual Defendants and the other Defendants' Releasees for any and all Released Claims. **If you exclude yourself from the Settlement Class, you may not be able to pursue certain claims due to the expiration of certain applicable statutes of repose.** Remember, the exclusion deadline is May 20, 2025.

**6. If I exclude myself from the Settlement, can I get money from the proposed settlement?**

No.

**IF YOU DO NOTHING**

**7. What happens if I do nothing?**

The judgment of the Court will be binding upon you if you do nothing. You will get no money from this Settlement, and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Individual Defendants and the other Defendants' Releasees about the Released Claims in this case, ever again. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 1). To start, continue, or be a part of any other lawsuit against the Individual Defendants and the other Defendants' Releasees about the Released Claims in this case, you must exclude yourself from this Class (*see* Question 4).

**THE LAWYERS REPRESENTING CLASS MEMBERS**

**8. Do I have a lawyer in this case?**

The Court ordered that Kahn Swick & Foti, LLC ("KSF") represent all Settlement Class Members. This firm is called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

**9. How will Lead Counsel be paid?**

Lead Counsel will move the Court to award Lead Counsel's attorneys' fees from the gross Settlement Fund in a total amount not greater than thirty-three and one-third percent (33 1/3%) of the gross Settlement Fund. Lead Counsel also will move the Court to award Lead Counsel reimbursement of their expenses in an amount no greater than \$190,000. Lead Counsel also intends to request the Court to grant awards to the Lead Plaintiff and Additional Plaintiff, in accordance with 15 U.S.C. § 78u-4(a)(4), not to exceed a value of \$15,000, collectively, as reimbursement for their time and expenses in overseeing the prosecution of this Action, also to be paid out of the Settlement Fund. All of these amounts will be paid out of the gross Settlement Fund.

**10. How will the notice costs and expenses be paid?**

Lead Counsel may pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Settlement proceeds to the members of the Settlement Class upon approval of the Court. The Claims Administrator's fees and expenses will be paid out of the gross Settlement Fund. The Claims Administrator was selected through a competitive bidding process and multiple bids were reviewed and considered.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

**11. How do I object to the Settlement?**

If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the application by Lead Counsel for an award of fees and expenses. You may write to the Court setting out your objection(s). You should state reasons why you think the Court should not approve any or all of the Settlement terms or arrangements.



You must object in writing by sending a signed letter stating that you object to the proposed Settlement in *In re CarLotz, Inc. Securities Litigation*, Civil Action No. 1:21-cv-05906 (S.D.N.Y.). Your objection must include a cover page identifying this case name and number and naming the hearing date of June 10, 2025 at 1:00 PM in Courtroom 15A of the Daniel Patrick Moynihan U.S. Courthouse at 500 Pearl Street, New York, NY 10007. Be sure to include your name, address, telephone number, and signature; identify the date(s), price(s), and number of shares of all purchases and sales of CarLotz and/or Acamar securities you made during the Settlement Class Period and state the reasons why you object to the Settlement. Your objection must be postmarked on or before May 20, 2025 to the Court; Kahn Swick & Foti, LLC, on behalf of the Plaintiffs; and Counsel for Defendants at the following addresses:

**COURT:**

Clerk of the Court  
Daniel Patrick Moynihan U.S. Courthouse – Southern District of New York  
500 Pearl Street  
New York, NY 10007

**FOR LEAD PLAINTIFF:**

Lewis S. Kahn  
KAHN SWICK & FOTI, LLC  
1100 Poydras Street, Suite 960  
New Orleans, LA 70163

*Lead Counsel for Lead Plaintiff and the Class*

**FOR THE DEFENDANTS:**

Mary Eaton  
FRESHFIELDS US LLP  
3 World Trade Center  
175 Greenwich St.  
New York, NY 10007  
Telephone: (212) 277-4000  
Email: mary.eaton@freshfields.com

*Counsel for Individual Defendants*

Tobias Keller  
KELLER BENVENUTTI KIM LLP  
425 Market Street, 26th Floor  
San Francisco, CA 94105  
Telephone: (415) 796-0709  
Email: tkeller@kbkllp.com

*Counsel for Arch & Beam Global, LLC, as  
Trustee of the Shift Technologies Liquidating Trust,  
Successor to the Shift Debtors*

You do not need to go to the Settlement Hearing to have your written objection considered by the Court.

At the Settlement Hearing any Settlement Class Member who has not previously submitted a request for exclusion from the Settlement Class may appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Settlement Hearing. If you or your representative intend to appear in person but have not submitted a written objection postmarked by May 20, 2025, it is recommended that you give advance notice to Lead Counsel and/or counsel for the Individual Defendants of your intention to attend the hearing in order to object and the basis for your objection. You may contact them at the addresses provided above.

**12. What is the difference between objecting to the Settlement and excluding myself from the Settlement?**

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you remain in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

## **THE COURT'S SETTLEMENT HEARING**

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

### **13. When and where will the Court decide whether to approve the proposed settlement?**

The Court will hold a Settlement Hearing on June 10, 2025 at 1:00 PM in Courtroom 15A of the Daniel Patrick Moynihan U.S. Courthouse at 500 Pearl Street, New York, NY 10007. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. At the Settlement Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the application of Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections mailed in accordance with the instructions in the answer to Question 11. The Court also will listen to people who seek to speak at the hearing, but decisions regarding the conduct of the hearing will be made by the Court. See Question 11 for more information about speaking at the hearing. The Court will also decide how much to pay to Lead Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing. The Court may also order the hearing to be held remotely. Thus, if you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

## **GETTING MORE INFORMATION**

### **14. Are there more details about the proposed settlement?**

This Notice summarizes the proposed Settlement. More details are contained in a Stipulation of Settlement dated January 24, 2025 (the "Stipulation"). You can get a copy of the Stipulations by writing to Lead Counsel at their address above.

You also can call the Claims Administrator toll-free at (888) 891-7677; write to the Claims Administrator at CarLotz Securities Litigation, c/o Epiq Class Action & Claims Solutions, P.O. Box 2109, Portland, OR 97208-2109; or visit the website at [www.CarLotzSecuritiesLitigation.com](http://www.CarLotzSecuritiesLitigation.com), where you will find a Claim Form, answers to common questions about the Settlement, and other information to help you determine whether you are a Settlement Class Member and whether you are eligible for a payment.

### **15. How do I get more information?**

For more detailed information concerning the matters involved in this Action, you can inspect the pleadings, the Stipulation, the Orders entered by the Court, and the other papers filed in the Action at the Office of the Clerk, Daniel Patrick Moynihan U.S. Courthouse at 500 Pearl Street, New York, NY 10007, during regular business hours. You may also contact Lead Counsel.

## **PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS**

This Plan of Allocation has been prepared by Lead Plaintiff and Lead Counsel with the assistance of their economics consultant. Defendants dispute that any damages were suffered by any Members of the Settlement Class.

The \$13,000,000 cash Settlement Amount and the interest earned thereon shall be the gross Settlement Fund. The gross Settlement Fund, less all taxes and approved costs, fees, and expenses (the "Net Settlement Fund") shall be distributed to Members of the Settlement Class who submit acceptable Claim Forms ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's recognized loss. The recognized loss formulas are not intended to be estimates of the amount a Settlement Class Member might have been able to recover after a trial, nor is it an estimate of the amount(s) that will be paid to Authorized Claimants pursuant to the Settlement. The recognized loss formulas are the bases upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.



The following proposed Plan of Allocation reflects the allegations in the Complaint that Defendants made materially false and misleading statements and omissions throughout the Settlement Class Period. The Complaint alleges that these misrepresentations resulted in the artificial inflation of the prices of CarLotz and/or Acamar's securities during the Settlement Class Period from October 22, 2020 through May 26, 2021, inclusive. Defendants deny that they did anything wrong.

Each Authorized Claimant shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant's recognized loss bears to the total of the recognized losses of all Authorized Claimants (the "*pro rata* share").

Securities eligible for recognizable losses include those shares of CarLotz or Acamar common stock purchased or otherwise acquired from October 22, 2020 through May 26, 2021, inclusive.

### **PLAN OF ALLOCATION**

1. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who Plaintiff alleges suffered economic losses as a result of the alleged violations of the federal securities laws as opposed to losses caused by market or industry factors or company-specific factors unrelated to the alleged violations of law. The Plan of Allocation reflects the allegations of the Complaint and the advice of Plaintiff's economics consultant, including a review of publicly available information regarding CarLotz and statistical analysis of the price movements of CarLotz and/or Acamar common stock and the price performance of relevant market and peer indices during the Settlement Class Period. The Plan of Allocation, however, is not a formal damages analysis.
2. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants.
3. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Plaintiff alleges that Defendants made false statements and omitted material facts during a period from October 22, 2020 through May 26, 2021, inclusive, that inflated the price of CarLotz and/or Acamar common stock. Plaintiff alleges that multiple corrective disclosures released to the market during the Settlement Class Period revealed the allegedly misrepresented information, and partially removed alleged artificial inflation from the CarLotz and/or Acamar common stock price on March 16, 2021 and May 11, 2021. Again, Defendants deny they made any false statements or omissions or that such alleged statements or omissions resulted in artificial inflation.
4. Accordingly, in order to have a Recognized Loss under the Plan of Allocation, a Settlement Class Member who or which purchased or otherwise acquired CarLotz and/or Acamar common stock during the Settlement Class Period must have held those shares through at least one of the dates where Plaintiff alleges new corrective information was released to the market and partially removed the alleged artificial inflation from the price of CarLotz and/or Acamar common stock.

### **CALCULATION OF RECOGNIZED LOSS**

5. A Recognized Loss Amount will be calculated for each share of CarLotz and/or Acamar common stock purchased or acquired during the Settlement Class Period from October 22, 2020 through May 26, 2021, inclusive, pursuant to ¶ 6 below. If the calculation of a Recognized Loss Amount for any particular share purchased or acquired during the Settlement Class Period results in a negative number, that number shall be set to zero.
6. For each share of Acamar common stock purchased or otherwise acquired during the Settlement Class Period, and:
  - i. sold before March 16, 2021 the Recognized Loss Amount for each share shall be zero;
  - ii. sold from March 16, 2021 up to and including May 25, 2021, the Recognized Loss Amount for each share is ***the least of***: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** the sale price;

- iii. sold from May 26, 2021 through and including the close of market trading on August 23, 2021, the Recognized Loss Amount for each share is **the least of**: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; (ii) the purchase/acquisition price **minus** the average closing price between May 26, 2021 and the date of sale as stated in Table 2 below;<sup>2</sup> or (iii) the purchase/acquisition price **minus** the sale price;
  - iv. held as of the close of market trading on August 23, 2021, the Recognized Loss Amount for each share is **the least of**: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** \$4.92, the average closing price of CarLotz common stock between May 26, 2021 and August 23, 2021, as shown on the last line of Table 2 below.
7. For each share of CarLotz common stock purchased or otherwise acquired during the Settlement Class Period, and:
- i. sold before March 16, 2021, the Recognized Loss Amount for each share shall be zero;
  - ii. sold from March 16, 2021 up to and including May 25, 2021, the Recognized Loss Amount for each share is **the least of**: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below **minus** the amount of artificial inflation per share on the date of sale as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** the sale price;
  - iii. sold from May 26, 2021 through and including the close of market trading on August 23, 2021, the Recognized Loss Amount for each share is **the least of**: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; (ii) the purchase/acquisition price **minus** the average closing price between May 26, 2021 and the date of sale as stated in Table 2 below; or (iii) the purchase/acquisition price **minus** the sale price;
  - iv. held as of the close of market trading on August 23, 2021, the Recognized Loss Amount for each share is **the least of**: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** \$4.92, the average closing price of CarLotz common stock between May 26, 2021 and August 23, 2021, as shown on the last line of Table 2 below.

#### **ADDITIONAL PROVISIONS**

- 8. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's "Recognized Claim."
- 9. If a Settlement Class Member has more than one purchase/acquisition or sale of CarLotz and/or Acamar common stock during the Settlement Class Period, all purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period.
- 10. Purchases or acquisitions of CarLotz and/or Acamar common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of CarLotz and/or Acamar common stock during the Settlement Class Period shall not be deemed a purchase, acquisition, or sale of these CarLotz and/or Acamar common stock shares for the calculation of an Authorized Claimant's Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of CarLotz and/or Acamar common stock unless (i) the donor or decedent purchased or otherwise acquired such shares of CarLotz and/or Acamar common stock during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of CarLotz and/or Acamar common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

<sup>2</sup> Pursuant to Section 21D(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of CarLotz (formerly Acamar) common stock during the "90-day look-back period," May 26, 2021, through and including August 23, 2021. The mean (average) closing price for CarLotz common stock during this 90-day look back period was \$4.92.

11. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the CarLotz and/or Acamar common stock shares. The date of a “short sale” is deemed to be the date of sale of CarLotz and/or Acamar common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” and the purchases/acquisition covering “short sales” is zero. In the event that a Claimant has an opening short position in CarLotz and/or Acamar common stock, the earliest Settlement Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.
12. With respect to CarLotz and/or Acamar common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.
13. An Authorized Claimant’s Recognized Claim shall be the amount used to calculate the Authorized Claimant’s *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.
14. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$20 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$20, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.
15. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund six (6) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$20 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.
16. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiff, Lead Counsel, Plaintiff’s economics expert, or other agent designated by Lead Counsel, Individual Defendants, Individual Defendants’ Counsel, or any other Released Plaintiff’s Parties, Defendants’ Releasees, or the Claims Administrator arising from determinations or distributions to Claimants made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiff, Individual Defendants, and their respective counsel, and all of Released Plaintiff’s Parties or Defendants’ Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any Claim or any actions taken (or not taken) by the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.
17. The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiff and Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the Plan without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted to the website for this Settlement, [www.CarLotzSecuritiesLitigation.com](http://www.CarLotzSecuritiesLitigation.com).

**TABLE 1**  
**Common Share Alleged Artificial Inflation**

| <b>Date:</b>                        | <b>Alleged Artificial Inflation Per Share:</b> |
|-------------------------------------|--|
| October 22, 2020 – January 21, 2021 | \$0.05 <sup>3</sup>                            |
| January 22, 2021 – March 15, 2021   | \$2.22   |
| March 16, 2021 – May 10, 2021       | \$1.52   |
| May 11, 2021 – May 25, 2021         | \$0.69   |
| May 26, 2021                        | \$0.00   |

**TABLE 2**  
**CarLotz Common Share Price and Average 90-Day Look-Back Price**  
**May 26, 2021—August 23, 2021**

| <b>Date:</b>  | <b>CarLotz Common Stock Closing Price:</b> | <b>CarLotz Common Stock Average Closing Price Between May 26, 2021 and Date Shown Closing Price:</b> |
|---------------|--|--|
| May 26, 2021  | \$4.51                                     | \$4.51   |
| May 27, 2021  | \$4.59                                     | \$4.55   |
| May 28, 2021  | \$4.38                                     | \$4.49   |
| June 1, 2021  | \$4.98                                     | \$4.62   |
| June 2, 2021  | \$5.17                                     | \$4.73   |
| June 3, 2021  | \$5.14                                     | \$4.80   |
| June 4, 2021  | \$5.11                                     | \$4.84   |
| June 7, 2021  | \$5.51                                     | \$4.92   |
| June 8, 2021  | \$7.09                                     | \$5.16   |
| June 9, 2021  | \$6.72                                     | \$5.32   |
| June 10, 2021 | \$5.99                                     | \$5.38   |
| June 11, 2021 | \$6.15                                     | \$5.45   |
| June 14, 2021 | \$5.95                                     | \$5.48   |
| June 15, 2021 | \$5.69                                     | \$5.50   |
| June 16, 2021 | \$5.63                                     | \$5.51   |
| June 17, 2021 | \$5.63                                     | \$5.52   |
| June 18, 2021 | \$5.55                                     | \$5.52   |
| June 21, 2021 | \$5.67                                     | \$5.53   |
| June 22, 2021 | \$5.68                                     | \$5.53   |
| June 23, 2021 | \$5.77                                     | \$5.55   |
| June 24, 2021 | \$5.69                                     | \$5.55   |
| June 25, 2021 | \$5.62                                     | \$5.56   |
| June 28, 2021 | \$5.61                                     | \$5.56   |
| June 29, 2021 | \$5.35                                     | \$5.55   |

<sup>3</sup> The Plan of Allocation acknowledges that any and all claims predicated on the purchase or acquisition of Acamar common stock (ticker “ACAM”) prior to its de-SPAC merger with CarLotz on January 22, 2021 were dismissed by the Court’s March 29, 2024 order, a decision that could have been appealed. Settlement Class Members who made purchases before January 22, 2021 (unless they exclude themselves) will be bound by the releases of this Settlement and a nominal inflation of \$0.05 has been assigned to that period.

| <b>Date:</b>    | <b>CarLotz Common Stock Closing Price:</b> | <b>CarLotz Common Stock Average Closing Price Between May 26, 2021 and Date Shown Closing Price:</b> |
|-----------------|--|--|
| June 30, 2021   | \$5.46                                     | \$5.55   |
| July 1, 2021    | \$5.29                                     | \$5.54   |
| July 2, 2021    | \$5.27                                     | \$5.53   |
| July 6, 2021    | \$5.14                                     | \$5.51   |
| July 7, 2021    | \$4.88                                     | \$5.49   |
| July 8, 2021    | \$4.86                                     | \$5.47   |
| July 9, 2021    | \$5.18                                     | \$5.46   |
| July 12, 2021   | \$5.05                                     | \$5.45   |
| July 13, 2021   | \$4.72                                     | \$5.43   |
| July 14, 2021   | \$4.53                                     | \$5.40   |
| July 15, 2021   | \$4.52                                     | \$5.37   |
| July 16, 2021   | \$4.50                                     | \$5.35   |
| July 19, 2021   | \$4.53                                     | \$5.33   |
| July 20, 2021   | \$4.74                                     | \$5.31   |
| July 21, 2021   | \$4.84                                     | \$5.30   |
| July 22, 2021   | \$4.65                                     | \$5.28   |
| July 23, 2021   | \$4.58                                     | \$5.27   |
| July 26, 2021   | \$4.64                                     | \$5.25   |
| July 27, 2021   | \$4.52                                     | \$5.23   |
| July 28, 2021   | \$4.58                                     | \$5.22   |
| July 29, 2021   | \$4.57                                     | \$5.21   |
| July 30, 2021   | \$4.44                                     | \$5.19   |
| August 2, 2021  | \$4.48                                     | \$5.17   |
| August 3, 2021  | \$4.46                                     | \$5.16   |
| August 4, 2021  | \$4.45                                     | \$5.14   |
| August 5, 2021  | \$4.58                                     | \$5.13   |
| August 6, 2021  | \$4.57                                     | \$5.12   |
| August 9, 2021  | \$4.70                                     | \$5.11   |
| August 10, 2021 | \$4.03                                     | \$5.09   |
| August 11, 2021 | \$4.16                                     | \$5.08   |
| August 12, 2021 | \$4.09                                     | \$5.06   |
| August 13, 2021 | \$3.91                                     | \$5.04   |
| August 16, 2021 | \$3.85                                     | \$5.02   |
| August 17, 2021 | \$4.03                                     | \$5.00   |
| August 18, 2021 | \$3.80                                     | \$4.98   |
| August 19, 2021 | \$3.64                                     | \$4.96   |
| August 20, 2021 | \$3.68                                     | \$4.94   |
| August 23, 2021 | \$3.94                                     | \$4.92   |

### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased or otherwise acquired CarLotz and/or Acamar securities between October 22, 2020 through May 26, 2021, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that **WITHIN TEN DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either (a) provide to the Claims Administrator the name, email address, and last known address of each person or organization for whom or which you purchased CarLotz and/or Acamar securities during such time period or (b) request additional copies of the Postcard Notice, which will be provided to you free of charge, and within ten (10) days mail the Postcard Notice directly to the beneficial owners of those CarLotz and/or Acamar securities. If you choose to follow alternative procedure (b), the Court has directed that upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable out-of-pocket expenses actually incurred in connection with the foregoing up to \$0.03 for providing names, addresses, and email addresses to the Claims Administrator; up to a maximum of \$0.03 per Postcard Notice mailed by you, plus postage at the rate used by the Claims Administrator; or \$0.03 per notice sent by email. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

CarLotz Securities Litigation  
c/o Epiq Class Action & Claims Solutions, Inc.  
P.O. Box 2109  
Portland, OR 97208-2109  
(by regular mail)

CarLotz Securities Litigation  
c/o Epiq Class Action & Claims Solutions, Inc.  
10300 SW Allen Blvd.  
Beaverton, OR 97005  
(by express delivery service)

If you choose to mail the Notice and Claim Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE ARUN SUBRAMANIAN  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK