PAYMENT ALLOCATION METHODOLOGY

Step 1 - Eligibility

The Class Certification Judgment of July 2, 2025 defines the "Class" as:

> All person or juridical entities who owned or held an active class A-General permit issued by the Louisiana Office of Alcohol and Tabacco Control pursuant to La. R.S. 26:71.1(1) between July 13, 2020 (the effective date of Proclamation 89 JBE 2020) and May 26, 2021 (the expiration date of Proclamation 79 JBE 2021) and suffered lost revenue as a result of Executive Orders relating to the sale of alcohol.

This definition has two requirements: (1) an A-G permit during the Class Period, and (2) lost revenue as a result of the COVID Executive Proclamations. The definition of an "Eligible Claim" under the Class Action Settlement Agreement and Release ("Settlement Agreement") uses the same criteria: "a claim by a Class Member for loss of revenue as a result of the COVID Executive Proclamations verified under oath by the applicant." The first requirement can be determined by the records of the Louisiana Office of Alcohol and Tobacco Control. The second requirement can be determined by sales tax return data from the Louisiana Department of Revenue.

Importantly, eligibility for participation in the Settlement is the same as eligibility for Class membership. In other words, all Class Members may participate in the Settlement by timely submitting a claim verifying:

- An A-General permit as of July 13, 2020; and
- That reported revenue for July 2020 (the first month of the Class Period) was less than or equal to (no greater than) reported revenue for June 2020 (the month immediately before the Class Period). The "or equal to" qualification protects bars that may have voluntarily reduced operations prior to the first Proclamation.

Every bar owner meeting the Class definition who timely submits a Claim Form ("Eligible Class Members") will receive an individual award from the "Net Settlement Proceeds"[1] of the Settlement, as provided below.

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[1] "Net Settlement Proceeds" is defined by the Settlement Agreement as "the balance remaining in the Settlement Fund after payment of all Court-approved Settlement Administration Costs, Class Counsel fees and expenses, and Service Awards."

Step 2 – Individual Awards

A fair allocation model must account for the broad variability in reported revenue among Class Members resulting from factors such as location, size, management, hours, staff, customer demographics, and mitigation. This can be accomplished by using a two-tiered approach, where the first tier provides for a fixed payment based on revenue size in the twelve months prior to the Executive Orders (July 1, 2019 to June 30, 2020) and the second tier allocates the remainder proportionally based on reported revenue decline for individual Eligible Class Members relative to the total reported declines for all Eligible Class Members throughout the Class Period, as follows:

Tier 1 – Base Awards

- **$1,000** for Eligible Claims with total reported revenue between $1 and $10,000 during the twelve-month period ended June 30, 2020;
- **$5,000** for Eligible Claims with total reported revenue of $10,000 or more during the twelve-month period ended June 30, 2020.

This assures that all Eligible Class Members receive an award, including those who receive only a de minimis variable award under Tier 2.

Tier 2 – Variable Awards

Variable awards are calculated as follows:

- The "Variable Award Pool" is the total Net Settlement Proceeds after payment of all Base Awards under Tier 1.
- Variable Awards are allocated on a pro-rata basis from the Variable Award Pool based on the following formula.
    - Reported revenues for the Class Period (July 2020 through May 2021) are calculated for each Class Member who submits an Eligible Claim.
    - Revenues for the same period in the prior year (July 2019 through May 2020) are calculated ("Prior Period Revenues") for each Eligible Class Member.
    - The difference in Class Period and Prior Period Revenues are calculated for each Eligible Class Member. This amount for each Eligible Class Member is then summed for a total of all Eligible Class Members.
    - Each Eligible Class Member's difference in Class Period and Prior Period Revenues is divided by the sum total of all Eligible Class Members for a pro-rata share.

o The Variable Award Pool is multiplied by the above pro-rata share for each Eligible Class Member for their Variable Award.

Example:

Variable Award Pool: $100,000					
Bar	Prior Period Revenues	Class Period Revenue	Difference	Pro-Rata Share	Total Teir 2 Variable Award
A	$2,500,000	$1,000,000	($1,500,000)	53.10%	$53,097
B	$1,200,000	$500,000	($700,000)	24.78%	$24,779
C	$600,000	$250,000	($350,000)	12.39%	$12,389
D	$300,000	$100,000	($200,000)	7.08%	$7,080
E	$125,000	$50,000	($75,000)	2.65%	$2,655
Total			($2,825,000)	100.00%	$100,000

Discount Factor for Local COVID Proclamations

Awards to Class Members whose operations were impacted by local restrictions during the Class Period are discounted by fifty percent based on an assumption that lost revenue occurred "as a result of" both the COVID Executive Proclamations and the local proclamations, in equal measure.

Conclusion

In sum, all Eligible Class Members will receive a Base Award plus a share of the Variable Award Pool based on relevant and reliable information—reported sales tax data. Smaller bars and those that were more able to mitigate potential losses will appropriately have smaller allocations, whereas larger bars and those less able to mitigate potential losses will appropriately have larger allocations. Also, the impact of local proclamations restricting operations is fairly addressed through the discount factor, which apportions causation equally between the COVID Executive Proclamations and the local proclamations restricting the same activities.