

A COURT ORDERED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER.

**IN THE DISTRICT COURT OF SHAWNEE
COUNTY, KANSAS CIVIL COURT DIVISION**

THOMAS EDWARD BLUMER, on)	Case No. 2019-CV-000720
behalf of himself and all similarly)	
situated individuals,)	
Plaintiff,)	Judge Teresa L. Watson
v.)	Division No. 3
STATE OF KANSAS,)	
Defendant.)	

NOTICE OF CLASS ACTION SETTLEMENT

Thomas Edward Blumer (“Plaintiff”) has sued the State of Kansas (the “Defendant” or “Kansas”) alleging that it violated Section V of Article 11 of the Kansas Constitution and the commerce clause and the Fourteenth Amendment of the United States Constitution by causing fees collected by the Kansas Securities Commissioner to be swept into the State’s general fund and used for purposes unrelated to the regulation of the Kansas Securities Industry.

Defendant denies the allegations and contends that it acted lawfully and in compliance with the Kansas Constitution and United States Constitution at all times. The Court has not yet ruled in favor of either side. Nevertheless, the parties have reached a settlement that affects your legal rights.

A settlement has been proposed on behalf of all persons and entities that paid fees imposed pursuant to the Kansas Uniform Securities Act, K.S.A. 17-12a601, during the time period October 1, 2016 to June 29, 2021 (the “Class”).

You have received this notice because records indicate that you may be a member of the Class.

Your legal rights will be affected by the settlement of this lawsuit. Please read this notice carefully. It explains the lawsuit, the settlement, and your legal rights, including objecting to the settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
IF YOU DO NOTHING	If the Court approves the settlement and you do nothing, you will be able to register with the Office of the Kansas Securities Commissioner for 2022 without being required to pay any registration fee. You will not be able to file any claim against the State related to the fee sweep described herein or for any fees you paid to the Office of the Kansas Securities Commissioner. The State will analyze and adjust the fee structures under the Kansas Uniform Securities Act to correspond to the constitutionally permissible reasonable costs incurred in administering the Act. To see the actual settlement agreement, please visit the following website: www.StateofKansasRegistrationFeeSettlement.com .
IF YOU OBJECT TO THE SETTLEMENT	You cannot opt out of the proposed settlement, but you can submit objections. Objections must be submitted by first-class U.S. Mail to each of the addresses indicated in Section 10 below and postmarked no later than August 27, 2021. You must state the precise basis for your objection and any proposed modifications to the settlement. Objections not postmarked on or before August 27, 2021 will not be considered. Notwithstanding your objections, if the Court approves the proposed settlement, you will be bound by its terms.

1. WHY DID I RECEIVE THIS NOTICE?

A Court authorized the notice because you have a right to know about a proposed settlement of this class action lawsuit and all of your options before the Court decides whether to give “final approval” to the settlement. This notice explains the lawsuit, the settlement, and your legal rights. The Honorable Teresa L. Watson in Division 3 of the District Court of Shawnee County, Kansas

is overseeing this class action. The case is known as *Thomas Edward Blumer, on behalf of himself and all others similarly situated v. State of Kansas*, Case No. 2019-CV-000720 (the “Lawsuit”).

2. WHAT IS THIS LAWSUIT ABOUT?

Plaintiff Thomas Edward Blumer is a registered representative in the State of Kansas who has paid fees pursuant to the Kansas Uniform Securities Act, K.S.A. 17-12a101, *et seq.* He sued the State of Kansas alleging that it violated Section V of Article 11 of the Kansas Constitution and the commerce clause and the Fourteenth Amendment of the United States Constitution by causing fees collected by the Kansas Securities Commissioner to be swept into the State’s general fund and used for purposes unrelated to the regulation of the Kansas Securities Industry.

How the Defendant Responded

The State denies the allegations and contends that it acted lawfully and in compliance with the Kansas Constitution and United States Constitution at all times. Notwithstanding the denial of liability and alleged unlawful conduct, the State has decided it is in its best interest to settle the Lawsuit to avoid the burden, expense, risk, and uncertainty of continuing the litigation.

3. HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

You are affected by the settlement because the State of Kansas’s records indicate that you paid fees imposed pursuant to the Kansas Uniform Securities Act, K.S.A. 17-12a601, during the time period October 1, 2016 to June 29, 2021. Specifically, for the purposes of settlement only, the Court has provisionally certified a Settlement Class defined as follows:

All persons and entities that paid fees imposed pursuant to the Kansas Uniform Securities Act, K.S.A. 17-12a601, during the time period October 1, 2016 to June 29, 2021. Excluded from the class are all judicial officers presiding over this or any related case. The class definition also excludes all employees of the State of Kansas.

If you fall within the foregoing Settlement Class definition, you will be a Settlement Class Member.

4. WHAT DOES THE SETTLEMENT PROVIDE?

If the Court approves the settlement, you will be able to register with the Office of the Kansas Securities Commissioner for 2022 without being required to pay any registration fee. This benefit may continue for future years at the discretion of the Office of the Kansas Securities Commissioner. Furthermore, the Office of the Kansas Securities Commissioner has agreed to analyze its fee structure going forward which could result in fees being reduced indefinitely. To see the settlement agreement itself, please visit the following website: www.StateofKansasRegistrationFeeSettlement.com.

5. WHAT HAPPENS IF I DO NOTHING?

If the Court approves the settlement and you do nothing, you will be able to register with the Office of the Kansas Securities Commissioner for 2022 without being required to pay any registration fee. You will not be able to file any claim against the State related to the fee sweep described herein or for any fees you paid to the Office of the Kansas Securities Commissioner. The State will analyze and adjust the fee structures under the Kansas Uniform Securities Act to correspond to the constitutionally permissible reasonable costs incurred in administering the Act. To see the settlement agreement itself, please visit the following website: www.StateofKansasRegistrationFeeSettlement.com.

6. WHAT AM I GIVING UP TO GET A BENEFIT?

You are releasing all claims asserted or which could have been asserted under federal or state or local constitution, statute, law, regulation, ordinance or common law that in any way relate to the sweep described herein, up to the effective date of this agreement, regardless of the type of relief sought and whether for declaratory relief, class action status, injunctive relief, damages, return of funds, reversal of funds, transfer of funds, improper charge against funds, attorneys’ fees, interest, prejudgment interest, costs or any other type of relief, including but not limited to claims pursuant to:

- (a) Any and all claims related to the Sweep;

- (b) Conversion;
- (c) Any and all claims asserting a wrongful transfer, misappropriation, breach of trust, breach of fiduciary duty, or unlawful appropriation of funds;
- (d) Any and all claims that the State or Kansas Legislature acted in excess of its authority;
- (e) Any and all claims that the State's or Kansas Legislature's actions constituted an unlawful or unconstitutional tax;
- (f) Any and all claims that the Kansas Legislature's actions were unconstitutional, including but not limited to claims that they amounted to an unconstitutional tax or unconstitutional taking or that they violated Article 11, § 5 of the Kansas Constitution, the Commerce Clause of the United States Constitution, the Fifth Amendment to the United States Constitution, the Fourteenth Amendment to the United States Constitution, or Plaintiffs' Equal Protection right;
- (g) Any and all tort claims, including but not limited to alleged retaliation, conspiracy, libel, slander, or intentional or negligent infliction of emotional distress.

7. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

You cannot exclude yourself from the settlement. If the Court approves the settlement agreement, you will be bound by its terms.

8. DO I HAVE A LAWYER IN THIS CASE?

The Class Representative retained Matthew V. Bartle and David Marcus, Bartle + Marcus LLC, 116 W. 47th Street, Suite 200, Kansas City, MO 64112 and Ryan Kriegshauser, Kriegshauser Law LLC, 15050 W. 138th Street, Unit 4493, Olathe, KS 66063 to represent him. In connection with the preliminary approval of the settlement, the Court appointed these attorneys to represent you and other Class Members. Together, the lawyers are called Class Counsel. You will not be separately charged by these lawyers for their work on the case. If you want to be represented by your own lawyer, you may hire one at your own expense.

9. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court for an award of attorneys' fees and costs of up to \$3,000,000.00, which the Defendant has agreed not to oppose. Any attorneys' fees will be separately paid by the State and will not reduce the benefits you will receive under the proposed settlement.

10. HOW DO I TELL THE COURT THAT I DO NOT LIKE THE SETTLEMENT?

If you are a Settlement Class Member, you can object to the settlement if you do not think any part of the settlement is fair, reasonable, and/or adequate. You can and should explain the detailed reasons why you think the Court should not approve the settlement, if this is the case. The Court and Class Counsel will consider your views carefully. To object, you must send notice via First-Class U.S. Mail postmarked no later than August 27, 2021 to each of the addresses listed below stating that you object to the settlement in the *Thomas Edward Blumer v. State of Kansas* case: 2019-CV-000720. Be sure to include (1) the name of this Lawsuit, *Blumer v. State of Kansas*, Civil Action No. 2019-CV-000720; (2) your full name, current address, and telephone number; (3) a sentence stating that to the best of your knowledge, you are a member of the Settlement Class; and (4) the factual basis and legal grounds for the objection to the settlement.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Judge Teresa L. Watson Division 3 Shawnee County Courthouse 200 SE 7th Street Topeka, KS 66603	Matthew V. Bartle David L. Marcus Bartle + Marcus LLC 116 W. 47th Street Kansas City, MO 64112	Stanley R. Parker Carrie A. Barney Assistant Attorneys General 120 SW 10th Avenue Topeka, KS 66612
Ryan Kriegshauser Kriegshauser Law LLC 15050 W. 138th Street Unit 4493 Olathe, KS 66063		

THE COURT'S FAIRNESS HEARING

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

11. WHEN AND WHERE WILL THE COURT DECIDE TO APPROVE THE SETTLEMENT?

The Court will hold a Fairness Hearing on September 2, 2021, commencing at 9:00 a.m., in Division 3 of the District Court of Shawnee County, Kansas, 200 SE 7th Street, Topeka, KS 66603. 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 may also decide the amount that Class Counsel and the Class Representatives shall be paid. After the hearing, the Court will decide whether to finally approve the settlement.

12. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time to the addresses listed herein, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

GETTING MORE INFORMATION

13. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This notice summarizes the proposed settlement. To see the settlement agreement itself, please visit the following website: www.StateofKansasRegistrationFeeSettlement.com.

14. HOW DO I GET MORE INFORMATION?

Please email Class Counsel, Matthew V. Bartle and David L. Marcus, Bartle + Marcus LLC, 116 W. 47th Street, Suite 200, Kansas City, MO 64112, mbartle@bmlawkc.com, dmarcus@bmlawkc.com.

PLEASE, DO NOT CALL THE COURT, THE CLERK, OR THE DEFENDANT REGARDING THIS SETTLEMENT.