

PLAN OF ALLOCATION

1. Each Settlement Class Member will receive a share of the Net Settlement Fund that is proportionate, as near as may be determined based on Webster's internal records, to the total amount of unrefunded overdraft fees on debit card transactions that the Class Member actually paid during the Settlement Class Period and that Plaintiff claims were inappropriately charged.

2. Using Webster's internal records and reports, Plaintiff's expert has isolated, as best as possible: (1) all debit card transactions that incurred an overdraft fee; (2) that were authorized in real time when the customer had a positive available balance in his or her account; where (3) Webster placed a "hold" on the account at the time that the debit card transaction was authorized; and (4) where the transaction was later presented to Webster for payment at a time when there were insufficient available funds to pay the full amount of the transaction as a result of other items having been presented and paid; and where (5) "an overdraft fee was assessed on the transaction. Plaintiff's expert next excluded all such transactions which did not *increase* the number of overdraft fees Webster would otherwise have charged for that day (for example, because the number of overdrafts exceeded a cap on the number of overdraft fees that Webster would assess in a day). Next, Plaintiff's expert excluded transactions for which Webster refunded a dollar amount equal to the overdraft fee within 30 days of the fee being charged. As a result of these calculations, Plaintiff's expert was able to calculate a net damages amount for each affected account. Finally, for any account which had been closed with a net negative balance, and Webster had charged off the balance, Plaintiff's expert reduced the net damages for that account by the amount of the charge-off (but not below 0).

3. As a result of these calculations, Plaintiff's expert has calculated a compensable damages amount for each account that had transactions matching the profile in the Complaint.

The Net Settlement Fund will be distributed to each account that was calculated to have a compensable damages amount greater than zero dollars in proportion to each account's compensable damages calculation.

4. At distribution, Webster will credit each affected account which is still open with its calculated share of the Net Settlement Fund. Settlement Class Members who have closed the accounts in which the affected transactions occurred will receive a check for their calculated share of the Net Settlement Fund at their last known address.

5. All funds resulting from returned or un-cashed checks shall remain in an account maintained by the Settlement Administrator for six months, at which time the money will be distributed through the *cy pres* distribution to a nonprofit financial literacy educational organization agreed upon by Webster and Settlement Class Counsel, and approved by the Court.