

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

NOTICE OF CLASS ACTION SETTLEMENT

If you joined Ignite as an independent associate (“IA”) from January 1, 2005, through April 2, 2011, this notice of class action settlement may affect you.

- *A Federal Court ordered the distribution of this notice to you and others similarly situated. Do not be alarmed; you are not being sued. This is not a solicitation from a lawyer.*
- **Please read this document carefully**—your rights may be affected by the Settlement described below.
- This Notice concerns the Settlement of a class action in a matter pending before the U.S. District Court for the Southern District of Texas. The Settlement does not constitute an admission of liability or wrongdoing by the defendants.
- This Notice is not an expression by the Court of any opinion on the merits of the claims and defenses asserted by either side.
- You are receiving this Notice because you are believed to be a member of the class and therefore may participate in the Settlement, unless you ask to be excluded as explained below.

YOUR LEGAL RIGHTS AND OPTIONS RELATED TO THIS SETTLEMENT	
Participate in the Settlement	<p>Stay in the class and give up the right to sue the defendants separately. You do not need to do anything to remain in the class.</p> <p>If you wish to participate in the Settlement and you wish to receive the Benefits Option described below, you do not need to do anything. If you wish to participate in the Settlement and elect the Cash Option described below, you must complete the required Election Form by September 12, 2018. The Election Form may be completed online at www.IgniteAssociatesSettlement.com, emailed, or mailed to the Settlement Administrator. If you do not timely complete the Election Form, and do not opt out of the Settlement, you will be automatically enrolled in the Benefits Option. By participating in the Settlement, you give up any rights to sue the defendants separately over the Released Claims, as described below.</p>
Exclude Yourself	<p>“Opt out” of the class. Do not receive any benefit from the Settlement. Keep the right to sue the defendants separately.</p> <p>If you choose to exclude yourself from the Settlement Class (as explained below), you won’t share in any Settlement benefits. But, you will keep your rights to sue the defendants. The deadline to exclude yourself is September 12, 2018.</p>
Object to the Settlement	<p>You may object to the Settlement and you may request to appear at the Final Approval Hearing.</p> <p>If you object to the Settlement, you remain a member of the class. The requirements to object to the Settlement are stated below. The deadline to object to the Settlement is September 17, 2018.</p>

- Your rights and options—and the deadlines to exercise them—are explained in this notice.
- A full copy of the Settlement Agreement; the plaintiffs’ complaint, which names the parties and explains the claims; and the defendants’ answer to the complaint, may be found at the following web address: www.IgniteAssociatesSettlement.com

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1. Why did I get this notice?

You have been identified as an individual who may have joined Ignite, called “Ignite Powered by Stream Energy,” as an Independent Associate (“IA”) and paid Ignite more than you have received through the Ignite Services Program. If so, and you meet the class definition in Section 4 below, you are a member of the Settlement Class and entitled to benefit from the Settlement, provided that you do not exclude yourself from the Class.

The Court in charge of this class action is the United States District Court for the Southern District of Texas, Judge Kenneth M. Hoyt presiding, in *Torres, et al., plaintiffs v. SGE Management LLC, et al., defendants*, Civil Cause No. 4:09-CV-2056. This Court has ordered this Notice of Class Action Settlement to be delivered to you by email.

2. What is this lawsuit about?

The plaintiffs sued the defendants, claiming that they lost money because defendants allegedly violated the federal Racketeer Influenced and Corrupt Organizations Act (RICO).¹ The defendants vigorously denied these allegations and contended that they have no merit because Stream serves hundreds of thousands of energy customers and compensates IAs only in relation to actual energy sales. The Court expresses no opinion on the merits of the parties’ respective positions, and neither this notice nor the fact of the agreed Settlement should be understood to reflect on the merits of the parties’ respective positions.

3. What is a class action?

In a class action, one or more individuals are the class representatives who sue on behalf of a class. Here the class action was first filed by Juan Torres but the Class is now represented by Christopher Robison (as executor of the Estate of Eugene Robison) and Lucas Thomas. Each of these persons (or estate) has been deposed, required to answer discovery, and consult with Class Counsel. They have each spent many hours that were not required of other Class Members. Given their effort for the Class, the plaintiffs propose that Christopher Robison (as executor of the Estate of Eugene Robison) will receive \$15,000 and Lucas Thomas and Juan Torres will each receive \$5,000 for their service to the Class, subject to the Court’s approval. Class representatives sue for themselves and on behalf of other individuals who may have similar claims against the defendants. These other individuals are called class members. Once a court resolves the issues for the class representatives or approves the Settlement for the class, it resolves the matter for all class members, except for those who request exclusion by opting out.

¹ The defendants include SGE Management, LLC; Stream Gas & Electric, Ltd.; Stream SPE GP, LLC; Stream SPE, Ltd.; Ignite Holdings, Ltd; Chris Domhoff; Rob Snyder; Pierre Koshakji; Douglas Witt; Steve Flores; Michael Tacker; Donny Anderson; Trey Dyer; Steve Fisher; Randy Hedge; Brian Lucia; Logan Stout; Presley Swagerty; SGE Energy Management, Ltd.; SGE IP Holdco, LLC; SGE Georgia Holdco, LLC; SGE Serviceco, LLC; SGE Consultants, LLC; Stream Georgia Gas SPE, LLC; Stream Texas Serviceco, LLC; SGE Ignite GP Holdco, LLC; SGE Texas Holdco, LLC; SGE North America Serviceco, LLC; PointHigh Partners, LP; PointHigh Management Company, LLC; Darryl Smith; Susan Anderson; Mark Dean; La Dohn Dean; A.E. “Trey” Dyer, III; Sally Kay Dyer; Dyer Energy, Inc.; Diane Fisher; Kingdom Brokerage, Inc.; Fisher Energy, LLC; Susan Fisher; Mark Florez; The Randy Hedge Companies Inc.; Murlle, LLC; Robert L. Ledbetter; Sue Ledbetter; Beth Lucia; Greg McCord; Heather McCord; Rose Energy Group, Inc.; Timothy W. Rose; Shannon Rose; LHS, Inc.; Haley Stout; Property Line Management, LLC; Property Line LP; Swagerty Management, LLC; Swagerty Energy, Ltd; Swagerty Enterprises, LP; Swagerty Enterprises, Inc.; Swagerty, Inc.; Swagerty Power, Ltd.; Jeannie E. Swagerty; SACHE, Inc.; Terry Yancy; and Shelba Yancy. All deny any liability to the class.

4. How do I know if I am in the Settlement Class?

On June 28, 2018, the Court has specifically defined the Class as these persons:

All Independent Associates [IAs] who joined Ignite on or after January 1, 2005, through April 2, 2011, and paid more for the Ignite (a) membership, (b) monthly fees for an Ignite Homesite, and/or (c) other marketing materials than Ignite has paid the IA.

“Ignite” means Ignite Holdings LTD; Stream Gas & Electric LTD; Stream Georgia Gas SPE, LLC; Stream SPE GP LLC; Stream SPE LTD; Stream Texas Serviceco, LLC; SGE Consultants, LLC; SGE Energy Management, Ltd.; SGE Georgia Holdco, LLC; SGE IP Holdco, LLC; SGE Ignite GP Holdco, LLC; SGE Management LLC; SGE North America Serviceco, LLC; SGE Serviceco, LLC; and SGE Texas Holdco, LLC.

The Court has excluded any individual who profited from Ignite (that is, received more money from Ignite than the individual paid to Ignite). From Ignite’s records, you have been identified as a Class Member.

Unless you exclude yourself, you will be part of the Class, and you will be bound by the release of claims in the Settlement. This means that if the Settlement is approved, you cannot sue, continue to sue, or be party of any lawsuit against Ignite, the defendants, or the other Released Persons asserting a “Released Claim,” as defined below. It also means that the Court’s Order approving the Settlement and the judgment in this case will apply to you and legally bind you.

The “Released Claims” that you will not be able to assert include any manner of actions, causes of action, suits, accounts, claims, demands, controversies, judgments, obligations, injuries, damages and liabilities of any nature, whenever or however incurred, including claims for costs, fees, expenses, penalties, and attorney’s fees, whether class or individual, known or unknown, suspected or claimed, that Plaintiffs, the Class Members, or any Class Member ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity against any of the Released Persons, whether in law or equity or otherwise, arising out of or relating to any conduct, act, or omission of any of the Released Persons related to the conduct or similar conduct alleged or that could have been alleged in this litigation, including, but not limited to, any actions for fraud, securities fraud, misrepresentations, violations of 18 U.S.C. § 1962(c) and (d), negligence, breach of contract, or other conduct or omissions relating to the IA program or payments related thereto, or Plaintiffs’ and Class Members’ transactions and interactions with Defendants regarding their status as an Independent Associate of Ignite.

5. Do I have a lawyer?

Yes, if you remain in the class. The Court has appointed these attorneys to represent the Class:

Scott M. Clearman
The Clearman Law Firm, PLLC
P.O. Box 541999
Houston, TX 77254
Toll-free: (877) 285-1473
www.clearmanlaw.com

Andrew Kochanowski
Sommers Schwartz, P.C.
1 Towne Square, Ste. 1700
Southfield, MI 48076
Toll-free: (866) 943-5538
www.sommerspc.com

Matthew Prebeg
Prebeg, Faucett & Abbott PLLC
8441 Gulf Freeway, Ste. 307
Houston, TX 77017
(832) 742-9260
www.pfalawfirm.com

These three attorneys are “Class Counsel.” More information about these attorneys and their firms is available on their websites. Class Counsel first started by researching the facts and law leading to Juan Torres’s initial complaint of over eighty pages filed on June 30, 2009. Since then, the case has twice been presented to the United States Court of Appeal. It involved many depositions and the production and review of hundreds of thousands of documents. As part of the Settlement, the defendants have agreed not to oppose Class Counsel’s application for fees and costs up to \$10,275,000, which is subject to approval by the Court. In other words, you will not be otherwise charged for the services of these lawyers. You need not hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own expense.

6. What is the status of the case?

After the Court certified the case as a class action, the parties agreed to the Settlement. Although both the plaintiffs and the defendants continue to believe in the merits of their respective cases, they agreed that compromising the claims under the terms of the Settlement would be in everyone’s best interests. The Settlement provides that every Class Member that remains part of the Class will receive certain benefits, including an opportunity to make more money by selling Stream energy to new customers. Alternatively, Class Members may elect to terminate their relationship with

Questions? Call 1-855-804-8542 toll-free or visit www.IgniteAssociatesSettlement.com

Ignite and receive a cash payment. If the Court approves the Settlement, Class Members will be entitled to receive the benefits provided by the Settlement, they will no longer be able to bring claims against the defendants related to the claims in this case, and the litigation will be over. The Court is scheduled to hold a public hearing to address final approval of the Settlement on October 4, 2018, at 9:30 am at the U.S. District Court in Houston, Texas.

7. What are the Cash Option and Benefit Option?

Under the terms of the Settlement, you may do nothing and be automatically enrolled in the Benefits Option. Under the Benefits Option, each participating Class Member will receive the following:

- a. A \$5 per month referral payment for each new customer account that enrolls in a Stream Energy electricity plan through the Class Member's Homesite before December 31, 2019, with such payment to be made each month that the customer pays his or her electricity bill with Stream Energy for a maximum of twelve (12) months per customer account;
- b. A \$2 per month referral payment for each new customer account that enrolls in a Stream Energy gas plan through the Class Member's Homesite before December 31, 2019, with such payment to be made each month that the customer pays his or her gas bill with Stream Energy for a maximum of twelve (12) months per customer account;
- c. Twelve (12) months of free use of the Homesite (current market price of \$300) beginning on January 1, 2019, and ending on January 1, 2020;
- d. Free admission to the 2019 Ignite conference (current market price of \$189), provided the Class Member contacts Ignite in writing to request admission at least thirty (30) days before the conference; and in the event that the conference is at capacity, free admission to a future Ignite conference will be provided in lieu of the 2019 conference; and
- e. For any Class Members whose IA status was previously canceled or terminated, free reinstatement as an IA under the terms described (current market price of \$199).

In addition, Benefits-Electing Class Members shall continue to receive any other compensation or benefits to which they may be entitled under their existing IA program.

No referral payments shall be paid on or after January 1, 2021, regardless whether the Benefits-Electing Class Member has received twelve (12) months of payments as of that date; provided, however, that any Accrued Referral Payments may be paid after January 1, 2021. "Accrued Referral Payment" means a monthly referral payment that (a) relates to a monthly energy bill that the customer paid before January 1, 2021; (b) the Benefits-Electing Class Member has not yet been paid; and (c) the Benefits-Electing Class Member otherwise may receive.

Benefits-Electing Class Members may activate their Homesite using a website link that will be provided via email to each Benefits-Electing Class Member. Alternatively, Class Members can elect the **Cash Option** and receive a cash payment by check equal to 20% of the difference between the total amount you paid Ignite and the total amount that Ignite paid you. The cash payment will vary based on your individual circumstances. Example: If you paid \$329 to Ignite in total and received \$100 from Ignite, you would be entitled to receive a cash payment of \$45.80 (that is, 20% of the difference between \$329 and \$100).

If you wish to elect the Cash Option, **you must complete and send the required Election Form on or before September 12, 2018.** The Election Form may be completed online at www.IgniteAssociatesSettlement.com, or emailed or mailed to the Settlement Administrator.

8. Where can I find information about the Settlement?

You may find additional information about the case (including the plaintiffs' complaint, the defendants' answer, and the full Settlement Agreement and Release) by visiting this website: www.IgniteAssociatesSettlement.com. If you have questions, you should first contact the Settlement Administrator at 1-855-804-8542. If the Settlement Administrator cannot answer your question, you may contact Class Counsel. Please do not contact the Court.

9. What if I want to exclude myself from the Settlement?

If you do not want to participate in the Settlement, you must send a signed letter to the Settlement Administrator requesting exclusion on or before September 12, 2018. If you exclude yourself, you will not get any of the benefits of the Settlement, you will not release your claims, and you will maintain any rights you may have to bring your own proceeding if you so choose. Your request for exclusion should include your name, address, signature, and Ignite Associate ID, if known.

You may mail or email your request for exclusion to:

Torres v. S.G.E Management, LLC
Settlement Administrator
PO Box 3757
Portland, OR 97208-3757
exclusion@IgniteAssociatesSettlement.com

10. What if I want to object to the Settlement?

Any Class Member who wishes to object to the Settlement must file a written objection with the Court and serve copies of the same on Class Counsel and counsel for the defendants. If the Class Member wishes to appear before the Court at the Fairness Hearing, he or she must state so in the written objection. A Class Member may appear through an attorney if he or she so desires.

Class Counsel:

Scott M. Clearman
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P.O. Box 541999
Houston, TX 77254
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Houston, TX 77017
(832) 742-9260
www.pfalawfirm.com

Defendants' Counsel:

Robert Walters
Gibson, Dunn & Crutcher LLP
2100 McKinney Ave, Ste. 1100
Dallas, TX 75201

All written objections must: (a) be marked as "Written Objections to Settlement Agreement" in *Torres v. S.G.E Mgmt., LLC*, Civil Action No. 4:09-cv-2056; (b) state the objector's full name, address, and telephone number; (c) set forth a brief statement regarding the objections; (d) state the reasons for the objections; (e) include copies of any papers that support the objections; (f) set forth the objector's signature and verification under oath that the objector believes he/she is a Settlement Class member; and (g) if the objector wants to be heard at the Final Approval Hearing, state that the objector intends to appear at the Final Approval Hearing. If an attorney makes the objection, the written objection must provide the attorney's name, address, email address, and telephone number.

The last date for Class Members to object to the Settlement and file a notice of intention to appear at the Fairness Hearing is September 17, 2018.