

## EXHIBIT A

### NOTICE OF PROPOSED CLASS SETTLEMENT

ALL PERSONS WHO PAID MONEY FOR A MEMBERSHIP IN LULLY'S, INC. d/b/a THE RIGHT ONE ("THE RIGHT ONE") BETWEEN MARCH 26, 2008 AND MARCH 7, 2013 ("SETTLEMENT CLASS"):

#### **THIS NOTICE CONTAINS INFORMATION THAT MAY AFFECT YOUR RIGHTS.**

1. Nature of Claims Settled: An adversary action titled *Mattoon, et al., on behalf of themselves and all others similarly situated (collectively "Plaintiffs") v. Theodore D. Law and Rachel A. Law (collectively "Debtors" or "the Laws")*, Case No. 12-30855, Adversary No. 12-03137-hdh (the "Section 523 Lawsuit"), was filed in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), objecting to the bankruptcy discharge of certain claims brought by Plaintiffs against Debtors. Another adversary action entitled *Mattoon, et al. v. Theodore D. Law and Rachel Law*, Case No. 12-30855, Adversary No. 12-03205-hdh (the "Section 727 Lawsuit"), was also filed in the United States Bankruptcy Court, seeking revocation of the Debtors' bankruptcy discharge. Another action titled *Mattoon, et al., on behalf of themselves ("Plaintiffs") and all others similarly situated v. Rachel A. Law, et al.* (collectively "Defendants"), Cause No. DC-12-03363 (the "State Court Lawsuit"), was filed in the District Court of Dallas County, Texas, stating various causes of action against the Defendants in connection with their sale of dating service memberships to Plaintiffs, including claims of violations of the Texas Deceptive Trade Practices Act ("DTPA"), fraud, breach of contract, and breach of warranty, civil conspiracy, unjust enrichment, and seeking declaratory relief.

In the State Court Lawsuit, on August 7, 2012, the court entered an order titled "Order Certifying Class Action, Appointing Class Counsel and Final Default Judgment" (the "Order") solely against Defendant Lully's Inc. d/b/a The Right One. The Order is now on appeal before the Fifth Court of Appeals of Texas, Cause No. 05-12-01655-CV (the "Appeal"). Another, later filed action, titled *Mattoon, et al., on behalf of themselves and the class of persons they represent ("Plaintiffs") v. Singles International, Inc. d/b/a Dallas Singles and Forth Worth Singles and Lawberg, Inc. (collectively the Fraudulent Transfer Defendants)*, Cause No. DC-12-11362-K (the "Fraudulent Transfer Lawsuit"), was filed in the District Court of Dallas County, Texas, stating causes of action for successor liability and violations of the Texas Uniform Fraudulent Transfer Act ("TUFTA"). These four lawsuits, i.e., (1) the Section 523 Lawsuit, (2) the Section 727 lawsuit, (3) the State Court Lawsuit, and (4) the Fraudulent Transfer Lawsuit, are collectively defined for the purpose of this Notice and the Class Settlement as "the Litigation."

2. Denial of Liability and Cost, Delay and Uncertainty of Litigation: Debtors, Defendants, and the Fraudulent Transfer Defendants (collectively the "Released Parties") deny that their conduct was in any way wrongful or illegal and have asserted numerous defenses to the claims asserted against them. Class Counsel believe that the proposed settlement is fair, reasonable, adequate and in the best interest of the Class based on (i) the uncertain outcome, cost, and the risk of continued litigation against the Defendants; (ii) the difficulties and delays inherent in such litigation; (iii) the potential damages that might be recovered at trial; and (iv) uncertainties regarding the collectability of any judgment that may be finally entered (after all appeals are concluded) against the Defendants.

In negotiating the settlement, the named plaintiffs and their counsel (now Class Counsel) had to weigh the relative risks and benefits of settling now for some payment, although one significantly less than the class's total alleged damages, against proceeding to trial and possibly recovering a large judgment but having no viable entity or other source from which to collect it. Based on their investigation and analysis, Class Counsel believe that the proposed settlement represents the best chance of a fair and equitable recovery spread among the entire class of former clients. The settlement was achieved through a mediation conducted by Pat Neligan, Esq.

3. Settlement Class Definition: The following Settlement Class has been conditionally certified: All persons who paid money for a membership in Lully's Inc. d/b/a The Right One ("The Right One") between March 26, 2008 [*i.e.*, four years prior to the date the State Court Lawsuit was filed] and March 7, 2013 [*i.e.*, date of settlement].

The Class is certified for the limited purpose of this settlement only and the preliminary class certification will become null and void if, for any reason, the settlement is not finalized.

4. Settlement Overview: The proposed settlement (the "Class Settlement") creates a cash settlement fund, as further defined below, in the amount of \$200,000.00, to be used to make cash payments to members of the Settlement Class the ("Settlement Fund"), as well as to pay reasonable attorney's fees and expenses of the Litigation (in amounts approved by the Court). The Settlement Fund will be established through a series of monthly of payments made to a trust account over a four-year period (the "Settlement Payment") by Singles International, Inc., Theodore D. Law, and/or Rachel Law (the "Laws"). The members of the Settlement Class, who submit a valid claims form during the claims period will receive distributions on a pro rata basis; *provided that*, it is proposed the Court award an incentive payment to each of the Class Representatives so that each of them will receive at the inception of payments out of the Settlement Fund the full amount paid by that member for his or her membership in The Right One. The Settlement Fund, less any amount of reasonable attorney's fees and expenses awarded by the Bankruptcy Court, will be distributed on a pro rata basis to members of the Settlement Class who timely submit valid claims forms. The amount of the cash payment to any member of the Settlement Class shall not exceed the amount paid by that member of the Settlement Class for his or her membership in The Right One.<sup>1</sup> Pro rata distributions to the Settlement Class, as described in further detail below, will be made on annual, periodic basis until such time of earlier occurrence of either (1) the entirety of the Settlement Fund has been paid out (*i.e.*, the Fund is exhausted), or (2) all claims submitted by members of the Class or ordered to be paid to any class member, in addition to any attorney's fees and reasonable expenses ordered to be paid to Class Counsel, have been paid in full from the Settlement Fund. The proposed settlement is memorialized in the Settlement Agreement (the "Settlement") on file with the Court and attached to the Notice of Class Action Settlement (Docket No. 58) and available for viewing or copying at the Office of the District Clerk, 1100 Commerce St., Room 1452, Dallas, TX 75242.

5. Settlement Fund, Settlement Payment, and Claims Process: The proposed settlement would require Singles International, Inc. d/b/a Dallas Singles and Fort Worth Singles or its successors ("Singles") and/or the Laws to pay the members of the Settlement Class a total of \$200,000.00 (the "Settlement Fund"), to be distributed, less approved attorneys' fees and expenses, to the members of the Settlement Class on a pro rata basis who have submitted a

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<sup>1</sup> The amount paid to Class Plaintiff Naomi Kiarie may be greater than the amount paid by her for her membership so as to compensate her for her time and effort expended serving as a class representative.

valid claims form during the claims period ("Claims"). The Settlement Fund will be funded as follows : (a) \$20,000.00 (the "Initial Payment") paid upon the 30<sup>th</sup> day following the date (the "Effective Date") on which the Bankruptcy Court's order approving the Class Settlement becomes final and non-appealable; (b) beginning the month immediately following the Effective Date, \$2,800.00 per month for the following 24 months; and (c) beginning on the 25<sup>th</sup> month after the Effective Date, \$4,700 per month for the following 24 months. The Settlement Fund will be paid into a trust account maintained by Kevin Buchanan & Associates, P.L.L.C., counsel for the Laws, for safekeeping until such time as distributions are required to be made under the terms of the Class Settlement.

To be eligible for his or her pro rata payment from the Settlement Fund, a member of the Settlement Class would be required to submit to Kevin Buchanan & Associates, P.L.L.C., counsel for the Released Parties, a signed, written claim, in the form approved by the Bankruptcy Court (the "Claim Form"), attached hereto, postmarked by May 23, 2014 (the "Claims Period"). Approximately ninety (90) days after the expiration of the Claims Period, a hearing will be held regarding the claims that have been tentatively determined (by Defendants and their counsel) to be valid and allowed and those claims tentatively determined to be invalid that will not be allowed, either because of untimely filing or other substantive or procedural defect. A list of the tentatively allowed and disallowed claims will be filed and served by Kevin Buchanan & Associates, P.L.L.C. on Class Counsel forty-five (45) days before this scheduled hearing. Upon objection thereto by Class Counsel, the Court will make a final determination regarding all claims that have been tentatively disallowed. Members holding allowed claims will receive their pro rata share of the Settlement Funds less attorneys fees' and expenses approved by the Bankruptcy Court. The Settlement fund will be distributed first to payments due to Class Representatives, then to approved attorneys fees' and costs approved by the Bankruptcy Court (with such priority, if any, as the court shall mandate) and then to Members holding an allowed claim on a pro rata basis. Payment of the Incentive Payments is to begin within thirty (30) days of receipt of the Initial Payment and the balance of the Initial Payment, if any, is to be paid, pro rata, to attorneys' fees and expenses (with such priority (if any) as the Court shall mandate) and to holders of timely-submitted and valid Claims within thirty (30) days of the Final Claims Allowance and then annually, within thirty (30) days of the anniversary date of the Effective Date of the Class Settlement until such time as all Incentive Payments, Claims, and court-approved attorney's fees and expenses have been paid. In the event the Settlement Fund exceeds the total amount of allowed claims plus all costs and attorney's fees approved by the Bankruptcy Court, the difference shall be returned to the Laws.

6. Default and Security: Under the Settlement Agreement, in the event that Singles and/or the Laws fail to make any settlement payment as required by Class Settlement, there is to be a thirty (30) day cure period. Failure to cure within thirty (30) days will constitute a default under the terms of the Settlement Agreement. As security for the Class Settlement, the members of the Settlement Class are to have a non-dischargeable agreed judgment against Singles and the Laws in the amount of \$180,000.00, plus costs of collection, plus post default interest at the Federal judgment rate as of the date of default, issued by the Bankruptcy Court or another court of competent jurisdiction (the "Judgment"). The Class Plaintiffs agree not to register or execute the Judgment unless and until the occurrence of a default under the Class Settlement. Any amount paid toward the Settlement Payment in excess of the Initial Payment is to be credited against any amount owed under the Judgment in the event of a default.

7. The Court has appointed the following attorneys, who represent the named plaintiffs in the Litigation, and who were previously appointed as class counsel in the State Court Lawsuit, to serve as Class Counsel. They are available to answer questions from Class Members about the Litigation or any matter contained in this Notice:

LOEWINSOHN FLEGLE DEARY, LLP

W. Ralph Canada, Jr.  
State Bar No. 03733800  
K. Adam Rothey  
State Bar No. 24051274  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251  
(214) 572-1700  
(214) 572-1717 (Fax)

NANCY ANGLIN YATES

State Bar No. 01261300  
P.O. Box 511  
112 N Bell Street  
Hamilton, Texas 76531  
(254) 386-8558  
(254) 386-8548 (Fax)

Counsel for the Settlement Class have prosecuted the Litigation on a contingent basis, and have not received any payment or reimbursement of their out-of-pocket expenses. As part of the settlement, subject to Court approval, such attorneys shall receive reasonable attorney's fees in an amount not to exceed one-third of the Settlement Payment plus reasonable expenses from the Settlement Payment. Defendants will bear the cost of notice and administration of the Class Settlement. Otherwise, the parties will bear their own costs, expenses, and attorney's fees.

7. No Admission of Liability: This proposed settlement is a compromise of disputed claims and is not an indication of liability of any sort. This Notice is not to be construed as an admission or concession of liability by Debtors, Defendants, or Fraudulent Transfer Defendants (the "Released Parties").

8. Final approval of the Class Settlement is subject to confirmatory discovery regarding the financial condition of the Released Parties. If the Bankruptcy Court approves the proposed settlement, it will enter a judgment that will dismiss the Litigation with prejudice on the merits as to all members of the Settlement Class. To the extent necessary, in the event of court approval of the proposed settlement, the parties will enter into agreed orders of dismissal with prejudice in the State Court Lawsuit, the Appeal, and the Fraudulent Transfer Lawsuit. **If the Class Settlement is approved by the Court, unless members of the Settlement Class exclude themselves from the Settlement Class, they will be barred from bringing their own lawsuits on any Released Claims.** Class members who do not validly and timely request exclusion from the proposed settlement shall be forever barred from instituting or prosecuting and shall be deemed to have released the Released Parties, including The Right One, from all claims, rights (including rights to reimbursement or restitution, demands, and causes of action, known or unknown, that are alleged in the Litigation or could or might have been alleged by any member of the Settlement Class against the Released Parties, including The Right One, which

are based upon or relating to any membership paid for or held by any member of the Class in The Right One.

9. If you are a member of the Settlement Class, you have the following options:

- (a) If you agree with the proposed settlement, in order to receive your cash distribution(s), you must submit a Class Settlement Claims Form in the form approved by the Bankruptcy Court. All information required on the form must be complete and provided in writing. In addition, you must provide evidence of payment for your membership in The Right One, including a receipt for payment, cancelled check, or credit card record. **The Class Settlement Claims Form must be delivered to Kevin Buchanan & Associates, P.L.L.C., 900 Jackson Street, Suite 350, Dallas, Texas 75202 postmarked no later than May 23, 2014.** A Class Settlement Claims Form is attached hereto or may be obtained by requesting it in writing or by calling Kevin Buchanan & Associates, P.L.L.C., at 214-378-9500.
- (b) You may complete and submit a Proof of Claim and Release ("Proof of Claim") using the form attached hereto. If you choose this option and if the proposed settlement is finally approved by the Court, you will remain a member of the Class, you will share in the proceeds of the proposed Settlement if your claim is timely and valid, and you will be bound by the judgment described above.
- (c) **If you wish to be excluded from the Settlement Class**, you must send a letter or postcard stating your name, address, telephone number, and a statement that you wish to be excluded. Your request should be sent to Kevin Buchanan & Associates, P.L.L.C., 900 Jackson Street, Suite 350, Dallas, Texas 75202. **To be considered valid, a request for exclusion set forth all of this information and must be received by January 24, 2014.** If you validly and timely request exclusion, you will be excluded from the Settlement Class, you will not be bound by the final judgment, and you will not be precluded from instituting or prosecuting any individual claim you may otherwise have against the Released Parties, including The Right One relating to the subject matter of the litigation. **NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN SUCH REQUEST AND THE REQUEST IS TIMELY RECEIVED.** If you validly request exclusion from the Class (a) you will be excluded from the Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by the judgment described above, and (d) you will not be precluded from otherwise timely prosecuting an individual claim against any of the Defendants based on the matters complained of in the Litigation.
- (d) If you do not request to be excluded from the Class, whether or not you submit a proof of claim, you will be bound by any and all judgments, orders or settlements entered or approved by the Court, whether favorable or unfavorable to the Class, including, without limitation, the judgment described above.
- (e) If you are a member of the Settlement Class and you do not request to be excluded, you may object to the terms of the settlement and/or class counsel's application for attorneys' fees and expense reimbursement. If you object, you will be barred from bringing your own individual lawsuit asserting claims related to the matters referred to in the Litigation, and you will be bound by the final judgment and release and all orders entered by the Bankruptcy Court. If you do, you must by no later than January

24, 2014, both (1) file with the United States Bankruptcy Court for the Northern District of Texas specifically referencing Adversary Case No. 12-30885, and (2) serve upon Kevin Buchanan & Associates, P.L.L.C., 900 Jackson, Suite 350, Dallas, Texas 75202 a written notice of your intention to appear, together with your supporting papers and a statement signed by you under penalty of perjury that you are a member of the Settlement Class. Class members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard or have the right to appeal approval of the settlement. However, if your objection is rejected, you will be bound by the settlement and judgment just as if you had not objected.

- (f) You may do nothing at all. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by the settlement and the judgment approving and implementing it.
- (g) If you are a member of the Class, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense.

10. A final settlement hearing will be held before the Honorable Harlan D. Hale of the United States Bankruptcy Court for the Northern District of Texas, 1100 Commerce Street, Dallas, Texas 75242 on February 10, 2014 at 10:30 a.m. The purpose of the hearing is for the Bankruptcy Court to decide whether the proposed settlement is fair, reasonable, and adequate and should be approved. The time and date of this hearing may be continued or adjourned without further notice.

11. Any inquiries concerning this notice should be made in writing to Class Counsel, Loewinsohn Flegle Deary, LLP, 12377 Merit Drive, Suite 900, Dallas, Texas 75251. **No inquiries should be made to the Court.**