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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

IN RE COLLEGE ATHLETE NIL
LITIGATION

Case No. 4:20-cv-03919-CW

~~[AMENDED PROPOSED]~~ ORDER
REGARDING THIRD-PARTY CLAIMS
BUYOUT SERVICES

Hon. Claudia Wilken

1 This matter comes before the Court on Plaintiffs' Renewed Motion for a Prospective Order
 2 Concerning Third-Party Claims Buyout Services ("Motion"). Upon consideration of the foregoing
 3 Motion, the papers submitted in support and opposition thereto, and good cause appearing,

4 IT IS HEREBY ORDERED AND DECREED as follows:

5 1. All Third-Party Claim Buyers seeking to purchase Class Members' settlement claims
 6 should be required to fully disclose the potential tax implications of the settlement distributions to
 7 Class Members prior to signing any contract related to the claims in this Settlement. The following
 8 disclosure should be provided at least twice, with one being included in the initial solicitation or
 9 marketing materials and the other with any sale or transaction agreement:

10 **WARNING ABOUT POTENTIAL TAX CONSEQUENCES**

11 You should seek advice from a registered tax preparer or competent tax advisor
 12 about your tax obligations for any payments that you are entitled to receive under
 13 the Settlement. However, the Court overseeing the Settlement has directed us to
 provide the following disclosure:

14 **THE TAX CONSEQUENCES OF ANY AGREEMENT YOU SIGN**
 15 **REGARDING YOUR CLAIM MAY VARY DEPENDING ON THE**
 16 **SPECIFIC TERMS OF THAT AGREEMENT. WITH CERTAIN**
 17 **TRANSACTION STRUCTURES, YOU MAY BE REQUIRED TO PAY**
 18 **INCOME TAXES ON THE *FULL* AMOUNT OF THE PAYMENTS THAT**
YOU ARE ENTITLED TO UNDER THE SETTLEMENT (EVEN IF THE
RESULTING TAX LIABILITY EXCEEDS THE AMOUNT YOU
RECEIVED UNDER THE AGREEMENT).

19 **A TRANSACTION STRUCTURED AS AN OUTRIGHT OR "TRUE" SALE**
 20 **MAY REMOVE FUTURE SETTLEMENT PAYMENTS FROM YOUR**
 21 **GROSS INCOME FOR FEDERAL AND STATE INCOME TAX PURPOSES,**
 22 **IN WHICH CASE YOU WOULD INSTEAD LIKELY PAY TAX ON THE**
 23 **PURCHASE PRICE YOU RECEIVE. AS A RESULT OF A SALE, YOU**
 24 **WOULD ALSO BE FORFEITING ANY AND ALL RIGHTS TO RECEIVE**
 25 **ADDITIONAL INCOME OR FUTURE PAYMENTS UNDER THE FOURTH**
 26 **AMENDED STIPULATION AND SETTLEMENT AGREEMENT, *IN RE:***
 27 **COLLEGE ATHLETE NIL LITIGATION, NO. 4:20-CV-03919 (THE**
 28 **"SETTLEMENT AGREEMENT"). YOU SHOULD CONSULT WITH A**
COMPETENT TAX ADVISOR REGARDING THE SPECIFIC TAX
CONSEQUENCES OF YOUR PARTICULAR AGREEMENT BEFORE
SIGNING THE AGREEMENT.

1 Additional information, including information about the potential tax consequences
2 of selling your right to receive settlement payments, may be found on the Settlement
3 website at: [LINK TO FAQ WITH THIS INFO]

4 2. Class Counsel and the Claims Administrator will continue to monitor Third-Party Claim
5 Buyers to ensure that they comply with any Order of the Court and will provide any such entities
6 that contact Class Counsel or the Claims Administrator with this Order.

7 3. Class Counsel shall update the Settlement website with an FAQ regarding the potential
8 tax implications of payments from third-party claims buying entities.

9 4. The QSF shall not provide direct disbursements of settlement funds to non-Class
10 Members except to Third-Party Claim Buyers that have completed outright purchases of claims
11 from Class Members and those purchases are completed prior to the exhaustion of any appeals in
12 the case.

13 5. With respect to outright sales of claims that are completed prior to the exhaustion of any
14 appeals, all Third-Party Claim Buyers wishing to obtain direct disbursements from the QSF shall
15 be required to promptly notify the QSF in writing within 15 days of closing the sales transaction
16 or, for existing claim sales, within 15 days of the date of this Order, of both the sale and the identity
17 of the Third-Party Claim Buyer of the claim by sending an email to the claims administrator and
18 provide the QSF with (i) a copy of a true bill of sale and (ii) a signed indemnification form. That
19 indemnification form shall use the following language:

20 INDEMNIFICATION OF TAX LIABILITIES

21 Purchaser hereby represents for the benefit of Verita Global LCC that Purchaser has
22 provided Seller with all required disclosures prior to Seller's execution of this Bill
23 of Sale, and this Bill of Sale was entered into without any misleading statements,
24 coercion, or material omissions from or by Purchaser to Seller. Solely as between
25 Purchaser and Verita Global LLC, Purchaser agrees to hold Verita Global LLC
26 harmless from any losses arising out of any determination that Seller is not an
27 eligible class member, or is not legally entitled to receive any payment from the
28 Settlement Funds (including, without limitation, any determination that any laws,
regulations, court orders, or other lienholders or payees have a superior or
conflicting claim to the same funds or otherwise restrict or limit a third-party's
eligibility to receive payment). Purchaser further acknowledges that Verita Global
LLC shall have no responsibility for the evaluation of competing claims or priorities

1 among lienholders or other third parties. Purchaser hereby also agrees to indemnify
2 and hold Verita Global LLC, the Qualified Settlement Fund (the "Fund") and any
3 and all of its respective [directors, managers, employees, and controlling persons]
4 (each, "Indemnified Party") harmless from and against and agrees to defend, and
5 will pay to each Indemnified Party the amount of, any and all losses (including
6 attorneys' fees) awarded against or incurred or suffered by such Indemnified Party,
7 whether or not involving a third-party claim, demand, action or proceeding, arising
8 out of any and all claims, demands, obligations, losses, liabilities, damages, costs
9 and expenses (including U.S. federal taxes, state and local income taxes,
10 withholding taxes, and any interest or penalties) which the Indemnified Party may
11 suffer as a result of any claims, liabilities or charges asserted against such
12 Indemnified Party by the Internal Revenue Service (the "IRS") or any state or local
13 tax authority with respect to the filing and reporting (or failing to file and report) any
14 returns or reports relating to the sale of the claim pursuant to the Bill of Sale, and
15 any subsequent payments, required by the IRS or any state and local tax authority
16 with respect thereto, except to the extent that such losses result from the gross
17 negligence, recklessness, or willful misconduct of the Indemnified Party.

11 If any claim, demand, action or proceeding (including any investigation by any
12 governmental authority) shall be brought or alleged against an Indemnified Party in
13 respect of which indemnity is to be sought pursuant to this Bill of Sale, the
14 Indemnified Party shall, as soon as reasonably practicable after receipt of notice of
15 the commencement of any such claim, demand, action or proceeding, notify
16 Purchaser in writing of the commencement of such claim, demand, action or
17 proceeding, enclosing a copy of all papers served, if any; provided, that the omission
18 to so notify Purchaser will not relieve Purchaser from any liability that it may have
19 to the Indemnified Party under this Indemnification Agreement.

18 **IT IS SO ORDERED.**

19 DATED: September 16, 2025



HONORABLE CLAUDIA WILKEN
UNITED STATES DISTRICT COURT JUDGE