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14	SUPERIOR COURT OF CALIFORNIA		
15	COUNTY OF SANTA CLARA		
16			
17	DOMENIQUE NEWMAN, on behalf of herself all others similarly situated,	Case No. 19CV346587	
18	Plaintiff,	STIPULATION OF CLASS ACTION SETTLEMENT	
19	v.		
20	SMITH + NOBLE HOME, INC.,		
21	Defendant.		
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> STIPULATION OF CLASS ACTION **SETTLEMENT**

("Plaintiff"), individually and on behalf of all others similarly situated, on the one hand, and Defendant SMITH + NOBLE HOME, INC. ("Defendant"), on the other hand, and subject to the approval of the Court, that the Action is hereby compromised and settled pursuant to the terms and conditions set forth in this Agreement of Class Action Settlement ("Settlement," "Settlement Agreement" or "Agreement") and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Agreement. Plaintiff and Defendant are collectively referred to as the "Parties."

IT IS HEREBY STIPULATED, by and between Plaintiff DOMENIQUE NEWMAN

#### **DEFINITIONS**

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

- "Action" means the putative class action entitled *Domenique Newman v. Smith & Noble* 1. Home, Inc., pending in the California Superior Court for the County of Santa Clara, Case No. 19CV346587.
  - 2. "Class Counsel" means Shaun Setareh and Thomas Segal of the Setareh Law Group.
- 3. "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's litigation and resolution of this Action not to exceed one-third (1/3) of the Gross Settlement Amount, \$56,666.66, and Class Counsel's expenses and costs reasonably incurred in connection with the Action of up to \$20,000.
- 4. "Class Information" means information regarding FCRA Class Members that Defendant shall in good faith compile from available records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator only. Class Information shall be transmitted in electronic form, readily usable, and shall include: each Class Member's full name; social security number; address; and whether that Class Member is within the 2 Year or 5 Year FCRA Subclass.
- 5. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as Exhibit 1, which shall be subject to Court approval and which the Settlement

Administrator shall mail to each Class Member to explain the terms of this Agreement and the Settlement, and include the timing and manner in which to request exclusion from the Settlement, to object to the Settlement, to dispute the information upon which their Individual Settlement Award will be calculated, and will inform the Class of the date, place and time of the Final Approval hearing.

- 6. "Class Representative Service Award" means the amount that the Court authorizes to be paid to Plaintiff, in addition to Plaintiff's Individual Settlement Award, in recognition of Plaintiff's efforts and risks in assisting with the prosecution of the Action.
  - 7. "Defendant" means Defendant Smith + Noble Home, Inc.
  - 8. "Defense Counsel" means Alison Hightower from Littler Mendelson, P.C.
- 9. "Effective Date" of the settlement means the latest date of occurrence of any of the following:
- a. the Court has entered both a Final Approval Order approving this settlement and the Final Judgment;
- b. sixty-one (61) calendar days after the period for appeal from the Final Approval or Judgment has expired if no appeal, review or writ is sought from Final Approval or the Judgment; or,
- c. if an appeal, review or writ is sought from Final Approval or Judgment, thirtyone (31) calendar days after the petition has been denied or dismissed, or, if granted, Final Approval
  and final judgment is affirmed in a form substantially identical to the form of the Final Approval Order
  entered by the Court with no possibility of subsequent appeal or other judicial review therefrom, or
  the date the appeal or other judicial review therefrom are fully dismissed with no possibility of
  subsequent appeal, writ or other judicial review.
- 10. "FCRA Class" shall include and mean the following: All applicants for employment with Defendant in the United States for whom Defendant procured a background check report from April 17, 2014 to and including October 1, 2020 ("FCRA Class Period"). Defendant represents that the FCRA Class contains approximately 500 individuals. The "5 Year FCRA Subclass" consists of those FCRA Class Members for whom Defendant procured a background check report from April 17, 2014 through and including April 16, 2017. The "2 Year FCRA Subclass" consists of those FCRA

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Class Members for whom Defendant procured a background check report from April 17, 2017 through October 1, 2020, inclusive. All FCRA Class Members who are in both subclasses, will be considered to be in the 2 Year FCRA Subclass for purposes of allocating settlement funds. No FCRA Class Member will receive two payments from the FCRA Class Fund, as defined below.

- 11. "FCRA Class Fund" means the portion of the Net Settlement allocated to the settlement payments to the FCRA Class, with the 5 Year FCRA Subclass receiving forty percent (40%) of the *pro rata* distribution and the 2 Year FCRA Subclass receiving sixty percent (60%) of the *pro rata* distribution.
- 12. "FCRA Class Member" or "Class Member" means all applicants for employment with Defendant in the United States for whom Defendant procured a background check report during the FCRA Class Period who do not timely opt out of the Settlement.
- 13. "Final Approval" means the date on which the Court enters an order granting final approval of this class action settlement and entering judgment in accordance with this Agreement in the form attached as **Exhibit 3** or substantially similar thereto.
- 14. "Final Approval Hearing" means the hearing to be conducted by the Court after the filing by Plaintiff of an appropriate motion for approval of the Settlement, following the appropriate notice to Class Members giving Class Members an opportunity to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the fairness, reasonableness and adequacy of the terms and conditions of the Settlement, enter the Final Order and Judgment, and take other appropriate action.
- 15. "Final Order and Judgment" means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Agreement as binding upon the Parties and Class Members in a form attached as **Exhibit 3** or substantially similar thereto.
- 16. "Gross Settlement Amount" means the maximum amount Defendant shall have to pay in connection with this Settlement, by way of a Qualified Settlement Fund, which shall be inclusive of all Individual Settlement Awards to Participating Class Members, Class Counsel Award, Settlement Administration Costs, and the Class Representative Service Award. Subject to Court approval and the terms of this Agreement, the Gross Settlement Amount Defendant shall be required to pay is One

Hundred and Seventy Thousand Dollars (\$170,000.00). No matter the circumstances, Defendant shall pay no more than the amount of the Gross Settlement Amount. Defendant reserves the right to void the Agreement where any court orders payment of an amount in excess of the Gross Settlement Amount or otherwise enters any order that would or could require Defendant to do so. Each FCRA Class Member shall be responsible for paying any taxes due on his or her Individual Settlement Award. The Gross Settlement Amount shall be all-in with no reversion to Defendant.

- 17. "Individual Settlement Award" means the amount payable from the Net Settlement Amount to each Class Member for their payment from the FCRA Class Fund.
- 18. "Net Settlement Amount" is the amount remaining in the FCRA Class Fund after deducting from the Gross Settlement Amount the court-approved Settlement Administration Costs, Class Counsel's Award of Fees and Costs, and the Class Representative Service Award. The settlement funds remaining after deductions from the fund shall be the Net Settlement Amount distributed to the participating FCRA Class Members.
  - 19. "Notice of Objection" means a Class Member's written objection to the Settlement.
- 20. "Notice Packet" means the Court-approved Class Notice attached as **Exhibit 1** and preprinted return envelope to be mailed to all members of the Class.
  - 21. "Parties" means Plaintiff and Defendant.
- 22. "Participating Class Members" means all FCRA Class Members who do not submit a valid and timely request for exclusion on or before the Response Deadline and who shall be bound by all terms of the Settlement, if the Settlement is approved by the Court, and be issued their Individual Settlement Award.
  - 23. "Plaintiff" means the named Plaintiff, Domenique Newman.
- 24. "Preliminary Approval Order" means the order to be issued by the Court preliminarily approving the Settlement, the Class Notice, and authorizing the mailing of the Notice Packet by the Settlement Administrator, appointing Plaintiff as the Class Representative, Plaintiff's Counsel as Class Counsel, and American Legal Claims Services as the Settlement Administrator, and setting the date of the Final Approval Hearing, among other things, substantially in the form attached as **Exhibit 2**. Class Counsel shall provide Defendant's Counsel with a reasonable opportunity to review, and provide

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LITTLER MENDELSON, P.C

comments on, the Motion for Preliminary Approval of the Settlement at least seven (7) days before the Motion for Preliminary Approval and supporting papers are filed with the Court.

- 25. "Released Parties" means Defendant Smith + Noble Home, Inc., and all divisions, related or affiliated companies, parent companies, holding companies, shareholders, officers, directors, employees, agents, attorneys, insurers, investors, successors and assigns, owners, officials, branches, partners, units, assigns, limited liability companies or other organizations, members, managers, principals, heirs, representatives, accountants, auditors, consultants, reinsurers, predecessors in interest, beneficiaries, executors, members, privies, administrators, fiduciaries, and trustees and any individual or entity which could be jointly liable with Smith + Noble Home, Inc. For the avoidance of doubt, ADP Screening and Selection Services, Inc. is not a Released Party.
- 26. "Response Deadline" means the date sixty (60) days after the Settlement Administrator mails the Notice Packets to Class Members and the last date on which Class Members may postmark an objection to or opt out of the Settlement. To the extent any mailed Notice Packet is returned as undeliverable, such person shall be permitted at least forty-five (45) days from any re-mailing of the Notice Packet to submit their objection or request to opt out, but in no event later than thirty (30) days after the close of the Response Deadline.
- 27. "Settlement Administrator" shall be American Legal Claims Services or such other administrator agreed to by the Parties and with adequate measures to safeguard the security of class data mutually, subject to Court approval.
- 28. "Settlement Administration Costs" means the reasonable costs and fees of administration of the Settlement to be paid from the Gross Settlement Amount, including but not limited to: (i) printing and mailing and re-mailing (if necessary) of Notice Packets to Class Members; (ii) establishing a URL to a website, maintained by the claims administrator, that has links to the notice and the most important documents in the case; (iii) establishing a post office box for the return of Class Member communications; (iv) preparing and submitting to Class Members and government entities all appropriate tax filings and forms; (v) computing the amount of and distributing Individual Settlement Awards, the Class Representative Service Award, and the Class Counsel Award; (vi) processing requests for exclusion and Notices of Objection; (vii) establishing a Qualified Settlement

Fund, as defined by the Internal Revenue Code; and (viii) issuing all required tax forms (e.g., 1099s) and providing all required tax reporting. The Settlement Administration Costs shall not exceed the amount estimated by the administrator, who shall be decided by bid and approval by the Parties, to administrate the Settlement of the class.

#### **RECITALS**

- 29. <u>Procedural History.</u> On April 17, 2019, Plaintiff filed a Complaint in the California Superior Court for the County of Santa Clara County, Case No. 19CV346587 (the "Action"). The claims currently pending in the Action include the single cause of action for alleged failure to make proper disclosures prior to obtaining background check reports in violation of the Fair Credit Reporting Act ("FCRA") 15 U.S.C. § 1681b(b)(2)(A).
- 30. <u>Settlement Negotiations</u>. On October 1, 2020, the Parties participated in a private mediation session with Kelly Knight, Esq., a well-regarded and experienced class action mediator. As a result of the mediation, the Parties, through counsel, reached and signed a memorandum of understanding which outlined the material terms of a proposed class action settlement that would fully resolve this Action in its entirety, subject to the Parties entering into a more comprehensive written settlement agreement.
- 31. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in the Action through trial and through any possible appeals. Plaintiff also has taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claim asserted in the Action, both generally and in response to Defendant's defenses thereto, the difficulties in obtaining class certification, and the difficulties in establishing damages, penalties, restitution, and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account Defendant's agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class Counsel have

LITTLER MENDELSON, P.C. 333 Bush Street 34th Floor San Francisco, CA 94104 determined that the Settlement set forth in this Agreement is fair, adequate, and reasonable and is in the best interests of all Class Members.

- 32. <u>Defendant's Reasons for Settlement</u>. Defendant recognizes that any further defense of the Action would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendant contends it is not liable for the claims alleged by Plaintiff in the Action, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Agreement and to put to rest the claims alleged in this Action. Nothing contained in this Agreement, no documents referred to herein, and no action taken to carry out this Agreement, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends it has complied with all applicable state, federal, and local laws.
- 33. The Parties stipulate to the conditional certification of the FCRA Class for purposes of this Settlement only. This Agreement is contingent upon the Preliminary and Final Approval and certification of the FCRA Class only for purposes of this Settlement. Should this Settlement not become final, for whatever reason, the Parties' stipulation to class certification as part of this Settlement shall become null and void ab initio, and the fact that the Parties were willing to stipulate provisionally to class certification as part of this Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Action, and shall not be admissible for any purpose in any action. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified in the Action or in any other action or proceeding.
- 34. Defendant expressly reserves the right and declares that Defendant intends to oppose class certification vigorously should this Settlement not be granted Final Approval or be modified or reversed on appeal or otherwise not become final. If for any reason this Agreement does not become effective, Defendant reserves the right to contest certification of any class for any reason. Defendant does not concede the merits of Plaintiff's contentions regarding the suitability of the litigation for class

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certification under the California Code of Civil Procedure but has agreed to resolve the litigation through this Settlement in recognition of the expense and risk of continuing with the litigation and in the belief that the settlement is fair, adequate, and reasonable. Therefore, in entering into this Agreement, it is the Parties' mutual intention and agreement that if, for any reason, the Settlement Agreement does not become final, the conditional class certification will be vacated, Plaintiff and Defendant will retain all rights to support or oppose certification for the purposes of litigation, and any certification arising from the Court's Final Approval of this Settlement may not be used by Plaintiff or Defendant in support of any argument for or against certification of any class. Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies in the Action, and Defendant will not be deemed to have waived, limited, or affected in any way any of its claims, rights, remedies, objections or defenses in the Action. Neither the provisional certification nor, if ultimately approved, the certification of the FCRA Class to consummate this Settlement shall constitute a determination by the Court that a plaintiff class should be certified for purposes of trial or for any other purpose in any action. Thus, if any appeal is successful, the Court's certification of the class for settlement purposes shall be deemed void nunc pro tunc.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

### TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

- 35. <u>Binding Settlement</u>. This Settlement shall bind the Parties and all Class Members, subject to the terms and conditions hereof and the Court's approval.
- 36. Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendant will pay under this Settlement is the total sum of One Hundred and Seventy Thousand U.S. Dollars (\$170,000.00) for payment of all claims, including all Individual Settlement Awards to Participating Class Members, Class Counsel Fees and Costs, Settlement Administration Costs, and the Class Representative Service Award. No matter the circumstances, Defendant shall pay no more than the Gross Settlement Amount. Defendant reserves the right to void any settlement agreement where any court orders payment of an amount in excess of

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the Gross Settlement Amount or otherwise enters any order that would or could require Defendant to do so. Each class member shall be responsible for paying any taxes due on his or her settlement. The Gross Settlement Amount shall be all-in with no reversion to Defendant

- 37. <u>Claim Allocation.</u> From the Net Settlement Amount, forty percent (40%) shall be allocated to the settlement with the 5 Year FCRA Subclass and sixty percent (60%) shall be allocated to the settlement with the 2 Year FCRA Subclass.
- 38. <u>Payments from the Gross Settlement Amount</u>. Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments to be deducted from the Gross Settlement Amount within fourteen (14) days after Defendant provides the Settlement Administrator with the Gross Settlement Amount as follows:
- Class Representative Service Award. Subject to Court approval, Plaintiff shall be paid a Class Representative Service Award not to exceed Five Thousand Dollars (\$5,000.00), or any lesser amount as awarded by the Court, for her time and effort in bringing and presenting the Action and her risks undertaken for the payment of costs in the event of loss. Defendant shall not oppose or object to Plaintiff's request for a Class Representative Service Award in an amount not to exceed Five Thousand Dollars (\$5,000.00). The Class Representative Service Award shall be paid to Plaintiff from the Gross Settlement Amount no later than fourteen (14) days after Defendant provides the Settlement Administrator with the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for her Class Representative Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on her Class Representative Service Award. The Class Representative Service Award shall be made in addition to Plaintiff's Individual Settlement Award. The court-approved Class Representative Service Award shall be paid solely from the Gross Settlement Amount. Any amount requested by Plaintiff for the Class Representative Service Award and not awarded by the Court shall become part of the Net Settlement Amount and made available for distribution to Participating Class Members, with forty percent (40%) to the 5 Year FCRA Subclass and sixty percent (60%) to the 2 Year FCRA Subclass.
- b. <u>Class Counsel Award</u>. Subject to Court approval, Class Counsel shall be entitled to receive reasonable attorneys' fees in an amount not to exceed one-third (1/3) of the Gross

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Settlement Amount, which amounts to Fifty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$56,666.66). In addition, subject to Court approval, Class Counsel shall be entitled to an award of reasonable costs associated with Class Counsel's prosecution of the Action, which are properly documented in Class Counsel's billing statements, in an amount not to exceed Twenty Thousand Dollars (\$20,000.00). Class Counsel shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9 in order for the Settlement Administrator to process the Class Counsel Award approved by the Court. Defendant shall not oppose or object to Plaintiff's request for an award of attorneys' fees or litigation costs in the amounts referenced above. This is not, and shall not be construed as, a "clear sailing" provision. In the event the Court awards Class Counsel less than one-third (1/3) of the Gross Settlement Amount in attorneys' fees and/or less than Twenty Thousand Dollars (\$20,000.00) in costs, the difference shall become part of the Net Settlement Amount and made available for distribution to the Participating Class Members, with forty percent (40%) to the 5 Year FCRA Subclass and sixty percent (60%) to the 2 Year FCRA Subclass. Class Counsel shall be paid any Court-awarded attorneys' fees and costs no later than fourteen (14) days after Defendant provides the Settlement Administrator with the Gross Settlement Amount. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel Award. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel Award. The court-approved Class Counsel Award shall be paid solely from the Gross Settlement Amount.

c. <u>Settlement Administration Costs</u>. The settlement administration fees and expenses, which are estimated not to exceed Eleven Thousand Dollars and No Cents (\$11,000.00), shall be paid from the Gross Settlement Amount to American Legal Claims Services, or such other administrator agreed to by the Parties and approved by the Court. Settlement Administration Costs shall not exceed the reasonable estimate to administer the settlement of the class without court approval. Court-approved Settlement Administration Costs shall be paid solely from the Gross Settlement Amount. Prior to Plaintiff filing a motion for final approval of this Settlement, the Settlement Administrator shall provide the Parties with a declaration detailing services it has rendered with respect to noticing the Class, and costs incurred and to be incurred in concluding its

responsibilities under the terms of this Agreement. The Parties agree to cooperate in the Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

- i. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- ii. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement, and to provide weekly status reports regarding the mailing of the Notice Packet, returned as undeliverable Notice Packets, and efforts to locate updated addresses and remailing of such Notice Packets. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Gross Settlement Amount shall be placed and from which payments required by the Settlement shall be made.
- 39. Payments from the Net Settlement Amount Individual Settlement Awards. Subject to the terms and conditions of this Agreement, Individual Settlement Awards shall be paid by the Settlement Administrator to the Participating Class Members from the Net Settlement Amount, forty percent (40%) to be allocated to the 5 Year FCRA Subclass and sixty percent (60%) to be allocated to the 2 Year FCRA Subclass, as follows:
- a. The 5 Year FCRA Subclass shall be eligible to receive a *pro rata* share of the Net Settlement Amount allocated to the 5 Year FCRA Subclass in relation to the aggregate number of Class Members in the 5 Year FCRA Subclass. The *pro rata* share shall be calculated by dividing the Net Settlement Amount allocated to the 5 Year FCRA Subclass by the number of Class Members in the 5 Year FCRA Subclass.
- b. The 2 Year FCRA Subclass shall be eligible to receive a *pro rata* share of the Net Settlement Amount allocated to the 2 Year FCRA Subclass in relation to the aggregate number of Class Members in the 2 Year FCRA Subclass. The *pro rata* share shall be calculated by dividing the Net Settlement Amount allocated to the 2 Year FCRA Subclass by the number of Class Members in the 2 Year FCRA Subclass.

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c. Individual Settlement Award payments shall be made by check and made payable to each Participating Class Member as set forth in this Agreement.

- d. Individual Settlement Awards to Participating FCRA Class Members shall not be subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member for the portion of each Individual Settlement Award payment allocated to FCRA payments.
- e. Distribution of Individual Settlement Awards. The Individual Settlement Awards shall be mailed by the Settlement Administrator by regular First Class U.S. Mail to each Participating Class Member's last known mailing address within fourteen (14) days after Defendant provides the Settlement Administrator with the Gross Settlement Amount. Prior to mailing the Individual Settlement Awards, the Settlement Administrator shall perform another skip-trace on Notice Packets returned as undelivered to update and correct any known or identifiable address changes.
- f. Individual Settlement Award checks shall remain negotiable for one hundred eighty (180) days from the date of mailing. A postcard reminding Participating Class Members to negotiate or cash their Individual Settlement Award checks before the void date will be mailed by the Settlement Administrator sixty (60) days after issuance of the Individual Settlement Award payments to those Participating Class Members who have not negotiated their checks by that time. If an Individual Settlement Award check remains uncashed after one hundred eighty (180) days from issuance, the Settlement Administrator shall void any such uncashed checks. Thereafter, any uncashed checks shall be distributed to the Employment Rights Project of Bet Tzedak or to a mutually agreed-upon and Court-approved *cy pres*. Any failure of a FCRA Class Member to deposit a check shall not affect the enforceability of the release of all claims, as the Parties jointly agree that valid consideration for same is the offer of monetary consideration by means of the offer of settlement and mailing of settlement checks.

### 40. <u>Settlement Administration</u>.

a. <u>Class Information</u>. Within fifteen (15) days of entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class Information for

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purposes of mailing the Notice Packets to FCRA Class Members. The Class Information shall be considered confidential, shall not be disclosed to anyone other than Defense Counsel and the Settlement Administrator, and shall be returned to Defense Counsel at the conclusion of the matter upon request. Specifically, the Settlement Administrator shall not provide the Class Information to Class Counsel.

- b. <u>Notice by First Class U.S. Mail</u>. Upon receipt of the Class Information, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within ten (10) business days after receiving the Class Information from Defendant as provided herein, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best notice practicable to Class Members and fully complies with due process.
- c. <u>Undeliverable Notice Packets</u>. Any Notice Packet returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to the Class Member whose Notice Packet was returned as non-delivered, assuming another mailing address is identified by the Settlement Administrator. If a returned Notice Packet is associated with a currently employed Class Member, the Settlement Administrator will notify Defendant, who will in turn obtain an updated and current address for such Class Members and provide it to the Settlement Administrator for remailing of the Notice Packets. Class Members who are sent a re-mailed Notice Packet shall have their Response Deadline extended by 45 days from any remailing of the Notice Packet, but in no event later than 30 days after the close of the Response Deadline. If these procedures are followed, notice to Class Members shall be deemed

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to have been fully satisfied, and if the intended recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

d. Exclusion. The Class Notice shall provide that Class Members who wish to exclude themselves from the FCRA Class must submit a written request to be excluded on or before the Response Deadline. Such request for exclusion: (1) must contain the full name, address, telephone number, the last four digits of the Social Security number of the person requesting exclusion, and a statement that they request exclusion from the class and do not wish to participate in the settlement; and (2) must be postmarked by the Response Deadline and returned by mail to the Settlement Administrator at the specified address as directed by the Class Notice. Subject to review by Class Counsel, Defense Counsel, and the Court, the date of the postmark on the return mailing envelope shall be the exclusive means used by the Settlement Administrator to determine whether a request for exclusion has been timely submitted. Any Class Member who timely requests exclusion will not be entitled to submit objections to the Settlement, will not be entitled to any recovery under the Settlement, and will not be bound by the Settlement or have any right to object, appeal or comment thereon. All Class Members who do not submit a valid and timely request for exclusion on or before the Response Deadline shall be Participating Class Members and shall be bound by all terms of the Settlement, if the Settlement is approved by the Court. No later than fourteen (14) calendar days before the motion for Final Approval is filed, the Claims Administrator shall provide counsel for the Parties with the number of Class Members who have timely requested exclusion from the Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit requests for exclusion from the Settlement.

e. Objections. The Class Notice shall state that Class Members who wish to object to the Settlement shall submit to the Court a Notice of Objection, supporting papers and/or notices of intent to appear at the Final Approval Hearing by the Response Deadline. The Notice of Objection must (1) clearly identify the case name and number (Newman v. Smith + Noble, Inc., Case Number 19 CV-346587; (2) either be mailed to: Clerk of the Court, Superior Court of Santa Clara County, 191 N. 1<sup>st</sup> Street, San Jose, California 95113 or be filed in person at the same location; (3) in addition must be mailed to Class Counsel and Defense Counsel, and (4) be postmarked (if mailed to the Court) or filed no later than 60 days from the date of initial mailing of the Class Notice. Any Class Member may object to the Settlement either by mailing a written objection using the process described above or by appearing at the Final Approval Hearing and making an oral objection before the Court, regardless of whether or not the Class Member timely mailed a written Objection to the Settlement Administrator. The Court, in its sole discretion, may permit any member of the Class to address the Court at the Settlement Approval Hearing and may consider any statements made by a Class Member. Class members who wish to appear at the final fairness hearing may contact class counsel to arrange a telephonic appearance through CourtCall, at least three days before the hearing. Any CourtCall fees for an appearance by an objecting class member will be paid by class counsel. Class Members who fail to timely object in the manner specified herein and in the Class Notice shall be deemed to have waived any objections to the Settlement. At no time shall any of the Parties, Class Counsel or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting a Notice of Objection, opting out of the Settlement, or filing an appeal from the Final Approval Order and Judgment.

- f. Written Report Prior to Final Approval. At least fourteen (14) calendar days prior to filing of the Motion for Final Approval, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report or declaration shall be filed by Plaintiff with the Court prior to the Final Approval Hearing. Within seven (7) calendar days following the deadline to submit claims, the Settlement Administrator shall provide the Parties with total costs for notice and claims administration.
- g. <u>Final Report by Settlement Administrator to Court After Disbursement of Gross Settlement Amount.</u> Within ten (10) days after final disbursement of all funds from the Gross Settlement Amount, the Settlement Administrator will serve on the Parties and file with the Court a declaration providing a final report on the disbursements of all funds from the Gross Settlement Amount.

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- h. <u>Monitoring and Reviewing Settlement Administration</u>. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in a correct amount, as provided for in this Agreement.
- i. <u>Best Efforts</u>. The Parties agree to use their best efforts to carry out the terms of this Settlement.
- j. <u>Disputes Regarding Administration of Settlement</u>. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall be resolved by the Court. Prior to any such involvement of the Court, counsel for the Parties shall confer in good faith and make use of the services of a mediator, if necessary, to resolve the dispute without the necessity of involving the Court.
- 41. <u>Final Settlement Approval Hearing and Entry of Final Order and Judgment</u>. Upon expiration of the Response Deadline, a Final Approval Hearing shall be conducted to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) Individual Settlement Awards made to the Participating Class Members; (ii) the Class Counsel Award; (iii) the Class Representative Service Award; and (iv) Settlement Administration Costs. Upon approval, the Court shall enter a Final Approval Order and Judgment. Class Counsel shall provide Defense Counsel with a reasonable opportunity to review, and provide comments on, the Final Approval Order and Final Judgment of the Settlement at least seven (7) calendar days before the Motion and supporting papers are filed with the Court.
- 42. Funding and Allocation of Gross Settlement Amount. Class Members shall not be required to submit a claim form in order to receive a share of the Net Settlement Amount, and no portion of the Gross Settlement Amount shall revert to Defendant or result in an unpaid residue. Defendant shall fund the Gross Settlement Amount within fifteen (15) days after the Effective Date of the Settlement by wire transfer or as agreed upon with the Settlement Administrator. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, then no portion of the Gross Settlement Amount shall be paid by Defendant.

- 43. <u>Consent Order.</u> Plaintiffs will not object to the entry of a Court order finding that, based upon the current state of the law, Defendant's current form of disclosure and authorization for "consumer reports" is compliant with the Fair Credit Reporting Act.
- 44. Release by Plaintiff and Participating Class Members. Upon entry of Final Approval Order and Judgment, Plaintiff and all other Participating Class Members in the FCRA Class shall be deemed to have released their respective Released Claims against the Released Parties as follows:
- a. Release of Claims: FCRA Class. Upon entry of Final Approval Order and Judgment, the Participating FCRA Class Members shall release the Released Parties to the fullest extent permitted by law from all federal, state, and local claims, causes of action, demands, and obligations of any kind in law or equity, whether known or unknown, suspected or unsuspected, that were either asserted in the Action or that could reasonably arise from facts alleged in the Action, relating in any way to, or arising out of, background checks or reports, motor vehicle reports, reference checks, background investigations and/or consumer reports or investigative consumer reports (collectively, "Reports") of any kind, including but not limited to claims arising under the Fair Credit Reporting Act, the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, California Business and Professions Code §§ 17200, et seq., and like federal, state, and local laws, including but not limited to all statutory, compensatory, actual and punitive damages, any restitution, declaratory, injunctive and any other equitable relief, and attorneys' fees and expenses, arising from or related to Reports ordered through and including the date of final settlement approval.
- b. <u>Plaintiff's Release of Claims</u>. Upon entry of Final Approval Order and Judgment, Plaintiff shall release the Released Parties to the fullest extent permissible under the law in exchange for the consideration provided in this settlement, except for such claims that cannot be released by law. This general release includes all claims released by FCRA Class Members in Section 44(a), and Plaintiff shall execute a general release as to the Released Parties to the fullest extent permissible under the law in exchange for the consideration provided by this Settlement, except for such claims that cannot be released by law. This release includes any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against the Released Parties, of whatever kind

and nature, character, and description whether in law or equity, whether sounding in tort, contract, federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, including all unknown claims covered by California Civil Code § 1542 that could have been or are asserted based on Plaintiff's application for employment, employment with, and separation from Defendant arising at any time for any type of relief. This release includes, without limitation, any and all claims based on: (1) any alleged violations of the Fair Credit Reporting Act, 15 U.S.C. § 1681b et seq., the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, California Business and Professions Code §§ 17200, et seq., and any other federal, state, or local law governing the procurement and use of background/credit checks; (2) Title VII of the Civil Rights Act of 1964, as amended; 42 U.S.C. § 2000e et seq., the Civil Rights Act of 1866, 42 U.S.C. § 1981, as amended; the Americans with Disabilities Act ("ADA"), 42 U.S.C. § 12101 et seg.; the ADA Amendments Act; the Americans with Disabilities Amendments Act of 2008; the Family Medical Leave Act, 29 U.S.C. § 2601 et seq.; the California Family Rights Act; the Equal Pay Act; the Lilly Ledbetter Fair Pay Act; the Employee Retirement Income Security Act; the Occupational Safety and Health Act; the California Fair Employment and Housing Act, as amended, Cal. Gov't Code § 12900 et seq.; and the California Constitution; (3) violation of any public policy, contract, tort, or common law claim including, but not limited to, wrongful discharge, retaliation, harassment, discrimination, breach of contract, promissory estoppel, false imprisonment, intentional infliction of emotional distress, invasion of privacy, fraud, duress, fraudulent misrepresentation, negligent misrepresentation, defamation, negligence, assault, battery, unjust enrichment, money had and received, and violation of public policy; (4) violation of the California Labor Code, any applicable California Industrial Welfare Commission Wage Order, the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; and any claims under state or federal law for wage and hour violations including, but not limited to, claims for minimum wages, straight pay, overtime, overtime premium pay, commissions, bonuses, expense reimbursement, meal period premium pay, rest period premium pay, inaccurate wage statements, claim for vacation, sick pay, paid time off or other leave; (5) all other known and unknown claims under any federal or state common law, statutory, or other regulatory provision, now or

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hereafter recognized; and (6) all claims for attorneys' fees and costs, to the fullest extent permissible by law (including waiver of any and all rights and benefits conferred by California Civil Code § 1542.

c. <u>Plaintiff's Waiver of Rights Under California Civil Code Section 1542</u>. As partial consideration for the Class Representative Service Award, Plaintiff's Released Claims shall include all such claims, whether known or unknown by the releasing party. Thus, even if Plaintiff discovers facts and/or claims in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. Therefore, with respect to Plaintiff's Released Claims, Plaintiff expressly waives and relinquishes all of the provisions and all of their rights and benefits under the provisions of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

Notwithstanding the foregoing, the Parties acknowledge that Plaintiff is pursuing a separate individual lawsuit pending in the California Superior Court for the County of Los Angeles, entitled *Domenique Newman v. Smith* + *Noble Home, Inc.*, Case No. 19STCV28904, and the Parties understand that the Parties have executed a separate settlement agreement in connection with the dismissal of the individual lawsuit that includes a general release of claims and a waiver of any and all rights and benefits conferred by Cal. Civ. Code § 1542.

- d. <u>Class Counsel</u>. Upon entry of Final Approval and Order of Judgment and except as otherwise provided by this Agreement, Class Counsel and any counsel associated with Class Counsel waive any claim to costs, attorneys' fees, and expenses against Defendant arising from or related to the Action
- 45. <u>Tax Liability</u>. The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Class Members, Plaintiff, and Class Counsel understand and agree that they shall be responsible for the payment of all

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taxes and penalties assessed on the payments specified herein, and shall hold the Defendant and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

- 46. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.
- 47. No Admission/Denial of Liability. Plaintiff continues to maintain that her claims have merit notwithstanding this Settlement. Defendant denies all claims alleged in this Action and denies any liability or wrongdoing of any kind associated with the claims alleged in this matter. Neither this Agreement, nor any of its terms and conditions, nor any of the negotiations connected with it, shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant, and none shall be used against Defendant as admissions or indications with respect to any claim of any fault, concession, or omission by Defendant. The Parties further agree that this Agreement will not be admissible in this or any other proceeding as evidence that Defendant or the Released Parties are liable to Plaintiff or any Class Member, other than according to the terms of this Agreement.

#### 48. Publicity and Confidentiality.

- a. <u>Communication by Counsel</u>. Plaintiff's counsel agrees that it will not solicit Class Members to participate in this Settlement or opt out of this Settlement, and further agrees that it will not initiate or contact or have any communications with the Class Members during the settlement approval process. Nothing will prevent Plaintiff's counsel from responding to inquiries from Class Members. For its part, Defendant agrees that it shall not discourage Class Members from participating in the Settlement and shall refer any questions to the Settlement Administrator. Plaintiff's counsel is allowed to post publicly-filed documents on Plaintiff's counsel's website.
- b. <u>No Media</u>. No public comment, communications to media, or any form of advertising or public announcement (including social media) regarding the case shall be made by Plaintiff or her counsel at any time other than posting publicly-filed documents on the website of Plaintiff's counsel. In response to any inquiries, the Parties and their respective counsel shall simply state that the matter has been resolved.
- c. <u>Confidentiality</u>. Prior to filing of the motion(s) for approval, Class Counsel shall not discuss the terms of the Settlement or negotiations leading to Settlement with any person other than the named Plaintiff.
- d. <u>Certification</u>. Class Counsel will provide signed declarations to Defendant and the Court under penalty of perjury at the time of filing each of the motions seeking preliminary and final settlement approval that, other than Plaintiff, the Setareh Law Group does not represent any current, former, or prospective employees of Defendant and that the Setareh Law Group is not soliciting any individuals for the purpose of pursuing an individual, class, representative, or mass action against Defendant. The Court will retain jurisdiction to enforce this provision as appropriate.
- 49. <u>Preliminary Approval of Settlement</u>. Plaintiff shall draft and file a motion for preliminary approval, asking the Court to enter the Preliminary Approval Order (**Exhibit 2**). The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. The Preliminary Approval Order shall provide for, among other things, the Notice Packet to be sent to Class Members as specified herein.

LITTLER MENDELSON, P.C.
333 Bush Street
344 Floor

- 50. Exhibits and Headings. The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. The Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only.
- 51. <u>Interim Stay of Action</u>. The Parties agree to stay, and to request that the Court stay, all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, obtain preliminary and final approval, and enter the Final Order and Judgment. The Parties shall not serve any discovery, nor be required to respond to any written discovery or deposition notices, and all objections to any discovery are reserved. Should preliminary or final approval be denied, the Parties will have 30 days from that being a final decision to respond to any pending discovery, subject to further extensions that may be granted by stipulation or court order.
- 52. <u>Amendment or Modification</u>. This Agreement may be amended or modified only by a written instrument signed by the Parties and their respective counsel or their successors-in-interest.
- 53. <u>Entire Agreement</u>. This Agreement and any attached Exhibits constitute the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiff or Defendant concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in this Agreement and its Exhibits. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.
- Authorization to Enter Into Settlement Agreement. Class Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court and/or a mediator to

resolve such disagreement. The person signing this Agreement on behalf of Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants that she is authorized to sign this Agreement and that she has not assigned any claim, or part of a claim, covered by this Settlement to a third-party. The Parties have cooperated in the drafting and preparation of this Agreement. Hence, in any construction made of this Agreement, the same shall not be construed against any of the Parties.

- 55. <u>Binding on Successors and Assigns</u>. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.
- 56. <u>California Law Governs</u>. All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.
- 57. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Electronic signatures will not be accepted.
- 58. This Settlement is Fair, Adequate and Reasonable. Plaintiff and Class Counsel represent that this Settlement is a fair, adequate, and reasonable settlement of the Action and the Parties have arrived at this Settlement after extensive arm's-length negotiations facilitated by an experienced and well-regarded mediator, taking into account all relevant factors, present and potential.
- 59. <u>Jurisdiction of the Court</u>. Following entry of the Final Order and Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.
- 60. <u>Invalidity of Any Provision</u>. Before declaring any term or provision of this Agreement invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement as valid and enforceable.

1	61. <u>Binding Nature of Notice of Class Action Settlement</u> . It is agreed that because the
2	Class Members are so numerous, it is impossible or impractical to have each Class Member execute
3	the Agreement. The Class Notice shall advise all Class Members of the binding nature of the
4	Settlement and the release of Released Claims, and shall have the same force and effect as if this
5	Agreement were executed by each Class Member, unless the Class Member timely returns a request
6	for exclusion from the Settlement.
7	62. <u>EXECUTION BY PARTIES AND COUNSEL</u> .
8	The Parties and their counsel hereby execute this Agreement.
9	[SIGNATURES CONTINUED ON NEXT PAGE]
10	I HAVE READ THE FOREGOING AGREEMENT. I ACCEPT AND AGREE TO
11	THE PROVISIONS IT CONTAINS, AND HEREBY EXECUTE IT VOLUNTARILY WITH FULL
12	UNDERSTANDING OF ITS CONSEQUENCES.  Docusigned by:
13	Dated: 6/18/2021 Dominique Newman
14	PLAINTIFF DOMENIQUE NEWMAN
15	Dated:, 2021 DEFENDANT SMITH + NOBLE HOME, INC.
16	By:
17	KEN CONSTABLE
18	Its: President
19	Approved as to form and content:
20	Docusigned by: Shawn Setarch
21	Dated: 6/16/2021 , 2021 Statute Settle Settle Settle Settle SHAUN SETAREH
22	THOMAS SEGAL FARRAH GRANT
23	SETAREH LAW GROUP Attorneys for Plaintiff
24	DOMENIQUE NEWMAN
25	Dated:, 2021ALISON S. HIGHTOWER
26	LITTLER MENDELSON, P.C. Attorneys for Defendant
27	SMITH + NOBLE HOME, INC.
28	4818-4408-0607.10 / 087532-1002

61. Binding Nature of Notice of Class Action Settlement. It is agreed that because the				
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Agreement were executed by each Class Member, unless the Class Member timely returns a request				
for exclusion from the Settlement.				
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The Parties and their counsel hereby execute this Agreement.				
[SIGNATURES CONTINUED ON NEXT PAGE]				
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THE PROVISIONS IT CONTAINS, AND HEREBY EXECUTE IT VOLUNTARILY WITH FULL				
UNDERSTANDING OF ITS CONSEQUENCES.				
Dated:, 2021PLAINTIFF DOMENIQUE NEWMAN				
Dated: 16, 2021 DEFENDANT SMITH + NOBLE HOME, INC.				
By: KEN CONSTABLE Its: President				
Approved as to form and content:				
Dated:, 2021				
SHAUN SETAREH THOMAS SEGAL FARRAH GRANT SETAREH LAW GROUP Attorneys for Plaintiff DOMENIQUE NEWMAN				
Dated: June 29 , 2021  ALISON S. HIGHTOWER LITTLER MENDELSON, P.C. Attorneys for Defendant SMITH + NOBLE HOME, INC.				

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# EXHIBIT 1

#### NOTICE OF CLASS ACTION SETTLEMENT

Re <u>Domenique Newman v. Smith + Noble Home, Inc.</u> Superior Court of California for the County of Santa Clara Case No. 19CV346587

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHT TO A MONETARY SETTLEMENT RELATED TO YOUR APPLICATION AND/OR EMPLOYMENT WITH SMITH + NOBLE HOME, INC. ("DEFENDANT") DURING THE TIME FRAME SPECIFIED BELOW. THIS IS A COURT-ORDERED NOTICE. IT IS NOT FROM A LAWYER AND YOU ARE NOT BEING SUED.

IT IS ESTIMATED THAT YOUR PAYMENT UNDER THIS SETTLEMENT FROM THE FAIR CREDIT REPORTING ACT CLASS FUND WILL BE \$[INSERT INDIVIDUAL DOLLAR AMOUNT] PRIOR TO ANY APPLICABLE TAXES AND DEDUCTIONS AS A MEMBER OF THE 2/5 YEAR FCRA SUBCLASS.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT		
INCLUDE THE FOLLOWING:		
Do Nothing	You will receive a payment from the Settlement and you will release certain claims covered by the Settlement against Defendant.	
EXCLUDE YOURSELF	Receive no payment of the Settlement and retain any and all rights you may have against Defendant.	
Овјест	Write to the Court about why you do not agree with the Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement.	
	Note: You may also make an objection by appearing at the Final Fairness Hearing. However, special procedures are required in order to be able to do so (see Paragraphs 14 and 16 of this Notice).	
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.	

<u>FCRA CLASS</u>: This Settlement also resolves Plaintiff's alleged claims for violation of the Fair Credit Reporting Act (16 U.S.C. §§ 1681 *et seq.*) ("FCRA") with respect to all applicants for employment in the United States for whom Defendant procured a background check report from April 17, 2014 to and including October 1, 2020. The 5 Year FCRA Subclass consists of those FCRA Class Members for whom Defendant procured a background check report form April 17, 2014 through and including April 16, 2017. The 2 Year FCRA Subclass consists of those FCRA Class Members for whom Defendant procured a background check report from April 17, 2017 through October 1, 2020, inclusive. Defendant denies all of Plaintiff's allegations and claims.

## NO MONEY WILL GO BACK TO DEFENDANT UNDER THE TERMS OF THIS SETTLEMENT.

#### **BASIC INFORMATION**

#### 1. What is this lawsuit about?

Plaintiff alleges that Defendant violated the FCRA by procuring a background check report with the use of a non-compliant disclosure form. Defendant denies liability. This Settlement constitutes a compromise of highly disputed claims and should not be construed as an admission of liability on Defendant's part.

#### 2. Why is this a Class Action?

In a class action lawsuit, one or more people called the "Class Representative" (in this case, Plaintiff) sue on behalf of people who the Class Representative alleges have similar claims. The people together are a "Class" or "Class Members." The Superior Court of California for the County of Santa Clara (the "Court") has granted preliminary approval of the proposed settlement (the "Settlement") of this class action lawsuit. If the Settlement does not receive final approval from the Court, the Class Members will not get the benefits of this Settlement and Plaintiff will need to go back to court to prove her case through trial.

#### 3. Why is there a Settlement?

In the interest of efficiency and economy, the Parties to the litigation decided to resolve the litigation through the Settlement. In this way, the Parties avoid the risks and costs of trial. After settling the case, the Court will not decide who is right or wrong. Instead, it will determine whether the Settlement is fair, reasonable, and adequate.

#### 4. Why did I receive this Notice?

You received this Notice because Defendant's records show that you are a Class Member in this case, as described below.

#### WHO IS IN THE SETTLMENT?

#### 5. How do I know if I am part of the Settlement?

Whether you are in the Settlement depends on whether you are a Class Member. You are a FCRA Class Member if you applied for employment with Defendant in the United States from April 17, 2014 to and including October 1, 2020. Defendant's records indicate that you are a Class Member.

The FCRA Class consists of two subclasses: The 5 Year FCRA Subclass and the 2 Year FCRA Subclass. You are a member of the 5 Year FCRA Subclass if you applied for employment with Defendant in the United States from April 17, 2014 to and including April 16, 2017. You are a

member of the 2 Year FCRA Subclass if you applied for employment with Defendant in the United States from April 17, 2017 to and including October 1, 2020.

#### 6. What are my options:

As a Class Member, you have several options available to you. You may:

- (i) Participate in the Settlement and receive a settlement check(s). To participate in the Settlement, you do not need to do anything. You will receive a settlement check(s) that will be mailed to you after the Court grants final approval of the Settlement. The estimated amount of your settlement check(s) is listed on Page 1 of this Notice.
- (ii) Object to the Settlement; or
- (iii) Request to be excluded from the Settlement.

#### SETTLEMENT BENEFITS - WHAT YOU COULD RECEIVE?

#### 7. What are the Settlement terms?

"FCRA Class" shall include and mean the following: All applicants for employment with Defendant in the United States for whom Defendant procured a background check report from April 17, 2014 to and including October 1, 2020 ("FCRA Class Period"). The "5 Year FCRA Subclass" consists of those FCRA Class Members for whom Defendant procured a background check report from April 17, 2014 through and including April 16, 2017. The "2 Year FCRA Subclass" consists of those FCRA Class Members for whom Defendant procured a background check report from April 17, 2017 through October 1, 2020, inclusive. If you are in both subclasses, you will be considered to be in the "2 Year FCRA Subclass."

Class Members who do not opt out of the FCRA Class will be bound by the Settlement and will release their claims against Defendant as specified in the Settlement.

Defendant has agreed to pay a non-reversionary Gross Settlement Amount ("GSA") of \$170,000 to fully resolve all claims in the lawsuit, including payments to Class Members, attorneys' fees and costs, and the class representative service award. The specific settlement terms are as follows:

The GSA under the Settlement is \$170,000, from which payments will be made for: (1) attorneys' fees in an amount up to one-third (1/3) of the GSA (\$56,666.66) to Class Counsel, subject to Court approval; (2) attorney expenses incurred by Class Counsel not to exceed \$20,000, subject to Court approval; (3) a Class Representative service award to Plaintiff of up to \$5,000, subject to Court approval; and (4) settlement administration costs not to exceed \$11,000 to American Legal Claims Services subject to Court approval. From the GSA, 40% shall be allocated to the settlement with the 5 Year FCRA Subclass and 60% shall be allocated to the settlement with the 2 Year FCRA Subclass.

The settlement funds remaining after deductions from the GSA of Class Counsel attorneys' fees and costs, the Class Representative Service Award, and the Settlement Administration Costs shall

be the Net Settlement Amount ("NSA") distributed to the participating FCRA Class Members. The GSA is non-reversionary, meaning no amount of the GSA will be retained by, or revert back to Defendant. Any monies in the GSA that are attributable to Class Members who opt out of the Settlement will be sent to the Employment Rights Project of Bet Tzedek, a provider of free legal aid, as a cy pres beneficiary.

#### 8. How will my Settlement payment be calculated?

After deduction of the Court-approved fees and expenses set forth above, the remainder of the GSA shall be available for payment to Class Members based on the following formula:

The 5 Year FCRA Subclass shall be eligible to receive a *pro rata* share of the Net Settlement Amount allocated to the 5 Year FCRA Subclass in relation to the aggregate number of Class Members in the 5 Year FCRA Subclass. The pro-rata share shall be calculated by dividing the Net Settlement Amount allocated to the 5 Year FCRA Subclass by the number of Class Members in the 5 Year FCRA Subclass.

The 2 Year FCRA Subclass shall be eligible to receive a *pro rata* share of the Net Settlement Amount allocated to the 2 Year FCRA Subclass in relation to the aggregate number of Class Members in the 2 Year FCRA Subclass. The pro-rata share shall be calculated by dividing the Net Settlement Amount allocated to the 2 Year FCRA Subclass by the number of Class Members in the 2 Year FCRA Subclass.

If you are in both subclasses, you will be considered to be in the "2 Year FCRA Subclass" for purposes of allocating your pro rata share of the Net Settlement Amount. No FCRA Class Member will receive two payments from the FCRA Class Fund.

#### 9. What are the possible settlement benefits from this Settlement?

You have the right to receive money from the Settlement if you received this Notice. The estimated amount of your share of the Settlement money is listed on the first page of this Notice.

California law and Defendant's policy strictly prohibit any retaliation against you for participating in the Settlement. Defendant will not take any adverse action against you because of your decision to participate in this Settlement. Defendant wants you to participate in the Settlement. Whether you participate in the Settlement or not, no amount Defendant has agreed to pay under the terms of the Settlement will go back to Defendant.

#### 10. How do I participate in the Settlement and get a settlement payment?

You do not need to do anything to participate in the Settlement and receive a settlement payment. You will receive a settlement check(s) that will be mailed to you after the Court grants final approval of the Settlement.

#### 11. When will I get my settlement check?

Checks for the amount of each Class Member's individual settlement payment will be distributed if and when the Settlement receives final approval from the Court. Settlement checks will be sent to the address listed on this Notice. If you move after receiving this Notice, fill out the change of address section on this Notice or prepare a letter with your new address and mail the Individual Notice or letter to American Legal Claims Services, [INSERT ADDRESS OF SETTLEMENT ADMINISTRATOR]. You can also call the Settlement Administrator at (800) --- and advise them of your new address.

#### 12. Will I have to pay taxes on my settlement payment?

FCRA Class Members will be responsible for paying any taxes owing for their settlement payments. The Claims Administrator will issue Form 1099s with respect to such payments to the extent required by law. Without any party hereto admitting any liability of any type or kind, the Parties agree and intend that the payments made under this Settlement are compensatory payments to the Class Members intended to compensate Class Members for alleged damages. Each settlement share is allocated one hundred percent to non-wages.

#### 13. Am I giving anything up by remaining in the Class?

Unless you remove yourself from the Settlement (which is called "excluding yourself" or "opting out"), you are part of the Class. By staying part of the Class, court orders will apply to you, and you will be bound by the Release of Claims set forth in the Settlement Agreement. A release means you cannot sue or be part of any other lawsuit against Defendant about the claims or issues being released in this lawsuit for the Class Period.

If the Court approves the proposed Settlement, the Settlement Agreement will bind all Class Members who have not opted out of the Settlement, and will bar them from bringing the claims described in the release below against Defendant. Specifically, after Court approval, the Settlement provides for the following releases:

Release of Claims: FCRA Class. Upon entry of Final Approval Order and Judgment, the Participating FCRA Class Members shall release the Released Parties to the fullest extent permitted by law from all federal, state, and local claims, causes of action, demands, and obligations of any kind in law or equity, whether known or unknown, suspected or unsuspected, that were either asserted in the Action or that could reasonably arise from facts alleged in the Action, relating in any way to, or arising out of, background checks or reports, motor vehicle reports, reference checks, background investigations and/or consumer reports or investigative consumer reports (collectively, "Reports") of any kind, including but not limited to claims arising under the Fair Credit Reporting Act, the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, California Business and Professions Code section 17200, et seq., and like federal, state, and local laws, including but not limited to all statutory, compensatory, actual and punitive damages, restitution, declaratory, injunctive and equitable relief, and attorneys' fees and expenses, arising from or related to Reports ordered through and including the date of final settlement approval.

"Released Parties" means Defendant Smith + Noble Home, Inc., and all divisions, related or affiliated companies, parent companies, holding companies, shareholders, officers, directors, employees, agents, attorneys, insurers, investors, successors and assigns, owners, officials, branches, partners, units, assigns, limited liability companies or other organizations, members, managers, principals, heirs, representatives, accountants, auditors, consultants, reinsurers, predecessors in interest, beneficiaries, executors, members, privies, administrators, fiduciaries, and trustees and any individual or entity which could be jointly liable Smith + Noble Home, Inc. For the avoidance of doubt, ADP Screening and Selection Services, Inc. is not a Released Party.

## YOUR RIGHTS – OBJECTING TO THE SETTLEMENT AND APPEARING AT THE HEARING

#### 14. How do I object to the Settlement?

You may object to the proposed Settlement in writing. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number (*Newman v. Smith + Noble, Inc.*, Case Number 19 CV-346587; (b) be submitted to the Court either by mailing the objection to: Clerk of the Court, Superior Court of Santa Clara County, 191 N. 1st Street, San Jose, California 95113 or by filing in person at the same location; (c) also be mailed to the law firms identified in response to question 15 below, and (d) be filed or postmarked on or before [INSERT DEADLINE-60 days from notice], 2021.

You may also appear at the Final Approval Hearing at your expense either telephonically (see Paragraph 16) or through an attorney, provided you notify the Court of your intention to do so. The Court, in its sole discretion, may permit any member of the Class to address the Court at the Settlement Approval Hearing and may consider any statements made by a Class Member.

If the Court rejects your objection, however, you will be bound by the terms of the Settlement. Persons who exclude themselves from the Settlement may not submit objections to the Settlement or appear at the final approval hearing.

#### 15. Who are the attorneys representing the parties?

## <u>Plaintiff and Class Members' Attorney</u> ("Class Counsel"):

Shaun Setareh Thomas Segal SETAREH LAW GROUP 9665 Wilshire Boulevard, Suite 430 Beverly Hills, California 90212 Tel. (310) 888-7771 Fax (310) 888-0109 Defendant's Attorney:

Alison Hightower Garrick Chan LITTLER MENDELSON, P.C. 333 Bush Street, 34<sup>th</sup> Floor San Francisco, CA 94104 Tel. (415) 433-1940 Fax (415) 399-8490

#### 16. Can I appear at the Final Settlement hearing?

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend.

Due to the COVID-19 pandemic, hearings are currently being conducted remotely with the assistance of a third-party service provider, CourtCall. Class members who wish to appear at the final fairness hearing should contact class counsel to arrange a telephonic appearance through CourtCall, at least three days before the hearing if possible. Any CourtCall fees for an appearance by an objecting class member will be paid by class counsel.

#### YOUR RIGHTS - GETTING OUT OF THE SETTLEMENT

#### 17. Can I remove myself from the Settlement?

Any Class Member who wishes to be excluded from the Class and Settlement must submit a written request to be excluded on or before the Response Deadline of [INSERT DEADLINE], 2021. Such request for exclusion must: (1) contain the full name, address, telephone number and the last four digits of the Social Security number of the person requesting exclusion; and (2) be postmarked by the Response Deadline and returned by mail to the Settlement Administrator at [ADDRESS]). Do not send the Request for Exclusion to the Court. The judgment following approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the Settlement.

#### 18. What is the difference between excluding and objecting?

Excluding yourself or opting out means removing yourself from the Class and the Settlement altogether – you will not receive any money or be bound by the terms of the Settlement. Objecting means that you are remaining in the Class and will receive money and be bound by the terms of the Settlement but that you are complaining about some part of the Settlement that you do not like.

#### WHAT IF I DO NOTHING?

#### 19. What if I do nothing?

If you do nothing, you will be bound by the terms of the Settlement, which means you will receive a settlement payment and cannot bring a lawsuit against Defendant regarding the Released Claims covered by the Settlement.

#### DO I NEED TO HIRE MY OWN LAWYER?

#### 20. Do I need to hire my own lawyer?

You do not need to hire your own lawyer, but you can if you want to. Plaintiff, you, and the entire Class are already represented by the Plaintiff's attorneys listed above, who are known as Class Counsel. Class Counsel's services are paid for under the Settlement. If you decide to hire your own attorney, you will have to pay for your own attorney's services.

You may contact Class Counsel if you have any questions about this Notice or the Settlement, but please *do not contact the Court or Defendant*.

#### FINAL APPROVAL OF SETTLEMENT

#### 21. When will the Settlement be final?

The Final Approval Hearing on the fairness, reasonableness, and adequacy of the Settlement will be held at [INSERT TIME] on [INSERT DATE], 2021 at \_\_\_:00 \_.m. at Department 3, Superior Court of the County of Santa Clara, 191 North First Street, San Jose, California 95113. The hearing may be continued without further notice. You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend. If you wish to do so, please note that special procedures may apply (see paragraph 16).

#### **MORE INFORMATION**

#### 22. Where can I get more information?

This Notice is only a summary of the basic terms of the Settlement. For the precise terms and conditions of the settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (1) online on the Claims Administrator Website at <a href="https://www.finsert.url.">www.finsert.url.</a>].com; (2) online on the Superior Court of California, County of Santa Clara's Electronic Filing and Service Website at <a href="https://www.scefiling.org">www.scefiling.org</a>; or (3) in person at Records, Superior Court of California, County of Santa Clara, 191 North First Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures, or you may contact Class Counsel or the Settlement Administrator listed above for more information.

# PLEASE DO NOT CALL THE COURT, DEFENDANT, OR ITS ATTORNEYS REGARDING THIS SETTLEMENT OR THE ADMINISTRATION PROCESS

4816-0572-1322.3 / 087532-1002

# EXHIBIT 2

1 2 3 4 5 6 7 8	Shaun Setareh (SBN 204514) shaun@setarehlaw.com Thomas Segal (SBN 222791) thomas@setarehlaw.com SETAREH LAW GROUP 9665 Wilshire Blvd., Ste. 430 Beverly Hills, California 90212 Tel: (310) 888-7771 Fax: (310) 888-0109  Attorneys for Plaintiff, DOMENIQUE NEWMAN				
9	SUPERIOR COURT OF CALIFORNIA				
10	COUNTY OF SANTA CLARA				
11	DOMENIQUE NEWMAN, on behalf of herself, all others similarly situated,	Case No. 19CV346587			
12	Plaintiff,	[PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION FOR			
13	V.	PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT			
14	SMITH + NOBLE HOME, INC.,				
15	Defendant.				
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Case No. 19CV346587

On April 17, 2019, Plaintiff DOMENIQUE NEWMAN ("Plaintiff"), filed a FCRA class action against Defendant SMITH + NOBLE HOME, INC. ("Defendant") in the Superior Court of California, County of Santa Clara entitled, *Domenique Newman, on behalf of herself, all others similarly situated v. Smith + Noble Home, Inc., a Delaware corporation; and* Does 1 through 50, inclusive, Case No. 19CV346587 (the "Action") asserting a single claim for failure to make proper disclosures in violation of the Fair Credit Reporting Act (FCRA) 15 U.S.C. § 1681b(b)(2)(A). On \_\_\_\_\_\_\_\_\_, 2021, Plaintiff filed a Motion for Preliminary Approval of Class Action Settlement, including a declaration of Plaintiff's counsel and the executed Stipulation of Class Action Settlement ("Stipulation" or "Settlement") with exhibits.

NOW THEREFORE, having read and considered the Stipulation and Exhibits thereto,

## IT IS HEREBY ORDERED:

- 1. This Order hereby incorporates by reference the definitions of the Stipulation as though fully set forth herein, and all terms used herein shall have the same meaning as set forth in the Stipulation. The Court hereby adopts the Stipulation, as set forth below.
- 2. The Court conditionally certifies and approves, for settlement purposes only, a "FCRA Class" defined as follows: All applicants for employment with Defendant in the United States for whom Defendant procured a background check report from April 17, 2014 to and including October 1, 2020 ("FCRA Class Period"). The Court conditionally certifies and approves, for settlement purposes only, a "5 Year FCRA Subclass" and a "2 Year FCRA Subclass." The 5 Year FCRA Subclass is defined as follows: All applicants for employment with Defendant in the United States for whom Defendant procured a background check report at any time from April 17, 2014 to and including April 16, 2017. The 2 Year FCRA Subclass is defined as follows: All applicants for employment with Defendant in the United States for whom Defendant procured a background check report at any time from April 17, 2017 through October 1, 2020, inclusive. Individuals falling within the definition of the FCRA Class will be referred to as "Class Members."
- 3. Shaun Setareh and Thomas Segal of Setareh Law Group ("Class Counsel") shall represent the FCRA Class for purposes of the Settlement in this Action. Any FCRA Class Member

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their own choice. However, if they do not enter an appearance, they will be represented by Class Counsel. 4. The Class Representative shall be Plaintiff Domenique Newman. 5. The Court hereby preliminarily approves the proposed Settlement upon the terms,

may enter an appearance in the Action, at their own expense, either individually or through counsel of

- conditions, and all release language set forth in the Stipulation attached to the Declaration of Shaun Setareh as Exhibit A. The Court finds that the Settlement appears to be within the range of reasonableness necessary for preliminary approval by the Court. It appears to the Court that the Settlement terms are fair, adequate, and reasonable as to all potential class members when balanced against the probable outcome of further litigation, given the risks relating to liability and damages. It further appears that extensive and costly investigation and research has been conducted such that counsel for the Parties at this time are reasonably able to evaluate their respective positions. It further appears to the Court that the Settlement at this time will avoid substantial additional costs by all parties, as well as the delay and risks that would be presented by the further prosecution of the Action. It appears that the Settlement has been reached as a result of intensive, arms-length negotiations utilizing an experienced third party neutral.
- 6. The Court confirms American Legal Claims Services as the Settlement Administrator and preliminarily approves that settlement administration costs shall be paid from the Gross Settlement Amount (as that term is defined in the Settlement). The cost of administration includes all tasks required of the Settlement Administrator by this Agreement, including the issuance of the Notice of Class Action Settlement and other documents as explained in the Joint Stipulation. American Legal Claims Services is directed to perform all other responsibilities set forth for the Settlement Administrator as set forth in the Stipulation.
- 7. A Final Approval Hearing (the "Hearing") shall be held on m. before the Honorable Patricia M. Lucas in Department 3 of the Superior Court. The purpose of such Hearing will be to: (a) determine whether the proposed Stipulation should be approved by the Court as fair, reasonable, and adequate; (b) determine the reasonableness of Class Counsel's request for attorneys' fees and costs; (c) determine the reasonableness of the Service Award

requested for Plaintiff; and (d) Order entry of Judgment in the Action, which shall constitute a complete release and bar with respect the Released Claims described in Paragraph 13, below.

- 8. The Court hereby approves, as to form and content, the Notice of Class Action Settlement ("Class Notice") attached as **Exhibit A**. The Court finds that the mailing and distribution of the Class Notice in the manner set forth in Paragraph 9 of this Order meet the requirements of due process and are the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.
- 9. The Court directs the mailing of the Court approved Class Notice via First Class U.S. Mail to the Class Members in accordance with the schedule and procedures set forth in the Stipulation. The Court finds that the dates and procedure selected for the mailing of the Class Notice meet the requirements of due process, provide the best notice practicable under the circumstances, and constitute due and sufficient notice to all persons entitled to notice.
  - A. Defendants will provide to the Settlement Administrator the Class Information, within fifteen (15) days after the entry of this Order; and
  - B. The Settlement Administrator shall mail the Class Notice within ten (10) business days after receipt of the Class Information. The Settlement Administrator's duties will include:; establishing a URL to a website, maintained by the Settlement Administrator that has links to the notice and the most important documents in the case; preparing, printing, and mailing the Notice of Settlement to Class Members; receiving and reviewing requests for exclusion, if any, submitted by Class Members; calculating Individual Settlement Payments; providing weekly status reports to Defense and Class Counsel; providing a due diligence declaration for submission to the Court prior to the Final Approval Hearing; mailing Individual Settlement Payments to Class Members; paying the Service Award, Class Counsel Fees Award, and Class Counsel Costs Award; establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; printing and providing Class Members, Plaintiff, and Class Counsel with IRS Forms 1099 as required under this Settlement Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the

Settlement; providing Defense Counsel with an accounting of all checks issued and cashed, sending Class Members a reminder postcard before the deadline to cash settlement checks; transmitting funds to the approved *cy pres* beneficiary; and for such other tasks as the Parties mutually agree. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities. Any legally mandated tax reports, tax forms, tax filings, or other tax documents required by administration of this Settlement Agreement shall be prepared by the Settlement Administrator. Any expenses incurred in connection with such preparation shall be a Settlement Administration Cost.

- 10. FCRA Class Members may request exclusion from the Settlement by submitting a timely written request to be excluded from the Class as set forth in the Stipulation. In order to be valid, the Request for Exclusion letter must be postmarked and sent to the Settlement Administrator within sixty (60) calendar days after the Settlement Administrator mails the Class Notice and Claim Form to Class Members. Any FCRA Class Member who submits a valid and timely Request for Exclusion will not be entitled to any recovery under the Settlement and will not be bound by the Settlement or have any right to object, appeal or comment thereon. FCRA Class Members who fail to submit valid and timely Requests for Exclusion shall be bound by all terms of the Settlement and any Final Judgment.
- 11. FCRA Class Members who do not request exclusion may object to the Settlement and/or appear at the Final Approval Hearing to show cause why the proposed Stipulation should not be approved, why Judgment in the Action should not be entered, and to present any opposition to the application of Class Counsel for attorneys' fees, costs and expenses. In order to object to the proposed Settlement, the FCRA Class Member may file with the Superior Court, 191 North First Street, San Jose, California, 95113, a Notice of Objection and copies of any papers in support of his or her position pursuant to the terms of the Stipulation within sixty (60) calendar days after the Settlement Administrator mails the Notice of Settlement to FCRA Class Members.

Any FCRA Class Member who does not make his or her objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making

any objection to the fairness or adequacy of the proposed Settlement as incorporated in the Stipulation or to the award of attorneys' fees and costs and expenses to Class Counsel unless otherwise ordered by the Court.

- 12. The Court hereby preliminarily approves the definition and disposition of the Gross Settlement Amount as that term is defined in the Settlement. The Gross Settlement Amount is equal to One Hundred Seventy Thousand Dollars (\$170,000.00) which is inclusive of the payment of attorneys' fees to Class Counsel not to exceed Fifty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$56,666.66); Class Counsel's costs not to exceed Twenty Thousand Dollars (\$20,000); the Settlement Administration Costs not to exceed Eleven Thousand Dollars (\$11,000.00); the Net Settlement Amount to be distributed to FCRA Class Members who do not exclude themselves from the Settlement; and the Class Representative Service Award to Plaintiff in the amount of Five Thousand Dollars (\$5,000). The Court preliminarily approves the above distribution of the Gross Settlement Amount, all subject to the Court's Final Approval of the Settlement.
- 13. Upon entry of Judgment by the Court, in accordance with the terms of the Stipulation, all FCRA Class Members who do not exclude themselves from the Settlement shall fully and finally release and discharge the Released parties as described below:

Release of Claims: FCRA Class. Upon entry of Final Approval Order and Judgment, the Participating FCRA Class Members shall release the Released Parties, as defined in the Stipulation and below, to the fullest extent permitted by law from all federal, state, and local claims, causes of action, demands, and obligations of any kind in law or equity, whether known or unknown, suspected or unsuspected, that were either asserted in the Action or that could reasonably arise from facts alleged in the Action, relating in any way to, or arising out of, background checks or reports, motor vehicle reports, reference checks, background investigations and/or consumer reports or investigative consumer reports (collectively, "Reports") of any kind, including but not limited to claims arising under the Fair Credit Reporting Act, the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, California Business and Professions Code Section 17200, et seq., and like federal, state and local laws, including but not limited to all statutory, compensatory, actual and punitive damages, restitution, declaratory, injunctive and equitable relief,

and attorneys' fees and expenses, arising from or related to Reports ordered through and including the date of the final settlement approval.

"Released Parties" means Defendant Smith + Noble Home, Inc. and all divisions, related or affiliated companies, parent companies, holding companies, shareholders, officers, directors, employees, agents, attorneys, insurers, investors, successors and assigns, owners, officials, branches, partners, units, assigns, limited liability companies or other organizations, members, managers, principals, heirs, representatives, accountants, auditors, consultants, reinsurers, predecessors in interest, beneficiaries, executors, members, privies, administrators, fiduciaries, and trustees and any individual or entity which could be jointly liable with Smith + Noble Home, Inc.

- 14. In addition to the releases made by the Class Members described in Paragraph 13, upon entry of Judgment by the Court in accordance with the Stipulation, Plaintiff will for herself only, as of the Effective Date, as defined in the Settlement, execute a Complete and General Release of all Claims, known or unknown, against the Released Parties in exchange for and in consideration of the Service Award, as set forth in the Stipulation. The Complete and General Release includes any unknown Claims that Plaintiff does not know or suspect to exist in her favor at the time of executing the release and that, if known by him or her, would have materially affected her decision not to object to the Settlement or the Complete and General Release. With respect to the Complete and General Release described herein, Plaintiff will expressly waive all rights under Section 1542 of the California Civil Code.
- 16. The Court reserves the right to adjourn the date of the Hearing without further notice to the Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Stipulation.
- 18. All further proceedings in this Action shall be stayed except such proceedings necessary to review, approve, and implement this Settlement.
  - 19. In the event: (i) the Court does not finally approve the Settlement as contemplated by

1	the Settlement; (ii) the Court does not enter a Final Approval Order as contemplated by the Settlement		
2	which becomes final as a result of the occurrence of the Effective Date (as that term is defined by		
3	the Settlement); (iii) Defendant elects to void the Settlement as provided under the terms of the		
4	Settlement; or (iv) the Settlement does not become final for any other reason, the Settlement shall be		
5	null and void and any order or judgment entered by this Court in furtherance of the Settlement sha		
6	be deemed as void from the beginning. In such a case, the Parties and any funds to be awarded und		
7	this Settlement shall be returned to their respective statuses as of the date and time immediately price		
8	to the execution of the Settlement, and the Parties shall proceed in all respects as if the Settlement ha		
9	not been executed.		
10	20. Neither the Settlement, preliminarily approved or not approved, nor any exhibit		
11	document or instrument delivered hereunder, nor any statement, transaction or proceeding i		
12	connection with the negotiation, execution or implementation of this Settlement, shall be admissible		
13	in evidence for any purpose except as provided in the Settlement.		
14	IT IS SO ORDERED.		
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16	Dated: The Honorable Patricia M. Lucas		
17	Judge of the Superior Court		
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## EXHIBIT 3

1	Shaun Setareh (SBN 204514)			
2	shaun@setarehlaw.com Thomas Segal (SBN 222791)			
3	thomas@setarehlaw.com SETAREH LAW GROUP			
4	9665 Wilshire Blvd., Ste. 430 Beverly Hills, California 90212 Tel: (310) 888-7771			
5				
6	Fax: (310) 888-0109			
7	Attorneys for Plaintiff, DOMENIQUE NEWMAN			
8	CLIDEDIOD CC	NIDT OF CALIFORNIA		
9	SUPERIOR COURT OF CALIFORNIA			
10		OF SANTA CLARA		
11	DOMENIQUE NEWMAN, on behalf of herself all others similarly situated,	Case No. 19CV346587		
12	Plaintiff,	[PROPOSED] ORDER AND JUDGMENT OF FINAL APPROVAL OF CLASS		
13	V.	ACTION SETTLEMENT		
14	SMITH + NOBLE HOME, INC.,			
15	Defendant.			
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LITTLER MENDELSON, P.C.
333 Bush Street
34th Floor
San Francisco, CA 94104
415.433.1940

Case No. 19CV346587

for settlement purposes only, the following class, to be known as the "FCRA Class," which consists

of two subclasses as defined in the Agreement: the "5 Year FCRA Subclass" and the "2 Year FCRA Subclass:"

"5 Year FCRA Sub-Class" means:

All applicants for employment with Defendant in the United States for whom Defendant procured a background check report from April 17, 2014 to and including April 16, 2017.

"2 Year FCRA Subclass" means:

All applicants for employment with Defendant in the United States for whom Defendant procured a background check report from April 17, 2017 through October 1, 2020, inclusive.

- 4. <u>Prerequisites for Class Action</u>. Solely for the purposes of settlement, the Court finds that the prerequisites for a class action are satisfied for the following reasons:
  - (a) The FCRA Class appears so numerous that joinder of all members is impracticable. The FCRA Class consists of approximately 500 members;
  - (b) There appear to be questions of law or fact common to the FCRA Class for purposes of determining whether the settlement should be approved;
  - (c) The Class Representative's claims for the alleged violations of the disclosure provisions of the Fair Credit Reporting Act appear to be typical of the claims of the FCRA Class; and
  - (d) The Class Representative and Class Counsel appear to be capable of fairly and adequately protecting the interests of the FCRA Class Members in connection with the proposed settlement.
- 5. Notice of Class Action Settlement to the FCRA Class. Pursuant to the Preliminary Approval Order and the Agreement, the Class Notice was mailed to members of the FCRA Class. The Court finds that the form, content, and method for notifying the FCRA Class comply with the Preliminary Approval Order, meet the requirements of California Rule of Court, Rules 3.766 and 3.769 and all due process requirements; constituted notice that was reasonably calculated to apprise FCRA Class Members of the pendency of the Action, the terms of the settlement and their rights under the settlement, including, but not limited to, their right to object to or exclude themselves from the proposed settlement and to appear at the Final Fairness Hearing; is the best notice practicable under the circumstances and constitutes due and sufficient notice to all persons entitled to notice. The Court further finds that the Settlement Administrator has complied with the Preliminary Approval Order and with the

requirements of and procedures under the Agreement for distribution of the Settlement Notice to the FCRA Class.

- 6. <u>Exclusions</u>. FCRA Class Members were notified in the Class Notice of this class action settlement and of their opportunity to request to be excluded from, or to opt out of, the FCRA Class. [INSERT NUMBER] individuals submitted timely written exclusion/opt-out statements to the Settlement Administrator.
- 7. Objections to Settlement. FCRA Class Members were also notified in the Class Notice of their opportunity to object to the settlement by filing written objections with the Court.

  FCRA Class Members objected. [INSERT DETAILS ON OBJECTORS, IF ANY, AND COURT RULINGS].
- 8. <u>Final Approval of Settlement and Agreement</u>. The Court finally approves the proposed Settlement and the Agreement submitted with the Plaintiff's Motion for Preliminary Approval of Class Settlement. The Court finds that settlement on the terms set forth in the Agreement is fair, reasonable, and adequate and that such settlement is, in all respects, in the best interests of the FCRA Class. Factors considered to assess the fairness, reasonableness, and adequacy of a class action settlement warrant final approval of the Settlement and Agreement. The Court further finds that the Settlement set forth in the Agreement resulted from arm's length negotiations. The Parties are ordered to consummate the Agreement in accordance with the terms and provisions of the Agreement.
- 9. Payment to FCRA Class. In accordance with the Agreement, the Settlement Administrator shall cause payment to be issued to FCRA Class Members who did not submit timely and valid requests for exclusion pursuant to the terms for calculating Settlement Payments as set forth in the Agreement. The Settlement Administrator shall mail settlement checks to FCRA Class Members at their last known addresses via first class United States mail within fourteen (14) calendar days of Defendants remitting the funds as set forth in Paragraph 39(e) of the Agreement.
- 10. <u>Service Award to Plaintiff</u>. Plaintiff has applied for a service payment as Class Representative in the amount of \$5,000.00 (the "Service Award"). Plaintiff's requests for the Service Award in the amount of \$\_\_\_\_\_\_ is granted. In accordance with the Agreement, the Settlement

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Administrator shall make this Services Award payment to Plaintiff, to be delivered to Class Counsel, in accordance with the Agreement.

- 11. Attorneys' Fees to Class Counsel. Class Counsel has applied for an award of attorneys' fees and costs incurred in this Action in the amount of \$56,666.66. The Court awards \$\_\_\_\_\_\_ to Class Counsel for attorneys' fees and \$\_\_\_\_\_\_ for costs incurred in this Action. In accordance with the terms of the Agreement, the Settlement Administrator shall make this payment to Class Counsel.
- 12. Release of Claims by Plaintiff. By the Agreement, the General Release of All Claims, this Final Approval Order, and the Final Judgment, Plaintiff has forever released, waived, acquitted, and forever discharged Defendant and all their divisions, affiliated companies, parent companies, holding companies, shareholders, officers, directors, employees, agents, attorneys, insurers, investors, successors and assigns, owners, officials, branches, partners, units, assigns, limited liability companies or other organizations, members, managers, principals, heirs, representatives, accountants, auditors, consultants, reinsurers, predecessors in interest, beneficiaries, executors, members, privies, administrators, fiduciaries, and trustees and any individual or entity which could be jointly liable with Defendant (collectively, "Released Parties") from any all claims released by the FCRA Class Members, including any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against the Released Parties, of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, including all unknown claims covered by California Civil Code § 1542 that could have been or are asserted based on Plaintiff's application for employment, employment with, and separation from Defendant arising at any time for any type of relief, including, without limitation, claims based on: (1) any alleged violations of the Fair Credit Reporting Act, 15 U.S.C. § 1681b et seq., the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, California Business and Professions Code §§ 17200, et seg., and any other federal, state, or local law governing the procurement and use of background/credit checks; (2) Title VII of the Civil Rights Act of 1964, as amended; 42 U.S.C. § 2000e et seq., the Civil Rights

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§ 12101 et seq.; the ADA Amendments Act; the Americans with Disabilities Amendments Act of 2008; the Family Medical Leave Act, 29 U.S.C. § 2601 et seq.; the California Family Rights Act; the Equal Pay Act; the Lilly Ledbetter Fair Pay Act; the Employee Retirement Income Security Act; the Occupational Safety and Health Act; the California Fair Employment and Housing Act, as amended, Cal. Gov't Code § 12900 et seq.; and the California Constitution; (3) violation of any public policy, contract, tort, or common law claim including, but not limited to, wrongful discharge, retaliation, harassment, discrimination, breach of contract, promissory estoppel, false imprisonment, intentional infliction of emotional distress, invasion of privacy, fraud, duress, fraudulent misrepresentation, negligent misrepresentation, defamation, negligence, assault, battery, unjust enrichment, money had and received, and violation of public policy; (4) violation of the California Labor Code, any applicable California Industrial Welfare Commission Wage Order, the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 et seq.; and any claims under state or federal law for wage and hour violations including, but not limited to, claims for minimum wages, straight pay, overtime, overtime premium pay, commissions, bonuses, expense reimbursement, meal period premium pay, rest period premium pay, inaccurate wage statements, claim for vacation, sick pay, paid time off or other leave; (5) all other known and unknown claims under any federal or state common law, statutory, or other regulatory provision, now or hereafter recognized; and (6) all claims for attorneys' fees and costs, to the fullest extent permissible by law (including waiver of any and all rights and benefits conferred by California Civil Code § 1542.

Act of 1866, 42 U.S.C. § 1981, as amended; the Americans with Disabilities Act ("ADA"), 42 U.S.C.

Approval Order, and the Final Judgment, the FCRA Class Members who do not submit a timely and valid opt-out form shall release the Released Parties to the fullest extent permitted by law from all federal, state, and local claims, causes of action, demands, and obligations of any kind in law or equity, whether known or unknown, suspected or unsuspected, that were either asserted in the Action or that could reasonably arise from facts alleged in the Action, relating in any way to, or arising out of, background checks or reports, motor vehicle reports, reference checks, background investigations and/or consumer reports or investigative consumer reports of any kind (collectively, "Reports"),

6.

including but not limited to claims arising under the Fair Credit Reporting Act, the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, California Business and Professions Code §§ 17200, et seq., and like federal, state, and local laws, including but not limited to all statutory, compensatory, actual and punitive damages, restitution, declaratory, injunctive and equitable relief, and attorneys' fees and expenses, arising from or related to Reports ordered through and including the date of final settlement approval.

- 14. <u>Dismissal of Action</u>. The Court dismisses with prejudice Plaintiff's operative claims, and any and all of Plaintiff's other claims, known or unknown, that were asserted, or could have been asserted, against Defendant. The Court also dismisses with prejudice all claims of the FCRA Class.
- 15. <u>Binding Effect of Agreement, Order, and Judgment</u>. The Agreement and this Judgment and Final Approval Order are binding on Plaintiff and on all FCRA Class Members who have not submitted a timely and valid written notice of intent to opt-out of the settlement, and their respective heirs, administrators, executors, representatives, trustees, successors, and assigns, and shall inure to the benefit of Defendant and the other Released Parties, as well as to their respective heirs, administrators, representatives, trustees, successors, and assigns.
- 16. <u>Consent Order</u>. The Court has considered the motion for consent order filed by Defendant and hereby finds that the forms for disclosure and authorization of "consumer reports" and "investigative consumer reports" in use by Defendant comply with the Fair Credit Reporting Act, 15 U.S.C. § 1681b(b)(2)(A) based on the current state of the law.
- 17. <u>Jurisdiction</u>. Without affecting the finality of the Final Judgment in any way, pursuant to California Rule of Court 3.769(h), the Court retains jurisdiction of matters relating to this Order and the administration, interpretation, consummation, and enforcement of the Agreement.
- 18. Judgment is hereby entered whereby Plaintiff and all FCRA Class Members shall take nothing from Defendant except as expressly set forth in the Agreement or this Judgment and Final Approval Order.
- 19. A Compliance Hearing is set for \_\_\_\_\_\_\_, 2021, at \_\_:00 \_.m. in Department 3 of this Court. Class Counsel shall submit a status report no later than \_\_\_\_\_, 2021.

## JUDGMENT SHALL BE AND HEREBY IS ENTERED. Dated: \_\_\_\_\_\_, 2021 The Honorable Patricia M. Lucas Judge of the Superior Court 4813-0238-7681.3 / 087532-1002

LITTLER MENDELSON, P.C. 333 Bush Street 34th Floor San Francisco, CA 94104 415.433.1940