

1 Mark L. Eisenhut, Bar No. 185039
2 Ryan M. McNamara, Bar No. 223606
3 Aaron L. Renfro, Bar No. 255086
4 CALL & JENSEN
5 A Professional Corporation
6 610 Newport Center Drive, Suite 700
7 Newport Beach, CA 92660
8 Tel: (949) 717-3000
9 Fax: (949) 717-3100
10 meisenhut@calljensen.com
11 mmcnamara@calljensen.com
12 arenfro@calljensen.com

13 Attorneys for Defendants Galeos, LLC, Galeos, Inc.,
14 Andrei Leontieff and Gordana Samardzic

15 **UNITED STATES DISTRICT COURT**
16 **CENTRAL DISTRICT OF CALIFORNIA**

17 PAIGE COOPERMAN, MEREDITH
18 WORTHY, GWEN FRAZIER, MERLE
19 LEVY, ALTARA MICHELLE, GINA
20 SALTONSTALL, and JUDY RUTTER,
21 each individually and on behalf of all
22 others similarly situated,

23 Plaintiffs,

24 vs.

25 GALEOS, LLC, GALEOS, INC.,
26 ANDREI LEONTIEFF, GORDANA
27 SAMARDZIC, and Unidentified entities
28 A through Z,

Defendants.

Lead Case No. SACV 10-01815-JVS (FFMx)
(Consolidated with SACV 11-14 JVS (FFMx) and
SACV 11-240 JVS (FFMx))

**STIPULATION OF CLASS
SETTLEMENT**

Complaint Filed: 11/10/2010
Trial Date: None Set

This Stipulation of Class Action Settlement and Release, dated as of May 3, 2011
(the "Stipulation of Settlement" or "Settlement Agreement"), is made and entered into

CALL & JENSEN
A PROFESSIONAL CORPORATION

1 by and between Plaintiff Paige Cooperman (the “Lead Plaintiff”), individually and on
2 behalf of the putative class members she purports to represent (“Plaintiffs”), and
3 Galeos, LLC, Galeos, Inc., Galeos Café, LLC, Andrei Leontieff, and Gordana
4 Samardzic (“Galeos” or “Defendants”). Subject to the terms and conditions hereof and
5 the approval of the United States District Court for the Central District of California,
6 this Stipulation of Settlement is intended to settle and finally resolve any and all claims
7 asserted in the cases: *Cooperman et al. v. Galeos, LLC, et al.*, Central District Case No.
8 8:10-cv-01815-JVS-FFM (the “*Cooperman Matter*”); *Goldberg v. Galeos, LLC, et al.*,
9 Central District Case No. SACV11-0014-JVS-FFM (the “*Goldberg Matter*”); *Healey v.*
10 *Galeos, LLC, et al.*, Central District Case No. SACV11-00240-JVS-FFM (the “*Healey*
11 *Matter*”); and *Kerper et al. v. Galeos, LLC, et al.*, San Francisco Superior Court Case
12 No. CGC-10-506889 (the “*Kerper Matter*”) (hereinafter referred to as “the Actions”).

13
14 **I. FACTUAL BACKGROUND**

15 1. On November 29, 2010, Paige Cooperman, on behalf of herself and all
16 others similarly situated, filed a putative class-action complaint against Galeos in the
17 United States District Court, Central District of California, Case No. 8:10-cv-01815-
18 JVS-FFM. The *Cooperman* complaint alleges that some of the nutritional information
19 on Galeos Product labels is deceptive, and that independent laboratory tests turned out
20 results that show the dressings actually have a higher fat, calorie, carbohydrate, and
21 sodium content than is stated on the labels. The *Cooperman* complaint contains seven
22 (7) causes of action for violations of the California Unfair Competition Law, California
23 False Advertising Law, Consumer Legal Remedies Act, breach of express warranty,
24 negligent representation, unjust enrichment and violations of various state consumer
25 protection laws. The *Cooperman* complaint was amended to add additional named
26 plaintiffs on December 17, 2010. A Second Amended Complaint was filed in
27 *Cooperman* on February 15, 2011, to address certain perceived deficiencies in the First
28 Amended Complaint.

1 2. Other cases arising out of the same facts and circumstances as alleged in
2 the *Cooperman* Matter were also filed and include: *Goldberg v. Galeos, LLC, et al.*,
3 Central District Case No. SACV11-0014-JVS-FFM, filed January 4, 2011 (the
4 *Goldberg* Matter”); *Healey v. Galeos, LLC, et al.*, Central District Case No. SACV11-
5 00240-JVS-FFM, filed February 9, 2011 (the “*Healey* Matter”); and *Kerper et al. v.*
6 *Galeos, LLC, et al.*, San Francisco Superior Court Case No. CGC-10-506889, filed
7 January 14, 2011 (the “*Kerper* Matter”).

8 3. Galeos answered the Complaints and denied and continues to deny each of
9 the allegations asserted by Plaintiffs, including that it has engaged in deceptive
10 advertising and that the fat content in its dressings is higher than is stated on its labels.
11 Galeos’ main defense is that lab testing that it commissioned shows that the fat and
12 calorie content in Galeos Products are depicted accurately. Defendants have also relied
13 on several affirmative defenses. Furthermore, Galeos has asserted that, other than for
14 purposes of settlement as provided in this Stipulation, the Actions would not be
15 appropriate for class action certification and that any request for certification, other than
16 for purposes of settlement, would be vigorously contested.

17 4. The Plaintiffs in the federal court matters (*Cooperman, Goldberg, and*
18 *Healey*), together with Defendants, filed a Joint Motion to Consolidate the matters. On
19 April 18, 2011, the Court granted the Motion and the cases were consolidated.
20 Although the *Kerper* Matter also arises out of the same allegations, *Kerper* was not
21 consolidated with the others because it was filed and maintained in San Francisco
22 Superior Court.

23 5. Prior to agreeing to settle this action, the Parties engaged in discovery
24 efforts for the purpose of evaluating the merits of the case, facilitating settlement
25 discussions, and increasing the likelihood of early resolution. Among other things, the
26 Parties exchanged, in confidence, laboratory reports of experts engaged for purposes of
27 evaluating fat, caloric, and other nutritional content of the Galeos Products, and Galeos
28 provided Plaintiffs with confidential sales and financial information for its business.

1 6. The Parties engaged in informal and formal settlement discussions,
2 including a twelve-hour mediation with David Rudy, Esq. of Judicate West, on May 3,
3 2011. At the mediation, the Parties reached an agreement to settle all aspects of all
4 Actions, with the exclusion of attorneys' fees and costs, which will be resolved
5 separately.

6 7. For purposes of settlement only, the Parties have agreed to request
7 certification of a class of plaintiffs pursuant to Rule 23 of the Federal Rules of Civil
8 Procedure. If for any reason at any time the Settlement memorialized by this
9 Agreement is not approved, is vacated, is voided or is not carried out, that agreement
10 concerning class certification shall have absolutely no effect, and Galeos shall retain all
11 rights to oppose the certification of any class or subclass.

12 8. At all times, the negotiations leading to the Stipulation have been
13 adversarial, non-collusive, and at arms' length.

14 9. Without admitting any wrongdoing or liability whatsoever, which
15 Defendants specifically deny, Defendants are nevertheless willing to agree to the terms
16 of the Settlement as set forth in this Stipulation in order to avoid the burden, expense,
17 and uncertainty of continuing litigation, and to fully resolve all issues relating to the
18 subject matter of these Actions, including any and all claims against Defendants as
19 provided for in this Stipulation.

20 10. The Parties desire and intend to seek Court approval of the Settlement as
21 set forth in this Stipulation.

22 **II. DEFINITIONS**

23 The following are certain definitions applicable to this Stipulation of Settlement.
24 Definitions contained elsewhere in the body of this Stipulation of Settlement also will
25 be effective.

26 A. "Claim Submission Period" means the period for Class Members to submit
27 claims, which will end on December 31, 2011.

28 B. "Class" has the meaning set out in Section III.

1 C. "Lead Class Counsel" means, for purposes of settlement only, the law
2 firms of Carey, Danis & Lowe and Paris Ackerman & Schmierer.

3 D. "Class Member" or "Settlement Class Member" means any person who is
4 a member of the Class.

5 E. "Class Period" means the period between November 29, 2006 and May 3,
6 2011.

7 F. "Class Representative" means each of the twelve (12) named Plaintiffs:
8 Paige Cooperman, Meredith Worthy, Gwen Frazier, Merle Levy, Altara Michelle, Gina
9 Saltonstall, Judy Rutter, Hillary Goldberg, Frances Healey, Debra Kerper, Gabriel
10 Ferroni, and Caitlin Connell.

11 G. "Court" means the United States District Court, Central District of
12 California.

13 H. "Day" means calendar day, unless expressly stated to be otherwise.

14 I. "Defendants" means Galeos, LLC, Galeos, Inc., Andrei Leontieff, and
15 Gordana Samardzic .

16 J. "Defendants' Counsel" means Call & Jensen.

17 K. "Effective Date" or "Settlement Date" means the date on which the
18 Settlement becomes effective. It is the date by which (1) the Court's Order Granting
19 Final Approval has been entered, and (2) the Judgment has become final.

20 L. "Execution Date" means the date on which the Parties, through their
21 authorized representatives, have fully executed this Stipulation of Settlement.

22 M. "Final" means, as applicable, (1) if no objections to the Settlement are filed
23 on or before the date of the Final Approval Hearing, the date the Court enters its Order
24 Granting Final Approval and Judgment in this Action, (2) if one or more objections to
25 the Settlement are filed on or before the date of the Final Approval Hearing, seventy
26 (70) days after notice of entry of the Order Granting Final Approval and Judgment, or
27 (3) if there is an appeal of the Court's judgment following its Order Granting Final
28

1 Approval, twenty (20) days after the appeal is withdrawn or after an appellate decision
2 affirming the judgment becomes final.

3 N. “Final Approval Hearing” means the hearing to be conducted by the Court
4 to determine whether to finally approve and implement the terms of this Stipulation of
5 Settlement.

6 O. “Galeos Products” means all products sold by Galeos during the Class
7 Period, including: Miso Sesame Seed, Miso Dijonnaise, Miso Caesar, and Miso Ginger
8 Wasabi.

9 P. “Litigation” or “Actions” means the *Cooperman* Matter, the *Goldberg*
10 Matter, the *Healey* Matter, and the *Kerper* Matter.

11 Q. “Notice” or “Settlement Notice” means the “Notice of Proposed Class
12 Action Settlement” attached hereto as Exhibit A.

13 R. “Opt-Out Class Member” means a Class Member who submits a timely
14 and valid Request for Exclusion.

15 S. “Order Granting Final Approval” means the order pursuant to which the
16 Court finds that the Settlement is fair, reasonable, and in the best interests of the Class
17 and grants final approval to the Settlement.

18 T. “Order Granting Preliminary Approval” means the order pursuant to which
19 the Court finds on a preliminary basis that the Settlement is a range of reasonableness.

20 U. “Participating Class Member” means a Class Member who has not opted
21 out of the Settlement and is otherwise entitled to a Settlement Payment. All Class
22 Members will be deemed to be Participating Class Members unless they become Opt-
23 Out Class Members.

24 V. “Parties” means Plaintiffs and Defendants.

25 W. “Lead Plaintiff” means Paige Cooperman.

26 X. “Plaintiffs’ Counsel” means Carey, Danis & Lowe; Paris Ackerman &
27 Schmierer LLP; Rukin Hyland Doria & Tindall LLP; Edelson McGuire LLP; Boni &
28 Zack LLC; Kiesel, Boucher & Larson LLP; Saltz Mongeluzzi Barrett & Bendesky PC;

1 Stueve Siegel Hanson LLP; Goldman Scarlato & Karon, P.C.; Heins Mills & Olson,
2 P.L.C, and the individual attorneys associated with such firms who have appeared in
3 any of the Actions.

4 Y. “Released Parties” means Defendants and each of their present and former
5 parent companies, subsidiaries, affiliates, and joint venturers, and each of their
6 respective present and former officers, directors, agents, employees, attorneys,
7 accountants, auditors, advisors, representatives, consultants, predecessors, successors,
8 and assigns.

9 Z. “Releasers” means all Class Members, except for Opt-Out Class Members,
10 as well as the successors, assigns, heirs, executors, trustees, and administrators of all
11 Class Members.

12 AA. “Settlement” means the settlement of the Litigation, as effectuated by this
13 Stipulation.

14 AB. “Settlement Payment” means any amounts paid to Class Representatives or
15 other Class Members, as required by this Settlement Agreement.

16
17 **III. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY**

18 1. For settlement purposes only, the Parties stipulate to the certification of a
19 Class consisting of all United States citizens that purchased one or more Galeos
20 Products, for personal use and not for resale, during the Class Period.

21 2. Excluded from the Class are (a) all persons who validly opt out of the
22 Settlement in a timely manner; (b) counsel of record (and their respective law firms) for
23 the parties; (c) Defendants; (d) any entities in which Defendants have or had a
24 controlling interest; (e) any officer or director of Defendants; (f) the legal
25 representatives, heirs, successors, and assigns of Defendants; (g) any Judge assigned to
26 these Actions and his or her immediate family.

27
28 ///

1 3. For settlement purposes only, the Parties further stipulate that Plaintiff
2 Paige Cooperman shall be appointed Class Representative and Carey, Danis & Lowe
3 (“CDL”) and Paris Ackerman & Schmierer (“PAS”) shall be appointed Class Counsel.

4 4. The Parties agree that, in the event the Settlement for any reason is not
5 approved, is vacated on appeal, or is otherwise modified or terminated, the Parties shall
6 be restored to their respective pre-settlement positions in the Action, Defendants reserve
7 the right to assert any and all objections and defenses to the certification of any class for
8 trial purposes, and Plaintiffs agree that they will not use in any manner Defendants’
9 stipulation to certify the Class for settlement purposes to support any motion to certify a
10 class for litigation purposes.

11
12 **IV. SETTLEMENT CONSIDERATION**

13 1. In return for the Release of Known and Unknown Claims in Section X and
14 an order finally approving the Settlement, Defendants agree as follows:

15 a. Galeos will offer refunds to any of its customers who request the
16 same in accordance with Galeos’ previously existing policy of ensuring customer
17 satisfaction throughout the Claims Submission Period. Galeos has a “Customer
18 Satisfaction” link on its home page, <http://www.galeoscafe.com>, and an electronic form
19 at the link for customers to make refund requests.

20 i. Galeos will add a “Lawsuit Settlement” link to its home page,
21 prominently displayed (within reason, so as not to disrupt the primary intent of Galeos’
22 website).

23 ii. Clicking on the link will bring the claimant to a page that
24 indicates: (1) a statement of claims and defenses made in the litigation; and (2) an
25 explanation that anyone who purchased a Galeos product at any time during the Class
26 Period, and who desires to receive a refund for the product they purchased, may request
27 one by clicking on a refund request link.

1 iii. Clicking on the refund request link will bring the claimant to a
2 page that requires information regarding their purchased products, dates, place of
3 purchase, quantity purchased, and whether they have any proof of purchase (a receipt,
4 etc.).

5 (1) The claimant will be required to click a box affirming,
6 under oath, that the claimant indeed made the purchases indicated in the claim, the
7 claimant has not received a refund or replacement of the product to date, the claimant
8 agrees not to seek any further refund for the purchases (*i.e.*, the claimant cannot submit
9 a claim, and then also go to Whole Foods and request a refund for the same purchase),
10 and the claimant agrees to be bound by the Release of Known and Unknown Claims in
11 Section X.

12 (2) The claimant will also be required to provide proof(s)
13 of purchase and, when available, product labels to Galeos, c/o Call & Jensen. If the
14 product is no longer available to the claimant, the claimant will be asked to check a box
15 that indicates the claimant's statement, under oath, that the claimant did in fact purchase
16 the product, but the product has been discarded or destroyed.

17 iv. Galeos will pay a full refund to claimants who present a proof
18 of purchase. Where the claimant lacks proof of purchase, claimant shall receive the
19 lowest retail price in the market at the time of preliminary approval for up to three (3)
20 bottles so long as the claimant attests in the claim form to having purchased this
21 product. Defendants reserve the right to reject claims that appear to be fraudulent (in
22 which case, Galeos will contact Plaintiffs' counsel to discuss such claims). If, after
23 making a claim and receiving a refund based on the amount of product purchased, any
24 customer disputes the amount of his/her refund, Galeos and Plaintiffs' Counsel agree to
25 set forth good faith efforts to resolve the dispute.

26 b. Galeos will ensure continued accuracy and consistency of its various
27 product labels. Specifically, for a period of five (5) years from the Effective Date,
28 Galeos will engage Silliker Labs, or another qualified lab, to test each of its products

1 two (2) times per year as to calories, fat, carbohydrates, protein, and sodium. The
2 testing will be conducted on each variety of Galeos Products that are offered for sale at
3 the time of testing. Upon request, test results will be made available to Plaintiffs'
4 counsel.

5 c. Galeos will pay \$500 to each of the twelve current Class
6 Representatives.

7 d. The period for Class Members to submit claims will end on
8 December 31, 2011.

9
10 **V. SETTLEMENT PAYMENTS**

11 1. Subject to all other terms and conditions of this Agreement,
12 Representatives, including Cooperman, shall receive Settlement Payments as follows.

13 2. Within ten (10) days after the Order Granting Final Approval, Plaintiffs'
14 Counsel will send to Defendants' Counsel a list containing the current address of each
15 of the Class Representatives.

16 3. Within ten (10) days of the date that Defendants' Counsel receives the list
17 of addresses, Defendants will issue checks for all Settlement Payments to Class
18 Representatives by mailing the checks to the addresses received from Plaintiffs'
19 Counsel.

20 4. If required by relevant laws, Class Representatives will be required to
21 submit to Defendants a completed form 1099 before payments are sent to them.

22 5. Class Representatives will be responsible for correctly characterizing the
23 amount he/she receives as a Settlement Payment for tax purposes and for payment of
24 any taxes owing on such amount, if any.

25 6. Subject to all other terms and conditions of this Agreement, Class
26 Members shall receive Settlement Payments and refunds as set forth in Section IV
27 above.

28

CALL & JENSEN
A PROFESSIONAL CORPORATION

1 **VI. NOTICE TO THE CLASS**

2 1. Galeos shall provide notice to the Class of the Settlement, and the
3 availability of refunds, as follows:

4 a. By August 1, 2011, the “Lawsuit Settlement” link on the Galeos
5 website will contain a link to the Notice of Settlement, as well as a link to a copy of this
6 Settlement Agreement;

7 b. By August 15, 2011, an email containing a link to the full Notice of
8 Settlement will be sent to each customer for whom Galeos has email contact
9 information. If Galeos has a mailing address but no email address for a customer, the
10 customer will be mailed Notice. Galeos’ email to customers will include a box
11 allowing the customer to request that Galeos base the requested refund on the
12 customer’s actual purchases as reflected in Galeos’ records.

13 c. By August 8, 2011, a news release that explains the Settlement,
14 provides information on how to make a claim for a product refund, and contains
15 embedded links to the Galeos Lawsuit Settlement website, will be distributed
16 nationally. The news release will be distributed as follows:

17 i. Through the U.S. Target List of a paid wire service that
18 guarantees distribution and electronic publication in more than 4,700 media outlets in
19 the United States.

20 ii. Through a secondary list of women’s publications via the
21 same paid wire service, that includes more than 200 publications.

22 iii. To each website or media entity that published anything about
23 Galeos or the lawsuit in the past 3 years (Defense Counsel will make a good faith search
24 for such websites and media entities, and Plaintiffs’ counsel will be allowed to submit a
25 list of any such websites or media entities; the only remedy for any missed website or
26 entity is to require the news release to be provided to such entity within 2 business days
27 of notice).

28
CALL & JENSEN
A PROFESSIONAL CORPORATION

1 d. By August 29, 2011, Caruso Communications, notice and public
2 relations experts, will complete a targeted follow-up effort with media outlets and
3 others that have written about Galeos and/or the Litigation during the past three years.
4 The intent of this follow-up is to secure editorial coverage about the settlement which
5 would include reference to the Lawsuit Settlement website.

6 e. Caruso Communications will monitor media response and track
7 coverage of the news release and follow up set forth in items (c) and (d) above. By
8 September 5, 2011, Caruso Communications will prepare a list of media outlets that
9 posted a story containing notice of the Lawsuit Settlement website, and the outlet's
10 number of impressions. Google Analytics will be employed to track traffic to the
11 Lawsuit Settlement website, with specific information as to the number of unique
12 visitors to the website, how long visitors stayed, and from which part of the website
13 they left the site.

14 f. Based on the media response and coverage, and on the data it
15 compiles, by September 12, 2011, Caruso Communications shall submit a declaration
16 attesting to its opinion as to whether the Notice program set forth above in Paragraphs
17 VI(1)(a)-(e) was adequate. If Caruso Communications submits a declaration attesting
18 that, in its opinion the Notice program was adequate, then the parties shall submit said
19 affidavit to the Court and ask the Court to find that no further Notice is required.

20 g. If Caruso Communications submits an affidavit attesting that, in its
21 opinion the Notice program was not adequate, or if the Court concludes that further
22 Notice is required in accordance with the preceding paragraph, then, by September 26,
23 2011 an additional Notice shall be provided through paid ads as follows:

- 24 - Los Angeles Times, circulation 731, 284, 3 column by 7 inches, production and
25 electronic delivery included.
- 26 - San Francisco Chronicle, circulation 341,330, 3 column by 7 inches, production
27 and electronic delivery included.

1 (An analysis of Galeos customer database and shipping manifests shows that the vast
2 majority, more than 85%, of its sale are in California.)

3 2. The procedures described in this section shall constitute the sole and
4 exclusive means of Notice to the Class regarding the proposed Settlement and the Final
5 Approval Hearing. The parties and their counsel shall not do, nor be required to do,
6 anything further in connection with the provision of such Notice.

7
8 **VII. OBJECTION TO THE SETTLEMENT**

9 1. Any Class Member who wishes to object to the Settlement must file a
10 written objection with the Court, Class Counsel, and Defendants' Counsel, no later than
11 October 26, 2011. The objection must set forth, in clear and concise terms, the legal
12 and factual arguments supporting the objection.

13 2. The Parties shall neither encourage Class Members to opt out of the
14 Settlement nor to object to the Settlement. Objective statements to Class Members who
15 call Class Counsel with inquiries regarding the Settlement shall not be deemed a
16 violation of this prohibition.

17
18 **VIII. OPT-OUT CLASS MEMBERS**

19 1. Any Class Member who wishes to be excluded from the Settlement must
20 send a letter, postmarked no later than December 31, 2011, to:

21 Paris Ackerman & Schmierer LLP
22 Attention: Galeos Litigation
23 101 Eisenhower Parkway
24 Roseland, New Jersey 07068
(T): 073-228-6667
(F): 973-629-1246

25
26 The date of delivery is deemed to be the date the form is deposited in the U.S. Mail,
27 postage pre-paid, as evidenced by the postmark. Any Class Member who submits a
28 timely and valid letter requesting exclusion from the Class will receive no Settlement

1 Payment, and will not be bound by the release set forth in Section X below. Paris
2 Ackerman & Schmierer shall provide copies to Call & Jensen of each such letter it
3 receives within ten (10) days of its receipt of any such letter.

4 2. Paris Ackerman & Schmierer will certify to Defendants' counsel which
5 Requests for Exclusion were timely submitted and will provide evidence of timely
6 submissions upon request.

7
8 **IX. RIGHT TO RECISSION IN THE EVENT OF EXCESS OPT-OUTS**

9 1. Notwithstanding any other provision of this Stipulation of Settlement,
10 Defendants shall retain the right, in the exercise of their sole discretion, to nullify the
11 Settlement within thirty (30) days of the expiration of the opt-out deadline if one
12 thousand (1000) or more Class members opt out of the Settlement. In the event of such
13 a rescission, no party may use the fact that the parties agreed to settle this case as
14 evidence of Defendants' liability in the Litigation or in any other matter.

15
16 **X. RELEASE OF KNOWN AND UNKNOWN CLAIMS**

17 1. Effective on the date of the Order Granting Final Approval, Lead Plaintiff
18 Cooperman, Class Representatives, and each and every Class Member (other than Opt-
19 Out Class Members), on behalf of themselves, their spouses, beneficiaries, executors,
20 conservators, personal representatives, wards, heirs, predecessors, successors, and
21 affiliates, hereby release and forever discharge the Released Parties, and each of them,
22 from any and all claims they have or may have against any of them on or before the date
23 of Final Approval that arise from or in any way relate to the *factual allegations* made in
24 these Actions that Defendants, (1) engaged in unfair competition; (2) engaged in false
25 advertising; (3) violated the Consumer Legal Remedies Act; (4) breached express
26 warranties; (5) made negligent misrepresentations; (6) were unjustly enriched; and (7)
27 violated state consumer protection laws. It is the intention of the Parties that the
28

CALL & JENSEN
A PROFESSIONAL CORPORATION

1 Settlement shall constitute a full and complete settlement and release of all such claims
2 by all Class Members against all Released Parties.

3 2. The Parties acknowledge that it is possible that unknown losses or claims
4 exist or might exist or that present losses may have been underestimated in amount.
5 Plaintiff and every Class Member are deemed to acknowledge and understand that they
6 are familiar with principles of law such as and including § 1542 of Civil Code of the
7 State of California, which provides:

8 A general release does not extend to claims which the creditor
9 does not know or suspect to exist in his or her favor at the time
10 of executing the release, which if known by him or her must
11 have materially affected his or her settlement with the debtor.

12 2. The Notice shall advise Class Members of the binding nature of the release
13 and the signatures of Class Counsel and the Lead Plaintiff on this Stipulation of
14 Settlement shall have the same force and effect as if this Stipulation of Settlement were
15 executed by each Class Member.

16 **XI. ATTORNEYS' FEES AND COSTS**

17 The Parties have not reached agreement as to whether attorneys' fees and costs
18 should be awarded to Plaintiffs or their counsel, or if so, how much should be awarded.
19

20 **XII. NO ADMISSION**

21 Nothing contained herein, nor the consummation of this Stipulation of
22 Settlement, is to be construed or deemed an admission of liability, culpability,
23 negligence, or wrongdoing on the part of Defendants. Defendants specifically deny any
24 liability. Each of the Parties hereto has entered into this Stipulation of Settlement with
25 the intention to avoid further disputes and litigation with the attendant inconvenience,
26 uncertainty, and expense. If the Settlement is not approved by the Court or is otherwise
27 terminated, the Stipulation of Settlement shall be void *ab initio*. This Stipulation of
28 Settlement is not admissible in any proceeding pursuant to Rule 408 of the Federal

CALL & JENSEN
A PROFESSIONAL CORPORATION

1 Rules of Evidence and sections 1152 and 1154 of the California Evidence Code, except
2 as necessary to carry out or enforce the terms of the Settlement.

3
4 **XIII. RETENTION OF JURISDICTION**

5 Pursuant to the Federal Rules of Civil Procedure, when the Court enters its Order
6 Granting Final Approval, the Court will retain jurisdiction for limited purposes.

7
8 **XIV. MISCELLANEOUS PROVISIONS**

9 1. Mutual Full Cooperation: The Parties agree to fully cooperate with each
10 other and to use their reasonable best efforts to carry out the terms of this Stipulation of
11 Settlement and to effectuate the Settlement, including all steps contemplated by this
12 Stipulation of Settlement and any other steps that may be necessary or appropriate, by
13 order of the Court or otherwise. As soon as practicable after execution of this
14 Stipulation of Settlement, Class Counsel shall, with the assistance and cooperation of
15 Defendants and Defendants' Counsel, take all necessary steps to secure the Court's
16 approval of this Stipulation of Settlement.

17 2. Settlement is Fair and Reasonable: The Parties agree that refunds and the
18 payment of monies pursuant to the Settlement constitutes a fair, reasonable, and
19 adequate settlement of all released claims and that no further relief in the form of an
20 injunction or other relief is necessary or appropriate.

21 3. Construction: All of the Parties have been represented by counsel
22 throughout all negotiations that preceded the execution of this Stipulation of Settlement,
23 and this Stipulation of Settlement is made with the consent and advice of counsel after
24 arms'-length negotiations. All Parties and their counsel participated in the drafting of
25 this Stipulation of Settlement. This Stipulation of Settlement shall not be construed in
26 favor of or against any party by reason of the extent to which any party or his, her, or its
27 counsel participated in the drafting of this Stipulation of Settlement. In any proceeding
28

1 requiring interpretation of this Stipulation of Settlement, the canon of contract
2 interpretation set forth in California Civil Code § 1654 shall not apply.

3 4. Entire Agreement: This Stipulation of Settlement and the Exhibits hereto
4 constitute the entire agreement between the Parties relating to the settlements and
5 transactions contemplated thereby, and all prior or contemporaneous agreements,
6 understandings, representations, and statements, whether oral or written, and whether by
7 a party or such party's legal counsel, are merged herein.

8 5. Modification: This Stipulation of Settlement may not be modified or
9 amended except in a separate writing that is signed by Class Counsel and Defendants'
10 Counsel and approved by the Court.

11 6. Captions and Interpretations: Section titles or captions contained herein are
12 inserted as a matter of convenience and for reference and in no way define, limit,
13 extend, or describe the scope of this Stipulation of Settlement or any provision hereof.
14 Each term of this Stipulation of Settlement is contractual and not merely a recital.

15 7. Governing Law: This Stipulation of Settlement shall be subject to,
16 governed by, construed, enforced and administered in accordance with the laws of the
17 United States and of the state of California, in both procedural and substantive aspects,
18 and shall be subject to the continuing jurisdiction of the United States District Court for
19 the Central District of California.

20 8. No Prior Assignments: The Parties represent, covenant, and warrant that,
21 except as stated herein, they have not directly or indirectly assigned, transferred,
22 encumbered, or purported to assign, transfer, or encumber to any person or entity any
23 portion of any liability, claim, demand, action, cause of action, or rights herein released
24 and discharged.

25 9. Binding on Assigns: This Stipulation of Settlement shall be binding on
26 and inure to the benefit of the Parties hereto and their respective heirs, trustees,
27 executors, administrators, successors, and assigns.

CALL & JENSEN
A PROFESSIONAL CORPORATION

CALL & JENSEN
A PROFESSIONAL CORPORATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: June __, 2011

PARIS ACKERMAN & SCHMIERER

By: _____

David S. Paris
Lead Class Counsel for Plaintiffs

DATED: June __, 2011

EDELSON MCGUIRE LLP

By: _____

Sean P. Reiss, Attorney for Plaintiffs
Paige Coopeman, Meredith Worthy,
Gwen Frazier, Merle Levy, Altara
Michelle, Gina Saltonstall, and
Judy Rutter

DATED: June __, 2011

BONI & ZACK LLC

By: _____

Michael J. Boni, Attorney for Plaintiff
Frances Healy

DATED: June __, 2011

KIESEL BOUCHER & LARSON LLP

By: _____

Paul R. Kiesel Attorney for Plaintiff
Frances Healy

DATED: June __, 2011

SALTZ MONGELUZZI BARRETT &
BENDESKY PC

By: _____

Simon B. Paris, Attorney for Plaintiff
Frances Healy

1 DATED: June __, 2011

STUEVE SIEGELHANSON LLP

2

3

By: _____
Jason S. Hartly, Attorney for Plaintiff
Hillary Goldberg

4

5

6

DATED: June __, 2011

GOLDMAN SCARLATO & KARON P.C.

7

8

9

By: _____
Daniel R. Karon, Attorney for Plaintiff
Hillary Goldberg

10

11

DATED: June __, 2011

HEINS MILLS & OLSON P.L.C.

12

13

14

By: _____
Vincent Esades, Attorney for Plaintiff
Hillary Goldberg

15

16

17

18

19

20

21

22

23

24

25

26

27

28

CALL & JENSEN
A PROFESSIONAL CORPORATION