

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

*In re: Zappos.com, Inc. Customer Data Security Breach Litigation*

United States District Court, District of Nevada  
Case No. 3:12-cv-00325-RCJ-VPC, MDL No. 2357

**READ THIS NOTICE CAREFULLY  
YOUR LEGAL RIGHTS MAY BE AFFECTED**

This Notice is for anyone who had an online Zappos.com account on or before January 15, 2012, and for whom Zappos had an email address for the account in its records at that time. Please read the rest of this Notice carefully to find out more.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>Participate in the Settlement</b>	You can receive a 10% discount on a Zappos.com online or mobile purchase by using the discount code that was emailed to you. You may also transfer the discount code to someone else for personal, non-commercial use.
<b>Exclude Yourself from the Settlement</b>	If you do not want to participate in the settlement (“opt out”), you must send a letter requesting exclusion from the settlement postmarked no later than November 29, 2019 or else you will be bound by the settlement. You may only opt out if you do not use or transfer your discount code.
<b>Object to the Settlement</b>	If you wish to object to the settlement, you must follow the directions below and the objection must be filed no later than November 29, 2019.
<b>Participate in the Hearing</b>	If you submit a timely objection to the settlement, you may also indicate in the objection whether you wish to appear and be heard at the time of the Final Approval Hearing.
<b>Do Nothing</b>	If you do nothing with respect to this Notice, you will be bound by the terms of the settlement, including the release of claims described below, whether or not you use the discount code, if the settlement is approved by the Court.

**THESE RIGHTS AND OPTIONS, INCLUDING THE DEADLINES BY WHICH TO EXERCISE THEM, ARE EXPLAINED IN THIS NOTICE BELOW**

### **What is the Case About?**

This case relates to a hack on defendant Zappos.com LLC's (formerly known as Zappos.com, Inc.) ("Defendant" or "Zappos") data security systems in January 2012. The case alleges that Zappos's data security practices on and prior to January 15, 2012, exposed consumers to a heightened risk of identity theft, fraud or other harm, and further alleges that these risks were not properly disclosed to consumers. The case also alleges that Zappos customers suffered inconvenience, harm and increased risk as a result. Zappos denies all wrongdoing in the matter, denies that any valuable data was stolen, and denies that any consumer was harmed by the hack. Nonetheless, Zappos has agreed to the settlement described here, without admitting any fault in the matter.

### **What is a Class Action?**

In a class action, one or more people called class representatives (in this case Theresa D. Stevens, Denise Relethford, Emily E. Braxton, Stephanie Preira (also known as Stephanie Huppert), Robert Ree, Patti Hasner, Dahlia Habashy (also known as Dahlia Bonzagni), Katharine Vorhoff and Shari Simon (collectively, "Class Representatives")) sue on behalf of people who have similar claims.

### **Am I a Settlement Class Member?**

You are a Settlement Class Member if, on or before January 15, 2012, you had an online account with Zappos, and Zappos had an email address for your account in its records at that time. Both individuals and legal entities can be Class Members.

### **Why is There a Settlement?**

Both sides agreed to a settlement to avoid the uncertainty and cost of litigation, and to provide benefits to Class Members more promptly. The Court did not decide in favor of the Class Representatives or Zappos. Zappos denies any liability or wrongdoing of any kind associated with the claims in this class action.

### **What Can I Get From the Settlement?**

You may use the discount code emailed to you to receive 10% off a single future online purchase on Zappos.com or via the Zappos.com mobile app of goods (exclusive of shipping costs and taxes). Your discount code cannot be used to purchase gift cards or on previous purchases. Your discount code is valid immediately. You also may transfer this discount code to someone else for individual, non-commercial use. Discount codes expire December 31, 2019, but if the settlement is not approved by the Court, they may expire sooner. If due to hospitalization or military service you are unable to use your discount code before it expires, you may request a substitute code by sending an email to [2012action@zappos.com](mailto:2012action@zappos.com). Discount codes have no cash value, and other terms and conditions of use are explained in the settlement agreement linked [here](#).

### **What Am I Giving Up to Get Settlement Benefits or Stay In the Settlement Class?**

Unless you exclude yourself, as described below, you will remain in the Settlement Class and be bound by the terms of the settlement and all of the Court's orders. This means that you can't sue or be part of any other lawsuit against Defendant or related parties (including Amazon.com) about the January 2012 data security hack or any other issues in this case. Staying in the Settlement Class also means that you agree to the release of the following claims, including any unknown claims, as set forth in greater detail in the settlement agreement linked [here](#).

**Release of the Settlement Class.** Any and all rights, duties, obligations, claims, actions, causes of action or liabilities, whether known or unknown, including, without limitation, claims of negligence, negligent misrepresentation, breach of contract, public disclosure of private facts, violations of Cal. Bus. & Prof. Code § 17200 et seq., Cal. Civ. Code §§ 1798.29 & 1798.80, Cal. Civ. Code § 1750 et seq., Fla. Stat. Ann. § 501.204(1) et seq., Mass. Gen. Laws ch. 93A, M.C.P.L.A. §§ 445.903(1)(c), 445.903(1)(e), 445.903(1)(s) & 445.903(1)(cc), Nev. Rev. Stat. §§ 598.0903, 598.0915(5), 598.0915(15) & 598.0923(2), N.Y. Gen. Bus. Law §§ 349, 598.0915(5) & 598.0915(7), Tex. Bus. & Com. Code §§ 17.46(a), 17.46(b)(5), 17.46(b)(7) & 17.50(a)(3) and unjust enrichment, whether arising under local, state or federal law, whether by Constitution, statute, contract, rule, regulation, any regulatory promulgation (including, without limitation, any opinion or declaratory ruling), common law or equity, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, punitive or compensatory concerning the Released Parties' conduct, policies, or practices, arising from, related to, connected with, or described in the litigation (and all related cases) that were alleged or could have been alleged in the litigation, the Third Amended Consolidated Class Action Complaint or any other pleading or other document filed in the litigation, whether the claims are brought directly or indirectly by or on behalf of any Settlement Class Member in an individual or class action, representative action or in any other capacity, with respect to any form of relief, including without limitation damages, restitution, disgorgement, penalties, injunctive relief, or declaratory relief.

The “**Released Parties**” are Zappos, and all of its present, former and future officers, directors, partners, employees, agents, attorneys, servants, heirs, administrators, executors, members, member entities, predecessors, successors, subsidiaries (direct and indirect), parents (direct and indirect) (including, but not limited to, Amazon.com, Inc. and its direct and indirect subsidiaries), affiliates (controlling, controlled by or under common control with Zappos), representatives, trustees, principals, insurers, vendors and assigns.

If the settlement is not approved by the Court, and if you use or transfer your discount code, Zappos may argue at a later date that you have already been fully compensated by your use or transfer of the discount code, and accordingly that you are not entitled to any other relief; however, you may present any arguments in opposition to Zappos's arguments if this occurs.

### **Can I Exclude Myself From the Settlement?**

If you do not want to receive benefits from this settlement, but you want to keep the right to sue Defendant on your own and at your own expense about the issues in this case, then you must take steps to exclude yourself from the settlement. This is also called “opting out” of the settlement. To exclude yourself from the settlement (opt out), you must send a letter to the Settlement Administrator at the following address containing: (1) your signature; (2) your full name, address, email address and Zappos.com account number, if any; and (3) a statement that you request to be excluded from the Settlement Class.

Zappos Settlement Administrator - Exclusions  
P.O. Box 43434  
Providence, RI 02940-3434  
[info@zapposdatasettlement.com](mailto:info@zapposdatasettlement.com)

The opt out deadline is November 29, 2019 and, to be valid, an opt out request must be postmarked no later than that date. If you request exclusion from the settlement, you will not get any settlement benefits, and you cannot object to the terms of the settlement. You will not be legally bound by anything that happens in this lawsuit. If you use or transfer your discount code, you are not permitted to exclude yourself and you will be bound by the terms of the settlement, including the release of claims, if the settlement is approved.

### **If I Don't Exclude Myself, Can I Sue Defendant for the Same Thing Later?**

No. Unless you exclude yourself, you give up any right to sue Defendant and/or any of the Released Parties for the claims that this settlement resolves, if the settlement is approved by the Court. If you have a pending lawsuit covering these same claims, speak to your lawyer in that case immediately. You must exclude yourself from this Settlement Class to continue your own lawsuit.

Additionally, if the settlement is not approved by the Court but you have used or transferred your discount code, Zappos may argue that such use or transfer has fully compensated you and Zappos may argue for that reason that you may no longer pursue a claim against Zappos; however, you would be permitted to present arguments in opposition to Zappos's arguments.

### **Do I Have a Lawyer in the Case?**

The Court has appointed Ben Barnow (Barnow and Associates, P.C.), Jeremiah Frei-Pearson (Finkelstein, Blankinship, Frei-Pearson & Garber, LLP), Mark Godino (Glancy Prongay & Murray, LLP) and Richard Coffman (The Coffman Law Firm) to represent you and other Class Members as Class Counsel. Class Counsel will be paid by Zappos and you will not be charged for this. If you want to be represented by your own lawyer, you may hire one at your own expense.

### **How Will the Lawyers, the Class Representatives and the Settlement Administrator Be Paid?**

Zappos will pay the Settlement Administrator for the costs associated with administering the settlement.

Class Counsel will ask the Court to approve payment of up to \$1,620,000 in total to Class Counsel (and to additional plaintiff's counsel who worked on the case) for attorneys' fees, out-of-pocket costs, and service awards to the Class Representatives. The service award requests will amount to \$22,500 of the \$1,620,000 total, or \$2,500 for each of the nine Class Representatives. The fees would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement and following through to make sure that its terms are carried out. The service awards reflect Class Representatives' efforts to pursue the case and to provide information and documents in support of the claims. The Court may award less than the requested amounts. Class Counsel will file with the Court their motion for award of attorneys' fees and litigation costs and Class Representatives' service awards no later than November 20, 2019. After that date, you may view the motion on the Settlement Website.

### **How Do I Tell the Court That I Don't Like the Settlement?**

You can ask the Court to deny approval of the Settlement by making an objection. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement.

You must object to the proposed settlement in writing. All written objections and supporting papers must include: (1) your full name and postal address, and, if represented by counsel, the name, bar number, address and telephone number of your attorney; (2) a statement that you are a Settlement Class Member; (3) documents establishing, or information sufficient to allow the Parties to confirm, that you are a Settlement Class Member; (4) a statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel; (5) a statement of your specific objections and the grounds supporting the objections; (6) identification and production of copies of any documents that you desire the Court to consider; and (7) your original signature (for individuals) or the original signature of a legally-authorized representative (for entities). Your objection must be filed with the Clerk of the United States District Court for the District of Nevada by November 29, 2019.

Objections made through counsel must be filed and served electronically through the Court's CM/ECF system. If you are not represented by counsel and file your objection with the Court in paper format, you must also mail copies of your objection to Class Counsel and Counsel for Zappos postmarked no later than November 29, 2019, at the address below:

<i><b>Class Counsel</b></i> Ben Barnow Barnow and Associates, P.C. 205 West Randolph Street, Suite 1630 Chicago, IL 60606	<i><b>Counsel for Zappos</b></i> Stephen J. Newman Stroock & Stroock & Lavan LLP 2029 Century Park East, 18th Floor Los Angeles, CA 90067
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### **What's the Difference Between Objecting to the Settlement and Requesting Exclusion from the Settlement?**

Objecting is telling the Court that you do not like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class or participate in the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you. You cannot both object to and exclude yourself from the settlement. Those who attempt to both object and exclude themselves from the settlement will be deemed to have excluded themselves.

If you use or transfer your discount code, you may still object to the settlement. However, if you use or transfer your discount code, you are not permitted to exclude yourself and you will be bound by the settlement and release (give up) all claims as described above and in the settlement agreement, if the Court approves the settlement.

### **When and Where Will the Court Decide Whether to Approve the Settlement?**

The Court will hold a Final Approval Hearing regarding the settlement on December 20, 2019 at 10:00 a.m. in Courtroom 3 of the United States District Court for the District of Nevada, located at 400 S. Virginia Street, Reno, Nevada 89501. At that hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who ask to speak at the hearing that have timely filed an objection and given notice of their intent to appear. The Court also will decide how much to pay

to Class Counsel and the Class Representatives. At or after the hearing, the Court will decide whether to approve the settlement. Class Counsel does not know how long those decisions will take.

The Final Approval Hearing date, time or location may be changed and notice of any change will be provided on the Settlement Website, [www.zapposdatasettlement.com](http://www.zapposdatasettlement.com), so please check the Settlement Website for updated hearing information.

### **Do I Have to Come to the Hearing?**

No. Class Counsel will answer questions the Court may have. You are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you submit your written objection on time, the Court will consider it. You may also have your own lawyer attend the hearing at your own expense, but doing so is not necessary.

You cannot submit an objection or speak at the hearing if you excluded yourself from the Settlement Class.

### **What Happens if I Do Nothing at All?**

If you do nothing, you will remain in the Settlement Class and will be bound by the terms of the settlement and all of the Court's orders, including the Release. This also means that you will not receive any settlement benefits and can't sue or be part of any other lawsuit against Defendant or the other Released Parties about the issues in this case.

### **Are There More Details About the Settlement?**

This Notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the Settlement Agreement. You may obtain a copy of the Settlement Agreement and other case documents through the Settlement Website, [www.zapposdatasettlement.com](http://www.zapposdatasettlement.com), by calling 1-855-263-1060, or by writing to the Settlement Administrator at Zappos Settlement Administrator, P.O. Box 43434, Providence, RI 02940-3434.

You also can contact Class Counsel:

Ben Barnow  
Barnow and Associates, P.C.  
205 West Randolph Street, Suite 1630  
Chicago, IL 60606  
(312) 621-2000

Jeremiah Frei-Pearson  
Finkelstein, Blankinship,  
Frei-Pearson & Garber, LLP  
445 Hamilton Avenue, Suite 605  
White Plains, NY 10601  
(914) 298-3281

Richard Coffman  
The Coffman Law Firm  
First City Building  
505 Orleans, Fifth Floor  
Beaumont, TX 77701  
(409) 833-7700

Marc L. Godino  
Glancy Prongay & Murray, LLP  
1925 Century Park East, Suite 2100  
Los Angeles, CA 90067  
(310) 201-9150

**PLEASE DO NOT CALL THE COURT, THE COURT CLERK'S OFFICE,  
DEFENDANT, OR DEFENDANT'S COUNSEL WITH ANY  
QUESTIONS RELATED TO THE SETTLEMENT.**