

# **EXHIBIT A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

DAVID WOODFORD, individually and  
on behalf of a class of similarly situated  
individuals,

*Plaintiff,*

v.

WORLD EMBLEM INTERNATIONAL,  
INC., a Florida corporation,

*Defendant.*

Case No. 1:15-cv-02983-ELR-LTW

**STIPULATION OF SETTLEMENT**

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This Stipulation of Settlement (the “Agreement” or “Settlement Agreement”) is dated April 21, 2016 (irrespective of when signed for reference purposes), and is entered into by and among (i) Plaintiff David Woodford on behalf of himself and the Settlement Class (as defined below), and (ii) Defendant World Emblem International, Inc. (“World Emblem” or “Defendant”). This Agreement is intended by the Parties to fully, finally, and forever resolve with prejudice, discharge, and settle the Released Claims (as defined below), as well as any and all other matters at issue, or potentially at issue, in this litigation, upon and subject to the terms and conditions of this Agreement and subject to the final approval of the Court having jurisdiction over the Parties and these Released Claims.

### **RECITALS**

A. On August 25, 2015, named plaintiff David Woodford filed a class action complaint in this Court in the above-captioned action on behalf of himself and all others similarly situated against Defendant World Emblem International, Inc. The Complaint alleged that World Emblem violated the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* (“FCRA”), specifically, its “stand alone” disclosure and authorization requirements and its requirements that employees and applicants be provided with a summary of their rights under the FCRA and copies of any

consumer reports/background checks obtained about them before adverse action is taken against them. The Complaint sought damages and injunctive relief on behalf of a nationwide class.

B. On April 14, 2016, following the filing of the Complaint and an informal exchange of discovery about the projected size and scope of the proposed Class, counsel for Plaintiff Woodford, World Emblem's corporate representative, and counsel for World Emblem engaged in a full-day mediation in Denver, Colorado, with Joe Epstein of Conflict Resolution Services, a well-respected mediator, in an attempt to resolve the case.

C. Through the mediation process, the Parties conducted further informal discovery and exchanged additional information about the size and scope of the proposed class and the nature of the disclosures provided to each applicant and employee.

D. Following extensive back-and-forth discussions and negotiations facilitated by Mr. Epstein, the Parties reached an agreement on the framework of the proposed settlement and the relief to be made available to the Settlement Class upon Court approval. Following an agreement in principle with respect to the relief to be afforded to the Settlement Class, the Parties negotiated an incentive award for

the proposed Class Representative and reasonable attorneys' fees for proposed Class Counsel.

E. At all times, World Emblem has denied and continues to deny all wrongdoing whatsoever and has denied and continues to deny that it committed, threatened, or attempted to commit any wrongful act or violation of any law or duty alleged in the Action, including but not limited to the FCRA. World Emblem also contends that it has acted properly in all respects in connection with its procurement and use of consumer reports/background checks for applicants and employees. World Emblem also denies: (1) each and every claim and contention alleged; (2) all charges of wrongdoing or liability against it or its agents arising out of any conduct, statements, acts, or omissions alleged in the Action; and (3) that Plaintiff or the Settlement Class are entitled to any form of damages or other relief based on the conduct alleged in the Action.

F. World Emblem also maintains that it has strong, meritorious defenses to the claims alleged in the Action and that it was prepared to vigorously defend all aspects of the Action. Nonetheless, having conducted an investigation of the facts, analyzed the relevant legal issues, and taken into account the uncertainty and risks inherent in any litigation, World Emblem has concluded that further defense of the Action would be protracted, burdensome, and expensive and that as such, it is

desirable and beneficial to fully and finally settle and resolve the Action in the manner and upon the terms and conditions set forth in this Agreement.

G. This Agreement therefore is a compromise of disputed rights and remedies between the Parties, and the Parties acknowledge and agree it represents a fair and reasonable resolution of disputes, claims, and defenses for all concerned. This Agreement, any related documents, and any associated negotiations may not be construed as, or deemed to be evidence of, or an admission or concession of, liability or wrongdoing on the part of World Emblem or any of the Released Parties (defined below) with respect to any claim of any fault, liability, wrongdoing, or damage whatsoever. It is understood and agreed that this Agreement represents a full and final resolution of all claims, at law or in equity, whether known or unknown, that relate to, are based on, or arise out of the facts, allegations, claims, causes of action, transaction or series of transactions, or damages alleged or that were or could have been brought in the Action.

H. Plaintiff Woodford believes that the claims asserted in the Action against World Emblem have merit and that he would have ultimately been successful in certifying the proposed class under Federal Rule of Civil Procedure 23 and in prevailing on the merits. Nonetheless, Plaintiff Woodford and proposed Class Counsel recognize and acknowledge that World Emblem has raised factual

and legal defenses that present a risk that Plaintiff Woodford may not prevail. Plaintiff and proposed Class Counsel have also taken into account the uncertain outcome and risks of any litigation, especially in complex actions, as well as the difficulties, delays, and expenses inherent in such litigation. Therefore, Plaintiff believes that it is desirable that the Released Claims be fully and finally compromised, settled and resolved, with prejudice, and be barred pursuant to the terms set forth in this Agreement. Based on their evaluation, proposed Class Counsel have concluded that the terms and conditions of this Agreement are fair, reasonable, and adequate to the Settlement Class and that it is in the best interests of the Settlement Class to settle the claims raised in the Action pursuant to the terms and provisions of this Agreement.

I. The Parties agree that the Action has been resolved in good faith, after significant arm's-length bargaining, presided over by a neutral and respected mediator, and that the settlement reflected in this Agreement confers substantial benefits upon each of the Parties.

J. Accordingly, to avoid the costs of trial and the exigencies of continued litigation and to settle and dispose of, fully and completely and forever, the Released Claims and any and all claims and causes of action asserted in the Action, subject to final approval of this Court after a fairness hearing or hearings as

provided for below, and that upon final approval of this Agreement by the Court and fulfillment of each Party's obligations the Court will enter a final order dismissing this Action with prejudice.

## **SETTLEMENT AGREEMENT**

### **1. DEFINITIONS**

In addition to terms defined throughout this Agreement and in any schedule or exhibits, the following terms shall have the meaning set forth below and shall be deemed defined, for purposes of this Agreement only, as follows:

**1.1 “Action”** means this lawsuit, which captioned *Woodford v. World Emblem International, Inc.*, 1:15-cv-02983-ELR-LTW (N.D. Ga.).

**1.2 “Adverse Action Group”** means all Settlement Class Members who allegedly had an adverse action taken against them based, at least in part, on information contained in a consumer report or background check obtained about them. There are approximately 17 Settlement Class Members in the Adverse Action Group.

**1.3 “Approved Claim”** means a Claim that meets all requirements expressly set forth in this Agreement and approved by the Settlement Administrator that also meets the following requirements: (a) the Claim is submitted on a timely basis in accordance with the directions on the Claim Form and the provisions of this Agreement, (b) the Claim is fully and truthfully completed and executed by a Settlement Class Member and provides all of the information requested on the Claim Form, (c) the Claim is signed by the Settlement Class Member, subject to the penalties of perjury, and (d) the Claim Form is verified by the Settlement Administrator, pursuant to Section 5.2 of this Agreement.

**1.4 “Claim”** means a written claim on the approved “Claim Form” submitted by a Settlement Class Member to the Settlement Administrator requesting to participate in and receive a benefit under the terms of this Settlement Agreement.

**1.5 “Claims Deadline”** means the date by which all Claim Forms must be postmarked or received by the Settlement Administrator in order to be considered timely. The Claims Deadline shall be a date no later than thirty (30) days after entry of a Final Order in this Action. The Claims Deadline shall be clearly set forth in the Preliminary Approval Order, the Final Approval Order,

and on the Notice and the Claim Form.

**1.6 “Claim Form”** means the forms approved by Class Counsel and Defendant, subject to the Court’s approval, which, to recover a portion of the Settlement, each Settlement Class Member must complete in full, sign, and timely mail to the Settlement Administrator. The Claim Form will be mailed to each Settlement Class Member with the notice and will be made available in paper format upon request to the Settlement Administrator or to Class Counsel.

**1.7 “Class” or “Settlement Class”** means all Persons in the United States or its territories who from August 23, 2013, through January 8, 2016, for whom World Emblem obtained a consumer report for their actual or potential employment with World Emblem and who are identified on the Class List.

**1.8 “Class Counsel”** means Steven Woodrow and Patrick Peluso of Woodrow & Peluso, LLC.

**1.9 “Class List”** means the list of Persons identified by World Emblem who are putative members of the Settlement Class, which World Emblem used its best efforts to compile.

**1.10 “Class Member” or “Settlement Class Member”** means a Person is a member of the Settlement Class as defined below (including the proposed Class Representative) who has not submitted a valid request for exclusion.

World Emblem reasonably believes that the total estimated size of the Settlement Class is comprised of approximately 498 Persons.

**1.11 “Class Representative” or “Named Plaintiff”** means Plaintiff David Woodford, subject to the approval of the Court.

**1.12 “Court”** means the United States District Court for the Northern District of Georgia.

**1.13 “Defendant” or “World Emblem”** means World Emblem International, Inc.

**1.14 “Disclosure Group”** means those Settlement Class Members who were allegedly provided the same or substantially similar FCRA Disclosure and Authorization forms under 15 U.S.C. § 1681b(b)(2)(A)(i) that Plaintiff Woodford received. There are approximately 481 members of the Disclosure Group.

**1.15 “Effective Date”** means seven (7) calendar days after which all of the events and conditions specified in Section 9.1 have occurred or have been met.

**1.16 “Fair Credit Reporting Act” or “FCRA” or “the Act”** means and refers to the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*

**1.17 “Fee Award”** means the amount of reasonable attorneys’ fees and

reimbursement of expenses awarded by this or any other Court to Class Counsel for their work pursuing this Action, if any, which Defendant will pay.

**1.18 “Final”** means one business day following the latest of the following events: (i) the date upon which the time expires for filing or noticing any appeal of the Court’s Final Order approving this Settlement Agreement; (ii) if there is an appeal or appeals, other than an appeal or appeals solely with respect to the Fee Award, the date of completion, in a manner that finally affirms and leaves in place the Final Order without any material modification, of all proceedings arising out of the appeal or appeals (including, but not limited to, the expiration of all deadlines for motions for reconsideration or petitions for review or *certiorari*, all proceedings ordered on remand, and all proceedings arising out of any subsequent appeal or appeals following decisions on remand); or (iii) the date of final dismissal of any appeal or the final dismissal of any proceeding on *certiorari*.

**1.19 “Final Approval Hearing”** means the fairness hearing under Rule 23(e) during which the Parties will ask the Court to enter the Final Order approving the Settlement Agreement, the Fee Award, and the incentive award to the Class Representative.

**1.20 “Final Order”** means the Court’s Final Order approving this class settlement in accordance with this Agreement after the Final Approval Hearing.

**1.21 “Incentive Award”** means the amount, if any, approved by the Court as a payment to the Class Representative in recognition of the Class Representative’s time, effort, and exposure on behalf of the Settlement Class Members.

**1.22 “Nationwide”** means the fifty (50) states of the United States of America and its territories or possessions that are subject to the FCRA or any claims asserted in the Action.

**1.23 “Notice”** means the notice of this proposed Class Action Settlement and Final Approval Hearing, which will be delivered via direct-mail notice to the Settlement Class Members in substantially the manner set forth in this Agreement, consistent with the requirements of due process and Rule 23, as expressly provided in this Agreement and as substantially in the form attached as Exhibit B.

**1.24 “Notice Date”** means the date by which direct-mail notice under the Notice Plan set forth in Section 4 has been sent, which shall be a date no later than thirty (30) days after entry of the Preliminary Approval Order.

**1.25 “Notice Plan”** means the proposed plan developed by the Settlement Administrator and approved by the Parties for disseminating notice to members of the Settlement Class of the proposed Settlement Agreement and of the Final Approval Hearing.

**1.26 “Objection/Exclusion Deadline”** means the date by which a written objection to this Settlement Agreement or a request for exclusion by a Person within the Settlement Class must be postmarked or filed with the Court, which shall be designated as a date no earlier than thirty (30) days after the Notice Date and at least fourteen (14) days after papers supporting the Fee Award are filed with the Court and made available on Plaintiff’s Counsel’s Firm website, [www.woodrowpeluso.com](http://www.woodrowpeluso.com).

**1.27 “Parties” or “Settling Parties”** means Plaintiff David Woodford and Defendant World Emblem.

**1.28 “Person”** means any individual or any entity including, without limitation, a corporation, partnership, limited partnership, limited liability partnership, limited liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, and any other business or legal entity and their respective predecessors, successors, representatives, and assigns.

**1.29 “Plaintiff”** means the Named Plaintiff David Woodford.

**1.30 “Preliminary Approval”** means the Court’s certification of the Settlement Class for settlement purposes only, preliminary approval of the Settlement Agreement, and approval of the form of the Notice and of the Notice Plan.

**1.31 “Preliminary Approval Order”** means the Court’s order preliminarily approving the Settlement Agreement, certifying the Settlement Class for settlement purposes only, and directing notice of the Settlement to the Settlement Class, a proposed version of which will be submitted to the Court in conjunction with Plaintiff’s motion for preliminary approval.

**1.32 “Released Claims”** means any and all actual, potential, filed, known or unknown, fixed or contingent, claimed or unclaimed, suspected or unsuspected, claims, demands, liabilities, rights, causes of action, contracts or agreements, extra-contractual claims, punitive, treble, exemplary or multiplied damages, expenses, costs, attorneys’ fees, fines, penalties, awards, interest (including pre-judgment interest), and all other obligations, whether in law or in equity, accrued or unaccrued, direct, individual or representative, of every nature and description whatsoever, whether based on the FCRA or any other federal, state, local, statutory or common law or any other law, rule or regulation,

including the law of any jurisdiction outside the United States (including both direct, vicarious, and derivative claims), and whether known or unknown, against the Released Parties or any of them that relate to, are based on, or arise out of the facts, allegations, claims, causes of action, transaction or series of transactions, or damages alleged or that were or could have been brought in the Action, including any and all alleged violations of the FCRA or any similar federal, state, local, statutory, or common law or any other similar law, rule or regulation.

**1.33 “Released Parties”** means Defendant World Emblem and all current and former, direct and indirect, parents, subsidiaries, brother-sister companies, and all other affiliates and related partnerships, joint ventures, or other entities, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, insurers, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under or in concert with any of the persons or entities listed in this section, and their successors.

**1.34 “Releasing Parties”** means Plaintiff Woodford and those Settlement Class Members who do not timely opt out of the Settlement Class (whether or not such Settlement Class Members submit claims).

**1.35 “Settlement Administration Expenses”** means the expenses incurred by the Settlement Administrator in providing Notice, processing claims, mailing checks for Approved Claims, as well as any costs incurred in sending the Class Action Fairness Act notices described in Section 4.2(g) below. World Emblem will pay all Settlement Administration Expenses incurred in connection with this Agreement.

**1.36 “Settlement Administrator”** means the third-party administrator selected by Defendant, approved by Plaintiffs’ counsel, and approved by the Court to oversee the distribution of Notice and to process and pay Approved Claims to the Settlement Class Members, in accordance with the terms and conditions set forth in this Agreement, and any other amounts to any other Persons required under this Agreement.

**1.37 “Settlement Agreement” or “Agreement”** means this Agreement.

**1.38 “Settlement Fund”** means a non-segregated amount not to exceed the sum of the following amounts: (i) all approved claims to the Adverse Action Group and the Disclosure Group, (ii) the Incentive Award to the Class

Representative, (iii) the Fee Award, and (iv) all costs of notice and Settlement Administration. The Settlement Fund represents the limit and extent of World Emblem's monetary obligations under this Agreement without regard to the source of such funds. World Emblem shall not be required to segregate such funds into a separate account, nor shall it be required to set aside any such amounts. No interest shall accrue on the Settlement Fund. World Emblem shall be given a credit for any funds advanced by it to the Settlement Administrator or otherwise for funding of the Settlement and shall only be required to provide funds as necessary to the Settlement Administrator to fund Approved Claims or cover other approved charges against the Settlement Fund, such as any approved Incentive Award or Fee Award, with sufficient lead time for when due to be disbursed.

**1.39 “World Emblem’s Counsel”** means defense counsel, Craig Cleland and Kristy Offitt of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

## **2. SETTLEMENT BENEFITS**

**2.1 Payments to Settlement Class Members.** The Settlement Class Members shall have until the Claims Deadline to submit a Claim. Disclosure Group Class Members who submit a complete and timely Claim Form shall be entitled to a payment of \$315. Disclosure Group Settlement Class Members who

are also members of the Adverse Action Group who submit a complete and timely Claim Form shall be entitled to an additional payment of \$85. The total maximum payout to the Settlement Class shall not exceed \$158,315, exclusive of the Fee Award, the Incentive Award, and costs of Notice and Settlement Administration.

**2.2 Settlement Checks.** Within forty-five (45) days after the Effective Date, or such other date as the Court may set by order, the Settlement Administrator shall pay from the Settlement Fund all Approved Claims by check. All payments issued to Settlement Class Members via check will state on the face of the check that the check will expire and become null and void unless cashed within ninety (90) days after the date of issuance of such check or such other date that applicable law requires, and such monies shall remain the property of World Emblem. To the extent that a check issued to a Settlement Class Member is not cashed or negotiated within ninety (90) days after the date of issuance (an “Uncashed Check”) or within such other date that applicable law requires, upon a reasonable attempt to re-mail that Uncashed Check will be deemed void and shall not be reissued, and such funds applicable to the Uncashed Check shall revert to the Settlement Fund subject to refund to World Emblem or its Insurer pursuant to any agreement between them. In no event will

the funds represented by an Uncashed Check constitute abandoned or unclaimed property, World Emblem is entitled to all such funds, and all such funds will revert to World Emblem. In the event any checks that are mailed are returned as undeliverable, the Settlement Administrator shall make one attempt at re-mailing the check following attempts to verify the current address of the Settlement Class Member to whom the Uncashed Check was mailed.

**2.3 Prospective Relief.** World Emblem agrees it shall, for a period of at least eighteen (18) months after the date this Agreement becomes final, use a stand-alone FCRA disclosure form as required under the FCRA.

**2.4 Payments Not Wages.** The Parties agree that payments under this Agreement do not constitute wages, these payments are not subject to FICA or other withholding, and each Settlement Class Member who is eligible for and receives a payment under this Agreement will be solely responsible for payment of any taxes on the amount received.

### **3. RELEASES**

**3.1 Released Claims.** The obligations incurred under this Settlement Agreement shall constitute a full and final disposition, settlement, and dismissal of the Action and of any and all Released Claims by the Releasing Parties against all Released Parties and each of them.

**3.2 General Release.** Upon the Effective Date, the Releasing Parties and each of them, jointly and severally, shall be deemed to have, and by operation of the Final Order, shall have fully, finally, and forever released, relinquished, waived, and discharged with prejudice all Released Claims against the Released Parties and each of them.

**3.3 All Claims, Known and Unknown, Extinguished.** In addition, upon the Effective Date the Class Representative, on behalf of himself and his present, former, and future heirs, executors, administrators, representatives, agents, attorneys, partners, Successors, predecessors-in-interest, and assigns of each of them, shall be deemed to have released any and all claims, known or unknown, against World Emblem and the Released Parties that were or could have been brought against World Emblem and the Released Parties either in the Action or in any separate proceeding in any court of competent jurisdiction. World Emblem shall be able to raise a defense in any subsequent action alleging Released Claims that payments to any Person based on an Approved Claim operates as an accord and satisfaction and a release and waiver as to any claims such Persons may otherwise have arising from, or which could have been asserted in, the Action.

**3.4 California Section 1542.** For the Released Claims, each

Settlement Class Member who applied for or worked in the State of California waives all rights and benefits afforded by California Code Section 1542 and does so with full understanding of the significance of that waiver. Section 1542 states: **“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her may have materially affected his or her settlement with the debtor.”** The Class Representative and Settlement Class Members acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is their intention to finally and forever settle and release the Released Claims, notwithstanding any unknown claims they may have, as that term is defined in this Agreement.

**3.5 Release Language in Notice Form.** The Notice Form disseminated to Settlement Class Members will quote the general release language in this Section.

#### **4. NOTICE, EXCLUSION, AND OBJECTION**

**4.1 Notice to Class Members.** Upon entry of the Preliminary Approval Order, the Settlement Administrator will disseminate the Notice, describing the Final Approval Hearing and the terms of this Settlement

Agreement, and the Claim Form to the Settlement Class Members as provided in this Agreement. This Notice shall comport with due process and Rule 23 and shall be effectuated in accordance with the Notice Plan.

**4.2 Notice Plan.** The Notice Plan, developed by the Settlement Administrator with the assistance of the Parties, shall include the following:

**4.2.1 Class List.** The Parties agree that within seven (7) days following the entry of the Preliminary Approval, Defendant will provide the Settlement Administrator a copy of the Class List, as updated by World Emblem, which will include any known cellular telephone numbers and the names of the believed owner of the device/number and his or her last known U.S. mailing address for purposes of direct mailing of Notice to such Persons. The Settlement Administrator will thereafter update the Class List as appropriate using the national change of address registry and/or any necessary and appropriate reverse look-up methods as to those numbers for which an address cannot be determined. The Parties, Class Counsel, World Emblem's counsel, and the Settlement Administrator shall keep the Class List (and all personal information obtained therefrom, including the identity and telephone numbers for the persons comprising the Settlement Class) confidential.

**4.2.2 Direct Notice by Mail.** No later than thirty (30) days after

the entry of the Preliminary Approval Order or on such other date determined by the Court, the Settlement Administrator shall send Notice substantially in the form attached as Exhibit B, together with a Claim Form (attached as Exhibit A), by first class mail to each physical address on the Class List as updated using the national change of address registry.

**4.2.3 CAFA Notice.** Pursuant to 28 U.S.C. § 1715, not later than ten (10) business days after the Agreement is filed with the Court, Defendant or on its behalf the Settlement Administrator shall cause to be served upon the Attorneys General of each U.S. State, the Attorney General of the United States, and other required government officials, notice of the proposed settlement, which shall include: (i) a copy of the most recent Complaint and all materials filed with the complaint in the Action or notice of how to electronically access such materials, (ii) notice of all scheduled judicial hearings in the Action, (iii) all proposed forms of Notice, and (iv) a copy of this Agreement. The Settlement Administrator shall serve upon the above-referenced government officials the names of class members who reside in each respective state and the share of the claims of such members to the entire settlement or, if not feasible, a reasonable estimate of the number of class members residing in each state and the estimated proportionate share of the claims of such members to the entire Agreement.

**4.3 Right to Opt Out, Comment, or Object.** The Notice shall advise the Settlement Class Members of their rights, including the right to be excluded from, comment upon, or object to the Settlement Agreement or its terms and conditions. The Notice shall specify that: (i) any objection to the Settlement Agreement and any papers submitted in support of an objection shall be considered by the Court at the Final Approval Hearing only if, on or before the Objection/Exclusion Deadline approved by the Court and specified in the Notice, the Person making an objection files notice of his or her intention to do so and at the same time files copies of such papers he or she proposes to submit at the Final Approval Hearing with the Clerk of the Court and sends copies of such papers by mail, hand, or overnight delivery service to Class Counsel and World Emblem's Counsel, and (ii) that any objection made by a Settlement Class Member represented by counsel must be filed through the Court's CM/ECF system.

**4.4 Objections.** Any member of the Settlement Class who intends to object to this Agreement must include in the objection his/her name and address; include all arguments, citations, and evidence supporting the objection (including copies of any documents relied on); state that he or she is a Class Member; and provide a statement indicating whether the objector intends to

appear at the Final Approval Hearing and, if so, whether the appearance will be with or without counsel. Any Settlement Class Member who fails to timely file a written objection with the Court and notice of his or her intent to appear at the Final Approval Hearing in accordance with the terms of this section and as detailed in this Notice, and at the same time provide copies to designated counsel for the Parties, shall not be permitted to object to this Agreement at the Final Approval Hearing, and shall be foreclosed from seeking any review of this Agreement by appeal or other means and shall be deemed to have waived his, her, or its objections and be forever barred from making any such objections in the Action or any other action or proceeding. To be valid, the objection must be filed with the Court and delivered or postmarked and sent via mail to Class Counsel and World Emblem's Counsel on or before the Objection/Exclusion Deadline approved by the Court and specified in the Notice.

**4.5 Exclusion.** A member of the Settlement Class may request to be excluded from the Settlement Class in writing by a request postmarked on or before the Objection/Exclusion Deadline approved by the Court and specified on the Notice. To exercise the right to be excluded, a member of the Settlement Class must timely send a written request for exclusion to the Settlement Administrator providing his/her name and address, the name and number of the

case, and a statement that such Person intends to be excluded from the Settlement. A request to be excluded that does not include all of this information, that is sent to an address other than that designated in the Notice, or that is not postmarked within the time specified shall be invalid, and the Person(s) serving such a request shall be a member(s) of the Settlement Class and shall be bound as Settlement Class Members by the Agreement, if approved. Any Settlement Class Member who elects to be excluded shall not: (i) be bound by any orders of the Final Order; (ii) be entitled to relief under this Settlement Agreement; (iii) gain any rights by virtue of this Agreement; or (iv) be entitled to object to any aspect of this Agreement. The request for exclusion must be personally signed by the Person requesting exclusion. So-called “mass” or “class” opt-outs shall not be allowed.

**4.6 Settlement Administration Costs.** Defendant shall be responsible for all costs of Notice and Settlement Administration.

**4.7 Binding Settlement.** Any Settlement Class Member who does not, in accordance with the terms and conditions of this Agreement, seek timely exclusion from the Settlement Class or timely file a valid Claim Form shall be deemed a Class Member bound by this Agreement, but shall not be entitled to receive any cash award or any other benefits pursuant to this Agreement and will

otherwise be bound together with all respective Settlement Class Members by all of the terms of this Agreement, including the terms of the Final Order to be entered in the Action and Releases provided for in the Agreement, and will be barred from bringing any action against any of the Released Parties concerning the Released Claims.

## **5. SETTLEMENT ADMINISTRATION**

**5.1 Claims Process.** The Settlement Administrator shall, under the Court's supervision, administer the relief provided by this Settlement Agreement by processing Claim Forms in a rational, responsive, cost-effective, and timely manner. The Settlement Administrator shall maintain reasonably detailed records of its activities under this Agreement. The Settlement Administrator shall ensure that all such records will be made available for inspection and copying to Class Counsel and World Emblem's Counsel upon request. The Settlement Administrator shall also provide reports and other information to the Court as the Court may require. The Settlement Administrator shall provide Class Counsel and World Emblem's Counsel with information concerning the Notice as well as the administration and implementation of the Settlement Agreement. Should the Court request, the Parties, in conjunction with the Settlement Administrator, shall submit a timely report to the Court summarizing

the work performed by the Settlement Administrator, including a report of all amounts from the Settlement Fund paid to Settlement Class Members on account of Approved Claims. Without limiting the foregoing, the Settlement Administrator shall:

**5.1.1** Forward to World Emblem's Counsel and Class Counsel, all original (or suitable copies of) documents and other materials received in connection with the administration of the Settlement, within fifteen (15) days after the date on which all Claim Forms have been finally approved or disallowed in accordance with the terms of this Agreement;

**5.1.2** Receive requests to be excluded from the Settlement Class and other requests from Settlement Class Members and promptly provide to Class Counsel and World Emblem's Counsel copies upon receipt. If the Settlement Administrator receives any requests for exclusion or other requests from Settlement Class Members after the deadline for the submission of such forms and requests, the Settlement Administrator shall promptly provide copies thereof to Class Counsel and World Emblem's Counsel.

**5.1.3** Provide weekly or other periodic reports to Class Counsel and World Emblem's Counsel, including without limitation, reports regarding the number of Claim Forms received and the amount of the payments sought, the

number approved by the Settlement Administrator, and the categorization and description of Claim Forms rejected, in whole or in part, by the Settlement Administrator; and

**5.1.4** Make available for inspection and copying by Class Counsel and/or World Emblem's Counsel, the Claim Forms and any supporting documentation received by the Settlement Administrator at any time upon reasonable notice.

**5.2 Valid Claim Forms.** The Settlement Administrator shall reject a Claim Form, or any part of a Claim for a payment with due regard for World Emblem records to verify the submissions of any claim presented, including without limitation, where the name provided on the Claim Form does not appear on the Class List or cannot be validated as having been considered for employment by World Emblem. In addition, the Settlement Administrator shall be obliged to employ reasonable procedures to screen claims for abuse or fraud and deny Claim Forms where there is evidence of abuse or fraud. The Settlement Administrator shall determine whether a Claim Form submitted by a Settlement Class Member is an Approved Claim and shall reject Claim Forms that fail to comply with the instructions or the terms of this Agreement, after giving the claimant a reasonable opportunity to provide any requested missing information,

but in no event shall any Settlement Class Member have more than thirty (30) days after being noticed by the Settlement Administrator of any question or deficiency in the submitted Claim Form to answer the question or cure such deficiency.

**5.3 Challenges to Validity of Claim Form.** Both Class Counsel or World Emblem, either individually or jointly, shall have the right to challenge the acceptance or rejection of a Claim Form submitted by a Settlement Class Member. The Settlement Administrator shall be bound by any agreed decisions of Class Counsel and World Emblem's Counsel as to the validity of any disputed Claim Form. To the extent Class Counsel and World Emblem are not able to agree on the disposition of a challenge, the Parties shall present such challenges to the mediator, Joe Epstein, for binding, non-appealable decision as to such challenge, subject to any confidentiality provisions as necessary to assure the privacy of the person whose claim is challenged.

**5.4 Administrator's Request for Information.** In the exercise of their duties outlined in this Agreement, the Settlement Administrator shall have the right to reasonably request additional information from the Parties or any Settlement Class Member.

**5.5 Fairness Hearing.** The Final Approval Hearing shall be no earlier

than forty-five (45) days after the Notice described in Section 4.2 is provided or such other time as the Court shall set.

**5.6 Confidentiality of Information.** The Settlement Administrator and the Parties each agree to keep all information received under Section 5 of this Agreement—including the Class List and all personal information of the Settlement Class obtained therefrom—confidential and may use it only for purposes of effectuating this Agreement.

## **6. TERMINATION OR RESCISSION OF SETTLEMENT**

**6.1 Termination Events.** Subject to Section 9 below, the Class Representative, on behalf of the Settlement Class, or Defendant and each or any of them, shall have the right to terminate this Agreement by providing written notice of the election to do so (“Termination Notice”) to all other Parties within ten (10) business days of any of the following events: (i) the Court’s refusal to grant Preliminary Approval of this Agreement in any material respect, including without limitation the Court’s refusal to approve the reversion of monies remaining in the Settlement Fund to World Emblem; (ii) the Court’s refusal to grant final approval of this Agreement in any material respect; (iii) the Court’s refusal to enter the Final Order in this Action in any material respect; (iv) the date upon which the Final Order is modified or reversed in any material respect

by the Court of Appeals or the Supreme Court; or (v) the date upon which the Alternate Order, as defined in Section 9.1(d) of this Agreement, is modified or reversed in any material respect by the Court of Appeals or the Supreme Court.

**6.2 Termination or Rescission by Defendant.** Notwithstanding any other provision contained herein to the contrary, Defendant shall have the right, but not the obligation, to terminate and rescind this Agreement if over fifteen (15) percent of the Settlement Class files valid requests for exclusion from this Agreement. To exercise this right, Defendant must provide written notice to Plaintiff no later than fourteen (14) days following the Objection/Exclusion Deadline. If Defendant terminates or rescinds this Agreement, then the Defendant's obligations under the Agreement will cease to have any force and effect, the Agreement will be vacated, canceled, and annulled, and the Parties will return to the status quo ante as if they had not entered into the settlement. In addition, the settlement and all negotiations and proceedings related to the settlement will be without prejudice of the rights of the Parties, and evidence of the settlement, negotiations, and proceedings will be inadmissible and will not be discoverable.

## **7. PRELIMINARY APPROVAL ORDER AND FINAL APPROVAL ORDER**

**7.1 Motion for Preliminary Approval.** Promptly after the execution

of this Settlement Agreement, Class Counsel shall submit this Agreement together with its Exhibits to the Court and shall move the Court for Preliminary Approval of the settlement set forth in this Agreement, certification of the Settlement Class for settlement purposes only, appointment of Class Counsel and the Class Representatives, and entry of a Preliminary Approval Order, which order shall set a Final Approval Hearing date, the Objection/Exclusion deadline, the Claims Deadline, and approve the Notice and Claim Form for dissemination in accordance with the Notice Plan, substantially in the forms attached as Exhibits A and B.

**7.2 Final Approval Hearing.** At the time of the submission of this Agreement to the Court as described above, Class Counsel and World Emblem's Counsel shall request that, after Notice is given, the Court hold a Final Approval Hearing and approve the settlement of the Action as set forth in this Agreement.

**7.3 Final Approval Order.** After Notice is given, the Parties shall request from the Court a Final Order. The Final Order will (among other things):

**7.3.1** find that the Court has personal jurisdiction over all Settlement Class Members and that the Court has subject matter jurisdiction to approve the Agreement, including all attached exhibits;

**7.3.2** approve the Agreement and the proposed settlement as fair,

reasonable and adequate as to, and in the best interests of, the Settlement Class Members; direct the Parties and their counsel to implement and consummate the Agreement according to its terms and provisions; and declare the Agreement to be binding on, and have *res judicata* and preclusive effect in all pending and future lawsuits or other proceedings maintained by or on behalf of Plaintiffs and the Releasing Parties;

**7.3.3** find that the Notice and the Notice Plan implemented pursuant to the Agreement (i) constitute the best practicable notice under the circumstances; (ii) constitute notice that is reasonably calculated, under the circumstances, to apprise the Settlement Class of the pendency of the Action, their right to object or exclude themselves from the proposed Agreement, and to appear at the Final Approval Hearing; (iii) are reasonable and constitute due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) meet all applicable requirements of the Federal Rules of Civil Procedure, the Due Process Clause of the United States Constitution, and the rules of the Court;

**7.3.4** find that the Class Representative and Class Counsel adequately represented the Settlement Class for purposes of entering into and implementing the Agreement;

**7.3.5** dismiss this Action (including all individual claims and

class action claims presented thereby) on the merits and with prejudice, without fees or costs to any party except as provided in the Settlement Agreement;

**7.3.6** incorporate the Release set forth above, make the Release effective as of the Effective Date, and forever discharge the Released Parties as set forth in this Agreement;

**7.3.7** permanently bar and enjoin all Settlement Class Members who have not been properly excluded from the Settlement Class from filing, commencing, prosecuting, intervening in, or participating (as class members or otherwise) in, any lawsuit or other action in any jurisdiction based on the Released Claims;

**7.3.8** authorize the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications and expansions of the Settlement Agreement and its implementing documents (including all exhibits to this Agreement) as (1) shall be consistent in all material respects with the Final Order, or (b) do not limit the rights of Settlement Class Members; and without affecting the finality of the Final Order for purposes of appeal, retain jurisdiction as to all matters relating to administration, consummation, enforcement, and interpretation of the Settlement Agreement and the Final Order, and for any other necessary purpose; and

**7.3.9** incorporate any other provisions, as the Court deems necessary and just.

**8. ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES AND ACTIVE INCENTIVE AWARD.**

**8.1 Attorneys' Fees and Costs.** Subject to the Court's approval, the Parties have agreed that out of the Settlement Fund, Class Counsel shall be paid the sum of ninety thousand dollars (\$90,000 USD) for reasonable attorneys' fees and expenses in the Action. Defendant agrees that it will not object to, or otherwise challenge, directly or indirectly, Class Counsel's application for attorneys' fees and for reimbursement of costs and other expenses as long as Class Counsel's application does not exceed said amount. Class Counsel has, in turn, agreed not to seek more than this amount from the Court.

**8.2 Payment of Fees and Costs.** Class Counsel shall, within fourteen (14) days following the Effective Date, be paid the amount of attorneys' fees and expenses approved by the Court. Any payment of the Fee Award from the Settlement Fund shall be paid by the Settlement Administrator via electronic transfer to an account designated by Class Counsel providing necessary information to the Settlement Administrator. Class Counsel agree and represent that in no event shall Defendant collectively pay or be obligated to pay in excess of \$90,000 for Class Counsel's attorneys' fees and expenses. Defendant shall

timely ensure that the Settlement Administrator has funds to pay the Fee Award approved by the Court.

**8.3 Incentive Award for Class Representative.** In addition to any Approved Claim payment to which he may be entitled to under the Settlement Agreement, and provided that he does so qualify for an Approved Claim, in recognition of his efforts on behalf of the Settlement Class, the Class Representative shall, subject to the approval of the Court, be awarded an incentive award in the aggregate amount of two thousand dollars (\$2,000). World Emblem agrees that such an amount is reasonable and that it shall not oppose such award, directly or indirectly. This sum shall be paid in recognition of the Plaintiff's time, exposure, and effort serving as the Class Representative in this litigation. The Settlement Administrator shall pay said amount via check from the Settlement Fund to the Class Representative, such check to be sent care of Class Counsel, within ten (10) days after the date the Court enters the Final Order if there have been no objections to the Settlement Agreement, and, if there have been such objections, within fourteen (14) days after the Effective Date.

**9. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION**

**9.1 Effective Date of Settlement.** The Effective Date of this Settlement Agreement shall not occur unless and until each of the following

events occurs and shall be the date upon which the last (in time) of the following events occurs:

**9.1.1** This Agreement has been signed by Class Counsel, the Named Plaintiff, World Emblem and World Emblem's Counsel;

**9.1.2** The Court has entered the Preliminary Approval Order;

**9.1.3** The Court has entered an order finally approving the Agreement, following notice to the Settlement Class and a Final Approval Hearing, as provided in the Federal Rules of Civil Procedure, and has entered the Final Order, or an order substantially consistent with this Agreement; and

**9.1.4** The Final Order has become Final, as defined above, or, in the event that the Court enters a final order in a form other than that provided above ("Alternate Order") and that has the consent of the Parties, such Alternate Order becomes Final.

**9.2 Failure of Effective Date.** If some or all of the conditions specified in Section 9.1 are not met, or in the event that this Agreement is not approved by the Court, or the settlement set forth in this Agreement is terminated or fails to become effective in accordance with its terms, then this Agreement shall be canceled and terminated subject to Section 9.3 unless the Plaintiff and Defendant mutually agree in writing to proceed with the

Agreement. If any party to this Agreement is in material breach of the terms of this Agreement, any other party, provided that it is in substantial compliance with the terms of the Agreement, may terminate this Agreement on notice to all of the Settling Parties. Notwithstanding anything in this Agreement, the Parties agree that the Court's failure to approve, in whole or in part, the attorneys' fees payment to Class Counsel set forth in Section 8.1 and 8.2 above shall not prevent the Agreement from becoming effective, nor shall it be grounds for termination.

**9.3 Status Quo Ante.** If this Agreement is terminated or fails to become effective for the reasons set forth in Sections 6.1, 6.2, 9.1 or 9.2 above, the Parties shall be restored to their respective positions in the Action as of the date of the signing of this Agreement with all claims or their defenses fully preserved. In such event, any Final Order or other order entered by the Court in accordance with the terms of this Agreement shall be treated as vacated, *nunc pro tunc*, and the Parties shall be returned to the *status quo ante* with respect to the Action as if they had never entered into this Agreement, subject to reasonable extensions of time as to any deadlines.

**9.4 No Publicity.** The Parties and their counsel agree that they do not intend to issue any press releases announcing this Settlement. Class Counsel

may state on their Firm website that the Action was settled and approved by the Court. Class Counsel is also required to post any Motion for Attorneys' Fees on their Firm Website in accordance with Section 1.26 above.

**9.5 No Admission of Liability.** Nothing in this Agreement or in any other document related to this Settlement will be construed as or deemed an admission of liability, culpability, negligence, reckless disregard, or wrongdoing on the part of Defendant. Each of the Parties has entered into this Agreement with the intention of avoiding further disputes and litigation and the attendant inconvenience, expense, and unpredictability.

**9.6 Consent to Certification for Settlement Purposes Only and No Waiver.** For settlement purposes only, Defendant consents to class certification under Rule 23. The Parties agree that certification for settlement purposes is in no way an admission on the part of Defendant that Rule 23 class certification or any other aggregate treatment would be proper absent a settlement, and Defendant does not waive any right or argument that it may have that class certification for any purpose other than settlement is improper under Rule 23.

## **10. MISCELLANEOUS PROVISIONS**

**10.1 Good Faith Efforts.** The Parties: (i) acknowledge that it is their intent to consummate this Settlement Agreement; and (ii) agree, subject to their

ethical, fiduciary, and legal obligations, to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Agreement and to exercise their reasonable best efforts to accomplish the foregoing terms and conditions of this Agreement. The Parties, Class Counsel, and World Emblem's Counsel all agree to cooperate with one another in seeking Court approval of the Preliminary Approval order, the Settlement Agreement, and the Final Order, and promptly to agree upon and execute all such other documentation as may be reasonably required to obtain final approval of the Agreement.

**10.2 All Disputes Resolved.** The Parties intend this Settlement Agreement to be a final and complete resolution of all disputes between them with respect to the Released Claims by the Releasing Parties and each or any of them, on the one hand, against the Released Parties, and each or any of them, on the other hand. Accordingly, the Parties agree not to assert in any forum that the Action was brought by Plaintiff or defended by Defendant, or each or any of them, in bad faith or without a reasonable basis.

**10.3 Advice of Counsel.** The Parties have relied upon the advice and representation of counsel, selected by them, concerning their respective legal liability for the claims hereby released. The Parties have read and understand

fully this Agreement and have been fully advised as to the legal effect thereof by counsel of their own selection and intend to be legally bound by the same.

**10.4 No Admission or Concessions.** Whether or not the Effective Date occurs or the Settlement Agreement is terminated, neither this Agreement nor the settlement contained in this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement:

**10.4.1** is, may be deemed, or shall be used, offered or received against the Released Parties, or each or any of them, as an admission, concession, or evidence of, the validity of any Released Claims, the truth of any fact alleged by the Plaintiffs, the deficiency of any defense that has been or could have been asserted in the Action, the violation of any law or statute, the reasonableness of the settlement amount or the fee award, or of any alleged wrongdoing, liability, negligence or fault of the Released Parties, or any of them;

**10.4.2** is, may be deemed, or shall be used, offered, or received against the Settlement Class as an admission, concession, or evidence of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by the Released Parties, or any of them;

**10.4.3** is, may be deemed, or shall be used, offered, or received against the Released Parties, or each or any of them, as an admission or

concession with respect to any liability, negligence, fault or wrongdoing as against any Released Parties, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. However, the settlement, this Agreement, and any acts performed or documents executed in furtherance of or pursuant to this Agreement or Settlement may be used in any proceedings as may be necessary to enforce the provisions of this Agreement. If this Settlement Agreement is approved by the Court, any of the Parties or any of the Released Parties may file this Agreement or the Final Order in any action that may be brought against such Party or Parties in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, waiver, release, accord and satisfaction, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim;

**10.4.4** is, may be deemed, or shall be construed against Plaintiffs, the Settlement Class or each or any of them, or against the Released Parties, or each or any of them, as an admission or concession that the consideration to be given hereunder represents an amount equal to, less than, or greater than that amount that could have or would have been recovered after trial; and

**10.4.5** is, may be deemed, or shall be construed as or received in

evidence as an admission or concession against Plaintiffs, the Settlement Class, or each and any of them, or against the Released Parties, or each or any of them, that any of Plaintiffs' claims are with or without merit or that damages recoverable in the Action would have exceeded or would have been less than any particular amount.

**10.5 Headings/Captions.** The headings used in this Agreement are used for the purpose of convenience only and are not meant to have legal effect.

**10.6 Waiver.** The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed as a waiver of any other prior or subsequent breaches of this Agreement. The Parties agree that this Agreement may not be waived except by a writing signed by the Class Representative and a duly-authorized representative of Defendant.

**10.7 Recitals and Exhibits.** All the Recitals and Exhibits to this Agreement are material and integral parts of it and are fully incorporated into this Agreement by this reference.

**10.8 Entire Agreement.** This Agreement and its Exhibits set forth the entire agreement and understanding of the Parties with respect to the matter set forth herein, and supersede all prior negotiations, agreements, arrangements, and undertakings with respect to the matters set forth herein. No representations,

warranties, or inducements have been made to any Party concerning this Settlement Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents. This Agreement may be amended or modified only by a written instrument signed by or on behalf of each of the Parties and their duly-authorized representatives or their respective successors-in-interest.

**10.9 Defendants' Fees and Costs.** Defendant shall bear its own attorneys' fees and costs.

**10.10 No Assignments.** All Parties represent and warrant that they have not assigned any claim or right or interest therein as against the Released Parties to any other Person or Party and that they are fully entitled to release the same.

**10.11 Authorized Signatures.** Each counsel or other Person executing this Settlement Agreement, any of its Exhibits, or any related settlement documents on behalf of any Party to this Agreement warrants and represents that such Person has the full authority to do so and has the authority to take appropriate action required or permitted to be taken pursuant to the Agreement to effectuate its terms.

**10.12 Counterparts Same as Original.** 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 provided that counsel for the Parties to this Agreement all exchange original signed counterparts. A complete set of original executed counterparts shall be filed with the Court if the Court so requests.

**10.13 Successors and Assigns.** This Settlement Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Parties to this Agreement and the Released Parties. The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to do so to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released and discharged as set forth in this Agreement.

**10.14 Jurisdiction Over Agreement.** This Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Agreement, and all Parties to this Agreement submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in this Agreement.

**10.15 Stay of Proceedings Pending Preliminary and Final Approval.** All proceedings in the Action shall be stayed and abated following entry of the Preliminary Approval Order, except as may be necessary to implement the

Settlement Agreement or comply with the terms of the Settlement. Pending determination of whether the Settlement Agreement should be granted final approval, the Parties in the Action agree not to pursue any claims or defenses otherwise available to them.

**10.16 No Admissions or Concessions.** Whether or not the Settlement Agreement is signed or otherwise approved or if this Settlement Agreement is terminated, neither this Settlement Agreement nor the settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement may be deemed, or shall be used, offered or received against the Released Parties, or each or any of them, as an admission, concession or evidence of, the validity of any Released Claims, the truth of any fact alleged by the Plaintiff, the deficiency of any defense that has been or could have been asserted in the Action, the violation of any law or statute, the reasonableness of the settlement amount or the fee award, or of any alleged wrongdoing, liability, negligence, or fault of the Released Parties, or any of them. Additionally, neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement, is or may be deemed a waiver of World Emblem's right to challenge class certification if this Settlement for any reason does not become Final.

**10.17 Applicable Law.** This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

**10.18 Arms-Length Negotiations.** This Agreement is deemed to have been prepared by counsel for all Parties, as a result of arm's-length negotiations among the Parties with the aid of a neutral mediator. Whereas all Parties have contributed substantially and materially to the preparation of this Agreement, it shall not be construed more strictly against one Party than another.

**10.19 Notice to Parties and Counsel.** Where this Agreement requires notice to the Parties, such notice shall be sent to the undersigned counsel by email to their designated accounts in the Action, certified mail in care of the United States Postal Service (USPS) or by overnight mail in care of the USPS or such recognized commercial carrier as Federal Express, UPS or the like with proof of delivery:

(a) For Plaintiffs: Steven L. Woodrow, Patrick H. Peluso, Woodrow & Peluso, LLC, 3900 East Mexico Avenue, Suite 300, Denver, Colorado 80210, [swoodrow@woodrowpeluso.com](mailto:swoodrow@woodrowpeluso.com), [ppeluso@woodrowpeluso.com](mailto:ppeluso@woodrowpeluso.com); and

(b) For World Emblem: Craig Cleland and Kristy Offitt, Ogletree, Deakins, Nash, Smoak & Stewart, P.C., One Ninety One Peachtree Tower, 191 Peachtree Street, N.E., Suite 4800, Atlanta, GA 30303.

[SIGNATURE PAGE FOLLOWS]

*For Plaintiff and the Class*

**DAVID WOODFORD**

*David Woodford*

---

Date: 08/19/2016

*For Defendant*

**WORLD EMBLEM INTERNATIONAL, INC.**

---

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Approved as to form by counsel for the Parties:*

**WOODROW & PELUSO, LLC**

  
\_\_\_\_\_

By: Patrick Peluso

Title: Partner

Date: 8/22/16

**OGLETREE, DEAKINS, NASH, SMOAK &  
STEWART, P.C.**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

[SIGNATURE PAGE FOLLOWS]

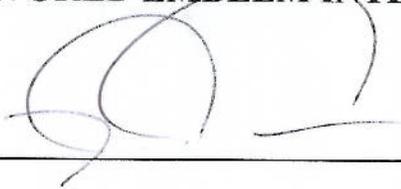
*For Plaintiff and the Class*

**DAVID WOODFORD**

\_\_\_\_\_  
Date: \_\_\_\_\_

*For Defendant*

**WORLD EMBLEM INTERNATIONAL, INC.**

  
\_\_\_\_\_  
By: Rudy Chan

Title: CEO

Date: 8.20.2016

*Approved as to form by counsel for the Parties:*

**WOODROW & PELUSO, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OGLETREE, DEAKINS, NASH, SMOAK &  
STEWART, P.C.**



\_\_\_\_\_

By: A. Craig Cleland

Title: Attorney for World Emblem International, Inc.

Date: August 31, 2016

# **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

DAVID WOODFORD, individually )  
and on behalf of a class of similarly )  
situation individuals, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
WORLD EMBLEM )  
INTERNATIONAL, INC., a Florida )  
corporation, )  
 )  
Defendant. )

CIVIL ACTION  
NO. 1:15-cv-02983-ELR-LTW

I, Steven L. Woodrow, declare as follows:

1. I am over the age of eighteen (18), and am one of the attorneys for the Plaintiff and the Class in this matter. I make this declaration in support of Plaintiff’s Motion for Award of Attorneys’ Fees, Expenses, and Incentive Award in the above captioned litigation.

***Class Counsel’s Investigation***

2. Prior to the initiation of the Action, Class Representative, Mr. Woodford, and Class Counsel engaged in a series of discussions related to his experience with Defendant World Emblem, specifically the background check he believed had been procured about him.

3. Thereafter, Class Counsel, specifically Steven Woodrow and Patrick Peluso of Woodrow & Peluso, LLC, researched World Emblem, Inc. extensively and specifically reviewed public information related to World Emblem's hiring and background check practices.

4. This included analyzing World Emblem's job application process and reviewing materials online.

6. Following this research and investigation phase, the attorneys at my law firm determined that sufficient facts were present to support prosecution of the case on a class-wide basis given the apparent uniformity of the procedures that were used.

7. My law firm thereafter drafted and edited the pleadings, reviewed them with the Class Representative to ensure accuracy and completeness and filed the lawsuit in consultation with Plaintiff Woodford. Along with the Complaint, we also drafted and served a placeholder Motion for Class Certification or for a Deferred Ruling Pending Discovery. (Dkt. 4.)

### ***Early Resolution and Formal Mediation***

8. Following the filing of the Complaint, World Emblem appeared in the case and reached out to Plaintiff's counsel to discuss the litigation.

9. During this and other early communications, counsel for the Parties exchanged preliminary information regarding the size and scope of the putative classes as well as information regarding potential settlement frameworks.

10. Based on these early talks the Parties agreed to seriously explore the potential for settling the case through a private mediation process.

11. On April 14, 2016, counsel for the Parties, together with counsel for World Emblem's insurer, convened for a mediation session with Joe Epstein of CRS in Denver, Colorado, a well-respect neutral.

12. The negotiations included face-to-face discussions as well as separate caucuses. Eventually, and with Mr. Epstein's substantial help and assistance, we were able to reach an agreement in principle with respect to the settlement framework and certain key terms, including the dollar value of each claim and World Emblem's responsibility for the class notice.

13. Only once such terms were agreed to in principal did the Parties negotiate an incentive award for Woodford and reasonable attorneys' fees for proposed Class Counsel.

***Post Mediation Work and Preliminary Approval***

14. Following the mediation, the Parties negotiated and drafted a formal "Memorandum of Agreement," which required substantial effort by both sides.

15. Once the MOA was signed, the Parties drafted and edited all Settlement documents, including the Settlement Agreement, claim form, and the class notices. This process involved multiple extended rounds of back and forth edits. The Parties then executed the Settlement Agreement in late-August 2016.

16. In total, Class Counsel spent 221.1 hours pursuing the case to this stage and anticipate the need to dedicate another 35-45 hours between now and the close of the settlement process, assisting class members, approving payments, dealing with any contested claims, and the current potential for objectors.

***Proposed Class Counsel's Experience and Opinion of the Settlement***

17. As evidenced by the attached Firm Resume of Woodrow & Peluso, LLC (attached hereto as Ex. 1) Class Counsel has substantial experience litigating FCRA class action lawsuits that are similar in size, scope and complexity to the present case. Class Counsel have litigated and settled numerous FCRA cases.

18. Class actions are complex and require special skills to pursue. Here, Plaintiff's counsel are experienced class action practitioners who investigated the claims, prepared the pleadings, brought World Emblem to the negotiating table, and achieved the instant Settlement which exceeds on a per-claim basis most FCRA class action settlements.

19. Class Counsel diligently investigated and prosecuted this matter and dedicated substantial resources to the investigation of the claims at issue in the Action and have successfully negotiated this Settlement with World Emblem.

20. The result of this investigation and litigation, which culminated in the mediation before Mr. Epstein, is an outcome that best serves the interests of the Class.

21. As such, in Class Counsel's opinion this is a strong deal for the Settlement Class despite the opposition by Defendant's attorneys and the potential defenses.

***The Contingent Nature of the Case/Out of Pocket Expenses***

22. Class Counsel has prosecuted this matter on a contingency basis. At the risk of receiving nothing in return, we initiated and prosecuted this case, which required us to invest substantial time and resources pursuing the facts needed to prove that the claims could be certified and treated on a class basis and that they had underlying merit.

23. The risk and pitfalls we faced were quite real. Issues abound that can doom a FCRA class action such as this one, including legal issues affecting the class, problems with the claims of the named plaintiff, discovery and preservation issues, and other risks. There also is the significant hurdle presented by the Supreme Court's *Spokeo* decision. Yet the effort and skill employed by Class Counsel resulted in a Settlement Agreement that makes substantial relief available to Settlement Class Members. After balancing the strengths of the case with the hurdles to come, Plaintiff and Class Counsel concluded that the relief available through the Settlement was the best course of action.

24. Class Counsel advanced all costs, including filing fees and mediation costs. Class Counsel will also be traveling to attend the Fairness Hearing in Atlanta.

And of course, had the case proceeded, Class Counsel were prepared to retain experts as necessary.

25. Our work in this case also prevented the attorneys from working on other matters. We are not a large firm, so when we take a case on contingency we must invest time and effort, often what may amount to hundreds or thousands of hours, to ensure that it is successful. Class Counsel spent meaningful attorneys' time investigating the claims, preparing for the and participating in the mediation, drafting all settlement documents, and preparing all approval documents. In other words, it was not as if this case was settled with a handful of telephone calls and barely interrupted Class Counsel's routine. This necessarily took us away from other matters.

***Our Firm's Lodestar***

26. The attorneys and at our firm enter their time regularly using a program called "Freshbooks."

27. In this case, and as reflected in the chart below, my firm, Woodrow & Peluso, LLC, expended a total of 222.1 hours litigating this matter. This represents time that necessarily was not, and could not have been, spent performing work for other paying clients or on contingency work that carried a better likelihood of return.

28. As this was not the only matter Plaintiff's Counsel could have worked on during this time, the lawyers were precluded from taking on additional work.

<b>Attorney Name/Firm</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Lodestar</b>
Steven Woodrow	Partner	\$430	124.3	\$53,499
Patrick Peluso	Partner	\$330	97.8	\$32,274
<b>LODESTAR</b>			222.1	\$85,723

29. We anticipate that we will need to invest another 35-45 hours on the case seeing it through to final approval. This includes preparing all of the filings in support of final approval, working with Settlement Class Members to help them file claims, performing other tasks related to the litigation, and drafting the instant Motion.

30. It is my understanding that my firm's hourly rates fall below the market rate for comparable attorneys in this District. *Campos v. ChoicePoint Servs., Inc.*, No. 103-CV-3577-WSD, 2007 WL 2001797, at \*3 (N.D. Ga. July 5, 2007) (approving an hourly rate of \$400 in 2007). Additionally, the rates reflected in the chart are the rates my firm charges to paying clients, and they are lower than the rates that Courts approved for me, Steven Woodrow, when I was a partner at my prior firm.<sup>1</sup>

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<sup>1</sup> See e.g. *Wigod v. Wells Fargo Bank, N.A.*, Case No: 1:10-cv-2348 (N.D. Ill. 2014) (*Wigod* Dkt. 278)) (approving hourly rate of \$570 for attorney Woodrow in 2014);

31. Class Counsel has diligently attempted to avoid duplication of effort and to delegate work efficiently. By taking the case on contingency we have incentive not to waste time or effort pursuing unreasonable or unsupportable claims.

32. In short, under both our current lodestar and our anticipated future lodestar needed to finalize the Settlement, Class Counsel has performed substantial work in the case so as to justify a lodestar multiplier—to the extent one is even needed to support the claims. Absent the prospect of a multiplier, Class Counsel would have been hard pressed to agree to prosecute this case, considering the risks involved.

***Class Counsel’s Costs/Reimbursable Expenses***

33. As shown in the attached expense report for Woodrow & Peluso, LLC, Class Counsel incurred costs of \$3,389 filing, litigating, and settling the case. (See “Expenses,” a true and accurate copy of which is attached hereto as Exhibit 2.) Costs were all tailored to the case. None are excessive; rather, each was needed to advance the litigation or Settlement through the private mediation process.

***Class Representative Incentive Award***

33. Plaintiff’s involvement in the case was essential to the ultimate success of the Settlement. Due to his continued willingness to assume the responsibilities

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*see also Schulken v. Washington Mutual Bank*, No. 09-CV-02708-LHK (N.D. Cal.) (*Schulken* Dkt. 223) (Judge Koh approving attorney Woodrow’s hourly rate of \$500 in 2012). Mr. Woodrow reduced his rate when starting his own law firm to reflect the realities that larger firms command higher rates in the market.

expected of class representatives, including protecting the interests of the Class instead of simply furthering his own interests, Class Counsel was able to secure such a favorable result. As such, Woodford should receive an award of \$2,000.

***Additional Factors Justify the Fee Requested***

34. World Emblem was committed to fighting the case vigorously and, at the time the case was filed, the Supreme Court's pending *Spokeo* decision loomed.

35. Furthermore, at the time the case was filed there was no guarantee of payment by any means—it was totally unknown whether World Emblem would have insurance or funds to cover the claims at issue. It should also be noted that Class Counsel had to represent someone with a criminal background: even though nothing in the law prohibits such an individual from recovering, Mr. Woodford's past is not one that makes a case attractive.

36. Plaintiff's counsel has not previously represented Woodford such that a special, prolonged professional relationship exists to suggest that compensation in this case may be reduced because future fees from the plaintiffs are all but guaranteed. That is, it is likely that after this litigation Woodford will not be a repeat client (unless he somehow falls victim to some other consumer claim that warrants a class action). Given the temporary nature of the professional relationship, this is not the type of case where the plaintiff's lawyers would have litigated the matter *pro bono* or at a significant discount given their close ties to the client. Rather, my firm took the case

on contingency in the hopes that some amount of attorneys' fees would be recovered but it was not guaranteed.

Further affiant sayeth not.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed in Denver, Colorado, on December 14, 2016.

/s/ Steven L Woodrow  
Steven L Woodrow

# **EXHIBIT 1**

## **WOODROW & PELUSO, LLC FIRM RESUME**

WOODROW & PELUSO, LLC (“Woodrow & Peluso” or the “firm”) is a plaintiff’s class action and commercial litigation firm based in Denver, Colorado. The firm files cases across the Country.

Our attorneys have over a decade of experience successfully representing consumers and small businesses in matters nationwide. From litigation under the Telephone Consumer Protection Act, 47 U.S.C. § 227 *et seq.*, to cases enforcing the rights of job applicants and employees under the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, to appeals of first impression, our lawyers have litigated and favorably resolved numerous legal disputes to the satisfaction of our clients. At Woodrow & Peluso, LLC, we take special pride in the quality of our work product and strive tirelessly to achieve the best results for every client. Descriptions of our three primary practice areas—(1) Consumer Class Actions, (2) Commercial Litigation, and (3) Appeals—and key personnel follow.

### **OUR PRACTICE AREAS**

#### **1. CONSUMER CLASS ACTIONS**

The majority of the firm’s caseload focuses on consumer class actions. These cases include class actions alleging violations of statutes, such as the Fair Credit Reporting Act, the Telephone Consumer Protection Act, and the Truth-in-Lending Act, as well as class actions challenging systematic breaches of contract and advancing other common law theories.

##### **TCPA Class Actions**

Since opening the firm’s doors, Woodrow & Peluso attorneys have focused on litigating class actions challenging violations of the Telephone Consumer Protection Act. To date we have filed, prosecuted, and resolved using various settlement models TCPA cases against major corporations and entities including J.B. Hunt, Altisource, Acurian, Price Self Storage, Local Lighthouse, Global Marketing Research Services, Geekatoo, Rita’s Italian Ice, Roomster, LKQ, among many others. Our firm’s attorneys have substantial experience prosecuting such claims, including class actions challenging the unlawful transmission of text messages, the sending of unlawful facsimiles, the placement of “robocalls” featuring a pre-recorded voice to residential landline phones, and the use of automatic telephone dialing systems, including predictive dialers, to call consumer cell phones.

The attorneys of Woodrow & Peluso LLC, in the case of *Martin et al. v. Global Marketing Research Services, Inc.* (6:14-cv-1290-ORL-31-KRS) (M.D. Fla.) were appointed Settlement Class Counsel and secured Final Approval of a TCPA settlement featuring the establishment of a \$10 million Common Fund.

While a Partner with his prior law firm, Woodrow & Peluso attorney Steven Woodrow was appointed interim co-lead class counsel in a TCPA class action against Nationstar Mortgage, LLC (*see Jordan et al v. Nationstar Mortgage LLC*, 3:14-cv-00787-WHO) and led TCPA litigation that resolved favorably against Bankrate Inc., and Carfax.com. Mr. Woodrow was also

involved in the TCPA settlement reached in *Weinstein v. The Timberland Co. et al.* (N.D. Ill.), a text messaging class action featuring 40,000 unauthorized messages, and was part of the appellate strategy team that secured the landmark decision in *Satterfield v. Simon & Schuster, Inc.*, 569 F.3d 946 (9th Cir. 2009), the first federal appellate decision to affirm that text messages are covered as “calls” under the TCPA.

### **FCRA Class Actions**

The second sub-focus within the firm’s class action practice consists of cases under the Fair Credit Reporting Act (“FCRA”), which regulates the procurement and use of consumer reports by employers when they make hiring/firing/pay decisions. To date, the firm has successfully represented clients in putative class actions against Terminix, ServiceMaster, WinCo Foods, TrueBlue Inc./Labor-Ready Mid-Atlantic, FedEx, Tyler Staffing Services, Inc., Great Lakes Wine & Spirits, and many others.

### **Banking and Financial Institutions Class Actions**

Our attorneys have substantial experience representing consumers in class action litigation involving national banking associations and other financial institutions. Meaningful representations include:

- *Schulken v. Washington Mut. Bank*, No. 09-CV-02708-LHK, 2012 WL 28099, at \*15 (N.D. Cal. Jan. 5, 2012). Attorney Steven Woodrow secured prior firm’s appointment as Class Counsel from Judge Lucy Koh in class action challenging JPMorgan Chase Bank, N.A.’s suspension of former WaMu home equity line of credit accounts. Case settled with Mr. Woodrow’s appointment as co-lead settlement class counsel.
- *In re JPMorgan Chase Bank, N.A. Home Equity Line of Credit Litigation*, MDL No. 2167. Attorney Steven Woodrow helped secure transfer by the Judicial Panel on Multidistrict Litigation to the Northern District of Illinois and appointment of prior firm as interim class counsel. Attorney Woodrow also negotiated and was also appointed co-lead settlement class counsel in settlement projected to restore between \$3 billion - \$5 billion in credit to affected borrowers in addition to cash payments.
- *Hamilton v. Wells Fargo Bank, N.A.*, 4:09-cv-04152-CW (N.D. Cal.). Attorney Steven Woodrow served as co-lead settlement counsel in class action challenging Wells Fargo’s suspensions of home equity lines of credit. Nationwide settlement restored access to over \$1 billion in credit and provided industry leading service enhancements and injunctive relief.
- *In re Citibank HELOC Reduction Litigation*, 09-CV-0350-MMC (N.D. Cal.). Attorney Steven Woodrow was appointed interim co-lead counsel and settlement class counsel in class actions challenging Citibank’s suspensions of home equity lines of credit. The settlement was estimated to

have restored over \$650,000,000 worth of credit to affected borrowers.

- *Vess v. Bank of America, N.A.* 10cv920–AJB(WVG) (S.D. Cal.). Attorney Steven Woodrow negotiated class action settlement with Bank of America challenging suspension and reduction of home equity lines of credit.
- *Wigod v. Wells Fargo*, No. 10-cv-2348 (N.D. Ill.). Steven Woodrow secured the first appellate decision in the country recognizing the right of homeowners to sue under state law to enforce HAMP trial plan agreements. Attorney Steven Woodrow was appointed co-lead settlement counsel providing loan modifications and cash payments to affected borrowers.

### **General Consumer Protection Class Actions**

Woodrow & Peluso attorneys have additionally successfully prosecuted and resolved countless class action suits against other companies for a range of consumer protection issues. For example, Woodrow & Peluso filed the first class action in the Country to challenge the marijuana industry’s use of certain allegedly dangerous fungicides and pesticides and were the first lawyers to bring class actions (against the Colorado Rockies Baseball Club and Kroenke Sports & Entertainment, LLC) seeking to enforce the Colorado Consumer Protection Act, § 6-1- 718 *et seq.*, which prohibits owners of entertainment venues from imposing restrictions on the resale of tickets. The firm has also brought and litigated class actions against hospitals for their use of “chargemaster” billing rates and are presently engaged in litigation against Southwest Airlines related to its “Companion Pass” program.

Woodrow & Peluso LLC has also brought claims against major food manufacturers and distributors for falsely advertising certain products as “All Natural” and “Made in U.S.A.” Our attorneys also have experience litigating class claims regarding missing or misappropriated “bitcoins.” Woodrow & Peluso also brought the first class action in Colorado against cannabis growers for their use of unapproved and harmful pesticides.

## **2. COMMERCIAL LITIGATION**

As small business owners, we understand and appreciate the challenges that new companies face as they strive to make headway in the market. Our attorneys regularly counsel small businesses and have represented such companies in a wide range of general commercial litigation matters including partnership and business disputes, breaches of contracts and term sheets, and claims charging company managers and members of breach of fiduciary duty, breach of contract, fraud, and fraudulent/preferential transfer. We regularly advise clients on matters and contracts involving millions of dollars, and our attorneys have successfully represented businesses and other entities in mediations, arbitrations, and trial.

## **3. APPEALS**

Our attorneys have substantial experience handling appeals at both the state and federal level. Representative appeals worked on predominately by our attorneys include:

- *Wigod v. Wells Fargo Bank, N.A.*, 673 F.3d 547 (7th Cir. 2012). Attorney Steven Woodrow briefed and argued this appeal resulting in the first federal appellate decision holding that banks may be sued under state law for violations of the federal government's Home Affordable Modification Program. The opinion has been cited over 1,300 times by courts, litigants, and commentators throughout the Country and is widely regarded as the leading authority on the rights and obligations of HAMP servicers and borrowers.
- *Robins v. Spokeo*, 742 F.3d 409 (9th Cir. 2014). Attorney Steven Woodrow argued a federal appeal reversing dismissal and upholding consumer rights under the Fair Credit Reporting Act against one of the nation's largest online data aggregators regarding whether a plaintiff who does not suffer tangible pecuniary loss may still show legal harm to satisfy Article III standing. The case is currently pending before the United States Supreme Court and has been frequently reported on as one of three major class action issues presently on the Supreme Court's docket.
- *Equity Residential Properties Mgmt. Corp. v. Nasolo*, 364 Ill. App. 3d 26, 28, 847 N.E.2d 126, 128 (2006). Attorney Steven Woodrow helped author the winning brief in this landmark landlord/tenant appeal defining the requirements for constructive service and due process for Illinois evictions under the Illinois Forcible Entry and Detainer Act. 735 ILCS 5/9–107 *et seq.*
- *Fuentes v. Kroenke Sports & Entertainment, LLC*, Case No. 2014CV32619. Woodrow & Peluso appealed grant of summary judgment in favor of defendant finding that the Colorado Consumer Protection Act, 6-1-701 *et seq.* does not allow for class actions. Case settled prior to the resolution of the appeal.

#### OUR ATTORNEYS

At present, our firm consists of 2 attorneys whose relevant experience is set forth below.

**STEVEN LEZELL WOODROW** has over a decade of experience advising consumers and small businesses in high stakes litigation.

Steven briefed and delivered the winning argument in the landmark federal appellate court decision *Wigod v. Wells Fargo Bank, N.A.*, 673 F.3d 547 (7th Cir. 2012) holding banks accountable for violations of the federal Home Affordable Modification Program. The opinion is widely regarded as the leading authority on the rights and obligations of HAMP servicers and borrowers. Steven also delivered the winning oral argument in *Robins v. Spokeo*, 742 F.3d 409 (9th Cir. 2014), a

federal appeal upholding consumer rights under the Fair Credit Reporting Act against one of the nation's largest online data aggregators. The case is presently set for argument before the United States Supreme Court.

Mr. Woodrow was appointed lead class counsel in litigation against JPMorgan Chase Bank, N.A. challenging the bank's 4506-T HELOC suspension program and was appointed settlement class counsel in other HELOC litigation against Wells Fargo Bank, N.A., Citibank, N.A., Chase, Bank of America, N.A. and PNC Bank.

Mr. Woodrow also led the legal team that secured a preliminary injunction freezing the U.S. assets of Mark Karpeles, the former head of the failed Bitcoin exchange known as Mt. Gox, as well as an order compelling Mr. Karpeles to personally appear in the United States for a deposition in connection with Mt. Gox's Chapter 15 bankruptcy case in Dallas Texas.

Steven has also litigated putative class actions under the Telephone Consumer Protection Act, and courts have appointed him to serve as class counsel in nationwide settlements against cellphone companies, aggregators, and mobile content providers related to unfair billing practices, including *Paluzzi v. Cellco Partnership*, *Williams v. Motricity, Inc.*, and *Walker v. OpenMarket Inc.*

Steven has also served as an Adjunct Professor of Law at the Illinois Institute of Technology Chicago-Kent College of Law, where he co-taught a seminar on class actions. Prior to founding Woodrow & Peluso, Steven was a partner at prominent class action technology firm in Chicago.

Before that, he worked as a litigator at a Chicago boutique where he tried and arbitrated a range of consumer protection, landlord tenant, and real estate matters.

## **EDUCATION**

Chicago-Kent College of Law, J.D., High Honors, 2005

The University of Michigan—Ann Arbor, B.A, Political Science, *with Distinction*, 2002

## **ADMISSIONS**

State of Colorado (2011)

State of Illinois (2005)

United States Court of Appeals for the Seventh Circuit

United States Court of Appeals for the Ninth Circuit

United States District Court, District of Colorado

United States District Court, Northern District of Illinois

United States District Court, Eastern District of Michigan

United States District Court, Western District of Michigan

United States District Court, District of New Mexico

United States District Court, Western District of Wisconsin

**PATRICK H. PELUSO** specializes in plaintiff-side consumer class actions.

With a true passion for protecting consumers and their rights, Patrick aggressively pursues class action lawsuits against companies who violate those rights.

Through these lawsuits, he is able to force law-breaking companies to compensate the people they have harmed and correct their future practices. Patrick possesses the skills, strategic vision, and moxie to achieve excellent results for the people he represents. He has experience working with a broad range of consumer protection laws including the Fair Credit Reporting Act, the Telephone Consumer Protection Act, and various state consumer protection and consumer fraud statutes.

Patrick received his law degree from the University of Denver, Sturm College of Law where he was Editor-in-Chief of an academic journal. During law school, Patrick worked with a leading consumer class action law firm and held legal internships with a federal administrative judge and the legal department of a publicly-traded corporation. Before law school, Patrick attended New York University, where he graduated with a B.S. and played on the school's club baseball team.

Patrick grew up in Baltimore, Maryland and now resides in Denver, Colorado.

#### **EDUCATION**

University of Denver, J.D. 2014

New York University, B.S.

#### **ADMISSIONS**

State of Colorado (2014)

United States District Court, District of Colorado

United States District Court, District of New Mexico

United States District Court, Western District of Wisconsin

# **EXHIBIT 2**

# Woodrow & Peluso LLC

## Expense Report World Emblem

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<b>Date</b>	<b>Type of Expense</b>		<b>Amount</b>
8/24/2015	Filing Fee	\$	400.00
9/29/2015	Process Service	\$	89.00
9/22/2015	Pro Hac Vice Fees	\$	300.00
3/9/2016	Mediation Costs	\$	2,600.00
	<b>Total</b>	\$	<b>3,389.00</b>

# **EXHIBIT C**

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

CORY COUCH, *individually and on  
behalf of all others similarly situated,*

Plaintiff,

v.

SOUTHWEST AIRLINES CO.,

Defendant.

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Civil Action No. 3:15-CV-0367-N

**ORDER**

This Order addresses Plaintiff Cory Couch’s motion for reasonable attorney’s fees and expenses in accordance with Rule 54 and the Court’s Order of March 24, 2016 [38]. The Court grants the motion for attorney’s fees and expenses at a reduced amount.

**I. ORIGINS OF THE MOTION**

On February 6, 2015, Couch filed a class action complaint against Defendant Southwest Airlines Co. (“Southwest”) challenging Southwest’s administration of its Companion Pass program. *See* Pl.’s Original Class Action Compl. [1]. After filing his complaint, Southwest offered Couch Companion Pass status for the remainder of 2015 and for 2016. *See* Def.’s Emergency Mot. to Strike 2 [19]. Additionally, Southwest offered Plaintiff a reasonable fee for his attorneys. *See id.* Couch requested \$100,000 in attorney’s fees, which Southwest refused to pay. *See id.* Southwest instead offered Couch’s attorneys the costs of the lawsuit and a Companion Pass for each of the attorneys working on the case.

*See id*; Pl.’s Resp., Ex. A, Decl. of Att’y Steven L. Woodrow ¶ 4 [29-1]. Couch initially rejected this offer, and he used his accrued Rapid Rewards points to purchase a ticket for his spouse on a Southwest flight to Michigan. Pl.’s Resp. 11 [25]. Southwest later refunded him these points. Def.’s Suppl. Br. 1–2 [35]. Couch moved to certify the class on April 3, 2015. Southwest filed an emergency motion to strike Couch’s motion to certify the class and a motion to dismiss on April 14, 2015. On August 4, 2015, Couch began using the Companion Pass that Southwest had previously awarded him. *See* Def.’s Suppl. Br. Regarding Pl.’s Lack of Standing, Ex. A, 1–3 [31-1]. On March 24, 2016, because the Court found that Couch accepted Southwest’s offer of complete relief when he began using the Companion Pass Southwest awarded him and because Southwest refunded him the points he used for his wife’s trip to Michigan, the Court granted Southwest’s motion to dismiss and denied Couch’s motion to certify the class. *See* Order March 24, 2016 7 [36]. The Court stated in its Order of March 24, 2016 that “[b]ecause Southwest offered him reasonable attorney’s fees, Couch may move the Court for attorney’s fees pursuant to Rule 54.” Order March 24, 2016 7 [36]. Plaintiff filed the present motion on April 7, 2016

## II. STANDARD FOR ATTORNEY’S FEES

To determine a “reasonable” fee award, courts first calculate a “lodestar” amount by multiplying a reasonable billing rate by the number of hours reasonably spent litigating the successful claim. *McClain v. Lufkin Indus., Inc.*, 519 F.3d 264, 284 (5th Cir. 2008); *see also* *Perdue v. Kenny A. ex rel Winn*, 559 U.S. 542, 551–52 (2010). This calculation, however, excludes hours spent on “excessive, redundant, or otherwise unnecessary work” and on

nonprevailing claims unrelated to successful claims. *Hensley v. Eckerhart*, 461 U.S. 424, 434–35 (1983).

The court may then increase or decrease the lodestar amount based on the “*Johnson* factors”:

- (1) the time and labor required to litigate the case,
- (2) the novelty and difficulty of the questions involved,
- (3) the skill required to litigate the case,
- (4) whether taking the case precluded the attorney from other employment,
- (5) the customary fee for similar work in the community,
- (6) the fee or percentage of recovery the attorney quoted to the client,
- (7) whether the client or case required expedited legal work,
- (8) the amount involved and results obtained,
- (9) the experience, reputation, and ability of the attorneys,
- (10) the “undesirability” of the case,
- (11) the nature and length of the attorney-client relationship, and
- (12) awards made in similar cases.

*Johnson v. Ga. Highway Express, Inc.*, 488 F.2d 714, 717–19 (5th Cir. 1974). However, the lodestar necessarily “subsumes” some *Johnson* factors, see *Hensley*, 461 U.S. at 434 n.9, and the Court may not take into account those factors “subsumed” in the lodestar when considering whether to enhance the lodestar under the *Johnson* factors, *Perdue*, 559 U.S. at 553. The fee applicant has the burden to demonstrate the amount of attorney’s fees and any adjustment or enhancement under the *Johnson* factors. See, e.g., *Blum v. Stenson*, 465 U.S. 886, 901–02 (1984).

### **III. THE COURT AWARDS ATTORNEY’S FEES AT A REDUCED AMOUNT**

Couch requests an award of attorney’s fees pursuant to Rule 54 in the amount of \$85,970.00. Couch calculated this amount by multiplying the billing rates of Reid Elkus,

Scott McLeod, Steven Woodrow, Patrick Peluso, and Rob Kleinman by the number of hours each spent on this matter.

The Court first considers the “reasonableness” of the billing rates. “Reasonable” rates “are to be calculated according to the prevailing market rates in the relevant community.” *McClain*, 649 F.3d at 381 (citing *Blum*, 465 U.S. at 895). In his declaration, Woodrow states that he charges \$430.00 per hour for legal services (an amount he notes is a reduction off of prior rates), that Elkus charges \$350.00 per hour, that McLeod charges \$275.00 per hour, that Peluso charges \$330.00 per hour, and that Kleinman charges \$425.00 per hour. Woodrow, supported by outside counsel, avers that these rates are reasonable for professionals with similar experience and expertise in the Dallas, Texas area. The Court agrees that these fees are reasonable and awards fees at these rates.

Next, the Court considers whether the number of hours billed was reasonable. “The Court must determine the appropriate compensable hours based on the attorneys’ time records, and compensate only for those hours reasonably spent in relation to prevailing claims.” *Coach Inc. v. Couture*, 2012 WL 3249470, at \*2 (W.D. Tex. 2012) (citing *Shipes v. Trinity Indus.*, 987 F.2d 311, 320 (5th Cir. 1993)). Southwest urges the Court that Plaintiff’s counsel is entitled to attorney’s fees incurred only up to the date of Southwest’s offer of complete relief on March 27, 2015. While the Court agrees with Southwest that a cut-off date is appropriate, the Court holds that such cut-off date is August 4, 2015, when Couch accepted Southwest’s offer of complete relief by using the Companion Pass that Southwest awarded him. The Court declines to award fees incurred after Couch accepted

Southwest's offer of complete relief because such fees were incurred without benefit to Couch's claims. Using this cut-off date, the Court reduces the lodestar amount to \$68,040.50.<sup>1</sup>

The Court, however, reduces the lodestar amount by half after consideration of *Johnson* factor (8). The Court may increase or decrease the lodestar amount based on the amount involved in the action and the result obtained. Here, Couch obtained an award of Companion Pass status with Southwest for part of 2015 and all of 2016. Couch sought, but ultimately was denied, class certification. While the Court does not minimize the work that goes into filing a motion for class certification, the amount in dispute and the relief actually obtained for one plaintiff are relatively low when compared to the reduced lodestar amount of \$68,040.50 (and certainly to the requested amount of \$85,970.00). Accordingly, the Court reduces the fee award by half to \$34,020.25.

#### IV. THE COURT AWARDS COSTS

Couch requests \$525.00 pursuant to Rule 54(d) for costs associated with litigating this matter. Federal Rule of Civil Procedure 54(d) provides that:

Except when express provision therefore is made either in a statute of the United States or in these rules, costs shall be allowed as of course to the prevailing party unless the court otherwise directs.

FED. R. CIV. P. 54(d).

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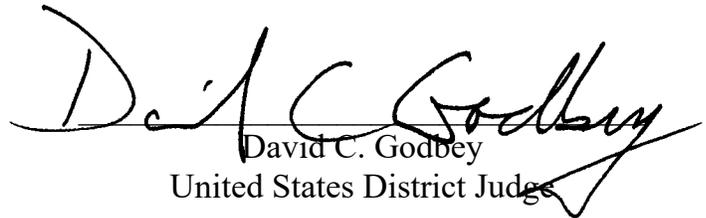
<sup>1</sup>This lodestar amount is calculated as the sum of (99.6 hours \* \$430.00 for Woodrow) + (54 hours \* \$330.00 for Peluso) + (4.5 hours \* \$350.00 for Elkus) + (0.60 hours \* \$275.00 for McLeod) + (13.3 hours \* \$425.00 for Kleinman).

Couch requests costs expended for filing fees, service charges, and *pro hac vice* admissions. Southwest does not object to these costs. Finding the costs requested to be reasonable, the Court awards costs in the amount of \$525.00.

**CONCLUSION**

The Court grants Plaintiff's motion for attorney's fees and costs at the amounts of \$34,020.25 and \$525.00 respectively.

Signed December 6, 2016.

  
David C. Godbey  
United States District Judge