

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

IN RE ZILLOW GROUP, INC.  
SECURITIES LITIGATION

CASE NO. C17-1387-JCC

**NOTICE OF PENDENCY OF CLASS ACTION**

**To:** All persons who purchased or otherwise acquired Zillow Group, Inc. (“Zillow” or the “Company”) securities<sup>1</sup> between November 17, 2014 and August 8, 2017, both dates inclusive (the “Class Period”).

*A federal court has authorized this notice. This is not a solicitation from a lawyer.*

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

1. The “Class,” as certified by the United States District Court for the Western District of Washington (the “Court”), consists of:

All persons who purchased or otherwise acquired Zillow securities between November 17, 2014 and August 8, 2017, both dates inclusive, excluding Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

2. This Notice is directed to you because you may be a member of the Class. If you are a member of the Class, your rights will be affected by this Action. If you do not meet the Class definition, this Notice does not apply to you. If you are uncertain whether you are a member of the Class, contact Class Counsel, whose information is listed in paragraph 17 below, or your own attorney.
3. This Notice is not an admission by defendants or an expression of any opinion of the Court concerning the merits of the above-captioned action (the “Action”), or a finding by the Court that the claims asserted by the class representatives, Jo Ann Offutt, Raymond Harris, and Johanna Choy (the “Class Representatives” or “Plaintiffs”), in this case are valid. This Notice is intended solely to advise you of the pendency of the Action and of your rights in connection with it. There is no settlement or monetary

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<sup>1</sup> The term “securities” includes Class A common stock (CUSIP #98954M101); Class C capital stock (CUSIP #98954M200); 2% convertible senior notes due 2021 (CUSIP #98954MAA9); and 2.75% convertible senior notes due 2020 (CUSIP #897888AB9).

recovery at this time. Defendants have denied the Class Representatives' claims and contend that they are not liable for any of the harm alleged by the Class Representatives.

4. The Class definition may be subject to change by the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure.

**PLEASE DO NOT CALL OR WRITE THE COURT.**

**OVERVIEW AND STATUS OF THIS ACTION**

5. This Action is the consolidation of two related class action lawsuits filed in August and September of 2017.
6. On January 5, 2019, the Court entered an Order appointing Jo Ann Offutt, Raymond Harris, and Johanna Choy, as Lead Plaintiffs for the Action pursuant to the Private Securities Litigation Reform Act of 1995. The Court also approved Lead Plaintiffs' selection of The Rosen Law Firm, P.A. as Lead Counsel for the putative class ("Class Counsel").
7. This Action was filed on September 14, 2017 in the United States District Court for the Western District of Washington. Plaintiffs filed a Consolidated Amended Complaint on February 16, 2018. Defendants moved to dismiss on April 5, 2018. The Court Dismissed the First Amended Complaint on October 2, 2018, with leave to replead. Plaintiffs filed the Second Amended Complaint on November 16, 2018 (the "Complaint"). The Complaint alleges that Zillow, Spencer Rascoff, and Kathleen Phillips violated the federal securities laws by making false or misleading statements or omissions by falsely assuring investors that Zillow's "co-marketing program" complied with Section 8(a) of the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. §§ 2601, 2607. The Complaint alleges that the co-marketing program was in reality designed to allow participating real estate agents to refer mortgage business to participating lenders in violation of (*Id.* at 8.) Plaintiffs assert that Defendants made a series of misleading statements regarding Zillow's legal compliance by failing to disclose the co-marketing program's alleged illegality, particularly after the Consumer Financial Protection Bureau ("CFPB") launched an investigation into the program. (*Id.*) The Complaint alleges that these allegedly false and misleading statements and omissions caused Class Members to suffer damages when the true facts entered the market for Zillow's stock. Plaintiffs allege that Defendants' misrepresentations about Zillow's legal compliance caused them to purchase the Company's stock at artificially inflated prices.
8. On December 17, 2018, Defendants moved to dismiss the Complaint for failure to state a claim.
9. On April 19, 2019, the Court entered an order denying Defendants' motion to dismiss.
10. On May 3, 2019, Defendants filed their answer to the Complaint. Defendants denied all alleged wrongdoing.

**YOUR RIGHTS AS A CLASS MEMBER IN THIS ACTION**

11. A class action is a type of lawsuit in which one or more individuals and/or entities prosecute claims on behalf of all members of a group of similarly-situated persons and entities to obtain monetary or other relief for the benefit of the entire group. Class actions avoid the necessity of each member of a class having to file his, her or its own separate lawsuit to obtain relief. Class actions are used to decide legal and factual issues that are common to all members of a class.
12. If you purchased or acquired Zillow securities during the period from November 17, 2014 through August 8, 2017, inclusive, and you are not excluded from the Class, you are a member of the Class. Excluded from the class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. If you are a member of the

Class, you have the right to decide whether to remain a member of the Class. If you are a member of the Class and wish to be excluded from the Class, you must request exclusion in accordance with the procedure set forth in paragraph 14 below. ***If you choose to remain a member of the Class, you do not need to do anything at this time other than to retain your documentation reflecting your transactions in Zillow securities.*** Your decision is important for the following reasons:

- a. **If you choose to remain a member of the Class**, you will be bound by all past, present and future orders and judgments in the Action, whether favorable or unfavorable. If any money is awarded to the Class, either through a settlement with Defendants or a judgment of the Court after a trial, you may be eligible to receive a share of that award. However, if you remain a member of the Class, you may not pursue a lawsuit on your own behalf with regard to any of the claims in this Action. Pursuant to Rule 23(e)(4) of the Federal Rules of Civil Procedure, it is within the Court’s discretion whether to allow a second opportunity to request exclusion from the Class if there is a future settlement or judgment in the Action after a trial. If you remain a member of the Class, you will not be personally responsible for Class Counsel’s attorneys’ fees or costs. Class Counsel have agreed to represent the Class on a contingent fee basis, which means that they will be awarded fees and costs to be approved by the Court only if they succeed in obtaining a recovery from one or more Defendants. Any attorneys’ fees for Class Counsel will be awarded by the Court from the settlement or judgment, if any, obtained on behalf of the Class. As a member of the Class, you will be represented by Class Counsel. You may remain a member of the Class and elect to be represented by counsel of your own choosing. If you do retain separate counsel, you will be responsible for those attorneys’ fees and expenses, and such counsel must enter an appearance on your behalf by filing a Notice of Appearance with the Court and mailing it to Class Counsel at the address set forth in paragraph 17 below so that it is received on or before April 29, 2021.
- b. **If you choose to be excluded from the Class**, you will not be bound by any judgment in this Action, nor will you be eligible to share in any recovery that might be obtained in this Action. You will retain any right you have to individually pursue any legal rights that you may have against any Defendants with respect to the claims asserted in the Action. Please refer to paragraph 14 below if you would like to be excluded from the Class.

13. Members of the Class will be eligible to participate in any recovery that might be obtained in the Action. While this Notice is not intended to suggest any likelihood that a recovery may be obtained for Class Representative or members of the Class, should there be a recovery, members of the Class will be required to support their requests to participate in the distribution of any such recovery by demonstrating their membership in the Class and documenting their purchases and sales of Zillow securities and their resulting damages. ***For this reason, please be sure to keep all records of your transactions in these securities.***

#### **HOW TO EXCLUDE YOURSELF FROM THE CLASS**

14. If you wish to be excluded from the Class, you must specifically request exclusion in accordance with the following procedures. To exclude yourself from the Class, you must send a letter by first-class mail stating that you “request exclusion from the Class in *In re Zillow Group, Inc. Securities Litigation*, Case No.: C17-1387-JCC.” Your request must: (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state the number of Zillow securities purchased, acquired, sold and/or disposed during the Class Period, as well as the dates and prices of each such purchase, acquisition, sale, and/or disposition; (iii) be signed by the person or entity requesting exclusion, or an authorized representative thereof; and (iv) include account documentation reflecting your purchase and sale of Zillow securities during the Class Period. ***You must mail your***

*exclusion request, postmarked no later than April 14, 2021*, to the Notice Administrator at the following address:

*Zillow Group, Inc. Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 North Jackson Street, Suite 205  
Media, PA 19063

You cannot exclude yourself from the Class by telephone or by email. A request for exclusion shall not be effective unless it contains all the information called for by this paragraph and is postmarked by the date stated above, or it is otherwise accepted by the Court.

15. If your request for exclusion complies with the requirements set forth above, you will not be bound by any judgment in this Action, nor will you be eligible to share in any recovery that might be obtained in this Action.
16. Do not request exclusion from the Class if you wish to participate in this Action as a member of the Class.

#### **CLASS COUNSEL**

17. As a member of the Class, you will be represented by Class Counsel, who is:

Laurence M. Rosen, Esq.  
Jonathan Stern, Esq.  
THE ROSEN LAW FIRM, P.A.  
275 Madison Avenue, 34<sup>th</sup> Floor  
New York, New York 10016  
Tel: (212) 686-1060

18. As noted above, unless you elect to retain your own personal lawyer, by remaining in the Class, you will not subject yourself to any direct obligations to pay the costs of the litigation. In the event there is a recovery by the Class in this Action, all costs and expenses of the Action, including Class Counsel's attorneys' fees, will be paid from that recovery in an amount approved by the Court. If there is no recovery, Class Counsel will not receive any attorneys' fees or reimbursement of expenses.

#### **WHERE YOU CAN FIND ADDITIONAL INFORMATION**

19. This Notice gives only a summary of the lawsuit and the claims asserted by Class Representatives. For more detailed information regarding the Action, you may contact Class Counsel or visit the website at [www.strategicclaims.net/Zillow](http://www.strategicclaims.net/Zillow).

**PLEASE DO NOT CALL OR WRITE THE COURT.**

#### **NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

20. If, for the beneficial interest of any person or entity other than yourself, you purchased or acquired Zillow securities during the period from November 17, 2014, through August 8, 2017, inclusive, you must, within seven (7) calendar days of receipt of the notice, either: (a) request sufficient copies of the Summary Notice from the Notice Administrator to mail to beneficial owners and, within seven (7) calendar days of receipt of those Summary Notices, mail the Summary Notice to all such beneficial owners; (b) request an electronic copy of the Summary Notice from the Notice Administrator and, within seven (7) calendar days of receipt of the electronic Summary Notice, email the Summary Notice

to beneficial owners; or (c) provide a list of the names, addresses, and email addresses, to the extent email addresses are available, of all such beneficial owners to the Notice Administrator at *Zillow Group, Inc. Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 North Jackson Street, Suite 205, Media, PA 19063, toll-free: (866) 274-4004, fax: (610) 565-7985, info@strategicclaims.net. If you choose the first option, you must send a statement to the Notice Administrator confirming that the mailing and/or emailing was made, and you must retain your mailing and/or emailing records for use in connection with any further notices that may be provided in the Action. If you choose the second option, the Notice Administrator will send a copy of the Summary Notice to the beneficial owners by email, if provided an email address, or otherwise by mail. Upon full compliance with these directions, such nominees may seek reimbursement of their expenses not to exceed \$0.05 per name and address, if names and address are provided to the Notice Administrator; \$0.05 per email sent, if the nominee emails the Summary Notice directly to the beneficial owners; or \$0.05 plus postage at the rate used by the Notice Administrator per Summary Notice, if the nominee elects to mail directly to beneficial owners.

Dated: January 14, 2021

BY ORDER OF THE COURT:  
United States District Court  
for the Western District of Washington

Zillow Group, Inc. Securities Litigation  
c/o Strategic Claims Services  
600 North Jackson Street, Suite 205  
Media, PA 19063

**IMPORTANT LEGAL DOCUMENT – PLEASE FORWARD**