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The Honorable John C. Coughenour

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

In re Zillow Group, Inc.  
Securities Litigation

No. 2:17-cv-1387-JCC

~~[PROPOSED]~~ ORDER GRANTING  
MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION  
SETTLEMENT

WHEREAS, Class Representatives Johanna Choy, Raymond Harris, and Jo Ann Offutt (“Class Representatives”), individually and on behalf of the Class, and Defendants Zillow Group, Inc. (“Zillow” or the “Company”), Spencer M. Rascoff, and Kathleen Philips (“Defendants” and together with Class Representatives, the “Parties”), have entered into the Stipulation of Settlement, dated March 31, 2023 (“Stipulation”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed settlement of the class action pending before the Court entitled *In re Zillow Group, Inc. Securities Litigation*, Case No. 2:17-cv-01387 (W.D. Wash.) (“Action”); and

WHEREAS, the Court has read and considered the Stipulation and the exhibits thereto and submissions made relating thereto, and

WHEREAS, the Court finds that substantial and sufficient grounds exist for entering this Order; and

WHEREAS, the Parties consent to the entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED, this 3rd day of April, 2023, that:

1           1. All capitalized terms used herein have the same meanings as set forth and defined  
2 in the Stipulation.

3           2. The Court has reviewed the Stipulation and its exhibits and finds that (a) the  
4 Stipulation resulted from good faith, arm's-length negotiations, and (b) the Stipulation is  
5 sufficiently fair, reasonable, and adequate to the Class Members to warrant providing notice of the  
6 Settlement to Class Members and holding a Settlement Hearing.

7           3. The Court hereby preliminarily approves the Settlement, subject to further  
8 consideration at a hearing ("Settlement Hearing") pursuant to Federal Rule of Civil Procedure  
9 23(e), which is hereby scheduled to be held before the Court on August 8, 2023, at 9:00 a.m. for  
10 the following purposes:

11                 (a) to determine finally whether the Settlement is fair, reasonable, and  
12 adequate, and should be approved by the Court;

13                 (b) to determine finally whether the Final Judgment, substantially in the form  
14 of Exhibit B to the Stipulation, should be entered, dismissing the Action on the merits and with  
15 prejudice, and to determine whether the release by the Releasing Parties of the Released Claims  
16 against the Released Parties, as set forth in the Stipulation, should be ordered, along with a  
17 permanent injunction barring efforts to prosecute or attempt to prosecute any Released Claims  
18 extinguished by the release against any of the Released Parties, as also set forth in the Stipulation;

19                 (c) to determine finally whether the proposed Plan of Allocation for the  
20 distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court;

21                 (d) to consider the application of Class Counsel for an award of attorneys' fees  
22 and expenses and for an award to Class Representatives ("Fee and Expense Application");

23                 (e) to consider Class Members' objections to the Settlement, if any, whether  
24 submitted previously in writing or presented orally at the Settlement Hearing by Class Members  
25 (or by counsel on their behalf); and

26                 (f) to rule upon such other matters as the Court may deem appropriate.

1           4.       The Court reserves the right to adjourn the Settlement Hearing to a later date and  
2 to approve the Settlement with or without modification and with or without further notice other  
3 than entry of an Order on the Court’s docket. The Court may decide to hold the Settlement Hearing  
4 telephonically or by other virtual means without further notice. The Court further reserves the right  
5 to enter its Final Judgment approving the Settlement and dismissing the Action, on the merits and  
6 with prejudice, regardless of whether it has approved the Plan of Allocation or the Fee and Expense  
7 Application.

8           5.       The Court reserves the right to approve the Settlement with such modifications as  
9 may be agreed upon or consented to by the Parties and without further notice to the Class where  
10 to do so would not impair Class Members’ rights in a manner inconsistent with Rule 23 of the  
11 Federal Rules of Civil Procedure, other applicable rules or regulations, or due process of law.

12           6.       The Court approves the form, substance, and requirements of the (a) Long Notice,  
13 (b) Proof of Claim, (c) Summary Notice, and (d) Postcard Notice, all of which are exhibits to the  
14 Stipulation.

15           7.       Class Counsel, on behalf of Class Representatives, has the authority to enter into  
16 the Settlement on behalf of the Class and has the authority to act on behalf of the Class with respect  
17 to all acts or consents required by or that may be given pursuant to the Stipulation or such other  
18 acts that are reasonably necessary to consummate the Settlement.

19           8.       Strategic Claims Services is appointed and approved as the Claims Administrator  
20 to supervise and administer the notice procedure as well as the processing of claims.

21           9.       The Escrow Agent may, at any time after entry of this Order and without further  
22 approval from Defendants or the Court, disburse at the direction of Class Counsel up to \$750,000  
23 from the Settlement Fund prior to the Effective Date to pay reasonable Administrative Costs. After  
24 the Effective Date, up to an additional \$750,000 may be transferred from the Settlement Fund to  
25 pay for any reasonable and necessary Administrative Costs without further order of the Court.

26           10.       Within thirty (30) days of the entry of this Order, Class Counsel, through the Claims  
Administrator, shall either: (a) email links to the location of the Long Notice and Proof of Claim,

1 substantially in the form annexed to the Stipulation as Exhibit A-1 and Exhibit A-2, to Class  
2 Members for whom the Claims Administrator is able to obtain email addresses; or (b) if no  
3 electronic mail address can be obtained, cause the Postcard Notice, substantially in the form  
4 annexed to the Stipulation as Exhibit A-4, to be mailed by first class mail, postage prepaid, to Class  
5 Members who can be identified with reasonable effort by Class Counsel, through the Claims  
6 Administrator.

7 11. Class Counsel, through the Claims Administrator, shall make all reasonable efforts  
8 to give notice to nominees or custodians who held Zillow securities during the Class Period as  
9 record owners but not as beneficial owners. Such nominees or custodians shall, within ten (10)  
10 days of receipt of the notice, either: (i) request copies of the Postcard Notice sufficient to send the  
11 Postcard Notice to all beneficial owners for whom they are nominee or custodian, and within ten  
12 (10) days after receipt thereof send copies to such beneficial owners; (ii) request links to the  
13 location of the Long Notice and Proof of Claim and email the links to each beneficial owner for  
14 whom they are nominee or custodian within ten (10) days after receipt thereof; or (iii) provide the  
15 Claims Administrator with lists of the names, last known addresses and email addresses (to the  
16 extent known) of such beneficial owners, in which event the Claims Administrator shall promptly  
17 deliver the Postcard Notice to such beneficial owners. If the Claims Administrator receives an  
18 email address, it will send a link to the location of the Long Notice and Proof of Claim  
19 electronically. Nominees or custodians who elect to email links to the Long Notice and Proof of  
20 Claim or send the Postcard Notice to their beneficial owners shall send a written certification to  
21 the Claims Administrator confirming that the mailing or emailing has been made as directed.  
22 Copies of the Postcard Notice shall be made available to any nominee or custodian requesting  
23 same for the purpose of distribution to beneficial owners. The Claims Administrator shall, if  
24 requested, reimburse nominees or custodians out of the Settlement Fund solely for their reasonable  
25 out-of-pocket expenses incurred in providing notice to beneficial owners, which expenses would  
26 not have been incurred except for the providing names and addresses, of up to \$.03 per name,  
address, and email address provided to the Claims Administrator; up to \$.03 per unit for each

1 Postcard Notice actually mailed, plus postage at the pre-sort rate used by the Claims Administrator;  
2 or up to \$.03 per email notice sent, and subject to further order of this Court with respect to any  
3 dispute concerning such reimbursement.

4 12. Class Counsel shall, at least seven (7) days before the Settlement Hearing, serve  
5 upon counsel for Defendants and file with the Court proof of the mailing of the Postcard Notice as  
6 required by this Order.

7 13. Within sixteen (16) days of the entry of this Order, Class Counsel, through the  
8 Claims Administrator, shall cause the Stipulation and its exhibits, this Order, and a copy of the  
9 Long Notice and Proof of Claim to be posted on the Claims Administrator's website.

10 14. Class Counsel, through the Claims Administrator, shall cause the Summary Notice  
11 to be published electronically once on the *GlobeNewswire* and in print once in the *Investor's*  
12 *Business Daily* within ten (10) days after the Postcard Notice mailing or emailing links to the  
13 location of the Long Notice and Proof of Claim. Class Counsel shall, at least seven (7) days before  
14 the Settlement Hearing, serve upon counsel for Defendants and file with the Court proof of  
15 publication of the Summary Notice.

16 15. The forms and methods set forth herein of notifying the Class Members of the  
17 Settlement and its terms and conditions meet the requirements of due process, Rule 23 of the  
18 Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Securities Exchange Act of 1934,  
19 15 U.S.C. 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995;  
20 constitute the best notice practicable under the circumstances; and constitute due and sufficient  
21 notice to all persons and entities entitled thereto. No Class Member will be relieved from the terms  
22 and conditions of the Settlement, including the releases provided for therein, based upon the  
23 contention or proof that such Class Member failed to receive actual or adequate notice.

24 16. In order to be entitled to participate in recovery from the Net Settlement Fund after  
25 the Effective Date, each Class Member shall take the following action and be subject to the  
26 following conditions:

1 (a) A properly completed and executed Proof of Claim must be submitted to  
2 the Claims Administrator either: (a) electronically through the Claims Administrator's website,  
3 www.strategicclaims.net/zillow, by 11:59 p.m. EST on July 11, 2023; or (b) mailed to the Post  
4 Office Box indicated in the Notice, postmarked no later than July 11, 2023 (thirty (30) days prior  
5 to the Settlement Hearing). Such deadline may be further extended by Order of the Court. Each  
6 Proof of Claim shall be deemed to have been submitted when: (a) the claim receives a confirmation  
7 notice from the Claims Administrator for electronic submissions; or (b) legibly postmarked (if  
8 properly addressed and mailed by first class mail) provided such Proof of Claim is actually  
9 received before the filing of a motion for an Order of the Court approving distribution of the Net  
10 Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been  
11 submitted when it was actually received by the Claims Administrator at the address designated in  
12 the Notice.

13 (b) The Proof of Claim submitted by each Class Member must satisfy the  
14 following conditions: (i) it must be properly completed, signed and submitted in a timely manner  
15 in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by  
16 adequate supporting documentation for the transactions reported therein, in the form of broker  
17 confirmation slips, broker account statements, an authorized statement from the broker containing  
18 the transactional information found in a broker confirmation slip, or such other documentation as  
19 is deemed adequate by the Claims Administrator or Class Counsel; (iii) if the person executing the  
20 Proof of Claim is acting in a representative capacity, a certification of their current authority to act  
21 on behalf of the Class Member must be provided with the Proof of Claim; and (iv) the Proof of  
22 Claim must be complete and contain no material deletions or modifications of any of the printed  
23 matter contained therein and must be signed under penalty of perjury.

24 (c) Once the Claims Administrator has considered a timely submitted Proof of  
25 Claim, it shall determine whether such claim is valid, deficient, or rejected. For each claim  
26 determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter  
or rejection letter as appropriate, describing the basis on which the claim was so determined.

1 Persons who timely submit a Proof of Claim that is deficient or otherwise rejected shall be afforded  
2 a reasonable time (at least ten (10) days) to cure such deficiency, if it shall appear that such  
3 deficiency may be cured. If any Claimant whose claim has been rejected in whole or in part wishes  
4 to contest such rejection, the Claimant must, within ten (10) days after the date of mailing of the  
5 notice, serve upon the Claims Administrator a notice and statement of reasons indicating the  
6 Claimant's ground for contesting the rejection along with any supporting documentation, and  
7 requesting a review thereof by the Court. If an issue concerning a claim cannot be otherwise  
8 resolved, Class Counsel shall thereafter present the request for review to the Court.

9 (d) As part of the Proof of Claim, each Class Member shall submit to the  
10 jurisdiction of the Court with respect to the claim submitted, and shall, upon the Effective Date,  
11 release all claims as provided in the Stipulation. No discovery shall be allowed on the merits of  
12 the Action or the Settlement in connection with processing of the Proof of Claim, nor shall any  
13 discovery from or of Defendants be allowed on any topic.

14 17. All Class Members who do not submit valid and timely Proofs of Claim will be  
15 forever barred from receiving any payments from the Net Settlement Fund but will in all other  
16 respects be subject to and bound by the provisions of the Stipulation and the Judgment, if entered.

17 18. In light of the extensive notice program undertaken in connection with class  
18 certification and the ample opportunity provided to Class Members to request exclusion from the  
19 Class at that time, as well as the notification they received that there may not be a second  
20 opportunity to opt out, the Court is exercising its discretion not to allow a second opportunity for  
21 Class Members to exclude themselves from the Class in connection with the Settlement  
22 proceedings. *See, e.g., Low v. Trump Univ., LLC*, 881 F.3d 1111, 1121 (9th Cir. 2018); *Denney v.*  
23 *Deutsch Bank AG*, 443 F.3d 253, 271 (2d Cir. 2006).

24 19. The Court will consider comments and/or objections to the Settlement, the Plan of  
25 Allocation, or the Fee and Expense Application, provided, however, that no Class Member or other  
26 Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed  
Settlement, the Plan of Allocation, or the Fee and Expense Application, or any other order relating

1 thereto, unless, at least twenty-one (21) days prior to the Settlement Hearing Date, that Person has:  
 2 (a) filed said objections, papers, and briefs, and proof of service upon counsel identified below  
 3 with the Clerk of the Court, United States District Court, Western District of Washington, United  
 4 States Courthouse, 700 Stewart Street, Suite 2310, Seattle, WA 98101; and (b) served copies of  
 5 any objections, papers and briefs on each of the following counsel:

6 CLASS COUNSEL:  
 THE ROSEN LAW FIRM, P.A.  
 7 Laurence M. Rosen  
 275 Madison Avenue, 40<sup>th</sup> Floor  
 8 New York, NY 10016

COUNSEL FOR DEFENDANTS:  
 MAYER BROWN LLP  
 Joseph De Simone  
 1221 Avenue of the Americas  
 New York, NY 10020

9 20. To be valid, any such objection must contain the Class Member's: (1) name,  
 10 address, and telephone number; (2) a list of all purchases and sales of Zillow securities during the  
 11 Class Period in order to show membership in the Class; (3) all grounds for the objection, including  
 12 any legal support known to the Class Member and/or their counsel; (4) the name, address and  
 13 telephone number of all counsel who represent the Class Member, including former or current  
 14 counsel who may be entitled to compensation in connection with the objection; and (5) the number  
 15 of times the Class Member and/or their counsel has filed an objection to a class action settlement  
 16 in the last five years, the nature of each such objection in each case, the jurisdiction in each case,  
 17 and the name of the issuer of the security or seller of the product or service at issue in each case.  
 18 Attendance at the Settlement Hearing is not necessary, but Persons wishing to be heard orally in  
 19 opposition to the approval of the Stipulation, the Plan of Allocation, and/or the Fee and Expense  
 20 Application are required to indicate in their written objection (or in a separate writing that is  
 21 submitted in accordance with the deadline and instructions pertinent to the submission of a written  
 22 objection) that they intend to appear at the Settlement Hearing and identify any witnesses they may  
 23 call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Class  
 24 Members do not need to appear at the Settlement Hearing or take any other action to indicate their  
 25 approval.

26 21. Any Class Member who does not object in the manner prescribed above shall be  
 deemed to have waived all such objections and shall forever be foreclosed from making any



1 objection to the fairness, adequacy, or reasonableness of the Settlement, the Judgment to be entered  
2 approving the Settlement, the Plan of Allocation, and/or the Fee and Expense Application, unless  
3 otherwise ordered by the Court; shall be bound by all the terms and provisions of the Stipulation,  
4 including the releases described therein, and by all proceedings, orders and judgments in the  
5 Action; and shall also be foreclosed from appealing from any judgment or order entered in this  
6 Action.

7 22. All papers in support of the Settlement, the Plan of Allocation, and/or the Fee and  
8 Expense Application shall be filed and served no later than twenty-eight (28) days before the  
9 Settlement Hearing.

10 23. Any submissions filed in response to any objections or in further support of the  
11 Settlement, the Plan of Allocation, and/or the Fee and Expense Application shall be filed no later  
12 than seven (7) days prior to the Settlement Hearing.

13 24. Defendants, their counsel, and other Released Parties shall have no responsibility  
14 for, or liability with respect to, the Plan of Allocation, the Fee and Expense Application or any  
15 application for attorneys' fees and interest, or expenses or payments to the Class Representatives  
16 submitted by Class Counsel, and such matters will be considered separately from the fairness,  
17 reasonableness, and adequacy of the Settlement.

18 25. Pending final determination of whether the Settlement should be approved, all  
19 Releasing Parties shall be enjoined from commencing, prosecuting, or attempting to prosecute any  
20 Released Claims against any Released Party in any court or tribunal or proceeding. Unless and  
21 until the Stipulation is cancelled and terminated pursuant to the Stipulation, all proceedings in the  
22 Action, other than such proceedings as may be necessary to carry out the terms and conditions of  
23 the Stipulation, are hereby stayed and suspended until further order of the Court.

24 26. All funds held by the Escrow Agent shall be deemed and considered to be in the  
25 custody of the Court, and shall remain subject to the jurisdiction of the Court, until such time as  
26 such funds shall be distributed or returned pursuant to the Stipulation and Plan of Allocation and/or  
further order(s) of the Court.

1           27. Neither the Stipulation, nor any of its terms or provisions, nor any of the  
2 negotiations or proceedings connected with it, shall be construed as an admission or concession  
3 by Defendants, their counsel, or any of the other Released Parties of the truth of any of the  
4 allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be  
5 construed as, or deemed to be evidence of, or an admission or concession that Class  
6 Representatives or any Class Members directly have suffered any damages, harm, or loss. Further,  
7 neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or  
8 proceedings connected with it, nor this Order shall be construed as an admission or concession by  
9 Class Representatives of the validity of any factual or legal defense or of the infirmity of any of  
10 the claims or facts alleged in the Action.

11           28. In the event the Settlement is not consummated in accordance with the terms of the  
12 Stipulation, then the Stipulation and this Order (including any amendment(s) thereof, and except  
13 as expressly provided in the Stipulation or by order of the Court) shall be null and void, of no  
14 further force or effect, and without prejudice to any Party, and may not be introduced as evidence  
15 or used in any action or proceeding by any Person against the Parties or the Released Parties, and  
16 each Party shall be restored to his, her, or its respective litigation positions as they existed prior to  
17 October 11, 2022, pursuant to the terms of the Stipulation.

18           29. The Court retains exclusive jurisdiction over the Action to consider all further  
19 matters arising out of, or relating to, the Stipulation, including by way of illustration and not  
20 limitation, any dispute concerning any Proof of Claim submitted and any future requests by one  
21 or more of the Parties that the Judgment, the releases and/or the permanent injunction set forth in  
22 the Stipulation be enforced.

23  
24  
25 Dated: April 3, 2023



HON. JOHN C. COUGHENOUR  
UNITED STATES DISTRICT JUDGE