

The Honorable John C. Coughenour

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

IN RE ZILLOW GROUP, INC.  
SHAREHOLDER DERIVATIVE  
LITIGATION

Master File No.: 17-cv-01568-JCC

THIS DOCUMENT RELATES TO:  
ALL ACTIONS

LEAD CASE NO: 2:17-cv-01568-JCC

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1 According to the allegations in the Actions, in June 2013, Zillow launched its co-  
2 marketing program, the first program that allows mortgage lenders to pay for portions of a real  
3 estate agent's monthly online advertising costs. In return, the lender appears at the bottom of  
4 the listing as the agent's "preferred lender."

5 In the beginning of 2017, Zillow permitted any lender to cover up to 50% of an agent's  
6 monthly advertising spend, and up to five (5) lenders to cover 90% of the spend. While cost-  
7 sharing between lenders and agents is legal, under the Real Estate Settlement Procedures Act  
8 ("RESPA") it is illegal for lenders to pay agents for referrals. In addition, RESPA prohibits  
9 lenders from paying more than fair market value to agents for advertising. Any payments in  
10 excess of fair market value are presumed to be illegal payments for referrals.

11 In 2015, the Consumer Financial Protection Bureau ("CFPB") stepped up RESPA  
12 enforcement, entering into several enforcement actions and consent orders with real estate  
13 industry participants. In response to the CFPB's concerns, the Company altered its co-  
14 marketing program in the beginning of 2017. Instead of allowing lenders to collectively  
15 contribute up to 90% of the ad cost, the Company restricted lenders to 50% of that cost.  
16 However, it did not disclose this to the market and did not alter its website to reflect the change  
17 for several months.

18 Around this time, in February 2017, the Company received a Notice and Opportunity to  
19 Respond ("NORA") letter from the CFPB, stating that the Enforcement Division was  
20 considering recommending the CFPB take legal action against the Company for violation of  
21 Section 8 of RESPA, and Section 1036 of the Consumer Financial Protection Act. The  
22 Company responded in March 2017, and in April 2017, Zillow received a Civil Investigative  
23 Demand ("CID"). In August 2017, the CFPB informed the Company that it had concluded its  
24 investigation, requested that the Company negotiate a settlement, and stated that absent a  
25 settlement, it intended to pursue an action against the Company for violating RESPA.

1 The Actions allege that against this backdrop, Defendants made materially false and  
2 misleading statements to the public regarding Zillow's efforts to comply with RESPA.

3 **B. Procedural Background**

4 **1. The Federal Derivative Action**

5 As a result of the above events, on October 23, 2017 and January 8, 2018, respectively,  
6 Sciabacucchi and Klein filed shareholder derivative actions in this Court, alleging breaches of  
7 fiduciary duty, unjust enrichment, abuse of control, corporate waste, and violations of Section  
8 14(a) of the Securities Exchange Act of 1934 against Defendants. On February 5, 2018, the  
9 Court entered an order consolidating the pending actions, appointing Sciabacucchi and Klein as  
10 lead plaintiffs, appointing The Weiser Law Firm, P.C. and Gainey McKenna & Egleston as co-  
11 lead counsel, and staying proceedings until a ruling on the motion to dismiss the related federal  
12 securities class action.

13 Plaintiffs filed a consolidated complaint on July 8, 2019. Defendants moved to dismiss  
14 the Action pursuant to Fed. R. Civ. P. 23.1 on August 22, 2019. On February 28, 2020, the  
15 Court issued an order denying Defendants' motion to dismiss.

16 Defendants answered the consolidated complaint on May 18, 2020, the Court entered a  
17 scheduling order on September 1, 2020, and fact discovery commenced shortly after.

18 **2. The State Derivative Action**

19 The first of the two shareholder derivative actions comprising the consolidated State  
20 Derivative Action was filed on November 9, 2017, in King County, Washington. The two  
21 actions were consolidated and stayed by agreement pending the outcome of the motion to  
22 dismiss in the related federal securities class action on February 16, 2018. The State Derivative  
23 Action remained stayed pending the outcome of the Federal Derivative Action.

24 **C. Settlement Negotiations**

25 The Parties first sought to resolve the claims in the Actions at a November 17, 2020  
26 mediation under the supervision of mediator Michelle Yoshida of Phillips ADR. The mediation  
27

1 did not result in a settlement and the Parties continued with fact discovery.

2 Aided by their efforts undertaken during discovery, the Parties revisited settlement  
3 negotiations throughout the summer of 2021. While the Parties were unable to come to a  
4 resolution, the Parties continued negotiations sporadically over the next year. Ultimately, on  
5 July 21, 2022, the Parties agreed to the terms outlined in Exhibit A attached hereto. It was not  
6 until all these material terms of the Settlement were agreed upon and memorialized in this  
7 Stipulation and Agreement of Settlement that the Parties began the negotiations of appropriate  
8 attorneys' fees.

9  
10 The Parties engaged the services of Robert A. Meyer (the "Mediator") of JAMS, an  
11 experienced mediator of shareholder derivative actions, to oversee the negotiation of attorneys'  
12 fees. The Parties met for a full day mediation in Los Angeles, California on January 13, 2023.  
13 While the Parties did not come to an agreement during this session, negotiations continued  
14 under the supervision of the Mediator. On February 6, 2023, the Parties accepted a mediator's  
15 proposal for an award of attorneys' fees (as detailed in section 5.2 *infra*) of \$1,300,000.00.

16 **II. PLAINTIFFS' COUNSEL'S INVESTIGATION AND RESEARCH,  
17 PLAINTIFFS' CLAIMS, AND THE BENEFITS OF SETTLEMENT**

18 Plaintiffs' Counsel conducted an extensive investigation relating to the claims and the  
19 underlying events alleged in the Actions including, but not limited to: (i) inspecting, analyzing,  
20 and reviewing Zillow's public filings with the SEC, press releases, announcements, transcripts  
21 of investor conference calls, and news articles; (ii) drafting and filing the various initial  
22 complaints, consolidated complaint and other pleadings in the Actions; (iii) researching the  
23 applicable law with respect to the claims asserted in the Actions and the potential defenses  
24 thereto; (iv) researching corporate governance issues; (v) serving discovery requests; (vi)  
25 reviewing tens of thousands of pages of internal Zillow documents; (vii) attending depositions;  
26 (viii) attending a mediation; (ix) preparing detailed settlement demands; and (x) participating  
27 in extensive settlement discussions with counsel for Defendants.

1 Plaintiffs' Counsel believes that the claims asserted in the Actions have merit and that  
2 their investigation supports the claims asserted. Without conceding the merit of any of  
3 Defendants' defenses or the lack of merit of any of their own allegations, and solely to avoid  
4 the potentially protracted time, expense, and uncertainty associated with continued litigation,  
5 including potential trial(s) and appeal(s), Plaintiffs have concluded that it is desirable that the  
6 Actions be fully and finally settled in the manner and upon the terms and conditions set forth in  
7 this Stipulation. Plaintiffs and Plaintiffs' Counsel recognize the significant risk, expense, and  
8 length of continued proceedings necessary to prosecute the Actions against the Individual  
9 Defendants through trial and through possible appeal. Plaintiffs and Plaintiffs' Counsel also  
10 have taken into account the uncertain outcome and the risk of any litigation, especially in  
11 complex cases such as the Actions, as well as the difficulties and delays inherent in such  
12 litigation. Based on their evaluation, Plaintiffs and Plaintiffs' Counsel have determined that the  
13 Settlement is in the best interests of Plaintiffs, Zillow, and Current Zillow Shareholders, and  
14 have agreed to settle the Actions upon the terms and subject to the conditions set forth herein.

15 **III. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY**

16 The Individual Defendants have denied and continue to deny that they have committed  
17 or attempted to commit any violations of law, any breach of fiduciary duty owed to Zillow, or  
18 any wrongdoing whatsoever, including specifically those alleged in the Actions, and expressly  
19 maintain that they have complied with their statutory, fiduciary, and other legal duties.  
20 Defendants enter into this Settlement to eliminate the burden, disruption, expense, and  
21 uncertainties inherent in any further litigation. Defendants also acknowledge that the  
22 Settlement is fair, reasonable, adequate, and in the best interests of Zillow, Current Zillow  
23 Shareholders and themselves.

24 Neither this Stipulation, nor any of its terms or provisions, nor entry of the Judgment,  
25 nor any document or exhibit referred or attached to this Stipulation, nor any action taken to  
26 carry out this Stipulation, is or may be construed or used as evidence of the validity of any of

1 Plaintiffs' Released Claims, or as an admission by or against Defendants of any fault,  
2 wrongdoing, or concession of liability whatsoever.

3 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

4 Plaintiffs (derivatively on behalf of Zillow), the Individual Defendants, and Nominal  
5 Defendant Zillow, by and through their respective undersigned counsel or attorneys of record,  
6 hereby stipulate and agree that, subject to the approval of the Court, the Actions and the  
7 Released Claims shall be finally and fully compromised, settled, and released, and the Actions  
8 shall be dismissed with prejudice, as to all Parties, upon the terms and subject to the conditions  
9 set forth herein as follows:

10 **1. Definitions**

11 As used in this Stipulation, the following terms have the meaning specified below:

12 1.1 "Action" or "Federal Derivative Action" means the above-captioned  
13 consolidated shareholder derivative actions pending in the U.S. District Court for the Western  
14 District of Washington, captioned *In re Zillow Group, Inc. Derivative Litigation*, Lead Case  
15 No. 17-cv-01568-JCC.

16 1.2 "Actions" means, collectively, the Federal Derivative Action and the State  
17 Derivative Action.

18 1.3 "Board" means the Zillow Board of Directors.

19 1.4 "Court" means the United States District Court for the Western District of  
20 Washington.

21 1.5 "Current Zillow Shareholder" means any Person or Persons who are actual or  
22 beneficial owners of Zillow common stock as of the date of this Stipulation, and each such  
23 Current Zillow Shareholder's current and former principals, partners, officers, owners,  
24 directors, supervisors, agents, members, representatives, insurers, attorneys, heirs, executors,  
25 administrators, and assignees, in their capacities as such, excluding (i) Individual Defendants,  
26 (ii) the officers and directors of Zillow, and (iii) members of their Immediate Families.

1           1.6     “Defendants” means, collectively, the Individual Defendants and Nominal  
2 Defendant Zillow.

3           1.7     “Defendants’ Counsel” means: (i) Mayer Brown LLP, 1221 Avenue of the  
4 Americas, New York, New York 10020 on behalf of the Individual Defendants; (ii) Perkins  
5 Coie LLP, 1201 Third Avenue, Suite 4900 Seattle, Washington 98101-3099 on behalf of the  
6 Individual Defendants; and (iii) Savitt Bruce & Willey LLP, 1425 Fourth Avenue Suite 800,  
7 Seattle, Washington 98101-2272 on behalf of Zillow.

8           1.8     “Defendants’ Released Claims” means all claims and causes of action of every  
9 nature and description whatsoever, including both known claims and Unknown Claims, that  
10 arise out of, are based on, or relate to the institution, prosecution, pendency, or settlement of the  
11 claims asserted against Defendants in the Action (except for claims to enforce the Settlement).

12           1.9     “Defendants’ Released Persons” means (i) Defendants, (ii) each of the  
13 Individual Defendants’ current and former representatives, insurers, Immediate Family  
14 members, agents, advisors, attorneys, heirs, executors, administrators, and assigns, in their  
15 capacities as such, and (iii) the Company’s current and former parents, affiliates, subsidiaries,  
16 and divisions and all of their current and former principals, partners, officers, owners, directors,  
17 supervisors, employees, agents, members, representatives, insurers, attorneys, heirs, executors,  
18 administrators, and assigns of the same.

19           1.10    “Effective Date” means the first date by which all of the events and conditions  
20 specified in ¶ 6.1 herein have been met and have occurred or have been waived.

21           1.11    “Execution Date” means the date this Stipulation has been signed by all the  
22 Parties through their respective undersigned counsel.

23           1.12    “Fee and Expense Award” means the negotiated sum submitted for Court  
24 approval, which Zillow will pay, or cause to be paid, in recognition of the benefits conferred  
25 upon Zillow and Current Zillow Shareholders by the initiation, prosecution, pendency, and  
26 settlement of the Action, subject to Court approval.

1           1.13   “Final,” with respect to the Judgment or any other court order means: (i) if no  
2 appeal is filed, the expiration date of the time provided for filing or noticing of any appeal under  
3 the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) calendar days after entry of the  
4 Judgment or order; or (ii) if there is an appeal from the Judgment or order, (a) the date of final  
5 dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise,  
6 or (b) the date the Judgment or order is finally affirmed on an appeal, the expiration of the time  
7 to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari  
8 or other form of review, and, if certiorari or other form of review is granted, the date of final  
9 affirmance following review pursuant to that grant. However, any appeal or proceeding seeking  
10 subsequent judicial review pertaining solely to an order issued with respect to attorneys’ fees,  
11 costs or expenses, including without limitation the Fee and Expense Award, shall not in any  
12 way delay or preclude the Judgment from becoming Final.

13           1.14   “Immediate Family” means children, stepchildren, parents, stepparents, spouses,  
14 marital communities, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law,  
15 brothers-in-law, and sisters-in-law. As used in this paragraph, “spouse” shall mean a husband,  
16 a wife, or a partner in a state-recognized domestic relationship or civil union.

17           1.15   “Individual Defendants” means collectively Richard Barton, Erik Blachford,  
18 Lloyd Frink, Jay Hoag, Gregory Maffei, Spencer Rascoff, Gordon Stephenson, Gregory  
19 Waldorf, and Kathleen Philips.

20           1.16   “Judgment” means the order and judgment to be rendered by the Court,  
21 substantially in the form attached hereto as Exhibit E.

22           1.17   “Notice” means the Notice of Pendency and Proposed Settlement of Shareholder  
23 Derivative Action, substantially in the form of Exhibit C attached hereto.

24           1.18   “Notice Costs” means all costs, fees and expenses incurred in connection with  
25 providing notice of the pendency of the Action and proposed Settlement.

1 1.19 “Parties” means, collectively, each of the Plaintiffs (derivatively on behalf of  
2 Zillow), each of the Individual Defendants, and Nominal Defendant Zillow.

3 1.20 “Person” or “Persons” means an individual, corporation, limited liability  
4 corporation, professional corporation, partnership, limited partnership, limited liability  
5 partnership, association, joint stock company, legal representative, trust, unincorporated  
6 association, government and any political subdivision and agency thereof, or any other business  
7 or legal entity.

8 1.21 “Plaintiffs” means, collectively, Sciabacucchi, Maloney, Carr and Bookman.

9 1.22 “Plaintiffs’ Counsel” means: (i) The Weiser Law Firm, P.C., 22 Cassatt Ave,  
10 Berwyn, PA 19312; (ii) Gainey McKenna & Egleston, 501 Fifth Avenue, 19<sup>th</sup> Floor, New York,  
11 New York 10017; (iii) Badgley Mullins Turner, PLLC, 19929 Ballinger Way, Suite 200,  
12 Shoreline, WA 98155; (iv) The Brown Law Firm, PC, 767 Third Ave., Suite 2501, New York,  
13 NY 10017; (v) Faruqi & Faruqi, LLP, 685 Third Avenue, 26<sup>th</sup> Floor, New York, NY 10017;  
14 and Evangelista Worley, LLC, 500 Sugar Hill Rd., Bldg. A, Ste 245, Atlanta, GA 30350.

15 1.23 “Plaintiffs’ Released Claims” means all claims, rights, duties, controversies,  
16 obligations, debts, demands, actions, sums of money, suits, contracts, agreements, promises,  
17 damages, losses, judgments, liabilities, allegations, arguments, and cause of action of every  
18 nature and description, whether known claims or Unknown Claims, whether arising under  
19 federal, state, local, statutory, common, or foreign law, or any other rule or regulation, whether  
20 at law or equity, whether fixed or contingent, whether accrued or unaccrued, whether matured  
21 or unmatured, whether liquidated or unliquidated, that (i) were or could have been asserted by the  
22 Company or by Plaintiffs or any other Current Zillow Shareholder derivatively on the  
23 Company’s behalf and arise out of or relate to the allegations, transactions, facts, matters,  
24 disclosures, statements, acts, omissions or occurrences set forth in the complaints or any other  
25 filing by Plaintiffs in the Actions, or (ii) arise out of or in any way relate to the defense or  
26 settlement of the claims against Defendants, except for claims relating to the enforcement of

1 the Settlement. For the avoidance of doubt, the Plaintiffs' Released Claims do not include any  
2 direct claims belonging to Zillow shareholders, including, without limitation, any claims arising  
3 under the federal securities laws.

4 1.24 "Plaintiffs' Released Persons" means each of the Plaintiffs, Plaintiffs' Counsel,  
5 and all other Current Zillow Shareholders and each of their respective present and former  
6 directors, officers, Immediate Family members, agents, advisors, attorneys, personal and legal  
7 representatives, employees, affiliates, predecessors, successors, heirs, beneficiaries, executors,  
8 estates, trusts, administrators, trustees, insurers, and assigns, in their capacity as such.

9 1.25 "Preliminary Approval Order" means the Order to be entered by the Court,  
10 substantially in the form of Exhibit B attached hereto, *inter alia*, preliminarily approving the  
11 terms and conditions of the Settlement as set forth in this Stipulation, directing that notice of  
12 the pendency of the Action and the proposed Settlement be provided to Current Zillow  
13 Shareholders, and scheduling a Settlement Hearing to consider whether the Settlement and the  
14 Fee should be approved by the Court.

15 1.26 "Released Claims" means, collectively, Defendants' Released Claims and  
16 Plaintiffs' Released Claims.

17 1.27 "Released Persons" means, collectively, Defendants' Released Persons and  
18 Plaintiffs' Released Persons.

19 1.28 "Releases" means the releases set forth in ¶¶ 4.1 and 4.2 of this Stipulation.

20 1.29 "Settlement" means the settlement between Plaintiffs and Defendants on the  
21 terms and conditions set forth in this Stipulation to fully and finally resolve the Actions.

22 1.30 "Settlement Hearing" means a hearing by the Court to consider final approval of  
23 the Settlement and determine, *inter alia*, (i) whether to enter the Judgment; and (ii) all other  
24 matters properly before the Court, including approval of the Fee.

1 1.31 "State Derivative Action" means the derivative action pending in state court in  
2 Washington, captioned *In re Zillow Group, Inc. Shareholder Derivative Litigation*, Master File  
3 No. 17-2-29103-0 SEA, Superior Court, Washington State, King County.

4 1.32 "Stipulation" means this Stipulation and Agreement of Settlement.

5 1.33 "Summary Notice" means the Summary Notice of Pendency and Proposed  
6 Settlement of Shareholder Derivative Action, substantially in the form of Exhibit D attached  
7 hereto.

8 1.34 "Unknown Claims" means any of the Plaintiffs' Released Claims which any  
9 Plaintiff does not know or suspect to exist in his, her, or its favor at the time of the release of  
10 such claims and any of the Defendants' Released Claims that any Defendant or the Company  
11 does not know or suspect to exist in his, her, or its favor at the time of the release of such claims  
12 which, if known by him, her, or it, might have affected his, her, or its decision with respect to  
13 this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree as  
14 part of this Settlement that they expressly waive, relinquish, and release any and all provisions,  
15 rights, and benefits conferred by or under California Civil Code Section 1542 ("§ 1542") or any  
16 other law of the United States or any state or territory of the United States, or principle of  
17 common law, which is similar, comparable, or equivalent to § 1542, which provides:

18 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
19 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
20 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
21 RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
22 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
23 DEBTOR OR RELEASED PARTY.

24 Plaintiffs, Defendants, and the Company acknowledge that the foregoing waiver was  
25 separately bargained for and is a key element of the Settlement. Plaintiffs, Defendants, the  
26 Company and each Current Zillow Shareholder may hereafter discover facts in addition to or  
27 different from those which he, she, it, or their counsel now knows or believes to be true by them,  
28 with respect to Plaintiffs' Released Claims or Defendants' Released Claims, as the case may

1 be, but upon the Effective Date, Plaintiffs, Defendants, the Company, and each Current Zillow  
2 Shareholder derivatively on behalf of the Company shall be deemed to have, and by the  
3 operation of the Judgment shall have completely, fully, finally, and forever settled and released  
4 all Released Claims, known or unknown, suspected or unsuspected, contingent or non-  
5 contingent, whether or not concealed or hidden, which now exist or heretofore have existed  
6 upon any theory of law or equity now existing or coming into existence in the future, without  
7 regard to the subsequent discovery or existence of such different or additional facts. The Parties  
8 acknowledge, and the Current Zillow Shareholders shall be deemed by operation of the  
9 Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is  
10 a key element of the Settlement of which this release is a part.

11 1.35 “Zillow,” the “Company,” or “Nominal Defendant” means Zillow Group, Inc.

12 **2. Terms of the Settlement**

13 2.1 Defendants acknowledge that the initiation, prosecution, pendency, and  
14 settlement of the Federal Derivative Action was a substantial factor in Zillow’s accelerated  
15 adoption of the enhancements to Zillow’s policies and governance practices (the “Corporate  
16 Governance Reforms”), attached hereto as Exhibit A, and that the Corporate Governance  
17 Reforms will confer a substantial benefit to Zillow and Current Zillow Shareholders which shall  
18 remain in effect for no less than three years.

19 **3. Procedures for Approval of the Settlement**

20 3.1 Within five (5) business days of the Execution Date of this Stipulation, Plaintiffs  
21 in the Federal Derivative Action shall submit the Stipulation together with its exhibits to the  
22 Court and shall apply for entry of the Preliminary Approval Order, substantially in the form of  
23 Exhibit B attached hereto, providing for, *inter alia*: (i) preliminary approval of the Settlement  
24 set forth in this Stipulation; (ii) approval of the method of providing notice of pendency of the  
25 Action and the proposed Settlement to Current Zillow Shareholders; (iii) approval of the form  
26 of Notice attached hereto as Exhibit C and the Summary Notice attached hereto as Exhibit D;

1 and (iv) the scheduling of a date for the Settlement Hearing. The application by Plaintiffs in  
2 the Federal Derivative Action for entry of the Preliminary Approval Order shall be unopposed  
3 by Defendants.

4 3.2 In accordance with the terms of the Preliminary Approval Order to be entered  
5 by the Court, within ten (10) business days of the date of entry of the Preliminary Approval  
6 Order, Zillow shall cause the Summary Notice to be published one time in *Investors' Business*  
7 *Daily*. Zillow shall also provide disclosure of the proposed settlement, including a reference to  
8 the Investor Relations page on Zillow's website which shall provide a copy of the Stipulation  
9 and Notice, in its next Form 10-Q. The Parties believe the content and manner of such  
10 procedure constitutes adequate and reasonable notice to Current Zillow Shareholders under  
11 applicable law. Zillow shall pay or cause to be paid any and all Notice Costs, regardless of  
12 whether the Court approves the Settlement or the Effective Date fails to occur, and in no event  
13 shall Plaintiffs or Plaintiffs' Counsel be responsible for the payment of any Notice Costs.

14 3.3 The Parties shall jointly request that the Court hold the Settlement Hearing forty-  
15 five (45) calendar days after notice has been provided in the filing of Zillow's Form 10-Q, as  
16 referenced in ¶ 3.2 above, or on the first available date thereafter that is convenient for the Court.  
17 At the Settlement Hearing, Plaintiffs' Counsel shall request final approval of the Settlement and  
18 the Court's approval of the Fee and Expense Award referenced in Section 5 below.

19 3.4 The Parties shall request that any objections and papers filed in support of  
20 objections to the Settlement shall be considered by the Court at the hearing only if the objector,  
21 among other things: (i) files notice of an intention to appear that includes proof of current  
22 ownership of Zillow common stock; (ii) files papers in support of the objection with the Clerk  
23 of the Court by at least fourteen (14) calendar days prior to the hearing; and (iii) ensures such  
24 notice and papers have been served on and received by counsel as identified in the Notice by at  
25 least fourteen (14) calendar days prior to the hearing.

1           3.5     If the Court approves the Settlement at the Settlement Hearing, the Parties will  
2 jointly request entry of the Judgment by the Court, substantially in the form of Exhibit E  
3 attached hereto, providing for, *inter alia*, (i) final approval of the Settlement set forth in this  
4 Stipulation as fair, adequate, and reasonable, and directing its consummation pursuant to its  
5 terms; (ii) dismissal with prejudice of the Action<sup>3</sup>; and (iii) the settlement and release of all  
6 Plaintiffs' Released Claims as against the Defendants' Released Persons and all Defendants'  
7 Released Claims as against the Plaintiff Released Persons in accordance with the terms and  
8 conditions of this Stipulation.

9           **4.     Releases**

10           4.1     The obligations incurred by the Parties pursuant to this Stipulation are in  
11 consideration of: (i) the full and final disposition of the Action and the State Derivative Action  
12 as against Defendants; and (ii) the Releases provided for herein.

13           4.2     Upon the Effective Date of the Settlement, Plaintiffs and all other Current Zillow  
14 Shareholders shall be deemed to have, and by operation of the law and of the Judgment shall  
15 have, fully, finally and forever released, relinquished and discharged their right to assert  
16 derivatively on behalf of the Company any and all of the Plaintiffs' Released Claims (including  
17 Unknown Claims) against the Defendants' Released Persons, and shall forever be barred and  
18 enjoined from instituting, commencing, or prosecuting derivatively on behalf of the Company  
19 any and all of the Plaintiffs' Released Claims against the Defendants' Released Persons. In  
20 addition, upon that date, Zillow shall be deemed to have, and by operation of the law and of the  
21 Judgment shall have, fully, finally, and forever released, relinquished and discharged its right  
22 to assert directly any and all of the Plaintiffs' Released Claims against the Defendants' Released  
23 Persons, and shall forever be barred and enjoined from instituting, commencing, or prosecuting  
24 directly any and all of the Plaintiffs' Released Claims against the Defendants' Released Persons.

25 \_\_\_\_\_  
26 <sup>3</sup> Within ten (10) days of the date that the Judgment becomes Final, the parties to the State  
27 Derivative Action shall move to dismiss the State Derivative Action with prejudice.

1           4.3     Upon the Effective Date of the Settlement, Defendants shall be deemed to have,  
2 and by operation of the law and of the Judgment shall have, fully, finally and forever released,  
3 relinquished and discharged any and all of the Defendants' Released Claims against the  
4 Plaintiffs' Released Persons, and shall forever be barred and enjoined from instituting,  
5 commencing, or prosecuting any and all of the Defendants' Released Claims against the  
6 Plaintiffs' Released Persons.

7           4.4     Notwithstanding ¶¶ 4.2 and 4.3 above, nothing herein shall in any way impair or  
8 restrict the rights of any Party to enforce the terms of the Stipulation.

9           **5.     Plaintiffs' Counsel's Attorneys' Fees and Expenses**

10          5.1     The Court may consider and rule upon the fairness, reasonableness, and  
11 adequacy of the Settlement independently of the consideration of any appropriate award of  
12 attorneys' fees and litigation expenses for all Plaintiffs' Counsel and the failure of the Court to  
13 approve the Fee and Expense Award in whole or in part, shall have no effect on the Settlement.

14          5.2     After all material Settlement terms were agreed upon and memorialized in this  
15 Stipulation and Agreement of Settlement, Plaintiffs' Counsel engaged in arm's-length  
16 negotiations with Defendants, directly and through the Mediator, concerning an appropriate  
17 award of attorneys' fees and expenses for Plaintiffs' Counsel. In recognition of the benefits  
18 provided to Zillow and Current Zillow Stockholders as a result of the initiation, prosecution,  
19 pendency, and settlement of the Action, Defendants have agreed to pay an award of attorneys'  
20 fees and expenses in the total amount of \$1,300,000.00 (the "Fee and Expense Award"), subject  
21 to Court approval. Zillow's current Board, in the exercise of its independent business judgment,  
22 has agreed not to oppose the Fee and Expense Award.

23          5.3     Zillow shall cause the Fee and Expense Award to be paid to Gainey McKenna  
24 & Egleston's IOLA trust account as receiving agent for Plaintiffs' Counsel within fifteen (15)  
25 business days of (i) the entry of the Judgment, as defined in ¶ 1.16 herein, (ii) the date on which  
26 Plaintiffs' Counsel provides sufficient written payment instructions to Defendants' Counsel,  
27

1 including a Form W-9, and (iii) receipt by Defendants' Counsel of the name and contact  
2 telephone for an individual designated by Plaintiffs' Counsel to verify the wire instructions and  
3 the occurrence of such out-of-band authentication, whichever is later. Other than the obligation  
4 to pay or cause to be paid the Fee and Expense Award, neither the Defendants nor any other  
5 Released Person shall have any obligations to make any other payment pursuant to this  
6 Stipulation, and shall have no responsibility, obligation, or liability with respect to the escrow  
7 account or the monies maintained therein or the administration related to the Fee and Expense  
8 Award, including, without limitation, any responsibility or liability related to allocation of the  
9 Fee and Expense Award among Plaintiffs' Counsel, or related to any fees, taxes, investment  
10 decisions, maintenance, supervision or distribution of any portion of the Fee and Expense  
11 Award. The Fee and Expense Award shall constitute full, complete, and exclusive  
12 compensation for Plaintiffs' Counsel's efforts, fees, services, and expenses.

13       5.4 If for any reason any condition in ¶ 6.1 is not met, if the Stipulation does not  
14 become effective or is in any way canceled or terminated, or if the Judgment does not become  
15 Final, each of Plaintiffs' Counsel (and any signatories to this Stipulation) shall be obligated to  
16 repay to Zillow, within thirty (30) calendar days, the amount of the Fee and Expense Award, or  
17 part thereof, that they received respectively.

18       5.5 In light of the benefits they have helped to create for Zillow and Current Zillow  
19 Shareholders, Plaintiffs in the Federal Derivative Action may apply to the Court for approval  
20 of service awards in an amount of up to \$5,000.00 each and Plaintiffs in the State Derivative  
21 Action may apply to the Court for approval of service awards in an amount of up to \$1,500.00  
22 each (the "Service Awards"). The Service Awards shall be funded from the Fee and Expense  
23 Award.

24       **6. Conditions of Settlement; Termination and Effect of Termination**

25       6.1 The Effective Date of the Settlement shall be deemed to occur on the occurrence  
26 or waiver of all of the following events:

1 (i) the Court has entered the Preliminary Approval Order, substantially in  
2 the form set forth in Exhibit B attached hereto;

3 (ii) Plaintiffs have not exercised their option to terminate the Settlement  
4 pursuant to ¶ 6.2 below;

5 (iii) Defendants have not exercised their option to terminate the Settlement  
6 pursuant to ¶ 6.2 below; and

7 (iv) the Court has approved the Settlement as described herein, following  
8 notice to Current Zillow Stockholders and a hearing, and entered the Judgment, substantially in  
9 the form set forth in Exhibit E attached hereto, and the Judgment has become Final.

10 6.2 Plaintiffs (provided Plaintiffs unanimously agree amongst themselves) and  
11 Defendants (provided Defendants unanimously agree amongst themselves) shall each have the  
12 right to terminate the Settlement and this Stipulation, by providing written notice of their  
13 election to do so (“Termination Notice”) to the other Parties within thirty (30) calendar days of:

14 (i) the Court’s final refusal to enter the Preliminary Approval Order in any material respect;

15 (ii) the Court’s final refusal to approve the Settlement or any material part thereof; (ii) the

16 Court’s final refusal to enter the Judgment in any material respect as to the Settlement; or

17 (iv) the date upon which an order vacating, modifying, revising, or reversing the Settlement

18 becomes Final. Upon such timely Termination Notice, the provisions of ¶ 6.3 below shall apply.

19 However, any decision or proceeding, whether in this Court or any appellate or other court,

20 solely with respect to the Fee and Expense Award shall not be considered material to the

21 Settlement, shall not affect the finality of the Judgment, and shall not be grounds for termination

22 of the Settlement pursuant to this paragraph or otherwise.

23 6.3 In the event that the Settlement is terminated pursuant to ¶ 6.2 above or the  
24 Effective Date otherwise fails to occur, (i) the Parties shall be restored to their respective  
25 positions in the Actions as of immediately prior to the Execution Date of this Stipulation, (ii)  
26 all negotiations, proceedings, documents prepared and statements made in connection herewith

1 shall be without prejudice to the Parties, shall not be deemed or construed to be an admission  
2 by any of the Parties of any act, manner, or proposition, and shall not be used in any manner for  
3 any purpose in any subsequent proceeding in the Actions or any other action or proceeding, (iii)  
4 the terms and provisions of this Stipulation, with the exception of ¶¶ 1.1-35, 6.3, 7.1, 8.4-8.19  
5 herein, shall have no further force and effect with respect to the Parties and shall not be used in  
6 the Actions or in any other proceeding for any purpose, and (iv) any judgment or orders entered  
7 by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc*  
8 *pro tunc*.

9 **7. No Admission of Wrongdoing**

10 7.1 Neither this Stipulation (whether or not consummated), including the exhibits  
11 hereto, the negotiations leading to the execution of this Stipulation, nor any proceedings taken  
12 pursuant to or in connection with this Stipulation and/or approval of the Settlement (including  
13 any arguments proffered in connection therewith): (i) shall be offered against any of the  
14 Defendants' Released Persons as evidence of, or construed as, or deemed to be evidence of any  
15 presumption, concession, or admission by any of the Defendants' Released Persons with respect  
16 to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have  
17 been asserted or the deficiency of any defense that has been or could have been asserted in the  
18 Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of  
19 any kind of any of the Defendants' Released Persons or in any way referred to for any other  
20 reason as against any of the Defendants' Released Persons, in any civil, criminal or  
21 administrative action or proceeding, other than such proceedings as may be necessary to  
22 effectuate the Settlement; or (ii) shall be offered against any of the Plaintiffs' Released Persons  
23 as evidence of, or construed as, or deemed to be evidence of any presumption, concession or  
24 admission by any of the Plaintiffs' Released Persons that any of Plaintiffs' claims are without  
25 merit, that any of the Defendants had meritorious defenses, or that damages recoverable under  
26 the Complaint would not have exceeded the Settlement consideration or with respect to any

1 liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other  
2 reason as against any of the Plaintiffs' Released Persons, in any civil, criminal or administrative  
3 action or proceeding, other than such proceedings as may be necessary to effectuate the  
4 Settlement; provided, however, that the Parties, the Released Persons, and their respective  
5 counsel may file the Stipulation and/or the Judgment in any action that may be brought against  
6 them in order to support a defense or counterclaim based on principles of *res judicata*, collateral  
7 estoppel, release, good-faith settlement, judgment bar or reduction, or any other theory of claim  
8 preclusion or issue preclusion or similar defense or counterclaim.

9 **8. Miscellaneous Provisions**

10 8.1 All of the exhibits attached hereto, which are material and integral parts of the  
11 Settlement, are hereby incorporated by reference into this Stipulation as though fully set forth  
12 herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency  
13 between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of  
14 the Stipulation shall prevail.

15 8.2 Plaintiffs and their counsel and Defendants and their counsel agree not to assert  
16 in any forum that the Actions were brought by Plaintiffs or defended by Defendants in bad faith  
17 or without a reasonable basis. No Party shall assert any claims of any violation of Fed. R. Civ.  
18 P. 11 or any corollary state law relating to the institution, prosecution, defense, or settlement of  
19 these Actions. The Parties agree that the Settlement consideration and the other terms of the  
20 Settlement were negotiated at arm's-length and in good faith by the Parties, and reflect the  
21 Settlement that was reached voluntarily after extensive negotiations and consultation with  
22 experienced legal counsel, who were fully competent to assess the strengths and weaknesses of  
23 their respective clients' claims or defenses.

24 8.3 While retaining their right to deny that the claims asserted in the Actions were  
25 meritorious, Defendants and their counsel, in any statement made to any media representative  
26 (whether or not for attribution) will not assert that the Actions were commenced or prosecuted

1 in bad faith, nor will they deny that the Actions are being settled voluntarily after consultation  
2 with competent legal counsel. In all events, Plaintiffs and their counsel and Defendants and  
3 their counsel shall not make any accusations of wrongful or actionable conduct by either Party  
4 concerning the institution, prosecution, defense, or settlement of the Actions, and shall not  
5 otherwise suggest that the Settlement constitutes an admission of any claim, fact or defense  
6 alleged.

7 8.4 The terms of the Settlement, as reflected in this Stipulation, may not be modified  
8 or amended, nor may any of its provisions be waived except by a writing signed on behalf of  
9 each of the Parties (or their successors-in-interest).

10 8.5 The headings herein are used for the purpose of convenience only and are not  
11 meant to have legal effect.

12 8.6 The administration and consummation of the Settlement as embodied in this  
13 Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for  
14 the purpose of entering orders providing for the Fee and Expense Award to Plaintiffs' Counsel  
15 and enforcing the terms of this Stipulation.

16 8.7 The waiver by one Party of any breach of this Stipulation by any other Party  
17 shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

18 8.8 This Stipulation and its exhibits constitute the entire agreement among Plaintiffs  
19 and Defendants concerning the Settlement. All Parties acknowledge that no other agreements,  
20 representations, warranties, or inducements have been made by any Party hereto concerning  
21 this Stipulation or its exhibits other than those contained and memorialized in such documents.

22 8.9 This Stipulation may be executed in one or more counterparts, including by  
23 signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email.  
24 All executed counterparts and each of them shall be deemed to be one and the same instrument.

25 8.10 This Stipulation shall be binding upon and inures to the benefit of the Parties and  
26 their respective, heirs, next of kin, executors, administrators, successors, assigns, officers,

1 directors, shareholder, employees, parents, subsidiaries, affiliates, and agents, including without  
2 limitation any and all Released Persons and any corporation, partnership, or other entity into or  
3 with which any Party hereto may merge, consolidate or reorganize.

4 8.11 The construction, interpretation, operation, effect and validity of this Stipulation  
5 and all documents necessary to effectuate it shall be governed by the internal laws of the State  
6 of Washington without regard to conflicts of laws, except to the extent that federal law requires  
7 that federal law govern.

8 8.12 Any action arising under or to enforce this Stipulation or any portion thereof,  
9 shall be commenced and maintained only in the Court.

10 8.13 The Parties each acknowledge that this Agreement shall be deemed to have been  
11 drafted by counsel for all Parties, and that the Agreement shall not be construed more strictly  
12 against any Party on the grounds that such Party or such Party's attorney was the drafter. The  
13 Parties further acknowledge the Settlement is the result of arm's-length negotiations between  
14 the Parties and all Parties have contributed substantially and materially to the preparation of this  
15 Stipulation.

16 8.14 All counsel and any other person executing this Stipulation and any of the  
17 exhibits hereto, or any related Settlement documents, warrant and represent that they have the  
18 full authority to do so and that they have the authority to take appropriate action required or  
19 permitted to be taken pursuant to the Stipulation to effectuate its terms.

20 8.15 Plaintiffs' Counsel and Defendants' Counsel agree to cooperate with one another  
21 in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied  
22 in this Stipulation, and to use best efforts to promptly agree upon and execute all such other  
23 documentation as may be reasonably required to obtain final approval by the Court of the  
24 Settlement.

25 8.16 Except as otherwise provided herein, each Party shall bear its own costs.  
26

1 8.17 Any planned, proposed, or actual sale, merger, or change-in-control of Zillow  
2 shall not void this Stipulation. The Stipulation shall run to the Parties' respective successors-  
3 in-interest. In the event of a planned, proposed, or actual sale, merger, or change-in-control of  
4 Zillow, the Parties shall continue to seek court approval of the Settlement expeditiously,  
5 including, but not limited to, the Settlement terms reflected in this Stipulation and the Fee.


6 8.18 Nothing in this Stipulation, or the negotiations or proceedings relating to the  
7 Settlement, is intended to or shall be deemed to constitute a waiver of any applicable privilege  
8 or immunity, including, without limitation, the attorney-client privilege, the joint defense  
9 privilege, the accountants' privilege, or work product immunity; further, all information and  
10 documents transmitted between Plaintiffs' Counsel and Defendants' Counsel in connection with  
11 the Settlement shall be kept confidential and shall be inadmissible in any proceeding in any U.S.  
12 federal or state court or other tribunal or otherwise, in accordance with Rule 408 of the Federal  
13 Rules of Evidence and any corollary state rule as if such rule applied in all respects in any such  
14 proceeding or forum (excepting any action brought to enforce the Settlement).

15 8.19 All agreements made and orders entered during the course of the Actions relating  
16 to the confidentiality of information (including ¶ 8.18) shall survive this Settlement.

17 IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be  
18 executed, by their duly authorized attorneys, dated as of April 6, 2023.

19 Dated: April 6, 2023

**THE WEISER LAW FIRM, P.C.**

20 By:    
21 James M. Ficaró (*pro hac vice*)  
22 200 Barr Harbor Dr.  
23 West Conshohocken, PA 19428  
24 Telephone: (610) 225-2677  
25 Facsimile: (610) 408-8062  
26 Email: [jmf@weiserlawfirm.com](mailto:jmf@weiserlawfirm.com)

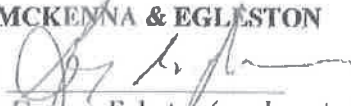
***Co-Lead Counsel for Plaintiffs in the Federal  
Derivative Action***

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Dated: April 6, 2023

**GAINNEY MCKENNA & EGGLESTON**

By:

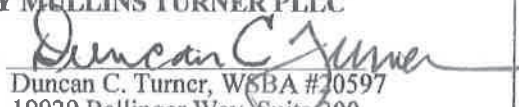
  
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***Co-Lead Counsel for Plaintiffs in the Federal  
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Dated: April 6, 2023

**BADGLEY MULLINS TURNER PLLC**

By:


  
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***Liaison Counsel for Plaintiffs***

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Dated: April 6, 2023

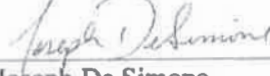
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*Counsel for Nominal Defendant*

Dated: April 20, 2023

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*Counsel for Individual Defendants*

Dated: April 6, 2023

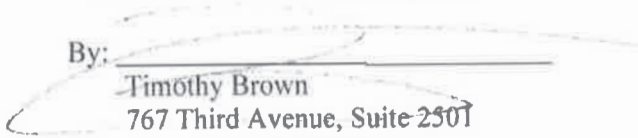
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*Counsel for Individual Defendants*

Dated: April 6, 2023

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*Co-Lead Counsel for Plaintiffs in the State  
Derivative Action*

1 Dated: April 6, 2023

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TWB

9 *Co-Lead Counsel for Plaintiffs in the State  
10 Derivative Action*

11 **EVANGELISTA WORLEY, LLC**

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18 *Additional Counsel for Plaintiffs in the State  
19 Derivative Action*

# **EXHIBIT A**

## **SETTLEMENT TERMS**

*In re Zillow Group, Inc. Shareholder Derivative Litigation*, Master File No.: 17-1568-JCC

### **I. CREDITS FOR REFORMS AT ZILLOW**

Zillow and Zillow's Board of Directors ("Board") acknowledge that they gave serious consideration to the instant action in their deliberations and that the filing, prosecution, and resolution of the Derivative Action was a substantial factor in the Company's accelerated adoption of the following enhancements to the Company's policies and governance practices, which policies and practices will remain in place for at least three (3) years:

1. The management level risk committee will take steps to further enhance the process of reviewing, analyzing and assessing risk for the Company (the "Risk Committee"). The Committee is comprised of senior executives of the Company, including the Chief Financial Officer, General Counsel and head of Corporate Compliance, among others, and chaired by the head of Risk Management;
2. As part of the Company's risk management program, the Company's head of Risk Management provides, among other things, regular reporting to the Audit Committee with respect to Company risk policy, tolerances and performance, which functions assist the Audit Committee and Board in overseeing the Company's management of risk, among other duties. The biography for the individual currently holding this role is attached hereto as Appendix A for descriptive purposes only.
3. As part of the Company's risk management program, the Company's head of Corporate Compliance provides, among other things, regular reporting to the Audit Committee on Company legal and regulatory policy and compliance performance, including Company policies, procedures, and business practices relating to ethics and compliance. These functions assist the Audit Committee and Board in overseeing the Company's management of compliance with legal and regulatory requirements, among other duties. The biography for the individual currently holding this role is attached hereto as Appendix B for descriptive purposes only.
4. As part of the Company's risk management program, the Company's head of Corporate Compliance provides the Risk Committee with information on the identification and assessment of risks related to the Company's legal and regulatory obligations, including RESPA, the CFPA, and the Sarbanes-Oxley Act of 2002. The Company's risk management program assists the Risk Committee and larger management team in assessment and response to risks, including those risks identified by Plaintiffs in the Derivative Action;
5. The Risk Committee reports compliance issues that may have had significant financial impacts to the General Counsel and Audit Committee, as well as other compliance issues that are sufficiently material to trigger a required SEC disclosure obligation;
6. Utilizing an independent advisor and/or its Internal Audit department, the Company

conducts an annual independent review of the effectiveness of Zillow's Code of Ethics, Code of Conduct and Whistleblower Policy, including internal controls over compliance, and recommend changes to such codes, policies and internal controls as necessary to the Board. The Risk Committee assesses the risks identified in the annual independent review and the head of Risk Management reports significant risks to the Audit Committee.

7. Zillow has appointed Claire Cormier Thielke, an independent and diverse director, to its Board of Directors and reclassified Amy Bohutinsky as an independent director.
8. Zillow agrees to continue to develop and increase in volume its formal continuing education programs for all of its Board of Director members focused on issues relating, but not limited to, their duties as board members, which may include corporate governance and regulatory compliance training. As part of this agreement, all new members of Zillow's Board of Directors without prior public company director experience will attend the Stanford University Directors' College, or a similarly accredited program.

## **II. CORPORATE GOVERNANCE REFORMS**

Zillow and Zillow's Board acknowledge that they gave serious consideration to the instant action in their deliberations and that the filing, prosecution, and resolution of the Derivative Action was a substantial factor in the Company's accelerated adoption of the following enhancements to the Company's policies and governance practices, which, where pertinent, shall remain in place for at least three (3) years:

### **A. ADOPTION OF A FORMAL RISK COMMITTEE CHARTER**

The Company agrees to seek Audit Committee approval and adoption of a formal charter for the Risk Committee (the "Risk Committee Charter"). The finalized formal Risk Committee Charter, attached as Exhibit 1 to this term sheet, addresses the following areas as listed below:

- Purpose and Authority
- Composition/Membership
- Scope
- Duties and Responsibilities
- Governance

The Audit Committee has performed, and will continue to perform, the functions broken out above but will now do so with the assistance of the Risk Committee. In addition, the Audit Committee has amended its charter ("Audit Committee Charter") to include reference that it will hold responsibility for Risk Committee oversight.

**B. APPOINTMENT OF NEW INDEPENDENT DIRECTOR TO THE BOARD**

Zillow agrees to appoint a new independent director to its Board to replace the next sitting current director to rotate off the Zillow Board and shall seek to have a candidate in place prior to Zillow's 2025 Annual Meeting. In the event a suitable candidate is not identified within that time frame, or no current director leaves the Zillow Board, the Board will so inform Plaintiffs' Counsel of the Nominating and Governance Committee's progress to date and extensions to this timeframe shall be permitted until a suitable candidate is identified and a current director resigns from the Zillow Board.

**III. NO ADMISSIONS**

Each of the Defendants denies any wrongdoing, and this Term Sheet and the Settlement shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, this Term Sheet and the Settlement shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Plaintiffs of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

## Appendix A

A biography for the individual currently holding the role of head of Risk Management is listed below for descriptive purposes only.

- **Christy Kaufman** serves as the Company's Vice President of Risk Management. Ms. Kaufman brings over twenty years of experience in enterprise risk management consulting and corporate leadership. She is also a faculty member at the University of Wisconsin where she teaches graduate level courses in the Risk Management department and a board director of the global Risk and Insurance Management Society. Prior to joining Zillow in 2021, Ms. Kaufman served as Head of Strategy, Governance and Compliance for American Family Ventures and held risk management leadership positions for American Family Insurance and Marsh & McLennan Companies.

## Appendix B

A biography for the individual currently holding the role of head of Corporate Compliance is listed below for descriptive purposes only.

- **Jeffrey Kibbey** leads the Company's Corporate Compliance Program. Mr. Kibbey is an attorney with over 25 years of experience in the real estate services and compliance programming industries. He has demonstrated expertise in a variety of compliance functions, including compliance matters affecting highly regulated financial institutions; the Sarbanes-Oxley Act of 2002; the Gramm-Leach Bliley Act; the Real Estate Settlement Procedures Act; the Consumer Financial Protection Act; and state privacy regimes. Before joining Zillow in 2019, Jeff served as General Counsel and Chief Compliance Officer for Sierra Pacific Mortgage Company where he managed the legal and compliance functions and also oversaw the company's regulatory affairs. Prior to that Jeff spent six years in leadership roles at Century Mortgage Company overseeing administrative functions, including the legal, compliance, quality control, information technology, marketing and training departments. Mr. Kibbey has served in leadership roles with national industry trade groups and has authored numerous texts on compliance theory and management. He has regularly briefed federal administrative agencies and members of the U.S. Congress on emerging compliance issues. Mr. Kibbey reports to the Company's General Counsel, Brad Owens.

# EXHIBIT 1

## ZILLOW GROUP, INC.

### Executive Risk Forum (ERF) Committee Charter

#### I. PURPOSE AND AUTHORITY

This charter details the purpose, composition, scope and responsibilities of the Executive Risk Forum (the "**Committee**") of Zillow Group, Inc. (the "**Company**"). The purpose of the Committee is to align risk management priorities and resources and serve as a steering function for:

- Proactively identifying, prioritizing, and assessing the key risks associated with Zillow's mission and objectives
- Monitoring exposures to ensure that Zillow is operating within defined and agreed tolerance levels for key risks
- Ensuring that risk management strategies are established, resourced and implemented to respond to key risks efficiently and effectively, and
- Advancing a culture of risk awareness throughout ZG

The Committee is not responsible for implementing risk-based initiatives, but rather, for overseeing implementation carried out by applicable business lines and functions throughout the Company. The Committee acts under the direction of the Audit Committee of the Board of Directors (collectively, the "**Board**").

To the extent necessary, the Committee may form and delegate authority to subcommittees or risk or initiative-specific steering committees and may delegate authority to one or more designated members of the Committee.

#### II. COMPOSITION

The Committee meets at least quarterly and is composed of senior, cross-functional business and functional leaders who have visibility into the Company's key risks. The Chair of the Committee is the Vice President, Risk Management (or any successor modified title.) The Chair has the right to update Committee membership as needed. Members of the Committee shall be nominated by the Chair and appointed by the ERF. If Committee members are unable to attend Committee meetings, they may delegate a proxy to attend and act on their behalf.

The following are members of the Committee:

- Ryan Berry, Senior Vice President, Risk Management & Brokerage Operations - *Executive Sponsor*
- Christy Kaufman, Vice President, Risk Management - *Committee Chairperson*
- Jeremy Wacksman, Chief Operating Officer

- Allen Parker, Chief Financial Officer
- Susan Daimler, President
- Brad Owens, General Counsel
- Jenn Rock, Chief Accounting Officer
- Jeremy Hofmann, Senior Vice President, Corporate Development & Strategy
- Matt Daimler, Senior Vice President, Product
- Toby Roberts, Senior Vice President, Information Technology
- Kristina Adamski, Vice President, Communications
- Aldona Clotney, Vice President, Corporate Social Responsibility
- Jeff Kibbey, Vice President, Compliance
- Paras Mehta, Vice President, Strategic Finance & Capital Markets
- Elena Seiple, Vice President, Information Security
- Jennifer Butler, Senior Director, Government and Community Relations
- Renee Fisher, Senior Director, HR

The Senior Director – Treasury, Senior Director – Internal Audit, and Senior Enterprise Risk Manager are meeting observers; the Senior Enterprise Risk Manager also acts as Secretary to the Committee.

### **III. SCOPE**

Scope of the Committee extends to all Zillow business lines and functions and all categories of risk (financial, operational, strategic, technology, people, regulatory/compliance).

### **IV. DUTIES AND RESPONSIBILITIES**

The Committee oversees the implementation and maintenance of sound policies, procedures, and practices for managing Zillow's key risks. The Committee's duties are to:

- Regularly monitor ZG's risk management performance and ensure risk management activities are integrated, consistent, and systematically managed on an enterprise-wide basis.
- Review risk appetite and tolerance levels for key risks.
- Periodically review ZG's risk management policies and procedures for identifying, evaluating, monitoring, managing, and measuring significant risks and recommend any changes to risk management processes and procedures.
- Identify, analyze and discuss the risk impact of strategic initiatives that ZG may be considering for the future.

- Oversee ZG's risk management culture, including the promotion of a common risk language and mechanisms for communicating the risk culture and philosophy to Zall.
- Review and address material risks surfaced by the Risk Working Group and Deep Dive Risk Committees.
- Consult on risk disclosures, including the 10-k risk factors.
- Periodically report to the Board on significant matters related to ZG's risk management policies and procedures.
- Perform any other duties or responsibilities expressly delegated to the Committee by the Board.

Tactical roles and responsibilities are established through the [ERM RACI](#).

## **V. GOVERNANCE**

This charter will be reviewed and approved on an annual basis by Risk Management leadership and the Committee and updated on an as-needed basis to respond to newly identified risks or changes to requirements and priorities.

The Committee will meet at least quarterly. The Secretary of the Committee will maintain meeting minutes. Additional meetings may be held as deemed necessary by the Committee Chairperson or the Board. In the absence of a Chair, the members of the Committee may appoint from among their number a person to preside at their meetings until such time as a new chair is appointed.

# **EXHIBIT B**

The Honorable John C. Coughenour

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

IN RE ZILLOW GROUP, INC.  
SHAREHOLDER DERIVATIVE  
LITIGATION

Master File No.: 17-cv-01568-JCC

THIS DOCUMENT RELATES TO:  
ALL ACTIONS

**EXHIBIT B – [PROPOSED] ORDER  
PRELIMINARILY APPROVING  
SETTLEMENT AND PROVIDING FOR  
NOTICE**

LEAD CASE NO: 2:17-cv-01568-JCC  
EXHIBIT B – [PROPOSED] ORDER  
PRELIMINARILY APPROVING SETTLEMENT  
AND PROVIDING FOR NOTICE

**BADGLEY MULLINS TURNER PLLC**  
19929 Ballinger Way NE, Suite 200  
Shoreline, WA 98155  
TEL: 206.621.6566  
FAX: 206.621.9686

1 WHEREAS, the above-referenced consolidated derivative action (the “Action”) is  
2 pending before this Court styled *In re Zillow Group, Inc. Shareholder Derivative Litigation*,  
3 Master File No.: 17-cv-01568-JCC;

4 WHEREAS, the following consolidated shareholder derivative action currently pending  
5 in state court is related to the Action: *In re Zillow Group, Inc. Shareholder Derivative Litigation*,  
6 Master File No. 17-2-29103-0 SEA, Superior Court, Washington State, King County (the “State  
7 Derivative Action” and together with the Action, the “Actions”);

8 WHEREAS, Plaintiffs Sciabacucchi and Maloney have made an application for an  
9 order: (i) preliminarily approving the proposed Settlement of the Actions, in accordance with  
10 the Stipulation and Agreement of Settlement dated April 20, 2023 (the “Stipulation”), which,  
11 together with the exhibits attached thereto, sets forth the terms and conditions for the proposed  
12 Settlement and dismissal with prejudice of the Actions, upon the terms and conditions set forth  
13 therein; and (ii) approving the form and content of notice of the pendency of the Actions and  
14 proposed Settlement to Current Zillow Shareholders<sup>1</sup>;

15 WHEREAS, unless otherwise defined herein, all capitalized terms contained herein  
16 shall have the same meanings as set forth in the Stipulation; and

17 WHEREAS, the Court has read and considered the Stipulation and the exhibits attached  
18 thereto.

19 NOW THEREFORE, IT IS HEREBY ORDERED:

20 1. This Court has jurisdiction over the subject matter of the Action, and the Parties  
21 to the Stipulation agreed to submit to the jurisdiction of the Court for purposes of implementing  
22 and enforcing the Settlement embodied in the Stipulation.

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25 <sup>1</sup> All capitalized defined terms in this Preliminary Approval Order are defined as and have the  
26 same meaning as those terms are defined in the Stipulation and Agreement of Settlement unless  
otherwise defined herein.

1           2.       The Court does hereby preliminarily approve, subject to further consideration at  
2 the Settlement Hearing described below, the Stipulation and the Settlement set forth therein,  
3 including the terms and conditions for settlement and dismissal with prejudice of the Actions.

4           3.       The Settlement Hearing shall be held before the Court on \_\_\_\_\_, 2023  
5 at \_\_\_\_\_ .m. to determine: (i) whether the terms and conditions of the Settlement set forth  
6 in the Stipulation are fair, reasonable, and adequate to Zillow and Current Zillow Shareholders  
7 and should be finally approved by the Court; (ii) whether a Final Order and Judgment approving  
8 the Settlement, substantially in the form attached to the Stipulation as Exhibit E, should be  
9 entered; and (iii) whether to approve the agreed upon amount of attorneys' fees and expenses  
10 ("Fee and Expense Award").

11           4.       The Court approves, as to form and content, the Notice, attached as Exhibit C to  
12 the Stipulation, and the Summary Notice, attached as Exhibit D to the Stipulation, and finds  
13 that the posting of the Notice and publication of the Summary Notice in the manner and form  
14 set forth in paragraph 5-6 of this Order meets the requirements of Fed. R. Civ. P. 23.1 and due  
15 process, and constitutes due and sufficient notice of all matters relating the Settlement to all  
16 Persons entitled to such notice.

17           5.       No later than ten (10) business days following entry of this Order, Zillow shall  
18 cause the Summary Notice, substantially in the form attached to the Stipulation as Exhibit D,  
19 to be published one time in the *Investor's Business Daily*.

20           6.       Zillow also shall provide disclosure of the proposed settlement, including a  
21 reference to the Investor Relations page on Zillow's website which shall provide a copy of the  
22 Stipulation and Notice, in Zillow's next Form 10-Q filed with the Securities and Exchange  
23 Commission.

24           7.       No later than seven (7) calendar days prior to the Settlement Hearing, Zillow  
25 shall file with the Court and serve on Plaintiffs' Counsel proof, by affidavit or declaration, of  
26 compliance with the notice procedures set forth in this Order.

1           8.       Any and all Notice Costs shall be paid by Zillow, regardless of whether the Court  
2 finally approves the Settlement or the Effective Date fails to occur, and in no event shall  
3 Plaintiffs or Plaintiffs' Counsel be responsible for the payment of any Notice Costs.

4           9.       All papers in support of the Settlement and the Fee and Expense Award shall be  
5 filed with the Court and served no later than twenty-one (21) calendar days prior to the  
6 Settlement Hearing and any reply papers shall be filed with the Court no later than seven (7)  
7 calendar days prior to the Settlement Hearing.

8           10.      Any Current Zillow Shareholder who continues to own Zillow common stock  
9 through the date of the Settlement Hearing may file a written objection to the Settlement and/or  
10 to the payment of the Fee and Expense Award and appear and show cause, if he, she or it has  
11 any cause, why the Settlement and/or the Fee and Expense Award should not be approved;  
12 provided, however, that, unless otherwise directed by the Court for good cause shown, no such  
13 person shall be heard or entitled to contest the approval of the terms and conditions of the  
14 Settlement and/or the payment of the Fee and Expense Award to Plaintiffs' Counsel unless that  
15 person or entity: (i) files notice of an intention to appear that includes proof of current  
16 ownership of Zillow common stock; (ii) files papers in support of the objection with the Clerk  
17 of the Court by at least fourteen (14) calendar days prior to the hearing; and (iii) ensures such  
18 notice and papers have been served on and received by counsel as identified in the Notice by at  
19 least fourteen (14) calendar days prior to the Settlement Hearing.

20           11.      Any objection: (a) must state the name, address and telephone number of the  
21 person or entity objecting and, if represented by counsel, the name, address and telephone  
22 number of his, her or its counsel; (b) must be signed by the shareholder; (c) must contain a  
23 written, specific statement of the shareholder's objection or objections, and the specific reasons  
24 for each objection, including any legal and evidentiary support the shareholder wishes to bring  
25 to the Court's attention; (d) must state that the objection is being filed with respect to "*In re*  
26 *Zillow Group, Inc. Shareholder Derivative Litigation*, Lead Case No: 17-cv-01568-JCC"; and

1 (e) must include documentation sufficient to prove that the shareholder held shares of Zillow  
2 common stock as of the close of business on April 20, 2023 and continues to hold such shares.

3 12. Any Current Zillow Shareholder who wishes to be heard orally at the hearing in  
4 opposition to the approval of the Settlement and/or the Fee and Expense Award must also file  
5 a notice of appearance with the Clerk of the Court a so that it is received no later than fourteen  
6 (14) calendar days prior to the Settlement Hearing. Shareholders who intend to object and  
7 desire to present evidence at the Settlement Hearing must include in their written objection or  
8 notice of appearance the identity of any witnesses they may call to testify and exhibits they  
9 intend to introduce into evidence at the hearing. Any person appearing at the Settlement  
10 Hearing must present at the hearing documentation sufficient to prove that the shareholder  
11 continues to hold shares of Zillow common stock as of the date of the hearing.

12 13. Unless otherwise ordered by the Court, any Current Zillow Shareholder who  
13 does not make his, her, or its objection in the manner provided herein shall be deemed to have  
14 waived his, her or its right to object and shall forever be barred from raising any objections to  
15 the Settlement and/or the Fee and Expense Award, or any other matter related to the Settlement,  
16 in the Action or in any other action or proceeding, but shall otherwise be bound by the Final  
17 Order and Judgment to be entered and the Releases to be given.

18 14. All Current Zillow Shareholders shall be bound by all orders, determinations,  
19 and judgments in the Action concerning the Settlement, whether favorable or unfavorable to  
20 Current Zillow Shareholders.

21 15. All proceedings in the Action, other than those relating to the Settlement itself,  
22 are hereby stayed until further Order of the Court. Pending final determination of whether the  
23 Settlement should be approved, Plaintiffs and all other Current Zillow Shareholders are hereby  
24 barred and enjoined from commencing or prosecuting, derivatively on behalf of Zillow, any of  
25 the Plaintiffs' Released Claims against any of the Defendants' Released Persons.

1           16.     Neither the Stipulation (whether or not consummated), including the exhibits  
2 thereto, the negotiations leading to the execution of the Stipulation, nor any proceedings taken  
3 pursuant to or in connection with the Stipulation and/or approval of the Settlement (including  
4 any arguments proffered in connection therewith): (i) shall be offered against any of the  
5 Defendants' Released Persons as evidence of, or construed as, or deemed to be evidence of any  
6 presumption, concession, or admission by any of the Defendants' Released Persons with respect  
7 to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have  
8 been asserted or the deficiency of any defense that has been or could have been asserted in the  
9 Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of  
10 any kind of any of the Defendants' Released Persons or in any way referred to for any other  
11 reason as against any of the Defendants' Released Persons, in any civil, criminal or  
12 administrative action or proceeding, other than such proceedings as may be necessary to  
13 effectuate the Settlement; or (ii) shall be offered against any of the Plaintiffs' Released Persons  
14 as evidence of, or construed as, or deemed to be evidence of any presumption, concession or  
15 admission by any of the Plaintiffs' Released Persons that any of Plaintiffs' claims are without  
16 merit, that any of the Defendants had meritorious defenses, or that damages recoverable under  
17 the Complaint would not have exceeded the Settlement consideration or with respect to any  
18 liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other  
19 reason as against any of the Plaintiffs' Released Persons, in any civil, criminal or administrative  
20 action or proceeding, other than such proceedings as may be necessary to effectuate the  
21 Settlement; provided, however, that the Parties, the Released Persons, and their respective  
22 counsel may file the Stipulation and/or the Judgment in any action that may be brought against  
23 them in order to support a defense or counterclaim based on principles of res judicata, collateral  
24 estoppel, release, good-faith settlement, judgment bar or reduction, or any other theory of claim  
25 preclusion or issue preclusion or similar defense or counterclaim.

1           17.     The Court reserves the right to adjourn the date of the Settlement Hearing, or  
2 any adjournment thereof, or modify any other dates set forth herein without further notice to  
3 Current Zillow Shareholders and retains jurisdiction to consider all further applications arising  
4 out of or connected with the Settlement. The Court may approve the Settlement and any of its  
5 terms, with such modifications as may be agreed to by the Parties, if appropriate, without further  
6 notice to Current Zillow Shareholders.

7 IT IS SO ORDERED.

8 DATED: \_\_\_\_\_, 2023

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11 Honorable John C. Coughenour  
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# EXHIBIT C

The Honorable John C. Coughenour

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

IN RE ZILLOW GROUP, INC.  
SHAREHOLDER DERIVATIVE  
LITIGATION

Master File No.: 17-cv-01568-JCC

THIS DOCUMENT RELATES TO:  
ALL ACTIONS

**EXHIBIT C – NOTICE OF PENDENCY  
AND PROPOSED SETTLEMENT OF  
SHAREHOLDER DERIVATIVE  
ACTIONS**

LEAD CASE NO: 2:17-cv-01568-JCC  
EXHIBIT C – NOTICE OF PENDENCY AND  
PROPOSED SETTLEMENT OF SHAREHOLDER  
DERIVATIVE ACTION

**BADGLEY MULLINS TURNER PLLC**  
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Shoreline, WA 98155  
TEL: 206.621.6566  
FAX: 206.621.9686



**Please note that there is no proof of claim form for shareholders to submit in connection with this Settlement, and shareholders are not required to take any action in response to this Notice.**

Also, please note that this Notice is not an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the merits of the claims or defenses asserted by or against any Party. It is solely to notify you of pendency of the Actions and the terms of the proposed Settlement, and your rights related thereto. Capitalized terms not otherwise defined herein shall have the definitions set forth in the Stipulation and Agreement of Settlement entered into by the Parties on April 20, 2023 (the “Stipulation”). A copy of the Stipulation may be found on Zillow’s corporate website at <https://investors.zillowgroup.com/investors/resources/investor-faqs/default.aspx>.

**WHAT IS THE PURPOSE OF THIS NOTICE?**

1. The purpose of this Notice is to explain the Actions, the terms of the proposed Settlement, and how the proposed Settlement affects Zillow shareholders’ legal rights.

2. In a derivative action, one or more people who are current shareholders of a corporation sue on behalf of and for the benefit of the corporation, seeking to enforce the corporation’s legal rights. In this case, Plaintiffs have filed suit on behalf of Zillow asserting claims against defendants Richard Barton, Erik Blachford, Lloyd Frink, Jay Hoag, Gregory Maffei, Spencer Rascoff, Gordon Stephenson, Gregory Waldorf, and Kathleen Philips, all of whom are current or former members of the Board of Directors (the “Board”) of Zillow and/or current or former senior officers of Zillow (collectively, the “Individual Defendants” and together with nominal defendant Zillow, the “Defendants”).

3. The Court will hold a hearing (the “Settlement Hearing”) on \_\_\_\_\_, 2023, at \_\_: \_\_.m., at the United States District Court for the Western District of Washington, 700 Stewart St., Seattle, Washington, 98101, at which the Court will: (a) determine whether the Settlement should be approved by the Court as fair, reasonable, and adequate; (b) determine whether the Court should enter the Judgment dismissing the Action with prejudice pursuant to the Stipulation; (c) determine whether to approve the agreed to amount of attorneys’ fees and expenses to be paid to Plaintiffs’ Counsel by Zillow’s insurers; (d) hear and determine any objections to the Settlement or to an amount of the Plaintiffs’ attorneys’ fees; and (e) rule on such other matters as the Court may deem appropriate.

**WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?**

THE FOLLOWING DESCRIPTION OF THE ACTIONS AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF

1 FACT, OR AN AGREEMENT BY THE DEFENDANTS THAT ANY ALLEGATION IS  
2 CORRECT.

3 4. According to the allegations in the Actions, in June 2013, Zillow launched its  
4 co-marketing program, which allows mortgage lenders to pay for portions of a real estate  
5 agent's monthly online advertising costs. In return, the lender appears at the bottom of the  
6 listing as the agent's "preferred lender."

7 5. Until the beginning of 2017, Zillow permitted any lender to cover up to 50% of  
8 an agent's monthly advertising spend, and up to five (5) lenders to cover 90% of the spend.  
9 While cost-sharing between lenders and agents is legal, under the Real Estate Settlement  
10 Procedures Act ("RESPA") it is illegal for lenders to pay agents for referrals. In addition,  
11 RESPA prohibits lenders from paying more than fair market value to agents for advertising.  
12 Any payments in excess of fair market value are presumed to be illegal payments for referrals.

13 6. In 2015, the Consumer Financial Protection Bureau ("CFPB") stepped up  
14 RESPA enforcement, entering into several enforcement actions and consent orders with real  
15 estate industry participants. In response to the CFPB's concerns, the Company altered its co-  
16 marketing program in the beginning of 2017. Instead of allowing lenders to collectively  
17 contribute up to 90% of the ad cost, the Company restricted lenders to 50% of that cost.  
18 However, it did not disclose this to the market and did not alter its website to reflect the change  
19 for several months.

20 7. Around this time, in February 2017, the Company received a Notice and  
21 Opportunity to Respond ("NORA") letter from the CFPB, stating that the Enforcement Division  
22 was considering recommending the CFPB take legal action against the Company for violation  
23 of Section 8 of RESPA, and Section 1036 of the Consumer Financial Protection Act. The  
24 Company responded in March 2017, and in April 2017, Zillow received a Civil Investigative  
25 Demand ("CID"). In August 2017, the CFPB informed the Company that it had concluded its  
26 investigation, requested that the Company negotiate a settlement, and absent a settlement, it  
27 intended to pursue an action against the Company for violating RESPA.

28 8. The Actions allege that against this backdrop, Defendants made materially false  
and misleading statements to the public regarding Zillow's efforts to comply with RESPA.

### WHAT ARE THE TERMS OF THE SETTLEMENT?

9. Defendants have acknowledged that the filing, prosecution, and resolution of the  
Actions was a substantial factor in the Company's accelerated adoption of the corporate  
governance reforms (the "Reforms") enumerated above and that the Reforms will confer a  
substantial benefit to Zillow and Current Zillow Shareholders.

### WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?

LEAD CASE NO: 2:17-cv-01568-JCC

EXHIBIT C – NOTICE OF PENDENCY AND  
PROPOSED SETTLEMENT OF SHAREHOLDER  
DERIVATIVE ACTION

-3-

BADGLEY MULLINS TURNER PLLC  
Columbia Center  
701 Fifth Avenue, Suite 4750  
Seattle, WA 98104  
TEL 206.621.6566  
FAX 206.621.9686

1           10. Plaintiffs' Counsel have conducted an extensive investigation relating to the  
2 claims and the underlying events alleged in the Actions including, but not limited to: (a)  
3 inspecting, analyzing, and reviewing Zillow's public filings with the SEC, press releases,  
4 announcements, transcripts of investor conference calls, and news articles; (b) drafting and  
5 filing the various complaints and other pleadings in the Actions; (c) researching the applicable  
6 law with respect to the claims asserted in the Actions and the potential defenses thereto; (d)  
7 researching corporate governance issues; (e) reviewing discovery and attending depositions; (f)  
8 preparing a detailed settlement demand; and (g) participating in extensive settlement  
9 discussions with counsel for the Defendants.

10           11. Plaintiffs and Plaintiffs' Counsel believe that the claims asserted in the Actions  
11 have merit and that their investigation supports the claims asserted. Without conceding the  
12 merit of any of Defendants' defenses or the lack of merit of any of their own allegations, and  
13 solely in order to avoid the potentially protracted time, expense, and uncertainty associated with  
14 continued litigation, including potential trial(s) and appeal(s), Plaintiffs have concluded that it  
15 is desirable that the Actions be fully and finally settled in the manner and upon the terms and  
16 conditions set forth in the Stipulation. Plaintiffs and Plaintiffs' Counsel recognize the  
17 significant risk, expense, and length of continued proceedings necessary to prosecute the  
18 Actions against the Individual Defendants through trial and through possible appeal. Plaintiffs  
19 and Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any  
20 litigation, especially in complex cases such as this Actions, as well as the difficulties and delays  
21 inherent in such litigation. Based on their evaluation, Plaintiffs and Plaintiffs' Counsel have  
22 determined that the Settlement is in the best interests of Plaintiffs, Zillow, and Current Zillow  
23 Shareholders, and have agreed to settle the Actions upon the terms and subject to the conditions  
24 set forth in the Stipulation.

25           12. The Individual Defendants have denied and continue to deny that they have  
26 committed or attempted to commit any violations of law, any breach of fiduciary duty owed to  
27 Zillow, or any wrongdoing whatsoever. Each Individual Defendant has further asserted that at  
28 all material times, he/she has acted in good faith and in a manner he/she reasonably believed to  
be in the best interests of the Company and Current Zillow Shareholders. Without admitting  
the validity of any of the claims Plaintiffs have asserted in the Actions, or any liability with  
respect thereto, Defendants have concluded that it is desirable that the claims be settled on the  
terms and subject to the conditions set forth in the Stipulation. Defendants have entered into  
the Settlement because it will eliminate the uncertainty, distraction, disruption, burden, risk, and  
expense of further litigation. Further, Defendants have acknowledged that the Settlement is  
fair, reasonable, adequate, and in the best interests of Zillow and Current Zillow Shareholders.

**WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS  
WILL THE SETTLEMENT RELEASE?**

1           13. At the Settlement Hearing, the Parties shall jointly request that the Court enter  
2 the Judgment finally approving the Settlement. Pursuant to the Judgment, upon the Effective

1 Date of the Settlement (as defined in the Stipulation), the Actions will be dismissed with  
2 prejudice and the following releases (the “Releases”) will occur:

3 **Release of Claims by Current Zillow Shareholders and Zillow:** (i) Plaintiffs and all other  
4 Current Zillow Shareholders shall be deemed to have, and by operation of the law and of  
5 the Judgment shall have, fully, finally and forever released, relinquished and discharged  
6 their right to assert derivatively on behalf of the Company any and all of the Plaintiffs’  
7 Released Claims (including Unknown Claims) against the Defendants’ Released Persons,  
8 and shall forever be barred and enjoined from instituting, commencing, or prosecuting  
9 derivatively on behalf of the Company any and all of the Plaintiffs’ Released Claims against  
10 the Defendants’ Released Persons; and (ii) Zillow shall be deemed to have, and by operation  
11 of the law and of the Judgment shall have, fully, finally, and forever released, relinquished  
12 and discharged its right to assert directly any and all of the Plaintiffs’ Released Claims  
13 against the Defendants’ Released Persons, and shall forever be barred and enjoined from  
14 instituting, commencing, or prosecuting directly any and all of the Plaintiffs’ Released  
15 Claims against the Defendants’ Released Persons

16 “Plaintiffs’ Released Claims” means all claims, rights, duties, controversies, obligations,  
17 debts, demands, actions, sums of money, suits, contracts, agreements, promises, damages,  
18 losses, judgments, liabilities, allegations, arguments, and cause of action of every nature and  
19 description, whether known claims or Unknown Claims, whether arising under federal,  
20 state, local, statutory, common, or foreign law, or any other rule or regulation, whether at  
21 law or equity, whether fixed or contingent, whether accrued or unaccrued, whether matured  
22 or unmatured, whether liquated or unliquidated, that (i) were or could have been asserted  
23 by the Company or by Plaintiffs or any other Current Zillow Shareholder derivatively on  
24 the Company’s behalf and arise out of or relate to the allegations, transactions, facts,  
25 matters, disclosures, statements, acts, omissions or occurrences set forth in the complaints  
26 or any other filing by Plaintiffs in the Actions, or (ii) arise out of or in any way relate to the  
27 defense or settlement of the claims against Defendants, except for claims relating to the  
28 enforcement of the Settlement. For the avoidance of doubt, the Plaintiffs’ Released Claims  
do not include any direct claims belonging to Zillow shareholders, including, without  
limitation, any claims arising under the federal securities laws.

“Defendants’ Released Persons” means (i) Defendants, (ii) each of the Individual  
Defendants’ current and former representatives, insurers, Immediate Family members,  
agents, advisors, attorneys, heirs, executors, administrators, and assigns, in their capacities  
as such, and (iii) the Company’s current and former parents, affiliates, subsidiaries, and  
divisions and all of their current and former principals, partners, officers, owners, directors,  
supervisors, employees, agents, members, representatives, insurers, attorneys, heirs,  
executors, administrators, and assigns of the same.

**Release of Claims by Defendants:** Defendants shall be deemed to have, and by operation  
of the law and of the Judgment shall have, fully, finally and forever released, relinquished  
and discharged any and all of the Defendants’ Released Claims (defined below) against the  
Plaintiffs’ Released Persons (defined below), and shall forever be barred and enjoined from

1 instituting, commencing, or prosecuting any and all of the Defendants’ Released Claims  
2 against the Plaintiffs’ Released Persons.

3 “Defendants’ Released Claims” means all claims and causes of action of every nature and  
4 description whatsoever, including both known claims and Unknown Claims, that arise out  
5 of, are based on, or relate to the institution, prosecution, pendency, or settlement of the  
6 claims asserted against Defendants in the Actions (except for claims to enforce the  
7 Settlement).

8 “Plaintiffs’ Released Persons” means each of the Plaintiffs, Plaintiffs’ Counsel, and all other  
9 Current Zillow Shareholders and each of their respective present and former directors,  
10 officers, Immediate Family members, agents, advisors, attorneys, personal and legal  
11 representatives, employees, affiliates, predecessors, successors, heirs, beneficiaries,  
12 executors, estates, trusts, administrators, trustees, insurers, and assigns, in their capacity as  
13 such.

14 “Unknown Claims” means any of the Plaintiffs’ Released Claims which any Plaintiff does  
15 not know or suspect to exist in his, her, or its favor at the time of the release of such claims  
16 and any of the Defendants’ Released Claims that any Defendant or the Company does not  
17 know or suspect to exist in his, her, or its favor at the time of the release of such claims  
18 which, if known by him, her, or it, might have affected his, her, or its decision with respect  
19 to this Settlement. With respect to any and all Released Claims, the Parties stipulate and  
20 agree as part of this Settlement that they expressly waive, relinquish, and release any and  
21 all provisions, rights, and benefits conferred by or under California Civil Code Section 1542  
22 (“§ 1542”) or any other law of the United States or any state or territory of the United States,  
23 or principle of common law, which is similar, comparable, or equivalent to § 1542, which  
24 provides:

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
WHICH THE CREDITOR OR RELEASING PARTY DOES  
NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER  
FAVOR AT THE TIME OF EXECUTING THE RELEASE,  
AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
MATERIALLY AFFECTED HIS OR HER SETTLEMENT  
WITH THE DEBTOR OR RELEASED PARTY.

29 Plaintiffs, Defendants, and the Company acknowledge that the foregoing waiver was  
30 separately bargained for and is a key element of the Settlement. Plaintiffs, Defendants, the  
31 Company and each Current Zillow Shareholder may hereafter discover facts in addition to  
32 or different from those which he, she, it, or their counsel now knows or believes to be true  
33 by them, with respect to Plaintiffs’ Released Claims or Defendants’ Released Claims, as the  
34 case may be, but upon the Effective Date, Plaintiffs, Defendants, the Company, and each  
35 Current Zillow Shareholder derivatively on behalf of the Company shall be deemed to have,  
36 and by the operation of the Judgment shall have completely, fully, finally, and forever  
37 settled and released all Released Claims, known or unknown, suspected or unsuspected,  
38 contingent or non-contingent, whether or not concealed or hidden, which now exist or

1 heretofore have existed upon any theory of law or equity now existing or coming into  
2 existence in the future, without regard to the subsequent discovery or existence of such  
3 different or additional facts. The Parties acknowledge, and the Current Zillow Shareholders  
4 shall be deemed by operation of the Judgment to have acknowledged, that the foregoing  
waiver was separately bargained for and is a key element of the Settlement of which this  
release is a part.

5 14. By Order of the Court, (a) all proceedings in the Action, other than those relating  
6 to the Settlement itself, have been stayed until further Order of the Court; and (b) pending final  
7 determination of whether the Settlement should be approved, Plaintiffs and all other Current  
8 Zillow Shareholders are barred and enjoined from commencing or prosecuting, derivatively on  
behalf of Zillow, any of the Plaintiffs’ Released Claims against any of the Defendants’ Released  
Persons.

9 **HOW WILL PLAINTIFFS’ COUNSEL BE PAID?**

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11 15. After all material settlement terms were agreed upon, Plaintiffs’ Counsel  
12 engaged in arm’s-length negotiations with Defendants, directly and through an experienced  
13 mediator, concerning an appropriate award of attorneys’ fees and expenses for Plaintiffs’  
Counsel. Defendants have agreed to pay an award of attorneys’ fees and expenses in the total  
amount of \$1,300,000.00 (the “Fee and Expense Award”), subject to Court approval.

14 16. Plaintiffs’ Counsel’s application will include a request on behalf of the two  
15 Plaintiffs in the Federal Derivative Action for service awards in the amount of \$5,000.00 each  
16 and the two Plaintiffs in the State Derivative Action for service awards in the amount of  
17 \$1,500.00 each, to be paid out of the Court-approved Fee and Expense Award, based on the  
substantial benefits they have helped to create for Zillow and Current Zillow Shareholders.

18 **WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I**  
19 **HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?**

20  
21 17. The Court will consider the Settlement and all matters related to the Settlement  
22 at the Settlement Hearing. The Settlement Hearing will be held before The Honorable John C.  
23 Coughenour, on \_\_\_\_\_, 2023 at \_\_:\_\_.m., at the United States District Court for the  
24 Western District of Washington, 700 Stewart St., Seattle, Washington, 98101. At the Settlement  
25 Hearing, the Court will (a) determine whether the Settlement should be approved by the Court  
26 as fair, reasonable, and adequate; (b) determine whether the Court should enter the Judgment  
dismissing the Action with prejudice pursuant to the Stipulation; (c) determine the amount of  
the Fee and Expense Award; (d) hear and determine any objections to the Settlement or to  
approval of the Agreed Fee; and (e) rule on such other matters as the Court may deem  
appropriate.

1 18. Any Current Zillow Shareholder (*i.e.*, any person or entity who owned Zillow  
 2 common stock as of April 20, 2023) who continues to own Zillow common stock through  
 3 \_\_\_\_\_, 2023, the date of the Settlement Hearing, may object to the terms and  
 4 conditions of the Settlement and/or to the payment of the Fee and Expense Award to Plaintiffs’  
 5 Counsel. Objections must be in writing and must be filed, together with copies of all other  
 6 papers and briefs supporting the objection, with the Clerk of the Court at the address set forth  
 7 below on or before \_\_\_\_\_, 2023. Objections must also be served on Representative  
 8 Plaintiffs’ Counsel and Representative Defendants’ Counsel (by hand, first-class U.S. mail, or  
 9 express service) at the addresses set forth below so that the objection is *received* on or before  
 10 \_\_\_\_\_, 2023.

<u>Clerk of the Court</u>	<u>Representative Plaintiffs’ Counsel</u>	<u>Representative Defendants’ Counsel</u>
United States District Court Western District of Washington 700 Stewart St. Seattle, WA 98101	Gregory Egleston, Esq. Gainey McKenna & Egleston 501 Fifth Avenue, 19 <sup>th</sup> Fl. New York, NY 10017	Joseph De Simone, Esq. Mayer Brown LLP 1221 Avenue of the Americas New York, NY 10020

12  
 13 19. Any objection: (a) must state the name, address and telephone number of the  
 14 person or entity objecting and, if represented by counsel, the name, address and telephone  
 15 number of his, her or its counsel; (b) must be signed by the shareholder; (c) must contain a  
 16 written, specific statement of the shareholder’s objection or objections, and the specific reasons  
 17 for each objection, including any legal and evidentiary support the shareholder wishes to bring  
 18 to the Court’s attention; (d) must state that the objection is being filed with respect to “*In re*  
 19 *Zillow Group, Inc. Shareholder Derivative Litigation*, Lead Case No: 17-cv-01568-JCC”; and  
 20 (e) must include documentation sufficient to prove that the shareholder held shares of Zillow  
 21 common stock as of the close of business on April 20, 2023 and continues to hold such shares.

22 20. You may file a written objection without having to appear at the Settlement  
 23 Hearing. You may not, however, appear at the Settlement Hearing to present your objection  
 24 unless you first filed and served a written objection in accordance with the procedures described  
 25 above, unless the Court orders otherwise.

26 21. If you wish to be heard orally at the hearing in opposition to the approval of the  
 27 Settlement, and if you file and serve a timely written objection as described above, you must  
 28 also file a notice of appearance with the Clerk of the Court and serve it on Representative  
 Plaintiffs’ Counsel and Representative Defendants’ Counsel at the addresses set forth above so  
 that it is *received* on or before \_\_\_\_\_, 2023. Shareholders who intend to object and  
 desire to present evidence at the Settlement Hearing must include in their written objection or  
 notice of appearance the identity of any witnesses they may call to testify and exhibits they  
 intend to introduce into evidence at the hearing. Any person appearing at the Settlement  
 Hearing must present at the hearing documentation sufficient to prove that the shareholder

continues to hold shares of Zillow common stock as of the date of the hearing. Such persons may be heard orally at the discretion of the Court.

22. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Representative Plaintiffs' Counsel and Representative Defendants' Counsel at the addresses set forth above so that the notice is *received* on or before \_\_\_\_\_, 2023.

23. Unless the Court otherwise directs, any person or entity who fails to object in the manner prescribed above shall be deemed to have waived his, her, or its right to object and shall be forever barred from raising any objection to the Settlement and/or the Fee and Expense Award, or any other matter related to the Settlement, in the Action or in any other action or proceeding, but shall otherwise be bound by the Judgment to be entered by the Court and the Releases to be given.

**WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

24. This Notice does not purport to be a comprehensive description of the Actions, the allegations related thereto, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in the Actions, you may inspect the pleadings, the Stipulation, the Orders entered by the Court, and other papers filed in the Action at the Office of the Clerk, United States District Court for the Western District of Washington, \_\_\_\_\_, during regular business hours of each business day. You may also view a copy of the Stipulation at [www.\\_\\_\\_\\_\\_.com](http://www._____.com). If you have questions regarding the Settlement, you may write or call the following counsel for Plaintiffs: Gregory Egleston, Esq., Gainey McKenna & Egleston, New York, NY 10017 (212) 983-1300 or [gegleston@gme-law.com](mailto:gegleston@gme-law.com).

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, 2023

By Order of the Court  
United States District Court  
Western District of Washington

# EXHIBIT D

The Honorable John C. Coughenour

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

IN RE ZILLOW GROUP, INC.  
SHAREHOLDER DERIVATIVE  
LITIGATION

Master File No.: 17-cv-01568-JCC

THIS DOCUMENT RELATES TO:  
ALL ACTIONS

**EXHIBIT D – SUMMARY NOTICE OF  
PENDENCY AND PROPOSED  
SETTLEMENT OF SHAREHOLDER  
DERIVATIVE ACTIONS**

LEAD CASE NO: 2:17-cv-01568-JCC  
EXHIBIT D – SUMMARY NOTICE OF PENDENCY  
AND PROPOSED SETTLEMENT OF  
SHAREHOLDER DERIVATIVE ACTION

**BADGLEY MULLINS TURNER PLLC**  
19929 Ballinger Way NE, Suite 200  
Shoreline, WA 98155  
TEL: 206.621.6566  
FAX: 206.621.9686

**SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF  
SHAREHOLDER DERIVATIVE ACTIONS**

**TO: ALL PERSONS WHO OWNED SHARES OF THE COMMON STOCK OF ZILLOW GROUP, INC. (“ZILLOW” OR THE “COMPANY”) AS OF APRIL 20, 2023 (“CURRENT ZILLOW SHAREHOLDERS”).**

**PLEASE READ THIS SUMMARY NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THE LITIGATION.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23.1 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Western District of Washington (the “Court”), of (i) the pendency of the above-captioned shareholder derivative action and the parallel state court shareholder derivative action entitled *In re Zillow Group, Inc. Shareholder Derivative Litigation*, Master File No. 17-2-29103-0, Superior Court, Washington State, King County (together the “Actions”), which were brought by certain Zillow shareholders on behalf of and for the benefit of nominal defendant Zillow; and (ii) a proposed settlement of the Actions (the “Settlement”), subject to Court approval, on the terms and conditions set forth in a Stipulation and Agreement of Settlement (the “Stipulation”) filed with the Court and available for review as indicated below. On \_\_\_\_\_, 2023, at \_\_\_\_\_ .m., a hearing (the “Settlement Hearing”) will be held before the Honorable John C. Coughenour, at the U.S. District Court for the Western District of Washington, 700 Stewart St., Seattle, Washington, 98101, to: (a) determine whether the Settlement should be approved by the Court as fair, reasonable, and adequate; (b) determine an amount of attorneys’ fees and expenses to be paid to Plaintiffs’ Counsel and any service awards applied for on behalf of Plaintiffs; (c) hear and determine any objections to the Settlement or to the fee and service awards; and (d) rule on such other matters as the Court may deem appropriate.

The Actions alleged claims on behalf of Zillow against its Board of Directors and certain executives relating to the Consumer Financial Protection Bureau’s (“CFPB’s”) investigation of Zillow’s Co-Marketing Program and its compliance with the Real Estate Settlement Procedures Act. Pursuant to the Settlement, Zillow has agreed to implement the Corporate Governance Reforms set forth on Exhibit A to the Stipulation. If the Settlement is approved, Current Zillow Shareholders will be forever barred from pursuing the claims asserted in the Action on behalf of Zillow which are being released under the Settlement.

This is a summary notice only. A more detailed Notice of Pendency and Proposed Settlement of Shareholder Derivative Litigation (the “Notice”) that provides additional information concerning the Actions, the terms of the proposed Settlement, and Current Zillow Shareholders’ legal rights with respect to the proposed Settlement is being filed with the Securities and Exchange Commission. You may also obtain a copy of the Notice, as well as a copy of the Stipulation, from Zillow’s corporate website, <https://investors.zillowgroup.com/investors/resources/investor-faq/default.aspx>.

If you owned shares of Zillow common stock as of April 20, 2023 and continue to own such shares through \_\_\_\_\_, 2023 (the date of the Settlement Hearing), you may, if you wish

1 to do so, comment to the Court on the proposed Settlement and/or the amount of attorneys' fees  
2 and service awards. Any objections to the proposed Settlement and/or the attorneys' fees and  
3 service awards must be filed with the Court and delivered to representative counsel for Plaintiffs  
and Defendants such that they are received by no later than \_\_\_\_\_, 2023, in accordance  
with the instructions set forth in the Notice.

4 **PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE**  
5 **REGARDING THIS NOTICE OR THE PROPOSED SETTLEMENT.**

6 All questions about this notice or the proposed Settlement should be directed to the following  
7 counsel for Plaintiffs:

8 Gregory Egleston, Esq.  
9 Gainey McKenna & Egleston  
10 501 Fifth Avenue, 19<sup>th</sup> Fl.  
11 New York, NY 10017  
12 Email: [gegleston@gme-law.com](mailto:gegleston@gme-law.com)

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28 By Order of the Court

# **EXHIBIT E**

The Honorable John C. Coughenour

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

IN RE ZILLOW GROUP, INC.  
SHAREHOLDER DERIVATIVE  
LITIGATION

Master File No.: 17-cv-01568-JCC

THIS DOCUMENT RELATES TO:  
ALL ACTIONS

**EXHIBIT E – [PROPOSED] FINAL  
ORDER AND JUDGMENT**

LEAD CASE NO: 2:17-cv-01568-JCC  
EXHIBIT E – [PROPOSED] FINAL ORDER AND  
JUDGMENT

**BADGLEY MULLINS TURNER PLLC**  
19929 Ballinger Way NE, Suite 200  
Shoreline, WA 98155  
TEL: 206.621.6566  
FAX: 206.621.9686

1 This matter came before the Court for hearing pursuant to the Court’s Order  
2 Preliminarily Approving Settlement and Providing for Notice, dated April 20, 2023 (the  
3 “Preliminary Approval Order”), on the application of the Parties for final approval of the  
4 settlement of the Actions set forth in the Stipulation and Agreement of Settlement dated April  
5 20, 2023 (the “Stipulation”). Due and adequate notice having been given to Current Zillow  
6 Shareholders as required in said Preliminary Approval Order, and the Court having considered  
7 all papers filed and proceedings had herein and otherwise being fully informed in the premises  
8 and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND  
9 DECREED that:

10 1. This Final Order and Judgment incorporates by reference the definitions in the  
11 Stipulation, and unless otherwise defined herein, all capitalized terms used herein shall have the  
12 same meanings as set forth in the Stipulation.

13 2. The Court has jurisdiction to enter this Final Order and Judgment. The Court has  
14 jurisdiction over the subject matter of the Action, including all matters necessary to effectuate  
15 the Settlement, and the Parties to the Stipulation have consented to the jurisdiction of the Court  
16 for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

17 3. The Court finds that the Settlement set forth in the Stipulation is fair, reasonable,  
18 and adequate, and in the best interests of Zillow and Current Zillow Shareholders, and pursuant  
19 to Fed. R. Civ. P. 23.1, the Court hereby finally approves the Settlement in all respects, finds  
20 that the Settlement set forth in the Stipulation provides material benefits to Zillow and Current  
21 Zillow Shareholders, and orders the Parties to perform its terms to the extent the Parties have  
22 not already done so.

23 4. The Action and all claims asserted therein are hereby ordered as compromised,  
24 settled, released, discharged and dismissed with prejudice by virtue of the proceedings herein  
25 and this Final Order and Judgment, and as set forth in the Stipulation. As among Plaintiffs,  
26 Zillow, and the Individual Defendants, the Parties are to bear their own costs, except as

1 otherwise provided in the Stipulation, the Preliminary Approval Order, and this Final Order and  
2 Judgment.

3           5.       Upon the Effective Date of the Settlement, (i) Plaintiffs and all other Current  
4 Zillow Shareholders shall be deemed to have, and by operation of the law and of the Judgment  
5 shall have, fully, finally and forever released, relinquished and discharged their right to assert  
6 derivatively on behalf of the Company any and all of the Plaintiffs' Released Claims (including  
7 Unknown Claims) against the Defendants' Released Persons, and shall forever be barred and  
8 enjoined from instituting, commencing, or prosecuting derivatively on behalf of the Company  
9 any and all of the Plaintiffs' Released Claims against the Defendants' Released Persons; and  
10 (ii) Zillow shall be deemed to have, and by operation of the law and of the Judgment shall have,  
11 fully, finally, and forever released, relinquished and discharged its right to assert directly any  
12 and all of the Plaintiffs' Released Claims against the Defendants' Released Persons, and shall  
13 forever be barred and enjoined from instituting, commencing, or prosecuting directly any and  
14 all of the Plaintiffs' Released Claims against the Defendants' Released Persons.

15           6.       Upon the Effective Date of the Settlement, Defendants shall be deemed to have,  
16 and by operation of the law and of the Judgment shall have, fully, finally and forever released,  
17 relinquished and discharged any and all of the Defendants' Released Claims against the  
18 Plaintiffs' Released Persons, and shall forever be barred and enjoined from instituting,  
19 commencing, or prosecuting any and all of the Defendants' Released Claims against the  
20 Plaintiffs' Released Persons.

21           7.       Notwithstanding paragraphs 5 and 6 above, nothing in this Final Order and  
22 Judgment shall in any way impair or restrict the rights of any Party to enforce the terms of the  
23 Stipulation or this Final Order and Judgment.

24           8.       The Court finds that the notice to Current Zillow Shareholders (a) was provided  
25 pursuant to and in the form and manner directed by the Preliminary Approval Order; (b) meets  
26

1 the requirements of Fed. R. Civ. P. 23.1 and due process; and (c) constitutes due and sufficient  
2 notice of all matters relating to the Settlement to all Persons entitled to such notice.

3 9. Pursuant to and in compliance with Fed. R. Civ. P. 23.1 and due process, the  
4 Court hereby finds that the notice provided advised Persons in interest of the terms of the  
5 Settlement and the Fee and Expense Award and of their right to object thereto, and a full and  
6 fair opportunity was accorded to all Persons entitled to be heard with respect to the foregoing  
7 matters.

8 10. This Court finds that the Action has been properly maintained as a derivative  
9 action according to the provisions of Fed. R. Civ. P. 23.1 and any corollary state rule, and the  
10 Court finds that throughout the course of the Action, the Parties and their counsel at all times  
11 complied with the requirements of Fed. R. Civ. P. 11 and any corollary state rule.

12 11. The Court hereby approves the Fee and Expense Award, which sum the Court  
13 finds to be fair and reasonable. The Court also hereby approves payment of the Service Awards,  
14 which shall be funded from the Fee and Expense Award. The Fee and Expense Award shall be  
15 paid in accordance with the terms of the Stipulation.

16 12. No proceedings or court order with respect to the Fee and Expense Award or  
17 Service Awards shall in any way disturb or affect this Order and Final Judgment (including  
18 precluding this Order and Final Judgment from being Final or otherwise being entitled to  
19 preclusive effect), and any such proceedings or court order shall be considered separate from  
20 this Order and Final Judgment.

21 13. Neither the Stipulation (whether or not consummated), including the exhibits  
22 thereto, the negotiations leading to the execution of the Stipulation, nor any proceedings taken  
23 pursuant to or in connection with the Stipulation and/or approval of the Settlement (including  
24 any arguments proffered in connection therewith): (i) shall be offered against any of the  
25 Defendants' Released Persons as evidence of, or construed as, or deemed to be evidence of any  
26 presumption, concession, or admission by any of the Defendants' Released Persons with respect

1 to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have  
2 been asserted or the deficiency of any defense that has been or could have been asserted in the  
3 Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of  
4 any kind of any of the Defendants' Released Persons or in any way referred to for any other  
5 reason as against any of the Defendants' Released Persons, in any civil, criminal or  
6 administrative action or proceeding, other than such proceedings as may be necessary to  
7 effectuate the Settlement; or (ii) shall be offered against any of the Plaintiffs' Released Persons  
8 as evidence of, or construed as, or deemed to be evidence of any presumption, concession or  
9 admission by any of the Plaintiffs' Released Persons that any of Plaintiffs' claims are without  
10 merit, that any of the Defendants had meritorious defenses, or that damages recoverable under  
11 the Complaint would not have exceeded the Settlement consideration or with respect to any  
12 liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other  
13 reason as against any of the Plaintiffs' Released Persons, in any civil, criminal or administrative  
14 action or proceeding, other than such proceedings as may be necessary to effectuate the  
15 Settlement; provided, however, that the Parties, the Released Persons, and their respective  
16 counsel may file the Stipulation and/or this Final Order and Judgment in any action that may be  
17 brought against them in order to support a defense or counterclaim based on principles of res  
18 judicata, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any  
19 other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

20       14. Without affecting the finality of this Final Order and Judgment in any way, the  
21 Court hereby retains continuing jurisdiction over: (a) implementation of the Settlement; (b) the  
22 Parties for the purpose of construing, enforcing, and administering the Stipulation and this Final  
23 Order and Judgment; and (c) any other matters related to the foregoing.

24       15. Without further approval from the Court, the Parties are hereby authorized to  
25 agree to and adopt such amendments or modifications of the Stipulation to effectuate the  
26 Settlement that: (a) are not materially inconsistent with this Final Order Judgment; and (b) do

1 not materially limit the rights of Current Zillow Shareholders in connection with the Settlement.  
2 Without further order of the Court, the Parties may agree to reasonable extensions of time to  
3 carry out any provisions of the Settlement.

4 16. This Final Order and Judgment is a final, appealable judgment and should be  
5 entered by the Clerk of the Court forthwith in accordance with Fed. R. Civ. P. 58.

6 IT IS SO ORDERED.

7 DATED: \_\_\_\_\_, 2023

8 \_\_\_\_\_  
9 Honorable John C. Coughenour

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