
NOTICE OF PENDING CLASS ACTION AND NOTICE OF PROPOSED SETTLEMENT

Ye, et al. v. Sephora USA, Inc., United States District Court for the Northern District of California, Case No. 3:14-cv-05237

You are receiving this e-mail because in November 2014 you may have had an online account at Sephora with an associated email address from one the following email service providers: @qq.com, @126.com or @163.com. The Net Settlement Proceeds will be distributed among all eligible Settlement Class Members who submit claim forms, up to a maximum of \$125 in cash or \$250 in an electronic gift card per person. The total amount you receive depends on the number of Settlement Class Members who submit claims forms.

Why did I get this notice? A settlement (“Settlement”) has been proposed in a class action lawsuit pending in the Northern District of California (“Court”) entitled *Ye, et al. v. Sephora USA, Inc.* (the “Action”). According to available records, you might be a “Class Member.” The purpose of this notice is to inform you of the Action and the Settlement so that you may decide what steps to take in relation to it.

What is the Action about? The Action was filed against Sephora alleging it discriminatorily deactivated from its website thousands of customers in the U.S. whose customer accounts had email addresses with China-based service providers: @qq.com, @126.com and @163.com. The Action alleges that Sephora prevented these users from participating in the annual 20% discount sale available to VIB and VIB Rouge customers scheduled to begin on November 6, 2014 (the “VIB Sale”). Sephora denies wrongdoing and liability, and no court or other entity has made any judgment or other determination of any liability.

Am I a Class Member? You are a “Class Member” if as of November 4, 2014, you (i) had an active VIB or VIB Rouge account as of November 4, 2014 that was associated with an email address from @qq.com, @126.com or @163.com, (ii) had your account deactivated on or about November 6, 2014, and (iii) attempted to but were unable to make a purchase at ww.sephora.com using their “Beauty Insider” account(s) at some point in November 2014.

What relief does the Settlement provide? If you are a Class Member, you are eligible to receive your choice of either a cash payment or an electronic gift card. The amount of the Settlement Benefit an Authorized Claimant will receive will be determined on a *pro rata* basis, based on the total amount of the Net Settlement Proceeds to be allocated among all Authorized Claimants, the total number of Authorized Claimants, and the number of Claims Forms submitted. An Authorized Claimant who selects to receive a Sephora electronic gift card will receive a *pro rata* amount twice what each Authorized Claimant who selected cash will receive. The Settlement Benefits are capped at \$125.00 in cash or \$250.00 in a Sephora electronic gift card per Authorized Claimant. To be considered eligible, you must timely complete a valid Claim Form. A Claim Form is available by clicking **HERE** or on the Internet at the **Settlement website** www.BeautyInsiderSettlement.com. The deadline to submit a Claim Form either electronically or by mail to the address listed below is April 3, 2017.

How much is my share of the settlement if it is approved? If the Court grants final approval of the Settlement, Sephora will make a settlement payment (“Settlement Payment”) of \$950,000. It is estimated that the \$950,000 will be apportioned as follows:

\$418,500	(Estimated Attorneys’ Fees)
\$90,000	(Estimated Litigation Expenses)
\$10,000	(Service Awards to Plaintiffs Ye and Han)
\$25,000	(Claims Administrative Expenses)
\$406,500	(Estimated “Net Settlement Proceeds” Payable to Authorized Claimants)

This is an estimated amount. The total amount of Net Settlement Proceeds available to make payments to Authorized Claimants may vary depending upon whether, and in what amounts, the Court approves the attorneys’ fees, litigation expenses, and service payments described above. It will also depend on how much Sephora has to pay the Claims Administration firm.

The entire amount of the Net Settlement Proceeds will be paid to Authorized Claimants who submit a Claim Form selecting either cash or a Sephora electronic gift card (collectively, the “Settlement Benefit”) within a certain period (the “Claim Period”). After the conclusion of the Claim Period, the Claims Administrator will determine whether each Claim Form represents an Authorized Claimant. The amount of the Settlement Benefit an Authorized Claimant will receive will be determined on a *pro rata* basis, based on the total amount of the Net Settlement Proceeds to be allocated among all Authorized Claimants, the total number of Authorized Claimants, and the number of Claims Forms submitted. An Authorized Claimant who selects to receive a Sephora electronic gift card will receive a *pro rata* amount twice what each Authorized Claimant who selected cash will receive. The Settlement Benefits are capped at \$125.00 in cash or \$250.00 in a Sephora electronic gift card per Authorized Claimant.

Any amount remaining in the Net Settlement Proceeds after allocation among the Authorized Claimants at the conclusion of the Claim Period will be collected in a *cy pres* fund that will be donated to the National Asian Pacific American Women’s Forum, a non-profit charitable organization (<https://napawf.org/>). No portion of the Net Settlement Proceeds will revert back to Sephora.

What are my other options? If you do not want to be legally bound by the Settlement, you must exclude yourself by April 3, 2017, or you will be releasing Sephora from any liability with the Action and you cannot sue Sephora for the legal claims in the Action in the future. The full terms of the release are described more fully in the Settlement website available **HERE**. If you exclude yourself, you cannot receive any money from this Settlement if it is approved. A form to exclude yourself is available **HERE** or @ www.BeautyInsiderSettlement.com. If you do not exclude yourself, you will be bound by the terms of the Settlement.

If you wish to object to the terms of the Settlement before the Final Approval Hearing, you may either file an objection at Sephora Claims Administrator, c/o Dahl Administration, P.O. Box 3614, Minneapolis, MN 55403-0614, or file a notice of your intent to appear and object at the Final Approval Hearing at the time and place listed below in this Notice. However, if the Court rejects your objection and approves the Settlement, you will be bound by the terms of the Settlement. **As a condition to objection to the Settlement, you must still timely submit a Claim Form.** Each objection must be accompanied by submission of a Claim Form and shall provide a detailed statement of any objection asserted and for requesting the opportunity to appear and be heard at the Final Approval Hearing. You may appear in person or through a legal representative. The Court will hold a Final Approval Hearing on the proposed Settlement on May 25, 2017 at 1:30 p.m., at Courtroom 5, United States District Court, Northern District of California, 450 Golden Gate Avenue, 17th Floor, San Francisco CA 94102.

To be valid and effective, the Claims Administrator must receive objections and/or notices of intent to appear at the hearing no later than April 3, 2017.

More information? For complete information about the Settlement, to view the Settlement Agreement, Court documents and Forms, and to learn more about how to exercise your various options under the Settlement, visit www.BeautyInsiderSettlement.com. If your web-browser is preventing the hyperlink in this paragraph from working, enter the URL address manually into your browser. You may also write to the Settlement Administrator at: Sephora Claims Administrator c/o Dahl Administration, P.O. Box 3614, Minneapolis, MN 55403-0614.

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