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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

RUIQI YE and YOLIN HAN, individually and  
on behalf of all other similarly-situated  
individuals,

Plaintiff,

v.

SEPHORA USA, INC.,

Defendant.

Case No. 3:14-cv-05237-EMC

**CLASS ACTION SETTLEMENT  
AGREEMENT**

**SETTLEMENT AGREEMENT**

1  
2 This Settlement Agreement (“Settlement Agreement”) is entered into between the  
3 following parties: (a) plaintiffs Ruiqi Ye and Yolin Han (collectively, “Plaintiffs”), on behalf of  
4 themselves and all Class Members as defined herein; and (b) defendant Sephora USA, Inc.  
5 (“Defendant”). The undersigned Parties agree, subject to approval by the Court, that this  
6 Litigation (as defined below) and all Released Claims (as defined below) are hereby fully and  
7 finally compromised, settled, and released on the terms and conditions set forth in this  
8 Agreement.

9 **I. DEFINITIONS**

10 1.1 “Administrative Expenses” means all costs, disbursements, and expenses  
11 reasonably incurred in the implementation of this Settlement Agreement by the Claims  
12 Administrator including, but not limited to: the cost of preparing and disseminating notice to all  
13 Class Members informing them of the Settlement Agreement and the claims process; the cost of  
14 reviewing claims; the cost of distributing Settlement Benefits to Authorized Claimants; and other  
15 reasonable fees and expenses of the Claims Administrator. The cost estimate for the  
16 Administrative Expenses at the time of the finalization of the Settlement Agreement is  
17 approximately \$20,000.

18 1.2 “Authorized Claimant” means a Settlement Class Member who submits a timely  
19 and valid Claim Form to the Claims Administrator.

20 1.3 “Claims Administrator” means Dahl Administration LLC (“Dahl”), , as well as  
21 other employees of Dahl and outside vendors working under Dahl’s supervision, or such other  
22 qualified third-party retained by mutual agreement of the Parties to perform the duties of the  
23 Claims Administrator set forth in this Agreement.

24 1.4 “Claim Form” means a proof of claim and release in substantially the form of  
25 Exhibit B, attached hereto.

26 1.5 “Claim Period” means the period of time beginning from the date that the Class  
27 Notice is emailed to Class Members and ending 45 days after said date (or, if the 45th day falls on  
28 a weekend or holiday, the next business day thereafter).

1  
2 1.6 “Class Counsel” or “Plaintiffs’ Counsel” means collectively the law firms of  
3 Wigdor LLP and Anderson & Poole, P.C.

4 1.7 “Class Members” and the “Class” means all Sephora customers who meet all of  
5 the following criteria: (i) had one or more Sephora “Beauty Insider” account(s) with VIB or VIB  
6 Rouge status as of November 4, 2014 that was associated with an email address from the domain  
7 @qq.com, @126.com, or @163.com; (ii) had their account(s) deactivated as a result of the  
8 computer code that Sephora implemented on or about November 6, 2014; and (iii) attempted to  
9 but were unable to make a purchase at [www.sephora.com](http://www.sephora.com) using their “Beauty Insider” account(s)  
10 at some point in November 2014.

11 1.8 “Class Notice” means the Court-approved form of notice to Class Members, which  
12 will include language in substantially the same form as Exhibit A, attached hereto and will notify  
13 Class Members of the preliminary approval of the Settlement Agreement, the scheduling of the  
14 Final Approval Hearing, and the process to submit a Claim Form, among other things.

15 1.9 “Complaint” means the class action complaint filed in the Litigation on November  
16 26, 2014.

17 1.10 “Court” means the United States District Court, Northern District of California.

18 1.11 “Defendant” means Sephora USA, Inc.

19 1.12 “Defendant’s Counsel” means, collectively, the law firms of Barack Ferrazzano  
20 Kirschbaum & Nagelberg LLP and Orrick, Herrington & Sutcliffe LLP.

21 1.13 “Days” means calendar days, unless otherwise expressly stated herein, except that,  
22 when computing any period of time prescribed or allowed by this Settlement Agreement, the day  
23 of the act, event, or default from which the designated period of time begins to run shall not be  
24 included.

25 1.14 “Effective Date” means the date on which the Court’s Final Approval Order  
26 becomes final. For purposes of this paragraph, the Court’s Final Approval Order “becomes final”  
27 upon the last to occur of the following: (a) the date of final affirmance on appeal of the Judgment;  
28 (b) the date of final dismissal of any appeal from the Judgment or the final dismissal of any

1 proceeding to review the Judgment; or (c) if no appeal is filed, the expiration date of the time for  
2 the filing or noticing of any appeal from the Court’s Judgment.

3 1.15 “Fees and Expenses” means the attorneys’ fees and expenses incurred by Class  
4 Counsel in the prosecution of the Litigation, sought by Class Counsel in their application to the  
5 Court in accordance with Paragraph 5.1 of this Agreement, and approved by the Court to Class  
6 Counsel.

7 1.16 “Final Approval” means that the Court has entered the Judgment and Order of  
8 Dismissal.

9 1.17 “Final Approval Hearing” means a hearing held before the Court to consider Final  
10 Approval of the Settlement as described in Paragraph 6.3.3 of this Agreement.

11 1.18 “Final Approval Order” and “Final Judgment” means the Court order entered after  
12 the Final Approval Hearing that approves this Settlement Agreement and dismisses the  
13 Litigation, substantially in the form attached hereto as Exhibit E.

14 1.19 “Litigation” means *Lee, et al. v. Sephora USA, Inc.*, United States District Court,  
15 Northern District of California, Case No. 3:14-cv-05237 EMC.

16 1.20 “Net Settlement Proceeds” means the Settlement Amount less Administrative  
17 Expenses, Fees and Expenses and Service Awards, as approved by the Court,

18 1.21 “Parties” means Plaintiffs and Defendant, collectively.

19 1.22 “Party” means any one of Plaintiffs or Defendant.

20 1.23 “Persons” includes, without limitation, natural persons, firms, corporations,  
21 businesses, limited liability companies, partnerships, federal, state and other governments and  
22 their political subdivisions, agencies and instrumentalities, and all other entities.

23 1.24 “Plaintiffs” and “Class Representatives” means Ruiqi Ye and Yolin Han.

24 1.25 “Preliminary Approval” means issuance of an order, in substantially the same form  
25 as Exhibit D hereto, that is consistent with and preliminarily approves in all material respects the  
26 terms of the Settlement and this Agreement.

27 1.26 “Preliminary Approval Date” means the date the Court enters an order  
28 preliminarily approving the Settlement.

1 1.27 “Released Claims” shall have the meaning set forth in Section 7.1 of this  
2 Agreement.

3 1.28 “Released Parties” means (i) Sephora USA, Inc., (ii) its respective past or present  
4 parents, subsidiaries, divisions, affiliates (including LVMH Moet Hennessy Louis Vuitton SE and  
5 Fresh, Inc.), associates, predecessors, successors, officers, directors, managing directors,  
6 controlling shareholders, partners, principals, members, employers, employees, agents,  
7 consultants, advisors, insurers and attorneys; (iii) any Person, firm, trust, corporation, officer,  
8 director or other individual or entity in which Sephora USA, Inc. has a controlling interest; (iv)  
9 the legal representatives, heirs, successors in interest or assigns of any of the foregoing.

10 1.29 “Request for Exclusion” means the document which a Class Member must  
11 complete and timely submit to request exclusion from the Settlement Class, in the form set forth  
12 in Exhibit C to this Agreement, pending approval by the Court.

13 1.30 “Service Awards” shall have the meaning set forth in Paragraph 5.6 of this  
14 Agreement.

15 1.31 “Settlement Agreement” or “Settlement” means this Settlement Agreement  
16 including the exhibits attached hereto.

17 1.32 “Settlement Amount” means Nine Hundred Fifty Thousand Dollars (\$950,000.00)  
18 that Sephora has agreed to pay in accordance with the Settlement Agreement. The Settlement  
19 Amount will not be increased regardless of the rate of participation of Class Members in  
20 connection with Settlement Benefits.

21 1.33 “Settlement Benefits” means the benefits provided to Settlement Class Members  
22 as set forth in Paragraph 3.1.3 of this Agreement.

23 1.34 “Settlement Class” and “Settlement Class Members” mean those Class Members  
24 who do not properly and timely submit a Request for Exclusion from the Settlement.

## 25 II. RECITALS

### 26 Background

27 2.1 Plaintiffs filed this Litigation on November 26, 2014. Sephora filed its Answer on  
28 February 2, 2015. After engaging in targeted discovery and litigating discovery disputes, the

1 Parties participated in private mediation before the Honorable Edward A. Infante on October 29,  
2 2015. Plaintiffs filed a motion for class certification on July 21, 2016, and Sephora timely  
3 opposed on August 11, 2016. Thereafter, on August 24, 2016, the parties participated in a second  
4 mediation before the Honorable Jacqueline Corley, United States Magistrate Judge. After  
5 substantive discussion about the claims, negotiations, and careful consideration of the merits,  
6 risks and costs of the impending litigation, the Parties agreed to settle the Litigation.

7       2.2 In their Complaint, Plaintiffs, individually and on behalf of a proposed class,  
8 allege that Sephora discriminated against them on the basis of their race and national origin when  
9 Sephora deactivated their loyalty program accounts during the November 2014 20% off customer  
10 rewards sale because they were associated with @qq.com, @126.com, or @163.com domains.  
11 They further allege that the account deactivations had a discriminatory impact on customers of  
12 actual and perceived Chinese/Asian descent. Plaintiffs sought to certify a class of all Sephora  
13 customers who they contend were similarly situated.

14       2.3 Defendant has disputed and continues to dispute each of the allegations and claims  
15 alleged by Plaintiffs in this Litigation, including, but not limited to, the allegations described  
16 above in Paragraph 2.2. Defendant has denied and continues to deny all charges of wrongdoing  
17 or liability arising out of any of the conduct, statements, acts, or omissions that have been alleged  
18 or that could have been alleged in the Litigation. Defendant also disputes that Plaintiffs, the  
19 Class, or any other members of the Class have suffered damages or harm by reason of the  
20 conduct, statement, acts, or omission of Defendant. Defendant does not concede or agree that  
21 class certification is proper , except for purposes of this Settlement Agreement. Neither this  
22 Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken  
23 to carry out this Settlement Agreement, may be construed as, or used as, an admission by  
24 Defendant of any fault, wrongdoing, or liability whatsoever, or as a concession that certification  
25 of a class other than for purposes of this Settlement Agreement is appropriate in this or any other  
26 case.

1           Benefits of Settlement to Class Members and the Parties

2           2.4     Plaintiffs contend the Settlement Agreement is an extraordinary result in light of  
3 the risks and uncertainties faced by Plaintiffs. Although Plaintiffs believe that their claims are  
4 strong on the merits and capable of being tried on a class-wide basis, Class Counsel realizes that  
5 the case presents significant risks, particularly given the contested factual disputes and unresolved  
6 legal issues. For its part, Defendant disputes Plaintiffs' allegations, but acknowledges that  
7 continued litigation would be protracted and costly. Plaintiffs maintain that this non-reversionary  
8 settlement makes timely and meaningful monetary recovery available to an estimated 15,000  
9 class members. The Settlement Agreement was negotiated in good faith and at arms' length,  
10 following both a private mediation with the Hon. Edward J. Infante and a settlement conference  
11 before Magistrate Judge Jaqueline Corley. Its terms are based on an agreement in principle that  
12 the parties reached with Magistrate Judge Corley's assistance.

13           2.5     Defendant, while continuing to deny all allegations of wrongdoing and to dispute  
14 any liability with respect to the claims asserted in the Complaint, considers it desirable to resolve  
15 the Litigation on the terms stated herein, in order to avoid further risk, expense, inconvenience,  
16 and interference with its ongoing business operations.

17                           **III.     SETTLEMENT AMOUNT AND BENEFITS**

18           The Settlement Amount will be non-reversionary, with no portion to revert to Sephora. The  
19 Settlement Amount will be used to satisfy (1) the claims of all Authorized Claimants, (2)  
20 Plaintiffs' Attorney's Fees and Expenses subject to Court approval and pursuant to the terms  
21 enumerated in Paragraph 5.1, (3) Service Awards to the Class Representatives subject to Court  
22 approval and pursuant to the terms enumerated in Paragraph 5.6, and (4) Administrative  
23 Expenses.

24           3.1     The Net Settlement Proceeds will be allocated as follows:

25                   3.1.1   Each Class Member who does not submit a timely and valid Request for  
26                   Exclusion or otherwise request exclusion from the Settlement during the  
27                   Claim Period shall be a Settlement Class Member.  
28

1           3.1.2 Each Settlement Class Member will be permitted, through the process  
2           described in Paragraph 4.4 of this Agreement, to submit a Claim Form  
3           selecting either cash or a Sephora Electronic Gift Card (as defined below)  
4           (collectively, the “Settlement Benefit”).

5           3.1.3 The amount of the Settlement Benefit an Authorized Claimant will receive  
6           will be determined on a pro rata basis based on the total amount of the Net  
7           Settlement Proceeds to be allocated among all Authorized Claimants and  
8           the total number of Authorized Claimants, with each Authorized Claimant  
9           who selected a Sephora Electronic Gift Card receiving twice what each  
10          Authorized Claimant who selected cash will receive, and subject to a cap of  
11          \$125.00 in cash or \$250.00 in a Sephora Electronic Gift Card to each  
12          Authorized Claimant.

13          3.1.4 Any amount remaining in the Net Settlement Proceeds after allocation  
14          among the Authorized Claimants at the conclusion of the Claim Period will  
15          be collected in a *cy pres* fund that will be delivered to the National Asian  
16          Pacific American Women’s Forum or another 501(c)(3) non-profit to be  
17          agreed upon by the Parties.

18          3.2 Subject to the claims process described in this Settlement Agreement, Authorized  
19          Claimants will receive either a check or a “Sephora Electronic Gift Card” (as defined below).

20          3.3 Any checks issued to Authorized Claimants shall remain valid and negotiable for  
21          one hundred eighty (180) days from the date of their issuance; after this 180 day period, the  
22          checks will no longer be valid or negotiable and may be cancelled. If cancelled, the value of  
23          those check(s) will be distributed to the same *cy pres* recipient specified in Paragraph 3.1.4 above.

24          3.4 A “Sephora Electronic Gift Card” is an electronic credit that may be used to  
25          purchase any item(s) offered on [www.sephora.com](http://www.sephora.com) or a “Sephora Retail Location” (as defined  
26          below). The Sephora Electronic Gift Card can be used to pay for applicable sales tax and  
27          shipping charges on purchases, in addition to the cost of item(s). The Sephora Electronic Gift  
28          Card shall be freely transferable. Each Sephora Electronic Gift Card shall expire one year after



1 the date on which it is first e-mailed to the recipient Authorized Claimant, and may not be used to  
2 purchase items after the expiration date.

3 3.5 A “Sephora Retail Location” is any retail store operated and owned by Sephora in  
4 the United States. For the avoidance of doubt, a Sephora Retail Location does not include any  
5 Sephora Inside JC Penney location.

#### 6 **IV. NOTICE AND CLAIM PROCESS**

7 4.1 Concurrently with the filing of the motion for Preliminary Approval of the  
8 Settlement, Plaintiffs will move the Court to appoint Dahlas the Claims Administrator, who will  
9 administer the Settlement Agreement in accordance with this Settlement Agreement or as  
10 required by the Court.

11 4.2 Sephora will provide the Claims Administrator with a list of each Sephora “Beauty  
12 Insider” account(s) with VIB or VIB Rouge status as of November 4, 2014 that was associated  
13 with an email address from the domain @qq.com, @126.com, or @163.com that was deactivated  
14 as a result of the computer code that Sephora implemented on or about November 6, 2014 along  
15 with the name and email address(es) associated with each account according to Sephora’s records  
16 (the “Class Data”), to the extent that Sephora has access to this information. Sephora agrees to  
17 reasonably assist the Claims Administrator by providing the names and last known email  
18 address(es) for purposes of notifying Class Members, to the extent that Sephora has access to this  
19 information. . In accordance with Exhibit A, the Parties will request that the Court permit Dahl to  
20 issue Class Notice via email address(es). Sephora will provide the Class Data to the Claims  
21 Administrator no later than fourteen (14) days (or, if that date falls on a weekend or holiday, the  
22 next business day thereafter) after the date the Court enters an order granting preliminary  
23 approval of the Settlement. Class Data shall be used by the Claims Administrator solely for the  
24 purpose of notifying the Class Members of the Settlement. Class Data shall be provided in a  
25 format to be mutually agreed upon by the Claims Administrator and Sephora.

26 4.3 As soon as practicable after receiving the Class Data, but no later than ten (10)  
27 business days after its receipt, the Claims Administrator shall email to each Class Member at the  
28 email address associated with a qualifying “Beauty Insider” account, a link to the Class Notice

1 and a link to the website created and operated by the Claims Administrator (“Class Website”) that  
2 is dedicated to this Settlement Agreement and provides access to fillable and downloadable Class  
3 Forms.

4 4.4 To receive a Settlement Benefit, each Class Member must, during the Claim  
5 Period, electronically submit the Claim Form, which shall include: (a) his or her full name,  
6 current mailing address, current phone number, and current email address; (b) any and all email  
7 address(es) associated with his or her Sephora “Beauty Insider” account(s); (c) a statement that he  
8 or she attempted to but was unable to make a purchase at [www.sephora.com](http://www.sephora.com) using his or her  
9 “Beauty Insider” account(s) in November 2014; and (d) confirmation under penalty of perjury  
10 that the foregoing information provided is true and correct. To assist the Claims Administrator in  
11 the confirmation process, the Claim Form shall also contain a blank where Class Members are  
12 instructed to describe any errors to their name or other personal identifying information apparent  
13 in the e-mailed Notice. The Claims Administrator shall strictly adhere to the time deadlines set  
14 forth in this Paragraph.

15 4.5 To be valid, a Claim Form must be submitted within the Claim Period, and the  
16 submitting Class Member must not submit a Request for Exclusion or otherwise request  
17 exclusion from the Settlement Agreement within the Claim Period.

18 4.6 Subject to the terms of this Settlement Agreement and other claims procedures that  
19 may be implemented, the Claims Administrator will have discretion to accept or reject any  
20 Claims Form returned by any Class Member and to determine whether Class Members are  
21 Authorized Claimants. The Claims Administrator shall have the right to reject any claims  
22 deemed to be fraudulent, insufficient, or incomplete. Should the Claims Administrator reject any  
23 claim, the reasons for rejection shall be recorded and provided to the Parties upon request. The  
24 Claims Administrator shall notify any Class Member whose claim is rejected in full, explaining  
25 the reasons for rejection. If any Party disputes the decision of the Claims Administrator to reject  
26 a Claim Form, Plaintiffs’ Counsel and Defendant’s Counsel shall meet and confer in an effort to  
27 resolve the dispute. In the event the Parties cannot resolve the dispute, the Parties shall request  
28 the assistance of Magistrate Judge Corley.

1           4.7     Within ten (10) business days after the conclusion of the Claim Period, the Claims  
2 Administrator shall, based upon the Claim Forms received by the Claims Administrator and  
3 according to the terms of this Agreement and other claims procedures that may be implemented:

4     (a) determine whether each Claim Form represents an Authorized Claimant; (b) determine  
5 whether any individual has submitted more than one Claim Form, and if so de-duplicate; (c)  
6 based on the number of Authorized Claimants, determine the Settlement Benefits to be provided  
7 to each Authorized Claimant; and (d) provide to the Parties, if and as requested, the information  
8 and methodology used by the Claims Administrator to determine the Settlement Benefits due to  
9 each Authorized Claimant.

10          4.8     No later than ten (10) business days after the Effective Date, Defendant shall  
11 transmit the funds necessary to the Claims Administrator to cover the total payments to be sent to  
12 Authorized Claimants and provide the Claims Administrator the Electronic Gift Card code for the  
13 Sephora Electronic Gift Cards for Authorized Claimants.

14          4.9     The Settlement Benefits shall be sent to Authorized Claimants by the Claims  
15 Administrator, subject to the terms of this Settlement Agreement, within fourteen (14) days after  
16 receipt of the funds specified in Paragraph 4.8 from Sephora.

17                   **V.     ATTORNEYS' FEES AND EXPENSES, INCENTIVE AWARDS, AND**  
18                                   **ADMINISTRATIVE EXPENSES**

19          5.1     At or before the time of the Final Approval Hearing, Class Counsel will file a  
20 motion for approval of Counsel's Fees and Expenses, to be paid out of the Settlement Amount,  
21 supported by appropriate documentation and in amounts not in excess of \$418,560 for Fees and  
22 \$90,000 for Expenses. Class Counsel agrees that in no event shall they seek approval of legal  
23 Fees or Expenses in excess of these amounts. Defendant agrees not to oppose any motion by  
24 Class Counsel for an award of Fees up to and including \$325,000, but reserves the right to oppose  
25 any fee request in excess of that amount. Defendant agrees not to oppose the motion by Class  
26 Counsel for Expenses up to and including \$90,000, but reserves the right to oppose any expense  
27 request in excess of that amount. Any Fees or Expenses sought by Class Counsel but not  
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1 approved by the Court shall remain in the Net Settlement Fund and shall be distributed  
2 accordingly.

3 5.2 No payment for Fees and Expenses shall be made to Class Counsel until and  
4 unless (a) there is Final Approval of the Settlement, (b) the Court has approved Plaintiffs' motion  
5 and determined the appropriate amount (not to exceed the amounts set forth herein) of Fees and  
6 Expenses to be paid to Plaintiffs' Counsel, and (c) the Effective Date has passed. Sephora shall  
7 deliver payment for such Fees and Expenses awarded by the Court (not to exceed the amounts set  
8 forth herein) to the Claims Administrator within ten (10) business days after the Effective Date.  
9 After delivering the Fees and Expenses as approved by the Court, Sephora shall have no  
10 additional liability for Class Counsels' legal fees or costs.

11 5.3 The allowance or disallowance by the Court of any Fees and Expenses are to be  
12 considered by the Court separately from its consideration of the fairness, reasonableness and  
13 adequacy of the Settlement Agreement, and any order or proceedings relating to the application  
14 for Fees and Expenses, or any appeal from any order relating thereto or reversal or modification  
15 thereof, shall not operate to terminate or cancel this Settlement Agreement, or affect or delay the  
16 issuance or the finality of the Judgment and Order of Dismissal.

17 5.4 The Released Parties shall have no responsibility for, and no liability with respect  
18 to, payment of any Class Member's attorneys' fees, costs, or expenses to any other individual,  
19 law firm, or other entity. The Released Parties shall also have no responsibility for, and no  
20 liability with respect to, the fee allocation among Plaintiffs' Counsel or any disputes regarding  
21 such allocation. Plaintiffs' Counsel agrees to indemnify and hold harmless all of the Released  
22 Parties in connection with any such claim or dispute.

23 5.5 Except as expressly provided herein, Plaintiffs shall bear their own fees, costs and  
24 expenses for this litigation, including but not limited to the activities necessary to consummate  
25 this settlement. Defendant shall not assert any claim for expenses, costs, and fees against  
26 Plaintiffs relating to or arising out of the Litigation or this Settlement Agreement.  
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1 conditionally certifies a Class for settlement purposes only; (3) appoints Wigdor LLP and  
2 Anderson & Poole, P.C. as Class Counsel; (4) appoints Yolin Han and Ruiqi Ye as Class  
3 Representatives; (5) approves and directs Class Notice to the Class Members as described in this  
4 Agreement; and (6) sets a hearing to consider Final Approval of the Settlement and any  
5 objections thereto.

6           6.2    Final Approval and the Judgment and Order of Dismissal. Within a reasonable  
7 time following the close of the Claim Period, Plaintiffs will file a motion for Final Approval of  
8 the Settlement and for entry of the Judgment and Order of Dismissal holding this Agreement to  
9 be final, fair, reasonable, adequate, and binding on all Settlement Class Members who have not  
10 excluded themselves as provided below; ordering that the Settlement Benefits be provided as set  
11 forth in this Agreement; ordering the releases as set forth in this Agreement to become effective;  
12 and entering the Judgment and Order of Dismissal. As set forth below in Paragraph 8.15, in the  
13 event of any modification or termination of this Settlement Agreement, the Court retains the  
14 ongoing and exclusive jurisdiction of the Litigation.

15           6.3    Opt-Outs and Objections. The Class Notice shall advise Class Members of their  
16 rights: (a) to forego the Settlement Benefits and preserve their right to pursue an individual claim;  
17 and (b) to object to this Settlement Agreement individually or through counsel.

18                   6.3.1   Class Members who wish to be excluded from the Class, forgo the  
19 Settlement Benefits, and pursue an individual claim will be instructed to  
20 electronically submit a Request for Exclusion to the Claims Administrator  
21 within the Claim Period, setting forth their name and a statement that they  
22 request exclusion from the class and do not wish to participate in the  
23 settlement. Any Class Member who submits a timely and valid Request  
24 for Exclusion shall not be a Settlement Class Member, shall not be an  
25 Authorized Claimant, and shall not have standing to object to or otherwise  
26 contest the Settlement Agreement.

27                   6.3.2   The proposed Preliminary Approval Order and the Class Notice will  
28 provide that any Class Member wishing to exclude herself or himself from

1 the Settlement Class who fails to properly and timely submit the required  
2 documents and information will not be excluded from the Settlement Class.

3 6.3.3 If, within such time as is ordered by the Court and contained in the Class  
4 Notice, any Settlement Class Member wishes to object to the Settlement  
5 and/or to be heard by the Court, he or she may electronically submit an  
6 objection to the Claims Administrator, which in turn will be collected by  
7 the Claims Administrator and described in their declaration to the Court in  
8 advance of Final Approval. Each such objection shall follow submission  
9 of information sufficient to establish (under penalty of perjury) that the  
10 individual objecting is a Settlement Class Member and shall provide a  
11 detailed statement of any objection asserted, including the grounds therefor  
12 and reasons, if any, for requesting the opportunity to appear and be heard at  
13 the Final Approval Hearing. A Settlement Class Member may also appear  
14 at the Final Approval Hearing, either in person or through his or her own  
15 legal representative. Pursuant to Paragraph 5.4 of this Settlement  
16 Agreement, no Party will be responsible for any payments to any legal  
17 representatives appearing on behalf of Settlement Class Members who  
18 choose to object and/or to appear at the Final Approval Hearing.

19 6.4 Within ten (10) business days of the end of the Claim Period, the Claims  
20 Administrator shall prepare a list of the names of the persons who, pursuant to the Class Notice  
21 and the procedures described herein, have excluded themselves from the Settlement Class in a  
22 valid and timely manner, and provide that list simultaneously to Defendant's Counsel and  
23 Plaintiffs' Counsel.

24 6.5 Notwithstanding anything else contained in this Agreement, if the total number of  
25 Class Members who exclude themselves from the Settlement Class, pursuant to Paragraph 6.3.1  
26 above, exceeds 10%, Sephora will have the option in its sole discretion of withdrawing itself from  
27 this Agreement and from the Settlement in its entirety, in which event this Settlement shall not  
28 become effective and the provisions of Paragraph 6.6 will apply; provided, however, that such

1 option must be exercised within 10 (ten) business days after receiving notice from the Claims  
2 Administrator as to how many Class Members have submitted a timely and valid Request for  
3 Exclusion from the Settlement Class.

4           6.6    Modification or Termination of Settlement Agreement. The terms and provisions  
5 of this Settlement Agreement may be amended, modified, or expanded by written agreement of  
6 the Parties and approval of the Court. This Settlement Agreement shall terminate at the discretion  
7 of either Plaintiffs or Defendant if: (1) the Court, or any appellate court(s), rejects, modifies, or  
8 denies approval of any portion of this proposed Settlement Agreement that the terminating Party  
9 in its sole judgment and discretion reasonably determine is material, including, without limitation,  
10 the terms of relief, the findings, or conclusions of the Court, the provisions relating to notice, the  
11 definition of the Class, and/or the terms of the Release; or (2) the Court, or any appellate court(s),  
12 does not enter or completely affirm, or alters, narrows or expands, any portion of the Final  
13 Approval Order, or any of the Court's findings of fact or conclusions of law, that the terminating  
14 Party in its sole judgment and discretion reasonably determines is material. The terminating Party  
15 must exercise the option to withdraw from and terminate this Settlement Agreement by sending a  
16 signed writing served on the other Party no later than twenty days after receiving notice of the  
17 event prompting the termination. Plaintiffs and Defendant will be returned to their positions status  
18 quo ante. For the avoidance of doubt, the Court's denial, in whole or in part, of Class Counsel's  
19 Motion for Fees and Costs is not a ground for Plaintiffs to withdraw from and/or terminate this  
20 Settlement Agreement. In the event that this Settlement Agreement does not become effective  
21 because any of the conditions precedent prior to the Effective Date do not occur , then this  
22 Settlement Agreement shall be null and void and of no force and effect and the following  
23 provisions shall apply:

24           6.6.1 No Fees and Expenses whatsoever shall be awarded or payable to  
25                            Plaintiffs' Counsel.

26           6.6.2 No Service Awards whatsoever shall be awarded or payable to Plaintiffs.

27           6.6.3 Sephora will remain responsible to pay for Administrative Expenses  
28                            already incurred by the Claims Administrator, and neither Plaintiffs nor



1 Plaintiffs' Counsel shall be responsible to pay for such Administrative  
2 Expenses.

3 6.6.4 No term or condition of this Settlement Agreement, or any draft thereof, or  
4 discussion, negotiation, documentation, or other aspect of the Parties'  
5 settlement discussions shall have any effect, be construed as an admission  
6 by any Party, or be admissible or discoverable for any purpose in the  
7 Litigation or in any other proceeding.

8 6.6.5 Nothing herein will be deemed to prejudice the position of any of the  
9 Parties with respect to the Litigation.

10 6.6.6 The Litigation shall for all purposes revert to its status as of the close of  
11 business (Pacific Time) on June 9, 2016. Within ten (10) business days  
12 after a determination that the Effective Date will not occur, the Parties shall  
13 advise the Court and seek to place Plaintiffs' motion for class certification  
14 and the scheduling conference back on the Court's calendar.

15 6.7 Confidentiality and Publicity. The Parties, Plaintiffs' Counsel, and Defendant's  
16 Counsel agree not to make any public statements, or statements to the press or media, or  
17 statements on websites, about the Litigation or the Settlement Agreement; provided, however,  
18 that nothing in this Paragraph shall preclude:

19 6.7.1 Any Party or that Party's counsel from making statements, representations,  
20 and disclosures that are legally required by any applicable statute, court  
21 order, rule, regulation, or disclosure requirement;

22 6.7.2 Any Party or that Party's counsel from discussing the Litigation and/or  
23 Settlement Agreement directly with any Class Members or their  
24 representatives in a non-public communication or forum;

25 6.7.3 Defendant, its counsel, or its representatives from discussing the Litigation  
26 and/or the Settlement Agreement in responding to inquiries from actual or  
27 potential customers;

28



1 Released Parties from the following claims, which pursuant to the Settlement Agreement are  
2 being released through and including the dates of the Preliminary Approval Order: all claims or  
3 causes of action that are pled in or reasonably related to claims and potential claims Litigation,  
4 including but not limited to any and all claims related to the November 2014 20% off sale, the  
5 Settlement Class Members' "Beauty Insider" accounts, and any and all breach of contract or  
6 related or derivative tort claims against any of the Released Parties (the "Settlement Class  
7 Released Claims").

8 7.1.1 With regard to the Settlement Class Released Claims, the Settlement Class  
9 Members expressly waive all rights under California Civil Code section  
10 1542, which states:

11 A general release does not extend to claims which the creditor does not  
12 know or suspect to exist in his or her favor at the time of executing the  
13 release, which if known to him or her must have materially affected his or  
her settlement with the debtor.

14 7.1.2 A Settlement Class Member may hereafter discover facts in addition to or  
15 different from those which she now knows or believes to be true with  
16 respect to the subject matter of the Settlement Class Released Claims, but  
17 she shall be deemed to have, and by operation of the Judgment and Order  
18 of Dismissal shall have, fully, finally, and forever settled and released any  
19 and all Settlement Class Released Claims, known or unknown, suspected  
20 or unsuspected, contingent or non-contingent, whether or not concealed or  
21 hidden, which then exist, or heretofore have existed upon any theory of law  
22 or equity now existing or coming into existence in the future, including, but  
23 not limited to, conduct which is negligent, intentional, with or without  
24 malice, or a breach of any duty, law or rule, without regard to the  
25 subsequent discovery or existence of such different or additional facts.

26 7.1.3 All Class Members shall be bound by this release unless they formally  
27 request exclusion from this Settlement Agreement by submitting a valid  
28 and timely Request for Exclusion or comparable documentation.

1                   7.1.4 Consistent with the foregoing, Settlement Class Members may not sue or  
2                   otherwise make a claim against any of the Released Parties that is in any  
3                   way related to, arises out of, or is connected with any of the Settlement  
4                   Class Released Claims.

5                   7.2     Class Representative Released Claims. Upon the Effective Date, Class  
6     Representatives, on behalf of themselves and each of their respective heirs, representatives,  
7     successors, assigns, and attorneys, shall be deemed to have, and by operation of the Judgment  
8     shall have, fully, finally, and forever released, relinquished, and discharged the Released Parties  
9     from all claims or causes of action of any type whatsoever, whether known or unknown, and  
10    whether or not arising out of or related to the Litigation (the “Class Representative Released  
11    Claims”).

12                  7.2.1 With regard to the Class Representative Released Claims, the Class  
13                  Representatives expressly waive all rights under California Civil Code  
14                  section 1542, which states:

15                                 A general release does not extend to claims which the creditor does not  
16                                 know or suspect to exist in his or her favor at the time of executing the  
17                                 release, which if known to him or her must have materially affected his or  
  her settlement with the debtor.

18                  7.2.2 A Class Representative may hereafter discover facts in addition to or  
19                  different from those which she now knows or believes to be true with  
20                  respect to the subject matter of the Class Representative Released Claims,  
21                  but she shall be deemed to have, and by operation of the Judgment and  
22                  Order of Dismissal shall have, fully, finally, and forever settled and  
23                  released any and all Class Representative Released Claims, known or  
24                  unknown, suspected or unsuspected, contingent or non-contingent, whether  
25                  or not concealed or hidden, which then exist, or heretofore have existed  
26                  upon any theory of law or equity now existing or coming into existence in  
27                  the future, including, but not limited to, conduct which is negligent,  
28                  intentional, with or without malice, or a breach of any duty, law or rule,

1 without regard to the subsequent discovery or existence of such different or  
2 additional facts.

3 7.2.3 Consistent with the foregoing, the Class Representatives agree not to sue or  
4 otherwise make a claim against any of the Released Parties that is in any  
5 way related to, arises out of, or is connected with the Class Representative  
6 Released Claims set forth in this section.

7 7.3 Notwithstanding the foregoing, neither the Settlement Class Released Claims nor  
8 the Class Representative Released Claims do not include any claim or right that may arise after  
9 their execution of this Agreement; any claim or right regarding compliance with this Settlement  
10 Agreement; or any claim or right that is not waivable as a matter of law.

#### 11 **VIII. ADDITIONAL PROVISIONS**

12 8.1 Cooperation. The Parties and their counsel shall cooperate to effectuate the  
13 Settlement on the stated terms and conditions, to obtain preliminary approval of the Settlement  
14 Agreement, and to obtain Final Approval. In the event that the Court asks the Parties to modify  
15 any aspect of the Settlement Agreement, the Parties shall meet and confer in good faith to attempt  
16 to resolve any issues identified by the Court and to discuss how to allocate any increase in the  
17 cost or burden of the Settlement Agreement. Any such modification of the Settlement Agreement  
18 shall be by mutual written consent of the Parties, and no Party shall be obligated to accept  
19 modifications without its consent except pursuant to Court order.

20 8.2 The Parties represent and agree that the terms of the Settlement Agreement were  
21 negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was  
22 reached voluntarily based upon adequate information and sufficient discovery and after  
23 consultation with experienced legal counsel.

24 8.3 The Parties agree to the conditional certification of the Class described herein for  
25 purposes of this Settlement Agreement only. Should, for whatever reason, the Effective Date not  
26 occur, the Parties' stipulation to certification of the Class as part of the Settlement Agreement  
27 shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in  
28 connection with, the issue of whether or not certification may be proper or appropriate in the

1 Litigation. Defendant expressly reserves its right to, and declares that it intends to, oppose class  
2 certification vigorously should this Settlement not become final.

3 8.4 Motion Papers for Preliminary and Final Approval. Plaintiffs shall draft the  
4 motion for preliminary approval and for final approval of the Settlement as described above, and  
5 shall submit the drafts to Defendant's Counsel at least five (5) business days before filing for  
6 review and comment.

7 8.5 Class Action Fairness Act Notice. Within ten (10) business days following the  
8 filing of the Motion for Preliminary Approval, Defendant, through the Claims Administrator,  
9 shall serve notice of the proposed Settlement upon the required governmental officials pursuant to  
10 the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 (with a copy to Plaintiffs' Counsel).

11 8.6 Resolution of Disputes. The Parties agree that they will return to Magistrate Judge  
12 Corley to seek resolution of any dispute, claim or controversy arising out of or relating to this  
13 Settlement Agreement or the breach, termination, enforcement, interpretation or validity thereof.

14 8.7 Change of Time Periods. The time periods and/or dates described in this  
15 Settlement Agreement with respect to filings, hearings, and notices are subject to approval and  
16 modification by the Court or by mutual written agreement of the Parties, without notice to Class  
17 Members. The Class Notice will advise Class Members that they may check the Court's  
18 calendar, which is available at <http://www.cand.uscourts.gov/emc>, to confirm whether the date for  
19 the Final Approval Hearing has been changed.

20 8.8 Time for Compliance. If the date for performance of any act required by or under  
21 this Settlement Agreement falls on a Saturday, Sunday or court holiday, that act may be  
22 performed on the next business day with the same effect as if it had been performed on the day or  
23 within the period of time specified by or under this Settlement Agreement.

24 8.9 Governing Law. This Agreement is intended to and shall be governed by the laws  
25 of the State of California, without regard to conflicts of law principles.

26 8.10 Entire Agreement. The terms and conditions set forth in this Settlement  
27 Agreement constitute the complete and exclusive statement of the agreement between the Parties  
28 hereto relating to the subject matter of this Settlement Agreement, superseding all previous

1 negotiations and understandings, including the Memorandum of Understanding executed by  
2 Plaintiffs' Counsel and Defendant's Counsel on August 24, 2016, and may not be contradicted by  
3 evidence of any prior or contemporaneous agreement. The Parties further intend that this  
4 Settlement Agreement constitutes the complete and exclusive statement of the terms of the  
5 Settlement as between the Parties hereto, and that no extrinsic evidence whatsoever may be  
6 introduced in any arbitration or judicial proceeding involving this Agreement. Any modification  
7 of this Settlement Agreement must be in writing signed by Plaintiffs' Counsel, Defendant's  
8 Counsel, and Defendant.

9 8.11 Advice of Counsel. The determination of the terms of, and the drafting of, this  
10 Settlement Agreement have been by mutual agreement after negotiation, with consideration by  
11 and participation of all Parties hereto and their counsel.

12 8.12 Binding Agreement. This Settlement Agreement shall be binding upon and inure  
13 to the benefit of the respective heirs, successors, and assigns of the Parties hereto.

14 8.13 No Waiver. The waiver by any Party of any provision or breach of this Settlement  
15 Agreement shall not be deemed a waiver of any other provision or breach of this Settlement  
16 Agreement.

17 8.14 Extensions of Time. The Parties reserve the right, by mutual written agreement, to  
18 grant any reasonable extension of time that might be needed to carry out any of the provisions of  
19 this Settlement Agreement.

20 8.15 Enforcement of this Settlement Agreement. The Court shall retain jurisdiction to  
21 enforce, interpret, and implement this Settlement Agreement until such time as the Court  
22 determines that the Settlement Agreement is fully consummated according to the terms and  
23 conditions.

24 8.16 Notices. All notices to the Parties or counsel required by this Settlement  
25 Agreement shall be made in writing and communicated by mail and fax or email to the following  
26 addresses:

27 If to Plaintiffs or Plaintiffs' Counsel:

28 Jeanne M. Christensen, Esq.

1 Elizabeth J. Chen, Esq.  
2 WIGDOR LLP  
3 85 Fifth Avenue  
4 New York, NY 10003  
5 Tel.: (212) 257-6800  
6 Fax: (212) 257-6845  
7 Email: jchristensen@wigdorlaw.com  
8 Email: echen@wigdorlaw.com

9 -and-

10 Jamie C. Couche  
11 ANDERSON & POOLE, P.C.  
12 601 California Street  
13 Suite 1300  
14 San Francisco, California 94108-2818  
15 Tel.: 415-956-6413  
16 Fax: 415-956-6416  
17 Email: jcouche@adplaw.com

18 If to Defendant or Defendant's Counsel:

19 Robert Shapiro, Esq.  
20 Shermin Kruse, Esq.  
21 BARACK FERRAZZANO KIRSCHBAUM & NAGELBERG LLP  
22 200 W. Madison St  
23 Suite 3900  
24 Chicago, IL 60606  
25 Tel: (312) 984-3100  
26 Fax: (312) 984-3150  
27 Email: rob.shapiro@bfkn.com  
28 Email: shermin.kruse@bfkn.com

-and-

Andrew R. Livingston, Esq.  
Kathryn G. Mantoan, Esq.  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
405 Howard Street  
San Francisco, CA 94105  
Tel: (415) 773-5700  
Fax: (415) 773-5759  
Email: alivingston@orrick.com  
Email: kmantoan@orrick.com

8.17 The Plaintiffs and Plaintiffs' counsel represent and warrant that Plaintiffs have not assigned, encumbered, or in any manner transferred in whole or in part the Settlement Class Released Claims or the Class Representative Released Claims.






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AGREED TO AND ACCEPTED:

Dated: Dec 6th, 2016

  
Yolín Han  
Plaintiff

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Ruiqi Ye  
Plaintiff

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
SEPHORA USA, INC.  
By: Eric Baysinger, Esq.  
Vice President and General Counsel

APPROVED AS TO FORM AND AGREED AS TO PARAGRAPH 6.7:

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Jeanne Christensen, Esq.  
WIGDOR LLP  
Counsel for Plaintiffs

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Jamie Couche, Esq.  
ANDERSON & POOLE, P.C.  
Counsel for Plaintiffs

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Robert E. Shapiro, Esq.  
BARACK FERRAZZANO KIRSCHBAUM &  
NAGELBERG LLP  
Counsel for Defendant

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Andrew R. Livingston, Esq.  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
Counsel for Defendant

1 AGREED TO AND ACCEPTED:

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3 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Yolin Han  
Plaintiff

4

5 Dated: Dec. 7, 2016

\_\_\_\_\_  
*Ruiqi Ye*

Ruiqi Ye  
Plaintiff

6

7

8 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
SEPHORA USA, INC.  
By: Eric Baysinger, Esq.  
Vice President and General Counsel

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11 APPROVED AS TO FORM AND AGREED AS TO PARAGRAPH 6.7:

12

13 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Jeanne Christensen, Esq.  
WIGDOR LLP  
Counsel for Plaintiffs

14

15

16 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Jamie Couche, Esq.  
ANDERSON & POOLE, P.C.  
Counsel for Plaintiffs

17

18

19 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Robert E. Shapiro, Esq.  
BARACK FERRAZZANO KIRSCHBAUM &  
NAGELBERG LLP  
Counsel for Defendant

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21

22

23 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Andrew R. Livingston, Esq.  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
Counsel for Defendant

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Dated: \_\_\_\_\_, 2016

Yolin Han  
Plaintiff

Dated: \_\_\_\_\_, 2016

Ruiqi Ye  
Plaintiff

Dated: December 7, 2016

  
SEPHORA USA, INC.  
By: Eric Baysinger, Esq.  
Vice President and General Counsel

APPROVED AS TO FORM AND AGREED AS TO PARAGRAPH 6.7:

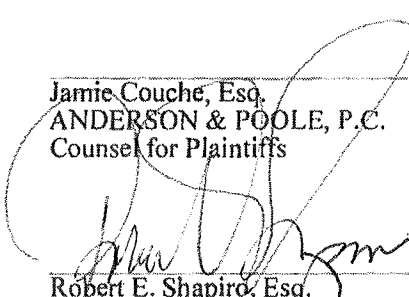
Dated: \_\_\_\_\_, 2016

Jeanne Christensen, Esq.  
WIGDOR LLP  
Counsel for Plaintiffs

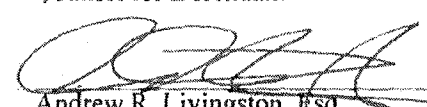
Dated: \_\_\_\_\_, 2016

Jamie Couche, Esq.  
ANDERSON & POOLE, P.C.  
Counsel for Plaintiffs

Dated: 12/8, 2016

  
Robert E. Shapiro, Esq.  
BARACK FERRAZZANO KIRSCHBAUM &  
NAGELBERG LLP  
Counsel for Defendant

Dated: 12/7, 2016

  
Andrew R. Livingston, Esq.  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
Counsel for Defendant

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AGREED TO AND ACCEPTED:

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Yolin Han  
Plaintiff

Dated: \_\_\_\_\_, 2016


\_\_\_\_\_  
Ruiqi Ye  
Plaintiff

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
SEPHORA USA, INC.  
By: Eric Baysinger, Esq.  
Vice President and General Counsel

APPROVED AS TO FORM AND AGREED AS TO PARAGRAPH 6.7:

Dated: 12/8, 2016

  
\_\_\_\_\_  
Jeanne Christensen, Esq.  
WIGDOR LLP  
Counsel for Plaintiffs

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Jamie Couche, Esq.  
ANDERSON & POOLE, P.C.  
Counsel for Plaintiffs

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Robert E. Shapiro, Esq.  
BARACK FERRAZZANO KIRSCHBAUM &  
NAGELBERG LLP  
Counsel for Defendant

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Andrew R. Livingston, Esq.  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
Counsel for Defendant

1 AGREED TO AND ACCEPTED:

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Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Yolin Han  
Plaintiff

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Ruiqi Ye  
Plaintiff

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
SEPHORA USA, INC.  
By: Eric Baysinger, Esq.  
Vice President and General Counsel

APPROVED AS TO FORM AND AGREED AS TO PARAGRAPH 6.7:

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Jeanne Christensen, Esq.  
WIGDOR LLP  
Counsel for Plaintiffs

Dated: December 8, 2016

  
\_\_\_\_\_  
Jamie Couche, Esq.  
ANDERSON & POOLE, P.C.  
Counsel for Plaintiffs

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Robert E. Shapiro, Esq.  
BARACK FERRAZZANO KIRSCHBAUM &  
NAGELBERG LLP  
Counsel for Defendant

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Andrew R. Livingston, Esq.  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
Counsel for Defendant

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**SCHEDULE OF EXHIBITS**

Exhibit A	Class Notice
Exhibit B	Claim Form
Exhibit C	Request for Exclusion
Exhibit D	[Proposed] Preliminary Approval Order
Exhibit E	[Proposed] Judgment and Order of Dismissal

# Exhibit A



To: <<class member email address>>  
From: Settlement Administrator  
Re: LEGAL NOTICE OF SETTLEMENT OF CLASS ACTION

---

This email is intended for: <<Claimant Name>>  
Claim ID: <<DAHLID>>

---

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

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**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.**

**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](http://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 amounts paid to Class Members will be determined on a pro rata basis depending on the number of Class Members, up to maximum amounts of a \$125 cash payment or a \$250 electronic gift card. 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.sephorasettlement.com](http://www.sephorasettlement.com). The deadline to submit a Claim Form is **[TBD]**, 2016.

**What are my other options?** If you do not want to be legally bound by the Settlement, you must exclude yourself by **[TBD]**, 2016, 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.sephorasettlement.com](http://www.sephorasettlement.com). If you are a member of the Class and object to any part of the Settlement, your views will be heard by the Court at the hearing. The date for this hearing is not yet scheduled but you can stay updated by regularly checking the Settlement website.

**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.sephorasettlement.com](http://www.sephorasettlement.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.

This is an automatically generated email. Please do not reply to this message. Please send email inquiries to: [mail@sephorasettlement.com](mailto:mail@sephorasettlement.com).

# Exhibit B

**CLAIM FORM**

**CLAIM FORM INSTRUCTIONS**

1. Sephora customers who meet all of the following criteria are eligible to submit a Claim Form:
  - (i) had one or more Sephora "Beauty Insider" account(s) with VIB or VIB Rouge status as of November 4, 2014 that was associated with an email address from the domain @qq.com, @126.com, or @163.com;
  - (ii) had their account(s) deactivated as a result of the computer code that Sephora implemented on or about November 6, 2014; and
  - (iii) attempted to but were unable to make a purchase at [www.sephora.com](http://www.sephora.com) using their "Beauty Insider" account(s) at some point in November 2014.
2. Authorized Claimants will receive either a check or an electronic "Sephora Gift Card" that may be used to purchase any item(s) offered on [www.sephora.com](http://www.sephora.com) or any retail store operated and owned by Sephora.
3. The amount of the check or electronic Sephora Gift Card an Authorized Claimant will receive will be determined on a *pro rata* basis based upon the total number of Authorized Claimants, with each Authorized Claimant who selected an electronic Sephora Gift Card receiving twice what each Authorized Claimant who selected cash will receive, and subject to a cap of \$125.00 in cash or \$250.00 in a Sephora Gift Card to each Authorized Claimant.
4. To complete the Claim Form, you must sign and date the confirmation under penalty of perjury at the bottom of this form.
5. Return your signed and completed Claim Form postmarked by [DATE]. Your claim can be submitted by mail, email or online:

**By mail:**  
 Sephora Settlement Administrator  
 c/o Dahl Administration  
 PO Box 3614  
 Minneapolis, MN 55403-0614

**By email:**  
[info@XXXXXXXXXXXXXXXXXXXX.com](mailto:info@XXXXXXXXXXXXXXXXXXXX.com)

**Online:**  
[www.XXXXXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXXXXX.com)

6. QUESTIONS? Visit the settlement website at [www.XXXXXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXXXXX.com) or call 1-xxx-xxx-xxxx.

**CLASS MEMBER IDENTIFICATION**

<b>FIRST NAME OF SETTLEMENT CLASS MEMBER</b>	<b>MIDDLE INITIAL</b>			
<b>LAST NAME OF SETTLEMENT CLASS MEMBER</b>				
<b>CURRENT MAILING ADDRESS</b>				
<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>		
<b>CURRENT PHONE NUMBER</b>	<b>CURRENT ALTERNATE PHONE NUMBER</b>			



# Exhibit C

**REQUEST FOR EXCLUSION**

*Ye, et al. v. Sephora Class Action*

By filing this form, you acknowledge that you have received notice of this class action, the proposed Settlement, the right of exclusion, and the Final Approval Hearing (the "Notice") and that you do **NOT** wish to remain a member of the Settlement Class in the case known as *Ye, et al. v. Sephora USA, Inc.*, Case No. 3:14-cv-05237 (EMC), pending in the United States District Court for the Northern District of California.

File this form if you (a) had one or more Sephora "Beauty Insider" account(s) with VIB or VIB Rouge status as of November 4, 2014 that was associated with an email address from the domain @qq.com, @126.com, or @163.com; (b) had your account(s) deactivated as a result of the computer code that Sephora implemented on or about November 6, 2014; (c) attempted to but were unable to make a purchase at www.sephora.com using your "Beauty Insider" account(s) at some point in November 2014; and (d) you wish to exclude yourself from the lawsuit. **If you file this form, do not file any other form. Do not file this form if you wish to participate in the Settlement of this lawsuit. Do not file this form if you wish to object to the Settlement.**

If you want to exclude yourself from the Settlement Class and not participate in the Settlement, you must complete and mail this form to:

Sephora Claims Administrator  
c/o Dahl Administration  
P.O. Box 3614  
Minneapolis, MN 55403-0614

Your mailing must be postmarked by \_\_\_\_\_. If you have any questions, please visit the website, [www.sephorasettlement.com](http://www.sephorasettlement.com), or call \_\_\_\_\_.

I understand that by signing and mailing this form:

- I will **not** receive any of the monetary benefits of the Settlement as described in the Notice of Settlement;
- I will **not** participate in or be represented as an Authorized Claimant in this Action; and
- I may pursue, at my own expense, whatever claims I may have against Sephora with regard to claims that were the subject of the class action.

**Please type or print:**

First Name	MI	Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Address

City	State	ZIP Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

Telephone

 -  - 

Email Address (if any)

I wish to be excluded from the Settlement Class and excluded from participation in the Settlement.

Signature

<input type="text"/>	-	<input type="text"/>	-	<input type="text"/>
MM		DD		YYYY

# Exhibit D



1 DOUGLAS H. WIGDOR (NY SBN 2609469)  
2 JEANNE M. CHRISTENSEN (NY SBN 2622124)  
3 ELIZABETH J. CHEN (NY SBN 5126214)  
(All admitted *pro hac vice*)

4 **WIGDOR LLP**  
85 Fifth Avenue  
New York, NY 10003  
5 Tel.: (212) 257-6800  
6 Fax: (212) 257-6845

7 JAMIE C. COUCHE (SBN 252001)  
8 **ANDERSON & POOLE, P.C.**  
601 California Street, Suite 1300  
9 San Francisco, CA 94108  
10 Telephone: (415) 956-6413  
Facsimile: (415) 956-6416

11 Attorneys for Plaintiffs,  
12 **RUIQI YE, YOLIN HAN**

13 **UNITED STATES DISTRICT COURT**  
14 **NORTHERN DISTRICT OF CALIFORNIA**

15 RUIQI YE and YOLIN HAN, individually  
16 and on behalf of all other similarly-situated  
individuals,

17 Plaintiffs,

18 v.

19 SEPHORA USA, INC.,

20 Defendant.  
21

Case No.: 3:14-cv-05237-EMC

22 **[PROPOSED] ORDER**  
23 **PRELIMINARILY APPROVING THE**  
24 **PROPOSED SETTLEMENT**

25 The above matter came before the Court for Preliminary Approval of the Proposed  
26 Settlement, Certification of the Settlement Class, Appointment of Named Plaintiff’s Counsel,  
27 Wigdor LLP and Anderson & Poole, P.C., as Class Counsel, Appointment of Dahl  
28 Administration LLC (“Dahl”) as administrator of the settlement (“Claims Administrator” or  
“Administrator”) and Approval of the Proposed Court-Authorized Notice of Settlement (the  
“Proposed Notice” or “Notice”) (collectively, the “Proposed Order”).

1           1.       Based upon the Court’s review of the motion papers filed by Plaintiffs Ruiqi Ye  
2 and Yolin Han (together referred to as, “Plaintiffs”), including the Declaration of Jeanne M.  
3 Christensen (“Christensen Decl.”) and the Declaration of Elizabeth J. Chen, and all other papers  
4 submitted in connection with the Motion for Preliminary Approval, the Court grants preliminary  
5 approval of the settlement memorialized in the Class Action Settlement Agreement (the  
6 “Agreement”) by and between Plaintiffs and Defendant (the “Parties”).  
7

8           2.       The Court provisionally certifies the following class under Federal Rule of Civil  
9 Procedure 23(e), for settlement purposes only (“Class Members” or the “Proposed Class”) as:

10                   All Sephora customers who meet all of the following criteria: (i) had  
11 one or more Sephora “Beauty Insider” account(s) with VIB or VIB  
12 Rouge status as of November 4, 2014 that was associated with an  
13 email address from the domain @qq.com, @126.com, or @163.com;  
14 (ii) had their account(s) deactivated as a result of the computer code  
15 that Sephora implemented on or about November 6, 2014; and (iii)  
16 attempted to but were unable to make a purchase at  
17 [www.sephora.com](http://www.sephora.com) using their “Beauty Insider” account(s) at some  
18 point in November 2014.

19           3.       The Proposed Class meets all of the requirements for class certification under  
20 Federal Rule of Civil Procedure 23(a) and (b)(3).  
21

22           4.       The Court appoints Jeanne M. Christensen and Elizabeth J. Chen of Wigdor LLP,  
23 85 Fifth Avenue, New York, New York 10003, and Jamie C. Couche of Anderson & Poole, P.C.,  
24 601 California Street, Suite 1300, San Francisco, CA 94108, as Class Counsel because the firms  
25 meet all of the requirements of Federal Rule of Civil Procedure 23(g).  
26

27           5.       The Court appoints Named Plaintiffs Ruiqi Ye and Yolin Han as Class  
28 Representatives.

          6.       The Court appoints Dahl Administration LLC as Claims Administrator, who will  
be responsible for administering the settlement.

          7.       The Court approves the proposed Court-Authorized Notice of Settlement (the

1 “Proposed Notice”), attached as Exhibit 3 to the Christensen Decl., and directs its distribution to  
2 the Class Members.

3 8. The Court approves the proposed Claim Form, attached as Exhibit 4 to the  
4 Christensen Decl., and directs its distribution to the Class Members.

5 9. The Court approves the proposed Request for Exclusion Form, attached as Exhibit  
6 5 to the Christensen Decl., and directs its distribution to the Class Members.

7 10. The Court hereby sets the following settlement procedure:

8 a. Within 14 days after the entry of this Order, Defendants will provide the Claims  
9 Administrator and Class Counsel with a list of each Sephora “Beauty Insider” account(s) with  
10 VIB or VIB Rouge status as of November 4, 2014 that was associated with an email address  
11 from the domain @qq.com, @126.com, or @163.com that was deactivated as a result of the  
12 computer code that Sephora implemented on or about November 6, 2014, along with the name  
13 and email address(es) associated with each account according to Sephora’s records (the “Class  
14 Data”), to the extent that Sephora has access to this information.

15 b. No later than 10 days after receiving the Class Data, the Claims Administrator  
16 shall email to each Class Member at the email address associated with a qualifying “Beauty  
17 Insider” account, a link to the Class Notice and a link to the website created and operated by the  
18 Claims Administrator (“Class Website”) that is dedicated to this Settlement Agreement and  
19 provides access to fillable and downloadable Claim Form.

20 c. The Proposed Class will have 45 days after the date the Proposed Notice is  
21 emailed to submit the Claim Form, or opt-out of or object to the Agreement (the “Claim  
22 Period”).

23 d. The Court will hold a Final Approval Hearing on \_\_\_\_\_  
24 at \_\_\_\_\_ a.m./p.m. at Courtroom 5, United States District Court, Northern District of  
25  
26  
27  
28

1 California, 450 Golden Gate Avenue, 17th Floor, San Francisco CA 94102.

2 e. Within 10 business days after the conclusion of the Claim Period, the Claims  
3 Administrator shall, based upon the Claim Forms received by the Claims Administrator and  
4 according to the terms of this Agreement and other claims procedures that may be implemented:

5 (a) determine whether each Claim Form represents an Authorized Claimant; (b) determine  
6 whether any individual has submitted more than one Claim Form, and if so de-duplicate; (c)  
7 based on the number of Authorized Claimants, determine the Settlement Benefits to be provided  
8 to each Authorized Claimant; and (d) provide to the Parties, if and as requested, the information  
9 and methodology used by the Claims Administrator to determine the Settlement Benefits due to  
10 each Authorized Claimant.  
11

12 f. Within a reasonable time following the close of the Claim Period, Plaintiffs will  
13 submit a Motion for Final Approval of the Settlement and for Entry of the Judgment and Order  
14 of Dismissal, and a Motion for Approval of Class Counsel's Fees and Expenses ("Final Approval  
15 Motions").  
16

17 g. After the fairness hearing, if the Court grants the Final Approval Motion, the  
18 Court will issue a Final Approval Order. If no party appeals the Final Approval Order, the  
19 "Effective Date" of the Agreement will be the last to occur of the following: (a) the date of final  
20 affirmance on appeal of the Judgment; (b) the date of final dismissal of any appeal from the  
21 Judgment or the final dismissal of any proceeding to review the Judgment; or (c) if no appeal is  
22 filed, the expiration date of the time for the filing or noticing of any appeal from the Court's  
23 Judgment.  
24  
25

26 h. No later than 10 business days after the Effective Date, Defendant shall transmit  
27 the funds necessary to the Claims Administrator to cover the total payments to be sent to  
28 Authorized Claimants.



# Exhibit E

1 DOUGLAS H. WIGDOR (NY SBN 2609469)  
2 JEANNE M. CHRISTENSEN (NY SBN 2622124)  
3 ELIZABETH J. CHEN (NY SBN 5126214)  
(All admitted *pro hac vice*)

4 **WIGDOR LLP**  
85 Fifth Avenue  
New York, NY 10003  
5 Tel.: (212) 257-6800  
6 Fax: (212) 257-6845

7 JAMIE C. COUCHE (SBN 252001)  
8 **ANDERSON & POOLE, P.C.**  
601 California Street, Suite 1300  
9 San Francisco, CA 94108  
10 Telephone: (415) 956-6413  
Facsimile: (415) 956-6416

11 Attorneys for Plaintiffs,  
12 **RUIQI YE, YOLIN HAN**

13 **UNITED STATES DISTRICT COURT**  
14 **NORTHERN DISTRICT OF CALIFORNIA**

15 RUIQI YE and YOLIN HAN, individually  
16 and on behalf of all other similarly-situated  
individuals,

17 Plaintiffs,

18 v.

19 SEPHORA USA, INC.,

20 Defendant.

Case No.: 3:14-cv-05237-EMC

21 **[PROPOSED] ORDER GRANTING**  
22 **PLAINTIFFS' MOTION FOR FINAL**  
23 **APPROVAL OF SETTLEMENT AND**  
24 **FOR ENTRY OF THE JUDGMENT**  
25 **AND ORDER OF DISMISSAL AND**  
26 **MOTION FOR APPROVAL OF CLASS**  
27 **COUNSEL'S FEES AND EXPENSES**

28 This matter came before the Court on Plaintiffs' Motion for Final Approval of Settlement and for Entry of the Judgment and Order of Dismissal and Motion for Approval of Class Counsel's Fees and Expenses (the "Final Approval Motions"). Defendant agreed, for settlement purposes only, not to oppose the Final Approval Motions.

1. Based upon the Court's review of Plaintiffs' Final Approval Motions, including the Declaration of Jeanne M. Christensen, Esq. ("Christensen Decl."), and all other papers submitted in

1 connection with Plaintiffs' Final Approval Motions, as well as the discussion held between the Court  
2 and the parties on the record at the \_\_\_\_\_, 2017 Final Approval Hearing, the Court grants  
3 final approval of the settlement memorialized in the Settlement Agreement, attached to the  
4 Christensen Decl. as **Exhibit** \_\_\_. Capitalized terms used in this Order shall have the same meanings  
5 as set forth in the Settlement Agreement, unless otherwise defined herein.  
6

7 2. For settlement purposes, the Court certifies the following class under Rule 23 Fed. R.  
8 Civ. P. 23(e) ("Settlement Class"):

9 All Sephora customers who meet all of the following criteria: (i) had  
10 one or more Sephora "Beauty Insider" account(s) with VIB or VIB  
11 Rouge status as of November 4, 2014 that was associated with an  
12 email address from the domain @qq.com, @126.com, or @163.com;  
13 (ii) had their account(s) deactivated as a result of the computer code  
14 that Sephora implemented on or about November 6, 2014; and (iii)  
15 attempted to but were unable to make a purchase at  
16 www.sephora.com using their "Beauty Insider" account(s) at some  
17 point in November 2014.

18 3. The Settlement Class meets all of the requirements for class certification under  
19 Federal Rule of Civil Procedure 23(a) and (b)(3).

20 4. Wigdor LLP and Anderson & Poole, P.C., which the Court previously appointed as  
21 Class Counsel, satisfy the adequacy requirements of Rule 23(a)(4).

22 5. The Court approves the settlement and all terms set forth in the Settlement  
23 Agreement, and finds that the settlement is, in all respects, fair, adequate, reasonable, and binding on  
24 all members of the Settlement Class who have not timely and properly opted out pursuant to  
25 Paragraph 6.3 of the Settlement Agreement.

26 6. The Court grants Plaintiffs' Motion for Attorneys' Fees and Expenses to Class  
27 Counsel and awards Class Counsel \$418,560.00 in attorneys' fees, plus \$90,000.00 in costs and  
28 expenses reasonably expended litigating and resolving the lawsuit. These amounts shall be paid  
from the Settlement Amount.



1           7.       The Court finds reasonable the Service Awards for Class Representatives Ruiqi Ye  
2 and Yolin Han in the amounts of \$5,000 each. These amounts shall be paid from the Settlement  
3 Amount.

4           8.       The Court authorizes the payment of the Claims Administration fees to Dahl  
5 Administration LLC, estimated to be \$25,000 as set forth in the Declaration of \_\_\_\_\_, attached  
6 to the Christensen Decl. as Exhibit \_\_, which shall be paid from the Settlement Amount.

7  
8           9.       The “Effective Date” of the Agreement will be the last to occur of the following: (a)  
9 the date of final affirmance on appeal of the Judgment; (b) the date of final dismissal of any appeal  
10 from the Judgment or the final dismissal of any proceeding to review the Judgment; or (c) if no  
11 appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the  
12 Court’s Judgment.

13  
14           10.      No later than 10 business days after the Effective Date, Defendant shall transmit the  
15 funds necessary to the Claims Administrator to cover the total payments to be sent to Authorized  
16 Claimants.

17  
18           11.      The Claims Administrator will disburse the first distribution of settlement checks to  
19 the Authorized Claimants, Court-approved attorneys’ fees and costs, Court-approved enhancement  
20 awards, and Court-approved Claims Administrator’s fees within 14 days after receipt of the funds  
21 from Defendant.

22           12.      The Claims Administrator shall provide verification to Class Counsel and Defendant’s  
23 Counsel that it has distributed the Settlement Benefits, retain copies of all of the endorsed  
24 Settlement Checks with releases, and provide Defendants’ Counsel with the original or copies of the  
25 endorsed Settlement Checks (both sides) in accordance with the Settlement Agreement.

26  
27           13.      Upon the fulfillment of all settlement terms, the entire Litigation will be dismissed  
28 with prejudice, and without costs, expenses or attorneys’ fees to any party except as provided in the

1 Settlement Agreement and this Order. All Class Members who did not opt out in accordance with  
2 the terms of the Settlement Agreement are permanently enjoined from asserting, pursuing, and/or  
3 seeking to reopen claims that have been released in accordance with the terms of the Settlement  
4 Agreement.

5 14. The Court retains jurisdiction over the interpretation and implementation of the  
6 Settlement Agreement.  
7

8 IT IS SO ORDERED.

9 Date: \_\_\_\_\_, 2017

\_\_\_\_\_  
10 Hon. Edward M. Chen  
11 United States District Judge  
12 Northern District of California  
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