

**IF YOU WERE ENROLLED IN AN AUTOMATIC RENEWAL OR CONTINUOUS SERVICE MAGAZINE SUBSCRIPTION THROUGH HEARST MAGAZINE MEDIA OR CDS GLOBAL, YOU MAY BE ENTITLED TO COMPENSATION**

**NOTICE OF CLASS ACTION SETTLEMENT**

*Nakai, et al. v. Hearst Magazine Media, Inc., et al.*  
San Diego County Superior Court  
Case No. 37-2021-00011096-CU-BT-CTL

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A PROPOSED CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.**

The purpose of this Notice is to inform Class Members about a proposed settlement (“Settlement”) of a class action lawsuit that is pending in the San Diego County Superior Court (the “Court”). The lawsuit is called *Nakai, et al. v. Hearst Magazine Media, Inc., et al.*, Case No. 37-2021-00011096-CU-BT-CTL (the “Lawsuit”).

This Notice will explain: (1) what the Lawsuit is about; (2) the main terms of the Settlement; and (3) Class Members’ rights and options under the Settlement. A full version of the Settlement Agreement is available on the Website: [www.HearstMagazineSettlement.com](http://www.HearstMagazineSettlement.com).

**To receive money under the Settlement, Class Members must submit a timely and valid Claim. The deadline to submit a Claim is March 21, 2022. If you do not submit a Claim by this deadline, you will not receive money under the Settlement and you will be subject to the Release in Section IV, unless you exclude yourself pursuant to Section II.4.**

**I. What the Litigation Is About**

The Lawsuit alleges that certain California consumers who enrolled in automatic renewal or continuous service magazine subscriptions for Hearst publications directly through Hearst Magazine Media, Inc. (“Hearst”) or CDS Global, Inc. (“CDS”) had charges posted to their credit card, debit card, or third party payment accounts without first being presented with all of the automatic renewal offer terms in a clear and conspicuous manner as required by California law. The Lawsuit alleges that Defendants have violated the California Automatic Renewal Law, Cal. Bus. & Prof. Code § 17600 et seq., and certain other provisions of California consumer protection law. The Lawsuit is brought on behalf of a class defined as follows:

All individuals who, between January 1, 2015 and September 23, 2021, enrolled in at least one automatic-renewal or continuous-service magazine subscription for a Hearst publication directly through Defendants, paid for at least one renewal for a subscription, and who used a California street address as the shipping address for that subscription.

Each individual within the foregoing Class definition is referred to as a “Class Member.” Excluded from the Settlement Class are the judicial officers to whom this case is assigned.

Although Defendants believe their practices complied with California law and deny the allegations of the Lawsuit, Defendants chose to settle this case without admitting any liability.

The parties have exchanged detailed information about the claims, defenses, and alleged damages in the Lawsuit. After lengthy settlement negotiations overseen by an independent mediator, the parties have reached a proposed Settlement that, if approved by the Court, will resolve the claims asserted against Defendants. Plaintiffs and their counsel believe the Settlement is fair, reasonable, and in the best interests of the Class Members. In entering into the Settlement, Defendants continue to deny any and all allegations of liability, fault, or wrongdoing asserted in the Lawsuit.

On **January 5, 2022**, the Court preliminarily approved the Settlement; certified the Class for settlement purposes only; appointed the law firm of Dostart Hannink & Coveney LLP as Class Counsel for settlement purposes only; appointed Kelly Nakai, Fenella Arnold, and Michele Ruppert as Class Representatives, for settlement purposes only; designated CPT Group, Inc. as the Settlement Administrator; and authorized the parties to provide this Notice to the Class.

## **II. The Main Terms of the Settlement**

Subject to Court approval, the main terms of the Settlement are as follows:

1. Settlement Amount. In full and complete settlement of the claims of the Class Members who do not exclude themselves, Defendants will pay the principal amount of Two Hundred Fifty-Six Thousand Nine Hundred Twenty-Eight Dollars and Fifteen Cents (\$2,256,928.15) (the “Settlement Amount”). The Settlement Amount, plus any interest thereon, will be used to pay Class Counsel’s attorneys’ fees and litigation expenses (both as approved by the Court), any service payments that the Court may award to the Class Representatives, the expenses of settlement administration (including class notice), and the settlement payments to the Class Members who submit timely and valid Claims. If any funds are remaining by reason of uncashed settlement checks or otherwise, the remaining amount will be paid to one or more *cy pres* recipients approved by the Court, or as otherwise directed by the Court. In addition to the monetary consideration, the Settlement also includes injunctive relief.

2. Notice to Class Members. No later than twenty-eight (28) days following the Preliminary Approval Date, the Settlement Administrator will email the Court-approved Summary Class Notice to the last-known email address of each potential Class Member, as reflected in the business records of Defendants. If the business records of Defendants do not contain an email address for a potential Class Member, or if the email notice is “bounced back” as undeliverable so as to indicate that the email address is no longer valid, the Settlement Administrator will mail the Court-approved Summary Class Notice to the last-known mailing address of that potential Class Member, as reflected in the business records of Defendants, or an updated address provided by the U.S. Postal Service. Before mailing, the Settlement Administrator will run the mailing addresses through the U.S. Postal Service’s National Change of Address database, and will update the addresses accordingly. The date on which the Summary Class Notice is emailed and mailed as set forth above is referred to as the “Notice Date.”

3. Submission of Claims; Eligibility for Payment. In order to qualify to receive a payment under the Settlement, Class Members must submit a Claim that is both (i) timely and (ii) validated by the Settlement Administrator. To be timely, the Claim must be submitted to the Settlement Administrator on or before **March 21, 2022** (the “Claim/Exclusion/Objection Deadline”). See Section III.1., on the next page, regarding how to file a Claim. Class Members who submit a timely and valid Claim on or before the Claim/Exclusion/Objection deadline will be referred to as “Participating Class Members” and, if the Settlement is granted final approval by the Court, will be entitled to receive a settlement payment in accordance with the terms of the Settlement.

4. Right to Request Exclusion or Object. Any Class Member who does not want to be legally bound by the Settlement can exclude himself or herself on or before the Claim/Exclusion/Objection Deadline, as described below in Section III.3. Any Class Member who wishes to object to the Settlement may do so either orally or in writing. Any written objection must be filed with the Court and served on Counsel for the settling parties and on the Settlement Administrator no later than the Claim/Exclusion/Objection Deadline, as described below in Section III.4. Alternatively, an objection may be presented to the Court orally at the final approval hearing. Any Class Member who does not request to be excluded from the Class may, if so desired, enter an appearance through counsel.

5. Settlement Payments to Participating Class Members. If the Settlement is granted final approval, after deduction of any Court-approved attorneys' fees, litigation expenses, service payments to the Class Representatives, and expenses of settlement administration, the remaining amount ("Net Settlement Amount") will be divided equally between the Participating Class Members. As soon as practicable after the Effective Date of the Settlement, the Settlement Administrator will mail to each Participating Class Member a check representing that person's settlement payment.

6. Service Payments. Class Counsel will file a motion requesting service payments to the Class Representatives not to exceed \$30,000 in the aggregate. Defendants have agreed that they will take no position regarding this request, provided the request made to the Court is consistent with this Section. As soon as practicable following the Effective Date, the Settlement Administrator will pay from the Settlement Amount any service payments awarded by the Court.

7. Attorneys' Fees and Litigation Expenses. Class Counsel will file a motion requesting an award of attorneys' fees of up to 38% of the Settlement Amount, plus actual litigation expenses not exceeding \$65,000.00. Defendants have agreed that they will take no position regarding these requests, provided the requests made to the Court are consistent with this Section. As soon as practicable following the Effective Date, the Settlement Administrator will pay to Class Counsel from the Settlement Amount the attorneys' fees and litigation expenses awarded by the Court. These amounts are all subject to Court approval.

8. Release. Class Members who do not exclude themselves from the Settlement will be deemed to release all of the claims described in Section IV below.

### **III. Class Members' Rights and Options Under the Settlement**

Class Members have four options under the Settlement. If you are a Class Member, you may: (1) file a Claim, which if submitted timely and validated by the Settlement Administrator, will qualify you as a Participating Class Member entitled to receive a monetary payment following final court approval; (2) do nothing, in which case you will not be a Participating Class Member and you will not qualify to receive a monetary payment, but you will be bound by the release in the Settlement Agreement; (3) exclude yourself from the Settlement; or (4) object to the Settlement. The following paragraphs explain these options in more detail.

1. File a Claim. To potentially qualify for a monetary payment from the Settlement, potential Class Members must file a Claim.

(a) Class Members whose name, address, and/or email information is reflected in the business records produced by Defendants are being sent a Court-approved Summary Class Notice via email or mail, which includes a hyperlink to the Settlement Website or other information which enables those Class Members to submit a Claim electronically via the Settlement Website. The deadline for submitting a Claim is **March 21, 2022**. If you miss this deadline, you will not

receive any money under the Settlement, but you will be bound by the other terms of the Settlement if you do not request exclusion from the Settlement.

(b) Potential Class Members who do not receive a Summary Class Notice via email or mail may print a Claim Form from the Settlement Website or request a Claim Form from the Settlement Administrator. A printed Claim Form must be completed, dated by the Claimant, signed by the Claimant, and returned to the Settlement Administrator via U.S. Mail, personal delivery, or email. Upon receipt of a Claim Form, the Settlement Administrator will verify whether the Claimant is a member of the Class by comparing the information provided on Claim Form against the records of Defendants. The deadline for submitting a Claim is **March 21, 2022**. If you miss this deadline, you will not receive any money under the Settlement, but you will be bound by the other terms of the Settlement if you do not request exclusion from the Settlement. If you submit a Claim that is timely and that is validated by the Settlement Administrator, you will be a Participating Class Member and, if the Settlement is given final court approval, you will be entitled to receive a settlement payment in accordance with the terms of the Settlement.

2. Do Nothing. If you do nothing, you will not be a Participating Class Member and you will not qualify to receive a monetary payment, but you will be bound by the release in the Settlement Agreement.

3. To Be Excluded From the Settlement. Any Class Member who wishes to be excluded from the Settlement must complete and return a request for exclusion via U.S. Mail, email, or personal delivery, and that request for exclusion must be validated by the Settlement Administrator. The request for exclusion must be in writing, and must list the Class Member's name, address, and telephone number, along with the statement: "I wish to be excluded from the *Nakai v. Hearst Magazine Media* Settlement", or words to that effect, and must be dated and personally signed by the person requesting exclusion. To be timely, the request for exclusion must be returned to the Settlement Administrator no later than **March 21, 2022**. If the request for exclusion is returned by U.S. Mail, the date of return will be the date of the postmark. If the request for exclusion is returned by personal delivery or email, the date of return will be the date the request for exclusion is received by the Settlement Administrator. Those Class Members who submit timely and valid requests for exclusion in the form described above will be referred to as "Excluded Class Members." Excluded Class Members will not receive any consideration under the Settlement and will not be bound by any provision of the Settlement. Requests for exclusion can be mailed or delivered to the Settlement Administrator, as follows: *Nakai v. Hearst Magazine Media* Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; email: [HearstMagazineSettlement@cptgroup.com](mailto:HearstMagazineSettlement@cptgroup.com). A judgment in the action will bind all Class Members who do not timely request exclusion. Any Class Member may enter an appearance through counsel. **You may not submit both a Claim Form and a letter requesting to be excluded from this Settlement.**

4. To Object to the Settlement. Any Class Member who wishes to object to the Settlement may do so orally or in writing. Any written objection must be filed with the Court and served on Class Counsel, Defendants' counsel, and the Settlement Administrator, no later than March 21, 2022. A written objection must set forth the name of the Lawsuit (*Nakai, et al. v. Hearst Magazine Media, Inc., et al.*, Case No. 37-2021-00011096-CU-BT-CTL), the objector's full name, address, and current telephone number, and the following statement: "I declare under penalty of perjury that, to the best of my knowledge, between January 1, 2015 and September 23, 2021, I enrolled in at least one automatic-renewal or continuous-service magazine subscription for a Hearst publication directly through Hearst Magazine Media, Inc. and/or CDS Global, Inc., paid for at least one renewal for a subscription, and used a California street address as the shipping address for that subscription." The written objection must also state the factual and legal basis for the objection, the Hearst publication to which he or she was a subscriber, the name and contact

information of any and all attorneys representing, advising, or in any way assisting the objector in connection with the preparation of submission of the objection or who may profit from the pursuit of the objection, and a statement indicating whether the objector intends to appear at the Final Approval Hearing. If an objection is submitted in writing, any documents that the objecting Class Member wishes for the Court to consider must also be attached to the objection. Class Counsel and Defendants may respond to any objections, as appropriate, either in briefs filed in advance of the Final Approval Hearing or at the Final Approval Hearing. Any written objection must be filed with the Court and served by mail as follows: (1) to the Settlement Administrator, at Nakai v. Hearst Magazine Media Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; (2) to counsel for Defendants, Robert J. Herrington, Greenberg Traurig, LLP, 1840 Century Park East, 19th Floor, Los Angeles, CA 90067; and (3) to Class Counsel, Zach P. Dostart, Dostart Hannink & Coveney LLP, 4180 La Jolla Village Drive, Suite 530, La Jolla, CA 92037. Alternatively, an objection may be presented to the Court orally at the Final Approval Hearing. If you intend to object to the Settlement but also wish to receive your share of the Settlement if it is approved by the Court, you must also submit a timely and valid Claim Form as explained above. You may hire your own attorney to advise you, but if you hire your own attorney, you will be responsible for paying that attorney's fees and expenses.

#### **IV. Release of Claims by Class Members**

**If the Settlement is approved by the Court and becomes effective, and provided that Defendants have paid the Settlement Amount in full, all Class Members who do not exclude themselves from the Settlement, on behalf of themselves, and each of their respective assigns, executors, administrators, successors and agents, shall be deemed to release, resolve, relinquish, and discharge each and all of the Released Parties from each of the Released Claims (as defined below).** For purposes of this paragraph, "Released Parties" means Hearst and CDS and any of their respective past, present, and future parents, subsidiaries, or affiliates, and any of their respective past, present, and future officers, directors, managers, employees, agents, consultants, independent contractors, licensors, licensees, general partners, limited partners, principals, insurers, reinsurers, shareholders, attorneys, advisors, representatives, successors, or assigns. For purposes of this paragraph, "Released Claims" means any and all causes of action or claims for relief whether in law or equity, including but not limited to injunctive relief, actual damages, nominal damages, statutory damages, punitive damages, exemplary or multiplied damages, restitution, disgorgement, expenses, attorneys' fees and costs, and/or any other form of consideration whatsoever, for any and all claims by the Settlement Class Members that have been pled in this action, or that could have been pled in the Lawsuit, that in any way relate to or arise from any Settlement Class Member's having enrolled in an automatic-renewal or continuous-service magazine subscription directly through Defendants for a Hearst publication between January 1, 2015 and September 23, 2021.

#### **V. Final Approval Hearing**

The Court will hold a hearing on **May 6, 2022 at 8:30 a.m.** to determine whether the Settlement should be finally approved and to rule on Class Counsel's motion for award of attorneys' fees, reimbursement of litigation expenses, and class representative service payments. The Court is located at 330 West Broadway, Department 74, San Diego, CA 92101. Pursuant to court procedures implemented in response to COVID-19, the Court may conduct this hearing remotely via video or audio conference using the free Microsoft Teams App. Persons interested in attending or participating in the hearing should consult the Court's website, <https://www.sdcourt.ca.gov/sdcourt/civil2/civilvirtualhearings>, for further information. The hearing may be continued without further notice. **YOU ARE NOT REQUIRED TO ATTEND THE HEARING, BUT YOU MAY IF YOU CHOOSE.**

**VI. For More Information**

This Notice contains only a summary of the terms of the proposed Settlement. You may view the Settlement Agreement and other important documents on the Settlement Website. You may also review the pleadings and other papers filed in the Lawsuit at the Court's Business Office, located at 330 West Broadway, San Diego, CA 92101.

**PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE.**

If you have questions about the Settlement, please contact the Settlement Administrator or Class Counsel, as follows:

Settlement Administrator

Nakai v. Hearst Magazine Media

Settlement Administrator

c/o CPT Group, Inc.

50 Corporate Park

Irvine, CA 92606

Tel: 1-888-694-2499

Email: [HearstMagazineSettlement@cptgroup.com](mailto:HearstMagazineSettlement@cptgroup.com)

Class Counsel

Dostart Hannink & Coveney LLP

4180 La Jolla Village Dr., Ste. 530

La Jolla, CA 92037

Tel: (858) 623-4265

Email: [cklobucar@sdlaw.com](mailto:cklobucar@sdlaw.com)