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10 UNITED STATES DISTRICT COURT
 11 CENTRAL DISTRICT OF CALIFORNIA

12 MATT KARINSKI, Individually and on)	Case No. 2:19-cv-01828-MWF (SKx)
13 Behalf of All Others Similarly Situated,)	<u>CLASS ACTION</u>
14 Plaintiff,)	
15 vs.)	ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE
16 STAMPS.COM, INC. et al.)	
17 Defendants.)	

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1 WHEREAS, an action is pending before this Court entitled *Karinski v.*
2 *Stamps.com, Inc., et al.*, Case No. 2:19-cv-01828-MWF-SK (the “Litigation”);

3 WHEREAS, the parties having made application, pursuant to Federal Rule of
4 Civil Procedure 23(e), for an order preliminarily approving the settlement of this
5 Litigation, in accordance with a Stipulation of Settlement dated August 16, 2021 (the
6 “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the
7 terms and conditions for a proposed settlement of the Litigation and for dismissal of
8 the Litigation with prejudice upon the terms and conditions set forth therein; and the
9 Court having read and considered the Stipulation and the Exhibits annexed thereto;
10 and

11 WHEREAS, unless otherwise defined, all terms used herein have the same
12 meanings as set forth in the Stipulation.

13 NOW, THEREFORE, IT IS HEREBY ORDERED:

14 1. After a preliminary review, the Settlement appears to be fair,
15 reasonable, and adequate. The Settlement: (a) resulted from arm’s-length
16 negotiations overseen by an experienced mediator; and (b) is sufficient to warrant
17 (i) notice thereof as set forth below; and (ii) a full hearing on the Settlement.
18 Accordingly, the Court does hereby preliminarily approve the Stipulation and the
19 Settlement set forth therein, subject to further consideration at the Settlement
20 Hearing described below.

21 2. A hearing (the “Settlement Hearing”) shall be held before this Court on
22 **January 24, 2022, at 10:00 a.m.**, at the United States District Court for the Central
23 District of California, First Street Courthouse, 350 West First Street, Courtroom 5A,
24 Los Angeles, California 90012, for the following purposes:

25 a. to determine whether the Settlement is fair, reasonable, and
26 adequate, and should be approved by the Court;

27 b. to finally determine whether Judgment as provided under the
28 Stipulation should be entered, dismissing the Complaint on the

1 merits and with prejudice, and to determine whether the release by
2 the Class of the Released Defendant Parties as set forth in the
3 Stipulation, should be ordered, along with a permanent injunction
4 barring efforts to bring any Released Plaintiff's Claims or Released
5 Defendants' Claims extinguished by the Settlement;

6 c. to finally determine whether the proposed Plan of Allocation for the
7 distribution of the Net Settlement Fund is fair and reasonable and
8 should be approved by the Court;

9 d. to consider the application of Lead Counsel for an award of
10 attorneys' fees and expenses, and any application for an award to
11 Lead Plaintiff;

12 e. to consider Class Members' objections to the Settlement, Plan of
13 Allocation or application for fees and expenses, if any; and

14 f. to rule upon such other matters as the Court may deem appropriate.

15 3. The Court may adjourn the Settlement Hearing without further notice
16 to the Members of the Class, and reserves the right to approve the Settlement with
17 such modifications as may be agreed upon or consented to by the parties and without
18 further notice to the Class where to do so would not impair Class Members' rights
19 in a manner inconsistent with Rule 23 and due process of law. The Court further
20 reserves the right to enter its Judgment approving the Settlement and dismissing the
21 Complaint, on the merits and with prejudice, regardless of whether it has approved
22 the Plan of Allocation or awarded attorneys' fees and expenses or made an award to
23 Lead Plaintiff.

24 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
25 entered an order certifying the Class defined as: all persons who purchased or
26 otherwise acquired Stamps.com Inc. ("Stamps.com" or the "Company") common
27 stock between May 3, 2017, and May 8, 2019, inclusive (the "Class Period"), and
28 were damaged thereby. Excluded from the Class are Defendants and their

1 immediate families, the officers and directors of the Company, at all relevant times,
2 members of their immediate families, and their legal representatives, heirs,
3 successors or assigns, and any entity in which Defendants have or had a controlling
4 interest.

5 5. The Court approves, as to form and content, the Notice of Pendency
6 and Settlement of Class Action (the “Notice”), the Claim Form (the “Claim Form”
7 or “Proof of Claim”), and the Summary Notice, annexed hereto as Exhibits A-1, A-
8 2, and A-3, respectively, and finds that the mailing and distribution of the Notice and
9 publishing of the Summary Notice, substantially in the manner and form set forth in
10 ¶¶7-8 of this Order, meet the requirements of Federal Rule of Civil Procedure 23
11 and due process, and is the best notice practicable under the circumstances and shall
12 constitute due and sufficient notice to all Persons entitled thereto.

13 6. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby
14 appointed to supervise and administer the notice procedure as well as the processing
15 of claims as more fully set forth below.

16 7. Stamps.com shall provide, or cause to be provided, to Lead Counsel or
17 the Claims Administrator, at no cost to Lead Plaintiff, the Settlement Fund, Lead
18 Counsel or the Claims Administrator, within seven (7) calendar days after the Court
19 enters this Order, documentation or data in the possession of Stamps.com or its
20 present or former stock transfer agent(s) sufficient to identify to the extent available
21 the record holders of Stamps.com common stock during the period from May 3,
22 2017 through May 8, 2019, inclusive, and their last known addresses or other similar
23 information. Stamps.com shall provide this documentation in an electronic
24 searchable form, such as Excel.

25 8. Lead Counsel, through the Claims Administrator, shall commence
26 mailing the Notice and Claim Form, substantially in the forms annexed hereto,
27 within twenty-one (21) calendar days after the Court signs this Order (the “Notice
28 Date”), or by **November 4, 2021**, by first-class mail to all Class Members who can

1 be identified with reasonable effort, and to be posted on the Settlement website at
2 www.StampsSecuritiesSettlement.com.

3 9. Not later than ten (10) calendar days after the Notice Date, the Claims
4 Administrator shall cause the Summary Notice to be published once in the national
5 edition of *The Wall Street Journal* and once over a national newswire service.

6 10. At least seven (7) calendar days prior to the Settlement Hearing, Lead
7 Counsel shall serve on Defendants' Counsel and file with the Court proof, by
8 affidavit or declaration, of such mailing and publishing.

9 11. Nominees who purchased or acquired Stamps.com common stock for
10 the beneficial ownership of Class Members during the Class Period shall (a) within
11 seven (7) calendar days of receipt of the Notice and the Proof of Claim ("Notice
12 Packet"), request from the Claims Administrator sufficient copies of the Notice
13 Packet to forward to all such beneficial owners and within seven (7) calendar days
14 of receipt of those Notice Packets forward them to all such beneficial owners; or
15 (b) within seven (7) calendar days of receipt of the Notice Packet, send a list of the
16 names and addresses of all such beneficial owners to the Claims Administrator in
17 which event the Claims Administrator shall promptly mail the Notice Packet to such
18 beneficial owners. Lead Counsel shall, if requested, reimburse banks, brokerage
19 houses or other nominees solely for their reasonable out-of-pocket expenses incurred
20 in providing notice to beneficial owners who are Class Members out of the
21 Settlement Fund, which expenses would not have been incurred except for the
22 sending of such notice, subject to further order of this Court with respect to any
23 dispute concerning such compensation.

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

27 (a) A properly completed and executed Proof of Claim must be
28 submitted to the Claims Administrator, at the post office box or

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electronic mailbox indicated in the Notice and Proof of Claim, postmarked no later than ninety (90) calendar days from the Notice Date. Such deadline may be further extended by Order of the Court. Each Proof of Claim shall be deemed to have been submitted when legibly postmarked (if properly addressed and mailed by first-class mail) provided such Proof of Claim is actually received before the filing of a motion for an Order of the Court approving distribution of the Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received by the Claims Administrator at the address designated in the Notice.

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

1 (c) Once the Claims Administrator has considered a timely
2 submitted Proof of Claim, it shall determine whether such claim
3 is valid, deficient or rejected. For each claim determined to be
4 either deficient or rejected, the Claims Administrator shall send
5 a deficiency letter or rejection letter as appropriate, describing
6 the basis on which the claim was so determined. Persons who
7 timely submit a Proof of Claim that is deficient or otherwise
8 rejected shall be afforded a reasonable time (at least seven (7)
9 calendar days) to cure such deficiency if it shall appear that such
10 deficiency may be cured.

11 (d) For the filing of and all determinations concerning their Proof of
12 Claim, each Class Member shall submit to the jurisdiction of the
13 Court.

14 (e) Any Class Member that opts out of the Class or otherwise settled
15 claims with one or more Defendants for claims arising out of the
16 conduct alleged in the Litigation is hereby enjoined from
17 submitting a Claim Form or having another person or entity
18 submit a Claim Form on its behalf.

19 13. Any Class Member who does not timely submit a valid and timely
20 Proof of Claim within the time provided for, shall be barred from sharing in the
21 distribution of the proceeds of the Settlement Fund, but will in all other respects be
22 subject to and bound by the provisions of the Stipulation and the Judgment, if
23 entered. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but
24 not an obligation) to accept late-submitted claims for processing by the Claims
25 Administrator so long as distribution of the Net Settlement Fund to Authorized
26 Claimants is not materially delayed thereby, but will bear no liability for failing to
27 accept such late claims.

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1 14. Any Member of the Class may enter an appearance in the Litigation, at
2 their own expense, individually or through counsel of their own choice. If they do
3 not enter an appearance, they will be represented by Lead Counsel.

4 15. All Class Members shall be bound by all determinations and judgments
5 in this Litigation, whether favorable or unfavorable, unless such persons request to
6 be excluded, or “opt out,” from the Class. A Class Member wishing to be excluded
7 from the Class must submit to the Claims Administrator a request for exclusion
8 (“Request for Exclusion”), by first-class mail, or otherwise hand-deliver it, such that
9 it is received no later than twenty-one (21) calendar days prior to the Settlement
10 Hearing, or **January 3, 2022**, to the address listed in the Notice. A Request for
11 Exclusion must be signed and must legibly state: (a) the name, address, and
12 telephone number of the Person requesting exclusion; (b) the number of shares of
13 Stamps.com common stock that the Person requesting exclusion held at the close of
14 trading on May 2, 2017, the number of shares of Stamps.com common stock that the
15 Person requesting exclusion purchased, acquired, sold, and/or disposed of during the
16 Class Period, as well as the number of shares, dates and prices for each such
17 purchase, acquisition, sale, and disposition; and (c) that the Person wishes to be
18 excluded from the Class in *Karinski v. Stamps.com, Inc., et al.*, Case No. 2:19-cv-
19 01828-MWF-SK. All Persons who submit valid and timely Requests for Exclusion
20 in the manner set forth in this paragraph shall have no rights under the Stipulation,
21 shall not share in the distribution of the Net Settlement Fund, and shall not be bound
22 by the Stipulation or any Final Judgment. Unless otherwise ordered by the Court,
23 any Class Member who does not submit a valid and timely written Request for
24 Exclusion as provided by this paragraph shall be bound by the Stipulation.

25 16. If prior to the Settlement Hearing Persons who otherwise would be
26 Class Members have submitted valid and timely Requests for Exclusion in
27 accordance with the provisions of this Order and the Notice given pursuant thereto,
28 and have not thereafter withdrawn such Requests for Exclusion, and such Persons

1 have in the aggregate purchased or acquired the number of shares specified in the
2 separate Supplemental Agreement between the Settling Parties which has not been
3 filed with this Court, Defendants shall have the option to withdraw from or terminate
4 the Stipulation in accordance with the procedures set forth in the Supplemental
5 Agreement. Pursuant to the Private Securities Litigation Reform Act of 1995, §
6 27(a)(2)(B)(5), this Court finds that good cause has been shown for not filing the
7 Supplemental Agreement, which shall be filed under seal only if a dispute among
8 the Settling Parties arises concerning its interpretation or application.

9 17. The Claims Administrator or Lead Counsel shall cause to be provided
10 to Defendants' Counsel copies of all Requests for Exclusion within two (2) calendar
11 days of receipt.

12 18. The Court will consider comments or objections to the Settlement, the
13 Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and
14 expenses, including Lead Plaintiff's expenses as provided for by 15 U.S.C. §78u-
15 4(a)(4), only if such comments or objections and any supporting papers are served
16 by hand or sent by first-class mail, and are received at least twenty-one (21) calendar
17 days prior to the Settlement Hearing, or **January 3, 2022**:

18 *Counsel for Lead Plaintiff*

19 Robbins Geller Rudman & Dowd LLP
20 Eric I. Niehaus
21 655 West Broadway, Suite 1900
22 San Diego, CA 92101
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Counsel for Defendants

Katten Muchin Rosenman LLP
Richard H. Zelichov
2029 Century Park East, Suite 2600
Los Angeles, CA 90067

Those comments or objections and any supporting papers must also be filed with the Clerk of the United States District Court for the Central District of California, First Street Courthouse, 350 West First Street, Suite 4311, Los Angeles, California 90012, at least twenty-one (21) calendar days prior to the Settlement Hearing, or **January 3, 2022**. Attendance at the Settlement Hearing is not necessary but any Person wishing to be heard orally in opposition to the Settlement, the Plan of Allocation, or the application for attorneys’ fees and expenses or award to Lead Plaintiff are required to indicate in their written objection whether they intend to appear at the Settlement Hearing. The notice of objection must include documentation establishing the objecting Person’s membership in the Class, including the number of shares of Stamps.com common stock that the objecting Person purchased, acquired, sold, and/or disposed of during the Class Period, as well as the number of shares, dates and prices for each such purchase, acquisition, sale, and disposition. The objection must contain a statement of reasons for the objection, copies of any papers, briefs, or other documents upon which the objection is based, a statement of whether the objector intends to appear at the Settlement Hearing, and the objector’s signature, even if represented by counsel. In addition, the objection must state whether it applies only to the objector, to a specific subset of the Class or to the entire Class. The member of the Class making the objection must identify any other class actions to which the Class Member and/or his, her or its counsel has previously objected. Any Member of the Class who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall

1 forever be foreclosed from making any objection to the fairness or adequacy of the
2 Settlement as set forth in the Stipulation, to the Plan of Allocation, or to the award
3 of attorneys' fees and expenses to Lead Counsel or award to the Lead Plaintiff unless
4 otherwise ordered by the Court. Class Members do not need to appear at the
5 Settlement Hearing or take any other action to indicate their approval.

6 19. All funds held by the Escrow Agent shall be deemed and considered to
7 be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the
8 Court, until such time as such funds shall be distributed pursuant to the Stipulation
9 and/or further order(s) of the Court.

10 20. All opening briefs and supporting documents in support of the
11 Settlement, the Plan of Allocation, and any application by counsel for the Lead
12 Plaintiff for attorneys' fees and expenses or by Lead Plaintiff for its expenses shall
13 be filed and served no later than thirty-five (35) calendar days before the Settlement
14 Hearing, or **December 20, 2021**. Replies to any objections shall be filed and served
15 at least seven (7) calendar days prior to the Settlement Hearing, or **January 17, 2022**.

16 21. The Released Defendant Parties shall have no responsibility for the
17 Plan of Allocation or any application for attorneys' fees or expenses submitted by
18 Lead Counsel or Lead Plaintiff, and such matters will be considered separately from
19 the fairness, reasonableness, and adequacy of the Settlement. Any order or
20 proceeding relating to the Plan of Allocation or any application for attorneys' fees
21 or expenses, or any appeal from any order relating thereto or reversal or modification
22 thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the
23 finality of the Judgment approving the Stipulation and the settlement of the
24 Litigation.

25 22. At or after the Settlement Hearing, the Court shall determine whether
26 the Plan of Allocation proposed by Lead Counsel, and any application for attorneys'
27 fees or payment of expenses shall be approved.

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1 23. All reasonable expenses incurred in identifying and notifying Class
2 Members, as well as administering the Settlement Fund, shall be paid as set forth in
3 the Stipulation.

4 24. Neither the Stipulation, nor any of its terms or provisions, nor any of
5 the negotiations or proceedings connected with it: (i) is or may be deemed to be or
6 may be used as an admission of, or evidence of, the validity of any Released
7 Plaintiff's Claims by the Released Defendant Parties, or of any wrongdoing or
8 liability of the Released Defendant Parties; (ii) is or may be deemed to be or may be
9 used as an admission of, or evidence of, any fault or omission of any of the Released
10 Defendant Parties in any civil, criminal or administrative proceeding in any court,
11 administrative agency, or other tribunal or of any liability or wrongdoing of any
12 kind; (iii) is or may be deemed to be evidence of or an admission or concession that
13 Lead Plaintiff or any Class Members have suffered any damages, harm, or loss; (iv)
14 is or may be deemed to be or may be used as an admission that the claims alleged in
15 the Litigation lacked merit or that Lead Plaintiff and the Class would not have been
16 able to recover a greater amount of damages had the claims been prosecuted through
17 trial and appeals, if any.

18 25. In the event that the Settlement does not become effective in accordance
19 with the terms of the Stipulation or the Effective Date does not occur, or in the event
20 that the Settlement Fund, or any portion thereof, is returned to the Defendants, then
21 this Order shall be rendered null and void to the extent provided by and in accordance
22 with the Stipulation, and shall be vacated. In such event, all orders entered and
23 Releases delivered in connection herewith shall be null and void to the extent
24 provided by and in accordance with the Stipulation. Without in any way limiting
25 the generality of the foregoing, if the Settlement does not become effective, nothing
26 contained in the Stipulation or any of the documents attached to the Stipulation shall
27 limit the arguments Defendants can present to the United States Court of Appeals
28 for the Ninth Circuit ("Ninth Circuit") in their appeal of this Court's Order Granting


1 Motion for Class Certification or to this Court should the Ninth Circuit reverse,
2 remand, or otherwise order this Court to conduct further proceedings with respect to
3 class certification.

4 26. All proceedings in the Litigation are stayed until further order of this
5 Court, except as may be necessary to implement the Settlement or comply with the
6 terms of the Stipulation. Pending final determination of whether the proposed
7 Settlement should be approved, neither the Lead Plaintiff, nor any Class Member,
8 directly or indirectly, representatively, or in any other capacity, shall commence or
9 prosecute against any of the Released Defendant Parties, any action or proceeding
10 in any court or tribunal asserting any of the Released Plaintiff's Claims.

11 27. The Court's orders entered during this Litigation relating to the
12 confidentiality of information shall survive this Settlement.

13 IT IS SO ORDERED.

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15 Dated: October 14, 2021

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17 MICHAEL W. FITZGERALD
18 United States District Judge
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