

1 LEXINGTON LAW GROUP  
Mark N. Todzo (168389)  
2 Eric S. Somers (139050)  
Howard Hirsch (213209)  
3 1627 Irving Street  
San Francisco, CA 94122  
4 Telephone: (415) 759-4111  
Facsimile: (415) 759-4112

5 Attorneys for Plaintiff  
6  
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY ALAMEDA  
10

11 Coordination Proceeding Special Title: ) JCCP 4470  
12 )

13 **GREAT EXPECTATIONS CASES** )

) **AMENDED STIPULATION OF  
14 SETTLEMENT**

15 Included Actions: )

16 *Howells v. Great Expectations, Palo Alto,* )  
*California; et al.*; Alameda Superior Court Case )  
17 No. RG-05-241832 )

) Action Filed: November 14, 2005  
18 )

19 *Howard v. GE Walnut Creek Group, LLC; et* )  
*al.*; Contra Costa Superior Court No. C-06 )  
20 00145 )  
21 \_\_\_\_\_ )  
22  
23  
24  
25  
26  
27  
28

1                   Whereas on May 4, 2010, W. Glenn Howells (“Plaintiff”), individually and on  
2 behalf of himself and all others similarly situated, and defendants GE Walnut Creek Group, LLC,  
3 dba Great Expectations (“GEWC”); GE Sacramento Group, LLC, dba Great Expectations; ZMM  
4 Group, LLC, dba Great Expectations; GE Santa Clara Group, LLC, dba Great Expectations; and  
5 ZMM Group II, dba Great Expectations (collectively “Defendants”), executed a Stipulation of  
6 Settlement in the lawsuit captioned *W. Glenn Howells, et al. v. Great Expectations Palo Alto, et*  
7 *al.*, Case No. RG-05-241832 (the “Action”), now part of the coordinated proceeding captioned  
8 *Great Expectations Cases*, Judicial Council Coordinated Proceeding No. 4470 (Superior Court of  
9 the State of California, County of Alameda).

10                   Whereas the Parties hereby agree that this Amended Stipulation of Settlement  
11 supersedes the stipulation previously executed by the parties on May 4, 2010, and agree that the  
12 Action is settled and compromised subject to the terms and conditions set forth in this Amended  
13 Stipulation of Settlement and subject to final approval of the Court.

14 **I. INTRODUCTION**

15                   A.       On November 14, 2005, Plaintiff filed a class action complaint captioned  
16 *W. Glenn Howells, et al. v. Great Expectations Palo Alto, et al.*, Case No. RG-05-241832 (the  
17 “Complaint”) in the Superior Court of the State of California, County of Alameda, concerning  
18 alleged problems with Defendants’ contracts for dating services.

19                   B.       The Complaint seeks redress for Defendants’ alleged failure to inform  
20 buyers of their rights to cancel their dating service contracts and to be relieved of their payment  
21 obligation (and to receive a refund if the contract was pre-paid) if the buyer dies, becomes  
22 disabled or moves more than 50 miles away from the dating service office and is unable to  
23 transfer the contract to a comparable facility (hereinafter, these are referred to as the “Death,  
24 Disability and Relocation Terms”). The Complaint further seeks redress for Defendants’ alleged  
25 failure to honor the Death, Disability and Relocation Terms with regard to their customers,  
26 including Plaintiff, who would have been eligible for relief had such terms been made available  
27 to them.

28                   C.       Following service of the Summons and Complaint on Defendants on or

1 about December 7, 2005, the Defendants immediately prepared and implemented for all new  
2 memberships an Addendum to their Dating Service Contracts that included the Death, Disability  
3 and Relocation Terms. This Addendum was used by Defendants for all new memberships until  
4 the Defendants began using a new form of Dating Service Contract on or about February 1, 2006,  
5 that, among other things: (i) included the Death, Disability and Relocation Terms; and (ii)  
6 expressly provided that any payments required under the contract, whether for dues or other  
7 charges, would not exceed 24 months.

8 D. In February 2006, Plaintiff and Defendants reached a settlement regarding  
9 Plaintiff's Death, Disability and Relocation Terms claims. Pursuant to that initial settlement,  
10 which was finalized and submitted to the Court for its review and approval in March 2006,  
11 Defendants agreed to: (1) provide refunds to all class members affected by Defendants' failure to  
12 include the Death, Disability and Relocation Terms; and (2) revise their Dating Service Contracts  
13 to include the Death, Disability and Relocation Terms in all new contracts.

14 E. On February 10, 2006, Stephanie Howard filed a class action complaint  
15 captioned *Howard, et al. v. Great Expectations Walnut Creek Group, LLC, et al.*, Case No. C-06  
16 00145 in the Superior Court of the State of California, County of Contra Costa, concerning the  
17 same alleged problems with GEWC's contracts as alleged in the Complaint as well as separate  
18 and distinct claims regarding GEWC's allegedly improper sales practices.

19 F. Howard objected to the initial settlement between Plaintiff and Defendants  
20 primarily on the ground that the settlement did not provide monetary relief to those class  
21 members that had not died, become disabled or moved, and thus were not injured by the absence  
22 of the Death, Disability and Relocation Terms in their Dating Service Contracts. On May 15,  
23 2006, the Court denied the Motion for Preliminary Approval of Class Action Settlement without  
24 prejudice.

25 G. On May 16, 2006 the Howells and Howard cases were coordinated under  
26 the case name *Great Expectations Cases*, Judicial Council Coordination Proceeding 4470 in the  
27 Alameda Superior Court.

28 H. Plaintiff filed the operative First Amended Complaint ("FAC") on October

1 12, 2006. The FAC is based on the same alleged deficiencies with Defendants' contracts.

2 I. Howard has amended her complaint a number of times such that her  
3 operative complaint now raises the same contract claims against all of the same Defendants as  
4 does the FAC. She has also added individual defendants she claims are responsible for the  
5 actions of corporate defendants.

6 J. Before filing the Complaint, and during over four years of litigation,  
7 counsel for Plaintiff conducted a thorough examination and evaluation of the relevant law and  
8 facts to assess the merits of Plaintiff's claims and Defendants' defenses.

9 K. On November 27, 2007, the Court granted Plaintiff's motion for class  
10 certification and certified the Class defined as:

11 (1) All persons who entered into a dating service contract with GE  
12 Walnut Creek Group LLC, GE Sacramento Group, LLC, GE Santa  
13 Clara Group, LLC, ZMM Group, LLC, or ZMM Group II, LLC  
14 (collectively "Great Expectations") from November 14, 2002  
15 through and including November 15, 2005; and

16 (2) All persons who entered into a dating service contract with  
17 Great Expectations from November 16, 2005 through and  
18 including March 5, 2006 where (a) the contract or an addendum to  
19 the contract did not include the language required by Civil Code  
20 Section 1694.3 or (b) the contract or an addendum or a separate  
21 authorization or a separate installment agreement required the  
22 payment of dues or the payment of installments on that contract for  
23 more than two years.

24 L. Also on November 27, 2007, the Court certified the subclass defined as:  
25 "All persons in the Class as defined above who were unable to utilize Great Expectations'  
26 services during the contract period due to death, disability or relocation."

27 M. Following significant discovery and briefing, the Court held Phase 1 of  
28 trial. On June 9, 2009, the Court issued its Statement of Decision regarding Phase 1 of trial,

1 which covered: (1) liability under the DSCA; and (2) the scope of potential remedies under the  
2 DSCA. The Court held that the Defendants are liable for violations of the DSCA. The Court  
3 further held that:

4 Civil Code §§1694.2(e) and 1694.4(a) do not permit the Court to  
5 order as monetary relief that Defendants restore to Plaintiffs all  
6 funds previously paid to Defendants. The DSCA does, however,  
7 permit the Court to order that customers be released from non-  
8 compliant contracts as of the date of cancellation.

9 N. Following issuance of the Statement of Decision, Howard sought  
10 clarification, arguing that other theories of liability authorize the relief that the Court held was  
11 unavailable under the DSCA. The Court rejected this “clarification” finding that Howard had  
12 “no objective non-frivolous basis” for her motion.

13 O. The Court then agreed to hear a second phase of trial. Phase 2 of trial  
14 concerned whether class members who could not rescind or cancel their contracts and obtain  
15 refunds pursuant to the DSCA could rescind or cancel and obtain refunds pursuant to general  
16 rescission law.

17 P. The Court issued its Statement of Decision on Phase 2 of trial on  
18 December 29, 2009, reiterating its holding from Phase 1 regarding what monetary relief is  
19 available to DSCA Class members. The Court further held:

20 assuming that the Court could grant rescission, the Court would not  
21 automatically void the dating service contracts as a result of the  
22 violations of sections 1694.2(d) and 1694.3. Sections 1694.2(d)  
23 and 1694.3 are narrowly focused on certain aspects of the contracts  
24 and do not concern the validity of the contracts as a whole or the  
25 legality of the services provided.

26 Q. Howard challenged the Court’s Phase 2 decision by writ and the Court of  
27 Appeal summarily denied the writ.

28 R. Based upon discovery, investigation and evaluation of the facts and law  
relating to the matters alleged in the pleadings, Plaintiff has agreed to settle the Action pursuant  
to the provisions of this Stipulation after considering, among other things, (i) the substantial  
benefits available to Plaintiff and the Class under the terms of this Stipulation, (ii) the attendant

1 risks and uncertainty of litigation as well as the difficulties and delays inherent in such litigation,  
2 and (iii) the desirability of consummating this Stipulation promptly to provide effective relief to  
3 Plaintiff and the Class.

4 S. Defendants, denying wrongdoing of any kind whatsoever, and without  
5 admitting liability, nevertheless have agreed to enter into this Stipulation to avoid further  
6 expense, inconvenience, and the distraction of burdensome and protracted litigation and to be  
7 completely free of further participation in the Action and any further controversy with respect to  
8 the claims that were or could have been asserted in the Action.

9 **II. DEFINITIONS**

10 A. The following terms shall have the meanings as set forth below:

11 1. “Action” means the lawsuit titled, *W. Glenn Howells, et al. v. Great*  
12 *Expectations Palo Alto, et al.*, Case No. RG-05-241832, filed on November 14, 2005 in the  
13 Superior Court of the State of California, County of Alameda and later coordinated into the Great  
14 Expectations Cases, Judicial Council Coordinated Proceeding (“JCCP”) 4470.

15 2. “Active Class Member” means any Class Member whose contract with  
16 Defendants is active as of the last date of execution of this Stipulation by all of the parties to the  
17 agreement.

18 3. “Administrator” means Rust Consulting, Inc., an independent third-party  
19 agent or administrator whom the parties agree will serve to help implement the terms of this  
20 Stipulation.

21 4. “Class Member” means any person who is included within the definition  
22 of the Settlement Class (and, if that person is deceased or incompetent, includes that person’s  
23 heirs, executors, administrators, successors and assigns) who does not validly and timely request  
24 exclusion from the Settlement Class in accordance with the provisions of the Notice Order.

25 5. “Class Notice Package” means the notice package, as approved in form  
26 and content by counsel for Plaintiff and Defendants and by the Court, a copy of which is attached  
27 as Exhibit A, to be provided to Class Members pursuant to §V of this Stipulation. The Class  
28 Notice Package will include (i) the Class Notice; and (ii) a Proof of Claim and Opt-Out Form.

1                   6.     “Class Period” means the period from November 14, 2002 up through  
2 March 1, 2006.

3                   7.     “Class Representative” means Plaintiff W. Glenn Howells.

4                   8.     “Dating Service Contract” means any contract entered into with  
5 any Defendant that offers dating, matrimonial, or social referral services by any of the following  
6 means: (a) an exchange of names, telephone numbers, addresses, and statistics; (b) a photograph  
7 or video selection process; (c) personal introductions provided by the organization at its place of  
8 business; (d) a social environment provided by the organization intended primarily as an  
9 alternative to other singles’ bars or club-type environments.

10                  9.     “Death, Disability and Relocation Terms” means the terms that must be  
11 both included in dating service contracts and honored by providers of dating services pursuant to  
12 Civil Code §1694.3.

13                  10.    “Defendants’ Counsel” means:  
14                                 Mark Ellis, Esq.  
15                                 Ellis, Coleman, Poirier, Lavoie & Steinheimer LLP  
16                                 555 University Ave., Suite 200 East  
17                                 Sacramento, CA 95825

18                  11.    “Effective Date” means that date defined in §VII.A of this Stipulation.

19                  12.    “Eligible Class Member” means a Class Member who either:  
20                                 a.     died during the term of the Dating Service Contract;  
21                                 b.     developed a disability that precluded the Class Member from  
22                                         physically using the services specified in the Dating Service  
23                                         Contract;  
24                                 c.     moved during the term of the Dating Service Contract more than  
25                                         50 miles away from the Defendant’s designated dating service  
26                                         office and who did not transfer the contract to a comparable facility  
27                                         of such Defendant (unless the Class Member refused an offer by  
28                                         Defendant to transfer the contract to a comparable facility); or

1 d. made payments under a Dating Service Contract for a period in  
2 excess of two years.

3 13. "Fairness Hearing" means the hearing at or after which the Court will  
4 make a final decision whether to approve this Stipulation as fair, reasonable and adequate.

5 14. "Notice Order" means the order to be entered by the Court concerning  
6 Class notice, Class administration and the time and location of the Fairness Hearing, which order  
7 shall be substantially in the form attached to this Stipulation as Exhibit B.

8 15. "Parties" means Defendants and the Class Representative.

9 16. "Payment Class Member" means a Class Member other than an Eligible  
10 Class Member who submits a valid claim form.

11 17. "Person" means any natural person, individual, corporation, association,  
12 partnership, trust, or any other type of legal entity.

13 18. "Plaintiff's Counsel" means the following individual:

14 MARK N. TODZO, ESQ.

15 Lexington Law Group

16 1627 Irving Street

17 San Francisco, CA 94122

18 19. "Released Claims" means any and all liabilities, claims, cross-claims,  
19 causes of action, damages, costs, attorneys' fees, losses, obligations, or demands, whether known  
20 or unknown, existing or potential, or suspected or unsuspected, that were or could have been  
21 alleged or asserted against any of the Released Persons in the Action arising out of the facts  
22 alleged in the operative Complaint regarding the failure to offer and/or provide the Death,  
23 Disability and Relocation Terms or to comply with Civil Code §1694.2(d). Released Claims  
24 includes, without limitation, any claim that any of the Released Persons is directly, indirectly or  
25 derivatively responsible for the Released Claims under any one or more of the following theories:  
26 direct participation or ratification, agency, conspiracy, or alter ego, successor liability, fraudulent  
27 conveyance or any other theory of shareholder, director or officer liability for the obligations of a  
28 corporation, or manager or member liability for the obligations of a limited liability company.

1 Released Claims does not include the claims raised in Howard’s operative complaint that are not  
2 related to the alleged failure of Defendants’ Dating Service Contracts to comply with Civil Code  
3 §§1694.2(d) and 1694.3.

4 20. “Released Persons” means Defendants and each of its past or present  
5 members, managers, directors, officers, employees, agents, insurers, shareholders, attorneys,  
6 advisors, consultants, representatives, partners, affiliates, parents, subsidiaries, joint venturers,  
7 independent contractors, wholesalers, resellers, distributors, retailers, related companies,  
8 divisions, predecessors, successors, and assigns.

9 21. “Settlement Class” means:

10 (1) All persons who entered into a dating service contract with GE  
11 Walnut Creek Group LLC, GE Sacramento Group, LLC, GE Santa  
12 Clara Group, LLC, ZMM Group, LLC, or ZMM Group II, LLC  
13 (collectively “Great Expectations”) from November 14, 2002  
14 through and including November 15, 2005; and

15 (2) All persons who entered into a dating service contract with  
16 Great Expectations from November 16, 2005 through and  
17 including March 5, 2006 where (a) the contract or an addendum to  
18 the contract did not include the language required by Civil Code  
19 Section 1694.3 or (b) the contract or an addendum or a separate  
20 authorization or a separate installment agreement required the  
21 payment of dues or the payment of installments on that contract for  
22 more than two years.

23 22. “Settlement Fund” means \$200,000, from which the payments required  
24 under Section IV, as well as the fees and costs incurred by the Administrator will be paid.

25 23. “Stipulation” means this Stipulation of Settlement, including all exhibits  
26 thereto.

27 B. Capitalized terms used in this Stipulation but not defined above shall have the  
28 meaning ascribed to them in this Stipulation and the exhibits attached hereto.

1 **III. APPOINTMENT OF LEAD COUNSEL AND CLASS REPRESENTATIVE**

2 A. For settlement purposes only, the parties stipulate that the Class Representative is  
3 the sole representative of the Settlement Class and that Plaintiff's Counsel is the only counsel for  
4 the Settlement Class.

5 **IV. SETTLEMENT RELIEF**

6 Relief provided to the Class consists of: (1) providing refunds to Eligible Class  
7 Members by providing them with a refund of any monies pre-paid for services such members  
8 were unable to utilize due to death, disability or relocation and refunding any contractually  
9 required payments made over a period in excess of two years; (2) allowing all Active Class  
10 Members to cancel their contracts, obtain refunds for any payments made for future services, and  
11 avoid making any additional payments during the remaining portion of their contracts; (3)  
12 providing a refund to Payment Class Members of such Payment Class Members' pro-rata share  
13 of any residual in the Settlement Fund after payments to Eligible Class Members and  
14 administration costs; and (4) requiring Defendants to maintain the Death, Disability and  
15 Relocation Terms in their Dating Service Contracts, and prohibiting Defendants from requiring  
16 any payments beyond two years.

17 **A. Settlement Fund.**

- 18 1. Within 10 days of the Effective Date Defendants shall pay the Settlement  
19 Fund to the Administrator.
- 20 2. All payments required pursuant to Section IV of the Stipulation, as well as  
21 any fees and costs due to the Administrator shall be made from the Settlement Fund.

22 **B. Refunds For All Eligible Class Members.**

- 23 1. Subject to VI.A. below, each Eligible Class Member by virtue of the  
24 Death, Disability and Relocation provisions who submits a valid claim form shall have the right  
25 to receive a refund of all of the payments made under his or her Dating Service Contract for the  
26 period from the time the Eligible Class Member either died, became disabled, or moved more  
27 than 50 miles away from Defendants' dating service office. A class member who claims under  
28 this provision may not submit a claim pursuant to IV.D. below.

1                   2.       Each Eligible Class Member by virtue of having made payments in excess  
2 of two years who submits a valid claim form shall be refunded such payments subject to  
3 subsection VI.A below. A class member who claims under this provision may also submit a  
4 claim pursuant to IV.D. below.

5                   3.       Refunds to Eligible Class Members shall include interest payable at an  
6 annual rate of 5% annually, measured from the date of the onset of death, disability, relocation or  
7 the date of the last payment made in excess of two years.

8                   **C.       Cancellation By Class Members With Active Contracts.**

9                   1.       Any Active Class Member may elect to cancel his or her Dating Service  
10 Contract by checking the appropriate box and sending the Claim Form included in their Class  
11 Action Notice Packet to the Administrator, who shall promptly furnish the Claim Form to  
12 Defendants' Counsel. A class member who claims under this provision may not submit a claim  
13 pursuant to IV.D. below.

14                   2.       By submitting a Proof of Claim seeking cancellation, an Active Class  
15 Member will no longer be required to make any payments required under his or her Dating  
16 Service Contract. In addition, Active Class Members will receive a refund of all of the payments  
17 made under the contract for the period from the Administrator's receipt of the Claim Form until  
18 the end of the contract term.

19                   3.       Defendants shall provide written confirmation of cancellation to each  
20 Active Class Member within 30 days of receipt of a Proof of Claim regarding cancellation from  
21 the Administrator. Following receipt of such confirmation, an Active Class Member whose  
22 Dating Service Contract was active as of the time of cancellation will no longer be able to obtain  
23 any benefits or services under the contract.

24                   **D.       Payments to Payment Class Members.**

25                   1.       All Payment Class Members shall be entitled to a payment from the  
26 Settlement Fund equal to such Payment Class Member's pro-rata share of the residual of the  
27 Settlement Fund following the payments required pursuant to Sections IV.B. and IV.C and  
28 administration expenses. However, in no event shall the payment made to a particular Payment

1 Class Member pursuant to this section exceed the total of the contract payment made by that  
2 Class Member.

3 **E. Revising Defendants' Dating Service Contracts.**

4 1. Defendants shall insure that all of their Dating Service Contracts include  
5 the following language or language that is substantially similar to the following:

6 If by reason of death or disability, a member is unable to receive all  
7 of the services for which the member has contracted, the member  
8 and member's estate may elect to be relieved of the obligation to  
9 make payments for services other than those received before death  
10 or the onset of disability; provided, however, if a physician  
11 determines that the duration of the disability will be less than six  
12 months, G/E may extend the term of the contract for a period of six  
13 months at no additional charge to the member in lieu of  
14 cancellation.

15 If the member has prepaid any amount for services, so much of the  
16 amount prepaid that is allocable to services that the member has  
17 not received shall be promptly refunded to the member or his or  
18 her representative.

19 Disability, for the purposes of these paragraphs, means a condition  
20 that precludes the member from physically using the services  
21 specified in the contract during the term of disability and the  
22 condition is verified in writing by a physician designated and  
23 remunerated by the member. The written verification shall be  
24 presented to G/E.

25 If the member relocates his or her primary residence further than  
26 50 miles from the dating service office and is unable to transfer the  
27 contract to a comparable facility, the member may elect to be  
28 relieved of the obligation to make payment for services other than  
those received prior to that relocation, and if the member has  
prepaid any amount for dating services, so much of the amount  
prepaid that is allocable to services that the member has not  
received shall be promptly refunded to the member. A member  
who elects to be relieved of further obligation under this  
Agreement shall be charged a \$100 fee, or if more than half the life

1 of the contract has expired, a \$50 fee.

2 2. Defendants shall not include any provision in their Dating Service  
3 Contracts that requires members to make payments for a period in excess of 24 months.

4 **F. Incentive Award to Class Representative.**

5 1. Within 30 days following the Effective Date, the Administrator shall  
6 provide a check payable to W. Glenn Howells in the amount of \$1,500 to Plaintiff's Counsel as  
7 a service award for serving as Class representative.

8 **V. NOTICE TO THE CLASS**

9 **A. Class Notice Package.** Subject to the requirements of the Notice Order and no  
10 later than 60 days before the Fairness Hearing, the Administrator will send a Class Notice  
11 Package by first-class mail, postage pre-paid, to each reasonably identifiable Class Member's last  
12 known address and will send the Class Notice Package by electronic mail to each Class Member  
13 for whom Defendant has an electronic mail address. The costs associated with producing and  
14 sending the Class Notice Package will be paid from the Settlement Fund. The Class Notice  
15 Package shall contain the following:

16 **1. Class Notice.** Each Class Notice Package shall contain a Class Notice  
17 setting forth the following information:

18 a. *General Terms.* The Class Notice shall:

19 (i) inform Class Members that, if they do not exclude  
20 themselves from the Class with respect to the Dating Service Contract which they entered into  
21 with one or more of the Defendants, they may be eligible to receive relief under the proposed  
22 settlement;

23 (ii) contain a short, plain statement of the background of the  
24 Action, the class certification and the proposed settlement;

25 (iii) describe the proposed relief outlined above in §IV;

26 (iv) explain the procedures for obtaining the proposed relief;

27 (v) state that Class Members who do nothing in response to the  
28 Class Notice Package will automatically be bound by the Stipulation; and

1 (vi) state that any relief to Class Members is contingent on the  
2 Court's final approval of the proposed settlement.

3 The Class Notice shall conform to all applicable requirements of California law,  
4 the United States Constitution (including the Due Process Clause) and any other applicable law,  
5 and shall otherwise be in the manner and form agreed upon by the parties and approved by the  
6 Court.

7 b. *Notice of Exclusion, Intervention and Objection Rights.* The Class  
8 Notice shall inform Class Members:

9 (i) that they may exclude themselves from the Class by  
10 submitting a written exclusion request to Plaintiff's Counsel and Defendants' Counsel  
11 postmarked no later than 45 days before the date of the Fairness Hearing, but that no group, mass  
12 and/or class opt-outs are permitted;

13 (ii) that any Class Member who has not submitted a written  
14 request for exclusion may, if he or she desires, object to the proposed settlement by filing with  
15 the Court and serving on Plaintiff's Counsel and Defendants' Counsel a written statement of  
16 objection no later than 30 days before the Fairness Hearing;

17 (iii) that any Class Member who has filed and served written  
18 objections to the proposed settlement may, if he or she so requests, enter an appearance at the  
19 Fairness Hearing either personally or through counsel;

20 (iv) that any Class Member has the right to seek to intervene in  
21 the Action;

22 (v) that any judgment entered in the Action, whether favorable  
23 or unfavorable to the Class, shall include, and be binding on, all Class Members who have not  
24 been excluded from the Class, even if they have objected to the proposed settlement and even if  
25 they have any other claim, lawsuit or proceeding pending against Defendant;

26 (vi) of the terms of the release; and

27 (vii) that all Class Members have the right to be represented by  
28 counsel of their choice, but at their own expense.

1                   **2. Proof of Claim and Opt-Out Form.** Each Class Notice Package shall  
2 contain a Proof of Claim and Opt-Out Form which permits Class Members either to opt-out of  
3 the Class by simply checking a box on the form or to seek the relief provided for in Section IV.

4                   **B. Re-mailing and Additional Notice.** The Administrator shall: (i) update all postal  
5 addresses of Class Members through the National Change of Address (NCOA) registry; (ii) re-  
6 mail any Class Notice Package returned by the Postal Service with a forwarding address that is  
7 received by the Administrator, within five days of its receipt of the returned Class Notice  
8 Package; and (iii) re-send via electronic mail any Class Notice Package that is returned with a  
9 forwarding e-mail, within five days of its receipt of the returned Class Notice Package.

10 **VI. REDEMPTION OF SETTLEMENT RELIEF**

11                   **A. Eligible Class Members.** Eligible Class Members may obtain the settlement  
12 benefits after the Effective Date by mailing, faxing and/or e-mailing the Claim Form. The Claim  
13 Form shall include space for Eligible Class Members to provide the approximate date of death,  
14 disability, relocation or number of months in excess of two years during which he or she made  
15 payments. Eligible Class Members must sign the Claim Form under penalty of perjury. Claims  
16 submitted by Eligible Class Members must be submitted no later than 45 days before the Fairness  
17 Hearing. The Administrator will pay all valid claims to Eligible Class Members within 30 days  
18 following the Effective Date. Claims are subject to challenge by the Administrator, who may  
19 require the following as proof of Eligibility:

20                   **1. Eligibility Relating To A Member's Death During the Contract Term.**

21 Upon challenge by the Administrator, in order to prove that a Class Member is an Eligible Class  
22 Member by reason of death occurring during the term of the Dating Service Contract, the  
23 member's representative shall present a copy of a valid death certificate or other official notice of  
24 a member's death showing that the member died during the term of a Dating Service Contract.

25                   **2. Eligibility Relating To A Member's Disability During the Contract**

26 **Term.** Upon challenge by the Administrator, in order to prove that a Class Member is an  
27 Eligible Class Member by reason of a disability during the term of the Dating Service Contract, a  
28 member must present written verification from a physician designated and remunerated by the

1 member stating that the member developed a disability that prevented him or her from obtaining  
2 all of the services contracted for in the Dating Service Contract.

3 **3. Eligibility Relating To Relocation Of A Member's Primary Residence.**

4 Upon challenge by the Administrator, in order to prove that a Class Member is an Eligible Class  
5 Member by reason of relocation of his or her primary residence more than 50 miles away from  
6 the location of the dating service office of the Defendant with which the Class Member  
7 contracted, the Class Member must present a copy of utility bills from both the former and  
8 current residence from the time period of the term of the Dating Service Contract. The  
9 Administrator shall not refund the payments otherwise due to a Class Member who relocated his  
10 or her primary residence more than 50 miles from the dating service office with which the Class  
11 Member contracted if Defendants can demonstrate that the Class Member either: (1) transferred  
12 his or her contract to a comparable facility; or (2) refused an offer to transfer his or her contract  
13 to a comparable facility.

14 **4. Eligibility Relating to Payments Made In Excess of Two Years.** Upon

15 challenge by the Administrator, in order to prove that a Class Member is an Eligible Class  
16 Member by reason of having made payments in excess of two years, the Class Member must  
17 include credit card bills, cancelled checks or other proof demonstrating that the Class Member  
18 made payments for a period in excess of two years.

19 **B. Active Class Members.** Any Active Class Member may cancel his or her Dating

20 Service Contract and obtain a refund of the unused portion by mailing, faxing and/or e-mailing  
21 the Claim Form to the Administrator no later than 45 days before the Fairness Hearing. Active  
22 Class Members must include with their Claim Form documentation that their Dating Service  
23 Contract with Defendants was active as of the date of the final execution of this Stipulation.

24 **C. Payment Class Members.** Payment Class Members may obtain the settlement

25 benefits by mailing, faxing and/or e-mailing the Claim Form to the Administrator no later than  
26 45 days before the Fairness Hearing. Following expiration of the 30 day claims period, the  
27 Administrator shall calculate the payment amount due to each Payment Class Member according  
28 to the procedure set forth in Section IV.D. and shall mail any payments to Payment Class

1 Members required under that section within 60 days of the Effective Date.

2 **D. Distribution of Residual Settlement Fund.** In the event that any of the  
3 Settlement Fund remains after payment of all claims pursuant to Section IV and payment of all of  
4 the Administrator’s costs, the Claims Administrator shall hold the residual in the Settlement  
5 Fund account for a period of 90 days following expiration of the claims period as a reserve for  
6 late claims. Should any funds remain thereafter, such funds will be paid to the Consumer  
7 Federation of California (“CFC”) as a qualified cy pres recipient. CFC is a non-profit advocacy  
8 organization. Since 1960, CFC has been a powerful voice for consumer rights. CFC campaigns  
9 for state and federal laws which place consumer protection ahead of corporate profit. Each year,  
10 CFC testifies before the California legislature on dozens of bills that affect millions of our state’s  
11 consumers. CFC also appears before state agencies in support of consumer regulations.

12 **E. Retention And Duties of Administrator.**

13 1. Defendants shall retain Rust Consulting Group, Inc. to act as the  
14 Administrator. As set forth above in Section IV.A.2., all costs and expenses incurred by the  
15 Administrator shall be paid solely out of the Settlement Fund. Defendants have no obligation  
16 beyond the Settlement Fund to pay for any costs or expenses associated with the work performed  
17 by the Administrator in connection with this settlement.

18 2. The Administrator, in its sole discretion, shall determine whether each  
19 Class Member who submits a Claim Form is eligible for the relief he or she is seeking and, if so,  
20 the amount of the refund due to such Class Member. In calculating such refunds, the  
21 Administrator shall ensure that no Class Member receives a double recovery – *e.g.*, a refund of  
22 payments made in excess of 2 years shall not be refunded to a Class Member pursuant to Section  
23 IV.B.2. if such Class Member is already receiving such a refund as an Eligible Class Member  
24 pursuant to Section IV.B.1. of this Stipulation of Settlement.

25 3. In the event that the Administrator determines that a Class Member is not  
26 eligible for the relief he or she is seeking on the basis of such Class Member’s submission, the  
27 Administrator shall use its best efforts to determine whether the Class Member is eligible for  
28 some other form of relief under the Settlement and, if so, shall offer to make that relief available

1 to the Class Member. In any event, the Administrator shall respond to such Class Member's  
2 submission by providing a letter explaining the reason(s) for rejecting the Class Member's  
3 request. The Administrator shall maintain all records of submissions by Class Members and  
4 make such records available to either Plaintiff's Counsel, Defendants' Counsel or both upon  
5 written request. A claimant who receives a rejection from the Claims Administrator may  
6 challenge the rejection by submitting documents sufficient to demonstrate that such claimant is  
7 an Eligible Class Member within ten (10) days of receipt of the denial. In making its  
8 determination of the validity of a claimant's challenge, the Claims Administrator may consult  
9 with Defendants' employees. The Claims Administrator shall make its determination on any  
10 claimant's challenge within ten (10) days of receipt of the challenge. Should the Claims  
11 Administrator determine that the challenge is valid, it will deliver a Settlement Payment to the  
12 claimant making the successful challenge in accordance with Paragraph VI.E.4.

13           4.       Except as provided in Section VI.C. with respect to Payment Class  
14 Members, the Administrator shall make any refund payments due to Class Members under this  
15 Stipulation within 30 days of a validated Claim Form by an Eligible Class Member or within 10  
16 days following the Effective Date, whichever is later.

17           5.       The Administrator may assist with various tasks relating to  
18 implementation of the Settlement, including, without limitation: (i) mailing or arranging for the  
19 mailing of the Class Notice to Class Members, including any National Change of Address or  
20 other address searches or re-mailing; (ii) receiving and maintaining on behalf of the Court any  
21 Class Member correspondence regarding requests for exclusion, intervention and objections to  
22 the Settlement; (iii) responding to written inquiries from Class Members or forwarding such  
23 inquiries to Plaintiff's Counsel for response; (iv) mailing out all payments required pursuant to  
24 Section IV; (v) receiving and processing claims from Class Members; (vi) providing to  
25 Defendant in appropriate form the names and addresses of Eligible Class Members; and  
26 (vii) mailing the payments to Class Members.

27           6.       The Administrator shall periodically provide to Defendant and to  
28 Plaintiff's Counsel reports setting forth the total claims received, the number of valid claims, and

1 the number of any incomplete or otherwise invalid claims. Plaintiff’s Counsel shall have the  
2 right to inspect any claims rejected as incomplete or otherwise invalid and otherwise inquire of  
3 Defendant’s Counsel and the Administrator about any aspect of the implementation of the  
4 Settlement.

5 **VII. CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL,**  
6 **CANCELLATION OR TERMINATION OF STIPULATION**

7 A. The “Effective Date” of this Stipulation shall be the first date after which all of  
8 the following events and conditions have been met or have occurred:

- 9 1. All Parties have executed this Stipulation;
- 10 2. The Court has preliminarily approved this Stipulation, the settlement set  
11 forth herein and the method for providing notice to the Class;
- 12 3. The Court has entered an order finally approving this Stipulation,  
13 including all settlement consideration as set forth in this Stipulation, and releasing the Released  
14 Persons from the Released Claims except as to those Class Members who timely request  
15 exclusion; and
- 16 4. Unless Defendants in their sole discretion otherwise agree in writing to  
17 waive all or any portion of the following provision, in the event there is a properly and timely  
18 filed objection to entry of the final judgment and order, all of the following have occurred: (i) the  
19 expiration (without the filing or noticing of an appeal) of the time to appeal from the final  
20 judgment and order; (ii) the final dismissal of an appeal from the final judgment and order;  
21 (iii) affirmance on appeal of the final judgment and order in substantially the same form as  
22 entered by the Court; (iv) if a ruling or decision is entered by an appellate court with respect to  
23 affirmance of the final judgment and order, the time to petition for a writ of certiorari with  
24 respect to such ruling or decision has expired; and (v) if a petition for a writ of certiorari with  
25 respect to the final judgment and order is filed, the petition has been denied or dismissed or, if  
26 granted, has resulted in affirmance of the final judgment and order in substantial form.

27 B. If more than five percent of the Class Members exercise their right to exclude  
28 themselves from the Settlement Class, at Defendants’ sole option, this entire Stipulation and the

1 settlement shall become null and void. If they elect to do so, Defendants must exercise this  
2 option by written notice to Plaintiff’s Counsel within ten days after the deadline fixed by the  
3 Court in the Notice Order for Class Members to request exclusion from the Settlement Class.

4 C. In the event that any of the events or conditions described in §VII.A. either is not  
5 met or does not occur, this entire Stipulation shall become null and void, except that the parties  
6 shall have the option to agree in writing to waive the event or condition and proceed with this  
7 settlement, in which event the Effective Date shall be deemed to have occurred on the date of  
8 such written agreement.

9 D. Within five days after the deadline fixed by the Court in the Notice Order for  
10 Class Members to request exclusion from the Settlement Class, the Administrator shall furnish  
11 Plaintiff’s Counsel with a complete list of all persons who requested exclusion and an  
12 identification of those requests that the Administrator believe are timely and valid.

13 **VIII. RELEASES**

14 A. Upon the Court’s final approval of this Stipulation and the settlement set forth  
15 herein, the Final Judgment and Order shall be entered providing for the release by Plaintiff and  
16 the Class Members of all Released Claims against the Released Persons.

17 B. As of the Effective Date of this Stipulation, by operation of the entry of the Final  
18 Judgment and Order, Plaintiff, each Class Member, and each of their respective heirs, assigns,  
19 and successors (collectively, the “Releasing Class Members”), shall be deemed to have fully and  
20 irrevocably released the Released Persons from the Released Claims.

21 C. As of the Effective Date of this Stipulation, by operation of the entry of the Final  
22 Judgment and Order, the Released Persons shall be deemed to have fully released and forever  
23 discharged Plaintiff, all other Class Members, and Plaintiff’s counsel from any and all claims of  
24 abuse of process, malicious prosecution, or any other claims arising out of the initiation,  
25 prosecution or resolution of the Action including, but not limited to, claims for attorneys’ fees,  
26 costs of suit, or sanctions of any kind, or any claims arising out of the allocation or distribution of  
27 any of the consideration distributed pursuant to this Stipulation.

28 D. Pursuant to §664.6 of the California Code of Civil Procedure, and notwithstanding

1 the entry of Judgment, the Court shall retain jurisdiction of the Action in order to fully implement  
2 and enforce the terms of this Stipulation of Settlement.

3 **IX. DEFENDANTS' DENIAL OF LIABILITY**

4 A. Defendants have indicated their intent to vigorously contest each and every claim  
5 in the Action. Nonetheless they have concluded that it is in their best interest that the Action be  
6 settled on the terms and conditions set forth in this Stipulation. Defendants reached this  
7 conclusion after considering the factual and legal issues in the Action, the substantial benefits of  
8 a final resolution of the Action, the expense that would be necessary to defend the Action  
9 through trial and through any appeals that might be taken, the benefits of disposing of protracted  
10 and complex litigation, and the desire of Defendants to conduct their business unhampered by the  
11 distractions of continued litigation.

12 B. As a result of the foregoing, Defendants enter into this Stipulation without in any  
13 way acknowledging any fault, liability, or wrongdoing of any kind. Neither this Stipulation, nor  
14 any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall  
15 be construed as an admission or concession by Defendants of the truth of any of the allegations in  
16 the Action, or of any liability, fault, or wrongdoing of any kind on the part of Defendants with the  
17 exception of any proceedings brought to enforce the Settlement.

18 C. To the extent permitted by law, neither this Stipulation nor any of its terms or  
19 provisions, nor any of the negotiations or proceedings connected with it, shall be offered as  
20 evidence or received in evidence in any pending or future civil, criminal, or administrative action  
21 or proceeding to establish any liability or admission by the Defendants.

22 **X. ATTORNEYS' FEES AND EXPENSES**

23 A. Plaintiffs' Counsel intend to submit an application for attorneys' fees and costs in  
24 an amount not to exceed \$150,000. The payment provided for in this section is separate from  
25 and in addition to the Settlement Fund and is made pursuant to Civil Code §1694.4(c).  
26 Defendants agree not to oppose any application for attorneys' fees and costs that does not exceed  
27 \$150,000. The amount of attorneys' fees and costs ordered by the Court shall be paid to  
28 Plaintiff's Counsel by Defendants within fifteen days of the entry of the Court's order regarding

1 attorneys' fees and costs.

2 B. In no event shall Defendant be required by Order of the Court to pay more than  
3 the \$150,000 in fees, expenses and costs set forth herein. Should the Court by Order require  
4 Defendants to pay larger amounts, Defendants shall have the right but not the obligation to cancel  
5 this Stipulation, terminate the settlement and to proceed as if the settlement had never been  
6 executed, and the Stipulation shall be null and void as provided in Section VII.C.

7 **XI. MISCELLANEOUS PROVISIONS**

8 A. The parties hereto and their undersigned counsel agree to undertake their best  
9 efforts and mutually cooperate to promptly effectuate this Stipulation and the terms of the  
10 settlement set forth herein, including taking all steps and efforts contemplated by this Stipulation  
11 and any other steps and efforts which may become necessary by order of the Court or otherwise.

12 B. The undersigned represent that they are fully authorized to execute and enter into  
13 the terms and conditions of this Stipulation.

14 C. This Stipulation contains the entire agreement among the parties hereto and  
15 supersedes any prior agreements or understandings between them. All terms of this Stipulation  
16 are contractual and not mere recitals and shall be construed as if drafted by all parties. The terms  
17 of this Stipulation are and shall be binding upon each of the parties, their agents, attorneys,  
18 employees, successors and assigns, and upon all other Persons claiming any interest in the  
19 subject matter through any of the parties, including any Class Member.

20 D. All time periods set forth herein shall be computed in business days if seven days  
21 or less and calendar days if eight days or more unless otherwise expressly provided. In  
22 computing any period of time prescribed or allowed by this Stipulation or by order of the Court,  
23 the day of the act, event or default from which the designated period of time begins to run shall  
24 not be included. The last day of the period so computed shall be included, unless it is a Saturday,  
25 a Sunday or a legal holiday, or, when the act to be done is the filing of a paper in Court, a day in  
26 which weather or other conditions have made the office of the clerk of the Court inaccessible, in  
27 which event the period shall run until the end of the next day that is not one of the  
28 aforementioned days. As used in this subsection, "legal holiday" includes any judicial holiday in

1 California State Court including, but not limited to, New Year's Day, Martin Luther King, Jr.  
2 Day, Presidents' Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day,  
3 Columbus Day, Veterans' Day, Thanksgiving Day, Christmas Day and any other day appointed  
4 as a holiday by the President or the Congress of the United States or by the State of California.

5 E. The parties, their successors and assigns, and their attorneys undertake to  
6 implement the terms of this Stipulation in good faith and to use good faith in resolving any  
7 disputes that may arise in the implementation of the terms of this Stipulation.

8 F. This Stipulation may be amended or modified only by a written instrument signed  
9 by counsel for all parties. Amendments and modifications may be made without additional notice  
10 to the Class Members unless such notice is required by the Court.

11 G. This Stipulation shall be subject to, governed by, construed, and enforced  
12 pursuant to the laws of the State of California.

13 H. The exhibits to this Stipulation are an integral part of the Settlement and are  
14 hereby incorporated and made a part of this Stipulation.


15 I. This Stipulation shall be deemed to have been executed upon the last date of  
16 execution by all of the undersigned.

17 J. This Stipulation may be executed in counterparts, each of which shall constitute  
18 an original.

19

20

21 Dated: June 30, 2010

By:   
W. Glenn Howells

22

23

24

LEXINGTON LAW GROUP

25

26 Dated: 6/30/2010

By:   
Mark N. Todzo


27

28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

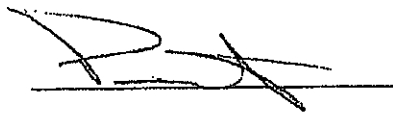
GE WALNUT CREEK GROUP, LLC

Dated: 6/28/2010

By: 

GE SACRAMENTO GROUP, LLC

Dated: 6/28/2010

By: 


ZMM GROUP, LLC

Dated: 6/28/2010

By: 


GE SANTA CLARA GROUP, LLC

Dated: 6/28/2010

By: 

ZMM GROUP II, LLC

Dated: 6/28/2010

By: 

ELLIS, COLEMAN, POIRIER, LAVOIE &  
STEINHEIMER LLP

Dated: \_\_\_\_\_

By: Mark Ellis

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

GE WALNUT CREEK GROUP, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_

GE SACRAMENTO GROUP, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_

ZMM GROUP, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_

GE SANTA CLARA GROUP, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_

ZMM GROUP II, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_

ELLIS, COLEMAN, POIRIER, LAVOIE &  
STEINHEIMER LLP

Dated: 6/29/2010 By:   
Mark Ellis