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Dept. 307

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LOS ANGELES
SUPERIOR COURT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

KATHERINE WEBSTER, as executor of the
Estate of Anthony J. Ferrantino (deceased) and
as trustee of the Anthony J. Ferrantino Living
Trust, on her behalf and on behalf of others
similarly situated,

Plaintiffs,

v.

LEGALZOOM.COM, INC., *et al.*,

Defendants.

) Case No. BC438637

) Assigned to: Hon. William F. Highberger

) ~~PROPOSED~~ JUDGMENT

) Date: April 5, 2012

) Time: 1:30 p.m.

) Place: Dept. 307

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JUDGMENT

The Court, having granted final approval to the Class Action Settlement Agreement filed with the Court on June 30, 2011 (the "Settlement"), between Defendant LegalZoom.com, Inc. ("LegalZoom") and Plaintiff Katherine Webster ("Plaintiff") and members of the Class, therefore,

IT IS HEREBY ADJUDGED AND DECREED THAT:

1. For purposes of this Judgment, the Court adopts all the definitions of the terms defined in the Settlement Agreement, attached as Exhibit 2 to the Declaration of Robert S. Arns in Support of Joint Motion for Preliminary Approval and Plaintiff's Motion for Class Certification for Settlement Purposes, filed on June 30, 2011.

2. The parties are directed to implement the Settlement according to its terms.

3. The release provisions of the Settlement, including the release and discharge of Released Claims (as that term is defined in the Settlement Agreement) and the parties' waiver of the provisions of California Civil Code section 1542, are binding upon Plaintiffs and all members of the Class.

4. The Settlement Class is defined as follows:

all persons and entities who, from September 15, 2005 through June 16, 2011, purchased a legal document or legal document assistant service from LegalZoom.com, Inc. ("LegalZoom").

Excluded from the Class are (a) individuals who submit a valid Request for Exclusion in accordance with the procedures set forth in the Settlement; (b) LegalZoom and its parents, affiliates, successors, predecessors, employees, officers, directors; and (c) any person included on a government list of known or suspected terrorists or other individuals, entities, and organizations of concern, including, but not limited to, persons appearing on the United States Department of the Treasury, Office of Foreign Assets Control List of Specially Designated Nationals and Blocked Persons (the "SDN Lists").

5. The release set forth in the Settlement Agreement is identical to the release in this Paragraph, and shall be binding upon Plaintiffs and all members of the Class: Upon final approval

1 of this Settlement Agreement, Plaintiff, on her own behalf and as representative of the Class, each
2 Class Member, and all persons purporting to act on their behalf or purporting to assert a claim under
3 them, including, but not limited to, their dependents, heirs and assigns, beneficiaries, devisees,
4 legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and
5 successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or
6 any other type or in any other capacity (collectively, the "Releasing Parties") hereby forever
7 completely and irrevocably release and discharge LegalZoom.com, Inc., and any of its respective
8 past, present, and future parents, affiliates, subsidiaries, divisions, predecessors, successors, and
9 assigns, and each of their respective officers, directors, trustees, shareholders, employees, agents,
10 attorneys, auditors, advertising agencies, accountants, experts, contractors, stockholders,
11 representatives, partners, insurers, reinsurers, and other persons acting on their behalf, including but
12 not limited to, Brian Lee, Brian Liu, Charles Rampenthal, and Robert Shapiro (collectively, the
13 "Released Parties"), from any and all causes of action, claims, rights, damages, punitive or statutory
14 damages, penalties, liabilities, expenses, offsets, setoffs, rights of recoupment and losses and issues
15 of any kind or nature whatsoever, whether presently known or unknown, asserted or unasserted,
16 suspected or unsuspected, contingent or noncontingent, that any of the Releasing Parties have, may
17 have had, or may have in the future against any of the Released Parties under any source of law
18 (including federal law, the law of any state or locality, common law, statutory law, in equity or
19 otherwise) in connection with or that arise out of or relate in any manner whatsoever, in whole or in
20 part, to the Litigation, the subject matter of the Litigation, the claims alleged, asserted or otherwise
21 referred to in the Litigation, any acts, transactions or occurrences alleged, asserted or otherwise
22 referred to in the Litigation or this Settlement Agreement, and specifically from any and all claims
23 asserted or that could have been asserted in the Litigation arising out of the LegalZoom.com website,
24 any materials available on or through the LegalZoom.com website, any disclosures or alleged
25 nondisclosures regarding LegalZoom (including in LegalZoom's marketing or advertising or by
26 LegalZoom personnel), LegalZoom's customer service, the unauthorized practice of law (subject to
27 the limitation set forth in the next to last sentence of this paragraph), or the purchase or use of
28 documents prepared through LegalZoom (including but not limited to, any claim arising from or

1 relating in any manner to California Business and Professions Code sections 6400-6415, California
2 Business and Professions Code sections 17200 *et seq.*, California Business and Professions Code
3 sections 17500 *et seq.*, California Civil Code sections 1750 *et seq.*, California Welfare and
4 Institutions Code sections 15000 *et seq.*, or California Civil Code section 3345), the terms or
5 administration of this Settlement Agreement, or any communications, representations, statements, or
6 omissions to Class Members with respect to any of the foregoing (the "Released Claims"). The
7 Released Claims do not include any non-monetary claims for provisional or permanent injunctive
8 relief based on the unauthorized practice of law brought by a non-customer public or quasi-public
9 entity, including government or quasi-government entities and state or local bar associations, and do
10 not include the specific claims alleged by members of the certified class in *Janson, et al. v.*
11 *LegalZoom.com, Inc.*, United States District Court for the Western District of Missouri case no. 10-
12 04018-CV-C-NKL, under Missouri Revised Statutes 484.010, 484.020 and 407.020 and for money
13 had and received.

14 6. Plaintiff and Class Members, and anyone acting on their behalf (including attorneys,
15 representatives, and agents of Plaintiff or any Class Member), who have actual knowledge of this
16 injunction, are permanently and forever barred and enjoined from instituting, commencing, or
17 continuing to prosecute, directly or indirectly, as an individual or collectively, representatively,
18 derivatively, or on behalf of himself or herself, or in any other capacity of any kind whatsoever, any
19 action in this Court, any other state court, or any other tribunal or forum, against any Released Party
20 (as that term is defined in the Settlement Agreement) that asserts any claims that are Released
21 Claims (as that term is defined in the Settlement Agreement) under the terms of the Settlement. Any
22 person who violates such injunction shall pay the costs and attorneys' fees incurred by any Released
23 Party as a result of the violation.

24 7. Consent Decree: LegalZoom is enjoined, as provided in the Settlement and agreed to
25 by the parties, as follows:

26 (a) In the disclaimer that appears at the bottom of each page of the
27 LegalZoom.com website, LegalZoom will enlarge the font to 11px (Arial) or larger and darken the
28 font to HEX333333 or darker;

1 (b) In the disclaimer that appears on the bottom of each page of the
2 LegalZoom.com website, LegalZoom will include the following statements (or substantially similar
3 language): (a) LegalZoom is a legal document assistant, (b) LegalZoom is not a law firm and is not
4 a substitute for an attorney or law firm, (c) communications between the customer and LegalZoom
5 are not protected by the attorney-client privilege or work product doctrine, and (d) LegalZoom can
6 only provide self-help services at your specific direction; LegalZoom cannot provide any kind of
7 advice, explanation, opinion, or recommendation to a consumer about possible legal rights,
8 remedies, defenses, options, selection of forms or strategies;

9 (c) LegalZoom will remove the following references from the
10 LegalZoom.com website and from its advertising, including advertising conducted through internet
11 search engines:

- 12 (i) References to “100% reviewed”;
- 13 (ii) References to “we will take care of the rest” from
14 the phrase “simply answer a few questions and we will
15 take care of the rest”;
- 16 (iii)References to “Online Legal Center”;
- 17 (iv)References to review of order “for common
18 mistakes”;
- 19 (v) References to “attorney quality”; and
- 20 (vi)References to “unlimited customer support.”

21 (d) LegalZoom will remove the word “expert” from the phrase “developed
22 by expert attorneys” in the Estate Planning Guide available through the LegalZoom.com website;

23 (e) LegalZoom will add the following sentence (or substantially similar
24 language) to paragraph 8 of the Terms of Use titled “NO WARRANTY” available on the
25 LegalZoom.com website: “Notwithstanding the above, LegalZoom offers a sixty-day Satisfaction
26 Guarantee, the terms of which are available here”, and provide a link to the terms of the Satisfaction
27 Guarantee by clicking “here”;

28 (f) LegalZoom will add the following sentence (or substantially similar
language) to the limitation of liability provision at paragraph 4 of the Terms of Service and

1 paragraph 9 of the Terms of Use available on the LegalZoom.com website: “Further, except as
2 permitted by law, nothing in this paragraph is intended to modify the provisions of California
3 Business and Professions Code sections 6400 *et seq.*”;

4 (g) LegalZoom will include in television and radio advertisements either a
5 reference that LegalZoom is a legal document assistant or statement that LegalZoom is not a law
6 firm and provides self-help services at your direction (or substantially similar language);

7 (h) If a radio or television advertisement states that LegalZoom reviews a
8 customer’s answers or responses, LegalZoom will include some subset of the following: LegalZoom
9 reviews customer answers for completeness, spelling and grammar, as well as internal inconsistency
10 of names, addresses and the like, or greater limiting language;

11 (i) On any document prepared using a LegalZoom document template,
12 LegalZoom will add, on that form, its name, business address, telephone number, LDA registration
13 number, expiration date of the registration, and county of registration; provided, however, this
14 provision does not apply to government-created forms or templates provided or mandated by any
15 local, state, or federal government or government-related entity;

16 (j) In every transaction in which a customer prepares and purchases a
17 legal document through LegalZoom, LegalZoom will use the contract form set forth in California
18 Admin. Code, Title 16 § 3950, or one that is substantially similar to such form, which requirement
19 may be satisfied by use of the Legal Document Assistant Contract for Self-Help Services attached as
20 Exhibit F to the Settlement Agreement; and

21 (k) LegalZoom will add to its employee handbook a copy of California
22 Business & Professions Code sections 6400-6415 (the Legal Document Assistant (LDA) Act), which
23 will be made available to all employees on the LegalZoom company intranet.

24 (l) In the event that Class Counsel becomes aware of any failure by
25 LegalZoom to comply with any of the above requirements, Class Counsel will notify LegalZoom of
26 the specific deficiency in writing, and LegalZoom will have twenty-one (21) days from receipt of
27 such written notice to cure the deficiency. No action may be taken to enforce the terms of the
28 Consent Decree unless and until the written notice required in this paragraph is provided, the cure

1 period provided above expires and LegalZoom fails to bring such failure into compliance with the
2 terms of this Settlement.

3 (m) The requirements of this Consent Decree apply only to LegalZoom's
4 legal document assistant services and will be effective within sixty (60) days of the Final Effective
5 Date (as that term is defined in the Settlement Agreement), or at such earlier date as LegalZoom may
6 choose. All of the noted business practices changes shall remain in effect for eighteen (18) months
7 from the Final Effective Date or the date of implementation, whichever is earlier, and this eighteen-
8 month period may expire prior to the Final Effective Date should LegalZoom implement the changes
9 sufficiently in advance of that date. At the request of LegalZoom, and upon a showing of good
10 cause, the Court may amend the effective period of the Consent Decree. The business practice
11 changes in this Consent Decree apply only to LegalZoom's legal document assistant services and
12 website pages and advertising relating thereto.

13 8. Nothing herein shall preclude LegalZoom from taking any action or changing
14 any of its business practices to comply with the Legal Document Assistant Act or other applicable
15 law or directive, and in no event shall LegalZoom be in violation of the Settlement Agreement
16 should LegalZoom take any action or change any of its business practices to comply with such law
17 or directive currently in force or enacted in the future.

18 9. The failure of any Party to perform any of its obligations hereunder shall not subject
19 such Party to any liability or remedy for damages, or otherwise, where such failure is occasioned in
20 whole or in part by acts of God, fires, accidents, earthquakes, other natural disasters, explosions,
21 floods, wars, interruptions or delays in transportation, power outages, computer failures, labor
22 disputes or shortages, shortages of material or supplies, governmental laws, restrictions, rules or
23 regulations, sabotage, terrorist acts, acts or failures to act of any third parties, or any other similar or
24 different circumstances or causes beyond the reasonable control of such Party.

25 10. The Court awards reasonable attorneys' fees and costs in the amount of \$2.2 million
26 and a service award to the named plaintiff, Katherine Webster, in the amount of \$7,000. These sums
27 are payable as set forth in the Settlement Agreement.

28

1 11. The Court hereby reserves continuing and exclusive jurisdiction over all matters
2 related to the administration and consummation of the terms of this Settlement, over the
3 enforcement, construction and interpretation of this Settlement Agreement, over the enforcement,
4 construction, and interpretation of the Judgment, including, but not limited to, the provisions therein
5 enjoining any further litigation of Released Claims (as that term is defined in the Settlement
6 Agreement), and over Plaintiff and all Class Members (and their attorneys and law firms) in
7 connection therewith.

8 12. Notwithstanding the reservation of jurisdiction in Paragraph 11, this is a final and
9 appealable judgment that ends the litigation of all claims alleged in this action. The Clerk is directed
10 to enter this Judgment forthwith.

11 13. Notice of the Order Granting Final Approval of Class Action Settlement, the Order
12 Awarding Attorneys' Fees and Costs and Class Representative Incentive Award, and this Judgment
13 entered in this action are to be given to the Class by posting the Orders and Judgment on the
14 settlement website for no less than ninety (90) days following entry of the Orders and Judgment,
15 during which time the website will remain active.

16 **IT IS SO ORDERED.**

17 DATED: 4/18, 2012

WILLIAM F. HIGHBERGER

HONORABLE WILLIAM F. HIGHBERGER
JUDGE OF THE SUPERIOR COURT

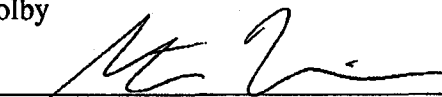
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Jointly Submitted:

Dated: April 6, 2012

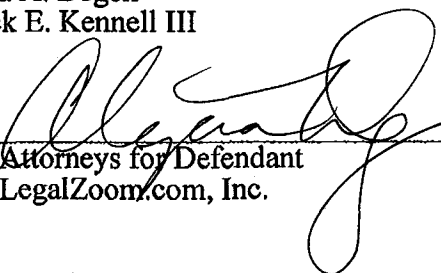
THE ARNS LAW FIRM
Robert S. Arns
Steven R. Weinmann

STEBNER AND ASSOCIATES
Kathryn A. Stebner
Sarah Colby

By: 
Attorneys for Plaintiff Katherine Webster
and the Putative Class

Dated: April __, 2012

SIDLEY AUSTIN LLP
Alycia A. Degen
Patrick E. Kennell III

By: 
Attorneys for Defendant
LegalZoom.com, Inc.

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3 **PROOF OF SERVICE**

4 STATE OF CALIFORNIA)
5 COUNTY OF LOS ANGELES) SS

6 I am employed in the County of Los Angeles, State of California. I am over the age of 18
7 years and not a party to the within action. My business address is 555 West Fifth Street, Suite
8 4000, Los Angeles, California 90013.

9 On April 6, 2012, I served the foregoing document(s) described as: **[PROPOSED]**

10 **JUDGMENT** on all interested parties in this action as follows:

11 *Counsel for Plaintiff Webster:*

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LegalZoom.com, Inc., Los Angeles Superior
Court Case No. BC421777*

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1 *Objectors:*

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13 George C. Douglas, Jr.
14 Law Offices
15 700 Century Park South, Suite 223
16 Birmingham, Al 35226
gcdlaw@hiwaay.net

17 (VIA FEDEX) I served the foregoing document(s) by FedEx for overnight delivery. I placed
18 true copies of the document(s) in a sealed envelope addressed to each interested party as shown
19 above. I placed each such envelope, with FedEx fees thereon fully prepaid, for collection and
20 delivery at Sidley Austin LLP, Los Angeles, California. I am readily familiar with Sidley
21 Austin LLP's practice for collection and delivery of express carrier package for delivery with
22 FedEx. Under that practice, the FedEx package(s) would be delivered to an authorized courier
23 or dealer authorized by FedEx to receive document(s) on that same day in the ordinary course of
24 business.

22 *Objector C. Dimare:*

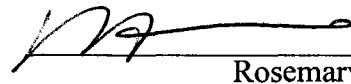
23 C. Dimare
24 P.O. Box 1668
Rancho Santa Fe, CA 92067

25 (VIA EXPRESS MAIL) I served the foregoing document(s) by Express Mail, as follows: I placed
26 true copies of the document(s) in a sealed envelope addressed to each interested party as shown
27 above. I placed each such envelope, with Express Mail postage thereon fully prepaid, for
28 collection and mailing at Sidley Austin LLP, Los Angeles, California. I am readily familiar with
Sidley Austin LLP's practice for collection and processing of Express Mail for mailing with the
United States Postal Service. Under that practice, the Express Mail would be delivered to an
authorized courier or dealer authorized by Express Mail to receive document(s) in the United
States Postal Service on that same day in the ordinary course of business.

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I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 6, 2012, at Los Angeles, California.



Rosemary Franchimone