

Re: NOTICE OF SETTLEMENT OF CLASS ACTION LAWSUIT

You have been identified as an individual whose vehicle was non-consensually towed from the parking lot located at Arhaus, 235 South Highland Avenue, Pittsburgh, PA 15206 by Howard's Towing and Recovery LLC.

A court authorized this notice This is not a solicitation from a lawyer.

Your legal rights are affected whether you act or don't act. Please read this Notice carefully.

- A settlement has been proposed to resolve a lawsuit against Howard's Towing and Recovery, LLC, Howard Szuminsky (collectively "Howard's Towing"), and Arhaus, LLC ("Arhaus,") (collectively with Howard's Towing, "Defendants") brought by Alan Jones and Richard Gross ("Plaintiffs" or "Class Representatives"), on behalf of themselves and all persons similarly situated. The lawsuit, referred to as *Jones et al. v. Arhaus LLC et al.*, GD-18-01298 (Allegheny Cty. Ct. Com. Pl.), asserts claims on behalf of a class of individuals towed from the parking lot located at 235 South Highland Avenue, Pittsburgh, PA 15206 (the "Parking Lot"). Plaintiffs allege that following non-consensual tows from the Parking Lot, they were charged tow fees then exceeding the maximum allowable as set forth under the Pittsburgh Code of Ordinances and Pennsylvania law, and assert Defendants violated the Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL"), 73 Pa. Stat § 202-1, *et. seq.*, the Pennsylvania Fair Credit Extension Uniformity Act ("PaFCEUA"), 73 Pa. Stat. § 2270.1, *et. seq.*, and various common law causes of action. Defendants deny these allegations, deny any wrongdoing, and deny that they would be found liable to Plaintiffs and the Class.
- The Court certified this lawsuit to proceed as a class action as a class and sub-class of individuals:
 1. Class Members: All individuals who were nonconsensually towed from the Parking Lot by Howard's Towing within the applicable statutes of limitations.
 2. Subclass Members: All individuals who were charged and paid a fee in excess of the limits then set by 5 Pittsburgh Code §§ 525.05 for release or return of any passenger cars, light trucks, motorcycles, and scooters that were nonconsensually towed from the Parking Lot by Howard's Towing within the applicable statute of limitations.
- Arhaus employed Howard's Towing for nonconsensual tows from the Parking Lot from October 2017 until July 2018.
- Under the Settlement, Arhaus will pay \$20,000.00 into an escrow account, out of which the Settlement Administrator will make payments to Class Members. The methods that will be used to distribute these funds to Class Members are described in detail in this Notice. The costs of notice and settlement administration will also be paid from this Settlement Fund.
- Further, if approved by the Court, Arhaus will pay up to \$52,000.00 in fees, costs, and expenses to attorneys for the Class, plus service awards of \$1,500.00 for each of the two Class Representatives. Howard's Towing will additionally pay up to \$5,000.00 in fees, costs, and expenses to attorneys for the Class. These payments will be made separate and apart from the funds that will be used to pay the Class Members.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING, AND RECEIVE AUTOMATIC PAYMENT	If you do nothing, you will receive a cash payment from the Settlement Fund equal to the payment that you made to Howard’s Towing, if any, plus a <i>pro rata</i> share of the remainder of the Settlement Fund after subtracting the Costs of Settlement Administration.
EXCLUDE YOURSELF	If you ask to be excluded, you will not receive a cash payment, but you may be able to file your own lawsuit against Howard’s Towing, Howard Szuminsky, or Arhaus for the same claims. This is the only option that leaves you the right to file your own lawsuit for the claims that are being resolved by the Settlement. In order to be effective, a request to be excluded from the Settlement must contain all the information required by the Settlement.
OBJECT	You can remain in the Class and file an objection telling the Court why you believe the Settlement should not be approved. If your objections are overruled, you will be bound by the Settlement.

- Your options and other basic information are explained in this Notice. To ask to be excluded, you must act before May 23, 2023.
- The Court in charge of this case still must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **Any questions? Read on and visit the Settlement Website at www.ArhausHowardsTowingSettlement.com.**

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION	PAGE 3
1. Why did I get this notice?	
2. What is this lawsuit about?	
3. What is a class action and who is involved?	
4. Why is there a settlement?	
WHO IS PART OF THE SETTLEMENT	PAGE 4
5. How do I know if I am part of the Settlement?	
6. Are there exceptions to being included?	
7. I am still not sure if I am included.	
THE SETTLEMENT BENEFITS	PAGE 4
8. What does the Settlement provide?	
9. How much will my payment be?	
HOW TO GET A PAYMENT	PAGE 5
10. How can I get a payment?	
11. When will I get my payment?	
12. What am I giving up to receive a payment?	
EXCLUDING YOURSELF FROM THE SETTLEMENT	PAGE 5
13. How can I opt out of the Settlement?	
14. Why would I ask to be excluded?	
15. If I exclude myself can I get money from this Settlement?	
THE LAWYERS REPRESENTING YOU	PAGE 6
16. Do I have to get a lawyer in this case?	
17. Should I get my own lawyer?	
18. How will the lawyers and the individuals representing the class be paid?	
OBJECTING TO THE SETTLEMENT	PAGE 7
19. How do I tell the Court that I do not like the Settlement?	
20. What is the difference between objecting and excluding myself/opting out?	
THE COURT’S FINAL APPROVAL HEARING	PAGE 8
21. When and where will the Court decide whether to approve the Settlement?	
22. Do I have to attend the hearing?	
GETTING MORE INFORMATION	PAGE 9
23. Are more details available?	

BASIC INFORMATION

1. Why did I get this notice?

Howard’s Towing’s records show that a vehicle you own or were operating was non-consensually towed from the parking lot located at Arhaus, 235 South Highland Avenue, Pittsburgh, PA 15206, or that you paid a fee for such tow, between October 2017 and July 2018 that was more than the amount set forth in the City Ordinances. A group of similarly situated individuals brought a proposed class action against Defendants in 2018, alleging that Defendants charged more than the maximum allowable as set forth under the Pittsburgh Code of Ordinances and Pennsylvania law following non-consensual tows from the Parking Lot. The Court later allowed the action to proceed as a class action. The parties have now reached a proposed settlement of the lawsuit.

The Court authorized this Notice because you have a right to know about your rights under the proposed class action Settlement before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections and appeals are resolved, a Settlement Administrator (Analytics Consulting, LLC) will make the cash payments that the Settlement allows, and the pending legal claims against Defendants will be released and dismissed.

This package explains the lawsuit, the Settlement, your rights, what benefits are available, who is eligible from them, and how to get them. The case is captioned: *Jones et al. v. Arhaus LLC et al.*, GD-18-01298 (Allegheny Cty. Ct. Com. Pl.).

2. What is this lawsuit about?

Plaintiffs Alan Jones and Richard Gross brought this class action against the Defendants, including Arhaus and Howard's Towing, alleging that Defendants unlawfully towed vehicles from the Parking Lot and that Howard's Towing unlawfully charged for the return or release of certain vehicles towed from the Parking Lot. Defendants deny all of the Plaintiffs' claims.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representative(s)" (in this case Alan Jones and Richard Gross) sue on behalf of themselves and other people who have similar claims, together called a "Class" or "Class Members." The individuals who brought this suit, along with all the Class Members, are called "Plaintiffs." The people and companies being sued (in this case Arhaus, LLC, Howard's Towing and Recovery, LLC, and Howard Szuminsky) are called "Defendants." One court resolves the issues for everyone in the Class and Sub-Class— except for those people who choose to exclude themselves from the Class and/or Sub-Class.

4. Why is there a Settlement?

The Court has not decided in favor of Plaintiffs or Defendants. Instead, both sides agreed to the Settlement. The Settlement is not an admission that Defendants did something wrong, but rather a compromise to end the lawsuit. By agreeing to settle, both sides avoid the costs, risks, and uncertainties of a trial and related appeals, while providing benefits to members of the Class. The Class Representatives and the attorneys of the Class think the Settlement is best for Class Members.

WHO IS PART OF THE SETTLEMENT

5. How do I know if I am part of the Settlement?

You are a member of the Class/Subclass and affected by the Settlement if:

- You were nonconsensually towed from the Parking Lot by Howard's Towing between October 2017 and July 2018 and were charged in excess of \$135 total for return of the towed vehicle.

Specifically *excluded* from the Class and Subclass are the Court – and any immediate family members of the Court – and individuals who timely and validly request exclusion from the Class.

6. Are there exceptions to being included?

If you timely exclude yourself from the Settlement, you are no longer part of the Class and/or Subclass and will no longer be eligible to receive payments from the Settlement Fund. The process of excluding yourself is referred to as "opting out" of the Settlement and described in the Section below titled "Excluding Yourself from the Settlement."

7. I am still not sure if I am included.

If you are still not sure whether you are included, you can contact the Settlement Administrator at 855-390-6185 or visit www.ArhausHowardsTowingSettlement.com for more information.

THE SETTLEMENT BENEFITS

8. What does the Settlement provide?

Under the Settlement, Arhaus will pay TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00) into a Settlement Fund. After subtracting the Costs of Settlement Administration from the Settlement Fund, the Settlement Administrator will review Howard's Towing's Towbook Records related to tows from the Parking Lot to determine the amount each

Class Member paid to Howard's Towing following the nonconsensual tow of his or her vehicle from the Parking Lot, if any. Upon calculation of the aggregate value of all the payments made to Howard's Towing, the Settlement Administrator will then calculate the pro rata share of the remainder of the Settlement Fund owed to each Class Member. The Settlement Administrator will then distribute to each Class Member the combined total of his or her payments made to Howard's Towing and his or her *pro rata* share of the remainder of the Settlement Fund.

9. How much will my payment be?

The amount of payment will depend on several factors. Class Members who made a payment to Howard's Towing for the release of their motor vehicle will receive a full refund. In addition, all Class Members will receive a payment equal to their *pro rata* share of the remainder of the Settlement Fund after subtracting the aggregate of all payments made to Howard's Towing and the Costs of Settlement Administration. If no Class Member excludes themselves from the Settlement, each Class Member's estimated payment is \$178.

HOW TO GET A PAYMENT

10. How can I get a payment?

If you do nothing, you will automatically receive a payment after the Court approves the Settlement and all appeals are resolved.

11. When will I get my payment?

The Court will hold a hearing on August 4, 2023 to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved and resolving them takes time, sometimes more than a year. Payments to the Class Members will be made after the Settlement is finally approved and any appeals or other required proceedings have been completed as set forth in the Settlement Agreement. You may visit the Settlement Website for updates on the progress of Settlement.

12. What am I giving up to receive a payment?

Unless you exclude yourself from the Settlement, you will be unable to sue, or be part of any other lawsuit, against Defendants or Defendants' Released Persons (as defined in the Settlement Agreement) relating to the nonconsensual tow of your motor vehicle from the Parking Lot between October 2017 and July 2018. The specific claims that you are giving up are described in the Settlement Agreement, which is available on the Settlement Website.

If you have any questions, you may contact the Settlement Administrator or Class Counsel listed in Question 23 for free, or you can, of course talk to your own lawyer if you have questions about what this means.

If you want to keep your rights to sue or continue to sue Defendants based on claims this Settlement resolves, then you must take steps to exclude yourself from the Class (*See* Questions 13-15).

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. How can I opt out of the Settlement?

To exclude yourself from the Settlement, or "opt out," you must send a letter by U.S. Mail that includes the information in the bullet points below. If you fail to include this information, the notice of exclusion will not be effective and you will be bound by the Settlement, including all releases.

- The name of this Litigation (*Jones et al. v Alder Highlands Associates, LLC et al.*, case number GD-18-012298, (Allegheny Cty. Ct. Com. Pl.));
- Your full name, address, email address, telephone number, and signature;
- The words "Request for Exclusion" at the top of the document or a statement in the body of the document requesting your exclusion from the Settlement;
- If you are filing a request for exclusion on behalf of an incapacitated or deceased Class Member for whom you are legally authorized to act, you must include your name, address, telephone number, signature, and relationship to the Class Member, as well as that person's name and address.

You must mail via First-Class postage prepaid United States mail the completed above-described letter, postmarked no later than **May 23, 2023**, to each of the following addresses:

Settlement Administrator	Class Counsel	Defense Counsel
<p><i>Arhaus Howard's Towing Settlement</i> Settlement Administrator P.O. Box 2002 Chanhassen, MN 55317-2002</p>	<p>Kelly K. Iverson Elizabeth Pollock-Avery LYNCH CARPENTER, LLP 1133 Penn Avenue, 5th Floor Pittsburgh, PA 15222</p> <p>Joshua P. Ward J.P. Ward and Associates, LLC 201 South Highland Avenue Suite 201 Pittsburgh, PA 15206</p>	<p>Brian T. Must METZ LEWIS BRODMAN MUST O'KEEFE LLC 535 Smithfield Street Suite 800 Pittsburgh, PA 15222</p> <p>Joseph A. Hudock Jr. Summers, McDonnell, Hudock, Guthrie & Rauch, P.C. Ste. 22400 707 Grant Street Pittsburgh, PA 15219</p>

If you ask to be excluded, you will not get any payment as part of this Settlement, and you cannot object to this Settlement. You will not be legally bound by anything that happens in the Settlement and related proceedings. You will be able to sue (or continue to sue) Defendants in the future. If you both object to the Settlement and seek to exclude yourself, you will be deemed to have excluded yourself.

14. Why would I ask to be excluded?

If you already have or had your own lawsuit against the Defendants for towing your vehicle without a license or for overcharging for a nonconsensual tow from the Parking Lot and want to continue with it, you need to ask to be excluded from the Class. If you exclude yourself from the Class—which also means to remove yourself from the Class and is sometimes call “opting out” of the Class—you won’t get any compensation from this Settlement. However, you may then be able to sue or continue to sue the Defendants for allegedly towing without a license or for overcharging for a nonconsensual tow from the Parking Lot. If you exclude yourself, you will not be legally bound by the Court’s judgments in this class action.

If you start your own lawsuit against any of the Defendants for a nonconsensual tow from the Parking Lot after you exclude yourself, you’ll have to hire and pay your own lawyer for that lawsuit, and you’ll have to prove your claims. If you do exclude yourself so you can start or continue your own lawsuit against the Defendants, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations. You must exclude yourself from this Settlement to continue your own lawsuit. Remember the exclusion deadline is **May 23, 2023**.

Note that if you exclude yourself from this lawsuit and in the future, you park in the Parking Lot, the changes made to Defendants’ policies and practices regarding the fee charged for towing vehicles would still apply to you.

15. If I exclude myself can I get money from this Settlement?

No. If you exclude yourself, you are not entitled to a payment under the Settlement.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

Yes. The Court decided that Kelly K. Iverson, of the law firm Lynch Carpenter, LLP, and Joshua P. Ward, of the law firm J.P. Ward and Associates, LLC, are qualified to represent you and all Class Members. Together these attorneys and their firms are called “Class Counsel.” They are experienced in handling similar cases against other companies and individuals. More information about these law firms, their practices, and their lawyers’ experience is available at www.lcllp.com and www.jpward.com. You will not be charged for these lawyers.

17. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf as a Class Member. If you want your own lawyer, you may hire one, but you will have to pay that lawyer. For example, you could ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

18. How will the lawyers and individuals representing the class be paid?

Class Counsel worked on a contingent basis, which means that they would receive a fee only if the lawsuit was successful. None of the lawyers have yet to receive any payment for their time or expenses. Class Counsel intends to ask the Court to approve an award of up to \$57,000.00, to be paid separately by Defendants, as attorneys' fees, costs, and expenses to compensate them for their time, the financial risk they understood, and the out-of-pocket costs that they advanced. Defendants have agreed that \$52,000.00 of the fees and expenses will be paid by Arhaus and \$5,000.00 of the fees and expenses will be paid by Howard's Towing. Defendants have agreed not to object to these requests.

The Class is represented by two named individuals Alan Jones and Richard Gross (the "Class Representatives"). In addition to the benefits the Class Representatives will receive as members of the Class – and subject to the approval of the Court – Arhaus has agreed to pay service awards of \$1,500.00 to each of the Class Representatives for the efforts that they have expended on behalf of the Class. The amount of the service awards approved by the Court will be paid separately by Arhaus.

The Court will determine whether to approve the amount of fees and costs and expenses requested by Class Counsel and the proposed service awards at the Final Approval Hearing scheduled for August 4, 2023. Class Counsel will file an application for fees, expenses, and services awards in advance of the Final Approval hearing and the application will be available on the Settlement Website.

OBJECTING TO THE SETTLEMENT

19. How do I tell the Court that I do not like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not think it is fair, reasonable, or adequate. You can give reasons why you think the Court should not approve it. The Court will consider your views. If you both object to the Settlement and seek to exclude yourself, you will be deemed to have excluded yourself and your objection will be deemed null and void.

Your objection must be in writing, and must include:

- the name of the Litigation: *Jones et al. v. Alder Highlands Associates, LLC et al.*, case number GD-18-012298, in the Court of Common Pleas of Allegheny County, Pennsylvania, or a decipherable approximation;
- the full name of the objector and full name, address, email address, and telephone number of any person acting on the objector's behalf;
- an explanation of the basis upon which the objector claims to be a Class Member;
- whether the objection applies only to the objector, a specific subset of the Class, or the entire Class;
- all grounds for the objection stated, with specificity, accompanied by any legal support for the objection;
- the identity of all counsel who represent the objector, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement Agreement, Class Counsel's request for attorney's fees, costs, and expenses, or the application for Service Awards;
- the identity of all representatives (including counsel representing the objector) who will appear at the Final Approval Hearing;
- the number of times in which the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior such objections that were issued by the trial and appellate courts in each listed case;
- if the objector is represented by an attorney who intends to seek fees and expenses from anyone other than the objectors he or she represents, the objection should also include: (i) a description of the attorney's legal background

and prior experience in connection with class action litigation; (ii) the amount of fees sought by the attorney for representing the objector and the factual and legal justification for the fees being sought; (iii) a statement regarding whether the fees being sought are calculated on the basis of a lodestar, contingency, or other method; (iv) the number of hours already spent by the attorney and an estimate of the hours to be spent in the future; and (v) the attorney’s hourly rate;

- any and all agreements that relate to the objection or the process of objecting, whether written or verbal, between the objector or objector’s counsel and any other person or entity;
- a description of all evidence to be presented at the Final Approval Hearing in support of the objection, including a list of any witnesses, a summary of the expected testimony from each witness, and a copy of any documents or other non- oral material to be presented;
- a statement indicating whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- the objector (or the objector’s attorney’s) signature on the written objection.

Any objection must be either filed electronically with the Court or mailed to the Clerk of Court, Class Counsel, *and* Defendants’ Counsel at the addresses set forth below. The objection must be filed with the Court – or if mailed it must be postmarked – no later than **May 23, 2023**.

Court	Class Counsel	Defense Counsel
Clerk of Court Allegheny County Courthouse Room 114 436 Grant Street Pittsburgh, PA 15219	Kelly K. Iverson Elizabeth Pollock-Avery LYNCH CARPENTER, LLP 1133 Penn Avenue, 5th Floor Pittsburgh, PA 15222 Joshua P. Ward J.P. Ward and Associates, LLC 201 South Highland Avenue Suite 201 Pittsburgh, PA 15206	Brian T. Must METZ LEWIS BRODMAN MUST O’KEEFE LLC 535 Smithfield Street Suite 800 Pittsburgh, PA 15222 Joseph A. Hudock Jr. Summers, McDonnell, Hudock, Guthrie & Rauch, P.C. Ste. 22400 707 Grant Street Pittsburgh, PA 15219

In addition, any Class Member that objects to the proposed Settlement Agreement may be required to appear for deposition regarding the grounds for their objection and must provide along with the objection, the dates when the objector will be available to be deposed up until five days before the Final Approval Hearing.

20. What is the difference between objecting and excluding myself/opting out?

Objecting is simply telling that Court that you do not like something about the Settlement and providing the reasons and legal basis as to why do you not like it. You can object to the benefits provided by the Settlement or other terms of the Settlement only if you stay in the Class. Excluding yourself or “opting out” is telling the Court that you do not want to be included in the Class. If you exclude yourself, you have no basis to object to the Settlement and related releases because the Settlement no longer affects you.

THE COURT’S FINAL APPROVAL HEARING

21. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing on August 4, 2023 at 9:30 a.m., in Courtroom 820 before Judge Philip A. Ignelzi of the Court of Common Pleas of Allegheny County, Pennsylvania, City-County Building, 414 Grant Street, Pittsburgh, PA 15219, or at such other time, location, and venue as the Court may order. This hearing date and time may be moved. Please refer to the Settlement Website for notice of any changes.

By no later than July 5, 2023, Class Counsel shall file a motion for final approval of the Settlement. Objectors, if any, shall file any response to Class Counsel's motion no later than July 18, 2023. By no later than July 25, 2023, responses shall be filed, if any, to any filings by objectors, and any replies in support of final approval of the Settlement and/or Class Counsel's application for attorneys' fees, costs, and expenses, and for Service Awards shall be filed.

At the Final Approval Hearing, the Court will consider, among other things, whether the Settlement is fair, reasonable, and adequate; how much Class Counsel will receive as attorneys' fees, costs, and expenses; and whether to approve service awards to the Class Representatives. If there are objections, the Court will consider them. The Court will listen to people at the hearing who file in advance a timely notice of their intention to appear. At the Final Approval Hearing, the court will decide whether to approve the Settlement. However, there is no deadline by which the Court must make its decision.

22. Do I have to attend the hearing?

No. Class Counsel will answer questions that the Court may have. You are welcome, however, to come at your own expense. If you submit an objection, you do not have to come to the hearing. As long as you submitted your objection timely and in accordance with the requirements for objecting set out in the Settlement, the Court will consider it. You may also pay your own attorney to attend the hearing, but it is not required.

GETTING MORE INFORMATION

23. Are more details available?

Visit the website, www.ArhausHowardsTowingSettlement.com, where you will find more information, including a copy of the Settlement Agreement.

You may contact the Settlement Administrator, Analytics Consulting LLC, at 855-390-6185 or by writing to: *Arhaus Howard's Towing Settlement*, Settlement Administrator, P.O. Box 2002, Chanhassen, MN 55317-2002.

You may also speak to one of the lawyers by calling (412) 322-9243 or by writing to: Arhaus Class Action, Lynch Carpenter, LLP, Attn: Kelly K. Iverson, 1133 Penn Avenue, 5th Floor, Pittsburgh, PA 15222.

Please do not contact the Court or Defendants with questions about the Settlement.