

**IN THE COURT OF COMMON PLEAS
OF ALLEGHENY COUNTY, PENNSYLVANIA**

ALAN JONES and RICHARD GROSS,
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

ALDER HIGHLAND ASSOCIATES, LLC;
ALDER HIGHLANDS ASSOCIATES, L.P.;
RICHARD BROURMAN; ARHAUS, LLC;
HOWARD'S TOWING AND RECOVERY,
LLC; and HOWARD SZUMINSKY,

Defendants.

CIVIL DIVISION – CLASS ACTION
The Honorable Philip A. Ignelzi
Class Action Judge

No. GD-18-012298

**PLAINTIFFS' UNOPPOSED
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT AND FOR
AUTHORIZATION OF CLASS
NOTICE**

Filed on behalf of Plaintiffs

Counsel of Record for this Party:

Kelly K. Iverson
(Pa. ID No. 307175)
Elizabeth Pollock Avery
(Pa. ID No. 314841)
LYNCH CARPENTER LLP
1133 Penn Ave., 5th Floor
Pittsburgh PA, 15222
P: 412.322.9243
Kelly@lcllp.com
Elizabeth@lcllp.com

Joshua P. Ward
(Pa. ID No. 320347)
J.P. WARD & ASSOCIATES, LLC
201 S. Highland Ave, #201
Pittsburgh, PA 15206
P: 412.545.3016
jward@jpward.com

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CIVIL DIVISION – CLASS ACTION
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No. GD-18-18-012298

**PLAINTIFFS' UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT AND FOR AUTHORIZATION OF CLASS NOTICE**

Plaintiffs Alan Jones and Richard Gross respectfully move this Court for an order: (1) granting preliminary approval of the proposed Class Action Settlement Agreement and Release (“Agreement” or “SA”) between themselves and Defendants Arhaus, LLC (“Arhaus”); Howard’s Towing and Recovery, LLC; and Howard Szuminsky (collectively “Howard’s Towing”) (and together with the Arhaus, “Defendants”) and (2) authorizing the dissemination of notice to the Class Members. In support of their motion, Plaintiffs state as follows:

1. Plaintiffs initiated this case against Defendants Alder Highland Associates, L.P., Howard’s Towing and Recovery, LLC, and Howard Szuminsky by way of class action complaint on September 21, 2018, alleging violations of 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. (Doc. 1).

2. On February 5, 2019, Plaintiffs filed the operative Amended Complaint to add new defendants, including Alder Highlands Associates, LLC, Richard Brouman, and Arhaus. (Doc. 11).

3. Defendants thereafter filed preliminary objections to the Amended Complaint, which were subsequently fully briefed and argued by the Parties, and later overruled by the Court. (Doc. 15, 19, and 25).

4. Defendants Answered the Second Amended Complaint on October 23 and November 18, 2019, denying Plaintiffs' asserted claims. (Doc. 26 and 30).

5. On March 18, 2020, all parties to the Litigation stipulated to the dismissal of Alder Highland Associates, LLC; Alder Highlands Associates L.P.; and Richard Brouman, based on the information then known to the parties concerning the towing services provided by Howard's Towing, with respect to the Parking Lot. (Doc. 36).

6. On May 11, 2020, Plaintiffs filed their Motion for Class Certification and on June 16, 2020, the Court, by Defendants' motion, entered an Order permitting the Parties to conduct discovery in advance of the class certification hearing. (Doc. 37 and 39).

7. Following discovery, Plaintiffs later filed their Renewed Motion for Class Certification on December 21, 2020. (Doc. 47).

8. After Plaintiffs' Motion for Class Certification was briefed and argued by the Parties, the Court granted Plaintiffs' Motion for Class Certification on June 29, 2021, directing the matter to as a class action. (Doc. 52). The Court defined the Class and Subclass:

Class:

All individuals who were nonconsensually towed from the Parking Lot by Howard's Towing within the applicable statutes of limitation.

Subclass:

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 statutes of limitation.

9. By the same Order, the Court deemed Plaintiffs as proper representatives of the Class and appointed Kelly K. Iverson of Lynch Carpenter, LLP and Joshua Ward of J.P. Ward and Associates, LLC as Class Counsel.

10. The Parties participated in a conciliation session on February 8, 2022, before the Honorable Philip A. Ignelzi. The session resulted in a settlement in principle, with the Parties reaching an agreement on the core terms of their proposed settlement, which if approved by the Court, will resolve all claims in the litigation.

11. After reaching a settlement in principle, the Parties began negotiating and drafting the written terms of their agreement, which resulted in the completion and execution of a Proposed Class Action Settlement Agreement and Release, which is attached hereto as **Exhibit A**.

12. The Settlement will provide substantial benefits to a class of roughly 56 individuals. The Settlement benefits include: (1) Arhaus' payment of \$20,000 to establish a Settlement Fund for a direct and automatic monetary distribution to all Class Members and to cover the costs of settlement administration and notice; (2) non-monetary relief requiring Arhaus to take reasonable steps to ensure that any towing company that it engages for towing services for the Parking Lot does not charge more for towing than permitted by the then-applicable City of Pittsburgh ordinances; (3) Arhaus' payment of up to \$1,500 in service awards to the Class Representatives, to the extent approved by the Court; and (4) Defendants' payment of up to \$57,000 for Class Counsel's attorneys' fees and costs, to the extent approved by the Court.

13. Under the agreement, Class Members who do not timely and validity exclude themselves with automatically receive a direct payment of the amount they paid to Howard's Towing, subject to a potential *pro rata* increase, after any costs of administration are paid from the Settlement Fund. These distributions are expected to be roughly \$178 per Class Member, a near full recovery of the tow overcharge paid to Defendants.

14. Plaintiffs request approval of the proposed Settlement Agreement on the grounds that it falls within the range of reasonableness and that approval of this proposal will secure a monetary recovery for a significant number of individuals after four years of litigation.

15. Plaintiffs request approval of the Parties' proposed Notice Program, which contemplates individual notice to each Class Member to the extent possible via email and U.S. mail. The Parties' proposed notice clearly informs Class Members of the material terms of the Settlement and the forms of relief available to Class Members; Class Members' estimated distribution; and the dates by which they must act. The Parties will also cause the creation of a settlement website providing Class Members with comprehensive information about the Settlement.

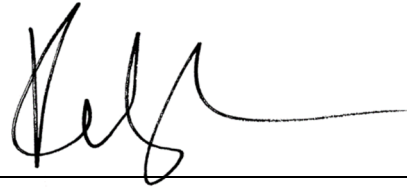
16. Plaintiffs request the approval of Analytics Consulting, LLC as the settlement administrator to provide notice and administration services.

17. In further support of their motion, Plaintiffs refer the Court to their attached memorandum of law.

WHEREFORE, Plaintiffs respectfully request that the Court: (1) preliminarily approve the proposed settlement agreement and (2) approve the proposed notice program.

Dated: February 21, 2023

Respectfully submitted,



Kelly K. Iverson
(Pa. ID No. 307175)
Elizabeth Pollock Avery
(Pa. ID No. 314841)
LYNCH CARPENTER LLP
1133 Penn Ave., 5th Floor
Pittsburgh PA, 15222
P: 412.322.9243
Kelly@lcllp.com
Elizabeth@lcllp.com

Joshua P. Ward
(Pa. ID No. 320347)
J.P. WARD & ASSOCIATES, LLC
201 S. Highland Ave, #201
Pittsburgh, PA 15206
P: 412.545.3016
jward@jpward.com

Attorneys for Plaintiffs and the Class

Exhibit A

**IN THE COURT OF COMMON PLEAS
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ALAN JONES and RICHARD GROSS,
individually and on behalf of all others
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ALDER HIGHLAND ASSOCIATES, LLC;
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RICHARD BROURMAN; ARHAUS, LLC;
HOWARD'S TOWING AND RECOVERY,
LLC; and HOWARD SZUMINSKY,

Defendants

CIVIL DIVISION – CLASS ACTION
The Honorable Philip A. Ignelzi
Class Action Judge

No. GD-18-012298

**CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE**

CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement” or “Settlement”) is made as of the last of the signatures dated below, by and between, as herein defined, Alan Jones and Richard Gross (“Class Representatives” or “Plaintiffs”) on behalf of themselves and the Class, and Defendants Arhaus, LLC (“Arhaus”), Howard’s Towing and Recovery, LLC, and Howard Szuminsky (collectively “Howard’s Towing”) (and with Arhaus, collectively “Defendants”), and subject to the preliminary and final court approval as required by Rule 1714 of the Pennsylvania Rules of Civil Procedure. Class Representatives and Defendants enter into this Agreement by and through their respective counsel. By this Agreement, Defendants and the Class Representatives seek to and do hereby resolve all claims against Defendants that could have been or were asserted by the Class Representatives and the Class in the action titled *Alan Jones and Richard Gross, individually and on behalf of all others similarly situated v. Alder Highland Associates, LLC; Alder Highlands Associates, L.P.; Richard Bourman; Arhaus, LLC; Howard’s Towing and Recovery, LLC; and Howard Szuminsky.*, case number GD-18-012298, in the Court of Common Pleas of Allegheny County, Pennsylvania (the “Litigation”). Class Representatives and Defendants are collectively referred to herein as the “Parties.”

Recitals

- 1.1 On September 21, 2018, the Class Representatives, as herein defined, initiated the Litigation by filing a Class Action Complaint against Alder Highland Associates, L.P., Howard’s Towing and Recovery, LLC, and Howard Szuminsky, contending that the fees charged by Howard’s Towing and Recovery LLC to release their vehicles following a non-consensual tow exceeded the maximum allowable as set forth under the Pittsburgh Code of Ordinances and Pennsylvania law.
- 1.2 On February 5, 2019, the Class Representatives filed an Amended Complaint to add new defendants, including Alder Highlands Associates, LLC, Richard Bourman, and Arhaus.
- 1.3 On October 23 and November 18, 2019, Arhaus and Howard’s Towing filed their Answers to the Class Representatives’ Amended Complaint, asserting Cross-Claims against one another.
- 1.4 On March 18, 2020, all parties to the Litigation stipulated to the dismissal of Alder Highland Associates, LLC, Alder Highlands Associates L.P., and Richard Bourman, based on the information then known to those parties concerning the towing services provided by Howard’s Towing, with respect to the parking lot located at 235 South Highland Avenue, Pittsburgh, Pennsylvania 15026 (the “Parking Lot”).
- 1.5 On May 11, 2020, Class Representatives filed a Motion for Class Certification and Proposed Order seeking appointment as Class Representatives on behalf of the following Class and Subclass:

CLASS: All individuals who were nonconsensually towed from the Parking Lot by Howard's Towing within the applicable statute of limitations.

SUBCLASS: 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.

- 1.6 On April 16, 2020, the Court entered an order permitting the Parties to conduct discovery in advance of the class certification hearing.
- 1.7 Following discovery, on December 21, 2020, Class Representatives filed a Renewed Motion for Class Certification and Proposed Order seeking appointment as Class Representatives on behalf of the above class and subclass;
- 1.8 After the Parties submitted briefs in support of their respective positions, the Court held a hearing to consider Class Settlement Representatives' Renewed Motion for Class Certification.
- 1.9 On June 29, 2021, the Court issued an Order granting the Class Representatives' Renewed Motion for Class Certification, directed that the matter proceed as Class Action, and defined the Class and Subclass as outlined in Paragraph 1.4 above.
- 1.10 By that same Order, Plaintiffs Alan Jones and Richard Gross were deemed proper Representatives of the Class, and Kelly K. Iverson of Lynch Carpenter, LLP, and Joshua Ward of J.P. Ward and Associates, LLC, were appointed as Class Counsel.
- 1.11 Thereafter, on February 8, 2022, Defendants and the Class Representatives commenced settlement discussions, which culminated in the Parties participating in a mediation conference overseen by the Honorable Philip A. Ignelzi of the Court of Common Pleas of Allegheny County, Pennsylvania.
- 1.12 During the mediation conference, the Parties reached agreement regarding the material terms of a settlement, which, if approved by the Court, will resolve all claims against Defendants in the Litigation. Thereafter, the Parties drafted this Agreement.
- 1.13 This Agreement resulted from good faith, arm's-length settlement negotiations, including multiple rounds of offers, demands, and counteroffers among counsel for the Parties, and a supervised mediation with the Honorable Philip A. Ignelzi.
- 1.14 Class Counsel conducted a thorough examination and evaluation of the relevant law and facts to assess the merits of the claims to be resolved in the Agreement and how best to serve the interests of the Class. Based on this investigation and the negotiations described above, Class Counsel have concluded, taking into account the sharply contested issues involved, the risks, uncertainty, and cost of further

prosecution of the Litigation, and the substantial benefits received by the Class pursuant to this Agreement, that a settlement with Defendants on the terms set forth in this Agreement is fair, reasonable, adequate, and in the best interests of the Class.

- 1.15 Defendants deny any wrongdoing whatsoever, and this Agreement shall in no event be construed or deemed to be evidence in any other litigation, including but not limited to as an admission or concession on the part of Defendants with respect to any claim of fault or liability or wrongdoing or damages whatsoever, any infirmity in the defense that Defendants asserted or would assert, or the Plaintiffs' ability to carry its burden of proof in the Litigation. Nevertheless, given the risks, uncertainties, burden, and expense of continued litigation, Defendants have agreed to settle the Litigation on the terms as set forth in this Agreement, subject to Court approval.
- 1.16 The Parties now agree to settle the Litigation in its entirety, without any admission of liability, with respect to all Released Claims of Class Representatives and Class Members who do not timely and validity exclude themselves from the Class (as defined below). The Parties intend this Agreement to bind the Class Representatives, Defendants, and all Class Members that do not timely and validly exclude themselves from the Settlement.

NOW, THEREFORE, in light of the foregoing, for good and valuable consideration, the receipt of which is hereby mutually acknowledged, it is hereby stipulated and agreed by the Parties that the Litigation (including the Cross-Claims) be settled, compromised, and dismissed on the merits and with prejudice with respect to Defendants, subject to preliminary and final Court approval, as required by Pa. R. Civ. P. 1714, on the following terms and conditions:

Definitions

- 2.1 "Arhaus" means Arhaus, LLC.
- 2.2 "Class Counsel" means:

Kelly K. Iverson
Elizabeth Pollock-Avery
LYNCH CARPENTER, LLP
1133 Penn Avenue, 5th Floor
Pittsburgh, PA 15222
T: (412) 322-9243
F: (412) 231-0246
kelly@lcllp.com
elizabeth@lcllp.com

Joshua P. Ward
J.P. Ward and Associates, LLC

201 South Highland Avenue, Suite 201
Pittsburgh, PA 15206
T: (412) 467-0356
jward@jpward.com

- 2.3 “Class Representatives” or “Plaintiffs” means Alan Jones and Richard Gross.
- 2.4 “Common-Fund Payments” means payments from the Settlement Fund to Class Members who do not exclude themselves from the Settlement. Each Common-Fund Payment will consist of the actual amount paid by the Class Member to Howard’s Towing following the nonconsensual tow of his or her vehicle from the Parking Lot, if any, plus pro rata shares of any remainder of the Settlement Fund.
- 2.5 “Complaint” means the operative Amended Class Action Complaint filed in the Litigation on February 5, 2019.
- 2.6 “Costs of Settlement Administration” means all reasonable and actual costs and expenses of the Settlement Administrator associated with or arising from the Settlement Administration and Notice Program. The Costs of Settlement Administration shall be paid to the Settlement Administrator as set forth in this Agreement.
- 2.7 “Court” means the Court of Common Pleas of Allegheny County, Pennsylvania.
- 2.8 “Cross Claimants’ Release” means full releases between Arhaus and Howard’s Towing, that includes any and all claims, causes of action, demands, complaints, grievances, damages, debts, suits, dues, sums of money, actions and causes of action, known or unknown, accrued or unaccrued, of any nature whatsoever, whether in law, statutory or in equity, which Arhaus and Howard’s Towing have alleged against each other in the Litigation or that may arise out of the cross-claim allegations or within the Complaint which occurred on or before the date of this Agreement.
- 2.9 “Defendants” means Arhaus LLC; Howard’s Towing and Recovery, LLC; and Howard Szuminsky.
- 2.10 “Defendants’ Counsel” means Mertz Lewis Broadman Must O’Keefe LLC and Summers, McDonnell, Hudock, Guthrie & Rauch, P.C.
- 2.11 “Defendants’ Released Persons” means Defendants, their subsidiaries and affiliated companies and their officers, directors, agents, successors, and parents.
- 2.12 “Effective Date” means the first business day after which all of the following events have occurred: (a) Class Counsel and Defendants’ counsel have executed this Agreement; (b) following notice to the Class, the Court has entered the Final Approval Order and Judgment without material change to either the Parties’

Settlement or agreed-upon proposed Final Approval Order and Judgment, as described in this Settlement and attached hereto as **Exhibit A**; and (c)(i) the time for seeking rehearing, appellate, or other review of the Final Approval Order and Judgment has expired with no appeal, motion for rehearing, or motion for further review being filed, except as specifically described further in this definition; or (ii) the Final Approval Order and Judgment is affirmed on appeal or review without material change, no other appeal or petition for rehearing or review is pending, and the time period during which further petition for hearing, review, appeal, or certiorari could be taken has finally expired. The Effective Date shall not be altered, precluded, or delayed in the event the Court declines to approve, in whole or in part, the payment of attorneys' fees, costs, and expenses or Service Awards in the amounts that Class Counsel requests but otherwise enters a Final Order and Judgment without material change to the remainder of the Settlement or the agreed-upon proposed Final Order and Judgment. Further, the Effective Date shall not be altered, precluded, or delayed in the event that an appeal is filed, with the sole issues on appeal being the award of attorneys' fees, costs, and/or expenses to Class Counsel and/or Service Awards.

- 2.13 “Final Approval” means the date that the Court enters an order and judgment granting final approval of the Settlement and determines the amount of fees, costs, and expenses awarded to Class Counsel and the amount of the Service Awards. In the event that the Court issues separate orders addressing the foregoing matters, then Final Approval means the date of the last of such orders.
- 2.14 “Final Approval Order and Judgment” means the order and judgment, which approves this Agreement and dismisses the Litigation (including the Cross-Claims), that the Court enters upon Final Approval and in the form of, or material in the form of, the proposed Final Approval Order and Judgment attached hereto as **Exhibit A**. In the event that the Court issues separate orders addressing the matters constituting Final Approval, then the Final Approval Order and Judgment includes all such orders.
- 2.15 “Howard’s Towing” means Howard’s Towing and Recovery, LLC and Howard Szuminsky.
- 2.16 “Howard’s Towing’s Towbook Records” means the records of nonconsensual tows from the Parking Lot kept by Howard’s Towing and utilizing the Towbook Towing software, copies of which were attached to the Brief in Support of Plaintiffs’ Renewed Motion for Class Certification as Exhibit 9, and Arhaus’ Brief in Opposition to Renewed Motion for Class Certification as Exhibit G in the Litigation. Howard’s Towing’s Towbook Records contain information collected from each tow, including but not limited to the names of Class Members, addresses, phone numbers, driver’s license numbers, license plate numbers, and vehicle identification numbers (“VIN”).

- 2.17 “Litigation” means the action styled *Alan Jones et al. v. Alder Highland Associations, LLC, et al.*, GD-18-012298, in the Court of Common Pleas, Allegheny County, Pennsylvania.
- 2.18 “Nonconsensual Tow” means the towing of a motor vehicle from the Parking Lot without the prior consent or authorization of the operator or driver of the vehicle.
- 2.19 “Notice” means the documents entitled Notice of Settlement, to be approved by the Court in a form substantially similar to **Exhibit B** (long form for email and Settlement Website) and **Exhibit C** (postcard for mailing).
- 2.20 “Notice Deadline” means the date by which the Settlement Administrator is required to send out Mail Notice, which shall be thirty (30) days after entry of the Preliminary Approval Order unless a different deadline is set by the Court.
- 2.21 “Notice Program” means the notice plan and methods provided for in this Agreement and comprises: (a) a direct email notice to Class Members for whom the Settlement Administrator has a valid email address; (b) a direct postcard notice to Class Members for whom the Settlement Administrator has no email address but a valid postal address; ; (c) posting of the Notice on the Settlement Website; and (d) such other notice as required by due process and Pa. R. Civ. P. 1712 and 1714(c). The Notice Program shall be effected in substantially the manner provided for in this Agreement, subject to Court approval.
- 2.21 “Objection Deadline” means sixty (60) days after the Notice Deadline.
- 2.22 “Opt-Out Deadline” means sixty (60) days after the Notice Deadline.
- 2.22 “Parties” means Arhaus, Howard’s Towing, and the Class Representatives, individually and on behalf of the Class.
- 2.23 “Parking Lot” means the parking area located at 235 South Highland Avenue, Pittsburgh, Pennsylvania 15026.
- 2.24 “Plaintiffs’ Released Persons” means the Class Representatives, members of the Class who do not timely and validly exclude themselves from the Settlement, their assigns, beneficiaries, estates, heirs, and the Class Representative’s counsel of record in the Litigation.
- 2.25 “Preliminary Approval Order” means the order preliminarily approving the Settlement and, among other things, ordering that notice be provided to the Class, and in the form or, or materially in the form of, the proposed Preliminary Approval Order attached hereto as **Exhibit D**.
- 2.26 “Qualified Settlement Fund” means the interest-bearing account to be established by the Settlement Administrator consistent with the terms and conditions described

in the Agreement. The Parties agreed that the Qualified Settlement Fund is intended to be maintained as a qualified settlement fund within the meaning of Treasury Regulation § 1.468B-1, and that the Settlement Administrator, within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible for filing tax returns and any other tax reporting for or in respect of the Qualified Settlement Fund and paying from the Qualified Settlement Fund any taxes owed with respect to the Qualified Settlement Fund. The Parties agree that the Qualified Settlement Fund shall be treated as a qualified settlement fund from the earliest date possible, and agree to any relation-back election required to treat it as a qualified settlement fund from the earliest date possible.

- 2.27 “Releasing Parties” means the Class Representatives and all Class Members who do not timely and validly exclude themselves from the Settlement, and each of their assigns, beneficiaries, estates, heirs, and the Class Representative’s counsel of record in the Litigation.
- 2.28 “Service Award” means a payment of up to one thousand five hundred U.S. dollars (\$1,500.00) to each Class Representative (two total), subject to Court approval, in compensation for their involvement in this Litigation and service on behalf of the Class Members. The Service Awards shall be paid separately by Arhaus and shall not collectively exceed a total of three thousand U.S. dollars (\$3,000).
- 2.29 “Settlement Agreement” or “Agreement” or “Settlement” shall mean this settlement agreement and release, including exhibits attached hereto.
- 2.30 “Settlement Administrator” means the entity to be selected by the Parties, and approved by the Court to effectuate the Notice Program, Settlement Administration, and payment distributions per the terms of this Agreement.
- 2.31 “Class Members” or “Class” means: all persons who were nonconsensually towed from the Parking Lot by Howard’s Towing between October 9, 2017, and July 7, 2018, and 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 between October 9, 2017, and July 7, 2018. Excluded from the Class are the Court, any immediate family members of the Court; and individuals who timely and validly request exclusion from the Class.
- 2.32 “Settlement Fund” means a non-reversionary fund in the amount of twenty thousand U.S. dollars (\$20,000.00) paid by Arhaus, which will be used to make payments to Class Members, and any Costs of Settlement Administration, in accordance with this Agreement. The Settlement Fund is exclusive of the amounts Defendants shall pay as attorneys’ fees and expenses and Service Awards.
- 2.33 “Settlement Website” means the website created to aid in the administration of this Settlement and distribution of the Settlement Fund that the Settlement

Administrator will establish as soon as practicable following entry of the Preliminary Approval Order, but no later than the Notice Deadline, as a means for Class Members to obtain notice of and information about the Settlement, through and including hyperlinked access to the Settlement, Notice, Preliminary Approval Order, Complaint, and such other documents as Class Counsel and counsel for Defendants agree to post, or the Court orders posted on the website. These documents shall remain on the Settlement Website at least sixty (60) days after the Effective Date. The URL of the Settlement Website shall be agreed upon by Class Counsel and counsel for Defendants. The Settlement Website shall not include any advertising and shall remain operational until at least sixty (60) days after the Effective Date.

- 2.34 “Total Settlement Consideration” means the total amount Defendants will be required to pay under the terms of this Agreement, which is inclusive of the amount paid into the Settlement Fund, attorneys’ fees, costs, and expenses, and Service Awards. The Total Settlement Consideration paid by Defendants is \$80,000.

Settlement Consideration

- 3.1 In exchange for the mutual promises and covenants in this Agreement, including, without limitation, the releases set forth below and the dismissal of the Litigation upon the Effective Date, Defendants agree to pay and provide the settlement consideration described in this Section.
- 3.2 In no event shall Defendants be required to pay or provide more than the Total Settlement Consideration of \$80,000 in connection with this Settlement.
- 3.3 Within thirty (30) calendar days after the Effective Date, Arhaus shall cause to be deposited the sum of \$20,000.00, into an account for the Qualified Settlement Fund established and administered by the Settlement Administrator at a financial institution approved by Class Counsel and Arhaus. Class Counsel and/or the Settlement Administrator shall timely furnish to Arhaus any required account information, wiring instructions, or necessary forms before the payment is made.
- 3.4 The Qualified Settlement Fund shall be a Court-approved qualified settlement fund for federal tax purposes pursuant to Treas. Reg. § 1.468B-1. The Settlement Administrator shall be responsible for all administrative, accounting and tax compliance activities in connection with the Qualified Settlement Fund and the monies deposited into the Qualified Settlement Fund, including any filing necessary to obtain qualified settlement fund status pursuant to Treas. Reg. § 1.468B-1. Arhaus shall provide to the Settlement Administrator any documentation necessary to facilitate obtaining qualified settlement fund status for the Qualified Settlement Fund pursuant to Treas. Reg. § 1.468B-1. All taxes on income or interest generated by the Qualified Settlement Fund will be non-reversionary, except in the event this Settlement Agreement is voided, cancelled, or terminated, as set forth herein.

- 3.5 As further described in this Agreement, the Settlement Fund shall be used by the Settlement Administrator to pay for the following, in this order:
- 1) the Costs of Settlement Administration;
 - 2) Common-Fund Payments to Class Members who do not exclude themselves from the Settlement, which will consist of the actual amount paid by the Class Member to Howard's Towing following the nonconsensual tow of his or her vehicle from the Parking Lot, if any, plus pro rata shares of any remainder of the Settlement Fund.
- 3.6 Payment to Class Members. Common-Fund Payments from the Settlement Fund will be made directly to all Class Members who do not timely and validly provided a written request for exclusion from the Class in accordance with the Settlement Administration and Distribution Plan (attached hereto as **Exhibit E**). There will be no reversion of any residual settlement funds.
- 3.7 Calculation of Payments to Class Members. The Settlement Administrator will employ the following procedure to distribute the 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. Any Class Member who timely and validly excluded themselves from the Settlement will not be included in this calculation.
- 3.8 Payment Timing and Method. All payments to Class Members described in this Agreement will be made by the Settlement Administrator through checks to Class Members mailed via USPS First Class Mail. The Settlement Administrator shall make all payments within seven (7) days of receipt of the settlement funds, or as soon thereafter as reasonably practicable using the Settlement Administrator's best efforts. If a check is returned as undeliverable with forwarding address information, the Settlement Administrator shall re-mail the check to the updated address as indicated. For any checks that are returned undeliverable without forwarding address information, the Settlement Administrator will make one attempt to identify an updated mailing address using reasonable efforts. Checks not cashed within ninety (90) days shall no longer be valid, but the Settlement Administrator is authorized to reissue an expired, unredeemed check upon request of a Class Member if such a request is made within one-hundred eighty (180) days of the Effective Date.

- 3.9 Costs of Administration. The reasonable Costs of Settlement Administrator shall be paid from the Settlement Fund prior to the calculation of each Class Members' entitlement to a portion of the Settlement Fund.
- 3.10 Residual Funds. The Parties anticipate that, as a result of Class Members' failure to redeem Settlement Checks, some funds may still remain in the Settlement Fund after the close of the Check Cashing Period and all Class Members have had a reasonable opportunity to request reissued Settlement Checks. On or after one-hundred eighty (180) days after the initial issuance of Settlement Checks, the Parties will instruct the Settlement Administrator to disburse 50% of the residual funds to the Pennsylvania Interest on Lawyers Trust Account Board, and to disburse the remaining 50% to 412 Food Rescue.
- 3.11 Payment of Service Awards and Attorneys' Fees, Costs, and Expenses of Litigation. In addition to establishing the Settlement Fund, Defendants will pay Service Awards to the Class Representatives, and Class Counsel's attorneys' fees, costs, and expenses of Litigation, subject to the limitations below. These costs will be paid by Defendants as follows:
- 1) Service Awards. Arhaus will pay costs of Court-approved Service Awards to the two Class Representatives not to exceed one thousand five hundred dollars (\$1,500.00) per Class Representative and three thousand dollars (\$3,000.00) in total. Arhaus shall fund such payment directly to Class Representatives, care of Class Counsel, by check or wire transfer to Class Counsel's Escrow Account, within thirty (30) days of the Effective Date. Class Counsel shall have the sole responsibility for ensuring that the Service Awards are distributed to the Class Representatives following Arhaus' payment to Class Counsel, and Arhaus shall have no further liability with respect to the Service Awards.
 - a. The Service Awards and any requirements for obtaining such payments are separate and apart from, and in addition to, the potential recovery for the Class Representatives.
 - b. Neither Class Counsel's application for nor any individual's entitlement to a Service Award shall be conditioned in any way upon such individual's support for this Settlement.
 - 2) Attorneys' Fees, Costs, and Expenses of Litigation.
 - a. Arhaus will pay Court-approved Class Counsel attorneys' fees, costs, and expenses, in an amount not to exceed a combined total of fifty-two thousand U.S. dollars (\$52,000.00). Arhaus shall make such payment to Class Counsel by check or wire transfer, within thirty (30) days of the Effective Date.

- b. Howard's Towing will pay Court-approved Class Counsel attorneys' fees, costs, and expenses, in an amount not to exceed a combined total of five thousand U.S. dollars (\$5,000.00). Howard's Towing shall make such payment to Class Counsel by Check or wire transfer, within thirty (30) days of the Effective Date.
 - c. Class Counsel in their sole discretion, shall allocate and distribute the attorneys' fees, costs, and expenses among the Class Representatives' counsel of record.
- 3) To the extent the Court does not approve the Service Awards or attorneys' fees, costs, and expenses in the full amounts stated herein, Defendants shall only pay the Court-approved amounts.
- 4) Notwithstanding anything herein, no decision by the Court, or modification or reversal or appeal of any decision by the Court, that fails to approve, in whole or in part, the amounts of requested Service Awards and/or attorneys' fees, costs, and expenses will prevent the Settlement Agreement from becoming effective, nor will it be grounds for termination of this Settlement Agreement. If the Court declines to approve, in whole or in part, the requested Service Award and/or attorneys' fees, costs, and expenses in the amount set forth above, or at all, the remaining provisions of this Settlement Agreement will remain in full force and effect. The finality or effectiveness of the Settlement will not be dependent on the Court awarding Class Counsel any particular amount of attorneys' fees or costs or Service Awards.
- 3.12 Defendants shall be under no obligation to fund any other, additional, or greater amount than the Total Settlement Consideration reflected in this Agreement. Class Counsel will not seek attorneys' fees, costs, and expenses or Service Awards other than as provided in this Agreement.
- 3.13 The Parties and their respective counsel have made no representation or warranty with respect to the tax treatment by any Class Representative or any Class Member of any payment or transfer made pursuant to this Agreement. Each Class Representative and Class Member shall be solely responsible for the federal, state, and local tax consequences to it of the receipt of any funds pursuant to this Agreement.
- 3.14 Non-Monetary Relief. In addition to the monetary relief provided above, Arhaus also agrees to the following non-monetary relief:
 - a. Arhaus will take reasonable steps to ensure that any towing company that it engages for towing services for the Parking Lot does not charge more for towing than permitted by the then-applicable City of Pittsburgh ordinances, including by not charging any additional fees in conjunction with said towing charges, except as permitted by the ordinance.

- b. Arhaus will provide its written consent to any tow that occurs from the Parking Lot by any towing company that it engages for towing services, and it will retain a copy of said written consent in its files.

Preliminary Approval

- 4.1 Upon execution of this Agreement, Class Counsel shall promptly move the Court for an order granting the Preliminary Approval Order, substantially in the form attached hereto as **Exhibit D**. The motion for preliminary approval shall request that the Court: (a) preliminarily approve the Settlement as within the range of fair, adequate, and reasonable; (b) approve the Settlement Administrator and Notice Program set forth herein, and form and content of the Notice; (c) approve the procedures set forth in this Settlement for Class Members to exclude themselves from the Class or to object to the Settlement; (d) stay all proceedings in the Litigation unrelated to the Settlement pending Final Approval; I schedule a Final Approval hearing at a date that provides sufficient time for the deadlines contemplated by this Agreement and that is convenient for the Court, at which time the Court will conduct an inquiry into the fairness of the Settlement, determine whether it was made in good faith and should be finally approved, and determine whether to approve Class Counsel's application for attorneys' fees, costs, and expenses and Service Awards (the "Final Approval Hearing").

Settlement Administrator

- 5.1 The Settlement Administrator shall administer various aspects of the Settlement and perform such other functions as are specified for the Settlement Administrator elsewhere in this Agreement and the Settlement Administration and Distribution Plan, including, but not limited to, overseeing administration of the Qualified Settlement Fund; providing Notice to the Class Members, as described in this Agreement; operating the Settlement Website; and distributing cash payments according to the processes and criteria established by this Agreement and the Settlement Administration and Distribution Plan.
- 5.2 The duties of the Settlement Administrator, in addition to other responsibilities that are described in this Agreement, include:
 - a. researching and updating addresses for Class Members through any reasonable means, including but not limited to using the information in Howard's Towing's Towbook Records;
 - b. implementing the Notice Program required by this Agreement;
 - c. establishing and maintaining a post office box for mailed written notifications of exclusion from the Class;

- d. establishing and maintaining the Settlement Website;
- e. responding to Class Member inquiries;
- f. processing all written notifications of exclusion from the Class and providing deficiency notices as set forth in the Settlement Administration and Distribution Plan;
- g. providing, no later than ten (10) days after the Opt-Out Deadline, a final report to Class Counsel and Defendants that summarizes the number of written requests for exclusion received to date, and other pertinent information as requested by Class Counsel and Defendants' counsel;
- h. in advance of the Final Approval Hearing, preparing an affidavit to submit to the Court that: (i) attests to the implementation of the Notice Program in accordance with the Preliminary Approval Order; and (ii) identifies each Class Member who timely and validly provided a written request for exclusion from the Class;
- i. after the Effective Date, processing and transmitting payments to the Class Members;
- j. disbursing all residual funds in accordance with Section 3.10 of the Settlement; and
- k. performing any function related to Settlement Administration at the agreed-upon instruction of the Parties, including, but not limited to, verifying that payments have been distributed in accordance with this Settlement.

5.3 The Parties, Class Counsel, and counsel for Defendants shall not have any liability whatsoever with respect to: (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Qualified Settlement Fund; (iii) the formulation, design or terms of the disbursement of the Qualified Settlement Fund; (iv) the determination, administration, calculation or payment of any distributions under this Agreement; (v) any losses suffered by or fluctuations in the value of the Qualified Settlement Fund; (vi) the payment or withholding of any taxes, expenses, or costs incurred in connection with the taxation of the Qualified Settlement Fund or the filing of any returns.

5.4 The Settlement Administrator shall indemnify and hold harmless the Parties, Class Counsel, and counsel for Defendants for: (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Qualified Settlement Fund; (iii) the

formulation, design, or terms of the disbursement of the Qualified Settlement Fund; (iv) the determination, administration, calculation, or payment of any distributions under this Agreement; (v) any losses suffered by or fluctuations in the value of the Qualified Settlement Fund; (vi) the payment or withholding of any Taxes, expenses or costs incurred in connection with the taxation of the Qualified Settlement Fund or the filing of any returns.

Notice, Opt-Outs, and Objections

- 6.1 Upon entry of the Preliminary Approval Order of the Settlement, at the direction of Class Counsel, the Settlement Administrator will begin implementing the Notice Program provided herein, using the forms of Notice approved by this Court in the Preliminary Approval Order. The Notice will include, among other information: a description of the material terms of the Settlement; a date by which Class Members may opt-out or object to the Settlement; the date upon which the Final Approval Hearing will occur; and the address of the Settlement Website at which Class Members may access this Settlement and other related documents and information.
- 6.2 The Notice Program will be implemented as follows:
- a. Within ten (10) days after entry of the Preliminary Approval Order, or as soon as practicable, Class Counsel will provide, or will cause to be provided, available contact information to the Settlement Administrator for all potential Class Members. Based upon information obtained by Class Counsel and other readily available sources, such as Howard's Towing's Towbook Records, the Settlement Administrator will prepare a final list of potential Class Members to which Notice will be issued. Notice will be emailed to all Class Members that the Settlement Administrator has email addresses for and mailed via First Class United States Mail to any Class Members for which it does not have an email address. Such Notice will be sent by the Settlement Administrator by the Notice Deadline. The Notices sent via email will be in substantially the form attached as **Exhibit B**, which advises Class Members of the claims asserted in the Litigation and how to exclude themselves from the Settlement, and the Settlement Website. The Settlement Notices sent by mail will be in postcard format, substantially in the form attached as **Exhibit C**, which advises Class Members of the Settlement, including the URL for the Settlement Website for Class Members to visit to find information on their estimated Individual Settlement Amounts and how to exclude themselves from the Settlement. The Notice set forth in **Exhibit B** will be posted on the Settlement Website.
 - b. For any mailed Notices that are returned as undeliverable with forwarding address information, the Settlement Administrator shall re-mail the Mail Notice to the updated address as indicated. For any mailed notices that are returned as undeliverable with no forwarding address information, the Settlement Administrator shall use reasonable efforts to identify updated

mailing addresses (such as running the mailing address through the National Change of Address Database, using driver's license numbers, license plate numbers, VINs, and any other available information to obtain better address information) and re-mail the mailed Notice to the extent updated addresses are identified. The Settlement Administrator need only make one attempt to re-mail any mailed Notices that are returned as undeliverable;

- c. The Parties are aware that the Howard's Towing's Towbook Records contain incomplete data. In the case that the Settlement Administrator locates multiple individuals with the same name when preparing the final list of potential Class Members, an individual located in the Greater Pittsburgh, Pennsylvania region will be the presumptive Class Member to whom Notice will be provided; and
- d. By the Notice Deadline, the Settlement Administrator will create and maintain the Settlement Website, which will contain the information and documents required by this Settlement.

6.3 The Notice shall include a procedure for Class Members to opt-out and exclude themselves from the Settlement by notifying, in writing, the Settlement Administrator, Class Counsel, and Defendants' counsel of their intent to exclude themselves from the Settlement. The notice shall be sent via USPS First Class Mail, postage prepaid, to the addresses provided in the Notice. Such written requests for exclusions must be postmarked no later than the Opt-Out Deadline, as specified in the Notice. The written request for exclusion must include the name of this Litigation or a decipherable approximation (*Alan Jones et al. v. Alder Highland Associations, LLC, et al.*, GD-18-012298 (Allegheny Cty. Ct. Com. Pl.)), the full name, address, and telephone number, relationship, and signature of any individual who is acting on behalf of a deceased or incapacitated Class Member; and the words "Request for Exclusion" at the top of the document or a statement in the body of the document requesting exclusions from the Settlement. The Settlement Administrator shall provide the Parties with copies of all opt-out requests on a weekly basis and a final list of all who have timely and validly excluded themselves from the Settlement, which Class Counsel may move to file with the Court no later than ten (10) days prior to the Final Approval Hearing. Any Class Member who does not provide a timely request or exclusion, or who does not provide all information required by this Settlement to exclude himself or herself, shall be bound by the terms of the Settlement, including all releases in this Agreement.

6.4 In the event that a Class Member purports to provide notice of his or her intention to opt out of the Settlement but fails too accurately provide all of the information set forth above, the Settlement Administrator shall notify Class Counsel and Defendants' counsel of the deficiency. Class Counsel and Defendants shall mutually determine whether to accept the request for exclusion as valid despite the deficiency or direct the Settlement Administrator to send the Class Member a deficiency notice. The deficiency notice shall inform the Class Member that the

attempt to opt out is deficient, invalid, and without legal effect. The deficiency notice shall be sent by the Settlement Administrator via USPS First Class Mail, postage prepaid. The deficiency notice shall also inform the Class Member that he or she must re-submit a valid notice requesting exclusion that includes all of the required information, no later than ten (10) days from the date of the deficiency notice in order for the opt out to be effective. If the Class Member fails to provide all of the required information on or before that deadline, then the attempt to opt out shall be invalid and have no legal effect, and the Class Member shall be bound by the Settlement, including the releases in this Agreement.

- 6.5 The Notice shall also include a procedure for Class Members to object to the Settlement, Class Counsel's request for attorneys' fees, costs, and expenses, and/or the application for Service Awards. Objections to the Settlement, Class Counsel's request for attorneys' fees, costs, and expenses, and/or to the application for Service Awards must be filed electronically with the Court, or mailed to the Clerk of the Court, Class Counsel, and Defendants' counsel. For an objection to be considered by the Court, the objection must be: (a) filed by the Objection Deadline; or (b) mailed via USPS First Class Mail prepaid to the Clerk of Court, Class Counsel, and Defendants' counsel at the addresses listed in the Notice and postmarked by no later than the Objection Deadline, as specified in the Notice. For an objection to be considered by the Court, the objection must also set forth:
- a. the name of the Litigation: *Jones et al. v. Alder Highlands Associates, LLC et al.*, case number GD-18-012298 (Allegheny Cty. Ct. Com. Pl.), or a decipherable approximation;
 - b. the full name of the objector and full name, address, email address, and telephone number of any person acting on the objector's behalf;
 - c. an explanation of the basis upon which the objector claims to be a Class Member;
 - d. whether the objection applies only to the objector, a specific subset of the Class, or the entire Class;
 - e. all grounds for the objection stated, with specificity, accompanied by any legal support for the objection;
 - f. 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;
 - g. the identity of all representatives (including counsel representing the objector) who will appear at the Final Approval Hearing;

- h. 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;
 - i. 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;
 - j. 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;
 - k. 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;
 - l. a statement indicating whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
 - m. the objector (or the objector's attorney's) signature on the written objection.
- 6.6 In addition, any Class Member that objects to the proposed Settlement must make himself or herself available to be deposed regarding the grounds for the objection and must provide, along with the objection, the dates when the objector will be available to be deposed during the period from when the objection is filed through the date seven (7) days before the Final Approval Hearing.
- 6.7 Any Class Member who both objects to the Settlement Agreement and opts-out will be deemed to have opted-out and the objection shall be deemed null and void.
- 6.8 The Mail Notice shall be sent or issued by the Notice Deadline, excluding any re-mails for Mail Notices that are returned undeliverable.
- 6.9 At least thirty-five (35) days before the Final Approval Hearing, the Settlement Administrator shall provide Class Counsel and Defendants with one or more affidavits confirming that the Notice Program was completed in accordance with

the Parties' instructions and the Court's approval. Class Counsel shall file such affidavit(s) with the Court as an exhibit to, or in conjunction with, Class Representatives' motion for Final Approval of the Settlement.

- 6.10 In the event that the Effective Date does not occur, Arhaus will not be entitled to a return of any of the monies it has paid to the Settlement Administrator for the Costs of Settlement Administration incurred up to that point. Class Counsel and the Settlement Administrator will take reasonable steps to ensure that no further Costs of Settlement Administration are incurred thereafter without Arhaus' express written consent.

Final Approval Order and Judgment

- 7.1 Class Representatives' motion for preliminary approval of the Settlement will include a request to the Court for a scheduled date on which the Final Approval Hearing will occur, which shall be sufficiently far in advance to allow for the deadlines contemplated by this Settlement. By no later than thirty (30) days prior to the Final Approval Hearing, Class Counsel shall file a motion for final approval of the Settlement. Class Counsel shall move for Court approval of attorneys' fees, costs, and expenses and for Service Awards no later than fourteen (14) days prior to the Objection Deadline. Objectors, if any, shall file any response to Class Counsel's motions no later than seventeen (17) days prior to the Final Approval Hearing. By no later than ten (10) days prior to the Final Approval Hearing, 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 the motion for final approval of the Settlement, and Class Counsel's application for attorneys' fees, costs, and expenses and for Service Awards. In the Court's discretion, the Court also may hear argument at the Final Approval Hearing from any Class Members (or their counsel), who object to the Settlement and/or Class Counsel's Fee Application, costs, expenses, and/or Service Awards, provided the objectors filed timely objections that meet all of the requirements listed in this Settlement.
- 7.2 At or following the Final Approval Hearing, the Court will determine whether to enter the Final Approval Order and Judgment granting Final Approval of the Settlement, and whether to approve Class Counsel's application for attorney's fees, costs, expenses, and Service Awards. The proposed Final Approval Order and Judgment that will be filed with the Final Approval Motion shall be in a form agreed upon by Class Counsel and Defendants as set forth in **Exhibit D** attached hereto. Such proposed Final Approval Order and Judgment shall, among other things:
- a. determine that the Settlement is fair, adequate, and reasonable;
 - b. determine that the Notice provided satisfied the Pennsylvania Rules of Civil Procedure and due process requirements;

- c. dismiss all claims in the Complaint and Litigation, including Cross-Claims with prejudice;
- d. bar and enjoin the Releasing Parties from asserting any of the Released Claims, including during the pendency of any appeal from the Final Approval Order and Judgment;
- e. release and forever discharge Defendant's Released Persons from the Released Claims and release Plaintiffs' Released Persons, as provided in this Settlement Agreement; and
- f. reserve the Court's continuing and exclusive jurisdiction over Defendants and all Class Members (including all objectors) to administer, supervise, construe, and enforce this Settlement in accordance with its terms.

Releases

- 8.1 As of the Effective Date, the Class Representatives, in their individual capacity, as opposed to their representative capacity, release any and all claims, causes of action, demands, complaints, grievances, damages, debts, suits, dues, sums of money, actions and causes of action, known or unknown, accrued or unaccrued, of any nature whatsoever, whether in law, statutory or in equity, which either may have or claim to have against Defendants' Released Persons which occurred on or before the date of this Agreement. The Release contained in this paragraph applies without limitation to all Defendants' Released Persons. This Release specifically includes but is not limited to claims alleged in the Litigation, compensation, fees/costs, liquidated damages, penalties, interest, and all other relief under the Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL"), 73 P.S. § 201-1 *et seq.*, and all other state and local consumer protection or fair credit laws and common law theories in contract or tort arising or accruing during the Relevant Period, that they have or may have, whether known or unknown, against Defendant's Released Persons (the "Class Representatives' Released Claims").
- 8.2 As of the Effective Date, Class Members who do not timely and validity exclude themselves from the Settlement, release any and all claims, causes of action, demands, complaints, grievances, damages, debts, suits, dues, sums of money, actions and causes of action, known or unknown, accrued or unaccrued, of any nature whatsoever, whether in law, statutory or in equity, which either may have or claim to have against Defendants' Released Persons which occurred on or before the date of this Agreement. The Release contained in this paragraph applies without limitation to all Releasees. This Release is limited to the claims alleged in the Litigation, including any compensation, fees/costs, liquidated damages, penalties, interest, and all other relief under the Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL"), 73 P.S. § 201-1 *et seq.*, and all other state and local consumer protection or fair credit laws and common law theories in contract or tort arising or accruing during the Relevant Period, that they have or

may have, whether known or unknown, against Defendants' Released Persons that arose out of, or in connection with the claims or facts alleged or set forth in the Litigation ("Class Members' Released Claims) (and collectively with Class Representatives' Released Claims "Released Claims").

- 8.3 As of the Effective Date, Defendant's Released Persons will be deemed to have completely released and forever discharged the Releasing Parties and Plaintiffs' Released Persons from and for any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, costs, attorneys' fees, losses, expenses, obligations, or demands of any kind whatsoever, whether known or unknown, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they have or may claim now or in the future to have, relating to the institution, prosecution, or settlement of the Litigation, except for claims relating to the enforcement of the Settlement or this Agreement. For the avoidance of doubt, Defendants' Released Persons release, as set forth in this Paragraph, does not include entities that do not meet the definition of either Releasing Parties or Plaintiffs' Released Persons.
- 8.4 As of the Effective Date, Arhaus and Howard's Towing release discharge and waive in favor of the other the mutual releases as set forth in the definition section of this Settlement Agreement at Paragraph 2.8.
- 8.5 The Parties understand that if the facts upon which this Agreement is based are found hereafter to be different from the facts now believed to be true, each Party expressly assumes the risk of such possible difference in facts, and agrees that this Agreement, including the releases contained herein, shall remain effective notwithstanding such difference in facts. The Parties agree that in entering this Agreement, it is understood and agreed that each Party relies wholly upon its own judgment, belief, and knowledge and that each Party does not rely on inducements, promises, or representations made by anyone other than those embodied herein.
- 8.6 The releases described herein are not intended to, and shall not apply to, claims relating to the enforcement of this Agreement.
- 8.7 As of the Effective Date, Class Members shall be enjoined from prosecuting or otherwise pursuing whether directly or in any other capacity any claim they have released in this Settlement against any of Defendant's Released Persons or based on any actions taken by any of Defendant's Released Persons that are authorized or required by this Settlement or by the Final Approval Order and Judgment. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding or action asserting claims released by this Settlement.

Termination

- 9.1 This Settlement Agreement may be terminated by either the Class Representatives

or Defendants by serving on counsel for the opposing Party; and filing with the Court a written notice of termination within fourteen (14) days (or such longer time as may be agreed between Class Counsel and Defendants) after any of the following occurrences:

- a. Class Counsel and Defendants mutually agree to termination before the Effective Date;
- b. the Court rejects, materially modifies, materially amends or changes, or declines to preliminarily or finally approve the Settlement;
- c. an appellate court reverses the Final Approval Order and Judgment, and the Settlement is not reinstated and finally approved without material change by the Court on remand;
- d. the Court, or any reviewing appellate court, incorporates material terms or provisions into, deletes or strikes material terms or provisions from, or materially modifies, amends, or changes the proposed Preliminary Approval Order, Preliminary Approval Order, proposed Final Approval Order and Judgment, Final Approval Order and Judgment, or Settlement;
- e. the Effective Date does not occur.

9.2 If any of the events described in Paragraphs 9(b)–I occur, the Parties agree that they will engage in good faith negotiations to determine whether Court approval could be obtained through a mutually agreeable modification of the terms of this Settlement Agreement. However, in the event of a termination, as provided for in the Settlement, the Settlement shall be considered null and void; all of the Parties’ obligations under the Settlement shall cease to be of any force and effect; and any Court orders entered pursuant to this Agreement shall be deemed null and void and vacated and shall not be used in or cited by any person or entity in support of claims or defenses; and the Parties shall return to the status quo ante in the Litigation, as if the Parties had not entered into this Settlement. In the event of such a termination, all of the Parties’ respective pre-Settlement claims and defenses will be preserved.

No Admission of Liability

10.1 This Agreement, whether or not consummated, any communications and negotiations relating to this Agreement or the Settlement, and any proceedings taken pursuant to this Agreement:

- a. Shall not be offered or received against Defendants, their subsidiaries and affiliate companies and all other persons, governmental entities, associations, corporations and/or other entities, whether or not named herein, their heirs, executors, administrators, predecessors, successors, assigns, attorneys and insurers, and their respective directors, officers,

agents, servants and employees, as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by any Defendant or the aforementioned individuals and entities with respect to the truth of any fact alleged by any Plaintiff or the validity of any claim that has been or could have been asserted in the Litigation or in any other litigation, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any other litigation, or of any liability, negligence, fault, breach of duty, or wrongdoing of Defendants or the aforementioned individuals and entities;

- b. Shall not be offered or received against Defendants, their subsidiaries and affiliate companies and all other persons, governmental entities, associations, corporations and/or other entities, whether or not named herein, their heirs, executors, administrators, predecessors, successors, assigns, attorneys and insurers, and their respective directors, officers, agents, servants and employees, as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by Defendants or the aforementioned individuals or entities;
- c. Shall not be offered or received against Defendants, their subsidiaries and affiliate companies and all other persons, governmental entities, associations, corporations and/or other entities, whether or not named herein, their heirs, executors, administrators, predecessors, successors, assigns, attorneys and insurers, and their respective directors, officers, agents, servants and employees, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault, breach of duty, or wrongdoing, or in any way referred to for any other reason as against Defendants or the aforementioned individuals or entities, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Agreement; provided, however, that if this Agreement is approved by the Court, the Parties may refer to it to effectuate the liability protection granted them hereunder;
- d. Shall not be construed against Defendants or the aforementioned individuals or entities as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and
- e. Shall not be construed as or received in evidence as an admission, concession or presumption against any Class Representative or any Class Member that any of their claims are without merit, or that any defenses asserted by Defendant have any merit, or that damages recoverable under the Actions would not have exceeded the amounts provided for in this Agreement.

- 10.2 Defendants dispute the claims alleged in the Litigation and do not, by this Settlement or otherwise, admit any liability or wrongdoing of any kind. Defendants have agreed to enter into this Settlement solely to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation and to be completely free of any further claims that were asserted or could have been asserted in the Litigation.
- 10.3 Class Counsel and Class Representatives believe that the claims asserted in the Litigation have merit, and they have examined and considered the benefits to be obtained under the Settlement, risks associated with the continued prosecution of this complex, costly, and time-consuming Litigation, and likelihood of success on the merits of the Litigation. Class Counsel and Class Representatives have concluded that the Settlement Agreement is fair, adequate, reasonable, and in the best interests of the Class Members.
- 10.4 The Parties understand and acknowledge that this Settlement constitutes a compromise and settlement of disputed claims. No action taken by the Parties, either previously or in connection with the negotiations or proceedings connected with this Settlement, shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made, or an acknowledgment or admission by any Party of any fault, liability, or wrongdoing of any kind whatsoever.
- 10.5 Neither the Settlement nor any act performed or document executed pursuant to or in furtherance of the Settlement: (a) is, may be deemed to be, or may be used as an admission of, or evidence of, the validity of any claim made by Plaintiffs or Class Members, or of any wrongdoing or liability of Defendant's Released Persons; or (b) is, may be deemed to be, or may be used as an admission of, or evidence of, any fault or omission of the Defendant's Released Persons in the Litigation or in any proceeding in any court, administrative agency, or other tribunal.

Miscellaneous

- 11.1 Qualified Settlement Fund Bank. Class Counsel, subject to Defendants' approval—which shall not be unreasonably withheld—shall select the bank at which the Qualified Settlement Fund shall be established, and all funds shall be held exclusively in an interest-bearing account or accounts where the principal will not decrease and is fully insured by the United States Government or an agency thereof, including certificates of deposit, a U.S. Treasury Fund or a bank account that is either (a) fully insured by the Federal Deposit Insurance Corporation ("FDIC") or (b) secured by instruments backed by the full faith and credit of the United States Government. Defendants shall not bear any responsibility for, or liability related to the investment of the Qualified Settlement Fund by the Qualified Settlement Fund Bank.
- 11.2 Singular and Plurals. As used in this Settlement, all references to the plural shall

also mean the singular and all references to the singular shall also mean the plural whenever the context so indicates.

- 11.3 Binding Effect. This Settlement shall be binding upon, and inure to the benefit of, the successors and assigns of the Releasing Parties and Defendant's Released Persons.
- 11.4 Class Member Communications. Defendants shall not authorize any communication that is intended or reasonably likely to encourage Class Members to exclude themselves from the Settlement or to object to the Settlement. Defendants may, in its discretion, authorize communications referring all questions regarding the Settlement to the Notice, Class Counsel, the Settlement Administrator, and the Settlement Website.
- 11.5 Cooperation of Parties. The Parties to this Settlement agree to cooperate in good faith to prepare and execute all documents, seek Court approval, defend Court approval, and do all things reasonably necessary to complete and effectuate the Settlement, as described herein. Nothing in this provision is intended to limit any Party's right to terminate the Settlement in accordance with its terms.
- 11.6 Obligation to Meet and Confer. Before filing any motion in the Court raising a dispute arising out of, or related to, this Settlement, the Parties shall consult with each other and certify to the Court that they have consulted in good faith.
- 11.7 Entire Agreement. This Settlement (along with any exhibits attached hereto) constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein.
- 11.8 Drafting. The Parties agree that no single Party shall be deemed to have drafted this Agreement, or any portion thereof, for purpose of the invocation of the doctrine of contra proferentem. This Agreement is a collaborative effort of the Parties and their attorneys.
- 11.9 Modification or Amendment. This Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by the Parties who executed this Agreement or their Successors.
- 11.10 Waiver. The failure of a Party hereto to insist upon strict performance of any provision of this Agreement shall not be deemed a waiver of such Party's rights or remedies or a waiver by such Party of any default by another Party in the performance or compliance of any of the terms of this Agreement. In addition, the waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

- 11.11 Successors. This Agreement shall be binding upon and inure to the benefit of the Successors and assigns of the Parties thereto.
- 11.12 Survival. The Parties agree that the terms set forth in this Agreement shall survive the signing of this Agreement.
- 11.13 No Conflict Intended. Any inconsistency between the headings used in this Settlement and the text of the paragraphs of this Settlement shall be resolved in favor of the text.
- 11.14 Governing Law. The Settlement shall be construed in accordance with, and be governed by, the laws of the Commonwealth of Pennsylvania, without regard to the principles thereof regarding choice of law.
- 11.15 Counterparts. This Settlement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument, even though all signatories do not sign the same counterparts. Original signatures are not required. Any signature submitted by facsimile or through email of an Adobe PDF shall be deemed an original.
- 11.16 Facsimile, E-mail, and Electronic Signatures. Signature pages may be executed by “wet” signature (*i.e.*, using pen and paper) or electronic signature (*i.e.*, using DocuSign). The executed signature pages may be delivered using facsimile or electronic means, including PDF or similar file type transmitted via email, cloud-based server, or e-signature technology.
- 11.17 Jurisdiction. The Court shall retain jurisdiction over the implementation, enforcement, and performance of this Settlement and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of, or relating to, this Settlement that cannot be resolved by negotiation and agreement by counsel for the Parties. The Court shall retain jurisdiction with respect to the administration, consummation, and enforcement of the Settlement and shall retain jurisdiction for the purpose of enforcing all terms of the Settlement. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice Program and Settlement Administration. As part of its agreement to render services in connection with this Settlement Agreement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose.
- 11.18 Exhibits. The Exhibits to this Agreement are expressly incorporated by reference and made part of the terms and conditions set forth herein.
- 11.19 Notices. All notices to Class Counsel provided for herein, shall be sent by overnight mail and email to:

Kelly K. Iverson
Elizabeth Pollock-Avery

LYNCH CARPENTER, LLP
1133 Penn Avenue, 5th Floor
Pittsburgh, PA 15222
T: (412) 322-9243
F: (412) 231-0246
kelly@lcllp.com
elizabeth@lcllp.com

Joshua P. Ward
J.P. Ward and Associates, LLC
201 South Highland Avenue, Suite 201
Pittsburgh, PA 15206
T: (412) 467-0356
jward@jpward.com

All notices to Arhaus provided for herein, shall be sent by overnight mail and email to:

Brian T. Must
METZ LEWIS BRODMAN MUST O'KEEFE LLC
535 Smithfield Street, Suite 800
Pittsburgh, PA 15222
T: (412) 918-1100
bmust@metzlewis.com

All notices to Howard's Towing provided for herein, shall be sent by overnight mail and email to:

Joseph A. Hudock Jr.
Summers, McDonnell, Hudock, Guthrie & Rauch, P.C.
Gulf Tower
Ste. 22400
707 Grant Street
Pittsburgh PA, 15219
T: (412) 261-3232
jhudock@summersmcdonnell.com

The notice recipients and addresses designated above may be changed by written notice. Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of objections, requests for exclusion, or other filings received as a result of the Notice Program.

- 11.20 Authority. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement and to bind the Parties hereto to the terms and conditions hereof. Any person executing this Settlement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on

whose behalf he or she signs this Settlement to all of the terms and provisions of this Settlement.

- 11.21 Arms' Length Negotiation. The Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.
- 11.22 Signatories. The Agreement is valid and binding if signed by Defendants' authorized representatives, the Class Representatives, and is approved by the Court.

[SIGNATURE PAGE FOLLOWS]

WE AGREE TO THESE TERMS.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

Plaintiffs:

Alan Gans

Date: 12/29/2022

Richard P. Gans

Date: 12/30/2022

Defendant:

Arhaus, LLC

By: _____

Title:

Date: _____

Howard's Towing and Recovery, LLC

By: _____

Title:

Date: _____

Howard Szuminsky

By: _____

Title:

Date: _____

WE AGREE TO THESE TERMS.

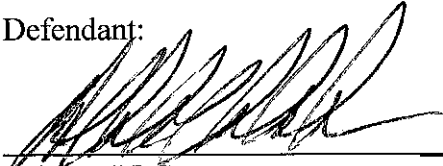
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

Plaintiffs:

Date:

Date:

Defendant:



Arhaus, LLC

By: ALLAN CHURECHMACK

Title: SVP/GENERAL COUNSEL

Date: 29 December 2022

Howard's Towing and Recovery, LLC

By: _____

Title:

Date: _____

Howard Szuminsky

By: _____

Title:

Date: _____

WE AGREE TO THESE TERMS.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

Plaintiffs:

Defendant:

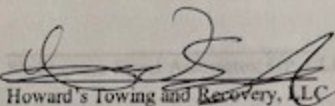
Date: _____

By: _____

Title: _____

Date: _____

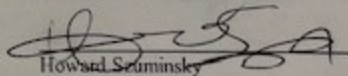
Date: _____


Howard's Towing and Recovery, LLC

By: _____

Title: President

Date: 1/25/2023


Howard Szuminsky

By: _____

Title: _____

Date: 1/25/2023

Exhibit A

**IN THE COURT OF COMMON PLEAS
OF ALLEGHENY COUNTY, PENNSYLVANIA**

ALAN JONES and RICHARD GROSS,
individually and on behalf of all others
similarly situated,

CIVIL DIVISION – CLASS ACTION
The Honorable Philip A. Ignelzi
Class Action Judge

Plaintiffs,

v.

No. GD-18-012298

ALDER HIGHLAND ASSOCIATES, LLC;
ALDER HIGHLANDS ASSOCIATES, L.P.;
RICHARD BROURMAN; ARHAUS, LLC;
HOWARD’S TOWING AND RECOVERY,
LLC; and HOWARD SZUMINSKY,

Defendants

[PROPOSED] FINAL APPROVAL ORDER AND JUDGMENT

On, _____, this Court entered an order granting preliminary approval (the “Preliminary Approval Order”) of the Settlement between Plaintiffs, individually and on behalf of the Class, and Defendants Arhaus, LLC (“Arhaus”), Howard’s Towing and Recovery, LLC, and Howard Szuminsky (collectively “Howard's Towing”) (and together with Arhaus, “Defendants”), as memorialized in the attachment to Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement;¹

Beginning on _____, pursuant to the Notice Program set forth in the Settlement and in the Preliminary Approval Order, the Class was apprised of the nature and pendency of this Litigation, the terms of the Settlement, and their rights to request exclusion, file claims, object, and/or appear at the final approval hearing;

¹ The capitalized terms used in this Final Approval Order and Judgment shall be construed according to their meaning as defined in the Settlement except as may otherwise be indicated.

On _____, Plaintiffs filed their Motion for Final Approval of the Class Action Settlement (“Final Approval Motion”) and accompanying Memorandum of Law and supporting exhibits, and on _____, Class Counsel filed their Application for Attorneys’ Fees, Expenses, and Service Awards and Accompanying memorandum of Law and supporting exhibits (“Fee Application”);

On _____, the Court held a final approval hearing to determine, *inter alia*: (1) whether the settlement is fair, reasonable, and adequate; and (2) whether judgment should be entered dismissing all claims in this Litigation with prejudice. Prior to the final approval hearing, Class Counsel filed a declaration from the Settlement Administrator confirming that the Notice Program was completed in accordance with the Parties’ instructions and the Preliminary Approval Order. Therefore, the Court is satisfied that the Class Members were properly notified of their right to appear at the final approval hearing in support of or in opposition of the proposed Settlement, the award of attorneys’ fees costs, and expenses, and the payment of Service Awards.

Having given an opportunity to be heard to all requesting persons in accordance with the Preliminary Approval Order, having heard the presentation of Class Counsel and counsel for Defendants, having reviewed all the submissions presented with respect to the proposed Settlement, having determined that the Settlement is fair, adequate, and reasonable, having considered the application made by Class Counsel for attorneys’ fees, costs, and expenses, and the application for Service Awards, and having reviewed the materials in support thereof, and good cause appearing in the record and Plaintiffs’ Final Approval Motion is **GRANTED**, and Class Counsel’s Fee Application is **GRANTED**, and:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Court has jurisdiction over the subject matter of this action and over all claims raised therein and all Parties thereto, including the Class. The Court also has personal jurisdiction over the Parties and the Class Members.

2. The Settlement was entered into in good faith following arm's length negotiations and is non-collusive.

3. The Settlement is, in all respects, fair, reasonable, and adequate, is in the best interests of the Class, and is therefore approved. The Court finds that the Parties faced significant risks, expenses, delays and uncertainties, including as to the outcome, of continued litigation of this complex matter, which further supports the Court's finding that the Settlement is fair, reasonable, adequate and in the best interests of the Class Members. The Court finds that the uncertainties of continued litigation in both the trial and appellate courts, as well as the expense associated with it, weigh in favor of approval of the Settlement.

4. This Court grants final approval of the Settlement, including but not limited to the releases in the Settlement and the plans for distribution of the settlement relief. The Court finds that the Settlement is in all respects fair, reasonable, and in the best interests of the Class. Therefore, all Class Members who have not opted out are bound by the Settlement and this Final Approval Order and Judgment.

5. The Settlement and every term and provision thereof shall be deemed incorporated herein as if explicitly set forth herein and shall have the full force of an Order of this Court.

6. The Parties shall effectuate the Settlement in accordance with its terms.

OBJECTIONS AND OPT-OUTS

7. ___ objections were filed by Class Members. The Court has considered all objections and finds the objections do not counsel against Settlement approval, and the objections are hereby overruled in all respects.

8. All persons who have not objected to the Settlement in the manner provided in the Settlement are deemed to have waived any objections to the Settlement, including but not limited to by appeal, collateral attack, or otherwise.

9. A list of those Class Members who have timely and validly elected to opt out of the Settlement and the Class in accordance with the requirements in the Settlement (the “Opt-Out Members”) has been submitted to the Court in the Declaration of _____, filed in advance of the final approval hearing. That list is attached as **Exhibit A** to this Order. The persons listed in **Exhibit A** are not bound by the Settlement, this Final Approval Order and Judgment, and are not entitled to any of the benefits under the Settlement. Opt-Out Members listed in **Exhibit A** shall be deemed not to be Releasing Parties.

NOTICE TO THE SETTLEMENT CLASS

10. The Court finds that the Notice Program, set forth in the Settlement and effectuated pursuant to the Preliminary Approval Order, satisfied Pa. R. Civ. P. 1712 and 1714, the constitutional requirement of due process, and any other legal requirements, was the best notice practicable under the circumstances, was reasonably calculated to provide and did provide due and sufficient notice to the Class of the pendency of the Litigation, the existence and terms of the Settlement, their right to exclude themselves, their right to object to the Settlement and to appear at the Final Approval Hearing, and satisfied the other requirements of the Pennsylvania Rules of Civil Procedure and all other applicable laws.

AWARD OF ATTORNEYS' FEES AND SERVICE AWARDS

11. The Court has considered Class Counsel's Motion for attorneys' fees, costs, and expenses, and for Service Awards.

12. For the purpose of Settlement only, Plaintiffs are considered the prevailing party under Pa. Stat. § 201-9.2 of the Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL").

13. Pursuant to Rule 1717 and applicable caselaw, the Court awards Class Counsel \$57,000.00, as an award of reasonable attorneys' fees and reimbursement of reasonable expenses in accordance with the Settlement. The Court finds this amount of fees, costs, and expenses to be fair and reasonable in light of: (1) the time and effort reasonably expended by Class Counsel in the litigation; (2) the quality of the services rendered; (3) the results achieved and benefits conferred upon the Class; and (4) the magnitude, complexity, and the uniqueness of the litigation. This award of attorneys' fees, costs, and expenses shall be paid by Arhaus and Howard's Towing, in accordance with the Settlement. This award of attorneys' fees, costs, and expenses is independent of the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement.

14. The Court grants Class Counsel's request for Service Awards and awards \$1,500.00 each to named Plaintiffs Richard Gross and Alan Jones.

15. The Court finds that this payment is justified by their service to the Class. These Service Awards shall be paid by Arhaus in accordance with the Settlement.

OTHER PROVISIONS

16. The Parties to the Settlement shall carry out their respective obligations thereunder.

17. Within the time period set forth in the Settlement, the relief provided for in the

Settlement shall be made available to the Class Members, pursuant to the terms and conditions of the Settlement.

18. As of the Effective Date, Class Representatives, in their individual capacity, as opposed to their representative capacity, release any and all claims, causes of action, demands, complaints, grievances, damages, debts, suits, dues, sums of money, actions and causes of action, known or unknown, accrued or unaccrued, of any nature whatsoever, whether in law, statutory or in equity, which either may have or claim to have against Defendants' Released Persons which occurred on or before the date of this Agreement. The Release contained in this paragraph applies without limitation to all Defendants' Released Persons. This Release specifically includes but is not limited to claims alleged in the Litigation, compensation, fees/costs, liquidated damages, penalties, interest, and all other relief under the Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL"), 73 P.S. § 201-1 *et seq.*, and all other state and local consumer protection or fair credit laws and common law theories in contract or tort arising or accruing during the Relevant Period, that they have or may have, whether known or unknown, against Defendant's Released Persons (the "Class Representatives' Released Claims").

19. As of the Effective Date, Class Members who did not timely and validity exclude themselves from the Settlement, release any and all claims, causes of action, demands, complaints, grievances, damages, debts, suits, dues, sums of money, actions and causes of action, known or unknown, accrued or unaccrued, of any nature whatsoever, whether in law, statutory or in equity, which either may have or claim to have against Defendants' Released Persons which occurred on or before the date of this Agreement. The Release contained in this paragraph applies without limitation to all Releasees. This Release is limited to the claims alleged in the Litigation, including any compensation, fees/costs, liquidated damages, penalties, interest, and all other

relief under the Pennsylvania Unfair Trade Practices and Consumer Protection Law (“UTPCPL”), 73 P.S. § 201-1 *et seq.*, and all other state and local consumer protection or fair credit laws and common law theories in contract or tort arising or accruing during the Relevant Period, that they have or may have, whether known or unknown, against Defendants’ Released Persons that arose out of, or in connection with the claims or facts alleged or set forth in the Litigation (“Class Members’ Released Claims) (and collectively with Class Representatives’ Released Claims, “Released Claims”).

20. As of the Effective Date, Defendants’ Released Persons will be deemed to have completely released and forever discharged the Releasing Parties and Plaintiffs’ Released Persons from and for any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, costs, attorneys’ fees, losses, expenses, obligations, or demands of any kind whatsoever, whether known or unknown, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they have or may claim now or in the future to have, relating to the institution, prosecution, or settlement of the Litigation, except for claims relating to the enforcement of the Settlement or the Parties’ Agreement. For the avoidance of doubt, Defendants’ Released Persons release, as set forth in this Paragraph, does not include entities that do not meet the definition of either Releasing Parties or Plaintiffs’ Released Persons.

21. As of the Effective Date, Arhaus and Howard’s Towing fully release any and all claims, causes of action, demands, complaints, grievances, damages, debts, suits, dues, sums of money, actions and causes of action, known or unknown, accrued or unaccrued, of any nature whatsoever, whether in law, statutory or in equity, which Arhaus and Howard’s Towing have alleged against each other in the Litigation or that may arise out of the cross-claim allegations

or within the Complaint which occurred on or before the date of this Agreement.

22. The Class Representatives and Class Members are enjoined from prosecuting any of Class Representatives' Released Claims or Participating Class Members' Released Claims in any proceeding against any of the Defendants' Released Persons or prosecuting any claim based on any actions taken by any of the Defendants' Released Persons that are authorized or required by this Settlement or by the Final Approval Order and Judgment. It is further agreed that the Settlement and/or this Final Approval Order and Judgment may be pleaded as a complete defense to any proceeding subject to this section.

23. This Final Approval Order and Judgment and the Settlement, and all acts, statements, documents, and proceedings relating to the Settlement are not, and shall not be construed as, used as, or deemed to be evidence of, an admission by or against Defendants of any claim, any fact alleged in the Litigation, any fault, any wrongdoing, any violation of law, or any liability of any kind on the part of Defendants asserted in the Litigation.

24. This Final Approval Order and Judgment, the Settlement, and all acts, statements, documents, and proceedings relating to the Settlement shall not be offered, received, or admissible in evidence in any action or proceeding, or be used in any way as an admission, concession or evidence of any liability or wrongdoing of any nature or that Plaintiffs, any Class Member, or any other person has suffered any damage; *provided, however*, that nothing in the foregoing, the Settlement, or this Final Approval Order and Judgment shall be interpreted to prohibit the use of the Settlement or this Final Approval Order and Judgment in a proceeding to consummate or enforce the Settlement or this Final Approval Order and Judgment (including all releases in the Settlement and Final Approval Order and Judgment), or to defend against the assertion of any Released Claims in any other proceeding, or as otherwise required by law.

25. The Settlement's terms shall be forever binding on, and shall have res judicata and preclusive effect in, all pending and future lawsuits or other proceedings as to Released Claims (and other prohibitions set forth in this Final Approval Order and Judgment) that are brought, initiated, or maintained by, or on behalf of, any Class Member who is not an Opt-Out Member or any other person subject to the provisions of this Final Approval Order and Judgment.

26. The Court hereby dismisses the Litigation and Complaint and all claims therein on the merits and with prejudice, without fees or costs to any Party except as provided in this Final Approval Order and Judgment.

27. Consistent with the Settlement, if the Effective Date, as defined in the Settlement Agreement, does not occur for any reason, this Final Approval Order and Judgment and the Preliminary Approval Order shall be deemed vacated and shall have no force and effect whatsoever; the Settlement shall be considered null and void; all of the Parties' obligations under the Settlement, the Preliminary Approval Order, and this Final Approval Order and Judgment shall cease to be of any force and effect, and the Parties shall return to the status quo ante in the Litigation as if the Parties had not entered into the Settlement. In such an event, the Parties shall be restored to their respective positions in the Litigation as if the Settlement Agreement had never been entered into.

28. Without affecting the finality of this Final Approval Order and Judgment, the Court will retain jurisdiction over the subject matter and the Parties with respect to the interpretation and implementation of the Settlement for all purposes, including enforcement of its terms at the request of any party and resolution of any disputes that may arise relating in any way to, arising from, the implementation of the Settlement or the implementation of this Final Order and Judgment.

ENTERED:

DATED: _____, 202_

BY THE COURT:

_____, J.
The Honorable Philip A. Ignelzi

Exhibit B

[Insert Name of Class Member]

[Insert Address]

Re: NOTICE OF SETTLEMENT OF CLASS ACTION LAWSUIT

Towed Vehicle Description: [Insert year, make, and model if known]

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, exceeding the maximum allowable as set forth under the Pittsburgh Code of Ordinances and Pennsylvania law, and assert that 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 **(INSERT OPT OUT DATE)**.

- 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 **[INSERT SETTLEMENT WEBSITE]**.**

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION.....	PAGE 5
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 6
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 6
8. What does the Settlement provide?	
9. How much will my payment be?	
How To Get a Payment.....	Page 6
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 7
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 9
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 9
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 11
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 12
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 for 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 [insert number] or visit [insert settlement website] 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 [Insert Final Fairness Hearing DATE], 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 (INSERT OPT-OUT DATE), to each of the following addresses:

Settlement Administrator	Class Counsel	Defense Counsel
Analytics Consulting LLC Attn: Arhaus Howard’s	Kelly K. Iverson Elizabeth Pollock-Avery	Brian T. Must METZ LEWIS BRODMAN

Towing Settlement

[ADDRESS]

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

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

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 **[insert opt out date]**.

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 **(INSERT FINAL APPROVAL HEARING DATE)**. 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 **(INSERT OBJECTION DEADLINE)**.

Court

Clerk of Court
Allegheny County Courthouse
Room 114
436 Grant Street
Pittsburgh, PA 15219

Class Counsel

Kelly K. Iverson
Elizabeth Pollock-Avery
LYNCH CARPENTER, LLP
1133 Penn Avenue, 5th Floor
Pittsburgh, PA 15222

Defense Counsel

Brian T. Must
METZ LEWIS BRODMAN
MUST O'KEEFE LLC
535 Smithfield Street
Suite 800
Pittsburgh, PA 15222

Joshua P. Ward

J.P. Ward and Associates,
LLC
201 South Highland Avenue,
Suite 201
Pittsburgh, PA 15206

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 **(INSERT FINAL APPROVAL HEARING DATE)**, 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 **[insert date]**, 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 **[insert date]**. By no later than **[insert date]**, 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, [\[insert settlement website\]](#), where you will find more information, including a copy of the Settlement Agreement.

You may contact the Settlement Administrator, Analytics Consulting LLC, at [\[insert number\]](#) or by writing to: Analytics Consulting LLC, Attn: Arhaus Howard's Towing Settlement, [\[ADDRESS\]](#).

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.

Exhibit C

Court Approved Legal Notice

Alan Jones et al. v. Alder Highland Associations, LLC, et al., GD-18-012298 (Allegheny Cty. Pa. Ct. Com. Pl.)

Arhaus Howard's Towing Settlement
Settlement Administrator
P.O. Box _____
CITY, ST ZIP _____

You have been identified as an individual whose vehicle was non-consensually from the parking lot located at 235 South Highland Avenue, Pittsburgh, PA 15026 by Howard's Towing and Recovery LLC

YOU MAY BE ENTITLED TO MONETARY COMPENSATION UNDER A CLASS ACTION SETTLEMENT

«Barcode»
Postal Service: Please do not mark barcode

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

«ClaimID» «MailRec»

THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY.

«First 1» «Last 1»
«CO»
«Addr2»
«Addr1»
«City», «ST» «Zip» «Country»

For More Information on the Settlement, Deadlines, Your Potential Recovery, and Your Ability to Object or Opt-Out visit or call:

Arhaus Howard's Towing Settlement

[WEBSITE]

1-xxx-xxx-xxxx

A Settlement has been proposed in a class action lawsuit against Arhaus, LLC ("Arhaus") and Howard's Towing and Recovery, LLC and Howard Szuminsky (collectively "Howard's Towing") (and together with Arhaus, "Defendants") alleging that Defendants charged more than permitted under the Pittsburgh City Ordinance for nonconsensual tows from the Arhaus Parking Lot and asserts claims under 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.

Who is Included? Defendants' records show that you had a vehicle towed from the Parking Lot and the charge was more than the amount set forth in the Ordinance. You are a Class Member if you were nonconsensually towed from the Parking Lot by Howard's Towing between October 9, 2017 and July 7, 2018, and were charged in excess of \$135 total for return of the towed vehicle.

What does the Settlement Provide? Under the Settlement, Defendants will pay \$20,000 into a Settlement Fund, from which Class Members will be paid *pro rata* after costs of notice and administration. The amount of your individual payment will depend on several factors. Based on the Defendants' records, the alleged overpayment charged to Class Members was typically \$65-\$75. If no Class Member excludes themselves from the Settlement, each Class Member's estimated payment should be approximately \$178. The Settlement also provides for a Service Award of \$1,500 to each named Plaintiff separate and apart from the Settlement Fund and for payment of attorneys' fees, costs, and expenses up to \$57,000 to be paid separate and apart from the Settlement Fund, subject to court approval.

Your Legal Rights and Options: (1) DO NOTHING AND RECEIVE AUTOMATIC PAYMENT: If you do nothing, you will receive a cash payment from the Settlement Fund equal to *pro rata* share of the Settlement Fund after subtracting the Costs of Settlement Administration; (2) 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; or (3) 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.

The Fairness Hearing: The Court will hold a Fairness hearing in this case on [Date and Time] in Courtroom 803 of the Allegheny County Courthouse to consider whether to approve the Settlement, including the request for service payments and attorneys' fees and expenses, as well as any objections. You or your lawyer may ask to appear at the hearing at your own expense and request to be heard.

Getting more information. A Detailed Notice, the Settlement Agreement, and other case documents are available at [Website]; by calling 1-xxx-xxx-xxx, or by writing to the "Arhaus Howard's Towing Settlement Administrator" at P.O. Box _____, CITY, STATE ZIP _____ or emailing info@_____.com.

Exhibit D

**IN THE COURT OF COMMON PLEAS
OF ALLEGHENY COUNTY, PENNSYLVANIA**

ALAN JONES and RICHARD GROSS,
individually and on behalf of all others
similarly situated,

CIVIL DIVISION – CLASS ACTION
The Honorable Philip A. Ignelzi
Class Action Judge

Plaintiffs,

v.

No. GD-18-012298

ALDER HIGHLAND ASSOCIATES, LLC;
ALDER HIGHLANDS ASSOCIATES, L.P.;
RICHARD BROURMAN; ARHAUS, LLC;
HOWARD’S TOWING AND RECOVERY,
LLC; and HOWARD SZUMINSKY,

Defendants

**[PROPOSED] ORDER OF COURT GRANTING PRELIMINARY APPROVAL OF
CLASS SETTLEMENT**

AND NOW, to wit, this _____ day of _____, 2023, upon consideration of Plaintiffs’ Unopposed Motion for Preliminary Approval of Proposed Settlement Agreement as between Plaintiffs Alan Jones and Richard Gross (“Plaintiffs” or “Class Representatives”), individually and on behalf of all others similarly situated, and Defendants Arhaus LLC (“Arhaus”) and Howard’s Towing and Recovery, LLC and Howard Szuminsky (collectively “Howard’s Towing”) (and together with Arhaus, “Defendants”), it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. The Court has reviewed the Parties’ Proposed Settlement Agreement and Exhibits attached thereto (the “Agreement” or the “Settlement”), Plaintiffs’ Unopposed Motion for Preliminary Approval of Proposed Settlement Agreement, and Memorandum in Support.

2. To the extent not otherwise defined herein, all capitalized terms shall have the meanings attributed to them in the Agreement.

3. The Court has jurisdiction over the subject matter of this action, and personal jurisdiction over all parties to the litigation, including all Class Members and Sub-class Members.

Reasonableness of the Proposed Settlement

4. The Court finds that: (i) the proposed Settlement resulted from extensive and good-faith negotiations at arms' length; (ii) the proposed Settlement was concluded only after extensive discovery and litigation; and (iii) the terms of the proposed Settlement as evidenced by the Agreement appears to be sufficiently fair, reasonable, and adequate in light of the risks, delays, and expenses of further litigation, warranting the sending and website publication of the Notices of Class Action Settlement in the forms attached to the Agreement as Exhibits B and C , and the scheduling of a final fairness hearing.

5. The Court finds that the proposed Settlement includes sufficient monetary consideration to provide all Class Members and Sub-class Members with a full financial recovery, and the proposed Settlement creates an equitable claims process that will allow Class Members and Sub-class Members an opportunity to obtain additional reimbursement as a result of the nonconsensual tow of their motor vehicle from the Parking Lot by Howard's Towing. This consideration appears to be within the range of reasonableness and an adequate exchange for the Class's release of claims as described in the Agreement.

6. Accordingly, the Court grants preliminary approval of the Settlement, subject to final approval, and authorizes the Parties to conduct their plan for Notice as described in the Agreement.

Notice Plan and Form of Notice

7. The Court finds that the form, content, and method of giving notice to the Class as described in the Agreement: (a) constitutes the best practicable notice to the Class; (b) are

reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the action, the terms of the proposed Settlement, and their rights under the proposed Settlement; (c) are reasonable and constitute due, adequate, and sufficient notice to those persons entitled to receive notice; and (d) satisfy the requirements of Pa. R. Civ. P. 1712 and 1714, the constitutional requirement of due process, and any other legal requirements. The Court further finds that the notices are written in plain language, use simple terminology, and are designed to be readily understandable by Class Members.

8. The Parties and Settlement Administrator are authorized to make non-material modifications to the notices and claim form, such as proofing and formatting alterations, without further Order from this Court.

9. Analytics Consulting, LLC is approved as the Settlement Administrator. The Settlement Administrator is directed to carry out the Notice Program in conformance with the Settlement and to perform all other tasks that the Agreement requires, including the creation of a Qualified Settlement Fund.

10. Within 10 days from the entry of this Order, Class Counsel will provide, or will cause to be provide, available contact information to the Settlement Administrator for all Class Members, and by the Notice Deadline, the Parties and Settlement Administrator shall cause Notice to be disseminated to Class Members and Sub-class Members. The Notice shall be sent to all Class Members identified by the Settlement Administrator based on the information provided by Howard's Towing's Towbook Records, and upon reasonable investigation, as needed to identify Class Members. The Notice from Exhibit B shall also be posted on a Settlement Website created by the Settlement Administrator. The Settlement Administrator shall also establish a toll-free

phone line for Class Members and Sub-class Members to call in order to receive information about the Settlement.

Exclusion from the Class

11. Any Class Member who wishes to be excluded from the Class must mail a written notification of the intent to exclude himself or herself to the Settlement Administrator, Class Counsel, and Defendants' counsel at the addresses provided in the Notice, postmarked no later than sixty (60) days after the Notice Deadline (the "Opt-Out Deadline") and sent via first class postage pre-paid United States mail. The written request for exclusions must include the name of this Litigation or a decipherable approximation (*Jones, et al. v. Alder Highlands Associates LLC, et al.*, GD-18-012298 (Allegheny Ct. Com. Pl.)), the full name, address, and telephone number of the Class Member or the name, address, telephone number, relationship, and signature of any individual who is acting on behalf of a deceased or incapacitated Class Member; and the words "Request for Exclusion" at the top of the document or a statement in the body of the document requesting exclusion from the Settlement.

12. All Class Members who submit valid and timely notices of their intent to be excluded from the Settlement shall not receive any benefits of or be bound by the terms of the Settlement. Any Class Member that does not timely and validly exclude himself or herself from the Settlement shall be bound by the terms of the Settlement. If final judgment is entered, any Class Member that has not submitted a timely, valid written notice of exclusion from the Settlement (in accordance with the requirements of the Settlement) shall be bound by all subsequent proceedings, orders, and judgments in this matter, the Settlement including but not limited to the releases set forth in the Settlement, and the Final Approval Order and Judgment.

Objections to the Settlement

13. A Class Member who complies with the requirements of this Order may object to the Settlement, the request of Class Counsel for an award of attorneys' fees, costs, and expenses, and/or the request for Service Awards.

14. No Class Member shall be heard, and no papers, briefs, pleadings, or other documents submitted by any Class Member shall be received and considered by the Court, unless the objections is (a) filed with the Court by the Objection Deadline; or (b) mailed first-class postage prepaid to the Clerk of Court, Class Counsel, and Defendants' counsel, at the addresses listed in the Notices, and postmarked by no later than the Objection Deadline, which shall be sixty (60) days after the Notice Deadline, as specified in the Agreement. For the objection to be considered by the Court, the objection shall set forth:

- a. 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;
- b. the full name of the objector and full name, address, email address, and telephone number of any person acting on the objector' behalf;
- c. an explanation of the basis upon which the objector claims to be a Class Member;
- d. whether the objection applies only to the objector, a specific subset of the Class, or the entire Class;
- e. all grounds for the objection stated, with specificity, accompanied by any legal support for the objection;
- f. 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;
- g. the identity of all representatives (including counsel representing the objector) who will appear at the Final Approval Hearing;

- h. 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;
- i. 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;
- j. 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;
- k. 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;
- l. a statement indicating whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- m. the objector (or the objector's attorney's) signature on the written objection.

15. In addition, any Class Member that objects to the proposed Settlement must make himself or herself available to be deposed regarding the grounds for the objection and must provide, along with the objection, the dates when the objector will be available to be deposed during the period from when the objection is filed through the date seven days before the Final Approval Hearing.

16. Any Class Member who fails to comply with the provision in this Order will waive and forfeit any and all rights it may have to object, and shall be bound by all the terms of

the Settlement, this Order, and by all proceedings, orders, and judgments, including, but not limited to, the releases in the Settlement, if finally approved. Any Class Member who both objects to the Settlement and opts out will be deemed to have opted out and the objection shall be deemed null and void.

Distribution Plan

17. The Settlement establishes a process and methodology for paying Class Members their share of the Settlement Fund. Specifically, the Settlement Administrator will employ the following procedure to distribute the 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. The Court preliminarily approves this process.

Termination of the Settlement and Use of this Order

18. This Order shall become null and void and shall be without prejudice to the rights of the Parties, all of which shall be restored to their respective positions existing immediately before this Court entered this Order, if the Settlement is not finally approved by the Court or is terminated in accordance with the terms of the Settlement. In such event, the Settlement shall become null and void and be of no further force and effect, and neither the Settlement (including

any Settlement-related filings) nor the Court's orders, including this Order, relating to the Settlement shall be used or referred to for any purpose whatsoever.

19. If the Settlement is not finally approved or there is no Effective Date under the terms of the Settlement, then this Order shall be of no force and effect; shall not be construed or used as an admission, concession, or declaration by or against Defendants of any fault, wrongdoing, breach, or liability; shall not be construed or used as an admission, concession, or declaration by or against any Class Representative or any other Class Member that his or her claims lack merit or that the relief requested is inappropriate, improper, unavailable; and shall not constitute a waiver by any party of any defense or claims it may have in this Litigation or any other lawsuit.

Stay of Proceedings

20. Except as to effectuate this Order, this matter and any deadlines set by the Court in this matter are stayed and suspended pending the Final Approval Hearing and issuance of the Final Approval Order and Judgement, or until further order of this Court.

Continuance of Final Approval Hearing

21. The Court reserves the right to adjourn or continue the Final Approval Hearing and related deadlines without further written notice to the Class. If the Court alters any of those dates or times, the revised dates and times shall be posted on the Settlement Website.

Actions by Class Members

22. The Court stays and enjoins, pending Final Approval of the Settlement, any actions, lawsuits, or other proceedings brought by the Class Members against Defendants related to nonconsensual tows of motor vehicles from the Parking Lot by Howard's Towing during the applicable statute of limitations.

Final Approval Hearing

23. A Final Approval Hearing shall take place before the Court on _____, 2023 at _____ a.m./p.m. in Courtroom ____ before Judge Philip A. Ignelzi of the Court of Common Pleas of Allegheny County, Pennsylvania, City-County Building, 414 Grant Street, Pittsburgh, PA 15219, to determine, among other things: (a) the Settlement should be finally approved as fair, reasonable and adequate and, in accordance with the Settlement's terms, all claims in the Litigation should be dismissed with prejudice; (b) Class Members should be bound by the releases set forth in the Settlement; (c) the proposed Final Approval Order and Judgment should be entered; (d) the application of Class Counsel for an award of attorneys' fees, costs, and expenses should be approved; and (e) the application for Service Awards to the Class Representatives should be approved. Any other matters that the Court deems necessary and appropriate will also be addressed at the hearing.

24. Class Counsel shall submit their application for fees, costs, and expenses and the application for Service awards at least 14 days before the Opt-out/Objection Deadline. Objectors, if any, shall file any response to Class Counsel's motions no later than 17 days prior to the Final Approval Hearing. By not later than 10 days prior to the Final Approval Hearing, 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.

25. Any Class Member that has not timely and properly excluded himself or herself from the Class in the manner described below, may appear at the Final Approval Hearing in person or by counsel and be heard, to the extent allowed by the Court, regarding the proposed Settlement; provided,, however, that no Class Member that has elected to exclude himself or herself from the

Class shall be entitled to object or otherwise appear, and, further provided, that no Class Member shall be heard in opposition to the Settlement unless the Class Member complies with the requirements of this Order pertaining to objections, which are described above and in the Notice.

26. The Settlement, as preliminarily approved in this order, shall be administered according to its terms pending the Final Approval Hearing. Deadlines arising under the Settlement and this Order include but are not limited to the following:

- Notice Deadline: [30 days after the entry of this Order]
- Objection and Opt-Out Deadlines: [90 days after the entry of this Order]
- Final Approval Hearing: [a date to be set by the Court no earlier than 150 days after entry of this Order]
- Application for Attorneys' Fees, Expenses, and Service Awards ("Fee Application"): [76 days after entry of this Order]
- Motion for Final Approval of Settlement ("Final Approval Motion"): [30 days before the Final Approval Hearing]
- Objectors', if any, Response to Final Approval Motion and Fee Application: [17 days before the Final Approval Hearing]
- Replies in Support of final Approval and Fee Motion: [10 days before the Final Approval Hearing].

BY THE COURT:

_____, J.
The Honorable Philip A. Ignelzi

Exhibit E

**IN THE COURT OF COMMON PLEAS
OF ALLEGHENY COUNTY, PENNSYLVANIA**

ALAN JONES and RICHARD GROSS,
individually and on behalf of all others
similarly situated,

CIVIL DIVISION – CLASS ACTION
The Honorable Philip A. Ignelzi
Class Action Judge

Plaintiffs,

v.

No. GD-18-012298

ALDER HIGHLAND ASSOCIATES, LLC;
ALDER HIGHLANDS ASSOCIATES, L.P.;
RICHARD BROURMAN; ARHAUS, LLC;
HOWARD’S TOWING AND RECOVERY,
LLC; and HOWARD SZUMINSKY,

Defendants

SETTLEMENT ADMINISTRATION AND DISTRIBUTION PLAN

This Proposed Settlement Administration and Distribution Plan (the “Plan”) shall govern the administration and distribution of the settlement funds provided for by the Settlement reached between the Plaintiffs Alan Jones and Richard Gross and Defendants Arhaus, LLC (“Arhaus”) in the above-captioned case.¹ This Plan is referenced in the Agreement, and it is subject to Court approval. To the extent any provisions in this Plan are inconsistent with the Class Action Settlement Agreement and Release (the “Agreement” or the “Settlement”), the terms in the Agreement control.

1. NOTICE

- a. Within ten (10) days after entry of the Preliminary Approval Order, or as soon as practicable, Class Counsel will provide, or will cause to be provided, available contact information to the Settlement Administrator for all potential Class Members. Based upon information obtained by Class Counsel and other

¹ The capitalized terms used in this Plan shall be construed and have the same meaning as provided in the Settlement Agreement, unless expressly indicated otherwise.

readily available sources, including Howard's Towing's Towbook Records, the Settlement Administrator will prepare a final list of potential Class Members to which Notice will be issued.

- b. The Parties are aware that the Howard's Towing's Towbook Records contain incomplete data. In the case that the Settlement Administrator locates multiple individuals with the same name when preparing the final list of potential Class Members, an individual located in the Greater Pittsburgh, Pennsylvania region will be the presumptive Class Member to whom Notice will be provided.
- c. Notice will be emailed to all Class Members that the Settlement Administrator has email addresses for and mailed via First Class United States Mail to any Class Members for which it does not have an email address. Such Notice will be sent by the Settlement Administrator by the Notice Deadline. The Notices sent via email will be in substantially the form attached as **Exhibit B**, which advises Class Members of the claims asserted in the Litigation and how to exclude themselves from the Settlement, and the Settlement Website. The Notices sent by mail will be in postcard format, substantially in the form attached as **Exhibit C**, which advises Class Members of the Settlement, including the URL for the Settlement Website for Class Members to visit to find information on their estimated Individual Settlement Amounts and how to exclude themselves from the Settlement. The Notice set forth in **Exhibit B** will be posted on the Settlement Website.
- d. For any mailed Notices that are returned as undeliverable with forwarding address information, the Settlement Administrator shall re-mail the Notice to the updated address as indicated. For any mailed Notices that are returned as undeliverable with no forwarding address information, the Settlement Administrator shall use reasonable efforts to identify updated mailing addresses (such as running the mailing address through the National Change of Address Database) and re-mail the Notice to the extent updated addresses are identified. The Settlement Administrator need only make one attempt to re-mail any mailed Notices that are returned as undeliverable.
- e. By the Notice Deadline, the Settlement Administrator will create and maintain the Settlement Website, which will contain the information and documents required by this Settlement.
- f. By the Notice Deadline, the Settlement Administrator will establish and maintain a post office box for mailed written notifications of exclusions and other inquiries concerning the Settlement from the Class.
- g. At least thirty-five (35) days before the Final Approval Hearing, the

Settlement Administrator shall provide Class Counsel and Arhaus with one or more affidavits confirming that the Notice Program was completed in accordance with the Parties' instructions and the Court's approval. Class Counsel shall file such affidavit(s) with the Court as an exhibit to, or in conjunction with, Class Representatives' motion for Final Approval of the Settlement.

- h. The Notice Deadline shall be thirty (30) days from the entry of the Preliminary Approval Order.

2. PROCESSING OPT-OUTS

- a. The Settlement Administrator will process and compile opt-out requests received prior to the Opt-Out Deadline.
- b. In its discretion, to be reasonably exercised, the Settlement Administrator will review, determine the validity of, and process all opt-out requests received from Class Members.
- c. The Settlement Administrator shall provide the Parties with copies of all opt-out requests on a weekly basis and a final list of all who have timely and validly excluded themselves from the Settlement, which Class Counsel may move to file with the Court no later than ten (10) days prior to the Final Approval Hearing.
- d. In the event that a Class Member purports to provide notice of its intention to opt out of the Settlement but fails to accurately provide all of the information set forth above, the Settlement Administrator shall notify Class Counsel and Arhaus' counsel of the deficiency. Class Counsel and Arhaus shall mutually determine whether to accept the request for exclusions as valid despite the deficiency or direct the Settlement Administrator to send the Class Member a deficiency notice. The deficiency notice shall inform the Class Member that the attempt to opt out is deficient, invalid, and without legal effect. The deficiency notice shall be sent by the Settlement Administrator via USPS First Class Mail, postage prepaid. The deficiency notice shall also inform the Class Member that he or she must re-submit a valid notice requesting exclusion that includes all of the required information, no later than ten (10) days from the date of the deficiency notice in order for the opt out to be effective.
- e. The Opt-Out Deadline shall be sixty (60) days after the Notice Deadline.

3. PROCESSING AND TRANSMITTING PAYMENTS

- a. The Settlement Administrator will process and transmit Common-Fund Payments from the Settlement Fund to all Class Members that do not submit valid and effective opt-out requests by the Opt-Out Deadline.
- b. The Settlement Administrator will employ the following procedure to distribute the 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. Any Class Member who timely and validly excluded themselves from the Settlement will not be included in this calculation.
- c. Payment from the Settlement Fund will be made directly to all Class Members who do not timely and validly provided a written request for exclusion from the Class. There will be no reversion of any residual settlement funds.
- d. Within fourteen (14) days after the Effective Date, the Settlement Administrator shall open and maintain an account to receive and maintain the Settlement Fund as a Qualified Settlement Fund for federal tax purposes pursuant to Treas. Reg. § 1.468B-1, at a financial institution approved by Class Counsel and Arhaus.
- e. Upon the opening of the account identified in Paragraph 3(d), the Settlement Administrator and/or Class Counsel shall timely furnish to Arhaus any required account information, wiring instructions, or necessary forms to permit payment of the Settlement Fund to be made into the account.
- f. The Settlement Fund shall be distributed within seven (7) days of receipt of the settlement funds. All payments to Class Members described in the Agreement and Administration and Distribution Plan shall be made by the Settlement Administrator through checks to Class Members mailed via USPS First Class Mail.
- g. Within thirty (30) days following the distribution of the Settlement Fund, the Settlement Administrator will provide to Class Counsel and counsel for Arhaus a final accounting of the funds distributed including, but not limited to, the name and address of the Class Member to whom a distribution was made, and the amount of said distribution.

4. RESIDUAL FUNDS

- a. The Parties anticipate that as a result of Class Members' failure to redeem distribution checks, some funds may still remain in the Settlement Fund after the void dates on all distributed settlement payment checks have passed and all claimants have had a reasonable opportunity to request reissued checks. On or after 180 days after the Settlement Administrator first distributes Common-Fund Payments from the Settlement Fund, the Parties will instruct the Settlement Administrator to disburse 50% of the residual funds to the Pennsylvania Interest on Lawyers Trust Account Board, and to disburse the remaining 50% to the Neighborhood Legal Services Association.

CERTIFICATE OF SERVICE


I hereby certify that on February 21, 2023, the foregoing was served by email on the following:

Joseph A. Hudock, Jr.
Jeffrey C. Catanzarite
Summers McDonnell Hudock Guthrie & Rauch, LLC
Gulf Tower
707 Grant Street, Suite 2400
Pittsburgh, PA 15219
jhudock@summersmcdonnell.com
jcatanzarite@summersmcdonnell.com

Counsel for Howard's Towing and Recovery, LLC and Howard Szuminsky

Brian T. Must
Metz Lewis Brodman Must O'Keefe LLC
535 Smithfield Street
Suite 800
Pittsburgh PA, 15222
Email: BMust@metzlewis.com
Phone: 412.918.1124

Counsel for Arhaus, LLC



Kelly K. Werson