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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

DANA BOSTICK, *et al.*,
Plaintiffs,
vs.
HERBALIFE INTERNATIONAL OF
AMERICA, INC., *et al.*,
Defendants.

CASE NO. 2:13-cv-02488-BRO-RZ
STIPULATION OF SETTLEMENT
Assigned to Hon. Beverly Reid
O'Connell

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18 *International, Inc.; and Herbalife Ltd.*

Attorneys for Plaintiffs Dana Bostick,
Anita Vasko, Judi Trotter, Beverly
Molnar, and Chester Cote

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1 This Stipulation of Settlement and attached exhibits (the “Settlement
2 Agreement”) dated as of October 31, 2014, is made by and among the following
3 Settling Parties: on the one hand, Plaintiffs Dana Bostick, Anita Vasko, Judi Trotter,
4 Beverly Molnar, and Chester Cote on behalf of themselves, and on behalf of each of
5 the Settlement Class Members (as defined herein), by and through Plaintiffs’
6 Counsel; and on the other, Defendants Herbalife International of America, Inc.,
7 Herbalife International, Inc., and Herbalife Ltd. (collectively, “Herbalife”), by and
8 through their counsel. This Settlement Agreement is intended by the Settling Parties
9 to resolve, discharge and settle the Released Claims (as defined herein), upon and
10 subject to the terms and conditions of this Settlement Agreement.

11 **1. DEFINITIONS**

12 In addition to the foregoing defined terms, the following terms shall have the
13 meanings as set forth below:

14 1.1 “Action” means the action filed in the United States District Court for
15 the Central District of California entitled *Dana Bostick, et al. v. Herbalife*
16 *International of America, Inc., et al.*, Case No. 2:13-cv-02488-BRO-RZ, including
17 all pleadings on file in that action.

18 1.2 “Authorized Claimant” means a Class Member who submits a timely
19 and valid Claim Form to the Claims Administrator or is otherwise authorized to
20 receive benefits under this Settlement Agreement.

21 1.3 “Claims Administrator” means KCC LLC, who shall be subject to and
22 comply with this Settlement Agreement and the terms of the Claims Protocol
23 attached hereto as Exhibit 3.

24 1.4 “Plaintiffs’ Counsel” means the law firms Fabian & Clendenin, P.C.
25 and Foley Bezek Behle & Curtis, LLP.

26 1.5 “Class Period” means the period beginning April 1, 2009, through and
27 including the date the Preliminary Approval Order is entered.

28 1.6 “Court” means the United States District Court for the Central District

1 of California.

2 1.7 “Effective Date” means the first date after which all of the following
3 events and conditions have been met or have occurred:

4 1.7.1 The Settlement Agreement is executed and delivered by/to
5 all Parties and approved by the Court;

6 1.7.2 Entry of the Final Judgment and Order Approving Settlement
7 (“Final Judgment”);

8 1.7.3 The Final Judgment becomes “Final.” “Final” means the
9 occurrence of any of the following: (a) final affirmance on an appeal of the Final
10 Judgment, the expiration of the time for a petition for review of the Final Judgment
11 and, if the petition is granted, final affirmance of the Final Judgment following
12 review pursuant to that grant; (b) final dismissal of any appeal from the Final
13 Judgment or the final dismissal of any proceeding to review the Final Judgment; or
14 (c) if no appeal is filed, the expiration of the time for the filing or noticing of any
15 appeal from the Court’s Final Judgment. If the Final Judgment is set aside,
16 materially modified, vacated or reversed by the Court or by an appellate court, and
17 is not fully reinstated on further appeal, then the Final Judgment does not become
18 “Final” and the Effective Date cannot occur.

19 1.7.4 Plaintiffs and Herbalife shall have the option to elect to
20 waive the failure, in whole or in part, of any of the conditions set forth in
21 Subsections 1.7.1-1.7.3. If Plaintiffs or Herbalife elects to waive the failure, in
22 whole or in part, of such condition, Plaintiffs or Herbalife shall file a written notice
23 of waiver with the Court within ten (10) days after they become aware of the failure
24 of such condition. If Plaintiffs or Herbalife waive the failure, in whole or in part, of
25 any condition in Subsections 1.7.1-1.7.3, then the Effective Date will occur without
26 satisfaction of that condition.

27 1.8 “Escrow Agent” means KCC LLC.

28 1.9 “Notice” means the notice provided for in Section 7 and substantially

1 in the form attached hereto as Exhibit 1.

2 1.10 “Person” means an Herbalife member or distributor in his or her
3 individual capacity; any corporation, limited liability company, partnership, limited
4 partnership, association, joint stock company, estate, legal representative, trust,
5 unincorporated association, or any business or legal entity through which he or she
6 has conducted or conducts an Herbalife distributorship; and their spouses, heirs,
7 predecessors, successors, representatives, alter egos, or assigns.

8 1.11 “Preliminary Approval Order” means the order to be entered by the
9 Court, preliminarily approving the Settlement Agreement, certifying the Settlement
10 Class for settlement purposes only, approving the Notice of Proposed Settlement,
11 approving the Summary Notice, and setting the Settlement Hearing, as provided for
12 in Section 7.

13 1.12 “Settlement Agreement” means this Stipulation of Settlement,
14 including all attached exhibits.

15 1.13 “Settlement Class” means all persons who are or were Herbalife
16 members or distributors in the United States at any time during the Class Period.

17 1.13.1 Excluded from the Settlement Class are the Defendants, their
18 employees, family members, and any member who has been a member of
19 Herbalife’s President’s Team, Founder’s Circle, Chairman’s Club, Millionaire
20 Team, or GET Team.

21 1.13.2 Also excluded from the Rule 23(b)(3) class are all Herbalife
22 members or distributors who have agreed to be subject to the arbitration provisions
23 of the Arbitration Agreement for Disputes Between Members and Herbalife
24 contained in the Member Application Agreement revised during or after September
25 2013.

26 1.14 “Settlement Class Member” means a Person who fits within the
27 definition of the Settlement Class and who has not validly and timely requested
28 exclusion from the Settlement Class, as provided in Section 10.

1 1.15 “Settlement Hearing” means the hearing to determine whether this
2 Settlement Agreement should be finally approved by the Court, as provided for in
3 Section 7.

4 1.16 “Settling Parties” means Herbalife and each of the Plaintiffs on behalf
5 of themselves and each of the Settlement Class Members.

6 1.17 “Summary Notice” means the written notice provided for in Section 7
7 and substantially in the form attached hereto as Exhibit 2.

8 1.18 The word “or” means and/or.

9 1.19 The plural includes the singular and vice-versa.

10 **2. LITIGATION BACKGROUND**

11 2.1 Original Complaint. On April 8, 2013, Plaintiff Dana Bostick, on
12 behalf of himself and a putative class of “others similarly situated,” filed this Action
13 in the United States District Court for the Central District California, naming as
14 defendants Herbalife International of America, Inc.; Herbalife International, Inc.;
15 and Herbalife Ltd., alleging the following claims for relief: (1) violations of
16 California’s endless chain scheme law under California Penal Code Section 327 and
17 California Civil Code Section 1689.2; (2) violations of the Racketeer Influenced and
18 Corrupt Organizations Act (“RICO”) (18 U.S.C. §§ 1962(a), (c), and (d)); (3) unfair
19 and deceptive business practices under California Business and Professions Code
20 Section 17200, *et seq.*; and (4) false advertising under California Business and
21 Professions Code Section 17500, *et seq.* The complaint sought, among other things,
22 damages for the financial losses incurred by Bostick and the class; general,
23 compensatory, and exemplary damages; restitution and disgorgement; temporary
24 and permanent injunctive relief; costs; reasonable attorneys’ fees; pre- and post-
25 judgment interest; and other damages the Court may deem just and proper.

26 2.2 Motion to Dismiss. On May 30, 2013, Defendants moved to dismiss
27 the complaint. (Dkt. No. 22.). On October 11, 2013, the Court denied Defendants’
28 motion to dismiss. (Dkt. No. 40).

1 2.3 First Amended Complaint. On July 2, 2014, the Court granted the
2 parties' Stipulation to File First Amended Complaint. (Dkt. No. 76). The First
3 Amended Complaint, filed on July 7, 2014, added Anita Vasko, Judi Trotter,
4 Beverly Molnar, and Chester Cote as plaintiffs. (Dkt. No. 78). The First Amended
5 Complaint also removed Plaintiffs' RICO causes of action. On August 15, 2014, the
6 parties sought a 63 day extension of certain case management deadlines and
7 Defendants' time to respond to Plaintiffs' First Amended Complaint. (Dkt. No. 82).
8 The Court granted this stipulation on August 20, 2014. (Dkt. No. 83).

9 **3. BENEFITS OF THE SETTLEMENT**

10 3.1 Diligence of Plaintiffs' Counsel. Plaintiffs are represented by
11 experienced counsel who have conducted discovery, both formal and informal, as
12 well as investigation prior to and throughout the prosecution of the Action. The
13 discovery and investigation have included (i) review of over 148,000 pages of
14 internal Herbalife documents; (ii) depositions of Herbalife pursuant to Federal Rule
15 of Civil Procedure 30(b)(6); (iii) analysis of several gigabytes of confidential
16 Herbalife database productions; (iv) review of documents provided by former
17 Herbalife members or distributors and other persons with relevant information; (v)
18 review of written discovery responses provided by Herbalife through the discovery
19 process; (vi) review of Herbalife's public materials and other publicly available
20 documents; (vii) interviews with former Herbalife members or distributors; (viii)
21 consultation with experts; (ix) research of the applicable law with respect to the
22 claims asserted in the complaints and the potential defenses thereto. Joint
23 Declaration of Thomas J. Foley, Jr. and Scott M. Petersen, dated October 31, 2014,
24 filed concurrently herewith, details such diligence.

25 3.2 Benefits to Settlement Class. Plaintiffs' Counsel have analyzed the
26 benefits to be obtained under the terms of the proposed Settlement and have
27 considered the costs, risks, and delays associated with the continued prosecution of
28 the Action and likely appeals, as well as the merits of the defenses asserted by

1 Herbalife. Plaintiffs' Counsel believe that, in consideration of all of the
2 circumstances and after prolonged, serious, and contentious arms-length
3 negotiations in mediation with Herbalife, the proposed Settlement is fair,
4 reasonable, adequate and in the best interests of the Settlement Class. In making
5 these statements and submitting a declaration filed concurrently herewith, Plaintiffs'
6 Counsel are not making any admission of fact or law in regard to liability, fault
7 allocation, or damages with respect to the Action.

8 3.3 Benefits to Herbalife. Herbalife has concluded that it is in its best
9 interests that the Action be settled on the terms embodied in the Settlement
10 Agreement. Herbalife reached that conclusion after: (1) analyzing the factual and
11 legal issues in the Action and considering the uncertainty of litigation; (2)
12 determining that further conduct of the Action through trial and any possible appeals
13 would be protracted and expensive; and (3) considering the benefits of permitting
14 Herbalife to conduct its business unhampered by the distractions of continued
15 litigation.

16 **NOW, THEREFORE, IT IS HEREBY AGREED** by and between the
17 parties, through their respective counsel, that the Action and the Released Claims be
18 finally and fully settled, compromised and released, and the Action shall be
19 dismissed on the merits with prejudice, on the terms set forth herein, as between
20 Plaintiffs and the Settlement Class Members on the one hand, and Herbalife on the
21 other.

22 **4. MONETARY RELIEF AND PRODUCT RETURN**

23 4.1 Monetary Fund. Herbalife shall establish a non-reversionary
24 "Settlement Fund" in the amount of \$15,000,000.00. This amount shall be
25 deposited into an escrow account within ten (10) business days after the Court
26 issues the Preliminary Approval Order. The Settlement Fund shall be applied: (a)
27 first, to pay the costs of notice and settlement administration, (b) second, to pay
28 Plaintiffs' Counsel's attorneys' fees and expenses and any plaintiff service awards

1 in the amount awarded by the Court, (c) third, after exhausting the Product Return
2 Fund, no more than \$2,500,000 of the Settlement Fund may be applied to pay
3 Settlement Class Members who submit a valid claim for a product return, and (d)
4 fourth to pay Settlement Class Members who submit a valid claim for a cash award
5 (this final amount is the “Net Settlement Fund”). The Court shall oversee the
6 distribution of any amounts remaining in the Net Settlement Fund pursuant to the *cy*
7 *pres* doctrine to Consumer Federation of America, or such organization(s) as the
8 parties may jointly propose and the Court approves. To the extent interest is earned
9 on amounts held in escrow, it shall accrue and be payable to Herbalife, less
10 applicable taxes. The Escrow Agent, on behalf of the Settlement Class, shall be
11 responsible for all administrative, accounting, and tax compliance activities in
12 connection with this escrow account and shall comply with the provisions of the
13 escrow agreement and the Claims Protocol attached as Exhibit 3.

14 4.2 Product Return Fund. In addition to the Settlement Fund described in
15 Subsection 5.1, Herbalife shall commit resources to funding a reversionary “Product
16 Return Fund” in the amount of \$2,500,000.00. The Product Return Fund shall be
17 applied to pay Settlement Class Members who submit a valid claim for a product
18 return. The costs of return shipping for product returns shall be borne by the Product
19 Return Fund. The sum of the Product Return Fund plus the portion of the
20 Settlement Fund available for product returns as set forth in Section 5.1(c) above
21 shall be the “Net Product Return Fund.” The product return fund shall be
22 administered by Herbalife; to the extent the Product Return Fund is not fully
23 expended as set forth in Section 5.3 below, the remainder shall be returned to
24 Herbalife.

25 4.3 Product Return Claimants. Settlement Class Members may submit
26 claims to return unused and unopened products (excluding International Business
27 Packs [“IBPs”] and mini-IBPs) that were purchased more than one year prior to the
28 deadline for submitting claims forms. In exchange, Settlement Class Members shall

1 receive a Return Payment from the Net Product Return Fund. Settlement Class
2 Members submitting claims to return products are “Product Return Claimants.”

3 4.3.1 In their claim forms, Product Return Claimants shall identify
4 the (1) SKU of the product(s) to be returned, (2) estimated purchase date of the
5 product(s) to be returned, and (3) actual amount paid for each returned product (the
6 “Product Return Amount”). If the Product Return Claimant is unable to provide the
7 actual amount paid, the Product Return Claimant shall so certify and shall provide
8 an estimated payment. Assuming all other information is properly provided to the
9 Claims Administrator, the Claims Administrator shall calculate the Return Payment
10 as the lesser of the Product Return Claimant’s estimated payment or 50% of
11 Herbalife’s Suggested Retail Price for the product(s) on the purchase date.

12 4.3.2 Following the deadline for submitting claim forms, the
13 Settlement Administrator’s website shall provide Product Return Claimants with
14 notice of the amount of the proposed payment (the “Return Payment”). If the total
15 Return Payment exceeds the Net Product Return Fund, the Return Payment for each
16 Product Return Claimant shall be subject to pro rata diminution. Beginning within
17 ten (10) business days following the Settlement Administrator’s online posting of
18 notice of the Return Payment and continuing for sixty (60) days thereafter, Product
19 Return Claimants shall be permitted to return the products identified in their claim
20 forms in exchange for a Return Payment.

21 4.3.3 Herbalife shall use its current product return process to
22 retrieve or collect the product for which Product Return Claimants properly submit
23 claims, with no additional cost to the Product Return Claimants. Should any
24 product be returned by means of shipping (whether through Herbalife’s product
25 return process or otherwise), any shipping costs shall be paid by the Net Product
26 Return Fund.

27 4.4 Business Opportunity Claimants. Settlement Class Members may
28 submit claims for a cash award, as described below. Settlement Class Members

1 submitting claims for a cash award are “Business Opportunity Claimants.”

2 4.4.1 Qualified Products. Amounts to be paid to Business
3 Opportunity Claimants out of the Net Settlement Fund shall be derived from
4 information submitted to the Claims Administrator by the Business Opportunity
5 Claimants and the price paid for Qualified Products identified through the claims
6 process. A “Qualified Product” shall consist of an Herbalife product purchased by
7 the Business Opportunity Claimant directly from Herbalife for which the Business
8 Opportunity Claimant certifies the following:

- 9 (a) The product was purchased for resale purposes during the Class
10 Period;
- 11 (b) The product was purchased from within the United States and
12 shipped directly to the Claimant at a location in the United
13 States;
- 14 (c) The product was not sold for at least the cost of purchase; and
- 15 (d) The product was not returned to Herbalife through Herbalife’s
16 buyback program, Herbalife’s satisfaction guarantee, or as part
17 of the Product Return program provided in this settlement.

18 4.4.2 Business Opportunity Claimants shall also certify under
19 penalty of perjury: (a) that they joined Herbalife primarily to pursue a business
20 opportunity and not primarily for self-consumption; (b) that in total, they lost money
21 on Herbalife products pursuing the Herbalife business opportunity; (c) that they
22 have never been GET Team or higher level members; and (d) the Claimant’s best,
23 good faith estimate of his or her total loss from Qualified Product sales.

24 4.4.3 The Claims Administrator, using purchase data supplied by
25 Herbalife, shall compare the Business Opportunity Claimant’s estimated total loss
26 from Qualified Product sales to the price paid by that claimant for the claimant’s
27 aggregate Qualified Products.

28 4.4.4 The Claims Administrator, using purchase data supplied by

1 Herbalife, shall determine for each Business Opportunity Claimant whether during
2 any Claims Year during the Class Period the claimant paid Herbalife at least \$750 to
3 purchase products (the “Minimum Purchase Amount”). A Claims Year shall be
4 defined as any twelve-month period beginning on the later of: (i) the first day of the
5 month in which the Business Opportunity Claimant became an Herbalife member or
6 distributor, or (ii) the beginning of the Class Period. A Business Opportunity
7 Claimant who purchased at least the Minimum Purchase Amount shall be entitled to
8 a Pro Rata Award (defined in Subsection 4.4.5). All other Claimants shall be “Flat
9 Rate Claimants” entitled to “Flat Rate Awards” (defined in Subsection 4.4.6).

10 4.4.5 Pro Rata Awards. Business Opportunity Claimants
11 submitting valid claims shall be entitled to a payment equal to the lesser of 100% of
12 the estimated total loss from Qualified Product sales or 50% of the price paid by that
13 claimant for the claimant’s aggregate Qualified Products.

14 (a) If the aggregate payment for Pro Rata Awards due to Business
15 Opportunity Claimants exceeds the Net Settlement Fund less the
16 aggregate Flat Rate Awards described below in Subsection 4.4.6,
17 payments shall be subject to pro rata diminution. If the
18 aggregate payment for Pro Rata Awards is less than 75% of the
19 Net Settlement Fund less the aggregate Flat Rate Awards
20 described below in Subsection 4.4.6, either party may move the
21 Court to increase payments to Business Opportunity Claimants
22 receiving a Pro Rata Award up to the lesser of (i) 75% of the
23 price paid by that claimant for the claimant’s aggregate Qualified
24 Products; or (ii) the total Net Settlement Fund.

25 4.4.6 Flat Rate Award. Flat Rate Claimants submitting valid
26 claims shall receive a payment of \$20 to be paid from the Net Settlement Fund (the
27 “Flat Rate Award”). If the aggregate Flat Rate Award for all Flat Rate Claimants
28 exceeds \$3 million, Flat Rate Awards shall be subject to pro rata diminution. If the

1 aggregate Flat Rate Award is less than \$3 million, then the difference shall remain
2 in the Net Settlement Fund and be available for Pro Rata Awards.

3 4.5 Claim Forms. Claim Forms (for both Product Return and Business
4 Opportunity claims) shall be available from the Claims Administrator, as set forth in
5 the Notice to the Settlement Class. Completed Claims Forms shall be due to the
6 Claims Administrator no later than 90 days after a date to be mutually agreed upon
7 by the parties upon preliminary approval of the Settlement Agreement.

8 4.6 Opt-Out Forms. Class Members may submit an Opt-Out Form or
9 letter to the Claims Administrator prior to the Claims Deadline asking to be
10 excluded from the monetary portion of the settlement. If a Class Member submits
11 both a Claims Form and an Opt-Out Form, the Claims Administrator shall disregard
12 the Opt-Out Form.

13 4.7 The claims process shall employ standard anti-fraud measures to be
14 implemented by the Claims Administrator. These measures may include comparing
15 data provided by Settlement Class Members with information otherwise available to
16 Herbalife.

17 4.8 No Disbursement of Direct Relief Before Effective Date. The Escrow
18 Agent and the Claims Administrator shall not disburse any portion of the Net
19 Settlement Fund or the Net Product Return Fund before the Effective Date, except
20 as provided for in the Settlement Agreement.

21 4.9 Privacy. The Claims Administrator shall take reasonable measures to
22 the extent permitted by law to assert and to protect the privacy rights of Settlement
23 Class Members, including by maintaining the confidentiality and security of and
24 preventing the unauthorized access or acquisition of any financial or personal
25 information submitted in connection with any claim for benefits pursuant to this
26 Settlement Agreement. In the event of any unauthorized access to or acquisition of
27 personal information concerning any Settlement Class Member as a direct result of
28 the intentional or negligent acts or omissions of Claims Administrator, the Claims

1 Administrator shall be responsible for complying with any privacy, data security, or
2 breach notification obligations under state or federal law, and will be solely
3 responsible for directly providing notice to state agencies, affected Settlement Class
4 Members, and/or other persons or entities.

5 4.10 Taxes on Escrow Account. The Settlement Fund and Product Return
6 Fund shall constitute a qualified settlement fund within the meaning of Treasury
7 Regulations Sections 1.468B-1 through 1.468B-5, 26 C.F.R. §§ 1.468B-1 through
8 1.468B-5 (1992). The Settling Parties shall treat the Settlement Fund and Product
9 Return Fund as qualified settlement funds for all reporting purposes under the
10 federal tax laws. For the purpose of Section 468B of the Internal Revenue Code of
11 1986, as amended, and the regulations promulgated thereunder, the “administrator”
12 shall be the Escrow Agent. The Escrow Agent shall timely and properly file all
13 informational and other tax returns necessary or advisable with respect to the
14 Settlement Fund and Product Return Fund (including, without limitation, the returns
15 described in Treas. Reg. Section 1.468B-2(k)). Such returns shall be consistent
16 with this Subsection and in all events shall reflect that all taxes (including any
17 interest or penalties) on the income earned by the Settlement Fund and Product
18 Return Fund shall be paid out of the income earned by the Settlement Fund and the
19 Product Return Fund. Taxes and tax expenses shall be treated as, and considered to
20 be, a cost of administration of the Settlement Fund and paid without prior order
21 from the Court. The Escrow Agent shall be obligated (notwithstanding anything
22 herein to the contrary) to withhold from the income earned by the Settlement Fund
23 and the Product Return Fund any funds necessary to pay such taxes, including the
24 establishment of adequate reserves for any taxes and tax expenses (as well as any
25 amounts that may be required to be withheld under Treas. Reg.
26 Section 1.468B-2(1)(2)). The Escrow Agent shall maintain accurate records of all
27 expenditures made pursuant to this Subsection, and shall provide the records upon
28 request to Plaintiffs’ Counsel and Herbalife’s counsel. None of the Settling Parties,

1 or any of their counsel, shall have any responsibility for the payment of taxes
2 described in this Subsection. The parties hereto agree to cooperate with the Escrow
3 Agent, each other, and their tax attorneys and accountants to the extent reasonably
4 necessary to carry out the provisions of this Subsection.

5 4.11 Discretion of Claims Administrator. The Claims Administrator, who
6 shall be jointly proposed by Herbalife and Plaintiffs' Counsel and approved by the
7 Court, shall have discretion to make equitable decisions to carry out the intent of the
8 Settlement Agreement.

9 4.12 Continuing Jurisdiction Over Direct Relief. The Settlement Fund and
10 Product Return Fund shall be within the control and jurisdiction of the Court,
11 *custodia legis*, until such time as they are distributed pursuant to this Settlement
12 Agreement.

13 **5. CORPORATE POLICIES**

14 5.1.1 All corporate policies set forth in this Section 6 shall be
15 continued for no less than three years from the date the Court issues final approval
16 of the Settlement Agreement.

17 5.1.2 At least in part as a result of the filing of the lawsuit,
18 Herbalife implemented, instituted, or continued to maintain, as the case may be, the
19 following corporate policies identified in Subsections 5.1.3-5.1.15.

20 5.1.3 Herbalife shall not simultaneously and separately charge its
21 members a "Packaging & Handling" fee (or similar fee) and an "Order Shipping
22 Charge" (or similar fee) as was done during the Class Period up until Herbalife
23 adopted its Simplified Pricing Structure, when the two charges were combined into
24 a single "Shipping & Handling" charge.

25 5.1.4 Herbalife shall not define "Distributor" in its Glossary of
26 Terms as "Everyone who purchases an Official Herbalife Member Pack (HMP) and
27 submits to Herbalife a valid and complete Membership Application and whose
28 Application has been accepted by Herbalife."

1 5.1.5 Herbalife shall continue to discourage members from
2 incurring debt to pursue the Herbalife business opportunity, consistent with Rule
3 1.1.2 of Herbalife’s Member Rules of Conduct.

4 5.1.6 Herbalife shall continue to pay shipping charges for the
5 return of products to Herbalife in connection with inventory repurchases, consistent
6 with Rule 2.5.3 of Herbalife’s Member Rules of Conduct.

7 5.1.7 Herbalife shall continue to maintain procedures for the
8 enforcement of its rules, including but not limited to continuing to maintain a
9 member compliance department to enforce its policies, procedures and member
10 rules. Herbalife shall continue to revise and supplement such policies, procedures
11 and member rules as deemed necessary by Herbalife in the exercise of reasonable
12 business judgment.

13 5.1.8 Herbalife shall maintain its rule prohibiting members from
14 selling leads to other members or purchasing leads from any source, consistent with
15 Rule 3.3.2 of Herbalife’s Member Rules of Conduct.

16 5.1.9 Herbalife shall continue to prohibit members from requiring
17 a person to buy product (other than a Mini or Full Member Pack) as a condition to
18 becoming an Herbalife member or distributor.

19 5.1.10 Herbalife shall maintain its rule that before signing a lease or
20 opening a Nutrition Club in a non-residential location, the member must have been
21 an Herbalife member for at least 90 days and receive mandatory Nutrition Club
22 operator training, consistent with Rule 8.4.1 of Herbalife’s Member Rules of
23 Conduct.

24 5.1.11 Herbalife shall include its Statement of Average Gross
25 Compensation (“SAGC”) as part of its member application either incorporated as
26 part of that application, attached thereto, or otherwise prominently located and
27 accessible.

28 5.1.12 Herbalife shall require that new members acknowledge

1 reviewing the SAGC when signing a new Herbalife Membership Application and
2 Agreement (the “Membership Agreement”). Herbalife shall continue to include
3 and/or link to the SAGC with the Membership Agreement.

4 5.1.13 Herbalife shall continue disclosing in its SAGC the total
5 number and percentage of all members who do not receive any compensation
6 payment directly from Herbalife.

7 5.1.14 Herbalife shall clarify in its Sales & Marketing Plan that
8 upon qualifying as a Supervisor, a member shall have at least twelve (12) months
9 during which to requalify as a Supervisor.

10 5.1.15 Herbalife shall amend the hardcopy Membership Agreement
11 as follows: (a) the term “Compensation Statement” shall be expressly defined as
12 “Statement of Average Gross Compensation Paid by Herbalife;” and (b) the second
13 sentence of paragraph 2 of box B in version 42 of the Membership Agreement shall
14 read: “I hereby represent, warrant and agree that I am not relying upon and that I
15 will not rely upon any other written or oral information or representations about the
16 financial results I might achieve.” Herbalife reserves the right to modify its
17 Membership Agreement and other documents provided that such modifications are
18 not materially inconsistent with the amendments provided in this Subsection.

19 **6. ENTRY OF PRELIMINARY APPROVAL ORDER, NOTICE TO THE**
20 **SETTLEMENT CLASS, AND ENTRY OF FINAL JUDGMENT**

21 6.1 Motion for Preliminary Approval. Promptly upon execution of this
22 Settlement, the Settling Parties shall submit this Settlement Agreement together with
23 its exhibits and shall jointly apply to the Court (in a joint filing if the parties agree
24 or, if they do not, in separate filings) for entry of the Preliminary Approval Order,
25 which includes provisions that, among other things, will:

26 6.1.1 Preliminarily approve the Settlement Agreement as being
27 reasonable and the product of good faith negotiations;

28 6.1.2 Certify for settlement purposes only the Settlement Class

1 under Rule 23 of the Federal Rules of Civil Procedure;

2 6.1.3 Approve the Claim Form substantially in the form attached
3 as Exhibit 4, and approve KCC LLC as the Claims Administrator, or as otherwise
4 proposed by the parties or selected by the Court;

5 6.1.4 Approve the Opt-Out Form substantially in the form attached
6 as Exhibit 5;

7 6.1.5 Approve the Notice substantially in the form attached as
8 Exhibit 1 and the Summary Notice substantially in the form attached as Exhibit 2;

9 6.1.6 Order that the Summary Notice be disseminated in the
10 manner set forth in the Notice Program attached as Exhibit 6 and in accordance with
11 the Preliminary Approval Order;

12 6.1.7 Provide that any person falling within the definition of the
13 Settlement Class who desires to be excluded from the Settlement Class must request
14 exclusion by submitting a timely and valid exclusion request, in compliance with the
15 instructions in the Notice of Proposed Settlement, to the Claims Administrator not
16 later than thirty (30) days before the Settlement Hearing;

17 6.1.8 Provide that persons falling within the definition of the
18 Settlement Class who do not file valid and timely requests for exclusion will be: (i)
19 bound by the Final Judgment dismissing the Action on the merits and with
20 prejudice; and (ii) permanently barred and enjoined from commencing, prosecuting
21 or participating in the recovery in any direct or representative action, or any action
22 in any other capacity, asserting or relating to any of the Released Claims, in the
23 manner described in Section 8;

24 6.1.9 Find that the notice to be given in accordance with the
25 Preliminary Approval Order (including the contents of the Notice and Summary
26 Notice and the proposed means for effecting notice to persons falling within the
27 definition of the Settlement Class) constitutes the best notice practicable under the
28 circumstances and constitutes valid, due, and sufficient notice to all members of the

1 Settlement Class, complying fully with the requirements of Rule 23 of the Federal
2 Rules of Civil Procedure, the Constitution of the United States, and any other
3 applicable law;

4 6.1.10 Order that notice to persons falling within the definition of
5 the Settlement Class shall be structured to be as efficient as possible and to make
6 maximum use of notice by e-mail and other electronic means and that such notice
7 shall be undertaken by the Claims Administrator;

8 6.1.11 Schedule a Settlement Hearing to consider and determine
9 whether the Settlement proposed under the terms of this Settlement Agreement
10 should be finally approved as fair, reasonable, and adequate, and whether the Final
11 Judgment approving the Settlement Agreement and resolving the Action should be
12 entered, and to consider the request for an award of attorney's fees and
13 reimbursement of expenses;

14 6.1.12 Provide that the hearing on this Settlement Agreement and
15 any request for an award of attorneys' fees and reimbursement of expenses may,
16 from time-to time and without further notice to the Settlement Class, be continued or
17 adjourned by order of the Court;

18 6.1.13 Provide that objections by any Settlement Class Member to
19 (i) the proposed Settlement, (ii) entry of Final Judgment, (iii) entry of an order
20 approving the Settlement Agreement, or (iv) any proposed award of attorneys' fees
21 and reimbursement of expenses to Plaintiffs' Counsel shall be heard and any papers
22 submitted in support of said objections shall be considered by the Court at the
23 Settlement Hearing only if, no later than thirty (30) days before the Settlement
24 Hearing, such objector files with the Claims Administrator a written notice of his,
25 her, or its intention to appear and states the basis for the objections;

26 6.1.14 Provide that, on the Effective Date, all Settlement Class
27 Members, whether or not they file a Claim Form or sign a release, shall be barred
28 from asserting any Released Claims against any of the Released Parties, and each

1 and all Settlement Class Members shall conclusively be deemed to have released
2 and forever discharged any and all such Released Claims as against all of the
3 Released Parties, in the manner described in Section 8.

4 6.2 Cooperation. Herbalife shall cooperate in providing to the Claims
5 Administrator information such as names, addresses, and e-mail addresses for the
6 notice and settlement administration process, which shall be provided to the Claims
7 Administrator pursuant to a confidentiality agreement.

8 6.3 Motion for Final Judgment. If, after the Settlement Hearing scheduled
9 by the Court in the Preliminary Approval Order, the Court approves the Settlement
10 Agreement, then counsel for the Settling Parties shall request that the Court enter
11 Final Judgment.

12 **7. NO ADMISSION OF FAULT, LIABILITY, OR WRONGDOING**

13 7.1 The Settlement is Not an Acknowledgement of Liability or
14 Wrongdoing. Herbalife enters into this Settlement Agreement without in any way
15 acknowledging any fault, liability, or wrongdoing of any kind. Herbalife continues
16 to deny all of the material allegations in the First Amended Complaint and to assert
17 that Plaintiffs' claims are without merit.

18 7.2 The Settlement Raises No Inference of Liability or Wrongdoing.
19 Neither this Settlement Agreement, nor any of the negotiations or proceedings
20 connected with them, nor any other action taken to carry out this Settlement
21 Agreement by any of the Settling Parties shall be construed as, or shall be used as,
22 or shall raise any presumption or inference of, an admission or concession by or
23 against or respecting Herbalife of the truth of any of the allegations in the Complaint
24 or First Amended Complaint, or of any liability, fault or wrongdoing.

25 7.3 The Settlement is Not Evidence of Liability or Wrongdoing. Neither
26 this Settlement Agreement, nor any of its terms or provisions, nor any of the
27 negotiations or proceedings connected with them shall be offered as evidence or
28 received in evidence in any pending or future civil, criminal, or administrative

1 action or be used to create any inference or presumption of liability or an admission
2 of any kind by Herbalife, except as may be necessary to enforce the terms of this
3 Settlement Agreement.

4 **8. RELEASE**

5 8.1 As of the Effective Date and in consideration of this Settlement
6 Agreement and the benefits extended to the Class, Herbalife International of
7 America, Inc.; Herbalife International, Inc.; and Herbalife Ltd. (collectively,
8 “Herbalife”) and each of their present and former, direct and indirect, subsidiaries,
9 parents, affiliates, unincorporated entities, divisions, groups, officers, directors,
10 shareholders, partners, partnerships, joint ventures, employees, agents, servants,
11 assignees, successors, insurers, indemnitees, attorneys, transferees, and/or
12 representatives (collectively, the “Released Parties”) shall be released and forever
13 discharged by the Class Representatives, for themselves and as the representatives
14 of each Settlement Class Member; each Settlement Class Member on behalf of
15 himself or herself; and their respective present and former, direct and indirect,
16 subsidiaries, parents, affiliates, unincorporated entities, divisions, groups, officers,
17 directors, shareholders, partners, partnerships, joint ventures, employees, agents,
18 servants, assignees, successors, insurers, indemnitees, attorneys, transferees, and/or
19 representatives (collectively, the “Releasing Parties”) from all claims, demands,
20 rights, liabilities, suits, or causes of action, known or unknown, as of the Effective
21 Date that (1) were or could have been asserted in the complaints filed in this Action
22 against Herbalife, or (2) are based upon, arise out of, or reasonably relate to: (i) the
23 purchase or sale or offer of sale of any Herbalife product, including the IBP and
24 Mini-IBP, during the Class Period; (ii) any packaging and handling or shipping
25 charges paid in connection with purchase or sale or offer of sale of any Herbalife
26 product during the Class Period; (iii) the Herbalife Membership Application and
27 Agreement, including any materials attached thereto and/or referenced therein,
28 including the Statement of Average Gross Compensation; (iv) any actual, potential,

1 or attempted recruitment of any Herbalife member or distributor during the Class
2 Period; (v) any allegation that, during the Class Period, Herbalife engaged in any
3 acts of unfair competition; false and/or misleading advertising; or operated any type
4 of illegal, pyramid, endless chain, or fraudulent scheme; and (vi) any of the facts,
5 schemes, transactions, events, matters, occurrences, acts, disclosures, statements,
6 misrepresentations, omissions, or failures to act that have been or could have been
7 alleged or asserted in the Action (collectively, the “Released Claims”); provided,
8 however, that the Released Claims do not include claims arising out of (1) the
9 purchase or sale of Herbalife’s common stock, publicly traded on the New York
10 Stock Exchange under the ticker symbol, “HLF;” (2) federal, state, or local
11 government statutes, rules, regulations or ordinances over which a federal, state, or
12 local government agency or similar authority retains sole jurisdiction and for which
13 there is no private right of action accruing to the Settlement Class Members, either
14 collectively or individually; (3) the calculation of bonuses or payments for the sale
15 of Herbalife products owed by Herbalife to any Settlement Class Member, to the
16 extent such bonuses or payments are not related to any Qualified Products; or (4)
17 any allegation that an Herbalife product was defective.

18 8.2 The Released Claims include any unknown claims that reasonably
19 could have arisen out of the same facts alleged in the Action that the Settlement
20 Class Members do not know or suspect to exist in their favor at the time of the
21 release, which, if known by them, might have affected their settlement with, and
22 release of, the Released Parties or might have affected their decision not to object to
23 this Settlement. With respect to the Released Claims only, the Settlement Class
24 Members stipulate and agree that, upon the Effective Date, the Settlement Class
25 Members shall be deemed to have, and by operation of the Final Judgment shall
26 have, expressly waived and relinquished, to the fullest extent permitted by law, the
27 provisions, rights and benefits of Section 1542 of the California Civil Code, or any
28 other similar provision under federal or state law, which provides:

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
2 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO
3 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING
4 THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST
5 HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT
6 WITH THE DEBTOR.

6 8.3 The Settlement Class Members may hereafter discover facts in
7 addition to or different from those they now know or believe to be true with respect
8 to the subject matter of the Released Claims, but upon the Effective Date, shall be
9 deemed to have, and by operation of the Final Judgment shall have, fully, finally,
10 and forever settled and released any and all of the Released Claims, whether known
11 or unknown, suspected or unsuspected, contingent or non-contingent, which now
12 exist, or heretofore have existed, upon any theory of law or equity now existing or
13 coming into existence in the future, for damages, injunctive relief, rescission,
14 disgorgement, or restitution or any other right, remedy, or relief of every nature and
15 description whatsoever, whether based on federal, state, local, statutory or common
16 law or any other law, rule, or regulation, including the law of any jurisdiction
17 outside the United States, that were brought or could have been brought in the
18 complaints in this Action without regard to the subsequent discovery or existence of
19 such different or additional facts.

20 8.4 Continuing Jurisdiction. Except for the enforcement of the Final
21 Judgment entered pursuant to this Settlement Agreement, the Releasing Parties shall
22 be barred from prosecuting any proceeding against any of the Released Parties with
23 respect to any Released Claim. The Court shall retain jurisdiction to enforce the
24 Final Judgment, releases, and bars to suits contemplated by this Settlement
25 Agreement. It is further agreed that the Settlement Agreement and the Final
26 Judgment may be pleaded as a complete defense to any proceeding subject to this
27 Section.

28 **9. EXCLUSION (OPTING-OUT) FROM THE SETTLEMENT CLASS**

1 9.1 Any Person falling within the definition of the Settlement Class who
2 does not wish to participate in the Net Settlement Fund or Net Product Return Fund
3 described in Section 5 and be bound by the dismissals and releases provided for in
4 this Settlement Agreement, must request exclusion from the Settlement Class. A
5 request for exclusion must state: (1) the name, address, and telephone number of the
6 Person requesting exclusion and (2) that the person wishes to be excluded from the
7 Settlement Class. The exclusion request must be sent by mail or e-mail to the
8 Claims Administrator and postmarked or e-mailed on or before the date specified in
9 the Preliminary Order. The Claims Administrator shall deliver copies of any and all
10 requests for exclusion to Plaintiffs' Counsel and Herbalife's counsel. The Claims
11 Administrator shall make such deliveries on a weekly basis and shall ensure that the
12 final such delivery is received by Plaintiffs' Counsel and Herbalife's counsel at least
13 thirty (30) days before the Settlement Hearing. Plaintiffs' Counsel shall file any and
14 all such requests for exclusion with the Court at or before the Settlement Hearing.
15 All Persons who submit valid and timely requests for exclusion in the manner set
16 forth in this Section shall have no rights under this Settlement Agreement, and shall
17 not share in the distribution of the Net Settlement Fund or Net Product Return Fund.
18 All Persons falling within the definition of the Settlement Class who do not request
19 exclusion in the manner set forth in this Section shall be Settlement Class Members
20 and shall be bound by this Settlement Agreement and the Final Judgment. Any
21 Person falling within the definition of the Settlement Class who timely requests
22 exclusion shall, upon approval of the Court, be excluded from the class certified
23 pursuant to Fed. R. Civ. Proc. 23(b)(3); each such Person shall remain in the class
24 for purposes of injunctive relief claims, certified pursuant to Fed. R. Civ. Proc.
25 23(b)(2).

26 **10. ATTORNEYS' FEES AND DISBURSEMENT OF EXPENSES**

27 10.1 Application for Attorneys' Fees and Expenses. Plaintiffs' Counsel
28 may apply to the Court at the Settlement Hearing for an award of attorneys' fees and

1 reimbursement of their expenses and costs from the Settlement Fund in an amount
2 to be determined by the Court as a percentage of the entire value of settlement,
3 including monetary and other relief (such as corporate reforms), as a common fund,
4 in accordance with Ninth Circuit Court of Appeals precedent and the pertinent law.
5 Herbalife agrees not to oppose an application by Plaintiff's Counsel for attorneys'
6 fees consistent with fee awards previously approved by the Ninth Circuit Court of
7 Appeals. Plaintiffs' Counsel anticipates requesting an award of attorneys' fees
8 Plaintiffs' Counsel will file a separate motion with the Court requesting an award of
9 attorney fees, costs to be reimbursed, and any enhancements from the Settlement
10 Fund in an amount consistent with Ninth Circuit precedent. Plaintiffs and Plaintiffs'
11 Counsel agree that they will not seek to collect any attorneys' fees, expenses, or
12 costs from any source other than the Settlement Fund. To the extent the Court may
13 award fees to counsel for any class member appearing before the Court in
14 connection with the approval or implementation of this Settlement Agreement, such
15 fees shall be payable solely from the Settlement Fund.

16 10.2 Payment of Attorneys' Fees and Expenses Award. The attorneys'
17 fees, expenses, and costs approved by the Court to be distributed to Plaintiffs'
18 Counsel shall be paid by the Escrow Agent to Plaintiffs' Counsel from the
19 Settlement Fund, within five (5) business days after the Effective Date.

20 10.3 Named Plaintiffs' Compensation. The Court may award reasonable
21 incentive compensation to the named Plaintiffs for their service in the case, which
22 shall come from the Settlement Fund. Any such Court-ordered compensation shall
23 be paid within (5) five business days after the Effective Date. The Released Parties
24 shall have no responsibility for, and no liability whatsoever with respect to, any
25 incentive compensation to any of the named Plaintiffs, except as expressly provided
26 in Subsection 5.1.

27 10.4 No Effect On Settlement. Any orders or proceedings relating to the
28 application of Plaintiffs' Counsel for an award of attorneys' fees, costs, and

1 expenses shall not operate to terminate or cancel this Settlement Agreement, and
2 shall have no effect on the finality of the Final Judgment to be entered pursuant to
3 this Settlement Agreement.

4 10.5 Released Parties Not Responsible for Payment of Award. The
5 Released Parties shall have no responsibility for, and no liability whatsoever with
6 respect to, any payment to Plaintiffs' Counsel from the Settlement Fund that may
7 occur, except as expressly provided in Subsection 5.1.

8 10.6 Released Parties Not Responsible for Allocation of Award. The
9 Released Parties shall have no responsibility for, and no liability whatsoever with
10 respect to, the allocation among Plaintiffs' counsel, and any other Person who may
11 assert some claim thereto, of any award of attorneys' fees, costs, or expenses that
12 the Court may make.

13 **11. TERMINATION OF SETTLEMENT AGREEMENT**

14 11.1 Conditions Permitting Termination. Herbalife or Plaintiffs may elect
15 to terminate the Settlement Agreement, at their option, in the event that more than
16 five percent (5%) of members of the Settlement Class exclude themselves from the
17 Settlement pursuant to the provisions of Section 10.

18 11.2 Procedure for Termination. In order to terminate this Settlement
19 Agreement pursuant to Subsection 11.1, a party must serve a written notice of
20 termination on the Court and on opposing counsel, by hand delivery or by first class
21 mail. Such written notice must be delivered or postmarked within ten (10) business
22 days after counsel for the party seeking termination of the Settlement Agreement
23 receives from the Claims Administrator the last weekly delivery of copies of
24 requests for exclusion as provided for in Section 10 or within ten (10) business days
25 after the Court grants any additional request for exclusion from the Settlement Class
26 for any reason.

27 11.3 Consequences of Termination. If the Effective Date does not occur or
28 if a party terminates this Settlement Agreement as provided in this Section 11, then

1 this Settlement Agreement shall have no further force or effect and the Settling
2 Parties shall revert to their respective positions as of the date that the Settlement
3 Agreement was executed by Plaintiffs and Herbalife, as though this Settlement
4 Agreement had never been executed. In that event, within five (5) business days
5 after written notification of such event is sent by Herbalife's counsel or Plaintiffs'
6 Counsel to the Escrow Agent, the Settlement Fund and Product Return Fund, less
7 expenses and any costs which have been disbursed pursuant to Subsections 5.1
8 and/or 5.2, shall be refunded by the Escrow Agent to Herbalife's counsel. In such
9 event, Herbalife shall be entitled to any tax refund owing to the Settlement Fund
10 and/or Product Return Fund. At the request of Herbalife, the Escrow Agent or its
11 designee shall apply for any such refund and pay the proceeds, after deduction of
12 any fees or expenses incurred in connection with such application(s) for a refund, to
13 Herbalife.

14 11.4 Inadmissible for Purposes of Certifying a Litigation Class. If the
15 Settlement Agreement is terminated pursuant to the provisions set forth in this
16 Section 11 or the Effective Date does not occur for any reason, the parties will not
17 offer this Settlement Agreement, any agreement negotiated between the parties in
18 connection with or regarding the Settlement or the Settlement Agreement, or any
19 motion seeking approval of the Settlement or Settlement Agreement in connection
20 with a motion to certify a litigation class or in any other proceeding in this Action.

21 **12. OTHER PROVISIONS OF THE SETTLEMENT**

22 12.1 Public Communications. The Settling Parties shall consult concerning
23 separate communications with respect to the Settlement, and shall agree that any
24 other communications regarding the settlement will be consistent with those
25 communications. The Settling Parties and their counsel agree not to disparage each
26 other.

27 12.2 Stay of Proceedings. Upon the execution of this Settlement
28 Agreement, all discovery and other proceedings in the Action shall be stayed until

1 further order of the Court, except for proceedings that may be necessary to
2 implement the Settlement or comply with or effectuate the terms of this Settlement
3 Agreement.

4 12.3 Restoration to Status Quo Upon Termination. In the event this
5 Settlement Agreement is not approved by the Court in its present form, or the
6 conditions required for the Settlement Agreement to be consummated do not occur,
7 then the Settling Parties hereto shall be restored to their respective positions as of
8 the date that the Settlement Agreement was executed by Plaintiffs and Herbalife, the
9 terms and provisions of the Settlement Agreement shall have no further force and
10 effect with respect to the Settling Parties, and to the extent permitted by law, the
11 Settlement Agreement and associated exhibits shall not be used in any action or
12 proceeding for any purpose and any orders entered by the Court in accordance with
13 the terms of the Settlement Agreement shall be treated as vacated *nunc pro tunc*.

14 12.4 Best Efforts and Cooperation. The Settling Parties acknowledge that it
15 is their intent to consummate this Settlement Agreement. Accordingly, the Settling
16 Parties agree to cooperate to the extent necessary to effectuate and implement all
17 terms and conditions of the Settlement Agreement and exercise their best efforts to
18 establish the foregoing terms and conditions of the Settlement Agreement. The
19 Settling Parties further agree to cooperate in effecting notice to members of the
20 Settlement Class and in securing the Court's approval of the Settlement.

21 12.5 Authorization of Counsel. The undersigned counsel represent that
22 they are fully authorized to execute and enter into the terms and conditions of the
23 Settlement Agreement on behalf of their respective clients.

24 12.6 Entire Agreement. This Settlement Agreement (along with the
25 exhibits thereto) constitutes the entire agreement among the Settling Parties and
26 supersedes any prior agreements or understandings between them. All terms of this
27 Settlement Agreement are contractual and not mere recitals and shall be construed
28 as if drafted by all Settling Parties. The terms of this Settlement Agreement are and

1 shall be binding upon and inure to the benefit of each of the Settling Parties and
2 Settlement Class Members, their agents, attorneys, employees, heirs, successors, and
3 assigns, and upon all other persons claiming any interest in the subject matter hereto
4 through any of the parties hereto, including any Plaintiff or Settlement Class
5 Member.

6 12.7 Amendment. This Settlement Agreement may be amended or
7 modified only by a written instrument signed by or on behalf of all parties hereto or
8 their successors in interest. Amendments and modifications may be made without
9 notice to the Settlement Class, unless notice is required by the Court.

10 12.8 Execution in Counterparts. This Settlement Agreement may be
11 executed in counterparts or by facsimile, with each counterpart or facsimile
12 signature having the same force and effect as an original. All executed counterparts
13 and each of them shall be deemed to be the one and the same instrument. Counsel
14 for the parties to this Settlement Agreement shall exchange among themselves
15 original signed counterparts and a complete set of original executed counterparts
16 shall be filed with the Court.

17 12.9 Jurisdiction. The Court shall have exclusive and continuing
18 jurisdiction over the implementation, interpretation, and execution of the Final
19 Judgment and this Settlement Agreement and all exhibits thereto, with respect to all
20 parties hereto, including all Settlement Class Members.

21 12.10 Governing Law. The rights and obligations of the parties to the
22 Settlement Agreement shall be construed and enforced in accordance with, and
23 governed by, the laws of the State of California.

24 12.11 Headings. The headings and subheadings to this Settlement
25 Agreement have been inserted for convenience only and are not to be considered
26 when construing the provisions of this Settlement Agreement.

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1 12.12 Severability. In the event any one or more of the provisions contained
2 in this Settlement Agreement shall for any reason be held to be invalid, illegal, or
3 unenforceable in any respect, such invalidity, illegality, or unenforceability shall not
4 affect any other provision if the Settling Parties all elect to proceed as if such
5 invalid, illegal, or unenforceable provision had never been included in the
6 Agreement.

7 IN WITNESS WHEREOF, each of the Parties hereto has caused the
8 Agreement to be executed on its behalf by its duly authorized counsel of record, all
9 as of the day set forth below.

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Dated: October 31, 2014 BOIES, SCHILLER & FLEXNER LLP

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14 Dated: October 31, 2014 FOLEY BEZEK BEHLE & CURTIS, LLP

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23 *Vasko, Judi Trotter, Beverly Molnar, and Chester*
24 *Cote*

25
26 _____

27 ¹ I hereby attest that all other signatories listed, and on whose behalf the filing is
28 submitted, concur in the filing's content and have authorized the filing.

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Dated: October 31, 2014 FABIAN & CLENDENIN

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² I hereby attest that all other signatories listed, and on whose behalf the filing is submitted, concur in the filing's content and have authorized the filing.

EXHIBIT 1

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

**If you were an Herbalife Distributor or Member
at Any Time Between April 1, 2009,
and [Month 00], 2014,**

**You Could Get Benefits from
a Class Action Settlement.**

Para una notificación en Español, llamar 1-800-000-0000 o visitar [[website](#)].

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

- A Settlement has been reached with Herbalife International of America, Inc.; Herbalife International, Inc.; and Herbalife Ltd. (collectively, “Herbalife”) regarding its business practices.
- Those included in the Settlement may be eligible to receive a payment. Herbalife has also agreed to change or preserve recent changes to its business practices.

Your legal rights are affected even if you do nothing. Please read this Notice carefully.

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT | |
|---|--|
| SUBMIT A CLAIM FORM AND/OR REFUND CLAIM FORM | This is the only way to get a payment. This option will result in you giving up your rights to sue Herbalife about the legal claims in this lawsuit. |
| EXCLUDE YOURSELF | Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Herbalife about the legal claims in this case. |
| OBJECT | Write to the Court about why you do not like the settlement. |
| GO TO A HEARING | Ask to speak in Court about the fairness of the settlement. |
| DO NOTHING | Get no payment. Give up your rights to sue Herbalife about the claims in this lawsuit. |

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BASIC INFORMATION

1. Why did I get this notice package?

This notice is being sent to those individuals who may have had a valid agreement of distributorship or membership with Herbalife between April 1, 2009 and _____.

The Court sent you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it, and after objections and appeals are resolved, an administrator appointed by the Court (the “Claims Administrator”) will make the payments that the settlement allows. You will be informed of the progress of the settlement.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Central District of California, and the case is known as *Dana Bostick, et al. v. Herbalife International of America, Inc., et al.*, Case No. 2:13-cv-02488-BRO-RZ. Judge Beverly Reid O’Connell is overseeing this class action. The people who sued are called “Plaintiffs.” The people who were sued, Herbalife International of America, Inc.; Herbalife International, Inc.; and Herbalife Ltd. (collectively, “Herbalife”), are the “Defendants.”

2. What is this lawsuit about?

The lawsuit claimed that Herbalife operated a pyramid scheme contrary to California state law. The lawsuit also claims that Herbalife’s promotional materials made misleading claims regarding certain business opportunities. Herbalife denies that it did anything wrong and vigorously defended the litigation.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Dana Bostick, Anita Vasko, Judi Trotter, Beverly Molnar, and Chester Cote), sue on behalf of people who have similar claims. All these people are a “Class” or “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Herbalife. Instead, both sides agreed to a settlement. That way, both sides avoid the cost of a trial, and the people affected will get compensation. Herbalife denies all legal claims in this case. The Class

Representatives and their attorneys think that the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT?

To see if you will get money from this settlement, you must first be a Class Member.

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

The Class Members are described in the Stipulation of Settlement. In general, all persons who, during the period from April 1, 2009 through _____, had a valid agreement of distributorship or membership with Herbalife are included in the class.

6. Are there exceptions to being included?

You are not a Class Member if you were or are either an employee of Herbalife or a family member of an employee of Herbalife. You are not a Class Member if you were or are a member of the Herbalife President's Team, Founder's Circle, Chairman's Club, Millionaire Team, or GET Team.

You are not a Class Member entitled to receive any payment if you agreed to be subject to the arbitration provisions found in the Arbitration Agreement for Disputes Between Members and Herbalife contained in the Member Application Agreement effective as of September 2013. You may still, however, be a Class Member affected by the non-monetary elements of the settlement even if you signed an Arbitration Agreement.

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

If you are still not sure whether you are included, you can ask for free help by contacting Plaintiffs' Counsel at: _____. You can also call 1-800-XXX-XXXX or visit [\[website\]](#) for more information. Or you can fill out and return the claim form described on page 4, in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the settlement provide?

Herbalife has agreed to establish two Settlement Funds for current and former members and distributors:

- **Cash Settlement Fund:** \$15 million in cash will be used to pay Herbalife members or distributors who file valid claims. The fund will also be used to pay attorneys' fees and costs (*See* Question 17) as well as the costs to administer the settlement.

- **Product Return Fund:** Up to \$2.5 million will be available to pay members or distributors who file valid claims for the return of unused and unopened products (excluding International Business Packs and Mini-International Business Packs). An additional \$2.5 million from the Cash Settlement Fund described above may be used to pay for additional product returns if valid claims exceed the amount of the Product Return Fund.

Herbalife has also agreed to make or continue several changes to its corporate policies and procedures for no less than three years from the date the Court gives final approval of this settlement. Those corporate policies are listed below:

1. Herbalife shall not simultaneously and separately charge its members a “Packaging & Handling” fee (or similar fee) and an “Order Shipping Charge” (or similar fee).
2. Herbalife shall not define “Distributor” in its Glossary of Terms as “Everyone who purchases an Official Herbalife Member Pack (HMP) and submits to Herbalife a valid and complete Membership Application and whose Application has been accepted by Herbalife.”
3. Herbalife shall continue to discourage members from incurring debt to pursue the Herbalife business opportunity.
4. Herbalife shall continue to pay shipping charges for the return of products to Herbalife in connection with its inventory repurchase policies.
5. Herbalife shall continue enforcement of its rules and maintain a member compliance department. Herbalife shall also continue to revise and supplement its policies, procedures and member rules as deemed necessary by Herbalife in the exercise of reasonable business judgment.
6. Herbalife shall continue prohibiting members from selling leads to other members or purchasing leads from any source.
7. Herbalife shall continue to prohibit members from requiring a person to buy product (other than a Mini or Full Member Pack) as a condition to becoming an Herbalife member or distributor.
8. Herbalife shall continue to require that before opening a Nutrition Club in a non-residential location, the Herbalife member must have been a member for at least 90 days and receive mandatory Nutrition Club operator training.

9. Herbalife shall include its Statement of Average Gross Compensation (“SAGC”) as part of its member application.
10. Herbalife shall require that new members acknowledge reviewing the SAGC when signing a new Herbalife Membership Application and Agreement and shall continue to include and/or link to the SAGC with that Agreement.
11. Herbalife shall continue disclosing in its SAGC the total number and percentage of all members who do not receive any compensation payment directly from Herbalife.
12. Herbalife shall clarify in its Sales & Marketing Plan that upon qualifying as a Supervisor, a member shall have at least 12 months during which to requalify as a Supervisor.
13. Herbalife shall amend the hardcopy Membership Agreement to define “Compensation Statement” as “Statement of Average Gross Compensation Paid by Herbalife,” and include the following statement: “I hereby represent, warrant and agree that I am not relying upon and that I will not rely upon any other written or oral information or representations about the financial results I might achieve.” Herbalife may modify the Membership Agreement provided that such modifications are not materially inconsistent with these amendments.

Notes: The attorneys’ fees and costs, settlement administration costs, and other relevant costs will be paid from the Cash Settlement Fund. The remainder of the Cash Settlement Fund will be used to pay valid claims submitted by Class Members.

More details on the settlement are available in the Stipulation of Settlement, which is available at: [[website](#)]

9. How much will my payment be?

Your share of the settlement will depend on the number of valid claim forms that Class Members send in, the nature of your claim, and the amount of attorneys’ fees and costs awarded by the Court.

Three types of monetary benefits will be available from the two settlement Funds. Class Members could receive benefits in the following ways:

Type 1: Product Return Award (Product Return Fund)

Class Members may submit claims to return unused and unopened products (excluding International Business Packs and Mini-International Business Packs) purchased more than one year prior to _____, the deadline for submitting claims forms. Following this deadline, the Claims Administrator will post on the class action settlement website

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QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE, OR VISIT [[WEBSITE](#)].COM
PARA UNA NOTIFICACIÓN EN ESPAÑOL, LLAME O VISITE NUESTRO WEBSITE

[website name] a notice of the return payment and at that point, you will have the ability to return the products identified in your claim forms.

Notes: If the total product return amount exceeds the amount in the Product Return Fund, payments to the Class Members will be reduced on a proportional basis so that all valid claims can be paid. Any shipping costs will be paid out of the Product Return Fund. If you purchased Herbalife products within one year prior to _____, you may be entitled to a refund under Herbalife's Gold Standard Guarantees, which are administered directly by Herbalife and not part of this Settlement.

Type 2: Business Opportunity Award (Cash Settlement Fund)

If you (a) joined Herbalife primarily to pursue a business opportunity and not primarily for personal and/or family consumption of Herbalife products; (b) in total, lost money on Herbalife products pursuing the Herbalife business opportunity; and (c) have never been a GET Team or higher-level member, then you may qualify for an award from the Cash Settlement Fund based on your purchases of "Qualified Products."

An Herbalife product is a "Qualified Product," if it was (i) purchased for resale purposes; (ii) purchased from within the U.S. and shipped to you at a location in the U.S.; (iii) not sold for at least the cost of purchase; (iv) not returned through Herbalife's buyback program or Herbalife's satisfaction guarantee; and (v) not the subject of a claim for recovery from the Product Fund that has been filed pursuant to this Settlement.

Pro Rata Award

If you paid Herbalife at least \$750 to purchase Qualified Products during any Claims Year, you may qualify for a pro rata award from the Cash Settlement Fund equal to the lesser of 100% of the estimated total loss from your sales of "Qualified Products" or 50% of the price you paid for your aggregate "Qualified Product." A Claims Year is a twelve month period beginning and ending on the first day of the month in which you became an Herbalife member.

Notes: If claims exceed the amount available for Pro Rata Awards, payments to the Class Members will be reduced on a proportional basis so that all valid claims can be paid.

Flat Rate Award

If you did not pay Herbalife at least \$750 to purchase Qualified Products during a Claims Year (as defined above), you may be entitled to a payment of \$20 to be paid from the Cash Settlement Fund.

Notes: If claims exceed the amount available for Flat Rate Awards, payments to the Class Members will be reduced on a proportional basis so that all valid claims can be paid.

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QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE, OR VISIT [WEBSITE].COM
PARA UNA NOTIFICACIÓN EN ESPAÑOL, LLAME O VISITE NUESTRO WEBSITE

Any amounts remaining in the Cash Settlement Fund after the payments specified in the Business Opportunity Award shall be paid pursuant to the *cy pres* doctrine to the following charity, or such charity as the parties may agree upon and the Court approves:

Consumer Federation of America

To the extent interest is earned on amounts held by the Claims Administrator prior to distribution as set forth in the Stipulation of Settlement, it shall accrue and be payable to Herbalife.

HOW YOU GET A PAYMENT— SUBMITTING A CLAIM FORM

10. How can I get a payment?

To qualify for payment from either the Cash Settlement Fund or Product Return Fund, you must send in a claim form. A claim form may be obtained from the Claims Administrator from its website at [_____] or by telephone request by calling [_____]. Read the instructions carefully, fill out the form(s) and sign and (if not filled out online) mail the form(s) postmarked no later than _____.

Product Return Payments

To receive a payment under the Product Return Fund, in your claim form, you must identify the following:

- Product Stock-Keeping Unit number (“SKU”).
- Estimated purchase date of the products to be returned.
- The actual amount paid for each product you intend to return.
- If you are unable to provide the actual amount paid for the products you intend to return, you must certify under penalty of perjury that you are unable to provide that information and then provide an estimated purchase amount. Assuming all other information you provide is proper, the Claims Administrator will then calculate the amount paid as the lesser of your estimated purchase amount or 50% of Herbalife’s Suggested Retail Price for the product on the purchase date.

To qualify for a payment from the Product Return Fund, after the Claims Administrator posts a notice of the return payment on the Internet at [website], you must return the product identified in your claim form by following the directions on the website.

Cash Settlement Payments

To receive a payment under the Cash Settlement Fund, in your claim form, you must certify under penalty of perjury the following:

- You joined Herbalife primarily to pursue a business opportunity and not primarily to personally (or as a family) consume Herbalife's product.
- In total, you lost money on Herbalife products pursuing the Herbalife business opportunity.
- You have never been a GET Team or higher-level member.
- The amount of your best, good faith estimate of your total loss from product sales.

Payments under the Cash Settlement Fund will be made only for purchases of Qualified Products. Qualified Products are products that were :

- Purchased for resale purposes.
- Purchased from within the U.S. and shipped to you at a location in the U.S.
- Not sold by you for at least the cost of purchase.
- Not returned through Herbalife's buyback program or Herbalife's satisfaction guarantee.
- Not the subject of a claim for recovery from the Product Fund that has been filed pursuant to this Settlement.

You must certify the aforementioned information under penalty of perjury.

11. When would I get my payment?

The Court will hold a hearing on _____, to decide whether to approve the settlement. If Judge O'Connell approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time. Everyone who sends in a form will be informed of the progress of the settlement. Please be patient.

12. What am I giving up to get a payment and stay in the Class?

Unless you exclude yourself, you will remain in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Herbalife about the legal issues in *this* case, except as permitted in the Stipulation of Settlement. It also means that all of the Court's orders, including a release of claims alleged or that could have been alleged in the lawsuit, will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue Herbalife on your own about the legal claims in this case for monetary relief, then you must take steps to get out of the Class. This is called excluding yourself, or "opting out" of the Class.

13. How do I get out of the settlement?

To exclude yourself from the monetary portion of the settlement, you must send an Opt-Out Form (available on the Claims Administrator's website) or letter by mail or by email saying that you want to be excluded from *Bostick v. Herbalife*. Be sure to include your name, address, telephone number, and your signature. You must mail or email your exclusion request postmarked no later than _____ to:

Bostick v. Herbalife Settlement Administrator
P.O. Box xxxx
Providence, RI 02940

Herbalifexclusions@XXXXXX.com

You cannot exclude yourself on the phone, but you can request an Opt-Out Form by calling the Claims Administrator at the phone number listed in this Notice. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Herbalife in the future about the legal issues in this case.

14. If I do not exclude myself, can I sue Herbalife for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Herbalife for the claims that this settlement resolves. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is _____.

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

No. If you take the steps to exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit against Herbalife, subject to the law applicable to your case.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court approved the law firms of Fabian & Clendenin, P.C. of Salt Lake City, Utah and Foley Bezek Behle & Curtis, LLP of Santa Barbara, CA to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees of 30% of the total settlement value in an amount not to exceed \$5,250,000 and costs of approximately \$200,000 for pursuing this case. The Court may award less than the amounts requested. These amounts and the costs to administer the settlement will come out of the Cash Settlement Fund, which will reduce the amount of money available to each member of the Class.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

18. How do I tell the Court that I don't like the settlement?

If you are a Class Member and you have not excluded yourself, you can object to the settlement if you do not like some or all of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To do so, you must mail in a written objection in the case, *Dana Bostick, et al. v. Herbalife International of America, Inc., et al.*, Case No. 2:13-cv-02488-BRO-RZ, to:

United States District Court
Central District of California
312 North Spring Street
Los Angeles, California 90012

Herbalife Objections
Fabian & Clendenin, P.C.
215 South State Street, Suite 1200
Salt Lake City, UT 84151-0210

Herbalife Objections
Foley Bezek Behle & Curtis, LLP
15 West Carrillo Street
Santa Barbara, California 93101

Herbalife Objections
Boies, Schiller & Flexner LLP
333 Main Street
Armonk, NY 10504

Herbalife Objections
Bird Marella P.C.

1875 Century Park East, 23rd Floor
Los Angeles, CA 90067-2561

Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. Your objection must be postmarked no later than _____:

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

20. When and where will the Court decide whether to approve the settlement?

Judge O'Connell will hold a Fairness Hearing at _____ on _____ at the United States District Court for the Central District of California, 312 North Spring Street, Los Angeles, California 90012, Department 14, Spring St. Floor. At this hearing Judge O'Connell will consider whether the settlement is fair, reasonable, and adequate. If there are objections, Judge O'Connell will consider them. Judge O'Connell will listen to people who have asked to speak at the hearing. Judge O'Connell may also decide how much to pay to Class Counsel. After the hearing, Judge O'Connell will decide whether to approve the settlement. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge O'Connell may have. However, you or your own lawyer are welcome to come at your own expense. If you send in a written objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time and in accordance with this Notice, the Court will consider it.

22. May I speak at the hearing?

You may ask Judge O'Connell for permission to speak at the Fairness Hearing. To do so, you must send a letter to the address listed in Question 18 saying that it is your "Notice of Intention to Appear in *Dana Bostick, et al. v. Herbalife International of America, Inc., et al.*, Case No. 2:13-cv-02488-BRO-RZ." Be sure to include your name, address, telephone

number, and your signature. Your Notice of Intention to Appear must be postmarked no later than _____. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this settlement. And unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Herbalife about the legal issues in this case, ever again, except as permitted in the Stipulation of Settlement.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation of Settlement. You can get a copy of the Stipulation of Settlement at [\[website\]](#).

25. How do I get more information?

You can visit the website at [\[website\]](#), where you will find answers to common questions about the settlement, a claim form, and other information to help you determine whether you are a Class Member and whether you are eligible for a payment or you can call 1-800-XXX-XXXX toll free; or write to Bostick v. Herbalife Settlement Administrator, P.O. Box xxxx, Providence, RI 02940.

TRIBUNAL DE DISTRITO DE LOS ESTADOS UNIDOS PARA EL DISTRITO CENTRAL DE CALIFORNIA

Si usted fue distribuidor o miembro de Herbalife en cualquier momento entre el 1 de abril de 2009, y el [00 de mes] de 2014,

podría obtener beneficios de una Conciliación de demanda colectiva.

Para obtener una notificación en español, llame al 1-800-000-0000 o visite [\[sitio web\]](#).

*Un tribunal federal autorizó esta notificación. La presente **no** se trata de un ofrecimiento de servicios por parte de un abogado.*

- Se ha llegado a una Conciliación con Herbalife International of America, Inc.; Herbalife International, Inc.; y Herbalife Ltd. (en conjunto, "Herbalife") respecto a sus prácticas comerciales.
- Los individuos que sean incluidos en la Conciliación pueden ser elegibles para recibir un pago. Herbalife también ha acordado cambiar o preservar los recientes cambios a sus prácticas comerciales.

Sus derechos legales podrían verse alterados aun cuando no actúe. Lea esta Notificación detenidamente.

| SUS DERECHOS LEGALES Y OPCIONES EN ESTA CONCILIACIÓN | |
|--|--|
| PRESENTAR UN FORMULARIO DE RECLAMACIÓN Y/O FORMULARIO DE RECLAMACIÓN DE REEMBOLSO | Esta es la única forma de obtener un pago. Esta opción tendrá como consecuencia que usted renuncia a sus derechos de demandar a Herbalife sobre las reclamaciones legales en este litigio. |
| EXCLUÍRSE | No obtiene pago alguno. Esta es la única opción que le permite a usted formar parte de cualquier otra demanda en contra de Herbalife sobre las reclamaciones legales en este caso. |
| OBJETAR | Escribir al Tribunal sobre el motivo por el cual le agrada o no, la conciliación. |
| ASISTIR A UNA AUDIENCIA | Puede pedir la palabra ante el Tribunal con respecto a la imparcialidad de la conciliación. |

| | |
|----------------------|--|
| NO HACER NADA | No obtiene pago alguno. Renuncia a sus derechos de demandar a Herbalife sobre las reclamaciones en este litigio. |
|----------------------|--|

QUÉ CONTIENE ESTA NOTIFICACIÓN

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INFORMACIÓN BÁSICA

1. ¿Por qué recibí este paquete de notificación?

Esta notificación se envía a aquellos individuos que posiblemente hayan tenido un acuerdo de distribución válido o membresía válida con Herbalife entre el 1 de abril de 2009 y el _____.

El Tribunal le envió esta notificación porque usted tiene el derecho de saber acerca de la propuesta de conciliación de un litigio de demanda colectiva, y todas las opciones que tiene a su disposición antes de que el Tribunal decida si aprueba o no la conciliación. Si el Tribunal la aprueba, y una vez resueltas las objeciones y apelaciones, un administrador nombrado por el Tribunal (el "Administrador de reclamaciones") distribuirá los pagos dispuestos en la conciliación. Usted recibirá información sobre el progreso de la conciliación.

Este paquete explica la demanda, la conciliación, sus derechos legales, lo beneficios de los que dispone, quiénes son elegibles para recibirlos y cómo obtenerlos.

El Tribunal a cargo del caso es el Tribunal de Distrito de los Estados Unidos para el Distrito Central de California, y el caso se conoce como *Dana Bostick, et al. v. Herbalife International of America, Inc., et al.*, Caso n.º 2:13-cv-02488-BRO-RZ. El juez Beverly Reid O'Connell supervisa esta demanda colectiva. Las personas que presentaron la demanda se denominan "Demandantes". La personas que fueron demandadas, Herbalife International of America, Inc.; Herbalife International, Inc.; y Herbalife Ltd. (en conjunto, "Herbalife"), son los "Demandados".

2. ¿De qué trata esta demanda?

La demanda reclamaba que Herbalife operaba bajo un esquema piramidal contrario a la legislación estatal de California. La demanda también reclama que los materiales promocionales de Herbalife hacían afirmaciones engañosas respecto a ciertas oportunidades de negocio. Herbalife niega que haya obrado de mala forma y se defendió de forma enérgica en la demanda.

3. ¿Por qué esta es una demanda colectiva?

En una demanda colectiva, una o más personas llamadas Representantes del Grupo de demandantes (en este caso Dana Bostick, Anita Vasko, Judi Trotter, Beverly Molnar y Chester Cote), presentan una demanda en nombre de personas que se encuentran en una situación similar. Todas estas personas son el "Grupo de demandantes" o los "Miembros del Grupo de demandantes". Un tribunal resuelve los problemas de todos los Miembros del Grupo de demandantes, excepto los de las personas que se excluyan del Grupo de demandantes.

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4. ¿Por qué existe una conciliación?

El Tribunal no falló a favor de los Demandantes ni de Herbalife. En su lugar, ambas partes aceptaron llegar a una conciliación. De esta forma, ambas partes evitan el costo de un juicio, y las personas afectadas recibirán compensación. Herbalife niega todas las reclamaciones legales en este caso. Los Representantes del Grupo de demandantes y sus abogados consideran que la conciliación es lo mejor para todos los Miembros del Grupo de demandantes.

¿QUIÉNES ESTÁN INCLUIDOS EN LA CONCILIACIÓN?

Para ver si usted obtendrá dinero de esta conciliación, primero debe convertirse en Miembro del Grupo de demandantes.

5. ¿Cómo sé si formo parte de la conciliación?

Los Miembros del Grupo de demandantes son detallados en la Estipulación de la Conciliación. En general, todas las personas que, durante el periodo comprendido entre el 1 de abril de 2009 hasta el _____, hayan tenido un acuerdo de distribución válido o membresía válida con Herbalife se incluyen en el grupo de demandantes.

6. ¿Hay excepciones para poder ser incluido?

Usted no es Miembro del Grupo de demandantes si fue o es empleado de Herbalife o miembro familiar de un empleado de Herbalife. Usted no es Miembro del Grupo de demandantes si fue o es miembro del President's Team (Equipo de Presidencia), Founder's Circle (Círculo del Fundador), Chairman's Club (Club de Presidencia), Millionaire Team (Equipo Millonario), o GET Team (Equipo GET).

Usted no es Miembro del Grupo de demandantes con derecho a recibir algún pago si usted aceptó someterse a las disposiciones de arbitraje que se encuentran en el Acuerdo de arbitraje para disputas entre miembros y Herbalife contenidas en el Acuerdo de solicitud de membresía vigente a septiembre de 2013. Sin embargo, aún puede ser Miembro del Grupo de demandantes afectado por los elementos no monetarios de la conciliación incluso si usted firmó un Acuerdo de arbitraje.

7. Todavía no estoy seguro de si estoy incluido.

Si usted aún no está seguro de si está incluido, puede solicitar ayuda gratuita poniéndose en contacto con los Abogados de los Demandantes a: _____. También puede llamar al 1-800-XXX-XXXX o visite [\[sitio web\]](#) para obtener mayor información. O puede diligenciar y regresar el formulario de reclamación descrito en la página 4, en la pregunta 10, para ver si usted reúne los requisitos necesarios.

LOS BENEFICIOS DE LA CONCILIACIÓN - LO QUE USTED OBTIENE

8. ¿Qué es lo que se ofrece en la conciliación?

Herbalife ha acordado establecer dos Fondos de conciliación para miembros y distribuidores actuales y pasados.

- **Fondo de conciliación en efectivo:** Se usarán 15 millones USD en efectivo para pagar a miembros o distribuidores de Herbalife que hayan presentado reclamaciones válidas. El fondo también se usará para pagar honorarios y costos de abogados (*véase* Pregunta 17) así como los costos de administración de la conciliación.
- **Fondo de devolución de productos:** Se pondrán a disposición hasta 2,5 millones USD para pagar a miembros o distribuidores que presenten reclamaciones válidas para la devolución de productos no usados ni abiertos (lo que excluye los Paquetes Comerciales Internacionales [International Business Packs] y los Minipaquetes Comerciales Internacionales [Mini-International Business Packs]). Se pueden usar 2,5 millones USD adicionales del Fondo de conciliación en efectivo descrito anteriormente para pagar por devoluciones de productos adicionales si las reclamaciones válidas exceden el monto del Fondo de devolución de productos.

Herbalife también ha acordado hacer o continuar varios cambios a sus políticas y procedimientos corporativos durante mínimo tres años a partir de la fecha en que el Tribunal dé su aprobación final de esta conciliación. A continuación se detallan dichas políticas corporativas:

1. Herbalife no podrá cobrar simultáneamente y por separado a sus miembros un honorario de "Empaque y manejo" (o un honorario similar) y un "Cargo de transporte de pedido" (o un honorario similar).
2. Herbalife no definirá "Distribuidor" en su Glosario de términos como "Toda persona que compre un Paquete de miembro Herbalife oficial (Official Herbalife Member Pack) y presente a Herbalife una Solicitud de membresía válida y completa y cuya Solicitud haya sido aceptada por Herbalife".
3. Herbalife continuará disuadiendo a sus miembros de incurrir en deudas para dedicarse a la oportunidad de negocio de Herbalife.

4. Herbalife continuará pagando los cargos de transporte para la devolución de productos a Herbalife en relación con sus políticas de recompra de inventario.
5. Herbalife continuará ejecutando sus normas y manteniendo un departamento de cumplimiento normativo de miembros. Herbalife también deberá continuar revisando y complementando sus políticas, procedimientos y reglamentos de miembros según Herbalife considere necesario en el ejercicio de su juicio comercial razonable.
6. Herbalife continuará prohibiendo a sus miembros vender listas de clientes potenciales a otros miembros o comprar listas de clientes potenciales de cualquier otra fuente.
7. Herbalife continuará prohibiendo a sus miembros que soliciten a una persona que compre un producto (salvo un Paquete de Miembro Mini o Completo) como condición para convertirse en miembro o distribuidor de Herbalife.
8. Herbalife continuará solicitando que antes de abrir un Club de Nutrición (Nutrition Club) en una sede no residencial, el miembro de Herbalife debe haber sido miembro durante mínimo 90 días y recibir capacitación obligatoria de operador de Club de Nutrición.
9. Herbalife incluirá su Declaración de compensación bruta promedia (Statement of Average Gross Compensation, "SAGC") como parte de su solicitud de membresía.
10. Herbalife deberá exigir que los nuevos miembros reconozcan haber revisado la SAGC cuando firmen una nueva Solicitud y Acuerdo de membresía Herbalife y continuará incluyendo o vinculando a la SAGC con ese Acuerdo.
11. Herbalife deberá continuar divulgando en su SAGC el número total y porcentaje de todos los miembros que no reciban ningún pago compensatorio directamente de Herbalife.
12. Herbalife deberá aclarar en su Plan de ventas y mercadeo que tras cumplir los requisitos necesarios para ser Supervisor, un miembro tendrá como mínimo 12 meses durante los cuales podrá ser reevaluado como Supervisor.
13. Herbalife deberá enmendar el Acuerdo de membresía en versión física para definir "Declaración de compensación" como "Declaración de compensación bruta promedio pagada por Herbalife", e incluir la siguiente declaración: "Por medio del presente asevero, garantizo y acuerdo que no

me estoy basando y que no me basaré en ninguna otra información o afirmación verbal o escrita sobre los resultados financieros que yo pueda lograr". Herbalife puede modificar el Acuerdo de membresía siempre que dichas modificaciones no sean considerablemente incongruentes con estas enmiendas.

Notas: Los honorarios y costos de abogados, los costos de administración de la conciliación y otros costos correspondientes, serán pagados a partir del Fondo de conciliación en efectivo. El saldo del Fondo de conciliación en efectivo será usado para pagar reclamaciones válidas presentadas por Miembros del Grupo de demandantes.

Podrá conocer más detalles sobre la conciliación, consulte la Estipulación de conciliación, que se encuentra disponible en: [\[sitio web\]](#)

9. ¿De cuánto será mi pago?

Su cuota de la conciliación dependerá del número de formularios de reclamación válidos que envíen los Miembros del Grupo de demandantes, la naturaleza de su reclamación y el monto de honorarios y costos de abogados adoptados por el Tribunal.

Habrán disponibles tres tipos de beneficios monetarios a partir de los dos Fondos de conciliación. Los Miembros del Grupo de demandantes podrían recibir beneficios de las siguientes formas:

Tipo 1: Indemnización de devolución de producto (fondo de devolución de productos)

Los Miembros del Grupo de demandantes pueden presentar reclamaciones para regresar productos no usados ni abiertos (excluidos los Paquetes Comerciales Internacionales y Minipaquetes Comerciales Internacionales) comprados con más de un año de antelación al _____, la fecha límite para presentar formularios de reclamación. Después de este plazo, el Administrador de reclamaciones publicará en el sitio web de la conciliación de demanda colectiva [\[nombre del sitio web\]](#) una notificación del pago de devolución y en ese momento, usted tendrá la posibilidad de devolver los productos identificados en sus formularios de reclamación.

Notas: Si el monto de devolución de productos excede el monto en el Fondo de devolución de productos, los pagos a los Miembros del Grupo de demandantes se reducirán de forma proporcional para que se puedan pagar todas las reclamaciones válidas. Todo costo de envío será pagado a partir del Fondo de devolución de productos. Si usted compró productos Herbalife dentro de un año antes del _____, usted puede tener derecho a un reembolso en virtud de las Garantías estándares Gold de Herbalife (Gold Standard Guarantees), que son administradas directamente por Herbalife y no forman parte de esta Conciliación.

Tipo 2: Indemnización de oportunidad de negocio (Fondo de conciliación en efectivo)

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Si usted (a) se adhirió a Herbalife principalmente para dedicarse a una oportunidad de negocio y su razón principal para adherirse no fue el consumo personal y/o familiar de productos Herbalife; (b) en total, perdió dinero en productos de Herbalife en la dedicación a la oportunidad de negocio de Herbalife; y (c) nunca ha sido miembro del GET Team o un equipo de nivel más alto, entonces es posible que usted reúna los requisitos para una indemnización del Fondo de conciliación en efectivo con base en sus compras de "Productos aceptables".

Un producto Herbalife es un "Producto aceptable" si este (i) fue comprado con propósito de reventa; (ii) fue comprado dentro de los EE. UU. y enviado a usted en un lugar de los EE. UU.; (iii) no fue vendido por mínimo el costo de compra; (iv) no fue devuelto a través del programa de recompra de Herbalife o garantía de satisfacción de Herbalife; (v) no fue objeto de una reclamación para compensación del Fondo de productos que haya sido registrada conforme a esta Conciliación.

Indemnización prorrateada

Si usted pagó a Herbalife como mínimo 750 USD para comprar Productos aceptables durante cualquier Año de reclamación, puede ser elegible para una indemnización prorrateada obtenida del Fondo de conciliación en efectivo igual a un 100 % de la pérdida total estimada de sus ventas de "Productos aceptables" o un 50 % del precio que usted pago para su total de "Producto aceptable", el monto que sea menor. Un Año de reclamación es un periodo de doce meses que inicia y finaliza el primer día del mes en que usted se convirtió en miembro de Herbalife.

Notas: Si las reclamaciones exceden el monto disponible para Indemnizaciones prorrateadas, se reducirán los pagos a los Miembros del Grupo de demandantes en forma proporcional para que puedan pagarse todas las reclamaciones válidas.

Indemnización de tarifa plana

Si usted no pagó a Herbalife como mínimo 750 USD para comprar Productos aceptables durante un Año de reclamación (como se define arriba), usted puede tener derecho a un pago de 20 USD que serán pagados a partir del Fondo de conciliación en efectivo.

Notas: Si las reclamaciones exceden el monto disponible para Indemnizaciones de tarifa plana, se reducirán los pagos a los Miembros del Grupo de demandantes en forma proporcional para que puedan pagarse todas las reclamaciones válidas.

Todo monto restante en el Fondo de conciliación en efectivo después de los pagos especificados en la Indemnización de oportunidad de negocio será pagado conforme a la doctrina *cy pres* a la siguiente organización de beneficencia o a la organización de beneficencia que acuerden mutuamente las partes y cuente con la aprobación del Tribunal:

Consumer Federation of America (Federación de Consumidores de América)

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En la medida en que se acumulen intereses sobre los montos mantenidos por el Administrador de reclamaciones antes de la distribución conforme a lo establecido en la Estipulación de conciliación, estos le corresponderán y serán pagaderos a Herbalife.

CÓMO OBTENER UN PAGO— PRESENTACIÓN DE UN FORMULARIO DE RECLAMACIÓN

10. ¿Cómo puedo obtener un pago?

Para poder obtener un pago del Fondo de conciliación en efectivo y un Fondo de devolución de productos, debe enviar un formulario de reclamación. Puede obtener el formulario de reclamación con el Administrador de reclamaciones en su sitio web [] o solicitándolo por teléfono llamando a la línea []. Lea las instrucciones con detenimiento, llene el(los) formulario(s) y firme y (si no lo llena en Internet) envíe por correo postal el(los) formulario(s) con fecha de sello postal de a más tardar el _____.

Pagos de devolución de productos

Para recibir un pago en virtud del Fondo de devolución de productos, debe identificar lo siguiente en su formulario de reclamación:

- Número de referencia de producto (Stock-Keeping Unit, "SKU").
- Fecha estimada de compra de los productos que se van a devolver.
- El monto real pagado para cada producto que usted pretende devolver.
- Si no puede proveer el monto real pagado por los productos que usted pretender devolver, debe certificar bajo pena de perjurio que usted no está en capacidad de brindar dicha información y luego indicar un monto de compra estimado. Asumiendo que toda la otra información que usted brindó es adecuada, el Administrador de reclamaciones entonces calculará el monto pagado como su monto de compra estimado o un 50 % del Precio sugerido de venta al público de Herbalife para el producto en la fecha de compra, el monto que sea menor.

Para poder obtener un pago del Fondo de devolución de productos, después de que el Administrador de reclamaciones publique una notificación del pago de devolución en Internet en [sitio web], debe regresar el producto identificado en su formulario de reclamación siguiendo las indicaciones detalladas en el sitio web.

Pagos de conciliación en efectivo

Para recibir un pago en virtud del Fondo de conciliación en efectivo, debe certificar, en su formulario de reclamación, bajo pena de perjurio lo siguiente:

- Usted se adhirió a Herbalife principalmente para dedicarse a una oportunidad de negocio y no por el motivo principal de consumir personalmente (o como familia) productos Herbalife.
- En total, usted perdió dinero en productos Herbalife al dedicarse a la oportunidad de negocio de Herbalife.
- Usted nunca ha sido miembro del GET Team o un nivel superior.
- El monto de su estimado más cercano y de buena fe de su pérdida total derivada de las ventas de productos.

Los pagos en virtud del Fondo de conciliación en efectivo serán hechos solamente para compras de Productos aprobados. Los Productos aceptables son productos que:

- Fueron comprados con propósitos de reventa.
- Fueron comprados dentro de los Estados Unidos y enviados a usted en un lugar de los EE. UU.
- No fueron vendidos por usted como mínimo al costo de compra.
- No fueron devueltos a través del programa de recompra de Herbalife o la garantía de satisfacción de Herbalife.
- No fueron objeto de un reclamo de indemnización a partir del Fondo de productos que haya sido registrado conforme a esta Conciliación.

Usted debe certificar la anterior información bajo pena de perjurio.

11. ¿Cuándo obtendría mi pago?

El Tribunal llevará a cabo una audiencia el _____, para decidir si aprueba la conciliación. Si el juez O'Connell aprueba la conciliación, puede haber apelaciones. Es imposible determinar con certeza si estas apelaciones pueden resolverse, y el hecho de resolverlas puede tardar cierto tiempo. Todas las personas que envíen un formulario serán informadas del progreso de la conciliación. Tenga paciencia.

12. ¿A qué estoy renunciando para recibir un pago y seguir formando parte del Grupo de demandantes?

A menos que se excluya usted mismo, seguirá formando parte del Grupo de demandantes, y eso significa que usted no puede demandar, seguir demandando ni ser parte de cualquier otra demanda en contra de Herbalife sobre los asuntos legales en *este* caso, salvo en la medida permitida por la Estipulación de conciliación. También significa que todas las órdenes del Tribunal, incluida una exoneración de reclamaciones alegadas o

que pudieran haber sido alegadas en la demanda, se aplicarán a usted y serán legalmente vinculantes para usted.

EXCLUIRSE DE LA CONCILIACIÓN

Si no desea obtener un pago de esta conciliación, pero desea conservar su derecho a demandar o proseguir una demanda en contra de Herbalife mediante sus propios medios sobre las reclamaciones legales en este caso por compensación monetaria, entonces usted debe tomar medidas para salir del Grupo de demandantes. Esto se conoce como el nombre de exclusión, o "excluirse" del Grupo de demandantes.

13. ¿Cómo puedo salirme de la conciliación?

Para excluirse de la conciliación, usted debe enviar un Formulario de exclusión (que es está disponible en el sitio web del Administrador de reclamaciones) o una carta por correo postal o por correo electrónico en la que indique que usted desea ser excluido de *Bostick v. Herbalife*. Asegúrese de incluir su nombre, dirección, número de teléfono y firma. Debe enviar por correo postal o electrónico su solicitud de exclusión con fecha de franqueo postal de a más tardar el _____ a:

Bostick v. Herbalife Settlement Administrator
P.O. Box xxxx
Providence, RI 02940

Herbalifexclusions@XXXXX.com

No puede excluirse por teléfono, pero puede solicitar un Formulario de exclusión llamando al Administrador de reclamaciones al número telefónico que se indica en esta Notificación. Si solicita ser excluido, no obtendrá ningún pago de conciliación, y no podrá objetar la conciliación. No quedará vinculado legalmente por cualquier hecho que suceda en esta demanda. Usted puede demandar (o proseguir su demanda contra) Herbalife en el futuro respecto a los asuntos legales de este caso.

14. Si no me excluyo, ¿puedo demandar más adelante a Herbalife por este mismo asunto?

No. A menos que se excluya, usted renuncia a cualquier derecho de demandar a Herbalife por las reclamaciones que resuelve esta Conciliación. Debe excluirse de *este* Grupo de demandantes para proseguir su propia demanda. Recuerde que la fecha límite para la exclusión es el _____.

15. Si me excluyo, ¿puedo obtener dinero de esta conciliación?

No. Si toma las medidas para excluirse, no envíe un formulario de reclamación. Pero, puede demandar, proseguir su demanda, o formar parte de una demanda diferente en contra de Herbalife, a reserva de la legislación aplicable a su caso.

LOS ABOGADOS QUE LO REPRESENTAN A USTED

16. ¿Tengo un abogado en este caso?

El Tribunal aprobó los bufetes de abogados de Fabian & Clendenin, P.C. de Salt Lake City, Utah, y Foley Bezek Behle & Curtis, LLP de Santa Barbara, CA, para que lo representen a usted y a otros Miembros del Grupo de demandantes. Estos abogados se denominan Abogados del Grupo de demandantes. A usted no se le cobrará por estos abogados. Si desea ser representado por su propio abogado en este caso, puede contratar a uno y responsabilizarse por los gastos pertinentes.

17. ¿Cómo se les pagará a los abogados?

Los Abogados del Grupo de demandantes solicitarán al Tribunal honorarios de abogados equivalentes a un 30 % del valor de conciliación total por un monto que no exceda los 5.250.000 USD y costas por aproximadamente 200.000 USD por hacerse cargo de este caso.. El Tribunal puede adjudicar un monto menor al solicitado. Estos montos y los costos de administrar la conciliación serán extraídos del Fondo de conciliación en efectivo, que reducirá el monto de dinero disponible para cada miembro del Grupo de demandantes.

OBJETAR LA CONCILIACIÓN

Usted puede indicarle al Tribunal que no acepta la conciliación o alguna parte de la misma.

18. ¿Cómo puedo informar al Tribunal que no me agrada la conciliación?

Si usted es Miembro del Grupo de demandantes y no se ha excluido, puede objetar la conciliación si no le gusta alguna parte o la totalidad de la misma. Podrá manifestar los motivos por los que cree que el Tribunal no debe aprobarla. El Tribunal considerará su opinión. Para hacerlo, debe enviar por correo postal una objeción escrita en el caso, *Dana Bostick, et al. v. Herbalife International of America, Inc., et al.*, Case No. 2:13-cv-02488-BRO-RZ, a:

United States District Court
Central District of California
312 North Spring Street
Los Angeles, California 90012

Herbalife Objections
Fabian & Clendenin P.C:
215 South State Street, Suite 1200
Salt Lake City, UT 84151-0210

Herbalife Objections
Foley Bezek Behle & Curtis, LLP
15 West Carrillo Street
Santa Barbara, California 93101

Herbalife Objections
Boies, Schiller & Flexner LLP
333 Main Street
Armonk, NY 10504

Herbalife Objections
Bird Marella P.C.
1875 Century Park East, 23rd Floor
Los Angeles, CA 90067-2561

Asegúrese de incluir su nombre, dirección, número de teléfono y firma junto con los motivos por los que objeta la conciliación. Su objeción debe tener fecha de franqueo postal de a más tardar el _____:

19. ¿Cuál es la diferencia entre presentar una objeción y excluirse?

Presentar una objeción simplemente significa decirle al Tribunal que a usted no le agrada algo acerca de la conciliación. Solo puede presentar una objeción si usted permanece en el Grupo de demandantes. Excluirse es decirle al Tribunal que usted no quiere formar parte del Grupo de demandantes. Si se excluye, no tendrá motivos para presentar objeciones dado que usted ya no está vinculado con el caso.

LA AUDIENCIA DE IMPARCIALIDAD DEL TRIBUNAL

El Tribunal llevará a cabo una audiencia para decidir si aprueba la conciliación. Usted puede asistir y pedir la palabra, aunque no es necesario que lo haga.

20. ¿Cuándo y dónde decidirá el Tribunal si aprueba o no la conciliación?

El juez O'Connell llevará a cabo una Audiencia de imparcialidad a las _____ del _____ en el Tribunal de Distrito de los Estados Unidos para el Distrito Central de California (United States District Court for the Central District of California), 312 North Spring Street, Los Angeles, California 90012, Department 14, Spring St. Floor. En esta audiencia, el juez O'Connell considerará si la conciliación es justa, razonable y adecuada. Si hay objeciones, el juez O'Connell las considerará. El juez O'Connell escuchará a las personas que hayan pedido la palabra en la

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audiencia. El juez O'Connell también puede decidir cuánto pagar a los Abogados del Grupo de demandantes. Después de esta audiencia, el juez O'Connell decidirá si aprueba o no la conciliación. No sabemos cuánto tiempo tardará tomar estas decisiones.

21. ¿Debo asistir a la audiencia?

No. Los Abogados del Grupo de demandantes responderán las preguntas que pueda tener el juez O'Connell. Sin embargo, usted o su propio abogado están bienvenidos a asistir a sus propias expensas. Si envía una objeción por escrito, no es necesario que se presente ante el Tribunal para hablar sobre ella. Siempre y cuando haya enviado su objeción por escrito oportunamente y de conformidad con esta Notificación, el Tribunal la tendrá en cuenta.

22. ¿Podré hablar en la audiencia?

Usted puede pedirle permiso al juez O'Connell para tomar la palabra en la Audiencia de imparcialidad. Para hacerlo, debe enviar una carta a la dirección que aparece en la pregunta 18 indicando que esta es su "Notice of Intention to Appear in (Notificación de intención de comparecer en) *Dana Bostick, et al. v. Herbalife International of America, Inc., et al.*, Caso n.º 2:13-cv-02488-BRO-RZ." Asegúrese de incluir su nombre, dirección, número de teléfono y firma. Su notificación de intención de Comparecer debe tener fecha de franqueo postal de a más tardar el _____. No puede tomar la palabra en la audiencia si se excluyó.

SI OPTA POR NO HACER NADA

23. ¿Qué sucede si no hago nada en absoluto?

Si no hace nada, no obtendrá dinero de esta conciliación. Y a menos que se excluya, no podrá en ningún momento en el futuro entablar una demanda, continuar una demanda, ni ser parte de ninguna otra demanda contra Herbalife sobre los asuntos legales en este caso, salvo lo dispuesto en la Estipulación de conciliación.

OBTENER MÁS INFORMACIÓN

24. ¿Hay mayor información detallada sobre la conciliación?

La presente notificación es un resumen de la conciliación propuesta. En la Estipulación de conciliación podrá encontrar más detalles. Usted puede obtener una copia de la Estipulación de conciliación en [\[sitio web\]](#).

25. ¿Cómo puedo obtener más información?

Puede visitar el sitio web en [\[sitio web\]](#), donde encontrará respuestas a preguntas frecuentes sobre la conciliación, un formulario de reclamación y otra información que le

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ayudará a determinar si usted es un Miembro del Grupo de demandantes y si usted es elegible para obtener un pago o puede llamar a la línea gratuita 1-800-XXX-XXXX; o escribir a Bostick v. Herbalife Settlement Administrator, P.O. Box xxxx, Providence, RI 02940.

EXHIBIT 2

To:
From: Herbalife Claims Administrator
Subject: Herbalife Settlement

If you were an Herbalife Distributor or Member at Any Time Between April 1, 2009, and Month 00, 2014, You Could Get Benefits from a Class Action Settlement.

Records show that you are a current or former Herbalife distributor. A lawsuit was filed against Herbalife International of America, Inc.; Herbalife International, Inc.; and Herbalife, Ltd. (collectively, "Herbalife") over its business model, alleging the Herbalife operates a pyramid scheme. Herbalife denies that it did anything wrong. The Settlement includes \$15 million for cash awards, \$2.5 million for product returns, and a legal commitment from Herbalife that it will change or preserve recent changes to certain business practices. Go to [website] for more information and to file a claim online.

Who's Included? You are included in the Settlement if at any time between April 1, 2009, and _____ you had a valid agreement of distributorship or membership with Herbalife.

What Can You Get? You may be eligible to return unused and unopened Herbalife products (excluding International Business Packs and Mini-International Business Packs) purchased more than one year prior to the deadline for submitting claim forms and receive in exchange, the actual amount you paid for each returned product. Even if you are unable to return products, you may be eligible to receive a cash payment for losses on Herbalife product purchases incurred in pursuing the Herbalife business opportunity.

How to Get Benefits? You must submit a Claim Form to get benefits. The Claim Form is available at [website] or by calling 1-800-000-0000. You can submit a Claim Form online or by mail. The deadline to submit a Claim Form is **Month 00, 2015**.

Your Other Rights. If you do nothing, your rights will be affected. If you do not want to be legally bound by the Settlement, you must exclude yourself from the Settlement. The deadline to exclude yourself is **Month 00, 2015**. If you do not exclude yourself you will be unable to sue Herbalife for any claim relating to the lawsuit. If you stay in the Settlement, you may object to it by **Month 00, 2015**. The Court will hold a hearing on **Month 00, 2014**, to consider whether to approve the Settlement and award attorneys' fees. The Plaintiffs' attorneys anticipate seeking attorneys' fees of 30% of the total settlement value in an amount not to exceed \$5,250,000 and costs of approximately \$200,000 for pursuing this case. Any awarded attorneys' fees and costs will be paid from the Cash Settlement Fund. You can appear at the hearing, but you don't have to. You can hire your own attorney at your own expenses to appear or speak for you at the hearing.

For more information or a Claim Form: 1-800-000-0000 [website]

COURT-ORDERED LEGAL NOTICE

If you were an Herbalife Distributor or Member at Any Time Between April 1, 2009, and Month 00, 2014, You Could Get Benefits from a Class Action Settlement.

Records show that you are a current or former Herbalife distributor. A lawsuit was filed against Herbalife International of America, Inc.; Herbalife International, Inc.; and Herbalife, Ltd. (collectively, "Herbalife") over its business model, alleging the Herbalife operates a pyramid scheme. Herbalife denies that it did anything wrong. The Settlement includes \$15 million for cash awards, \$2.5 million for product returns, and a legal commitment from Herbalife that it will change or preserve recent changes to certain business practices. Go to [\[website\]](#) for more information and to file a claim online.

WHO'S INCLUDED?

You are included in the Settlement if at any time between April 1, 2009, and _____ you had a valid agreement of distributorship or membership with Herbalife.

WHAT CAN YOU GET?

You may be eligible to return unused and unopened Herbalife products (excluding International Business Packs and Mini-International Business Packs) purchased more than one year prior to the deadline for submitting claim forms and receive in exchange, the actual amount you paid for each returned product. Even if you are unable to return products, you may be eligible to receive a cash payment for losses on Herbalife product purchases incurred in pursuing the Herbalife business opportunity.

HOW TO GET BENEFITS?

You must submit a Claim Form to get benefits. The Claim Form is available at [\[website\]](#) or by calling 1-800-000-0000. You can submit a Claim Form online or by mail. The deadline to submit a Claim Form is **Month 00, 2015**.

YOUR OTHER RIGHTS

If you do nothing, your rights will be affected. If you do not want to be legally bound by the Settlement, you must exclude yourself from the Settlement. The deadline to exclude yourself is **Month 00, 2015**. If you do not exclude yourself you will be unable to sue Herbalife for any claim relating to the lawsuit. If you stay in the Settlement, you may object to it by **Month 00, 2015**. The Court will hold a hearing on **Month 00, 2014**, to consider whether to approve the Settlement and award attorneys' fees. The Plaintiffs' attorneys anticipate seeking attorneys' fees of 30% of the total settlement value in an amount not to exceed \$5,250,000 and costs of approximately \$200,000 for pursuing this case. Any awarded attorneys' fees and costs will be paid from the Cash Settlement Fund. You can appear at the hearing, but you don't have to. You can hire your own attorney at your own expenses to appear or speak for you at the hearing.

**FOR MORE INFORMATION OR A CLAIM FORM:
1-800-000-0000 [WEBSITE]**

Para:

De: Administrador de reclamaciones de Herbalife

Asunto: Conciliación de Herbalife

Si usted fue distribuidor o miembro de Herbalife en cualquier momento comprendido entre el 1 de abril de 2009, y mes 00 de 2014, puede obtener beneficios de una Conciliación de demanda colectiva.

Los registros muestran que usted es o fue distribuidor de Herbalife. Se interpuso una demanda contra Herbalife International of America, Inc.; Herbalife International, Inc.; y Herbalife, Ltd. (en conjunto, "Herbalife") sobre su modelo comercial, en la que se alega que Herbalife opera con base en un esquema piramidal. Herbalife niega que haya obrado de mala forma. La Conciliación incluye 15 millones USD por concepto de indemnizaciones en efectivo, 2,5 millones USD por devoluciones de productos y un compromiso legal asumido por Herbalife de que cambiará o mantendrá los cambios recientes a ciertas prácticas comerciales. Visite [\[sitio web\]](#) para obtener más información y registrar una reclamación en línea.

¿Quién está incluido? Usted está incluido en la Conciliación si en algún momento comprendido entre el 1 de abril de 2009 y el _____ usted tuvo un acuerdo válido de distribución o membrecía con Herbalife.

¿Qué puede obtener? Usted puede ser elegible para devolver productos Herbalife no usados ni abiertos (excluidos los Paquetes Comerciales Internacionales [International Business Packs] y los Minipaquetes Comerciales Internacionales [Mini-International Business Packs]) comprados con más de un año de antelación a la fecha límite de presentación de formularios de reclamación y recibir en intercambio, el monto real que usted pagó para cada producto devuelto. Incluso si usted no está en capacidad de devolver los productos, puede ser elegible para recibir un pago en efectivo por las pérdidas sobre las compras de productos Herbalife asumidas en la dedicación a la oportunidad de negocio de Herbalife.

¿Cómo obtener beneficios? Debe enviar un Formulario de reclamación para obtener beneficios. Los Formularios de Reclamación están disponibles en [\[sitio web\]](#) o puede obtenerlos llamando al 1-800-000-0000. Puede enviar su Formulario de reclamación por Internet o por correo postal. La fecha límite para presentar su Formulario de reclamación es el **00 del mes de 2015**.

Sus otros derechos. Incluso si elige no hacer nada, sus derechos legales se verán alterados. Si no desea quedar vinculado legalmente por esta Conciliación, debe excluirse de la misma. La fecha límite para excluirse es el **00 de mes de 2015**. Si no se excluye, no podrá demandar a Herbalife por cualquier reclamación relacionada con el litigio. Si permanece en la Conciliación, podrá presentar objeciones a la misma a más tardar el **00 de mes de 2015**. El Tribunal llevará a cabo una audiencia el **00 de mes de 2014**, para considerar si aprueba la Conciliación y adjudica honorarios de abogados. Los abogados de los Demandantes prevén solicitar honorarios de abogados equivalentes a un 30 % del valor de conciliación total por un monto que no exceda los 5.250.000 USD y costas de aproximadamente 200.000 USD por hacerse cargo de este caso. Todos los honorarios y costos de abogados que sean aprobados serán pagados a partir del Fondo de conciliación en efectivo. Usted puede comparecer en la audiencia, pero no está obligado a hacerlo. También puede contratar su propio abogado, por su cuenta, para comparecer o hablar en su nombre en la audiencia.

Si desea más información o un Formulario de reclamación: 1-800-000-0000 [\[sitio web\]](#)

NOTIFICACIÓN LEGAL ORDENADA POR UN TRIBUNAL

Si usted fue distribuidor o miembro de Herbalife en cualquier momento comprendido entre el 1 de abril de 2009 y el 00 del mes de 2014, puede obtener beneficios de una Conciliación de demanda colectiva.

Los registros muestran que usted es o fue distribuidor de Herbalife. Se interpuso una demanda contra Herbalife International of America, Inc.; Herbalife International, Inc.; y Herbalife, Ltd. (en conjunto, "Herbalife") sobre su modelo comercial, en la que se alega que Herbalife opera con base en un esquema piramidal. Herbalife niega que haya obrado de mala forma. La Conciliación incluye 15 millones USD por concepto de indemnizaciones en efectivo, 2,5 millones USD por devoluciones de productos y un compromiso legal asumido por Herbalife de que cambiará o mantendrá los cambios recientes a ciertas prácticas comerciales. Visite [\[sitio web\]](#) para obtener más información y registrar una reclamación en línea.

¿QUIÉN ESTÁ INCLUIDO?

Usted está incluido en la Conciliación si en cualquier momento comprendido entre el 1 de abril de 2009 y el _____ usted tuvo un acuerdo de distribución válido o membresía válida con Herbalife.

¿QUÉ PUEDE OBTENER?

Usted puede ser elegible para devolver productos Herbalife no usados ni abiertos (excluidos los Paquetes Comerciales Internacionales [International Business Packs] y los Minipaquetes Comerciales Internacionales [Mini-International Business Packs]) comprados con más de un año de antelación a la fecha límite de presentación de formularios de reclamación y recibir en intercambio, el monto real que usted pagó para cada producto devuelto. Incluso si usted no está en capacidad de devolver los productos, puede ser elegible para recibir un pago en efectivo por las pérdidas sobre las compras de productos Herbalife asumidas en la dedicación a la oportunidad de negocio de Herbalife.

¿CÓMO OBTENER BENEFICIOS?

Debe enviar un Formulario de reclamación para obtener beneficios. Los Formularios de Reclamación están disponibles en [\[sitio web\]](#) o puede obtenerlos llamando al 1-800-000-0000. Puede enviar su Formulario de reclamación por Internet o por correo postal. La fecha límite para presentar su Formulario de reclamación es el **00 del mes de 2015**.

SUS OTROS DERECHOS

Incluso si no hace nada, sus derechos legales se verán alterados. Si no desea quedar vinculado legalmente por esta Conciliación, debe excluirse de la misma. La fecha límite para excluirse es el **00 de mes de 2015**. Si no se excluye, no podrá demandar a Herbalife por cualquier reclamación relacionada con el litigio. Si permanece en la Conciliación, podrá presentar objeciones a la misma a más tardar el **00 de mes de 2015**. El Tribunal llevará a cabo una audiencia el **00 de mes de 2014**, para considerar si aprueba la Conciliación y adjudica los honorarios de los abogados. Los abogados de los Demandantes prevén solicitar honorarios de abogados equivalentes a un 30 % del valor de conciliación total por un monto que no exceda los 5.250.000 USD y costas de aproximadamente 200.000 USD por hacerse cargo de este caso. Todos los honorarios y costos de abogados que sean aprobados serán pagados a partir del Fondo de conciliación en efectivo. Usted puede comparecer en la audiencia, pero no está obligado a hacerlo. También puede contratar su propio abogado, por su cuenta, para comparecer o hablar en su nombre en la audiencia.

**SI DESEA MÁS INFORMACIÓN O UN
FORMULARIO DE RECLAMACIÓN: 1-800-000-
0000 [SITIO WEB]**

EXHIBIT 3

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Dana Bostick, et al. v. Herbalife International of America Inc. et al.
Case No. 13-CV-02488-BRO

CLAIMS PROTOCOL

This Claims Protocol (the “Protocol”) is part of the Stipulation of Settlement (“Stipulation”) and shall be used by the Claims Administrator to review and process those Claims submitted pursuant to the Stipulation and otherwise implement the terms of the claim review and administration process. All capitalized terms used in this Protocol shall have the same meaning given them in the Stipulation.

1. Claims Administrator’s Role and Duties

- (a) The Claims Administrator shall be selected by the agreement of the Parties and recommended to and approved by the Court.
- (b) The Claims Administrator must consent, in writing, to serve and shall abide by the obligations of the Stipulation, this Protocol, and the Orders issued by the Court.
- (c) The Claims Administrator, as the Escrow Agent, shall maintain the funds in the escrow account in a blocked account or certificate of deposit at a nationally recognized, FDIC insured bank. The Claims Administrator shall have no authority, under any circumstance, to withdraw or disburse any escrowed funds without the written instructions of Defendant and Class Counsel.
- (d) The Claims Administrator shall have access to information about the balance of the escrowed funds to perform calculations relating to (i) the costs and expenses associated with disseminating the Class Notice; (ii) the costs and expenses associated with claims administration; and (iii) the total amount due to Authorized Claimants.
- (e) The Claims Administrator shall warrant that it knows of no reason why it cannot fairly and impartially administer the claim review process set forth in the Stipulation. If the Claims Administrator, Defendant, or Class Counsel learns of a conflict of interest as to a Claim, that party shall give written notice to the other parties, who shall resolve any such circumstances by further written agreement. Any unresolved dispute over such conflict of interest shall be submitted to the Court for resolution. The Claims Administrator shall indemnify and defend the Parties and their counsel against any liability arising from the Claims Administrator’s breach of this provision.
- (f) The Claims Administrator shall keep a clear and careful record of all communications with Class Members, all claims decisions, all expenses, and all tasks performed in administering the Notice and claim review processes.

- (g) The Claims Administrator shall provide periodic reports to Class Counsel and Defendant's Counsel regarding Claim Form submissions beginning not later than one week after Class Notice is first disseminated and continuing on a weekly basis thereafter.
- (h) The actual cost of the Claims Administrator shall be paid, from time to time, as determined by submitted and approved invoices, from the escrowed funds.
- (i) The Claims Administrator shall take all reasonable efforts to administer the Claims efficiently and avoid unnecessary fees and expenses. The Claims Administrator shall only be reimbursed for fees and expenses supported by detailed and clear timesheets and receipts for costs. As soon as work commences, the Claims Administrator shall provide a detailed written accounting of all fees and expenses on a monthly basis to Class Counsel and Defendant's Counsel, and shall respond promptly to inquiries by these counsel concerning fees and expenses.
- (j) The Parties are entitled to observe and monitor the performance of the Claims Administrator to assure compliance with the Stipulation and this Protocol. The Claims Administrator shall promptly respond to all inquiries and requests for information made by Defendant or its counsel or Class Counsel.

2. Providing and Submitting Claim Forms

- (a) The Claim Form, which is in substantially the form attached as [Exhibit 2] to the Stipulation, shall be available on the Claims Administrator's website (the "Settlement Website"), or by contacting the Claims Administrator. The Claim Form on the Settlement Website and the hard copy Claim Form shall be consistent in content.
- (b) The Claims Administrator shall establish and maintain the Settlement Website, which shall be easily accessible through commonly used Internet Service Providers for the submission of Claims. The Settlement Website shall be designed to permit Class Members to readily and easily submit Claims and obtain information about the Class Members' rights and options under the Stipulation. The Settlement Website shall be maintained continuously until the Effective Date.
- (c) The Claims Administrator also shall establish a toll-free telephone number that will have recorded information answering frequently asked questions about the Stipulation, including, but not limited to, the instructions about how to request a Claim Form and/or Class Notice as well as an option to reach a live operator.

3. Claim Form Review and Processing

- (a) Class Members may timely submit a Claim to the Claims Administrator up to the Claims Deadline. Class Members shall be eligible for the relief provided in the Stipulation, provided Class Members complete and timely submit the Claim Form to the Claims Administrator by the Claims Deadline.

- (b) The Claims Administrator shall complete the claim review process within the time period specified in the Stipulation.
- (c) The Claims Administrator shall gather and review the Claim Forms received pursuant to the Stipulation, and fulfill valid Claims.
 - (i) Class Members who submit a timely and valid Claim Form shall be designated as Authorized Claimants. The Claims Administrator shall examine the Claim Form before designating the Class Member as an Authorized Claimant to determine that the information on the Claim Form is reasonably complete and contains sufficient information to fulfill the claim.
 - (ii) Product Return Claimants. Settlement Class Members may submit claims to return unused and unopened products (excluding International Business Packs [“IBPs”] and mini-IBPs) that were purchased more than one year prior to the deadline for submitting claims forms. In exchange, Settlement Class Members shall receive a Return Payment from the Net Product Return Fund. Settlement Class Members submitting claims to return products are “Product Return Claimants.”
 - (A) In their claim forms, Product Return Claimants shall identify the (1) SKU of the product(s) to be returned, (2) estimated purchase date of the product(s) to be returned, and (3) actual amount paid for each returned product (the “Product Return Amount”). If the Product Return Claimant is unable to provide the actual amount paid, the Product Return Claimant shall so certify and shall provide an estimated payment. Assuming all other information is properly provided to the Claims Administrator, the Claims Administrator shall calculate the Return Payment as the lesser of the Product Return Claimant’s estimated payment or 50% of Herbalife’s Suggested Retail Price for the product(s) on the purchase date.
 - (B) Following the deadline for submitting claim forms, the Settlement Website shall provide Product Return Claimants with notice of the amount of the proposed payment (the “Return Payment”). If the total Return Payment exceeds the Net Product Return Fund, the Return Payment for each Product Return Claimant shall be subject to pro rata diminution. Beginning within ten (10) business days following the Settlement Administrator’s online posting of notice of the Return Payment and continuing for sixty (60) days thereafter, Product Return Claimants shall be permitted to return the products identified in their claim forms in exchange for a Return Payment.

- (iii) Business Opportunity Claimants. Settlement Class Members may submit claims for a cash award, as described below. Settlement Class Members submitting claims for a cash award are “Business Opportunity Claimants
- (A) Amounts to be paid to Business Opportunity Claimants out of the Net Settlement Fund shall be derived from information submitted to the Claims Administrator by the Business Opportunity Claimants and the price paid for Qualified Products identified through the claims process.
- (B) The Claims Administrator, using purchase data supplied by Herbalife, shall compare the Business Opportunity Claimant’s estimated total loss from Qualified Product sales to the price paid by that claimant for the claimant’s aggregate Qualified Products.
- (C) The Claims Administrator, using purchase data supplied by Herbalife, shall determine for each Business Opportunity Claimant whether during any Claims Year (defined as any twelve-month period beginning and ending on the first day of the month in which the Business Opportunity Claimant became an Herbalife member or distributor) during the Class Period the claimant paid Herbalife at least \$750 to purchase products (the “Minimum Purchase Amount”).
- (D) A Business Opportunity Claimant who purchased at least the Minimum Purchase Amount shall be entitled to a Pro Rata Award (defined in Subsection 4.4.5 of the Stipulation of Settlement). All other Claimants shall be “Flat Rate Claimants” entitled to “Flat Rate Awards” (defined in Subsection 4.4.6 of the Stipulation of Settlement).
- (1) Pro Rata Awards. Business Opportunity Claimants submitting valid claims shall be entitled to a payment equal to the lesser of 100% of the estimated total loss from Qualified Product sales or 50% of the price paid by that claimant for the claimant’s aggregate Qualified Products. If the aggregate payment for Pro Rata Awards due to Business Opportunity Claimants exceeds the Net Settlement Fund less the aggregate Flat Rate Awards described in Subsection 4.4.6 of the Stipulation, payments shall be subject to pro rata diminution. If the aggregate payment for Pro Rata Awards is less than 75% of the Net Settlement Fund less the aggregate Flat Rate Awards described below in Subsection 4.4.6 of the Stipulation, either party may move the Court to increase payments to Business Opportunity Claimants receiving a Pro Rata Award up to the lesser of (i) 75% of the price paid by that

claimant for the claimant's aggregate Qualified Products;
or (ii) the total Net Settlement Fund.

- (2) Flat Rate Award. Flat Rate Claimants submitting valid claims shall receive a payment of \$20 to be paid from the Net Settlement Fund (the "Flat Rate Award"). If the aggregate Flat Rate Award for all Flat Rate Claimants exceeds \$3 million, Flat Rate Awards shall be subject to pro rata diminution. If the aggregate Flat Rate Award is less than \$3 million, then the difference shall remain in the Net Settlement Fund and be available for Pro Rata Awards.
- (iv) No Class Member may submit more than one Claim Form. The Claims Administrator shall identify any Claim Forms that appear to seek relief on behalf of the same Class Member ("Duplicative Claim Forms"). The Claims Administrator shall determine whether there is any duplication of Claims, if necessary by contacting the claimant(s) or their counsel. The Claims Administrator shall designate any such Duplicative Claims as invalid claims to the extent they allege the same damages or allege damages on behalf of the same Class Member.
- (v) The Claims Administrator shall exercise, in its discretion, all usual and customary measures to prevent fraud and abuse and take any reasonable steps to prevent fraud and abuse in the claim process. These measures may include comparing data provided by Settlement Class Members with information otherwise available to Herbalife. The Claims Administrator may, in its discretion, deny in whole or in part any claim to prevent actual or possible fraud or abuse.
- (vi) By agreement of the Parties, the Parties can instruct the Claims Administrator to take whatever steps they deem appropriate to preserve the Settlement Fund to further the purposes of the Stipulation if the Claims Administrator identifies actual or possible fraud or abuse relating to the submission of Claims, including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse.
- (vii) The Claims Administrator shall, in its discretion, following consultation and agreement with counsel, reasonable agreement not to be withheld, decide whether to accept Claim Forms submitted after the Claims Deadline.
- (d) Class Members may timely submit an Opt-Out Form to the Claims Administrator up to the Claims Deadline. The Claims Administrator shall maintain records of those Class Members who have timely submitted Opt-Out Forms and provide periodic reports to Class Counsel. If a Class Member submits both a Claims Form and an Opt-Out Form, the Opt-Out Form shall be disregarded.

- (e) The Claims Administrator shall provide periodic reports to Class Counsel and Defendant's Counsel regarding the implementation of the Stipulation and this Protocol.
- (f) If a Claim Form cannot be processed without additional information, the Claims Administrator shall promptly notify the Parties and mail a letter that advises the claimant of the additional information and/or documentation needed to validate the claim. The claimant shall have thirty-five (35) days from the date of the postmarked letter sent by the Claims Administrator to respond to the request from the Claims Administrator and the claimant shall be so advised.
 - (i) In the event the claimant timely provides the requested information, the Claim shall be deemed validated and shall be processed for payment.
 - (ii) In the event the claimant does not timely provide the information, the Claim may be denied or reduced to the claim amount reasonably supported by the documentation without further communication with the claimant.
- (g) If a Claim is reduced or denied because the Claims Administrator determined that the additional information and/or documentation was not sufficient to prove the Claim, the Claims Administrator shall provide a report to Class Counsel and Defendant's Counsel who shall meet and confer in an attempt to resolve these Claims. If Class Counsel reasonably recommends payment of the Claim or payment of a reduced claim amount and Defendant agrees (and Defendant's agreement shall not be unreasonably withheld), then the Claims Administrator shall be instructed to pay those Claims.
- (h) The Claims Administrator shall provide all information gathered in investigating Claims, including, but not limited to, copies of all correspondence and email and all notes of the Claims Administrator, the decision reached, and all reasons supporting the decision, if requested by Class Counsel or Defendant.

EXHIBIT 4

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Dana Bostick, et al. v. Herbalife International of America Inc. et al.
Case No. 13-CV-02488-BRO

CLAIM FORM

Deadline for Submission: [DATE] (the “Filing Deadline”)

SECTION I: GENERAL INSTRUCTIONS

If you were a Herbalife Distributor or Member in the United States any time after April 2009, you may be eligible to receive the following benefits under the Settlement Agreement (the “Settlement”):

- **Product Return Award:** up to a 100% refund in exchange for return of unused and unopened products (except International Business Packs (“IBPs”) or Mini-IBPs) purchased more than one year prior to the Filing Deadline (*see* SECTION IV); and
- **Business Opportunity Award:** up to: (i) 100% of your estimated total loss from product sales; (ii) 50% of the price you paid for Qualified Products (*see* SECTION V); or (iii) \$20.

To determine your eligibility for these benefits, complete the applicable section(s) of this Claim Form, sign and date it, and mail it, postmarked no later than the Filing Deadline, to:

Claims Administrator
Bostick v. Herbalife Settlement Administrator
P.O. Box xxxx
Providence, RI 02940

It is important that all of the information you provide in this Claim Form is true, accurate, and complete. You may be required to provide documentation supporting the answers you have provided. Persons who submit false or fraudulent claims will not be eligible for compensation.

Note: You may elect to be excluded from the monetary portion of the Settlement by submitting an Opt-Out Form (available on the Claims Administrator’s website) or sending a letter asking to be excluded on or before [DATE]. See the Class Notice for more details. If you elect to be excluded from the Settlement, you will not be eligible to receive any monetary benefits under the Settlement.

SECTION II: DISTRIBUTOR/MEMBER INFORMATION

All Claimants must provide the following identifying information:

Name: _____

Address: _____

City: _____

State: _____

Zip Code: _____

Phone Number: _____

E-mail: _____

Herbalife ID Number: _____

SECTION III: CLAIM ELIGIBILITY

To be eligible for any Claim, you must certify that you meet the following eligibility requirements. If you do not meet all of the following requirements, you are not eligible to make a Claim.

| | |
|-------|--|
| _____ | By initialing here, I certify under penalty of perjury that I was an Herbalife Distributor or Member in the United States for some period of time during the period from April 2009 to the present. |
| _____ | By initialing here, I certify under penalty of perjury that I am not an employee or immediate family member of an employee of Herbalife. |
| _____ | By initialing here, I certify under penalty of perjury that I was never a member of the Herbalife President’s Team, Founder’s Circle, Chairman’s Club, Millionaire Team, or the GET Team. |
| _____ | By initialing here, I certify under penalty of perjury that I did not sign an Arbitration Agreement for Disputes Between Members and Herbalife contained in the Member Application Agreement dated on or after September 2013. |

SECTION III: PRODUCT RETURN CLAIMS

You may use this section to submit a Claim for a Product Return Payment in exchange for return of unused and unopened Herbalife products, excluding International Business Packs (IBPs) and mini-IBPs, purchased more than one year prior to the Filing Deadline.

To determine your Product Return Payment amount, provide the following information in the table below for each unused and unopened Herbalife product that you wish to return: (i) Herbalife Product Stock Keeping Unit (“Product SKU”) number; (ii) the approximate date on which you purchased the product (“Purchase Date”); and (iii) the actual purchase price paid for the product (“Actual Purchase Price). If you require additional space, please attach an addendum to this Claim Form providing the requested information for the additional Herbalife products that you wish to return.

If you are unable to provide the actual purchase price for a particular product, please provide an Estimated Purchase Price for that product. Assuming all other information is provided for that item, the Claims Administrator will determine the amount paid to be the lesser of the estimated purchase price or 50% of Herbalife’s Suggested Retail Price for the product on the Purchase Date.

| | Product SKU | Purchase | Actual Purchase Price | Estimated Purchase Price |
|--|-------------|----------|-----------------------|--------------------------|
|--|-------------|----------|-----------------------|--------------------------|

| | | Date | | |
|----|--|-------------|----|----|
| 1. | | | \$ | \$ |
| 2. | | | \$ | \$ |
| 3. | | | \$ | \$ |
| 4. | | | \$ | \$ |
| 5. | | | \$ | \$ |
| 6. | | | \$ | \$ |
| 7. | | | \$ | \$ |
| 8. | | | \$ | \$ |

| | |
|-------|--|
| _____ | By initialing here, I certify under penalty of perjury that the products listed above are unopened and unused, and that they were purchased more than one year prior to the Filing Deadline. |
| _____ | By initialing here, I certify under penalty of perjury that for each Estimated Purchase Price provided above, I am unable to determine the Actual Purchase Price for that item. |

The Claims Administrator will determine the amount of the Product Return Payment for which you may be eligible based on the information you provide in the table above and the available settlement funds. Your Product Return Payment may be reduced based on the amount of funds available to satisfy all claims (see the Class Notice for more details). By [DATE], you may view the amount of the Product Return Payment for which you are eligible (subject to proper return of all identified products) by visiting the Claims Administrator Website at [Website URL] and providing your e-mail address and Herbalife Identification Number.

If the Settlement is approved by the Court, you will receive notice of the approval and will be provided with instructions on how to complete your Product Return Claim. At that time, you will be instructed to return within a specified time period the above-listed Herbalife products that you wish to return. Once Herbalife has processed your return, a Product Return Payment will be issued.

SECTION V: BUSINESS OPPORTUNITY CLAIMS

You may use this section to submit claims for a cash award based on losses you claim to have incurred by purchasing Qualified Products while pursuing the Herbalife Business Opportunity. You will receive a larger payment if you return a product by making a Product Return Claim than if you make a claim based on that purchase under this section.

To be eligible for a Business Opportunity Claim, you must certify that you meet the following eligibility requirements. If you do not meet one or more of the following requirements, you are not eligible to make a Business Opportunity Claim.

| | |
|-------|---|
| _____ | By initialing here, I certify under penalty of perjury that I joined Herbalife primarily to pursue a business opportunity and not primarily for personal and/or family consumption. |
| _____ | By initialing here, I certify under penalty of perjury that, in pursuing the Herbalife business opportunity, I did not recover/earn back the amount of money I spent purchasing product directly from Herbalife for resale. |

Only purchases of Qualified Products are eligible for a Business Opportunity Claim. A Qualified Product is a Herbalife Product that:

- You purchased directly from Herbalife on or after April 1, 2009;
- Was purchased for resale purposes;
- Was purchased within the United States and shipped directly to you at a location in the United States;
- You did not resell for at least a break-even price;
- Was not returned through Herbalife’s buyback program, Herbalife’s satisfaction guarantee, or for which you have made or will make a Product Return Claim under the terms of this Settlement.

Please provide the Estimated Total Loss you incurred in selling Qualified Products in the space provided below. Your Estimated Total Loss is the difference between the total amount you paid to purchase Qualified Products and the total revenues that you received selling those products. Your estimate must be based on the best information available to you with which you can be reasonably certain of your claimed losses.

Estimated Total Loss: _____

| | |
|-------|--|
| _____ | By initialing here, I certify under penalty of perjury that the Total Estimated Loss I have provided is a good faith estimate of the losses that I incurred in selling Qualified Products. |
|-------|--|

Your Estimated Total Loss will be reviewed by the Claims Administrator using purchase history data provided by Herbalife to ensure that your Business Opportunity Claim Award does not exceed the limits provided under the Settlement Agreement. For an explanation of how your Business Opportunity Claim Award is determined, please refer to Section 9 of the Class Notice. Your Business Opportunity Claim Award may be reduced based on the amount of funds available to satisfy all claims (see the Class Notice for more details). By [DATE], you may view your Business Opportunity Claim Award by visiting the Claims Administrator Website at [Website URL] and providing your e-mail address and Herbalife Identification Number.

If the Settlement is approved by the Court, you will receive notice of the approval and your Business Opportunity Award will be issued unless you request to be excluded from the Settlement on or before [DATE].

SECTION VI: CERTIFICATION AND SIGNATURE

By signing this Claim Form, you acknowledge that the Claims Administrator may ask Herbalife to provide certain information related to your Herbalife Distributorship, including tax forms and other financial data, to verify your Claim.

I certify under penalty of perjury that the information contained in this Claim Form is true and correct to the best of my knowledge and belief.

Signature: _____

Date: _____

Print Name: _____

**TRIBUNAL DE DISTRITO DE LOS ESTADOS UNIDOS
DISTRITO CENTRAL DE CALIFORNIA**

Dana Bostick, et al. v. Herbalife International of America Inc. et al.
Caso n.º 13-CV-02488-BRO

FORMULARIO DE RECLAMACIÓN

Fecha límite de entrega: [FECHA] (la “Fecha límite de entrega”)

SECCIÓN I: INSTRUCCIONES GENERALES

Si usted fue distribuidor o miembro de Herbalife en los Estados Unidos en cualquier momento después de abril de 2009, puede ser elegible para recibir los siguientes beneficios en virtud del Acuerdo de conciliación (la “Conciliación”):

- **Indemnización de devolución de productos:** hasta un 100 % de reembolso en intercambio por la devolución de productos no usados ni abiertos (excepto Paquetes Comerciales Internacionales (International Business Packs) o Minipaquetes Comerciales Internacionales (Mini-International Business Packs) (*consulte la SECCIÓN IV*); y
- **Indemnización de oportunidad de negocio:** de hasta: (i) 100 % de su pérdida total estimada de las ventas de productos; (ii) 50 % del precio que usted pagó por Productos aceptables (*véase SECCIÓN V*); o (iii) 20 USD.

Para determinar su elegibilidad para estos beneficios, complete la(s) sección(es) correspondiente(s) de este Formulario de reclamación, fírmelo, féchelo y envíelo por correo postal con fecha de franqueo de a más tardar la Fecha límite de entrega, a:

Claims Administrator (Administrador de reclamaciones)
Bostick v. Herbalife Settlement Administrator
P.O. Box xxxx
Providence, RI 02940

Es importante que toda la información que usted suministre en este Formulario de reclamación sea veraz, precisa y completa. Es posible que se le solicite proveer documentación que respalde las respuestas que usted haya suministrado. Las personas que presenten reclamaciones falsas o fraudulentas no serán elegibles para compensación.

Nota: *Puede optar por ser excluido de la porción monetaria de la Conciliación enviando un Formulario de exclusión (que está disponible en el sitio web del Administrador de reclamaciones) o una carta en la que solicite ser excluido a más tardar el [FECHA]. Véase la Notificación del Grupo de demandantes para conocer más detalles. Si usted opta por ser excluido de la Conciliación, no será elegible para recibir ningún beneficio monetario en virtud de la Conciliación.*

SECCIÓN II: INFORMACIÓN DEL DISTRIBUIDOR/MIEMBRO

Todos los reclamantes deben presentar la siguiente información de identificación:

Nombre: _____

Dirección: _____

Ciudad: _____

Estado: _____

Código postal: _____

Número de teléfono: _____

Correo electrónico: _____

Número de ID de Herbalife: _____

SECCIÓN III: ELEGIBILIDAD DE RECLAMACIONES

Para ser elegible para cualquier Reclamación, debe certificar que usted cumple los siguientes requerimientos de elegibilidad. Si no cumple todos los siguientes requerimientos, no es elegible para hacer una Reclamación.

| | |
|-------|--|
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que fui distribuidor o miembro de Herbalife en los Estados Unidos por algún periodo de tiempo durante el periodo comprendido entre abril de 2009 hasta el presente. |
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que no soy empleado ni miembro familiar inmediato de un empleado de Herbalife. |
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que nunca fui miembro del President’s Team (Equipo de Presidente), Founder’s Circle (Círculo del Fundador), Chairman’s Club (Club del Presidente), Millionaire Team (Equipo Millonario), o el GET Team (Equipo GET) de Herbalife. |
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que no firmé un Acuerdo de arbitraje para disputas entre miembros y Herbalife contenido en el Acuerdo de solicitud de membrecía fechado en o después de septiembre de 2013. |

SECCIÓN III: RECLAMACIONES DE DEVOLUCIÓN DE PRODUCTOS

Puede usar esta sección para presentar una Reclamación para un Pago de devolución de productos en intercambio por devolución de productos no usados ni abiertos, excluidos los Paquetes Comerciales Internacionales (International Business Packs) o Minipaquetes Comerciales Internacionales (Mini-International Business Packs) comprados con más de un año de antelación a la Fecha límite de entrega.

Para determinar su monto de Pago de devolución de productos, provea la siguiente información en el cuadro a continuación para cada producto Herbalife no usado ni abierto que usted desee devolver: (i) número de referencia (Stock Keeping Unit, SKU) del producto Herbalife (“SKU del producto”); (ii) la fecha aproximada en que compró el producto (“Fecha de compra”); y (iii) el precio de compra real pagado por el producto (“Precio de compra real”). Si usted necesita espacio adicional, sírvase adjuntar una adenda a este Formulario de reclamación en la que indique la información solicitada para los productos Herbalife adicionales que usted desee regresar.

Si no está en capacidad de proveer el precio de compra real para un producto particular, sírvase proveer un Precio de compra estimado para ese producto. Asumiendo que se suministra toda la otra información para ese artículo, el Administrador de reclamaciones determinará que el monto pagado será el precio de compra estimado o un 50 % del Precio sugerido de venta al público de Herbalife para el producto en la Fecha de compra, el monto que sea menor.

| | N.º de referencia del producto (SKU) | Fecha de compra | Precio real de compra | Precio estimado de compra |
|--|---|------------------------|------------------------------|----------------------------------|
| | | | | |
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| | |
|-------|---|
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que los productos antes indicados no han sido abiertos ni usados, y que fueron comprados con más de un año de antelación a la Fecha límite de entrega. |
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que para cada Precio de compra estimado indicado anteriormente, no estoy en capacidad de determinar el Precio de compra real para ese artículo. |

El Administrador de reclamaciones determinará el monto del pago de devolución del producto para el que usted pueda ser elegible con base en la información que usted provea en el cuadro anterior y los fondos de conciliación disponibles. Su Pago de devolución de producto puede reducirse con base en la cantidad de fondos disponibles para atender todas las reclamaciones (consulte la Notificación del Grupo de demandantes para obtener más detalles). Para el [FECHA], usted puede visualizar el monto del Pago de devolución de producto para el que usted sea elegible (a reserva de una devolución adecuada de todos los productos identificados) visitando el Sitio web del Administrador de reclamaciones en [URL del sitio web] y suministrando su dirección de correo electrónico y el Número de identificación de Herbalife.

Si la Conciliación es aprobada por el Tribunal, usted recibirá notificación de la aprobación y recibirá instrucciones sobre cómo completar su Reclamación de devolución de productos. En ese momento, se le ordenará devolver dentro de un periodo de tiempo determinado los productos Herbalife antes indicados que desee devolver. Luego de que Herbalife haya procesado su devolución, se emitirá un Pago de devolución de producto.

SECCIÓN V: RECLAMACIONES DE OPORTUNIDAD DE NEGOCIO

Usted puede usar esta sección para presentar reclamaciones para una indemnización en efectivo con base en las pérdidas que usted reclame haber sufrido por la compra de Productos aceptables mientras se dedicaba a la Oportunidad de negocio de Herbalife. Recibirá un pago más alto si devuelve un producto haciendo una Reclamación de devolución de producto que si hace una reclamación con base en esa compra en virtud de esta sección.

Para poder presentar una Reclamación de oportunidad de negocio y que esta sea aceptada, debe certificar que cumple los siguientes requerimientos de elegibilidad. Si no cumple uno o más de los siguientes requerimientos, no es elegible para hacer una Reclamación de oportunidad de negocio.

| | |
|-------|---|
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que me adherí a Herbalife principalmente para dedicarme a una oportunidad de negocio y no con el motivo principal de consumo personal y/o familiar. |
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que, al dedicarme a la oportunidad de negocio de Herbalife, no recuperé/gané de vuelta el monto de dinero que gasté al comprar el producto directamente de Herbalife para reventa. |

Solo las compras de Productos aceptables son elegibles para una Reclamación de oportunidad de negocio. Un Producto aceptable es un Producto de Herbalife que:

- usted compró directamente de Herbalife en o después del 1 abril de 2009;
- haya sido comprado con propósito de reventa;
- haya sido comprado dentro de los Estados Unidos y haya sido enviado directamente a usted en un lugar en los Estados Unidos;
- usted no haya vendido por mínimo el precio de compra;
- no haya sido devuelto a través del programa de recompra de Herbalife, garantía de satisfacción de Herbalife, o para el que usted haya hecho o hará una Reclamación de devolución de producto en virtud de los términos de esta Conciliación.

Sírvase indicar la Pérdida total estimada que usted haya asumido al vender los Productos aceptables en el espacio que se provee a continuación. Su Pérdida total estimada es la diferencia entre el monto total que usted pagó para Productos aceptables y los ingresos totales que usted recibió de la venta de dichos productos. Su estimado debe basarse en la mejor información de la que usted disponga con la que usted pueda estar razonablemente seguro de sus pérdidas reclamadas.

Pérdida total estimada: _____

| | |
|-------|---|
| _____ | Al poner mis iniciales aquí, certifico bajo pena de perjurio que la Pérdida estimada total que he indicado es un estimado de buena fe de las pérdidas en que he incurrido al vender los Productos aceptables. |
|-------|---|

Su Pérdida total estimada será revisada por el Administrador de reclamaciones usando los datos de historial de compras suministrado por Herbalife para asegurar que su Indemnización de reclamaciones de oportunidad de negocio no excede los límites establecidos en virtud del Acuerdo de conciliación. Para obtener una explicación de cómo se determina su Indemnización de reclamación de oportunidad de negocio, sírvase consultar Sección 9 de la Notificación del Grupo de demandantes. Su Indemnización por Reclamación de oportunidad de negocio puede reducirse con base en la cantidad de fondos disponibles para atender todas las reclamaciones (consulte la Notificación del Grupo de demandantes para obtener más detalles). Para el [FECHA], puede consultar su Indemnización de reclamación de oportunidad de negocio visitando el Sitio web del Administrador de reclamaciones en la dirección [URL del sitio web] y suministrando su dirección de correo electrónico y el Número de identificación de Herbalife.

Si la Conciliación es aprobada por el Tribunal, recibirá la notificación de la aprobación y se emitirá su Indemnización de oportunidad de negocio a menos que usted solicite ser excluido de la Conciliación a más tardar el [120 días después de la Fecha límite de entrega].

SECCIÓN VI: CERTIFICACIÓN Y FIRMA

Al firmar este Formulario de reclamación, usted reconoce que el Administrador de reclamaciones puede solicitar a Herbalife que provea cierta información relacionada con su Distribución de Herbalife, lo que incluye formularios de impuestos y otros datos financieros, para verificar su Reclamación.

Certifico bajo pena de perjurio que la información contenida en este Formulario de reclamación es veraz y correcta a mi leal saber y entender.

Firma: _____

Fecha:

Nombre en letra de imprenta:

EXHIBIT 5

OPT-OUT FORM

Dana Bostick, et al. v. Herbalife International of America, Inc. et al.
United States District Court, Central District of California, Western Division
Case No. 2-13- CV-02488-BRO-RZ

**This is NOT a Claim Form. It EXCLUDES you from the monetary portion of this Class Action.
DO NOT use this Form if you wish to remain IN this Class Action.**

Name of Class Member: _____

Address: _____
Street City State Postal Code

Telephone: _____
Area Code/Phone No. (Ext. if applicable)

I understand that by opting out of this Class Action, I will not be eligible to receive any money that may result from any trial or settlement of this lawsuit, if there is one. I do not wish to receive monetary compensation under the terms of any judgment or settlement or to otherwise participate in the monetary portion of this Class Action. I further understand that by opting out, all personal representatives, spouses and relatives who on account of a personal relationship to me might assert a derivative claim for money will be deemed to have opted out as well.

If you wish to opt out of the monetary portion of this Class Action, please check the box below.

By checking this box, I affirm that I wish to be excluded from the monetary portion of this Class Action.

Date Signed

Signature of Class Member or Executor, Administrator or Personal Representative

This form must be postmarked to the Claims Administrator NO LATER THAN _____, 201____, at the addresses below, or else you will lose your right to opt out.

CLAIMS ADMINISTRATOR

Bostick v. Herbalife Settlement Administrator
P.O. Box xxxx
Providence, RI 02940

FORMULARIO DE EXCLUSIÓN

Dana Bostick, et al. v. Herbalife International of America, Inc. et al.
Tribunal de Distrito de los Estados Unidos, Distrito Central de California, División Oeste
Caso n.º 2-13- CV-02488-BRO-RZ

Este NO es un formulario de reclamación. Este formulario lo EXCLUYE a usted de la porción monetaria de esta Demanda colectiva.

NO use este Formulario si desea permanecer EN esta Demanda colectiva.

Nombre del miembro del Grupo de demandantes:

Dirección:

Calle

Ciudad

Estado

Código postal

Teléfono:

_____ Código de área/n.º de teléfono (ext. si corresponde)

Comprendo que al excluirme de esta Demanda colectiva, no seré elegible para recibir ningún dinero que pueda resultar de cualquier juicio o conciliación de esta demanda, si es que surge alguno. No deseo recibir compensación monetaria en virtud de las disposiciones de cualquier sentencia o conciliación ni participar de alguna otra forma en la porción monetaria de esta Demanda colectiva. Asimismo, comprendo que al excluirme, se considerará que también se han excluido todos los representantes personales, cónyuges y familiares que por motivo de una relación personal conmigo puedan entablar una reclamación derivada de dinero.

Si usted desea excluirse de la porción monetaria de esta Demanda colectiva, marque la siguiente casilla.

Al marcar esta casilla, afirmo que deseo ser excluido de la porción monetaria de esta Demanda colectiva.

Fecha de la firma

Firma del miembro del Grupo de Demandantes o albacea, administrador o representante personal

Este formulario debe ser enviado al Administrador de reclamaciones con sello postal fechado A MÁS TARDAR EL ____ de _____ de 201____, en la siguiente dirección, o de lo contrario usted perderá su derecho a excluirse.

CLAIMS ADMINISTRATOR (ADMINISTRADOR DE RECLAMACIONES)

Bostick v. Herbalife Settlement Administrator
P.O. Box xxxx
Providence, RI 02940

EXHIBIT 6



***Bostick v Herbalife* Case No. 13-cv-02488-PA (RZx)
Settlement Notice Program**

Case Analysis

The following known factors were considered when determining our recommendation:

1. The Class consists of approximately 1.55 million Class members;
2. Class members are located throughout the U.S., including large cities and rural areas;
3. Contact information is available for all Class members; and
4. Effective reach and notice content is vital to convey the importance of the information affecting Class members' rights, as well as to withstand challenge and collateral review.

Objective

To design a notice program that will effectively reach Class members.

Target Audience

Class members include all persons who were Herbalife independent distributors from April 2009 to the present.

Notice Tactics

The following notice tactics will be employed to best reach the Class:

1. **Individual Emails:** An Email Notice containing a summary of the settlement in the body of the email, as well as a link to the settlement website will be sent to all available email addresses. It is our understanding that email addresses are available for approximately 1,260,000 Class members. Class members whose emails bounce back or are otherwise undeliverable will be mailed a single-postcard Summary Notice via first class mail to their corresponding postal address.
2. **Individual Mailings:** A single-postcard Summary Notice will be sent via first class mail to all known Class members for whom a postal address is available, as well as to Class members subject to an email bounceback.

Prior to mailing, the names and addresses will be:

- Checked against the USPS National Change of Address (NCOA)¹ database;
- Certified via the Coding Accuracy Support System (CASS);² and
- Verified through Delivery Point Validation (DPV).³

Notices returned as undeliverable will be re-mailed to any address available through postal service information. For example, to the address provided by the USPS on returned pieces for which the automatic forwarding order has expired, but is still within the period that the USPS

¹ The NCOA database contains records of all permanent change of address submissions received by the USPS for the last four years. The USPS makes this data available to mailing firms and lists submitted to it are automatically updated with any reported move based on a comparison with the person's name and last known address.

² Coding Accurate Support System is a certification system used by the USPS to ensure the quality of ZIP+4 coding systems.

³ Records that are ZIP + 4 coded are then sent through Delivery Point Validation to verify the address and identify Commercial Mail Receiving Agencies. DPV verifies the accuracy of addresses, and reports exactly what is wrong with incorrect addresses.



returns the piece with the new address indicated. Any returned mailing that does not contain an expired forwarding order with a new address indicated may be researched through a third party look-up service, if applicable.

Plan Delivery

The individual notice effort will reach over 95% of the Class.

Additional Information

KCC advocates the utilization of a website and toll-free number to allow the Class verifiable opportunities to solicit information and communicate about the case.

1. **Case Website:** An informational website with an easy to remember domain name will be established, allowing Class members the ability to obtain additional information and documents about the settlement. The website address will be prominently displayed in all printed notice materials and will be accessible through an embedded link in the email Notice.
2. **Toll-Free Number:** A toll-free number allows a simple way for Class members to learn more about the settlement in the form of frequently asked questions and answers and to request to have more information mailed directly to them. The toll-free number will be prominently displayed in all notice materials.