

# **FIRST AMENDED SETTLEMENT AGREEMENT AND RELEASE**

## **1. Introduction**

**This First Amended Settlement Agreement and Release (the “Agreement” or “Settlement”) is made by and between plaintiff Mariah Moses (“Plaintiff”) for herself and the Settlement Class (defined below), on the one hand, and defendant Arhaus, Inc. (“Arhaus”), for itself and the Released Parties (as defined below), on the other hand. Plaintiff and Arhaus, through their respective counsel, hereby stipulate and agree that, in consideration for the promises and covenants set forth in this Agreement and upon entry by the Court of a Final Approval Order and Judgment (as defined below), all Released Claims (as defined below) of Plaintiff and the Settlement Class Members in the Action (as defined below), shall be settled, compromised and released upon the terms and conditions herein.**

## **2. Definitions**

**2.1. In addition to the terms defined elsewhere within this Agreement, the following defined terms apply throughout this Agreement and the attached exhibits:**

**2.1.1. “Account” means the qualified settlement fund established by the Settlement Administrator consistent with the terms and conditions described in Section 4.3 of this Agreement. The Account shall be held at a bank to be selected by the Settlement Administrator, in conjunction with Class Counsel and Arhaus.**

**2.1.2. “Action” and “Litigation” mean the proceeding pending in the United States District Court for the Central District of California, styled *Mariah Moses, individually and on behalf of all others similarly situated, v. Arhaus, Inc.*, Case No. 8:24-cv-00728-FMO-ADS.**

**2.1.3. “Arhaus” means defendant Arhaus, Inc.**

**2.1.4. “Arhaus’s Counsel” means Baker & Hostetler LLP.**

**2.1.5. “CAFA Notice” refers to the notice requirements imposed by 28 U.S.C. § 1715(b).**

**2.1.6. “Cash Component” means the portion of the Class Settlement Amount to be paid in cash in accordance with Section 4.6.1 of this Agreement.**

**2.1.7. “Claim Form” means the claim form to be submitted by Settlement Class Members, subject to approval by the Court, substantially in the form attached hereto as Exhibit C.**

**2.1.8. “Claim Period” means the period of time between the date of Preliminary Approval and the Opt-Out and Objection Deadline.**

**2.1.9. “Claimant” means any Settlement Class Member who submits a Claim Form to the Settlement Administrator.**

**2.1.10. “Class Counsel” means KJC Law Group, A.P.C.**

**2.1.11. “Class Notice” means all types of notices that will be provided to the Settlement Class, pursuant to Section 4.5 of this Agreement.**

**2.1.12. “Class Settlement Amount” means Six Million Dollars (\$6,000,000.00) to be made available by Arhaus pursuant to this Settlement, which represents Arhaus’s total liability under this Agreement.**

**2.1.13. “*Cy Pres* Distribution” means monies that may be distributed in connection with the Settlement, pursuant to Sections 4.3.1, 4.6.3.1, 4.6.7.1, and 4.6.7.2 of this Agreement.**

**2.1.14. “Effective Date” means the fifth business day after the last of the following dates: (a) Plaintiff, Arhaus, Arhaus’s Counsel, and Class Counsel have executed this Agreement; (b) the Court has entered, without material change, the Final Approval Order and Judgment; and (c) the final disposition of any related appeals, and in the case of no appeal or review being filed, expiration of the applicable appellate period.**

**2.1.15. “Exclusion Request” means a request by any Settlement Class Member to be excluded from the Settlement Class.**

**2.1.16. “Exclusion Request Form” means the form that will be available for download on the Settlement Website, which must be used by Settlement Class Members to opt-out of the Settlement, and which will be substantially in the form attached hereto as Exhibit D.**

**2.1.17. “Final Approval Hearing” means the hearing when the Court considers the Parties’ request to enter the Final Approval Order and Judgment granting final approval to the Settlement and determining the amount of fees, costs and expenses awarded to Class Counsel and the amount of the Service Award to Plaintiff.**

**2.1.18. “Final Approval Order,” “Final Approval Order and Judgment” or “Final Approval” means the order and judgment that the Court enters upon finally approving the Settlement and dismissing the Action with prejudice in connection with the Final Approval Hearing, the proposed form of which is attached hereto as Exhibit B.**

**2.1.19. “Net Settlement Amount” means the amount in addition to the Cash Component up to the Class Settlement Amount which Arhaus agrees to pay in accordance with Section 4.6.3 of this Agreement.**

**2.1.20. “Notice” or “Notice Program” means the methods provided for in this Agreement for giving Class Notice of the Settlement and includes the Email Notice, Direct Mail Notice, Text Message Notice, and Website Notice, as set forth in Section 4.5.**

**2.1.21. “Parties” means Plaintiff, Settlement Class Members, and Arhaus.**

**2.1.22. “Preliminary Approval” means the Court’s entry of the Preliminary Approval Order.**

**2.1.23. “Preliminary Approval Order” means the order that the Court enters upon preliminarily approving the Settlement, the proposed form of which is attached hereto as Exhibit A.**

**2.1.24. “Released Claims” means the Settlement Class Member Released Claims.**

**2.1.25. “Releasing Settlement Class Members” means Plaintiff and all Settlement Class Members, except those who submit Exclusion Requests.**

**2.1.26. “Service Award” means an incentive award for Plaintiff as set forth in Section 4.6.1.2 of this Agreement.**

**2.1.27. “Settlement” means the compromise and settlement of the Action as contemplated by this Agreement.**

**2.1.28. “Settlement Administrator” means the claims administrator agreed to by the parties, subject to approval by the Court.**

**2.1.29. “Settlement Share” means the pro rata share of the Net Settlement Amount that each Settlement Class Member will receive pursuant to Section 4.6.3.1 of this Agreement.**

**2.1.30. “Settlement Class” means all persons in the State of California who purchased one or more of Arhaus’s products on the Arhaus website between April 2, 2020 through September 18, 2024 and where the purchased product(s) listed both a current sale price and also referenced a second, higher price (with or without a “strike” through it). Excluded from the Settlement Class are any and all past or present officers, directors, or employees of Arhaus, any judge who presides over this action, and any partner or employee of Class Counsel.**

**2.1.31. “Settlement Class Member Released Claims” as used herein means the claims, rights, penalties, demands, damages, debts, accounts, duties, costs and expenses (other than those costs and expenses required to be paid pursuant to this Settlement Agreement), liens, charges, complaints, causes of action, obligations, or liabilities that are released, acquitted and discharged pursuant to Section 4.7 of this Agreement.**

**2.1.32. “Settlement Class Members” means Plaintiff and all members of the Settlement Class who do not exclude themselves.**

**2.1.33. “Settlement Class Period” means the period from April 2, 2020 through September 18, 2024.**

**2.1.34. “Store Credit” means a gift card that is redeemable for purchases at any Arhaus store, or via [www.arhaus.com](http://www.arhaus.com) (by calling the Client Services number listed on the website). Each Store Credit shall be fully transferable, stackable, and may be used in connection with any promotional discount(s). Store Credits have no expiration date and need not be used in full at any time. Store Credits will maintain a running balance that is depleted based on use until the balance is zero or, for balances less than \$10, until redeemed for cash.**

**2.2. Capitalized terms used in this Agreement but not defined above shall have the meaning ascribed to them in this Agreement, including in the attached exhibits.**

### **3. Recitals**

**3.1. On April 2, 2024, Plaintiff filed the Action against Arhaus in the United States District Court for the Central District of California. Plaintiff filed a First Amended Class Action Complaint (“FAC”) in the Action on June 3, 2024.**

**3.2. The FAC alleges that Arhaus engaged in deceptive advertising practices by displaying fictitious original prices on its products. The FAC alleges that Arhaus consistently advertised significant discounts from inflated “reference prices” that did not reflect actual prior sales prices. This practice**

**allegedly misled customers into believing they were receiving substantial discounts on purchases, causing them to buy products they might not have otherwise purchased. Plaintiff asserts that Arhaus's pricing tactics violate California's Unfair Competition Law, False Advertising Law, and Consumer Legal Remedies Act, and she seeks, on behalf of herself and a proposed class, damages, restitution, and injunctive relief to stop these practices.**

**3.3. Plaintiff pleaded her claims in the FAC on behalf of herself and a class defined as:**

**All persons in the State of California who purchased one or more of Arhaus's products from Arhaus's website between April 2, 2020, through the present at a discount from a higher reference price and who have not received a refund or credit for their purchase(s).**

**3.4. Plaintiff and Class Counsel believe this Litigation is meritorious. They have conducted a thorough investigation into the facts of this case and have diligently pursued an investigation of Arhaus's price comparison advertising policies and practices, including, but not limited to: (i) researching the applicable law and the potential defenses; (ii) reviewing and analyzing Arhaus's public filings and documents concerning its advertising, pricing and promotional practices, and reviewing and analyzing Arhaus's sales data for products sold since April 2, 2020, including those materials obtained in discovery; (iii) conducting online reviews to determine and document Arhaus's pricing practices throughout the Litigation; (iv) developing arguments for class certification; and (v) attending a full-day mediation before the Hon. Jay C. Gandhi (Ret.), which subsequently resulted in a Settlement. Based on their own**

**independent investigation and evaluation, Class Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members as well as future consumers, in light of all known facts and circumstances, including the risk of significant delay, the defenses asserted by Arhaus, trial risk, and appellate risk.**

**3.5. Arhaus ultimately concluded that the Settlement was in its best interest. However, Arhaus has denied all liability and wrongdoing of any kind associated with the claims alleged and contends that this Litigation is not appropriate for class treatment. Arhaus further asserts that the Plaintiff will not be able to establish any viable restitutionary remedy or injunctive relief at trial, among other legal shortcomings. Arhaus continues to assert that it has complied with all applicable provisions of California's price comparison advertising laws. Arhaus further states that despite its good faith belief that it is not liable for any of the claims asserted, and despite its good faith belief that certification was not appropriate, Arhaus will not oppose the Court's certification of the Settlement Class contemplated by this Agreement solely for purposes of effectuating this Settlement. Arhaus's agreement to certification of the Settlement Class is without prejudice to Arhaus's right to oppose certification of a class or oppose any other claim in the Action, should the Agreement not be finally approved or implemented for any reason.**

**3.6. In the event the Agreement is not finally approved or is otherwise terminated, this Agreement shall be deemed null and void and be of no further**



force or effect and may not be used by either Party for any purpose in this Action or any other lawsuit or proceeding.

3.7. The entry of final judgment in this Litigation shall dismiss with prejudice all claims which were or which could have been asserted in the FAC by Settlement Class Members against Arhaus based on the facts alleged. The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement, to effectuate its terms, and to dismiss this Litigation with prejudice.

#### **4. Terms of the Settlement**

4.1. Conditional Approval of the Settlement Class. Solely for the purposes of this Settlement, providing Class Notice, and implementing this Agreement, the Parties agree to conditional certification of the Settlement Class in the Action. If the Settlement is not finalized or finally approved by the Court for any reason whatsoever, the certification of the Settlement Class is voidable by any party, and no doctrine of waiver, estoppel or preclusion will be asserted in any litigated certification proceedings in the Action. No agreements, documents or statements made by or entered into by any party in connection with the Settlement may be used by Plaintiff, any person in the proposed Settlement Class, Arhaus, or any other person to establish liability, any defense, and/or any of the elements of class certification, whether in the Action or in any other proceeding.

#### **4.2. Preliminary Approval.**

**4.2.1. Preliminary Approval Motion. Plaintiff will move the Court for entry of the Preliminary Approval Order, and Arhaus will not oppose such motion. The Preliminary Approval Order shall specifically include provisions that: (a) preliminarily approve the Settlement reflected herein as fair, adequate, and reasonable to the Settlement Class, and within the reasonable range of possible final approval; (b) conditionally certify the Settlement Class for settlement purposes only and appoint Class Counsel as counsel for the Settlement Class for settlement purposes only; (c) approve the forms of Class Notice and find that the Notice Program constitutes the best notice practicable under the circumstances, provides due and sufficient notice to the Settlement Class and fully satisfies the requirements of due process and Federal Rule of Civil Procedure 23; (d) direct that notice be provided to the Settlement Class, in accordance with this Agreement, within 60 days following entry of the Preliminary Approval Order (the “Notice Deadline”); (e) establish a procedure for persons in the Settlement Class to object to the Settlement or exclude themselves from the Settlement Class, and set a date forty-five (45) days after the Notice Deadline, after which no one, with the exception of those persons described in Section of 4.9.3 of this Agreement, shall be allowed to object to the Settlement or exclude himself or herself from the Settlement Class (the “Opt-Out and Objection Deadline”); (f) pending final determination of whether the Settlement should be approved, bar persons in the Settlement Class, directly, on a representative basis, or in any other capacity, from commencing or prosecuting against any of the Released Parties, any action, arbitration, or**

proceeding in any court, arbitration forum or tribunal asserting any of the Released Claims; (g) pending final determination of whether the Settlement should be approved, stay all proceedings in the Action except those related to effectuation of the Settlement; and (h) schedule a hearing on Final Approval of the Settlement, which shall be scheduled no earlier than 60 days after the Opt-Out and Objection Deadline.

4.2.2. Stay/Bar of Proceedings. All proceedings in the Action will be stayed following entry of the Preliminary Approval Order, except as may be necessary to implement the Settlement or comply with the terms of the Settlement. Pending determination of whether the Settlement should be granted Final Approval, the Parties in the Action agree not to pursue any claims or defenses otherwise available to them, and no person in the Settlement Class and no person acting or purporting to act directly or derivatively on behalf of a person in the Settlement Class, or acting on a representative basis or in any other capacity on behalf of a person in the Settlement Class, will commence or prosecute against any of the Released Parties any action or proceeding asserting any of the Released Claims.

4.3. The Account. With the consent of the Parties, the Settlement Administrator shall have the ability and the authority to withdraw from the Account those amounts necessary to effectuate the Settlement. In the event that the Settlement is not approved, or is terminated, canceled, or fails to become effective for any reason, the amounts remaining in the Account shall be

returned to Arhaus with the exception of those Notice and Administration Costs actually incurred by the Settlement Administrator as detailed in Section 4.3.1.

4.3.1. No later than fourteen (14) days after entry of the Preliminary Approval Order, Arhaus shall deposit into the Account the estimated Notice and Administration Cost portion of the Cash Component as determined under Section 4.6.1.3. Arhaus shall continue to periodically fund the Account to cover additional Notice and Administration Costs, if required, not to exceed the amount specified in Section 4.6.1.3. In the event that this Agreement does not become effective pursuant to Section 2.1.14, any Notice and Administration Costs actually incurred by the Settlement Administrator shall not be refundable to Arhaus. If, however, Arhaus has paid into the Account monies for Notice and Administration Costs and this Agreement becomes effective under Section 2.1.14, those amounts not used by the Settlement Administrator for Notice and Administration Costs shall be donated to the National Consumer Law Center as part of a *Cy Pres* Distribution.

4.3.2. Within fourteen (14) days after the Effective Date, Arhaus shall deposit into the Account amounts sufficient to cover the remainder of the Cash Component, to include the Attorneys' Fees and Costs pursuant to Section 4.6.1.1 and the Service Award pursuant to Section 4.6.1.2. Class Counsel shall provide the information to the Settlement Administrator as to where these payments should be made.

4.3.3. Within fourteen (14) days after the later of the (i) Effective Date or (ii) date on which the Claims Period has been concluded, including all

audits of any Claims, and the Settlement Shares have been finally calculated, Arhaus shall deposit into the Account amounts sufficient to cover those Claims requesting a cash payment and provide the Store Credit gift cards to the Settlement Administrator.

**4.4. Settlement Administrator.** The Settlement Administrator shall administer the Notice Program and Settlement Share distribution process. The Settlement Administrator shall establish the Account to administer the Settlement and make all payments required under the Settlement pursuant to this Agreement. Arhaus will reasonably cooperate in the notice and administration process by providing the Settlement Administrator, on a confidential basis and within fourteen (14) days of the Preliminary Approval Order, with contact information, including the name, last known address, telephone number, and email address, for each member of the Settlement Class to the extent Arhaus possesses such information (as reflected in reasonably available records of Arhaus).

**4.5. Settlement Notice Program.** The Settlement Administrator, as specified below, shall provide Class Notice in the forms approved by the Court, as detailed below, within 60 days following entry of the Preliminary Approval Order (i.e., the Notice Deadline, as defined):

**4.5.1. E-mail Notice.** The Settlement Administrator shall provide notice by e-mail to all identified members of the Settlement Class for whom valid e-mail addresses are available. The email shall include: a clear subject line referencing the Settlement; a summary of the Settlement benefits and

instructions for submitting a claim, a request to exclude oneself from the Settlement, and an objection to the Settlement; a clickable link to the dedicated Settlement website; and contact information for further assistance. The email shall be designed to ensure accessibility and compliance with anti-spam laws, including CAN-SPAM Act requirements. The E-Mail Notice will be substantially in the form attached hereto as Exhibit E.

4.5.2. Direct Mail Notice. The Settlement Administrator shall provide direct mail notice in the form of a postcard to all identified members of the Settlement Class for whom valid postal addresses are available. The postcard shall include: a brief summary of the Settlement terms; information on the benefits available to Settlement Class Members; instructions on how to submit a claim, a request to exclude oneself from the Settlement, and an objection to the Settlement; the website address for the dedicated Settlement website; and a toll-free number for additional information. The postcard notice shall comply with any applicable formatting requirements and shall be designed to maximize clarity and understanding. The Direct Mail Notice will be substantially in the form attached hereto as Exhibit F.

4.5.3. Text Message Notice. The Settlement Administrator shall provide notice by text message to all identified members of the Settlement Class for whom valid mobile telephone numbers are available. The text message shall include: a concise summary of the Settlement; a direct link to the Settlement website; and instructions for submitting a claim, a request to exclude oneself from the Settlement, and an objection to the Settlement. The text shall comply

with all applicable laws, including the Telephone Consumer Protection Act (TCPA). The Text Message Notice will be substantially in the form attached hereto as Exhibit G.

**4.5.4. Website Notice.** The Settlement Administrator shall establish a dedicated Settlement Website to provide comprehensive information about the Settlement. The website shall include: a summary of the Settlement terms and benefits; detailed instructions on how to submit a claim, a request to exclude oneself from the Settlement, and an objection to the Settlement; an electronic Claim Form that members of the Settlement Class can complete and submit directly; relevant Court documents, including the Settlement Agreement, long-form notice, and any Court orders; a Frequently Asked Questions (FAQs) section; and contact information for Class Counsel and the Settlement Administrator. The website shall be mobile-friendly and maintained for the entire claims period. The long-form notice made available on the Settlement Website will be substantially in the form attached hereto as Exhibit H.

**4.5.5. Toll-Free Telephone Number.** The Settlement Administrator will establish and maintain a toll-free telephone number that members of the Settlement Class may call to receive more information regarding the Settlement. The Class Notice shall inform members of the Settlement Class of the toll-free number. The toll-free number will be established no later than thirty (30) days following entry of the Preliminary Approval Order and is to remain active at least until the date of the Final Approval Hearing.

**4.5.6. CAFA Notice.** Arhaus is responsible for timely compliance with all CAFA notice requirements.

**4.6. Settlement Consideration.** Subject to the other terms and conditions of this Agreement, and subject to Court approval, the Parties agree that the Class Settlement Amount shall be a fixed sum not to exceed \$6,000,000.00, to be composed of both a Cash Component and a Net Settlement Amount as follows:

**4.6.1.** Arhaus agrees to pay a portion of the Class Settlement Amount in cash. This cash payment, called the Cash Component, shall cover the following:

**4.6.1.1. Reasonable Attorneys' Fees and Costs.** No later than thirty (30) days before the Opt-Out and Objection Deadline, Class Counsel shall apply to the Court for an award of reasonable Attorneys' Fees not to exceed 25% of the Class Settlement Amount and an award of their actual and reasonable litigation costs not to exceed \$50,000. If the Court does not approve the Award of Attorneys' Fees and Costs requested by Class Counsel, or if the Court awards Attorneys' Fees and Costs in an amount less than that requested by Class Counsel, the amount that is not awarded will be available for distribution to the Settlement Class Members and the Court's decision shall not affect the validity and enforceability of the Settlement and shall not be a basis for anyone to seek to void the Settlement or for rendering the entire Settlement null, void, or unenforceable. Class Counsel retain their right to



**appeal any decision by the Court regarding the Court's award of Attorneys' Fees and Costs.**

**4.6.1.2. Reasonable Service Award. Class Counsel intends to seek \$5,000.00 for Plaintiff (the Service Award, as defined). Class Counsel will file an application for the Service Award no later than thirty (30) days before the Opt-Out and Objection Deadline. Arhaus will not oppose the application. Any request made by Class Counsel in accordance with this Section is without prejudice to the Plaintiff's right to file a Claim as a Settlement Class Member. In the event that the Court does not approve the Service Award, or the Court awards an amount that is less than sought, the amount that is not awarded will be available for distribution to the Settlement Class Members and shall not affect the validity and enforceability of the Settlement and shall not be a basis for anyone to seek to void the Settlement or for rendering the entire Settlement null, void, or unenforceable.**

**4.6.1.3. Notice and Administration Costs. The actual Notice and Administration Costs incurred in accordance with this Agreement, in an amount not to exceed \$200,000.00.**

**4.6.2. The payments identified in Sections 4.6.1.1 – 4.6.1.3 of this Agreement shall be paid solely from the Cash Component of the Class Settlement Amount. Any portion of the Class Settlement Amount not used for the Cash Component shall comprise the Net Settlement Amount.**

**4.6.3. Net Settlement Amount. Payments to Claimants shall be paid from the Net Settlement Amount, which shall consist of the amount remaining**

after the aggregate amount required to be used for the Cash Component has been subtracted from the Class Settlement Amount. The Net Settlement Amount shall be payable by either a Store Credit or, at the Claimant's election, a cash payment of equal amount instead of a Store Credit, to those Settlement Class Members who have submitted a valid and timely Claim Form, as set forth in Sections 4.6.4–4.6.5. The value of each Store Credit or cash payment shall be determined in accordance with Section 4.6.3.1.

4.6.3.1. Each Claimant will receive a pro rata share (the “Settlement Share”) of the Net Settlement Amount based on the Claimant's total qualifying purchase amount during the Settlement Class Period divided by the total combined qualifying purchase amount of all Claimants during the Settlement Class Period. For example, if Claimant A had \$10,000 in qualifying purchases during the Settlement Class Period and the total qualifying purchases for all Claimants during the Settlement Class Period were \$1,000,000, then Claimant A's Settlement Share of the Net Settlement Amount would be 1% ( $10,000/1,000,000$ ). Notwithstanding the foregoing, no Claimant shall receive a Settlement Share that constitutes more than 50% of the Claimant's total qualifying purchase amount. The portion of any Claimant's Settlement Share, if any, that exceeds 50% of his or her total qualifying purchase amount shall be donated to the National Consumer Law Center as part of a *Cy Pres* Distribution.

4.6.3.2. The sales and transaction data for all qualifying purchases for all known and identifiable Settlement Class Members will be

supplied by Arhaus to the Settlement Administrator who will determine the Settlement Share for each Claimant.

4.6.3.3. Each Claimant who receives any monies paid in accordance with this Agreement is responsible for any taxes associated with the monies received by that recipient. The Settlement Administrator shall issue 1099s to Class Counsel (for payments of Attorneys' Fees and Costs awarded by the Court) and to the Plaintiff for any Service Award authorized by the Court.

4.6.4. Conditions for Claiming Settlement Shares. To make a claim for a Settlement Share, a Settlement Class Member must submit to the Settlement Administrator a valid and timely Claim Form. The Claim Form may be submitted to the Settlement Administrator by mail to a designated post office box or via the Settlement Website. The Settlement Administrator will have no obligation to honor any Claim Form not submitted in accordance with this provision.

To be valid, the Claim Form must include: (a) the Settlement Class Member's full name and address; (b) for mailed Claim Forms, the Settlement Class Member's signature; and (c) for Claim Forms submitted via the Settlement Website, the Settlement Class Member's electronic signature and address. Only one valid Claim Form will be honored per Settlement Class Member.

4.6.5. Time to Submit a Claim for a Settlement Share. To be deemed timely, Claim Forms and all required information must be submitted via the Settlement Website or by mail by the last date of the Claim Period, which will

be specified in the Claim Form. Claim Forms submitted by mail must be postmarked by that date. The Settlement Administrator will have no obligation to honor any Claim Form submitted via the Settlement Website or postmarked after the end of the Claim Period, even if such Claim Form or information otherwise would be valid.

**4.6.6. Review of Approved or Denied Claims.** Each Settlement Class Member who makes a timely claim will have his or her claim reviewed by the Settlement Administrator. The Settlement Administrator will advise the Parties, at a minimum, on a weekly basis, of the claims that are approved and denied. Each party is entitled to contest the denial of any claim, first through a meet and confer with the Settlement Administrator and the other party, and then, if they are unable to resolve the issue, the party contesting the denial may seek a resolution from the Court. To the extent possible, the Parties and the Settlement Administrator will attempt to resolve any issues regarding denied claims prior to the Final Approval Hearing. If any disputed claim denials are unresolved at the time of the Final Approval Hearing, however, it will not prevent the Final Approval Hearing from going forward, with the issues to be resolved at a later date, but within 60 days of the entry of any order regarding the Final Approval Hearing, including any Final Approval Order and Judgment.

**4.6.7. Distribution of Settlement Shares.** Within thirty (30) days after the later of (i) the date Arhaus deposits the monies for the Settlement Shares elected in cash into the Account and provides the Store Credit gift cards

to the Settlement Administrator; or (ii) the Effective Date, as appropriate, the Settlement Shares shall be distributed to Settlement Class Members as follows:

4.6.7.1. For those Settlement Class Members who elect to receive a Store Credit, the Settlement Administrator shall mail, by first class mail, a gift card to each claiming Settlement Class Member in the amount of his or her Settlement Share. The Settlement Administrator will perform at least one skip tracing and one re-mailing for any returned direct mailing. The total value of all claimed Store Credits that were ultimately not deliverable to a Settlement Class Member shall be donated as a *Cy Pres* Distribution. Subject to the approval of the Court, the Cy Pres designee shall be the National Consumer Law Center.

4.6.7.2. For those Settlement Class Members who elected a cash payment instead of a Store Credit, the Settlement Administrator shall mail, by first class mail, a check to each claiming Settlement Class Member who elected a cash payment. The Settlement Administrator will perform at least one skip tracing and one re-mailing for any returned direct mailing. All checks for Settlement Shares will be valid for 120 days from the date on the check. Any remaining monies from uncashed checks will be donated as a *Cy Pres* Distribution. Subject to the approval of the Court, the Cy Pres designee shall be the National Consumer Law Center. No monies out of the Class Settlement Amount will revert back to Arhaus.

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**4.7. Release of Claims.**

**4.7.1. Settlement Class Member Released Claims. Subject to Final Approval by the Court of the Settlement, and for good and valuable consideration set forth herein, the receipt and sufficiency of which is hereby acknowledged, all Releasing Settlement Class Members, do hereby irrevocably release, acquit, and forever discharge Arhaus, and all of its past, present and future owners, stockholders, parent corporations, related or affiliated companies, subsidiaries, officers, directors, employees, agents, principals, heirs, representatives, accountants, attorneys, auditors, consultants, insurers, and their respective successors and predecessors in interest from any and all claims, rights, causes of action, penalties, demands, damages, debts, accounts, duties, costs and expenses (other than those required to be paid pursuant to this Agreement), liens, charges, complaints, causes of action, obligations, or liability of any and every kind that were alleged in the FAC, or that could have been asserted but were not alleged in the FAC or in any other court or forum, whether known or unknown, on the basis of, connected with, arising out of, or related in whole or in part to any or all of the alleged acts, omissions, facts, matters, transactions, circumstances, and occurrences that were directly or indirectly alleged, asserted, described, set forth, or referred to in the allegations of the FAC whether such allegations were or could have been based on common law or equity, or on any statute, rule, regulation, order, or law, whether federal, state, or local, including, without limitation, claims under federal or state unfair**

**competition and false advertising laws (“Settlement Class Member Released Claims”).**

**4.7.1.1. The Settlement Class Member Released Claims also includes a release of all claims for Attorneys’ Fees and Costs incurred by Releasing Settlement Class Members or by Class Counsel or any other attorney in connection with this Action and this Settlement.**

**4.7.1.2. Releasing Settlement Class Members understand and agree that the release of the Settlement Class Member Released Claims is a full and final release applying to both those Settlement Class Member Released Claims that are currently known, anticipated, or disclosed to Releasing Settlement Class Members and to all those Settlement Class Member Released Claims that are presently unknown, unanticipated, or undisclosed to any Releasing Settlement Class Members arising out of the alleged facts, circumstances, and occurrences underlying: (i) the claims set forth in the allegations of the FAC; or (ii) Arhaus’s conduct with respect to the allegations of the FAC. Releasing Settlement Class Members acknowledge that the facts could be different than they now know or suspect to be the case, but they are nonetheless releasing all such unknown claims.**

**4.7.2. The Parties acknowledge that this Settlement, including the release provided in this section, reflects a compromise of disputed claims.**

**4.7.3. The final judgment in the Action shall dismiss the Action with prejudice as to Arhaus and shall incorporate the terms of this release.**

#### **4.8. Opt-Out Right/Termination.**

**4.8.1. Opt-Out Requirements. Persons in the Settlement Class who wish to exclude themselves from the Settlement must do so by mailing the Exclusion Request Form to the Settlement Administrator at the address designated in the Class Notice or by submitting the Exclusion Request Form through the Settlement Website. To be accepted, the Exclusion Request Form must be timely and valid. To be timely, a mailed Exclusion Request Form must be postmarked by the Opt-Out and Objection Deadline or submitted through the Settlement Website by the Opt-Out and Objection Deadline. To be valid, the Exclusion Request Form must: (a) be signed by the person who requests exclusion; (b) include the full name and address of the person requesting exclusion; and (c) certify the following statement: “I/we request to be excluded from the settlement in the Moses action.” No Exclusion Request Form will be valid unless all of these requirements are met. The Exclusion Request Form shall be available for download from the Settlement Website or made available by the Settlement Administrator by mail upon request by a Class member. A person in the Settlement Class who submits a valid Exclusion Request Form is not eligible to receive a share of the Class Settlement Amount. No person in the Settlement Class may submit both an Exclusion Request Form and a Claim Form, and if a person in the Settlement Class submits both an Exclusion Request Form and a Claim Form, then the Exclusion Request Form will control. No person in the Settlement Class, nor any person acting on behalf of**



or in concert or participation with a person in the Settlement Class, may exclude any other person from the Settlement Class.

**4.8.2. Retention of Exclusion Request Forms.** The Settlement Administrator will retain a copy of all Exclusion Request Forms and will, upon written request, provide copies of any such requests to counsel for the Parties. Class Counsel will keep any such opt-out information confidential and use it only for purposes of determining whether a person in the Settlement Class has properly opted out. Not later than thirty (30) days after the Opt-Out and Objection Deadline, the Settlement Administrator shall file with the Court a declaration that lists all of the Settlement Class Members who submitted valid Exclusion Request Forms.

**4.8.3. Right to Terminate for Exceeding Exclusion Threshold.** Arhaus, at its sole discretion, has the right to terminate this Settlement if the number of Exclusion Request Forms received exceeds 10% of the Settlement Class.

**4.9. Objections to the Settlement.**

**4.9.1. Right to Object.** Any Settlement Class Member may appear at the Final Approval Hearing to object to the proposed Settlement and/or to the application of Class Counsel for an award of attorneys' fees and costs and/or the Service Award, but only if the Settlement Class Member has first filed a written objection with the Clerk of Court, in accordance with the requirements set forth below, by the Opt-Out and Objection Deadline. Any Settlement Class Member who does not provide a written objection in the manner described in

**this Section shall be deemed to have waived any objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the proposed Settlement, the plan of allocation, or the award of any attorneys' fees and/or the Service Award. Further, any Settlement Class Member who intends to appear at the Final Approval Hearing must file with the Court and serve on all parties a Notice of Intention to Appear.**

**4.9.2. Objection Requirements. To be heard at the Final Approval Hearing, the Settlement Class Member must make any objection in writing and file it with the Court by the Opt-Out and Objection Deadline. Objections may be filed either in person or by mail at the Western Division of the United States District Court for the Central District of California, located at 255 East Temple St., Suite 180, Los Angeles, CA 90012. An objection must: (a) attach documents establishing, or provide information sufficient to allow the Parties to confirm, that the objector is a Settlement Class Member, including records of any applicable purchase from Arhaus; (b) include a statement of such Settlement Class Member's specific objection(s); and (c) state the grounds for objection, as well as identify any documents that such objector desires the Court to consider. To be heard at the Final Approval Hearing, the person objecting also must file with the Court a Notice of Intention to Appear. The Final Approval Hearing will take place at the United States Courthouse, 350 W. 1st Street, 6th Floor, Courtroom 6D, Los Angeles, CA 90012.**

**4.9.3. Objector's Deadline to Submit Claim Form. Any person in the Settlement Class who timely submits an objection in accordance with**

**Section 4.9.1–4.9.2 of this Agreement must submit a Claim Form no later than 21 days after Final Approval of the Settlement to make a claim for a Settlement Share. The Claim Form must be submitted in the manner described in Section 4.6.4 of this Agreement.**

**4.10. Final Approval. Within thirty (30) days following the Opt-Out and Objection Deadline, Plaintiff shall promptly request that the Court enter the Final Approval Order and Judgment, which shall specifically include provisions that: (a) finally approve the Settlement as fair, reasonable and adequate to the Settlement Class; (b) find that the Class Notice as given was the best notice practicable under the circumstances, is due and sufficient notice to the Settlement Class and fully satisfies the requirements of due process and Federal Rule of Civil Procedure 23; (c) approve the plan of distribution of the Class Settlement Amount and any interest accrued thereon; (d) finally certify the Settlement Class; (e) confirm that Plaintiff and the Settlement Class Members have released all Settlement Class Member Released Claims and are permanently barred and enjoined from asserting, commencing, prosecuting or continuing any of the Settlement Class Member Released Claims against the Settlement Class Member Released Parties; and (f) dismiss the Action with prejudice, without costs to any party, except as provided in this Agreement, and subject to the Court retaining continuing jurisdiction over the Parties and the Class Settlement Amount for the purpose of enforcement of the terms of this Agreement.**

**4.11. Dismissal.** Upon entry of the Final Approval Order and Judgment, the Action shall be dismissed with prejudice as to Plaintiff and the Settlement Class Members and judgment shall be entered thereon.

**4.12. No Admission.** Nothing contained in this Agreement shall be construed or deemed an admission of liability, culpability, or wrongdoing. Arhaus expressly denies liability for the claims asserted and specifically denies and does not admit any of the pleaded facts not admitted in its pleadings in the Litigation. Likewise, nothing in this Agreement shall be construed or deemed an admission by Plaintiff or the Settlement Class with regards to the validity of any of Arhaus's defenses or affirmative defenses. Each of the Parties has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

**4.12.1.** This Agreement, and all related documents, including the certification for settlement purposes entered pursuant to this Agreement, and any Claim Forms, Exclusion Request Forms or Objections submitted by Settlement Class Members, and all other actions taken in implementation of the Settlement, including any statements, discussions, or communications, and any materials prepared, exchanged, issued, or used during the course of the negotiations leading to this Agreement, are settlement documents and shall be inadmissible in evidence and shall not be used for any purpose in this Litigation or any other judicial, arbitral, administrative, investigative, or other court tribunal, forum, or proceeding, or any other litigation against Arhaus, for any

purpose, except in an action or proceeding to approve, interpret, or enforce the terms of this Agreement.

**4.12.2. The Claim Forms, Exclusion Request Forms or Objections, or other evidence produced or created by any Settlement Class Member in connection with this Settlement, and any actions taken by Arhaus in response to such Claim Forms, Exclusion Request Forms, Objections, or other evidence, do not constitute, and will not be deemed to constitute an admission by Arhaus of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity.**

## **5. General Provisions**

**5.1. Settlement Conditioned Upon Approval. The Settlement is conditioned upon entry of the Preliminary Approval Order and Final Approval Order and Judgment without material modification by the Court. In the event of failure to obtain any of the required provisions of such orders, including, but not limited to, the denial of any motion seeking preliminary or final approval, either Party may terminate the Settlement by notifying the opposing party in writing within thirty (30) days of such failure to obtain approval.**

**5.2. Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior understandings, agreements or writings regarding the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument signed by all Parties or their successors in interest or their duly authorized representatives and approved by the Court. The provisions of the Agreement may be waived only**

in a writing executed by the waiving party. The waiver by one party of any breach of this Agreement by any other party shall not be deemed a waiver, by that party or by any other party, of any other prior or subsequent breach of this Agreement.

**5.3. No Construction Against Drafter.** This Agreement will be deemed to have been drafted by the Parties, and any rule that a document shall be interpreted against the drafter will not apply.

**5.4. No Assignment.** No party to this Agreement has heretofore assigned, transferred or granted, or purported to assign, transfer, or grant, any of the claims, demands or cause or causes of action disposed of by this Agreement.

**5.5. Receipt of Advice of Counsel.** Each party acknowledges, agrees and specifically warrants that he, she or it has fully read this Agreement, including the Release contained herein, received independent legal advice with respect to the advisability of entering this Agreement and the Release, and the legal effects of this Agreement and the Release, and fully understands the effect of this Agreement and the Release. Each party to this Agreement warrants that he, she or it is acting upon his, her or its independent judgment and upon the advice of his, her or its own counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other party, other than the warranties and representations expressly made in this Agreement.

**5.6. Agreement Binding on Successors in Interest.** This Agreement is binding on and shall inure to the benefit of the respective heirs, successors and assigns of the Parties.

**5.7. Undertakings of the Parties.** The Parties agree to the approval of this Settlement. The Parties further agree to undertake all steps necessary to effectuate the terms and purposes of this Agreement, to secure the Court's approval of same, and contemplate that they will oppose any objections to the Settlement, including objections by any regulatory authority after CAFA notices are issued, and oppose any appeals from any orders of final approval.

**5.8. Class Counsel Signatories.** It is agreed that because the Settlement Class Members are so numerous, it is impossible or impractical to have each Settlement Class Member execute this Agreement. The notice provided in accordance with Section 4.5 shall provide all Settlement Class Members with a summary of the terms of the Settlement, and will advise all Settlement Class Members of the binding nature of the release. Excepting only those Settlement Class Members who submit a valid and timely Exclusion Request Form, the Notice provided in accordance with Section 4.5 shall have the same force and effect as if this Settlement was executed by each Settlement Class Member.

**5.9. Counterparts.** This Agreement may be executed in any number of counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one and the same Agreement, which shall be binding upon and effective as to all Parties.

**5.10. Notices.** All notices to counsel provided for herein shall be sent by email with a hard copy sent by overnight mail to:

**As to Class Counsel:**

KJC Law Group, A.P.C.  
Keven J. Cole  
[kevin@kjclawgroup.com](mailto:kevin@kjclawgroup.com)  
9701 Wilshire Blvd. Suite 1000,  
Beverly Hills, CA 90212

**As to Arhaus:**

Baker & Hostetler, LLP  
Phillip J. Eskenazi  
[peskenazi@bakerlaw.com](mailto:peskenazi@bakerlaw.com)  
1900 Avenue of the Stars, Suite 2700  
Los Angeles, CA 90067

**5.11. Applicable Law.** This Agreement shall be governed by California law without regard to its choice of law or conflicts of law principles or provisions.

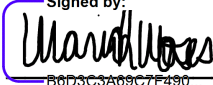
**5.12. Retention of Jurisdiction.** The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Agreement, and all Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Agreement.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be executed as of:

[Signature page to follow]



**ACCEPTED AND AGREED**


Signed by:  
  
By: \_\_\_\_\_  
B0D3C3A09C7F490...  
**Mariah Moses**

**Dated:** 5/27/2025

By: \_\_\_\_\_  
**For Arhaus, Inc.**

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

**Approved as to form:**

  
By: \_\_\_\_\_  
**Kevin J. Cole**  
**Class Counsel**

**Dated:** 5/27/2025

By: \_\_\_\_\_  
**Phillip J. Eskenazi**  
**Counsel for Arhaus, Inc.**

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

**ACCEPTED AND AGREED**

By: \_\_\_\_\_  
Mariah Moses

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

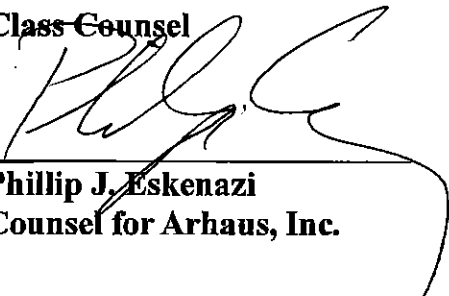
By:  \_\_\_\_\_  
For Arhaus, Inc.

Dated: 5/23/25

Approved as to form:

By: \_\_\_\_\_  
Kevin J. Cole  
Class Counsel

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

By:  \_\_\_\_\_  
Phillip J. Eskenazi  
Counsel for Arhaus, Inc.

Dated: 5/27/25