

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release encompasses the full and complete agreement ("Agreement") between the State Bar of California ("Plaintiff" or "State Bar"), on the one hand, and LegalMatch.com, Dmitry Shubov, and Anna Ostrovsky ("Defendants") on the other. In this Agreement, where all parties are included, reference may be made collectively to the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, on May 20, 2020, Plaintiff filed a complaint in the San Francisco Superior Court in Case Number CGC-20-584278, which named LegalMatch.com as a Defendant and asserted a cause of action for violation of Business and Professions Code section 6155 (the "Action") and included a request for Injunctive Relief;

WHEREAS, on June 30, 2020, Plaintiff filed a First Amended Complaint alleging the same cause of action.

WHEREAS, on August 10, 2020, LegalMatch filed a cross-complaint raising constitutional claims and other issues that was later amended and subsequently dismissed with prejudice.

WHEREAS, on November 23, 2021, the State Bar amended its complaint to name Dmitry Shubov and Anna Ostrovsky in place of previously named Doe Defendants.

WHEREAS, the Parties now desire to settle and compromise all disputes pertaining to any claims or cross-claims made or that could have been made in or arising out of any and all facts and circumstances arising out of the Action in order to avoid additional penalties, risk, expense, and uncertainty of further litigation.

ACCORDINGLY, in consideration of the foregoing recitals, the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Agreement stipulate and agree as follows:

1. **Consideration:** In consideration of the agreements, covenants, and releases contained herein, within 30 days of the execution of this Agreement by all of the Parties, Defendants shall make a total payment of \$225,000 (two hundred and twenty-five thousand dollars) to the State Bar (the "Settlement Amount").
2. **Dismissal of Action:** Within five (5) business days of payment of the Settlement Amount by Defendants, the State Bar will file a standard form of Dismissal with Prejudice.
3. **Plaintiff's Release:** Plaintiff agrees to accept said Settlement Amount in full settlement and compromise of the Action, and the Parties agree that such payment shall fully and forever discharge and release each Defendant and any of his/her/its representatives,

employees, agents, predecessors and successors, assigns, and all persons acting under, by, through or in concert with any of them from any and all claims, liabilities, obligations and causes of action, whether known or unknown, which Plaintiff has against each of the Defendants arising out of or related to the facts, events, and circumstances alleged in the Action, including but not limited to all claims based on alleged violations of Bus. & Prof. Code sections 6155 and 6156 at any time through the date of this settlement. This settlement includes an express waiver of Civil Code section 1542, which states:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

4. Defendants' Release: In consideration of the agreements, covenants, and releases contained herein, the Defendants fully, finally, and forever release, relinquish and discharge Plaintiff from any and all claims and causes of action, whether known or unknown, which the Defendants have against the Plaintiff arising out of or relating to facts, events and circumstances alleged in the Action.
5. Representations and Warranties:
 - 5.1 Authorized Signatures: Each of the undersigned persons represents and warrants that he or she is authorized to sign this Agreement on behalf of the respective Party for which he or she is signing and that he or she has the requisite power and authority to bind such Party to each and every provision of the Agreement that is applicable thereto.
 - 5.2 No Assignment: Each of the Parties warrants and represents that they own, control, or possess the rights, title, benefits, claims, or interests alleged by them in the Action and is fully authorized to execute this Agreement and that it has not sold, assigned, conveyed, or otherwise transferred or purported to sell, assign, convey, or transfer to any person or entity, any right title, benefit, claim or interest alleged in the Action.
 - 5.3 Independent Legal Advice: Each of the Parties represents and warrants to the other Parties that the Party has read and understands this Agreement. Each Party acknowledges, warrants, and represents that it has sought such independent legal advice as it deems necessary with respect to the advisability of making this Agreement and the meaning and effect of all aspects of the Agreement and executes this Agreement with full knowledge of all rights which it may have. Each party represents that it enters into this Agreement freely, knowingly, and voluntarily and that the execution and delivery of the Agreement is not the result of any duress, mistake, or undue influence whatsoever.

6. Dispute Resolution:

6.1 Jurisdiction: Pursuant to a Stipulation of Settlement signed by the Parties on August 19, 2022, Judge Mary Wiss of the San Francisco Superior Court has agreed to retain jurisdiction over this matter pursuant to Code of Civil Procedure section 664.6. The Parties agree that any disputes related to the settlement or the Agreement will be submitted to Judge Wiss for resolution.

6.2 Choice of Law: The Parties agree that this Agreement and all disputes, controversies, or claims arising out of the interpretation, construction, performance, or breach of this Agreement shall be interpreted, construed, and enforced exclusively under the laws of the State of California, without regard to the conflicts of laws principles thereof.

7. Miscellaneous:

7.1 Denial of Liability: This Agreement is made in compromise and settlement of all actual claims made and penalties and other damages or relief sought herein among the Parties relating to the Action, all of which are disputed and denied. This Agreement shall not be construed or deemed to be evidence of, in any fashion, an admission or concession of liability or wrongdoing by any Party hereto with respect to any claim, defense, fault, liability, wrongdoing, or damage whatsoever. Each Party specifically denies engaging in any wrongdoing whatsoever regarding any other Party hereto. The Agreement shall not be offered or received in evidence by or against any Party except to enforce its terms.

7.2 Attorneys' Fees: Except to the extent that the Settlement Amount includes Plaintiff's costs pursuant to Business and Professions Code section 6156, the Parties agree that they are responsible for their own costs and attorneys' fees in connection with the Action and the drafting, negotiation, and execution of this Agreement.

7.3 No Right to Appeal: The Parties waive any right to file an appeal in the Action.

7.4 Successors and Assigns: The Agreement shall inure to the benefit of and shall be binding upon the heirs, affiliates, successors, assigns, representatives, and beneficiaries of the Parties and each of them.

7.5 Construction of Agreement: No Party shall be deemed to be the drafter of the Agreement. Each Party acknowledges that it has had an opportunity to review and revise the Agreement, and the normal rule of construction to the effect that ambiguities in an agreement are resolved against the drafting party shall not apply to the interpretation of this Agreement.

7.6 Notices: Any notice relating to the Agreement shall be in writing, hand-delivered, or sent by overnight courier, with a copy by email, to the following address or at such address a Party may request in writing:

If to Plaintiff: State Bar of California
Attn: Ellin Davtyan
180 Howard Street
San Francisco, CA 94105
Ellin.Davtyan@calbar.ca.gov

If to LegalMatch: Gordon M. Fauth, Esq.
1935 Addison Street, Suite A
Berkeley, CA 94704
gmf@classlitigation.com

If to Dmitry Shubov: John R. Grele, Esq.
1000 Brannan Street, Suite 400
San Francisco, CA 94103
jgrele@grelelaw.com

If to Anna Ostrovsky: Merri A. Baldwin, Esq.
Rogers Joseph O'Donnell
311 California Street, 10th Floor
San Francisco, CA 94104
MBaldwin@rjo.com

- 7.6.1 **Entire Agreement:** This Agreement constitutes the complete and final expression and understanding of the Parties hereto as to the matters set forth herein and supersedes all prior discussions and agreements between the Parties with respect to the matters covered herein.
- 7.6.2 **Counterparts:** The Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same Agreement. A facsimile or scan of a signed copy of the Agreement shall serve as an original executed copy for all purposes.
- 7.6.3 **Severability:** Whenever possible, each provision of the Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall become prohibited or invalid under applicable law: (a) said term or other provision shall be enforced to the maximum extent allowed and/or construed in order to effect the intent of the Parties as closely as possible; and (b) all other terms and other provisions of this Agreement shall nevertheless remain in full force and effect.
- 7.6.4 **Amendments/Modification:** This Agreement may not be amended or modified, nor may any of its provisions be waived, except by an agreement in writing executed by the Parties bound thereby or by their respective representative's successors in interest or attorneys authorized to act on their behalf.

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement as of the date all parties have signed below.

Dated: 8/30/22

The State Bar of California

By Robert G. Retana
Robert G. Retana
Deputy General Counsel

Dated: _____

LegalMatch.com, a corporation

By _____
Anna Ostrovsky
Chief Operating Officer

Dated: _____

Anna Ostrovsky

Dated: _____

Dmitry Shubov

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Dmitry Shubov

Dated: 8/30/22


