

**SUPERIOR COURT
(Class Actions)**

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO.: 500-06-001015-193

DATE: July 11TH, 2022

PRESIDED BY: THE HONOURABLE SYLVAIN LUSSIER, J.C.S.

YOUVAL BENABOU

Plaintiff

v.

STOCKX, LLC

Defendant

JUGEMENT

(ON THE APPLICATION FOR APPROVAL OF A SETTLEMENT
AND FOR APPROVAL OF CLASS COUNSEL FEES)

- [1] On August 12, 2019, Plaintiff filed an *Application to Authorize the Bringing of a Class Action* against Defendant StockX, LLC (hereinafter "**StockX**"), before the Superior Court of Quebec, District of Montreal.
- [2] The proposed class action related to a data breach affecting the StockX systems, namely that certain elements of the information linked to StockX User Accounts had been accessed unlawfully and without authorization by an unknown third-party hacker on or about May 14, 2019 (the "**Data Breach**").
- [3] On April 19, 2021, Plaintiff entered into a settlement in principle with StockX regarding all persons in Canada, including their estates, executors or personal representatives, whose personal information was provided to StockX and was subsequently compromised and/or stolen from StockX as a result of the Data Breach that occurred on or before May 14, 2019.
- [4] The settling parties continued their negotiations for many months thereafter, ultimately arriving at a formal transaction agreement on February 28, 2022, the whole as appears more fully from a copy of the Settlement Agreement entitled "Canadian Class Action Settlement Agreement, Transaction, Release and

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Discharge”, together with its schedules and French translations (the “**Settlement Agreement**” or the “**Transaction**”).¹

- [5] On May 2, 2022, the undersigned authorized the class action for settlement purposes (the “**Judgment on Authorization**”).
- [6] The Judgment on Authorization also appointed MNP Ltd. as Claims Administrator and ordered it and the Parties to publish and disseminate the Pre-Approval Notices to the Class, substantially in accordance with the Notice Plan as set forth in Section 5 of the Settlement Agreement, which was indeed completed.
- [7] The Court is now seized with the Application for Approval of a Settlement and for Approval of Class Counsel Fees (the “**Application**”), whereby, and pursuant to Section 3 of the Settlement Agreement, the parties jointly request that this Court approve the Settlement Agreement.
- [8] The Fonds d'aide aux actions collectives (the “**Fonds**”) was duly notified of the Application. Me Guilbert appeared for the Fonds.
- [9] Except as otherwise specified in, or modified by, this Judgment, capitalized terms used herein shall have the meaning ascribed in the Settlement Agreement.

SETTLEMENT AGREEMENT

- [10] The Plaintiff and StockX have agreed to the terms of the Settlement Agreement, the whole subject to the approval of the Court, without any admission of liability whatsoever by StockX and for the sole purpose of resolving the dispute between the parties.
- [11] The following is a summary of the key terms of the Settlement Agreement.
- [12] The Settlement Agreement provides that StockX pay for an 18-month subscription with TransUnion for credit monitoring services that will be made available for activation by all 122,970 Settlement Class Members across Canada, free of charge (this service is regularly priced by TransUnion at \$19.95 per month, plus taxes).
- [13] In addition, StockX will pay an amount not exceeding an aggregate Settlement Cap of \$130,000 CAD for all substantiated and documented monetary claims made by Settlement Class Members who provide evidence of out-of-pocket losses, expenses or costs caused by the Data Breach or resulting from their receipt of the StockX Notices, as assessed by the Claims Administrator pursuant to the Distribution Protocol attached to the Settlement Agreement.
- [14] Section 7.4 of the Settlement Agreement provides that the Plaintiff’s personal claim in the amount of \$3,000 CAD is pre-approved and is agreed to between the

¹ Exhibit R-1

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parties, on a confidential basis forming part of the negotiations that led up to the settlement being reached, the whole without the necessity of Plaintiff having to file a formal Claim Form with the Claims Administrator. The pre-approved claim is included in the Cap and is subject to the percentage payable to the Fonds in accordance with the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*.²

- [15] StockX will separately pay the fees of the Claims Administrator, the costs related to the Notice Plan, and the Class Counsel's fees plus taxes.
- [16] Should the Cap be reached, all valid and approved claims (except for the Plaintiff's pre-approved personal claim) will be reduced on a pro-rata basis. The amount of the actual payments to other Class Members will therefore depend on the total monetary amount of valid and approved claims received.
- [17] To receive a payment, each Class Member will have to submit a valid and timely Claim Form (Schedule D of the Settlement Agreement) either by mail or electronically. The Settlement Agreement provides for a binding arbitration process to resolve any contested claims.
- [18] In exchange, the Class Members will grant a full and final release and discharge to StockX for all events surrounding this issue, pursuant to section 8 of the Settlement Agreement.
- [19] Finally, the Parties have confirmed that the Claimants' claims will be subject to the percentage payable to the Fonds in accordance with the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*.³

CLASS NOTICE

- [20] On May 2nd, 2022, in accordance with the Settlement Agreement, the Court approved a Notice Plan for disseminating the Pre-Approval Notices to potential Class Members. The Claims Administrator proceeded to disseminate the Pre-Approval Notices in accordance with the Notice Plan.⁴
- [21] The Class Notice and all of the materials disseminated and made available to Class Members, as well as any and all future information to be disseminated, are available in both French and in English.
- [22] The Pre-Approval Notice explained to the potential Class Members the steps that they needed to take to be excluded from the class or to oppose the Settlement Agreement. The Claims Administrator did not receive any oppositions to the Settlement Agreement. The Claims Administrator received only one (1) valid

² CQLR, c. F-3.2.0.1.1, r. 2.

³ CQLR, c. F-3.2.0.1.1, r. 2.

⁴ Exhibit R-2, Publication Plan Report by Claims Administrator MNP Ltd.

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formal request for exclusion (signed Opt-Out Form). Further, after formal calling by the clerk of the Court, no one appeared at the hearing on the approval of the Settlement Agreement to present an opposition thereto.

SETTLEMENT APPROVAL

[23] Under Article 590 C.C.P., a transaction is valid only if it is approved by the Court. The Court must consider the following factors before approving the Settlement Agreement:

- les probabilités de succès du recours;
- l'importance et la nature de la preuve administrée;
- les termes et les conditions de la transaction;
- la recommandation des procureurs et leur expérience;
- le coût des dépenses futures et la durée probable du litige;
- la recommandation d'une tierce personne neutre, le cas échéant;
- le nombre et la nature des objections à la transaction;
- la bonne foi des parties;
- l'absence de collusion.⁵

[24] These factors ought not to be applied in a formulaic manner and not all nine factors need to be satisfied. Instead, the Court should look at the totality of these factors in light of the specific circumstances involved.⁶

[25] In the present matter, the Court finds that:⁷

- (i) Continued litigation in this class action would be complex, lengthy, and expensive. The trial would include expert witnesses and witnesses coming from the United States on the issue of fault and would involve many more hours of attorney time. Moreover, given the right to appeal, the trial would not necessarily end the litigation;

⁵ *Zuckerman c. Target Corporation Inc.*, 2018 QCCS 2276, par. 20; *9085-4886 Québec inc. c. Visa Canada Corporation*, 2015 QCCS 5921, par 24; *Richard c. Volkswagen Group Canada inc.*, 2012 QCCS 5534, par. 45.

⁶ *Comité d'environnement de Ville-Émard (CEVE) c. Stodola*, 2016 QCCS 1834, par. 18.

⁷ The Court applies the reasons elaborated in *Zuckerman c. Target Corporation Inc.*, 2018 QCCS 2276, par. 22.

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- (ii) The outcome of the class action is not a foregone conclusion. Although the Data Breach is admitted by StockX in a limited form, StockX maintained that no sensitive personal information was comprised and that the Class Members suffered no damages;
- (iii) The benefits offered in the Settlement Agreement are fair and adequate, provide significant compensation to the Class Members, and are worthy of approval:
 - a) All the Settlement Class Members across Canada can receive and activate a free 18-month subscription with TransUnion for credit monitoring services by simply completing a Claim Form without providing any documentation in support of their damages. This service provides significant value to Class Members and is therefore fair and reasonable. The simplified procedure for making a claim and receiving a subscription code for activation presents an additional benefit to the Class Members;
 - b) Class Members who believe that they have incurred losses, costs or expenses that were caused by the Data Breach and/or incurred as a result of the Data Breach or the receipt of the StockX Notices can claim compensation for their actual proven losses. This seems fair in that they would be required eventually to prove their claims if the matter went to Court;
- (iv) Even if the Class Members could potentially recover a larger award after a trial, the additional delay and risks would, in light of the time value of money, make future recoveries less valuable than this current recovery. The Settlement Agreement provides an immediate benefit to Class Members and avoids unnecessary expense and delay;
- (v) The Settlement Agreement was reached by experienced, fully-informed counsel after arm's length negotiations. Moreover, counsel, who have extensive expertise in the area of class actions and who are most closely acquainted with the facts of the underlying litigation, are recommending the Settlement Agreement;
- (vi) No Class Member has filed an objection to the Settlement Agreement and only one formal request for exclusion has been made;
- (vii) There is no evidence to suggest that the parties are not in good faith or that the parties are colluding with each other.

[26] The Court has considered whether a low take-up rate by Class Members would allow StockX to settle this matter and obtain release very cheaply. For the same reasons held by this Court in *Zuckerman c. Target Corporation Inc.* the Court

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concludes that the amount that StockX might pay is not a sufficient ground to refuse to approve the Settlement Agreement:⁸

[25] First, the Court notes that this is a case where individual recovery appears to be appropriate. At this stage at least, the evidence does not allow a sufficiently precise determination of the total claim amount. In any case where there is individual recovery, there is a risk of a low take-up rate and therefore a low payment by the defendant. If the amounts paid to the Class Members in this case end up not being substantial, it will be because the Class Members did not bother to file Claim Forms.

[26] In any event, Target will pay a substantial amount. In addition to whatever amounts are claimed by the Class Members up to the Cap of \$345,000, Target will pay \$4,999.99 to the Plaintiff, \$150,000 plus taxes to Class Counsel and US\$120,000-US\$130,000 to the Claims Administrator.

[27] In the present instance, StockX will have to pay, in addition to approved claims up to the Settlement Cap of \$130,000, a minimum upfront payment of \$162,000 for the provision of the TransUnion credit monitoring subscription, \$100,000 plus taxes to Class Counsel and finally, the Claims Administrator fees (including notice costs) and any fees related to the appeal (arbitration) process. None of these additional amounts paid by StockX will reduce the Settlement Cap available to Class Members.

[28] The Court therefore approves the Settlement Agreement as fair, reasonable and in the best interest of the Class Members.

ISSUE RAISED BY THE FONDS D'AIDE AUX ACTIONS COLLECTIVES

[29] Counsel for the Fonds was present at the Settlement Approval Hearing and raised to the attention of the Court the issue of whether the pre-approval of Plaintiff's claim in the amount of \$3,000, in consideration of the release of the Plaintiff's personal claim, is appropriate in the context of the settlement.

[30] The Fonds takes the view that this amount of settlement is questionable, in view of the provisions of article 593 *C.C.P.* which reads:

593. The court may award the representative plaintiff an indemnity for disbursements and an amount to cover legal costs and the lawyer's professional fee. Both are payable out of the amount recovered collectively or before payment of individual claims.

⁸ *Zuckerman c. Target Corporation Inc.*, 2018 QCCS 2276, par. 23-29.

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[31] This article has consistently been interpreted as prohibiting a remuneration for the class representative⁹. The Court of Appeal reaffirmed the prohibition in the recent decision of *Attar c. Fonds d'aide aux actions collectives*.¹⁰ The Court wrote:

[19] Bien que l'appelant puisse soutenir qu'une rémunération symbolique devrait pouvoir être accordée aux représentants, comme c'est parfois le cas dans d'autres juridictions, il s'agit là d'une question de politique législative et non de politique judiciaire.

[20] Tenant compte de la rédaction de l'art. 593 *C.p.c.*, des commentaires du ministre de la Justice et des jugements rendus à l'égard de cet article, de même que des commentaires des auteurs, nous devons conclure que l'indemnité qui peut être accordée à un représentant ne peut comprendre une compensation pour le temps et les efforts consacrés au dossier en plus des débours engagés, des frais de justice et des honoraires de l'avocat.

[32] The Fonds advances that the judgments awarding predetermined settlement that generally exceed that of the members¹¹ were rendered before *Attar* and that the reasoning of the Court of Appeal applies to these awards. Consequently, the Fonds wants to be satisfied that the settlement with Mr. Benabou was justified by appropriate receipts and evidence:

Nous comprenons qu'il est possible toutefois que les parties aient convenu d'un montant de 3 000 \$ en raison d'une preuve qu'ils ont jugée suffisante à la fois selon les pertes réellement subies par M. Benabou et/ou en raison de ses débours dans le respect de l'article 593 du *Code de procédure civile* et de l'arrêt *Attar*, comme ce fut le cas dans le jugement rendu dans le dossier *Dufour c. Compagnie d'aviation Cubana*,

⁹ *Association de protection des épargnants et investisseurs du Québec (APEIQ) c. Ontario Public Service Employee's Union Pension Plan Trust Fund*, 2008 QCCA 1132 ; *Zouzout c. Wayfair LLC*, C.S. Montréal, n° 500-06-000809-166, 14 décembre 2017, Monast, j.c.s., par. 85; *Zouzout c. Wayfair LLC*, 2018 QCCS 1370, par. 2; *Frank-Fort Construction inc. c. Porsche Cars North America Inc.*, 2018 QCCS 1727, par. 70-71; *Mahmoud c. Société des casinos du Québec inc.*, 2018 QCCS 4526, par. 34-42; *Michaud c. Sanofi-Aventis Canada inc.*, 2019 QCCS 2067, par. 30-32; *Auguste c. Air Transat*, 2019 QCCS 2253, par. 36-41; *Blouin c. Parcs éoliens de la Seigneurie de Beaupré 2 et 3 (« SB2&3 »)*, 2019 QCCS 2968, par. 40-52 ; *Fortin c. Banque de Nouvelle-Écosse*, 2019 QCCS 5758, par. 16; *Brière c. Rogers Communications*, 2019 QCCS 2701, par. 141-144 ; *Caufriez c. Festival métropolitain pour la musique urbaine*, 2020 QCCS 1092, par. 8; *Derome c. Stars Group inc.*, 2020 QCCS 2316, par. 13-14.

¹⁰ 2020 QCCA 1121.

¹¹ *Amram c. Rogers Communications Inc. et al.*, judgment rendered on July 7, 2020 in file 500-06-000575-114; *Zuckerman c. Target Corporation, inc.*, 2018 QCCS 2276, par. 12, 16; *Belley v. TD Auto Finance Services Inc./Services de financement auto TD Inc.*, judgment rendered on March 4, 2020 in file no. 500-06-000615-126, par. 19 and Annexe C; *Licari c. Johnson & Johnson inc.*, 2018 QCCS 2033, par. 25 – 27; *Rabin c. HP Canada Co.*, 2019 QCCS 1511, par. 14.

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2021 QCCS 5226 (indemnité fixée par le tribunal à 520 \$ pour la représentante selon la preuve faite)¹².

- [33] This Court has approved settlement agreements of a similar structure in other instances.¹³ It is true that these judgments were rendered before the Court of Appeal issued its ruling in *Attar*. But they were rendered in full cognizance of the interpretation of article 593 *C.C.P.* and its implied prohibition.
- [34] Justice Emery, in the unreported decision of *Amram c. Rogers Communications Inc.*, qualifies the award as being “clever” (*habile*).
- [35] The award to Mr. Benabou is a compensation for his damages, arrived at in the context of settlement negotiations.
- [36] The Supreme Court has ruled that the content of negotiations is privileged, including in the context of class actions vis-à-vis other parties¹⁴. In that particular case, the amount of the settlement reached was at issue. Justice Abella wrote for the Court:

[18] Since the negotiated amount is a key component of the “content of successful negotiations”, reflecting the admissions, offers, and compromises made in the course of negotiations, it too is protected by the privilege. I am aware that some earlier jurisprudence did not extend the privilege to the concluded agreement (see *Amoco Canada Petroleum Co. v. Propak Systems Ltd.*, 2001 ABCA 110, 281 A.R. 185, at para. 40, citing *Hudson Bay Mining and Smelting Co. v. Wright* (1997), 1997 CanLII 11529 (MB QB), 120 Man. R. (2d) 214 (Q.B.)), but in my respectful view, it is better to adopt an approach that more robustly promotes settlement by including its content.

[19] There are, inevitably, exceptions to the privilege. To come within those exceptions, a defendant must show that, on balance, “a competing public interest outweighs the public interest in encouraging settlement” (*Dos Santos Estate v. Sun Life Assurance Co. of Canada*, 2005 BCCA 4, 207 B.C.A.C. 54, at para. 20). These countervailing interests have been found to include allegations of misrepresentation,

¹² Lettre de Me Guilbert en date du 28 juin 2022.

¹³ *Amram c. Rogers Communications Inc. et al.*, judgment rendered on July 7, 2020 in file 500-06-000575-114, in which Justice Benoît Emery specifically dismissed the Fonds’ similar contestation regarding a pre-approved personal claim of the Plaintiff; *Zuckerman c. Target Corporation, inc.*, 2018 QCCS 2276, par. 12, 16; *Belley v. TD Auto Finance Services Inc./Services de financement auto TD Inc.*, judgment rendered on March 4, 2020 in file no. 500-06-000615-126, par. 19 and Annexe C; *Licari c. Johnson & Johnson inc.*, 2018 QCCS 2033, par. 25 – 27; *Rabin c. HP Canada Co.*, 2019 QCCS 1511, par. 14.

¹⁴ *Sable Offshore Energy Inc. v. Ameron International Corp.*, 2013 SCC 37.

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fraud or undue influence (*Unilever plc v. Procter & Gamble Co.*, [2001] 1 All E.R. 783 (C.A. Civ. Div.), *Underwood v. Cox* (1912), 1912 CanLII 582 (ON SCDC), 26 O.L.R. 303 (Div. Ct.)), and preventing a plaintiff from being overcompensated (*Dos Santos*).

- [37] Even if the Court accepted that the Fonds has standing to contest the award to Mr. Benabou¹⁵, it would have to establish the elements of malfeasance identified by Justice Abella, prior to authorizing the prying into the discussions.
- [38] The Court does not find indicia of such collusion or wrongdoing.
- [39] The Court further notes that under the Settlement Agreement, and subject to the Cap, there is no limit on the value of a monetary claim that can be submitted by Class Members, and it is not inconceivable that such a claim could rise to the amount received by the Plaintiff.
- [40] Consequently, the pre-approved personal claim of the representative plaintiff, which was negotiated pursuant to confidential discussions between the parties and their experienced counsels, appears just and reasonable in the context of the Settlement Agreement.

CLASS COUNSEL'S FEES APPROVAL

- [41] The Court must review Class Counsel's Fees in light of sections 7, 101, and 102 of the *Code of Professional Conduct of Lawyers*,¹⁶ in the context of a class action.¹⁷
- [42] Section 102 of the *Code of Professional Conduct of Lawyers* states:

102. The fees are fair and reasonable if they are warranted by the circumstances and proportionate to the professional services rendered. In determining his fees, the lawyer must in particular take the following factors into account:

- (1) experience;
- (2) the time and effort required and devoted to the matter;
- (3) the difficulty of the matter;

¹⁵ Standing which has been questioned, post *Attar*, in similar circumstances: See, for example, *Zouzout c. Canada Dry Mott's Inc.*, 2021 QCCS 1815.

¹⁶ CQLR, c. B-1, r.3.1.

¹⁷ *Zuckerman c. Target Corporation, inc.*, 2018 QCCS 2276, par. 30; *9085-4886 Quebec Inc. c. Visa Canada Corporation*, 2015 QCCS 5921.

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- (4) the importance of the matter to the client;
- (5) the responsibility assumed;
- (6) the performance of unusual professional services or professional services requiring special skills or exceptional speed;
- (7) the result obtained;
- (8) the fees prescribed by statute or regulation; and
- (9) the disbursements, fees, commissions, rebates, extrajudicial costs or other benefits that are or will be paid by a third party with respect to the mandate the client gave him.

[43] In particular, the Court makes the following findings with respect to the amount of Class Counsel Fees provided for in the Settlement Agreement:

- (i) The Plaintiff entered into a Professional Mandate & Attorney's Fee Agreement (hereinafter the "**Fee Agreement**") with Class Counsel on August 12, 2019. The Fee Agreement provides that Class Counsel will be paid its disbursements plus the higher of (1) 33% of the amount recovered, or (2) 3.5 times the straight docketed time, plus taxes;
- (ii) Pursuant to this Fee Agreement, Class Counsel assumed all of the financial risks associated with initiating, financing, and maintaining the litigation. Class Counsel invested a substantial amount of time and money to prosecute this case without any guarantee of compensation and would have received no compensation or even reimbursement of its expenses had this case not had a successful outcome;
- (iii) The straight docketed time as of the date of the Application was \$126,632.50 (plus taxes) in fees, plus \$2,477.33 (taxes included) in disbursements. Considering that Class Counsel will be paid \$100,000 plus taxes under the Settlement Agreement, the multiplier is therefore already below 1, as opposed to 3.5 in the Fee Agreement, and it will be even lower once the remaining work is taken into account;¹⁸
- (iv) The work involved for Class Counsel's ongoing future obligations to the settlement process beyond the final approval hearing will continue, including any possible arbitration process under the settlement. In particular, Class Counsel estimates that such work represents an approximate amount of \$10,000 to \$20,000;

¹⁸ Par. 47 of the Application.

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- (v) The amount of Class Counsel Fees under the Settlement Agreement is lower than what was agreed to in the Professional Mandate & Attorneys' Fee Agreement signed with the Plaintiff. It also represents a more than reasonable percentage of the total amount to be potentially reimbursed to class members pursuant to the Settlement. In addition, and according to case law, the calculation of the total settlement value would take into account not only this amount to be potentially distributed, but also the TransUnion credit monitoring services to be offered free of charge to all 122,970 Class Members across Canada, the administration costs, the publication/notification costs, and the Class Counsel Fees;
- (vi) No Class Member has objected to the Class Counsel's Fees;
- (vii) The action involves complex legal issues and, in the absence of a settlement, would involve lengthy proceedings with an uncertain resolution and possible appeals;
- (viii) Class Counsel has proved the ability to adequately, vigorously and competently prosecute this action and the favorable settlement is attributable at least in part to the hard work, determination, diligence and reputation of Class Counsel, who developed, litigated and successfully negotiated the Settlement Agreement to provide substantial relief to Class Members.

[44] The Court therefore approves the Class Counsel's Fees as fair and reasonable in the circumstances.

POUR CES MOTIFS, LE TRIBUNAL:

FOR THESE REASONS, THE COURT:

ORDONNE que les définitions apparaissant dans l'Entente de règlement s'appliquent au présent jugement;

ORDERS that the definitions found in the Settlement Agreement find application in the present Judgment;

ACCUEILLE la Demande d'approbation d'un règlement d'une action collective et des Honoraires des Avocats du Groupe;

GRANTS the Application to Approve a Class Action Settlement and for Approval of Class Counsel Fees;

APPROUVE l'Entente de règlement en tant que transaction au sens de l'article 590 du *Code de procédure civile* et **ORDONNE** aux Parties de s'y conformer;

APPROVES the Settlement Agreement as a transaction pursuant to article 590 of the *Code of Civil Procedure* and **ORDERS** the Parties to abide by it;

DÉCLARE l'Entente de règlement (y compris son préambule et ses Annexes)

DECLARES that the Settlement Agreement (including its Recitals and its Schedules) is

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juste, raisonnable et dans l'intérêt véritable des Membres du Groupe, constituant une transaction au sens de l'article 2631 du *Code civil du Québec*, qui lie toutes les parties et tous les Membres du Groupe;

fair, reasonable and in the best interest of the Class Members and constitutes a transaction pursuant to article 2631 of the *Civil Code of Quebec*, binding upon all parties and upon all Class Members;

APPROUVE le paiement des Honoraires des Avocats du Groupe comme il est indiqué à l'article 9 de l'Entente de règlement;

APPROVES the payment of Class Counsel Fees as outlined in Article 9 of the Transaction Agreement;

APPROUVE l'Avis d'Approbation annexé au présent jugement (R-3);

APPROVES the Approval Notice annexed to the present Judgment (R-3);

ORDONNE la diffusion de l'Avis d'Approbation conformément aux articles 5.2 à 5.4 de l'Entente de règlement;

ORDERS that such Approval Notice be disseminated in accordance with Articles 5.2 to 5.4 of the Settlement Agreement;

LOIS SUR LA PROTECTION DES RENSEIGNEMENTS PERSONNELS ET COMMUNICATION DE CES RENSEIGNEMENTS

PRIVACY LAWS AND DISCLOSURE OF PERSONAL INFORMATION

ORDONNE à l'Administrateur du règlement d'utiliser les renseignements identifiable concernant une personne qui lui sont fournis tout au long de la procédure de réclamation dans le seul but de faciliter la procédure d'administration des réclamations conformément à l'Entente de règlement à aucune autre fin;

ORDERS that the Claims Administrator shall use the personally identifiable information provided to it throughout the claims process for the sole purpose of facilitating the claims administration process in accordance with the Settlement Agreement and for no other purpose;

ORDONNE ET DÉCLARE que le présent Jugement constitue un Jugement obligeant la communication de renseignements personnels au sens des lois sur la protection des renseignements personnels applicables, et que le présent Jugement respecte les exigences de toutes les lois sur


ORDERS AND DECLARES that this Judgment constitutes a Judgment compelling the communication of personal information within the meaning of applicable privacy laws, and that this Judgment satisfies the requirements of all applicable privacy laws.

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la protection des renseignements
personnels applicables;

LE TOUT sans frais de justice.

THE WHOLE without legal costs.



SYLVAIN LUSSIER, j.c.s.

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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Class Action)

No.: 500-06-001015-193

YOUVAL BENABOU

Plaintiff

v.

STOCKX LLC

Defendant

**CANADIAN CLASS ACTION SETTLEMENT AGREEMENT,
TRANSACTION, RELEASE AND DISCHARGE**

Art. 590 of the *Code of civil Procedure* and Art. 2631 of the *Civil Code of Québec*

PREAMBLE

- A. WHEREAS** this Settlement Agreement (the "Settlement Agreement") is entered into by and among (i) named Plaintiff Youval Benabou (the "Representative Plaintiff" or "Plaintiff") and the Class defined below, and (ii) Defendant StockX LLC ("StockX" or "Defendant").
- B. WHEREAS** StockX operates a live, online marketplace for buying and selling sneakers, watches, handbags, streetwear, and other collectibles, and users may create online accounts allowing them to engage in said marketplace (the "User Account").
- C. WHEREAS** on July 26, 2019, StockX confirms being alerted by a third-party cybersecurity research and consulting firm about suspicious activity potentially involving User Account data.
- D. WHEREAS** StockX confirms having launched an investigation into the suspicious activity, over the course of which StockX notified its users that certain elements of the information linked to its User Accounts had been accessed unlawfully and without authorization by an unknown third-party hacker on or about May 14, 2019 (the "Data Breach").
- E. WHEREAS** StockX confirms that on August 3, 2019, it sent users an email alerting them to the data incident, providing them with information StockX had available at the time, and

informing them of the steps StockX was taking, and which users could take, to further protect their data.

- F. WHEREAS** on August 8, 2019, StockX confirms having sent a formal Notice of Data Breach via electronic mail to users impacted by the Data Breach.
- G. WHEREAS** on August 12, 2019, Representative Plaintiff filed an Application for Authorization to Institute a Class Action and to ascribe himself the status of representative against StockX (the "**Application**"), alleging various damages resulting from the Data Breach (the "**Class Action**").
- H. WHEREAS** the Representative Plaintiff maintains that his Application, claims, and the Class Action are well-founded and StockX contests the Class Action, and StockX (a) denies the allegations of all liability with respect to any and all facts and claims relating the Data Breach and/or alleged in the Class Action, (b) denies the Representative Plaintiff and the putative class members have suffered the damages they allege, and (c) denies that the Representative Plaintiff's Application satisfies the requirements for the Class Action to be authorized under applicable law.
- I. WHEREAS** StockX maintains that no sensitive personal or financial data was compromised in the Data Breach.
- J. WHEREAS** the settlement set forth in this Settlement Agreement is a product of sustained arm's length negotiations conducted since the filing of the Class Action, and is entered by the parties without any admission by any of the parties, but rather to avoid the costs and delays inherent to litigation.
- K. WHEREAS** the parties believe and confirm that the settlement set forth in this Settlement Agreement, in its entirety, is fair, reasonable and in the best interests of the parties and of the Class Members.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. PREAMBLE

1.1 The preamble and enclosed schedules form part of this Settlement Agreement, as though recited at length herein.

2. DEFINITIONS

As used in this Settlement Agreement, the terms set forth in this section in boldface type will have the following meanings:

2.1 “Agreement”, “Settlement” or “Settlement Agreement” means the present settlement agreement including all schedules;

2.2 “Arbitrator” means the arbitrator jointly appointed by Class Counsel and StockX's Counsel, whom the parties have agreed shall be Me Steve McInnes, if and as required, on a case by case basis, to rule on decisions of the Claims Administrator that are contested by a Settlement Class Member pursuant to the claims administration and dispute resolution processes set out in the Distribution Protocol, Schedule A hereto;

2.3 “Approval Hearing” means the Court's hearing to approve the Settlement Agreement;

2.4 “Approval Judgment” or “Approval Order” means the Court's order or judgment approving the Settlement Agreement;

2.5 “Approval Notice” means the English and French notice of the Approval Orders published and disseminated to Settlement Class Members, substantially in a form to be approved by the Court in this Class Action;

2.6 “Cap” means the maximum amount to be paid by StockX for all Settlement Class Member claims which is set at \$130,000 CAD, including the pre-approved Representative Plaintiff's claim. Excluded from the Cap are the Class Counsel Fees, arbitrator fees and disbursements, the expenses relating to the Notices, and the Claims Administrator's fees, costs and disbursements, which are to be paid by StockX over and above the Cap. Also excluded from the Cap are any and all payments to be made by StockX to TransUnion pursuant to the Settlement. All monetary sums referred to in this Settlement Agreement are in Canadian dollars;

2.7 “Claim Form” means the document that Settlement Class Members must complete and submit, along with the required supporting documentation, if applicable, in order to claim compensation under the Settlement Agreement, as set out in Schedule D hereto;

2.8 "Claims Administrator", "Settlement Administrator" or "Administrator" means the accounting and business advisory firm of MNP Ltd, the entity responsible for implementing and managing the claims process described in the Distribution Protocol, Schedule A hereto, or any other Administrator that the Court may appoint;

2.9 "Class Action" means the putative class proceedings brought by the Representative Plaintiff against StockX before the Superior Court of Québec bearing File No. 500-06-001015-193;

2.10 "Class Counsel" means the Plaintiffs' Counsel, the firm of Lex Group Inc.;

2.11 "Class Counsel Fees" means the amount of \$100,000, plus GST and PST (calculated at the time of payment), as more fully detailed hereinbelow;

2.12 "Settlement Class Members" or "Settlement Class" means all persons in Canada, including their estates, executors or personal representatives, whose personal information was provided to StockX and was subsequently compromised and/or stolen from StockX as a result of the Data Breach that occurred on or before May 14, 2019. There are approximately 122,970 Settlement Class Members who reported either a billing or shipping address in Canada, according to StockX (15,050 of which reported either a billing or shipping address in Quebec);

2.13 "Settlement Class Representative", "Class Representative", "Plaintiff" or "Representative Plaintiff" means the Representative Plaintiff Mr. Youval Benabou;

2.14 "Court" means The Honourable Sylvain Lussier, Judge of the Superior Court of Québec, or such other Superior Court of Quebec Judge to whom the Class Action may hereafter be assigned;

2.15 "Distribution Protocol" means the protocol, substantially in the form of Schedule A, for distributing the settlement payments to Settlement Class Members who submit a valid Claim Form;

2.16 "Data Breach" means the data breach described and disclosed by StockX in its alert and notification emails sent on August 3, 2019 and August 8, 2019 respectively;

2.17 "Effective Date" means 30 days after the Approval Judgment has been signed and entered, as the case may be, and no appeal has been taken therefrom, or if any appeal has been taken, the date upon which such an appeal is finally resolved in such manner as to permit the completion of the settlement in accordance with the terms and conditions of the Settlement Agreement;

2.18 "Notice(s)" means the English and French versions of the Pre-Approval Notice, the Approval Notice, and any other form of notice ordered and approved by the Court;

2.19 "Notice Plan" means the plan for disseminating the Pre-Approval Notice and Approval Notice which shall be pursuant to the protocols outlined in this Settlement Agreement and approved by the Court;

2.20 "Pre-Approval Judgment" means the Court's judgment approving the proposed Pre-Approval Notice and authorizing the Class Action for the purposes of settlement approval only;

2.21 "Pre-Approval Notice" means the notice that advises Settlement Class Members of the authorization of the Class Action for settlement purposes and of the upcoming Approval Hearing of the Settlement Agreement, pursuant to Art. 590 of the Code of Civil Procedure, substantially in the form of Schedule B (in its Short Form) and Schedule C (in its Long Form);

2.22 "Released Claims" has the definition set forth in Section 8;

2.23 "Released Parties" means StockX and its predecessors, successors, assigns and any other affiliates, parent companies as well as their respective directors, officers, shareholders, employees, agents, insurers, re-insurers and representatives;

2.24 "Releasing Parties" means the Settlement Class Representative and any Settlement Class Members who have not opted out of the Class Action (as detailed below), as well as their respective heirs, executors, representatives, agents, partners, successors and assigns;

2.25 "Settlement Approval Hearing" means the hearing to be held before the Court in order to seek the approval of this Settlement Agreement;

2.26 "Substantiated Losses" means losses, costs and/or unreimbursed expenses which were caused by the Data Breach and/or incurred as a result of the Data Breach or the receipt of the StockX Notices, for which Settlement Class Members submit reasonable documentation (documentation acceptable to the Claims Administrator, at its discretion), as more fully detailed hereinbelow;

2.27 "StockX's Counsel" means the lawfirm of Borden Ladner Gervais LLP;

2.28 "StockX Notices" means the StockX alert email and/or StockX notification email, sent by StockX on August 3, 2019 and August 8, 2019 respectively, informing Settlement Class Members about the Data Breach;

3. APPROVAL OF THE SETTLEMENT

3.1 This Settlement Agreement shall be null and void and of no force or effect unless the Court approves this Settlement Agreement and issues the Approval Judgment, and the Effective Date has occurred.

3.2 As soon as possible after the execution of the present Settlement Agreement, the parties shall present a joint application in letter form seeking the Court's issuance of the Pre-Approval Judgment which shall *inter alia* approve the Pre-Approval Notice and Notice Plan and appoint the Claims Administrator.

3.3 Thereafter and as per the Pre-Approval Judgment, the parties shall jointly seek the Court's approval of the Settlement.

3.4 In the event that the Court does not approve the Settlement, the parties would be restored to the state in which they were on April 18, 2021, although StockX will remain solely responsible to pay for any and all costs, fees and/or disbursements of the Claims Administrator, including any costs related to the Notices and Notice Plan. In this regard, the parties confirm that the Representative Plaintiff, Class Counsel and the Settlement Class Members will never be expected or liable to pay for any such costs, fees or disbursements.

3.5 Notwithstanding the foregoing, Section 11.2 shall survive the termination of this Settlement Agreement.

4. SETTLEMENT ADMINISTRATION

4.1 Pre-Approval Judgment. At a time mutually agreed to by the Parties after the Settlement Agreement is executed, the parties shall bring a joint application in letter form before the Court for a judgment approving the Pre-Approval Notice and authorizing the Class Action for the purpose of Settlement Approval only. For greater clarity, because StockX consents to the authorization of the Class Action as a class proceeding on a national basis for the sole purpose of Settlement approval, its consent shall be withdrawn or deemed never to have been given should this Settlement Agreement not be approved by the Court. The parties agree that should this Settlement Agreement not be approved by the Court, the authorization of the Class Action will be null and void. For the sake of clarity, the parties renounce to any and all effects, rights, or benefits resulting from the authorization of the Class Action (for settlement purposes) should the Settlement Agreement not be approved by the Court.

4.2 Approval Judgment. As soon as practicable after the Pre-Approval Judgment is granted, the Plaintiff shall bring an application before the Court for the Approval Judgment approving the Settlement Agreement. StockX's Counsel shall review and approve the draft of said application to approve the Settlement Agreement, before it is filed, and StockX shall consent to said application, according to its conclusions. Subject to judicial approval of the Settlement Agreement and only for purposes of the Settlement Agreement, the Defendant shall consent to the authorization of the Class Action.

4.3 Binding force. The Approval Judgment, once issued and once the Effective Date has occurred, shall bind all Settlement Class Members in Canada, except for those Settlement Class Members who have opted-out of the Class Action in accordance with the provisions of the present Settlement Agreement and the Pre-Approval Judgment.

5. NOTICE

5.1 Pre-Approval Notice. As soon as practicable after the Pre-Approval Judgment is rendered, the Settlement Class Members shall be notified by Pre-Approval Notice that the Class Action has been authorized by the Court for the sole and exclusive purpose of approving the Settlement Agreement. In addition, the Pre-Approval Notice will state, *inter alia*: (i) that the Settlement Agreement will be submitted to the Court for approval, specifying the date and place of such hearing but stating that these may change and will be posted only on the Settlement Website; (ii) the nature of the Settlement Agreement and the method of its execution; (iii) that

Settlement Class Members who have not opted-out of the Class Action have the right to object to the Settlement Agreement and present their arguments to the Court, detailing the required conditions in this regard; (iv) the procedure to be followed in order to Opt-out of the Class Action before the Opt-out Deadline; (v) directing Settlement Class Members to the Settlement Website; and (vi) providing instructions and a toll-free number for contacting Claims Administrator and contact information for Class Counsel. Attached is the Pre-Approval Notice in the proposed short form and long form as Schedules B and C respectively. The Pre-Approval Notice shall be published and disseminated pursuant to the forms and protocols of the Notice Plan to be approved by the Court in the Pre-Approval Judgment.

5.2 Approval Notice. No later than 30 days after the Effective Date, a new notice shall be sent to inform Settlement Class Members that this Settlement Agreement has been approved by the Court. The Approval Notice shall be published and disseminated pursuant to the forms and protocols of the Notice Plan to be approved by the Court in the Approval Judgment.

5.3 Notice Plan. Within thirty (30) days following the Pre-Approval Judgment and the Effective Date respectively, the Pre-Approval Notice and Approval Notice shall be disseminated in English or in French, as may be appropriate, in the form and means of publication limited to the following Notice Plan:

- a) In the proposed long form sent by direct emails from the Claims Administrator to all Settlement Class Members and any person who registers on Class Counsel's website to receive Notice;
- b) In the proposed short form issued in a national bilingual press release published on www.newswire.ca, on the Settlement Website and on Class Counsel's website;
- c) In the proposed long form posted on the Settlement Website and on Class Counsel's website;

5.4 Payment of Expenses Relating to Notices and the Claims Administrator's fees, costs and disbursements. StockX shall pay any and all expenses, fees or costs associated with the preparation and/or publication of Notices, including the Claims Administrator's fees, costs and disbursements, including any translation expenses. These amounts are not included in the Cap. The Representative Plaintiff, Class Counsel and the Settlement Class

Members are not responsible to pay for any portion of these fees, costs and/or disbursements, even if the present Settlement is ultimately not approved by the Court.

6. OPT-OUTS BY CLASS MEMBERS AND OBJECTIONS

6.1 Procedure for Opt-outs. The Parties will request that the Court order a procedure for Settlement Class Members wishing to be excluded from the Class Action ("opt-out") in accordance with the provisions in the Pre-Approval Judgment, the Pre-Approval Notice attached as Schedules B and C, and the Opt-out Form attached as Schedule E. Each Settlement Class Member who does not submit a valid and timely request to opt-out shall remain included in the Class Action and shall be bound by all proceedings, orders and Judgments in the Class Action. Furthermore, each Settlement Class Member who does not submit a valid and timely request to opt-out shall be bound by the settlement and releases provided in this Settlement Agreement (if the settlement is approved by the Court). Within ten (10) days of the date set forth in the Pre-Approval Notice by which opt-out must be postmarked, the Claims Administrator shall send copies of all received opt-outs to Class Counsel and to StockX's Counsel.

6.2 Procedure for Objecting or Commenting. Unless otherwise authorized by the Court, any Settlement Class Member who has not opted out (as detailed above) and who intends to object to or comment on this Settlement Agreement must do so in writing no later than twenty (20) days prior to the Settlement Approval Hearing (hereinafter the "Objection Date"). The written objection must be served on Class Counsel no later than the Objection Date. The written objection must include (a) a heading which refers to the Benabou vs. StockX LLC Class Action and Court number; (b) the objector's name, address, telephone number(s), email address(es) and, if represented by counsel, the name, address, telephone number, fax number, and email address of counsel; (c) a statement whether the objector intends to appear at the Settlement Approval Hearing, either in person or through counsel; (d) a declaration that the objector considers himself/herself to be included in the Settlement Class; (e) a statement of the objection and the grounds supporting the objection; (f) copies of any papers, briefs, or other documents upon which the objection is based; (g) a declaration under the penalty of perjury that the foregoing information is true and correct and (h) the objector's signature. Any Settlement Class Member who files and serves a written objection, as described above, may appear at the Settlement Approval Hearing, either in person or through counsel hired at the said Settlement Class Member's expense, to object to or comment on any aspect of this Settlement Agreement. Unless otherwise authorized by the Court, any Settlement Class Member who fails to comply with the above provisions shall

waive and forfeit any and all rights he or she may have to appear separately and/or to object, and shall be bound by all the terms of this Settlement Agreement (if approved by the Court) and by all proceedings, orders and judgments in the Class Action. Settlement Class Members who opt-out of the Class Action cannot submit an objection or comment to this Settlement Agreement.

7. CONSIDERATION

7.1 Provision of Coverage for Credit Monitoring by TransUnion. All Settlement Class Members shall be eligible and entitled to sign up and activate credit monitoring coverage provided by TransUnion and paid for by StockX in accordance with the Distribution Protocol. Accordingly, a subscription totalling 18 months of credit monitoring coverage will be made available for activation by Settlement Class Members, free of charge. The product that will be offered to Settlement Class Members for activation is presently regularly priced by TransUnion at \$19.95 per month per person (plus applicable taxes), with an initial upfront payment of \$162,000 CAD. All amounts paid by StockX to TransUnion in this regard are in addition to the Cap.

7.2 Substantiated Losses. Settlement Class Members shall be eligible to claim reimbursement for Substantiated Losses that Settlement Class Members establish were caused by the Data Breach or incurred as a result of the Data Breach or the receipt of the StockX Notices, as accepted by the Claims Administrator, at its discretion and in accordance with the Distribution Protocol (as set out in Schedule A hereto). Notwithstanding anything to the contrary, total payments to Settlement Class Members for Substantiated Losses, including the pre-approved claim of Youval Benabou, will not exceed the Cap of \$130,000 CAD.

7.3 Appeal process. In the event that a Settlement Class Member seeks to contest the determination of the Claim's Administrator with respect to a claim submitted by the Settlement Class Member, the dispute shall be submitted to the Arbitrator in accordance with the appeal process set out in the Distribution Protocol, schedule A hereto. The decision by the Arbitrator will be final and binding on all parties, and will not be appealable in any form before any courts in Canada or in any other country or state. However, the Court retains jurisdiction over the Class Action and the Settlement.

7.4 Claim by the Settlement Class Representative. As part of the confidential settlement negotiations leading to the present Settlement Agreement, the Parties agreed that the Representative Plaintiff Youval Benabou's personal claim is pre-approved in the amount of \$3,000

CAD, without the necessity of having to file a formal Claim Form. The pre-approved claim of Youval Benabou is included in the Cap. Nevertheless, and for avoidance of doubt, the parties hereby confirm and agree that Youval Benabou's pre-approved claim of \$3,000 will in no circumstance be reduced by any *pro rata* reduction provided in the Distribution Protocol or in any other manner whatsoever, except for the portion of said claim which must lawfully be paid to the *Fonds d'aide aux actions collectives* (Quebec Class Action Assistance Fund) (hereinafter, the "**Fonds**"). The Claims Administrator will pay said amount to Youval Benabou within 15 days after the Effective Date, by way of a cheque payable to Youval Benabou, which cheque will be forwarded to Class Counsel.

7.5 Payment of Expenses Relating to Claims Administration or Arbitrator. StockX shall pay any and all expenses, costs and/or disbursements associated with administration of the Distribution Protocol, including the fees of the Claims Administrator and the Arbitrator. These payments shall be made separate and apart from the payments to Settlement Class Members and will not be paid by the Settlement Class Members, the Settlement Class Representative or Class Counsel. For avoidance of doubt, these payments are in addition to the Cap.

8. RELEASE OF CLAIMS

8.1 Release of Settlement Class Members' Claims. As of the Effective Date, each Releasing Party will be deemed to have completely released and forever discharged the Released Parties, and each of them, from and for any and all liabilities, claims, crossclaims, causes of Class Action, rights, Class Actions, suits, debts, damages, costs, attorneys' fees (except for the Class Counsel Fees as otherwise provided herein), losses, expenses, obligations, or demands, of any kind whatsoever, whether known or unknown, existing or potential, suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they have or may claim now or in the future to have, stemming from the Data Breach and that were alleged or asserted against any of the Released Parties in the Class Action or that could have been alleged or asserted against any of the Released Parties arising out of the same nucleus of operative facts as any of the claims alleged or asserted in the Class Action ("**Released Claims**"), including but not limited to the facts, transactions, occurrences, events, acts, omissions, or failures to act that were alleged in the Class Action or in any pleading and the disclosures and/or notices that StockX made or failed to make to the Settlement Class Representative or the other Settlement Class Members about the Data Breach.

8.2 Release of Claims against Settlement Class Representative and Class Counsel. As of the Effective Date, the Released Parties will be deemed to have completely released and forever discharged the Settlement Class Representative and Class Counsel from and for any and all liabilities, claims, cross-claims, causes of Class Action, rights, Class Actions, suits, debts, damages, costs, attorneys' fees, losses, expenses, obligations, or demands, of any kind whatsoever, whether known or unknown, existing or potential, suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they have or may claim now or in the future to have, relating to the institution, prosecution, or settlement of the Class Action.

8.3 Suits. Upon approval of this Settlement Agreement by the Court, the Settlement Class Representative and other Settlement Class Members who have not opted out shall renounce to any right to prosecute the Released Claims as set out in the preceding paragraphs, on a solidary basis or otherwise, in any proceeding against any of the Released Parties or based on any Class Actions taken against any of the Released Parties, and shall not seek compensation from any party that could claim any contribution arising from or related to the Released Claims from the Released Parties. It is agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section, instituted by a Settlement Class Member who has not opted out.

9. CLASS COUNSEL'S FEES AND EXPENSES

9.1 Class Counsel's Fees. StockX agrees to pay the agreed upon attorneys' fees and expenses to Class Counsel separate and apart from payments to the Settlement Class Members (i.e. in addition to the Cap). StockX agrees to pay directly to Class Counsel the amount of \$100,000 plus GST and PST (calculated at the date of payment). The parties and their undersigned counsel hereby confirm that they consider this amount of \$100,000 plus GST and PST, which includes fees and expenses, to be fair and reasonable under the circumstances of this Class Action. The said Class Counsel Fees will be paid by StockX to Class Counsel within 10 days of the Effective Date.

9.2 Severability of Class Counsel's Fees. While StockX considers fair and reasonable the Class Counsel Fees agreed to in this Settlement Agreement, considering the overall terms and settlement amounts provided herein, the parties recognize and agree that the clauses under the present Section 9 are severable from the rest of the Settlement Agreement and

that should the amount for Class Counsel Fees provided herein not be approved by the Court, the Settlement Agreement will nonetheless remain binding between the parties (if approved by the Court).

9.3 Fonds d'aide aux actions collectives. Class Counsel shall reimburse, from the approved Class Counsel Fees, any amount owed to the Fonds, if any, relating to this file. Class Counsel hereby declares that it did not seek, and therefore did not receive, any financial assistance or funding from the Fonds relating to this file.

9.4 No Additional Amounts Due. StockX shall not be liable for any additional attorneys' fees and expenses of Class Counsel, the Settlement Class Representative or Settlement Class Members in the Class Action, including attorney fees incurred for the purposes of the dispute resolution process set out in the Distribution Protocole, Schedule A hereto, or for any other purpose or reason.

10. PUBLICITY

10.1 In issuing public statements, including responding to any inquiries from the public media concerning the Class Action and/or the settlement of the Class Action, the Settlement Class Representative, Class Counsel, StockX, and StockX's Counsel will limit their statements to promoting the virtues of the settlement or other statements that comport with the Notices and the Settlement Agreement. Settlement Class Representative and Class Counsel shall not engage in any conduct or make any statement, directly or indirectly, that the settlement of claims contemplated by this Settlement Agreement constitutes an admission of liability or an admission of the validity or accuracy of any of the allegations in the Class Action by StockX. However, nothing shall limit the ability of StockX or its successors to make such public disclosures as the federal securities laws require or to provide information about the settlement to government officials or its insurers/reinsurers.

10.2 Class Counsel will post the Settlement Agreement, its schedules, the Notices, the Pre-Approval Judgment and the Approval Judgment, and any other related proceedings and Judgments on its firm website, and Class Counsel will have the option to post links regarding the Settlement and/or the Court's approval of the settlement on its firm's social media accounts.

10.3 Any communication, verification, or notice sent by any Party in connection with this Settlement Agreement shall be sent by email and/or facsimile as follows:

To Plaintiff:

David Assor
LEX GROUP INC.
4101 Sherbrooke Street West
Westmount, Québec H3Z 1A7
Email: davidassor@lexgroup.ca
Facsimile: 514.940.1605

To Defendant:

Patrick Plante
François Grondin
Eloïse Gratton
BORDEN LADNER GERVAIS LLP
1000 de la Gauchetière Street West
Suite 900
Montréal, Québec H3B 5H4
Email: pplante@blg.com /
fgrondin@blg.com
Facsimile : 514.954.1905

11. MISCELLANEOUS

11.1 Entire Agreement. This Settlement Agreement, and its schedules, contains the entire agreement between the Parties and supersedes all prior understandings, agreements, or writings regarding the subject matter of this Settlement Agreement.

11.2 No Liability. This Settlement Agreement does not constitute, is not intended to constitute, and will not under any circumstances be deemed to constitute, an admission of wrongdoing or liability by StockX, such wrongdoing and liability being expressly denied and no final adjudication having been made. The Parties have entered into the Agreement solely as a compromise of all claims for the purpose of concluding the disputes between them, and the Agreement may not be used by any third party against StockX. The entering into and carrying out of the Agreement, and any negotiations or proceedings related to it, shall not be construed as, or deemed evidence of, an admission or concession by any of the Parties or a waiver of any applicable statute of limitations (except as provided by law), and shall not be offered or received into evidence in any Class Action or proceeding against any Party in any court, administrative agency or other tribunal for any purpose whatsoever.

12. REPRESENTATIONS AND WARRANTIES

12.1 Parties Authorized to Enter into Agreement. Each person executing this Settlement Agreement represents and warrants that he or she is fully authorized to enter into this Settlement Agreement and to carry out the obligations provided for herein. Each person executing this Settlement Agreement on behalf of Settlement Class Representative or StockX covenants, warrants and represents that he or she is and has been fully authorized to do so by the Settlement Class Representative or StockX. Settlement Class Representative and StockX hereto further

represents and warrants that they intend to be bound fully by the terms of this Settlement Agreement.

12.2 Best Efforts. Parties and their undersigned counsels agree that the terms of the Agreement reflect a good-faith settlement of disputed claims. They consider the settlement effected by this Settlement Agreement to be fair and reasonable and will use their best efforts to seek approval of the Agreement by the Court. They each represent and warrant that they have not, nor will they (a) attempt to void this Settlement Agreement in any way, or (b) solicit, encourage, or assist in any fashion any effort by any person (natural or legal) to object to the settlement under this Settlement Agreement.

12.3 Governing Law and Jurisdiction. This Settlement Agreement is intended to and shall be governed by and interpreted in accordance with the laws of the Province of Québec, Canada. The parties hereby submit to the exclusive jurisdiction of the Court of the Province of Québec, Canada, District of Montreal, concerning any and all issues related to the interpretation, application or execution of this Settlement Agreement.

12.4 Agreement Binding on Successors in Interest. This Settlement Agreement shall be binding on and inure to the benefit of the respective heirs, successors, and assigns of the Parties. This Settlement Agreement may not be modified or amended except in writing and on consent of the Representative Plaintiff and StockX, subject to approval by the Court where required.

12.5 Execution in Counterparts. This Settlement Agreement shall become effective upon its execution by all of the parties. The signatories may execute this Settlement Agreement in counterparts. Each counterpart shall be deemed to be an original, and execution of counterparts shall have the same force and effect as if all signatories had signed the same instrument.

12.6 Transaction. The present Settlement Agreement constitutes a transaction in accordance with Articles 2631 and following of the Civil Code of Quebec.

12.7 Signatures. Each person executing this Settlement Agreement warrants that such person has the full authority to do so. Signatures sent in pdf format by email will constitute sufficient execution of this Settlement Agreement.

12.8 English Language. The Parties acknowledge and agree that the present Settlement Agreement was drafted in the English language at the wish of the Parties thereto. In case of inconsistency between this Settlement Agreement drafted in English and any French translation thereof, the Agreement in English shall prevail. *Les parties reconnaissent et acceptent que la présente convention a été rédigée en langue anglaise à la demande expresse de toutes les parties y afférentes. En cas de divergence entre la présente convention rédigée en langue anglaise et toute traduction de cette convention en langue française, cette convention rédigée en langue anglaise prévaudra.*

IN WITNESS WHEREOF, the parties hereto and their attorneys signed on the dates and at the places detailed below.

LEX GROUP INC.

Montreal, Quebec, Canada

February 28, 2022

Per:



Me David Assor, Class Counsel
For the Representative Plaintiff
Youval Benabou

BORDEN LADNER GERVAIS LLP

Montreal, Quebec, Canada

February 22, 2022

Per:



Me Patrick Plante, Counsel
For StockX LLC

Pièce R-3
Avis de d'approbation

**StockX LLC - Fuite de données - Action collective
canadienne**
Avis d'approbation aux Membres du groupe
Entente de règlement approuvée

Cour supérieure du Québec dossier no. 500-06-001015-193

Des informations détaillées et des mises à jour sont disponibles sur le Site Web du règlement à l'adresse suivante : www.règlementstockx.ca.

PROCÉDURES

Un règlement à l'échelle du Canada a été conclu dans le cadre d'une action collective en lien avec la Fuite de données de StockX qui s'est produite le 14 mai 2019, lorsqu'un tiers inconnu a pu obtenir un accès non autorisé à certaines données de clients à partir de l'environnement cloud de StockX.

Le 2 mai 2022, la Cour supérieure du Québec a autorisé l'action collective aux fins de règlement seulement.

Le 11 juillet 2022, l'Entente de règlement a été approuvée par la Cour.

SUIS-JE UN MEMBRE DU GROUPE LIÉ PAR LE RÈGLEMENT ?

Vous pouvez être un Membre du groupe lié par le règlement si vous vivez au Canada et si vous avez un compte utilisateur StockX sur le site Web ou l'application mobile de StockX avant le 14 mai 2019.

QUE PRÉVOIT CE RÈGLEMENT ?

Conformément au règlement, un **abonnement de 18 mois avec TransUnion** pour des services de surveillance du crédit sera mis à la disposition des Membres du groupe lié par le règlement, **gratuitement**.

De plus, des réclamations monétaires justifiées et documentées totalisant jusqu'à un Plafond global de 130 000 \$ CAD pour toutes les réclamations approuvées peuvent être remboursées aux Membres du groupe lié par le règlement qui fournissent des preuves de pertes, de coûts et/ou de dépenses non remboursées qui ont été causées par la Fuite de données et/ou encourues en raison de la Fuite de données ou de la réception des Avis de StockX (qui ont été envoyés les 3 et 8 août 2019), tels qu'acceptés par l'Administrateur du règlement (à sa discrétion) conformément au Protocole de distribution joint à l'Entente de Règlement.

StockX paiera également les honoraires des Avocats du Groupe, les coûts et dépenses d'administration, ainsi que tous les frais de notification au-delà dudit Plafond payable aux Membres du groupe lié par le règlement.

COMMENT SOUMETTRE UNE RÉCLAMATION ?

Pour soumettre une réclamation, vous devez, **au plus tard 90 jours après publication de l'avis**:

- Remplir un formulaire de réclamation en ligne à : www.règlementstockx.ca; ou
- Obtenir un formulaire en format papier via le [site web](#) ou auprès de l'Administrateur du règlement, le remplir et l'envoyer par courriel ou par la poste à l'Administrateur du règlement.

COMMENT PUIS-JE OBTENIR PLUS D'INFORMATIONS ?

L'Entente de Règlement et des informations plus détaillées, y compris les jugements pertinents, se trouvent sur le Site Web du règlement à l'adresse www.règlementstockx.ca.

QUI EST L'ADMINISTRATEUR DU RÈGLEMENT ?

MNP Ltd c/o Rick Anderson
1500, 640 - 5th Avenue SW
Calgary, AB, T2P 3G4
stockxsettlement@mnp.ca
1-877-410-9008

QUI REPRÉSENTE LES MEMBRES DU GROUPE LIÉ PAR LE RÈGLEMENT ?

LEX GROUP INC.
a/s de Me David Assor
www.lexgroup.ca

Veillez noter qu'en cas de différence entre les termes du présent avis et l'Entente de règlement, les termes de l'Entente de règlement prévaudront. Tout terme non défini dans le présent avis de d'approbation doit avoir le sens inscrit dans l'Entente de règlement.

La publication de cet avis a été ordonnée par la Cour supérieure du Québec.

Exhibit R-3
Approval Notice

**StockX LLC Data Breach Canadian Class Action
Settlement Approval Notice to Class Members
Approved Settlement Agreement**

Quebec Superior Court File No. 500-06-001015-193

Detailed information and updates are available on the Settlement Website at the following address: www.stockxsettlement.ca.

PROCEEDINGS

A Canada-wide Settlement has been reached in a class action relating to the StockX Data Breach that occurred on May 14, 2019, when an unknown third-party was able to gain unauthorized access to certain customer data from StockX's cloud environment.

On May 2, 2022, the Superior Court of Quebec authorized the Class Action for settlement purposes only.

On July 11th, 2022, the Settlement Agreement was approved by Court.

AM I A SETTLEMENT CLASS MEMBER?

You may be a Settlement Class Member if you live in Canada and registered for a StockX user account on the StockX website or mobile application prior to May 14, 2019.

WHAT DOES THIS SETTLEMENT PROVIDE?

Pursuant to the Settlement, an **18-month subscription with TransUnion** for credit monitoring services will be made available for activation by Settlement Class Members, **free of charge**.

In addition, substantiated and documented monetary claims totaling up to an aggregate Settlement Cap of \$130,000 CAD for all approved claims may be reimbursed to Settlement Class Members who provide evidence of out of pocket losses, costs and/or unreimbursed expenses which were caused by the Data Breach and/or incurred as a result of the Data Breach or the receipt of the StockX Notices (which were sent on August 3 and 8, 2019), as accepted by the Claims Administrator (at its discretion) pursuant to the Distribution Protocol attached to the Settlement Agreement.

StockX will also pay Class Counsel Fees, administration costs and expenses, as well as all notice costs above and beyond of the said Settlement Cap payable to Settlement Class Members.

HOW DO I SUBMIT A CLAIM?

To submit a claim, you must, no later than 90 days after Notice is published:

- Complete a Claim Form online at www.stockxsettlement.ca; or
- Obtain a Claim Form in paper format from the [website](#) or the Claims Administrator, complete it and send it by email or by mail to the Claims Administrator.

HOW CAN I GET MORE INFORMATION?

The Settlement Agreement and further detailed information, including relevant judgments, are on the Settlement Website at www.stockxsettlement.ca.

WHO IS THE CLAIMS ADMINISTRATOR?

MNP Ltd c/o Rick Anderson
1500, 640 - 5th Avenue SW
Calgary, AB, T2P 3G4
stockxsettlement@mnp.ca
1-877-410-9008

WHO REPRESENTS THE SETTLEMENT CLASS MEMBERS?

LEX GROUP INC.
c/o Mtre David Assor
www.lexgroup.ca

Please note that in case of any discrepancy between the terms of this Notice and the Settlement Agreement, the terms of the Settlement Agreement shall prevail. Any term not defined in this Settlement Approval Notice shall have the meaning ascribed in the Settlement Agreement.

The publication of this Notice has been ordered by the Superior Court of Quebec.