

1 THE HONORABLE JOHN C. COUGHENOUR

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6 UNITED STATES DISTRICT COURT  
7 WESTERN DISTRICT OF WASHINGTON  
8 AT SEATTLE

9 MELVYN KLEIN, derivatively on  
10 behalf of ZILLOW GROUP, INC.,

11 Plaintiff,

12 v.

13 RICHARD N. BARTON, *et al.*,

14 Defendants.

CASE NO. C18-0027-JCC

ORDER

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16 This matter comes before the Court on the parties' stipulation and proposed order to  
17 consolidate, appoint lead plaintiffs and counsel, and stay proceedings (Dkt. No. 12). On January  
18 8, 2018, Plaintiff Melvyn Klein filed this verified shareholder derivative complaint ("Derivative  
19 Action") against Defendants. (Dkt. No. 1.) Prior to that filing, on October 23, 2017, Plaintiff  
20 Matthew Sciabacucchi filed a nearly identical shareholder derivative complaint against  
21 Defendants. *See Matthew Sciabacucchi v. Richard Barton, et al.*, Case No. C17-1568-JCC, Dkt.  
22 No. 1 (W.D. Wash. October 23, 2017).<sup>1</sup> Also pending before this Court, is a related securities  
23 class action ("Securities Action") that shares substantial factual overlap with both Derivative  
24 Actions. *See In re Zillow Group, Inc.*, Case No. C17-1387-JCC, Dkt. No. 29 (W.D. Wash. 2017,

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26 <sup>1</sup> The parties have filed an identical stipulation and proposed order in the *Sciabacucchi*  
matter.

1 January 5, 2018).

2 The parties in both Derivative Actions now stipulate that: (1) the Derivative Actions  
3 should be consolidated for all purposes; (2) Sciabachucchi and Klein should be appointed lead  
4 plaintiffs in the consolidated Derivative Action; (3) the Weiser Law Firm, P.C. and Gainey  
5 McKenna & Egleston should be appointed co-lead counsel, with Badgley Mullins Turner PLLC  
6 appointed liaison counsel; and (4) the consolidated Derivative Action should be stayed pending  
7 the Court's adjudication of a motion to dismiss in the Securities Action. (Dkt. No. 12 at 3-7.)

8 The Derivative Actions should be consolidated because they involve common questions  
9 of fact and law. *See* Fed. R. Civ. P. 42(a)(1). The Court additionally finds that it is appropriate  
10 for the fair and efficient administration of this consolidated action to appoint Sciabachucchi and  
11 Klein as lead plaintiffs and to appoint their selected attorneys as co-lead and liaison counsel.  
12 Finally, the Court finds that all proceedings should be stayed in this consolidated action pending  
13 the resolution of Defendants' motion to dismiss in the Securities Action. *See* 15 U.S.C.  
14 § 78u- 4(b)(3)(B) ("In any private action arising under this chapter, all discovery and other  
15 proceedings shall be stayed during the pendency of any motion to dismiss . . . .")

16 Given the above determinations, the Court ENTERS the following stipulation:

17 **CONSOLIDATION OF THE ACTIONS**

18 1. Defendants hereby agree to accept service of the operative complaints in each of  
19 the Derivative Actions.

20 2. Defendants are not required to take any action with respect to the complaints filed  
21 in the Derivative Actions, including answering or otherwise responding.

22 3. The Derivative Actions are hereby consolidated for all purposes, including  
23 pretrial proceedings, trial, and appeal, and are referred to herein as the "Consolidated Action."  
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1           4.       Every pleading filed in the Consolidated Action, or in any separate action  
2 included herein, shall bear the following caption:

3       IN RE ZILLOW GROUP, INC.  
4       SHAREHOLDER DERIVATIVE  
5       LITIGATION

Master File No.: 17-1568-JCC

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7       THIS DOCUMENT RELATES TO:

8       \_\_\_\_\_

9           5.       The files of the Consolidated Action will be maintained in one file under Master  
10 File No. C17-1568-JCC.

11           6.       When a document being filed pertains to all of the actions included within the  
12 Consolidated Action, the phrase “All Actions” shall appear immediately after the phrase “This  
13 Document Relates To:”. When a pleading applies only to some, but not all, of the actions  
14 included within the Consolidated Action, the document shall list, immediately after the phrase  
15 “This Document Relates To:”, the docket number for each individual action to which the  
16 document applies, along with the last name of the first listed plaintiff in said action.

17           7.       When any shareholder derivative action is filed in this Court, transferred to this  
18 Court, or removed to this Court that concerns substantially the same parties, property,  
19 transaction, or event and thus should be considered as a “Related Shareholder Derivative Case”  
20 and consolidated with, and into, the Consolidated Action, Co-Lead Counsel (defined herein)  
21 shall, upon notice of the existence of the Related Shareholder Derivative Case, promptly file a  
22 Notice of Related Case in both the Consolidated Action and in the Related Shareholder  
23 Derivative Case, serve a copy of this order signed and entered by the Court (the “Notice”) upon  
24 counsel of record for the plaintiff(s) in the Related Shareholder Derivative Case and any  
25 defendants in such Related Shareholder Derivative Case that have not previously been named in  
26 the Consolidated Action (the “Related Case Parties”), and file in the Consolidated Action proof  
of service of such Notice.





1           19.     In the event that Defendants agree to produce, or are ordered to produce by a  
2 court of competent jurisdiction, any documents pursuant to an inspection request related to the  
3 facts and circumstances at issue in this Consolidated Action made pursuant to Washington law  
4 (RCW 23B.16.020) by any holder or beneficial owner of Zillow stock, copies of such documents  
5 shall be provided to Co-Lead Counsel within ten (10) business days of Defendants' production,  
6 subject to the execution by Plaintiffs and Co-Lead Counsel of a confidentiality agreement  
7 governing the use and disclosure of these materials and evidence of Plaintiffs' stock ownership  
8 throughout the relevant periods covered by the inspection request.

9           20.     Upon occurrence of either (1) the dismissal of the Securities Action, with  
10 prejudice, and exhaustion of all appeals related thereto, or (2) the denial of any motion to dismiss  
11 the Securities Action in whole or in part, and the filing of an answer to the operative complaint  
12 by Securities Action Defendants; the Parties shall notify the Court within fifteen (15) days and  
13 shall submit a joint proposed scheduling order that will provide Defendants at least forty-five  
14 (45) days from submission of the proposed order to respond to the complaint. The stay of the  
15 Consolidated Action pursuant to this Order shall remain in effect until further Order of this Court  
16 or agreement of the Parties.

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1 IT IS SO STIPULATED

2 DATED: January 31, 2018.

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*S. Stephenson, Gregory L. Waldorf, Kathleen*

*Philips, April Underwood and Nominal Defendant*

*Zillow Group, Inc.*

21 The Clerk is DIRECTED to terminate the Status Conference currently scheduled for

22 February 20, 2018.

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1 DATED this 5th day of February 2018.

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5 John C. Coughenour  
6 UNITED STATES DISTRICT JUDGE  
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