

## *In re RH, Inc. Securities Litigation*

**COURT:** United States District Court for the Northern District of California  
**CASE NUMBER:** 4:17-00554-YGR  
**CLASS PERIOD:** 03/26/2015 - 06/08/2016  
**CASE LEADERS:** Jonathan D. Uslaner

**CLASS NOTICE:** In March 2020, the Claims Administrator conducted the initial distribution of settlement funds to eligible claimants, as approved by order of the Court. A Post-Distribution Accounting is available [here](#). Subsequent distributions to eligible claimants were conducted in September 2021, December 2022 and August 2024. The claims administration process has concluded, and the net settlement fund has been fully disbursed. This matter is considered closed.

Securities fraud class action filed on behalf of all purchasers of RH (formerly Restoration Hardware Holdings, Inc.) common stock between March 26, 2015 and June 8, 2016, inclusive (the "Class Period"), alleging claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against RH and two of its top officers, Gary Friedman (its long-time CEO and Board Chairman) and Karen Boone (RH's Co-President and CFO).

### **Lead Plaintiffs Settled the Action for \$50 Million**

The Court-appointed Lead Plaintiffs Public School Teachers' Pension & Retirement Fund of Chicago and Arkansas Teacher Retirement System have reached a settlement of this action for \$50 million in cash that resolves all claims in the action.

On October 22, 2019, the Court held a hearing on final approval of the Settlement and related matters. On October 25, 2019, the Court entered the Order and Judgment Approving Class Action Settlement, Plan of Allocation, Attorneys' Fees and Expenses, which finally approved the Settlement and approved the Plan of Allocation and Lead Counsel's motion for attorneys' fees and expenses. The Order can be found in the **Case Documents** section of this page.

The Class consists of:

all persons and entities who purchased or otherwise acquired the common stock of RH during the period from March 26, 2015 through June 8, 2016, inclusive, except for certain persons and entities who are excluded from the Class by definition (see paragraph 17 of the Notice) or who requested exclusion pursuant to the instructions set forth in the Notice.

Please read the Notice to fully understand your rights and options. A copy of the Notice can be found in the **Case Documents** box at right.

The claims administration was completed in February 2020. On February 4, 2020, the Motion for Approval of Distribution to Eligible Claimants was filed. On February 14, 2020, the Court entered the Order Approving the Distribution to Authorized Claimants. The first distribution of the net settlement fund occurred on March 17, 2020. The second distribution occurred in September 2021. The third distribution occurred in December 2022. The fourth distribution occurred in August 2024. The claims administration process has concluded, and the net settlement fund has been fully disbursed. This matter is considered closed.

### **Background**

On April 26, 2017, the Court appointed the Public School Teachers' Pension & Retirement Fund of Chicago and Arkansas Teacher Retirement System as Lead Plaintiffs for the Class and BLB&G as Lead Counsel. On June 12, 2017, Lead Plaintiffs filed the operative Complaint.

The Complaint alleges that RH and certain of its top officers made false and misleading statements to investors, and omitted material facts, regarding the launch of RH's new product line, RH Modern, and the Company's inventory levels. In response to Defendants' statements, the price of RH's shares traded at artificially-inflated levels, reaching a high of \$106.49 per share during the Class Period. When the truth emerged in a series of partial disclosures, the price plunged to less than \$27 per share.

Defendants filed a motion to dismiss the Complaint, which Lead Plaintiffs opposed. On February 26, 2018, the court denied Defendants' motion to dismiss.

Plaintiffs filed their motion for Class certification on June 22, 2018. On October 11, 2018, the Court issued an order certifying the Class. Defendants petitioned the United States Court of Appeals for the Ninth Circuit to reverse the Order. On January 24, 2019, the Ninth Circuit denied Defendants' petition.

Following multiple mediation sessions, the Parties reached an agreement in principle to settle the Action for \$50,000,000 on March 21, 2019.

On May 6, 2019, the Parties entered into the Stipulation and Agreement of Settlement (the "Stipulation"), which sets forth the full terms and conditions of the Settlement, and Lead Plaintiffs filed their motion for preliminary approval of the Settlement with the Court. On June 21, 2019, the Court entered its Order Preliminarily Approving Settlement and Providing for Notice, which scheduled a hearing for October 22, 2019 to consider final approval of the Settlement and related matters.

On October 25, 2019, after the hearing, the Court approved the Settlement and the Plan of Allocation and approved Lead Counsel's motion for attorneys' fees and expenses.

## Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Litigation Expenses ("Notice")
- April 7, 2020 - Post-Distribution Accounting
- April 7, 2020 - Declaration of Eric J. Miller Regarding Distribution of Settlement Funds
- February 14, 2020 - Order Approving Distributions to Authorized Claimants
- February 4, 2020 - Motion for Disbursement of Funds
- February 4, 2020 - Declaration of Eric J. Miller in Support of Motion for Disbursement of Funds with exhibits
- October 25, 2019 - Order and Judgment Approving Class Action Settlement, Plan of Allocation, Attorneys' Fees and Expenses
- October 15, 2019 - Reply Brief in Further Support of (A) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation and (B) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses

- October 15, 2019 - Supplemental Declaration of Eric J. Miller Regarding (A) Mailing of Notice and Claim Form; and (B) Report on Claim Forms and Request for Exclusion Received
- September 17, 2019 - Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation, and Memorandum of Points and Authorities in Support Thereof
- September 17, 2019 - Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, and Memorandum of Points and Authorities in Support Thereof
- September 17, 2019 - Declaration of Jonathan D. Uslaner in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- June 21, 2019 - Order Preliminarily Approving Settlement and Providing for Notice
- May 6, 2019 - Stipulation and Agreement of Settlement
- May 6, 2019 - Lead Plaintiffs' Notice of Motion and Unopposed Motion for Preliminary Approval of Settlement and Memorandum of Points and Authorities in Support Thereof
- October 11, 2018 - Order Granting Plaintiffs' Motion to Certify Class
- February 26, 2018 - Order Denying Motion to Dismiss
- June 12, 2017 - Consolidated Class Action Complaint for Violations of the Federal Securities Law