

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

IN RE RH, INC. SECURITIES LITIGATION

Case No. 4:17-00554-YGR

ECF CASE

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING;
AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

If you purchased or acquired the common stock of RH (formerly known as Restoration Hardware Holdings, Inc.) during the period from March 26, 2015 through June 8, 2016, inclusive, you may be entitled to receive money from a class action settlement.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Class.

- The Settlement, if approved by the Court, will provide a total recovery of **\$50,000,000** (on average, approximately \$1.22 per affected share before the deduction of Court-approved fees and expenses) in cash for the benefit of the Class (described below).¹
- The Settlement resolves claims by Lead Plaintiffs Public School Teachers' Pension & Retirement Fund of Chicago and Arkansas Teacher Retirement System in a class action against RH ("RH" or the "Company"), and Gary Friedman and Karen Boone (together, the "Individual Defendants," and with RH, "Defendants").
- Lead Plaintiffs claim that Defendants made materially false and misleading statements and omissions about RH's business, including RH's new product line, RH Modern, and the Company's inventory levels, from March 26, 2015 through June 8, 2016, inclusive (the "Class Period"). Lead Plaintiffs also allege that the false and misleading statements inflated the price of RH common stock and that, when the truth was disclosed, the stock price dropped. Defendants deny any wrongdoing in this lawsuit. The Court did not decide in favor of either the investors or Defendants.
- If the Settlement is approved, Court-appointed lawyers for the investors will ask the Court for attorneys' fees of 15% of the Settlement Fund, or \$7,500,000, plus interest earned at the same rate as the Settlement Fund, and up to \$950,000 in expenses for their and Lead Plaintiffs' work litigating the case and negotiating the Settlement. If approved by the Court, these amounts (totaling on average approximately \$0.21 per affected share) will be deducted from the \$50,000,000 Settlement.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **If you are a Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

¹ All capitalized terms not defined in this Notice have the meanings provided in the Stipulation and Agreement of Settlement, dated as of May 6, 2019 (the "Stipulation"), which can be viewed at RHSecuritiesLitigation.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 8, 2019.	This is the only way to be eligible to receive a payment from the Settlement.
EXCLUDE YOURSELF FROM THE CLASS BY OCTOBER 1, 2019.	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement. This is the only option that allows you to bring, continue, or be a part of any other lawsuit against any of the Defendants or the other Defendants' Releasees (defined in ¶ 29 below) concerning the Released Plaintiffs' Claims (defined in ¶ 28 below).
OBJECT BY OCTOBER 1, 2019.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and Litigation Expenses, you may write to the Court and explain why you do not like it/them.
GO TO A HEARING ON OCTOBER 22, 2019.	You may ask to speak in Court about the Settlement.
DO NOTHING.	Get no payment AND give up your rights to bring your own individual action.

Identification of Attorneys' Representatives

Lead Plaintiffs and the Class are represented by Bernstein Litowitz Berger & Grossmann LLP, the Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to Jonathan D. Uslaner, Esq., Bernstein Litowitz Berger & Grossmann LLP, 2121 Avenue of the Stars, Suite 2575, Los Angeles, CA 90067, (800) 380-8496, settlements@blbglaw.com.

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Stipulation and Agreement of Settlement available at RHSecuritiesLitigation.com; contact class counsel; access the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>; or visit the office of the Clerk of the Court for the United States District Court for the Northern District of California, 1301 Clay Street, Suite 400S, Oakland, CA 94612, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

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WHY DID I GET THIS NOTICE?

- 1. The Court authorized that this Notice be sent to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or acquired the common stock of RH (formerly known as Restoration Hardware Holdings, Inc.) from March 26, 2015 through June 8, 2016, inclusive.**
2. If this description applies to you or someone in your family, you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.
3. This Notice explains the lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.
4. The Court in charge of this Action is the United States District Court for the Northern District of California (the "Court"), and the case is known as *In re RH, Inc. Securities Litigation*, Case No. 4:17-00554-YGR (N.D. Cal.) (the "Action"). The Action is assigned to the Honorable Yvonne Gonzalez Rogers, United States District Judge.
5. The Court did not decide in favor of Lead Plaintiffs or the Defendants. Instead, they have agreed to a settlement. For Lead Plaintiffs, the principal reason for the Settlement is the certain benefit of a substantial cash recovery for the Class, in contrast to the risks and uncertainties of succeeding through dispositive motions and proving all necessary elements of their claims at a jury trial, and the costs and delays inherent in such litigation (including any appeals).
6. For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any Class Members were damaged, the principal reasons for entering into the Settlement are to bring to an end the substantial burden, expense, uncertainty, and risk of further litigation.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

- 7. The Action involves allegations that, during the period from March 26, 2015 through June 8, 2016, Defendants made misrepresentations about key elements of RH's business, including RH's new product line, RH Modern, and the Company's inventory levels.**
8. The initial complaint in the Action was filed on February 2, 2017. The Court subsequently appointed Public School Teachers' Pension & Retirement Fund of Chicago and Arkansas Teacher Retirement System as Lead Plaintiffs and approved Lead Plaintiffs' selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the class.
9. On June 12, 2017, Lead Plaintiffs filed and served the Consolidated Class Action Complaint for Violation of the Federal Securities Laws (the "Complaint"), asserting claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. The Complaint alleges that, during the Class Period, Defendants made materially false and misleading statements about the launch of RH's new product line, RH Modern, and the Company's inventory levels. The Complaint further alleges that the price of RH common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements, and declined when the truth was revealed.
10. On February 26, 2018, after full briefing and oral argument on the motion, the Court entered an Order denying Defendants' motion to dismiss.

11. Discovery in the Action commenced in March 2018. Defendants and third parties produced a total of over 10 million pages of documents to Lead Plaintiffs, and Lead Plaintiffs produced over 12,000 pages of documents to Defendants. Fifteen depositions were taken in the Action.

12. On October 11, 2018, the Court certified the Class and appointed Lead Plaintiffs as Class Representatives and Bernstein Litowitz Berger & Grossmann LLP as Class Counsel.

13. The Parties engaged in two full-day private mediation sessions before former United States District Judge Layn R. Phillips. The second took place on March 1, 2019. Following the second mediation session, Judge Phillips issued a mediator's proposal on March 3, 2019, and the Parties continued their negotiations. Those negotiations culminated in a Term Sheet dated March 21, 2019.

14. On May 6, 2019, the Parties entered into a Stipulation and Agreement of Settlement (the "Stipulation"), which sets forth the terms and conditions of the Settlement. The Stipulation can be viewed at RHSecuritiesLitigation.com.

15. On June 21, 2019, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

WHY IS THIS A CLASS ACTION?

16. In a class action, one or more persons or entities (in this case, Lead Plaintiffs) sue on behalf of people and entities that have similar claims. Together, these people and entities are a class, and each is a class member. Bringing a case, such as this one, as a class action allows the Court to resolve many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt out," from the class.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE CLASS?

17. If you are a member of the Class, you are subject to the Settlement, unless you timely request to be excluded. 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 (the "Class Period").

Excluded from the Class are: (i) Defendants; (ii) Immediate Family Members of the Individual Defendants;² (iii) any person who was an Officer or director of RH; (iv) any firm or entity in which any Defendant has or had a controlling interest; (v) any person who is alleged to have participated in the wrongdoing alleged;³ (vi) parents or subsidiaries of RH; (vii) all RH plans that are covered by ERISA; and (viii) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded person or entity, in their respective capacity as such.

Also excluded from the Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself," on page 8 below.

Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive proceeds from the Settlement.

If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is being distributed with this Notice and the required supporting documentation as set forth therein, postmarked no later than October 8, 2019.

² "Immediate Family Members" means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this definition, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

³ This exclusion only applies and refers to the two Individual Defendants. For the avoidance of doubt, the Individual Defendants expressly deny that they were involved in any wrongdoing.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

18. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the substantial risks they would face in establishing liability and damages. To defeat summary judgment and prevail at trial, Lead Plaintiffs would have been required to prove not only that Defendants' statements were false, but that the Individual Defendants knew that their statements were false when made or were deliberately reckless in making the statements, and that the revelation of the truth about Defendants' false and misleading statements caused declines in the price of RH's stock. In addition, Lead Plaintiffs would have had to establish the amount of class-wide damages.

19. Defendants would have had substantial arguments to make concerning each of these issues. For example, Lead Plaintiffs would face substantial challenges in proving that Defendants' statements about the launch of RH Modern and the Company's inventory levels were false when made. Defendants would argue that the Company had simply suffered unexpected short-term supply chain issues and, accordingly, their statements were accurate when made. Defendants would also argue that, even if any of their statements were false or misleading, they did not have an intent to mislead investors. Indeed, Defendants argued vigorously that they had no motive to commit fraud and that the Individual Defendants did not benefit from the alleged fraud. Finally, Defendants would argue that Lead Plaintiffs could not establish loss causation because certain of the disclosures were not corrective of the previously alleged misstatements.

20. Further, in order to obtain a recovery for the Class, Lead Plaintiffs would have to prevail at several stages, including summary judgment and trial – and, even if they prevailed on those, on the appeals that were likely to follow. Thus, there were significant risks attendant to the continued prosecution of the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all.

21. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Class, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Class, namely \$50,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller recovery or no recovery after summary judgment, trial, and appeals, possibly years in the future.

22. Defendants have denied all claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

23. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Class could recover less than the amount provided in the Settlement, or nothing at all.

HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

24. As a Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 9 below.

25. If you are a Class Member and do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?," on page 8 below.

26. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel's application for attorneys' fees and Litigation Expenses, and if you do not exclude yourself from the Class, you may

present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 9 below.

27. If you are a Class Member and you do not exclude yourself from the Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Class Members, on behalf of themselves and their respective spouses, heirs, executors, beneficiaries, administrators, predecessors, successors, and assigns, in their capacities as such, and any Person(s) claiming (now or in the future) through or on behalf of any of them directly or indirectly, regardless of whether such Plaintiff or Class Member ever seeks or obtains by any means (including, without limitation, by submitting a Claim Form to the Claims Administrator) any distribution from the Net Settlement Fund: (a) shall have fully, finally, and forever compromised, settled, released, relinquished, waived, dismissed, and discharged each and all of the Released Plaintiffs’ Claims (as defined in ¶ 28 below), including Unknown Claims (as defined in ¶ 30 below), against each and all of the Defendants’ Releasees (as defined in ¶ 29 below), and shall have covenanted not to sue any of the Defendants’ Releasees with respect to any of the Released Plaintiffs’ Claims (including any Unknown Claims) except to enforce the releases and other terms and conditions of the Settlement; and (b) shall be forever permanently barred, enjoined, and restrained from bringing, commencing, instituting, asserting, maintaining, enforcing, prosecuting, or otherwise pursuing, either directly or in any other capacity, any of the Released Plaintiffs’ Claims (including any Unknown Claims) against any of the Defendants’ Releasees in the Action or in any other action or proceeding, in any state, federal, or foreign court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind.

28. “Released Plaintiffs’ Claims” means all claims, rights, liabilities, and causes of action of every nature and description, whether known claims or Unknown Claims, contingent or absolute, mature or not mature, discoverable or undiscoverable, liquidated or unliquidated, accrued or not accrued, including those that are concealed or hidden, regardless of legal or equitable theory and whether arising under federal, state, common, or foreign law, that Lead Plaintiffs or any other member(s) of the Class: (i) asserted in the Action, or (ii) could have asserted in any forum, that arise out of, are based upon, or relate to, directly or indirectly, in whole or in part, (A) the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Action and that relate to the purchase, sale, acquisition, or retention of RH common stock during the Class Period; or (B) Defendants’ and/or their attorneys’ defense or settlement of the Action and/or the claims alleged therein. Released Plaintiffs’ Claims do not include: (i) any claims asserted on behalf of the Company in *In re RH Shareholder Derivative Litig.*, Lead Case No. 4:18-cv-02452-YGR (N.D. Cal.); *Magnani v. Friedman, et al.*, Case No. 3:18-cv-02452-YGR (N.D. Cal.); or *Izmirliyan v. Friedman, et al.*, Case No. 4:18-cv-3930-YGR (N.D. Cal.), or any cases consolidated into any of the foregoing actions; (ii) any claims relating to the enforcement of the Settlement; and (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

29. “Defendants’ Releasees” means, collectively, each and all of (i) the Defendants, each Individual Defendant’s Immediate Family Members, any entity in which any Defendant or Individual Defendant’s Immediate Family Members has, or had during the Class Period, a controlling interest (directly or indirectly), and any estate or trust of which any Individual Defendant is a settlor or which is for the benefit of any Individual Defendant and/or his or her Immediate Family Members; and (ii) for each and every Person listed in part (i), their respective past, present, and future heirs, executors, administrators, predecessors, successors, assigns, employees, agents, affiliates, analysts, assignees, attorneys, auditors, co-insurers, commercial bank lenders, consultants, controlling shareholders, directors, divisions, financial advisors, general or limited partners, general or limited partnerships, insurers, investment advisors, investment bankers, investment banks, joint ventures and joint venturers, managers, managing directors, marital communities, members, officers, parents, personal or legal representatives, principals, reinsurers, shareholders, subsidiaries (foreign or domestic), trustees, underwriters, and other retained professionals, in their respective capacities as such.

30. “Unknown Claims” means, collectively, any and all Released Plaintiffs’ Claims that Lead Plaintiffs or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to agree to all the various releases set forth in the Stipulation, or that might have affected his, her, or its decision not to object to the Settlement, or not to exclude himself, herself, or itself from the Class. Unknown Claims include, without limitation, those claims in which some or all of the facts composing the claim may be unsuspected or undisclosed, concealed, or hidden. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or

territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

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 and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lead Plaintiffs and Defendants acknowledge, and each of the other Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

31. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective spouses, heirs, executors, beneficiaries, administrators, predecessors, successors, and assigns, in their capacities as such, and any Person(s) claiming (now or in the future) through or on behalf of any of them directly or indirectly, (a) shall have fully, finally, and forever compromised, settled, released, relinquished, waived, dismissed, and discharged each and all of the Released Defendants' Claims (as defined in ¶ 32 below) against each and all of Lead Plaintiffs and the other Plaintiffs' Releasees (as defined in ¶ 33 below), and shall have covenanted not to sue any of the Plaintiffs' Releasees with respect to any of the Released Defendants' Claims (including any Unknown Claims) except to enforce the releases and other terms and conditions contained in the Settlement; and (b) shall be forever permanently barred, enjoined, and restrained from bringing, commencing, instituting, asserting, maintaining, enforcing, prosecuting, or otherwise pursuing, either directly or in any other capacity, any of the Released Defendants' Claims (including any Unknown Claims) against any of the Plaintiffs' Releasees in any action or proceeding, in any state, federal, or foreign court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind. This release shall not apply to any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.

32. "Released Defendants' Claims" means all claims, rights, liabilities, and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants' Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims against any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.

33. "Plaintiffs' Releasees" means (i) Lead Plaintiffs, all other plaintiffs in the Action, and all other Class Members, and their respective Immediate Family Members; and (ii) for each and every Person listed in part (i), their respective past, present, and future heirs, executors, administrators, predecessors, successors, assigns, employees, agents, affiliates, analysts, assignees, attorneys, auditors, co-insurers, commercial bank lenders, consultants, controlling shareholders, directors, divisions, financial advisors, general or limited partners, general or limited partnerships, insurers, investment advisors, investment bankers, investment banks, joint ventures and joint venturers, managers, managing directors, marital communities, members, officers, parents, personal or legal representatives, principals, reinsurers, shareholders, subsidiaries (foreign or domestic), trustees, underwriters, and other retained professionals, in their respective capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

34. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than October 8, 2019**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, RHSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 1-866-217-4456. Please retain all records of your ownership of and transactions in RH common stock, as they may be needed to document your Claim. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

35. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement. However, pursuant to the Settlement, Defendants have agreed to pay or caused to be paid fifty million dollars (\$50,000,000) in cash. The proceeds of the Settlement, after deduction of attorneys'

fees, costs, and expenses approved by the Court, will be distributed based on the Plan of Allocation on pages 11 to 15 below.

36. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state, and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

37. The proceeds of the Settlement will be distributed in accordance with a plan of allocation that is approved by the Court. The amounts to be distributed to individual Class Members will depend on a variety of factors, including: the number of other Class Members who submit valid Claim Forms; the number of shares of RH common stock the claimant purchased during the Class Period; the prices and dates of those purchases; and the prices and dates of any sales of such stock.

38. The proposed Plan of Allocation, which is subject to Court approval, appears on pages 11 to 15 of this Notice. Please review the Plan of Allocation carefully.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

39. Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor has Lead Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlement, **Lead Counsel will apply to the Court for an award of attorneys’ fees in the amount of 15% of the Settlement Fund.** At the same time, Lead Counsel also intends to apply for payment of Litigation Expenses in an amount not to exceed \$950,000, which may include an application for the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Class in an amount not to exceed \$10,000. The Court will determine the amount of any award of attorneys’ fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASS?
HOW DO I EXCLUDE MYSELF?**

40. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to *RH Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The exclusion request must be **received no later than October 1, 2019**. You will not be able to exclude yourself from the Class after that date.

41. Each Request for Exclusion must (a) state the name of the person or entity requesting exclusion, along with his, her, or its address and phone number; (b) state that such person or entity wishes to be excluded from the Class in *RH Securities Litigation*; (c) state the number of shares of RH common stock that the person or entity requesting exclusion (i) owned as of the opening of trading on March 26, 2015, and (ii) purchased/acquired and/or sold from March 26, 2015 through September 6, 2016, as well as the dates, number of shares, and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

42. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs’ Claim against any of the Defendants’ Releasees.

43. If you ask to be excluded from the Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

44. RH has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and RH.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

45. Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

46. The Settlement Hearing will be held on October 22, 2019, at 2:00 p.m., before the Honorable Yvonne Gonzalez Rogers at Courtroom 1 of the United States District Court for the Northern District of California, 1301 Clay Street, Oakland, CA 94612. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

47. Any Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. You can ask the Court to deny approval of the Settlement by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. If that is what you want to happen, you must object. You may also appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney.

48. Any objection to the proposed Settlement must be in writing. You may object to the proposed Settlement, the Plan of Allocation, or the requested fees and expenses in writing by providing your full name, address, phone number, and signature; the basis for your belief that you are a member of the Class; and the basis of your objection and whether the objection applies only to you, to a specific subset of the Class, or to the entire Class. All written objections and supporting papers must: (a) clearly identify the case name and number (*In re RH, Inc. Securities Litigation*, Case No. 4:17-00554-YGR); (b) be submitted to the Court either by mailing them to the Clerk of the Court for the United States District Court for the Northern District of California, 1301 Clay Street, Suite 400S, Oakland, CA 94612, or by filing them in person at any location of the United States District Court for the Northern District of California; and (c) be filed or postmarked on or before **October 1, 2019**.

49. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses if you exclude yourself from the Class or if you are not a member of the Class.

50. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file a written objection in accordance with the procedures described above, unless the Court orders otherwise.

51. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Court by **October 1, 2019**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

52. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court by **October 1, 2019**.

53. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel, by checking the settlement website at RHSecuritiesLitigation.com, or by accessing the court file, as described below.

54. **Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees**

and Litigation Expenses. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

55. If you purchased or acquired RH common stock from March 26, 2015 through June 8, 2016, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners, and within seven (7) calendar days of receipt of those Notice Packets, forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *RH Securities Litigation*, c/o A.B. Data, Ltd., Attn: Fulfillment Dept., P.O. Box 173074, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, RHSecuritiesLitigation.com, or by calling the Claims Administrator toll-free at 1-866-217-4456.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

56. This Notice contains only a summary of the terms of the proposed Settlement. **For more detailed information about the matters involved in this Action, you may visit the website, RHSecuritiesLitigation.com, where you can access copies of the Stipulation, the Complaint, and any related orders entered by the Court.** Alternatively, you may access the papers on file in the Action through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 1301 Clay Street, Suite 400S, Oakland, CA 94612, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

All inquiries concerning this Notice and the Claim Form should be directed to:

RH Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173074
Milwaukee, WI 53217

and/or

Jonathan D. Uslander, Esq.
Bernstein Litowitz Berger
& Grossmann LLP
2121 Avenue of the Stars, Suite 2575
Los Angeles, CA 90067
(800) 380-8496
settlements@blbglaw.com

(866) 217-4456
info@RHSecuritiesLitigation.com

DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.

Dated: July 9, 2019

By Order of the Court
United States District Court
Northern District of California

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

57. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

58. In developing the Plan of Allocation, Lead Plaintiffs' damages expert calculated the estimated amount of artificial inflation in the per-share closing price of RH common stock which allegedly was proximately caused by Defendants' alleged materially false and misleading statements and omissions.

59. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiffs' damages expert considered price changes in RH common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and omissions, adjusting for price changes that were attributable to market or industry forces. The estimated artificial inflation in RH common stock is stated in Tables A-1 and A-2 at the end of this Notice.

60. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of RH common stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts during the period between March 26, 2015 and June 8, 2016, inclusive, which had the effect of artificially inflating the price of RH common stock. Lead Plaintiffs further allege that corrective information was released to the market on: December 10, 2015 (after the close of trading), February 24, 2016 (after the close of trading), March 17, 2016 (before the opening of trading), and June 8, 2016 (after the close of trading), which partially removed the artificial inflation from the prices of RH common stock on: December 11-14, 2015, February 25, 2016, March 17, 2016, and June 9-10, 2016.⁴

61. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the respective prices of RH common stock at the time of purchase or acquisition and at the time of sale, or the difference between the actual purchase price and sale price. Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Class Member who or which purchased or otherwise acquired RH common stock prior to the first corrective disclosure, which occurred after the close of the financial markets on December 10, 2015, must have held his, her, or its shares of RH common stock through at least the opening of trading on December 11, 2015. A Class Member who purchased or otherwise acquired RH common stock from December 11, 2015 through and including the close of trading on June 8, 2016, must have held those shares through at least one of the later dates where new corrective information was released to the market and partially removed the artificial inflation from the price of RH common stock.

62. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

63. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

64. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

65. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked on or before October 8, 2019, shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Plaintiffs' Claims (as defined in

⁴ With respect to the partial corrective disclosure that occurred on December 10, 2015, the alleged artificial inflation was removed from the price of RH common stock over the following two days: Friday, December 11, 2015, and Monday, December 14, 2015. With respect to the partial corrective disclosure that occurred on June 8, 2016, the alleged artificial inflation was removed from the price of RH common stock over the following two days: Thursday, June 9, 2016, and Friday, June 10, 2016.

¶ 28 above) against the Defendants' Releasees (as defined in ¶ 29 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Class Member submits a Claim Form.

66. Participants in and beneficiaries of an RH employee benefit plan covered by ERISA ("RH ERISA Plan") should NOT include any information relating to their transactions in RH common stock held through the RH ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY shares they purchased outside of the Plan.

67. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

68. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

69. Only Class Members or persons authorized to submit a claim on their behalf will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

70. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of RH common stock that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

71. For each share of RH common stock purchased or otherwise acquired during the period from March 26, 2015, through and including the close of trading on June 8, 2016, and:

- A. Sold before December 11, 2015, the Recognized Loss Amount will be \$0.00;
- B. Sold from December 11, 2015 through and including June 8, 2016, the Recognized Loss Amount will be the lesser of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A-1 minus the amount of artificial inflation per share on the date of sale as stated in Table A-2; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions);
- C. Sold from June 9, 2016 through and including the close of trading on September 6, 2016, the Recognized Loss Amount will be the least of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A-1 minus the amount of artificial inflation per share on the date of sale as stated in Table A-2; (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the average closing price between June 9, 2016, and the date of sale as stated in Table B below; or (iii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions); or
- D. Held as of the close of trading on September 6, 2016, the Recognized Loss Amount will be the lesser of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A-1; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus \$29.86.⁵

ADDITIONAL PROVISIONS

72. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to RH common stock.

73. **FIFO Matching:** If a Class Member made more than one purchase/acquisition or sale of RH common stock during the Class Period, all purchases/acquisitions and sales will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against

⁵ Pursuant to Section 21D(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of RH common stock during the "90-day look-back period," June 9, 2016 through and including September 6, 2016. The mean (average) closing price for RH common stock during this 90-day look-back period was \$29.86.

purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

74. “Purchase/Sale” Dates: Purchases or acquisitions and sales of RH common stock will be deemed to have occurred on the “contract” or “trade” date, as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of RH common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of RH common stock for the calculation of a Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of RH common stock unless (i) the donor or decedent purchased or otherwise acquired or sold such RH common stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of RH common stock.

75. Short Sales: The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the RH common stock. The date of a “short sale” is deemed to be the date of sale of the RH common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” and the purchases covering “short sales” is zero.

76. In the event that a Claimant has an opening short position in RH common stock, the earliest purchases or acquisitions of RH common stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

77. Common Stock Purchased/Sold Through the Exercise of Options: Option contracts are not securities eligible to participate in the Settlement. With respect to RH common stock purchased or sold through the exercise of an option, the purchase/sale date of the security is the exercise date of the option and the purchase/sale price is the exercise price of the option.

78. Market Gains and Losses: The Claims Administrator will determine if the Claimant had a “Market Gain” or a “Market Loss” with respect to his, her, or its overall transactions in RH common stock during the Class Period. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Claimant’s Total Purchase Amount⁶ and (ii) the sum of the Claimant’s Total Sales Proceeds⁷ and the Claimant’s Holding Value.⁸ If the Claimant’s Total Purchase Amount *minus* the sum of the Claimant’s Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant’s Market Loss; if the number is a negative number or zero, that number will be the Claimant’s Market Gain.

79. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in RH common stock during the Class Period, the value of the Claimant’s Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in RH common stock during the Class Period, but that Market Loss was less than the Claimant’s Recognized Claim, then the Claimant’s Recognized Claim will be limited to the amount of the Market Loss.

80. Determination of Distribution Amount: If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share will be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

81. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

82. If an Authorized Claimant’s Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

⁶ The “Total Purchase Amount” is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all shares of RH common stock purchased or acquired during the Class Period.

⁷ The Claims Administrator shall match any sales of RH common stock during the Class Period first against the Claimant’s opening position in RH common stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding all fees, taxes, and commissions) for sales of the remaining shares of RH common stock sold during the Class Period is the “Total Sales Proceeds.”

⁸ The Claims Administrator shall ascribe a “Holding Value” of \$27.49 to each share of RH common stock purchased or acquired during the Class Period that was still held as of the close of trading on June 8, 2016.

83. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund seven (7) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to the Investor Protection Trust.

84. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' damages or consulting experts, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiffs, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

85. The Plan of Allocation stated herein is the plan that is being proposed to the Court for its approval by Lead Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, RHSecuritiesLitigation.com.

TABLE A-1

**Estimated Artificial Inflation with Respect to Purchases/Acquisitions of
RH Common Stock from March 26, 2015, through and including June 8, 2016**

Date Range	Artificial Inflation Per Share
March 26, 2015 – December 10, 2015	\$31.82
December 11, 2015 – February 24, 2016	\$24.61
February 25, 2016 – March 16, 2016	\$10.48
March 17, 2016 – June 8, 2016	\$8.02
After June 8, 2016	\$0.00

TABLE A-2

**Estimated Artificial Inflation with Respect to Sales of
RH Common Stock from March 26, 2015, through and including June 9, 2016**

Date Range	Artificial Inflation Per Share
March 26, 2015 – December 10, 2015	\$31.82
December 11, 2015 – December 13, 2015	\$29.45
December 14, 2015 – February 24, 2016	\$24.61
February 25, 2016 – March 16, 2016	\$10.48
March 17, 2016 – June 8, 2016	\$8.02
June 9, 2016	\$1.20
After June 9, 2016	\$0.00

TABLE B
90-Day Look-back Table for RH Common Stock
(Closing Price and Average Closing Price: June 9, 2016 – September 6, 2016)

Date	Closing Price	Average Closing Price Between June 9, 2016 and Date Shown	Date	Closing Price	Average Closing Price Between June 9, 2016 and Date Shown
6/9/2016	\$28.41	\$28.41	7/25/2016	\$30.56	\$28.19
6/10/2016	\$26.56	\$27.49	7/26/2016	\$29.72	\$28.23
6/13/2016	\$25.68	\$26.88	7/27/2016	\$29.56	\$28.27
6/14/2016	\$25.88	\$26.63	7/28/2016	\$29.84	\$28.32
6/15/2016	\$26.25	\$26.56	7/29/2016	\$30.81	\$28.39
6/16/2016	\$25.97	\$26.46	8/1/2016	\$30.73	\$28.45
6/17/2016	\$25.99	\$26.39	8/2/2016	\$28.74	\$28.46
6/20/2016	\$26.12	\$26.36	8/3/2016	\$28.93	\$28.47
6/21/2016	\$25.77	\$26.29	8/4/2016	\$28.13	\$28.46
6/22/2016	\$27.62	\$26.43	8/5/2016	\$29.52	\$28.49
6/23/2016	\$27.92	\$26.56	8/8/2016	\$30.47	\$28.53
6/24/2016	\$27.56	\$26.64	8/9/2016	\$30.35	\$28.58
6/27/2016	\$25.39	\$26.55	8/10/2016	\$29.21	\$28.59
6/28/2016	\$25.82	\$26.50	8/11/2016	\$30.51	\$28.63
6/29/2016	\$28.05	\$26.60	8/12/2016	\$31.40	\$28.69
6/30/2016	\$28.68	\$26.73	8/15/2016	\$31.72	\$28.76
7/1/2016	\$30.00	\$26.92	8/16/2016	\$31.49	\$28.81
7/5/2016	\$29.55	\$27.07	8/17/2016	\$30.11	\$28.84
7/6/2016	\$29.76	\$27.21	8/18/2016	\$30.77	\$28.88
7/7/2016	\$28.84	\$27.29	8/19/2016	\$34.22	\$28.98
7/8/2016	\$29.62	\$27.40	8/22/2016	\$34.03	\$29.08
7/11/2016	\$30.27	\$27.53	8/23/2016	\$35.55	\$29.20
7/12/2016	\$30.71	\$27.67	8/24/2016	\$34.08	\$29.29
7/13/2016	\$28.77	\$27.72	8/25/2016	\$34.65	\$29.39
7/14/2016	\$28.64	\$27.75	8/26/2016	\$32.59	\$29.45
7/15/2016	\$27.50	\$27.74	8/29/2016	\$33.73	\$29.52
7/18/2016	\$29.50	\$27.81	8/30/2016	\$33.96	\$29.60
7/19/2016	\$29.01	\$27.85	8/31/2016	\$33.73	\$29.67
7/20/2016	\$30.51	\$27.94	9/1/2016	\$33.42	\$29.73
7/21/2016	\$30.62	\$28.03	9/2/2016	\$33.88	\$29.80
7/22/2016	\$30.42	\$28.11	9/6/2016	\$33.56	\$29.86

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