1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20		DISTRICT COURT ICT OF CALIFORNIA Case No.: 3:14-cv-01372-DMS-DHB CLASS ACTION PLAINTIFF'S NOTICE OF MOTION AND MOTION: (1) GRANTING PRELIMINARY APPROVAL OF CLASS SETTLEMENT; (2) SCHEDULING A FINAL APPROVAL HEARING; AND (3) DIRECTING THAT NOTICE BE SENT TO CLASS
19	NORDSTROM, INC., a Washington Corporation; and DOES 1 through 100,	AND (3) DIRECTING THAT NOTICE BE SENT TO CLASS
21		MEMBERS
22	Defendants.	Date: January 8, 2016
23		Time: 1:30 p.m.
24		District Judge: Hon. Dana M. Sabraw Courtroom: 13A
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NOTICE OF MOTION

PLEASE TAKE NOTICE that on January 8, 2016, at 1:30 p.m., or as soon thereafter as the matter may be heard, in Courtroom 13A of the United States District Courthouse, 333 West Broadway, Suite 1310, San Diego, California, 92101, before the Honorable Dana M. Sabraw, Plaintiff David Paz ("Plaintiff") will, and hereby does, move the Court for an order granting: (1) Preliminary Approval of Class Settlement, (2) Scheduling a Final Approval Hearing, and (3) Directing that Notice Be Sent to Class Members. Said Motion will be based on this notice, the attached points and authorities, the declaration of John H. Donboliand the complete files and records in this action.

Because all parties agreed to the proposed class settlement, this motion is not being opposed by defendants AG ADRIANO GOLDSCHMIED, INC., and NORDSTROM, INC. ("Defendants").

Dated: November 30, 2015 Respectfully submitted,

DEL MAR LAW GROUP, LLP

By: /s John H. Donboli

John H. Donboli

E-mail: jdonboli@delmarlawgroup.com

JL Sean Slattery

E-mail: sslattery@delmarlawgroup.com

Attorneys for: DAVID PAZ, an

individual and on behalf of all others

similarly situated

1 2 3 4 5 6 7 8 9	JOHN H. DONBOLI (SBN: 205218) E-mail: jdonboli@delmarlawgroup.com JL SEAN SLATTERY (SBN: 210965) E-mail: sslattery@delmarlawgroup.com DEL MAR LAW GROUP, LLP 12250 El Camino Real, Suite 120 San Diego, CA 92130 Telephone: (858) 793-6244 Facsimile: (858) 793-6005 Attorneys for Plaintiff: DAVID PAZ, an of all others similarly situated	individual and on behalf
10	LINITED STATES	DISTRICT COURT
11		ICT OF CALIFORNIA
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13	DAVID PAZ, an individual and on behalf of all others similarly situated,	Case No.: 3:14-cv-01372-DMS-DHB
14 15	Plaintiff,	CLASS ACTION
	riamum,	
16 17	vs.	MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
18	AG ADRIANO GOLDSCHMIED,	MOTION: (1) GRANTING
19	INC., a California corporation;	PRELIMINARY APPROVAL OF CLASS SETTLEMENT; (2)
20	NORDSTROM, INC., a Washington Corporation; and DOES 1 through 100,	SCHEDULING A FINAL
21	inclusive,	APPROVAL HEARING; AND (3) DIRECTING THAT NOTICE BE
22	Defendants.	SENT TO CLASS MEMBERS
23	Berendants.	Date: January 8, 2016
24		Time: 1:30 p.m.
25		District Judge: Hon. Dana M. Sabraw Courtroom: 13A
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INTRODUCTION

Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, Plaintiff David Paz ("Plaintiff"), on behalf of himself and the proposed Settlement Class he represents, respectfully moves for entry of an order: (1) preliminarily approving the proposed settlement¹ in the above-captioned class action litigation with Defendants AG ADRIANO GOLDSCHMIED, INC. ("AGAG") and NORDSTROM, INC. ("Nordstrom") (collectively, "Defendants"); (2) scheduling a Final Approval Hearing (sometimes referred to as a "Fairness Hearing"); and (3) directing that notice of the proposed settlement be given to Class Members upon approval of the form and method for providing class-wide notice. At the Final Approval Hearing, the following will be considered: (i) the request for final approval of the proposed settlement, and (ii) the entry of the Final Judgment and Injunction. Plaintiff also intends to apply to this Court for an award of attorneys' fees and reimbursement of expenses to Class Counsel, and an enhancement fee award to Plaintiff for his service as the class representative at that time.

After more than a full year of hard-fought litigation, and after participating in a full-day mediation before the Hon. Irma E. Gonzalez (Ret.) of JAMS, the parties ultimately reached a settlement on October 28, 2015. The Settlement is believed to be a fair, adequate and reasonable. The Settlement permits participating Class Members (those who complete and return a claim form) to obtain either: one (1) \$20 Promotional Code for each Class Product claimed, or one (1) pair of AGAG pants (the consideration is more fully detailed below).

The measure of restitution was not arbitrarily determined; rather, it was discussed and negotiated at length at mediation with the aid of Judge Gonzalez (Ret.) and is based on calculations of the amount of foreign-made components in

The Settlement Agreement is attached as Exhibit 1 to the accompanying Declaration of John H. Donboli ("Donboli Decl.").

Defendants' jeans products (i.e., the "Class Products") in conjunction with a factoring of the risks of potentially receiving no monetary recovery to the Class at time of trial.

All in all, this Settlement is a fair result for the class. Defendants are no longer engaging in the conduct that gave rise to this action because AGAG will be forever enjoined from using an unqualified "Made in USA" label on its Jeans². (See Final Judgment and Injunction, attached as Exhibit "E" to Settlement Agreement). Future customers will also enjoy the benefits of AGAG's newly revised country of origin labeling practices.³

If Plaintiff would have rejected the Settlement and continued to litigate this action through trial, there would have been a significant risk that no restitution would have been obtained to the Class given the unsettled nature of California law pertaining to how to properly quantify and measure restitution in false advertising cases (such as this case). In view of this risk, the Settlement is undoubtedly fair, just and adequate.

II. NATURE OF THE CASE

The Action alleged that Defendants committed unlawful and unfair business practices by falsely labeling their jeans products ("Jeans") as "Made in USA" in violation of, *inter alia*, California's Unfair Competition Law ("UCL") (codified at Cal. Bus. & Prof. Code §§ 17200 *et seq.*) and California's "Made in USA Statute" (codified at Cal. Bus. & Prof. Code § 17533.7).

Plaintiff alleged that contrary to Defendants' "Made in USA" claim, the Jeans were manufactured and/or produced from multiple component parts that were manufactured outside of the United States in violation of California law

Defendants stipulated to entry of an injunction in this regard.

California recently amended the California "Made in USA" statute on or about September 1, 2015. The new amendment will not take effect until January 1, 2016 and will not materially alter any aspect of this proposed settlement.

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and/or federal law. Specific to the Plaintiff Transaction, Plaintiff alleged that major subcomponents of Defendants' Jeans that he purchased were foreign made, including but not limited to the trim, fabric, and/or zippers. Plaintiff also alleged that Defendant's conduct constituted false advertising and was violative of the California Consumers Legal Remedies Act.

Defendants denied and continue to deny Plaintiff's allegations.

III. PROCEDURAL HISTORY

On or about June 4, 2014, Plaintiff initiated litigation by filing a putative class action complaint in the United States District Court Southern District of California, styled as *Paz v. AG Adriano Goldschmied, Inc., et al* Case No. 14CV1372DMS DHB (the "Action").

The Action alleged that Defendants violated various California laws, including California Business & Professions Code § 17200 *et seq.*; California Business & Professions Code § 17533.7; and the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.* ("CLRA") as it relates to Defendants' use *in California* of the statement "Made in U.S.A." on labeling for its Jeans that contained less than 100% domestic content. These claims extended to Plaintiff and all other members of the putative California class.

On or about September 3, 2014, Defendants filed a Motion to Dismiss based in large part on federal preemption. [Docket No. 9]. On or about September 19, 2014, Plaintiff filed his Response in Opposition to the Motion to Dismiss. [Docket No. 11]. Defendants thereafter filed a Reply on or about September 26, 2014. [Docket No. 12]. On or about October 27, 2014 the Court issued an Order denying the Motion to Dismiss. [Docket No. 14].

On or about November 20, 2014, Defendants filed their Answers. [Docket Nos. 15, 16].

On or about December 22, 2014, Defendants filed a Motion to Amend and

1	Certify Order for Interlocutory Review Pursuant to 28 U.S.C. section 1292,	
2	subdivision (b) and to Stay Proceeding Pending Appeal. [Docket No. 18]. On or	
3	subdivision (b) and to Stay Proceeding Pending Appeal. [Docket No. 18]. On or about January 5, 2015, Plaintiff filed his Response in Opposition to this Motion.	
4	[Docket No. 19]. On or about January 27, 2015, the Court issued an Order	
5	Denying the Motion to Amend and Certify Order for Interlocutory Review	
6	Pursuant to 28 U.S.C. section 1292, subdivision (b) and to Stay Proceeding	
7	Pending Appeal. [Docket No. 25].	

On or about February 10, 2015 an Early Neutral Evaluation Conference was held before the Hon. David H. Bartick and an Order was issued thereafter. [Docket No. 27].

In addition to the law and motion practice detailed above, Plaintiff also committed a considerable amount of time to propounding extensive written discovery to Defendant and preparing for mediation in April, which led to significant guideposts being established towards resolution that were further negotiated over the following six months (that ultimately led to the Settlement Agreement being finalized and signed on October 28, 2015). Included in this time was the creation of a viable damages/restitution model that required obtaining and analyzing detailed summaries of Defendant's cost, pricing, sales, and labeling information for its jeans products (i.e., the "Class Products). This evaluation (done in conjunction with Plaintiff's consultant/expert) was also necessary so the parties could not only properly evaluate the case for purposes of mediation, but also so Plaintiff could begin preparing and generally outlining Plaintiff's motion for class certification. At the same time, Defendants undertook significant investigation to determine the validity of Plaintiff's claims.

IV. CLASS DEFINITION

Plaintiff agreed to settle this Action on behalf of a class of similarly situated persons in California who purchased AGAG-brand garment product that contained

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any foreign-made component parts that was labeled as "MADE IN USA" or "MADE IN THE USA OF IMPORTED FABRIC" (the "Class Products"), from June 4, 2010 to December 31, 2015, for non-commercial use (the "Settlement Class"). Excluded from the Settlement Class are all persons who are employees, directors, officers, and agents of Defendants or its subsidiaries and affiliated companies, as well as the Court and its immediate family and staff. (Donboli Decl., ¶ 5; Exhibit "1" thereto at ¶¶ A.7, A.24, A.29).

V. SIZE OF CLASS

Defendant AGAG (the manufacturer) sold approximately 1 million units of Class Products in California during the class period. The average price per garment is approximately \$200.00, which amounts to gross sales in California of approximately \$200 million. (Donboli Decl., ¶ 6). This is undoubtedly a significant sized class under any definition of the term.

DESCRIPTION OF THE PROPOSED SETTLEMENT VI.

The Parties agreed to a proposed settlement that, if approved by this Honorable Court, will result in dismissal of the Action with prejudice and the provision of certain benefits to the members of the Class. Under the terms of the Settlement Agreement, if the settlement is granted final approval status by the Court, Defendant will distribute either one (1) \$20 Promotional Code for each Class Product claimed, or one (1) pair of AGAG pants, subject to the following terms and conditions, as determined by the Class Administrator after review and evaluation of each qualifying claimant's Claim Form:

- Class Members who purchased two or more Class Products are not a. permitted to split their claims to obtain both Promotional Codes and AGAG pants, but must choose one or the other option exclusively.
- b. Each eligible class member, as determined by the Claims Administrator, shall receive by mail either one (1) \$20 Promotional

Code per product purchased, or one (1) pair of AGAG pants per Class Product purchased. In the event any class member claims to have purchased more than two (2) Class Products, the class member must establish proper proof of purchase of such additional Class Products (with receipts, etc.).

- c. The Promotional Codes can be used toward the purchase of any AGAG product available at www.agjeans.com at the time of purchase. The Promotional Codes shall be fully transferrable. Up to two (2) Promotional Codes can be used per transaction. The Promotional Codes cannot be used in combination with coupons, discounts, or other promotional pricing that may be offered by AGAG.
- d. The AGAG pants shall be of AGAG's selection, from current or prior seasons, but in the size and for the gender specified on the Class Member's claim form. For purposes of this Settlement, AGAG will set aside 25,000 pairs of pants to fulfill claims from Qualifying Claimants who choose to receive AGAG pants on their respective Claim Forms. AGAG is not required to distribute more than 25,000 pairs of pants under this Settlement. If the total number of pairs of pants selected by Qualifying Claimants exceeds 25,000, AGAG may, in its discretion, elect to either (i) distribute more than 25,000 pairs of pants to fulfill all Qualifying Claimants' selections or (ii) fulfill Qualifying Claimants' selections up to 25,000 pairs of pants on a first-come/first-served basis and distribute \$20 Promotional Codes to all other Qualifying Claimants.

(Donboli Decl., ¶ 7; Exh. 1 at ¶¶ D.2, F.3). Any Class Member who completes a Claim Form to attest to his purchase of a qualifying Class Product during the Class Period shall receive the restitution detailed above. (Donboli Decl., ¶ 7; Exh. 1 at ¶

D.2).

The measure of restitution (in relation to the \$20.00 promotional code) was not arbitrarily determined; rather, it was discussed and negotiated at length at mediation and after and is based on calculations off of the amount of foreign-made component parts in the Class Products in conjunction with a factoring of the risks of potentially receiving no monetary recovery to the Class at time of trial. (Donboli Decl., ¶ 8).

The pants are high-end pant products valued *at least* \$160.00 per pair of pants. (Donboli Decl., ¶ 9). Because AGAG agreed to distribute 25,000 pairs of pants, the undisputed original retail value of the jeans distribution is \$4\$ million. (Donboli Decl., ¶ 9; Exh. 1 at ¶ E.2).

The settlement will be administered by a professional Claims Administrator to administer the claims and payment process. Defendants and/or the Claims Administrator shall also obtain an appropriate URL specifically to handle the Settlement process, such as <u>agagsettlement.com</u> (the "Settlement Website"). (Donboli Decl., ¶ 10; Exh. 1, at ¶¶ A.30, D.4). The Claims Administrator shall report any invalid claims and reports all such determinations of invalidity to both Class Counsel and Defendant's counsel in a timely manner. (Donboli Decl., ¶ 10; Exh. 1, at ¶ F.5).

Class Counsel intends to file and have heard a motion for the recovery of attorneys' fees and costs to be approved by this Honorable Court, including all reasonable fees, costs and expenses related to Plaintiff's prosecution of the Action. The parties agreed to a "not to exceed" amount in the amount of \$175,000.00. Class Counsel shall also seek confirmation by this Court, at that time, of a single \$5,000.00 payment as an incentive award to Plaintiff David Paz for serving as the class representative. Defendant agreed not to oppose these requests as long as the requested amounts are at or below the above-stated amounts. (Donboli Decl., ¶ 11;

Exh. 1, at $\P\P$ G.1, G.4).

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VII. NOTICE AND ADMINISTRATION OF THE SETTLEMENT

Upon entry of the Preliminary Approval Order, Defendants, in cooperation with the Claims Administrator, shall take the following actions:

- 1. Defendant AGAG shall direct the Claims Administrator to mail the Notice to any and all members of the Settlement Class to the extent that Defendant AGAG possesses such information in its corporate records. Defendant AGAG shall provide this information to the Claims Administrator within 20 days of entry of the order granting Preliminary Approval. The Claims Administrator shall thereafter be tasked with mailing the Postcard Notice (in the form attached to Exhibit F of the Agreement of Settlement) to the potential class members.
- 2. The Claims Administrator will arrange for publication of the Notice in publications that adequately cover the consumers of AGAG products, as determined by the Claims Administrator in its reasonable judgment.
- 3. Defendants shall provide notice of the settlement on their respective websites for the duration of the Claims Period with a hyperlink that will send consumers directly to the Settlement Website.

(Donboli Decl., ¶ 12; Exh.1, at Section E).

These methods are designed to meaningfully reach the largest possible number of potential Class Members. All costs associated with providing notice and administering the claims, including the costs associated with preparing, printing and disseminating the Notice, as directed by the Court in the Preliminary Approval Order, shall be paid by Defendant AGAG (not to exceed \$90,000). (Donboli Decl. ¶ 13; Exhibit "A" thereto at ¶ F.9).

VIII. THE SETTLEMENT MEETS THE CRITERIA NECESSARY FOR THIS COURT TO GRANT PRELIMINARY APPROVAL

A. The Settlement Approval Process

The law favors settlements, particularly in class actions and complex cases where substantial resources can be conserved by avoiding the time, costs and rigors of prolonged litigation. *Van Bronkhorst v. Safeco Corp.*, 529 F.2d 943, 950 (9th Cir. 1976); CONTE & NEWBERG, NEWBERG ON CLASS ACTIONS § 11.41 (2003) ["By their very nature, because of the uncertainties of outcome, difficulties of proof, length of litigation, class action suits lend themselves readily to compromise."].

Where, as here, the parties propose to resolve the claims of a certified class through settlement, they must obtain the court's approval. Fed. R. Civ. Proc. 23(e)(1)(A). The typical process for approving class action settlements is described in the FEDERAL JUDICIAL CENTER, MANUAL FOR COMPLEX LITIGATION §§ 21.632-.635 (4th ed. 2004): (1) preliminary approval of the proposed settlement at an informal hearing; (2) dissemination of mailed and/or published notice of the settlement to all affected class members; and (3) A "formal fairness hearing," or final approval hearing, at which evidence and argument concerning the fairness, adequacy, and reasonableness of the settlement is presented. *Id.* This procedure, commonly employed by federal courts, serves the dual function of safeguarding class members' procedural due process rights and enabling the court to fulfill its role as the guardian of class members' interests.

Plaintiff respectfully asks this Court to grant preliminary approval of the proposed Settlement. At this stage, the Court "must make a preliminary determination on the fairness, reasonableness, and adequacy of the settlement terms and must direct the preparation of notice of the certification, proposed settlement, and date of the final fairness hearing." MANUAL FOR COMPLEX

LITIGATION § 21.632. The Court should grant preliminary approval if the settlement has no obvious deficiencies and "falls within the range of possible approval." NEWBERG ON CLASS ACTIONS § 11.25.

At the next stage of the approval process, the formal fairness hearing, courts consider arguments in favor of and in opposition to the settlement. According to the Ninth Circuit, the fairness hearing should not be turned into a "trial or rehearsal for trial on the merits." *Officers for Justice v. Civil Serv. Com'n of City and Cty. of S.F.*, 688 F.2d 615, 625 (9th Cir. 1982). "Neither the trial court nor this court is to reach any ultimate conclusions on the contested issues of fact and law which underlie the merits of the dispute...." *Id.* Rather, the inquiry "must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable, and adequate to all concerned." *Id.*

B. The Proposed Settlement is Presumptively Fair and Easily Meets the Requirements for Preliminary Approval

Courts generally employ a multi-prong test to determine whether preliminary approval is warranted. A proposed class action settlement is presumptively fair and should be preliminarily approved if the Court finds that: (1) the negotiations leading to the proposed settlement occurred at arm's length; (2) there was sufficient discovery in the litigation for the plaintiff to make an informed judgment on the merits of the claims; (3) the proponents of the settlement are experienced in similar litigation; and (4) only a small fraction of the class objection. *Young v. Polo Retail*, Case No. C-02-4546 VRW, 2006 WL 3050861, at *5 (N.D. Cal. Oct. 25, 2006); *see also* NEWBERG ON CLASS ACTIONS § 11.41. The Settlement easily satisfies these requirements.

1. The Settlement is the Product of Serious, Informed and Noncollusive Negotiations

This settlement is the result of extensive and hard-fought negotiations. Defendants expressly denied and continue to deny any wrongdoing or legal liability arising out of the conduct alleged in the Action. Nonetheless, Defendants concluded that it is desirable that this Action be settled in the manner and upon the terms and conditions set forth in the Agreement of Settlement in order to avoid the expense, inconvenience, and burden of further legal proceedings, and the uncertainties of trial and appeals. Defendants also determined that it is desirable and beneficial to put to rest the released claims of the Settlement Class.

Class Counsel (and presumably Defendants' counsel) conducted a thorough investigation into the facts of the class action, including diligently pursuing an investigation of the relevant facts. Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in the Agreement of Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendants, and the potential risk of no monetary recovery. (Donboli Decl., ¶ 4)

Here the litigation has been hard-fought with aggressive and capable advocacy on both sides. Accordingly, "[t]here is likewise every reason to conclude that settlement negotiations were vigorously conducted at arm's length and without any suggestion of undue influence." *In re Wash. Public Power Supply System Sec. Litig.*, 720 F. Supp. 1379, 1392 (D. Ariz. 1989). ["Counsels' opinions warrant great weight both because of their considerable familiarity with this litigation and because of their extensive experience in similar actions"].

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2. The Settlement Has No "Obvious Deficiencies" and Falls Well Within the Range for Approval

The proposed settlement herein has no "obvious deficiencies" and is well within the range of possible approval. All Class members will receive the same opportunity to participate in and receive restitution. It is undeniable that the goal of this litigation, to seek redress for the Class, has been met.

There is a substantial risk, given the current legal landscape in terms of properly quantifying and measuring damages in cases predicated on violations of the California and/or federal "Made in USA" standards (or false advertising cases in general), that, if this action was not settled, Plaintiff would have been unable to obtain any restitution at time of trial. (Donboli Decl., ¶ 15).

The primary factor that supports resolution at this time, from Plaintiff and Class Counsel's perspective, are the challenges in quantifying and specifically measuring the amount of restitution to Class Members.⁴ Restitution under the UCL is limited to measurable amounts acquired by a defendant from consumers by means of unfair competition. Section 17203 of the unfair competition law expressly authorizes courts to make "such orders ... as may be necessary to prevent the use or employment by any person of any practice which constitutes unfair competition, as defined in this chapter, or as may be necessary to restore to any person ... any money or property, real or personal, which may have been acquired by means of such unfair competition." As the California Supreme Court held in *Korea Supply Co. v. Lockheed Martin Corp.*, 29 Cal.4th 1134, 1149 (2003) the "object of restitution is to restore the status quo by returning to the plaintiff funds in which he or she has an ownership interest."

This would require Plaintiff to expend over \$100,000 in expert fees, at a minimum, to develop a restitution model that might be approved by this Court as there is no clear guideline on how to quantify restitution in UCL false advertising cases. (Donboli Decl., ¶ 16).

As referenced above, there was a serious risk that Plaintiff would only be able to establish injunctive relief at trial, which would have left Class Members with no monetary relief. In light of the above-referenced risk, expense, and complexity of this case, the parties agreed to resolve this matter as set forth in the Settlement Agreement. (Donboli Decl., ¶¶ 15-16).

3. The Settlement Does Not Improperly Grant Preferential Treatment To the Class Representative or Segments Of The Class

The relief provided in the settlement will benefit all Class Members equally. The settlement does not improperly grant preferential treatment to Plaintiff or segments of the Class in any way. Each qualified Class Member, including Plaintiff, who files a timely claim, shall receive the aforementioned restitution. Plaintiff will receive no more than any other Class Member who submits a timely claim. In addition, the representative plaintiff will apply to the Court for a modest service award of \$5,000 to the extent permitted by this Court (enhancement fees are at times awarded in the \$50,000 range).

4. The Stage Of The Proceedings Are Sufficiently Advanced To Permit Preliminary Approval Of The Settlement

The stage of the proceedings at which this settlement was reached militates in favor of preliminary approval and ultimately, final approval of the settlement. The agreement to settle did not occur until Class Counsel possessed sufficient information to make an informed judgment regarding the likelihood of success on the merits and the results that could be obtained through further litigation. Class Counsel has conducted a thorough investigation into the facts of the class action, including diligently pursuing an investigation of Class Members' claims against Defendants. (Donboli Decl., ¶¶ 3, 4).

Here, Class Counsel obtained sufficient information from Defendants after

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conducting extensive discovery, including serving extensive written discovery and exchanging detailed sales, pricing, and financial information in advance of mediation. Extensive due diligence performed by the parties confirmed the cost associated with each component part in the Class Products, which was then used to calculate the proper measure of restitution.⁵

IX. THE PROPOSED METHOD OF CLASS NOTICE IS APPROPRIATE

The Court has broad discretion in approving a practical notice program. The parties have agreed upon procedures by which the Class will be provided with notice of the Settlement. The notice is undoubtedly sufficient when, as in this case, it informs potential class members about the specific restitution that they could expect to receive under the settlement, the procedure for objecting, excluding oneself altogether from the settlement, the amount of fees and costs that may be awarded by the Court, and the date of the Final Approval Hearing.

This notice program was designed to meaningfully reach the largest possible number of potential Class Members, including publication and on Defendants' respective websites. It complies fully with applicable case law that the notice given should have a reasonable chance of reaching a substantial percentage of the Class Members. The notice program contemplated in this Settlement satisfies the requirements of due process, and is the best notice practicable under the circumstances and constitutes due and sufficient notice to all persons entitled thereto. Therefore, the proposed notice procedures comply fully with applicable case law because the notice should have a reasonable chance of reaching a substantial percentage of the Class members. See Manual for Complex Litigation (Fourth) § 21.311 at 291-92.

Plaintiff retained experienced class action attorneys in this case to represent himself and the Class. (See Donboli Decl., ¶¶ 17-18 for additional details in this regard).

X. CONCLUSION

Plaintiff and Class Counsel believe that the proposed settlement is fair, reasonable and adequate, and warrants this Court's preliminary approval after weighing the substantial, certain, and immediate benefits of this settlement against the uncertainty of trial and appeal. Accordingly, Plaintiff respectfully requests that the Honorable Court preliminarily approve and sign the proposed Preliminary Approval Order filed contemporaneously herewith to permit the distribution and manner of notice. Plaintiff also respectfully requests that the Court schedule a Final Approval Hearing approximately 120 days from the date this Court signs the Preliminary Approval Order.

Dated: November 30, 2015 Respectfully submitted,

DEL MAR LAW GROUP, LLP

By: /s John H. Donboli

John H. Donboli

E-mail: jdonboli@delmarlawgroup.com

JL Sean Slattery

E-mail: sslattery@delmarlawgroup.com

Attorneys for: DAVID PAZ, an

individual and on behalf of all others

similarly situated

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13	DAVID PAZ, an individual and on behalf of all others similarly situated,	CLASS ACTION
14	Plaintiff,	DECLARATION OF JOHN H.
15 16 17 18 19 20 21 22 23 24 25 26 27	AG ADRIANO GOLDSCHMIED, INC., a California corporation; NORDSTROM, INC., a Washington Corporation; and DOES 1 through 100, inclusive, Defendants.	DONBOLI IN SUPPORT OF MOTION: (1) GRANTING PRELIMINARY APPROVAL OF CLASS SETTLEMENT; (2) SCHEDULING A FINAL APPROVAL HEARING; AND (3) DIRECTING THAT NOTICE BE SENT TO CLASS MEMBERS Date: January 8, 2016 Time: 1:30 p.m. District Judge: Hon. Dana M. Sabraw Courtroom: 13A
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I, John H. Donboli, declare as follows:

- 1. I am counsel of record for Plaintiff David Paz and the putative class in this action (hereinafter the "Settlement Class"). I am a member in good standing of the State Bar of California and the United States District Courts for the Northern, Central, Eastern and Southern Districts of California; and of the United States Court of Appeals for the Ninth Circuit. I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would testify competently to the matters set forth below.
- 2. This declaration is being submitted in support of Plaintiff's Motion for Preliminary Approval of Class Settlement. (Attached herewith as Exhibit "1" is a true and correct copy of a fully executed Settlement Agreement that contains within it separately marked Exhibits "A" through "F.")

Fairness of Settlement

- 3. Prior to the filing of the Complaint, through the start of initial discovery and through final mediation, our office has undertaken substantial investigation to determine the scope and nature of defendants AG ADRIANO GOLDSCHMIED, INC.'s, ("AGAG") and NORDSTROM, INC.'S, ("Nordstrom") (collectively, "Defendants") alleged unlawful practice of improperly labeling and selling its products with an unqualified "Made in USA" label or "Made in USA of imported fabric" (the "Products") during the relevant four-year statutory time period. The representation was unlawful because the Products contained a foreign-made component parts in violation of California and/or federal law.
- 4. Our office, and presumably Defendants' counsel, conducted a thorough investigation into the facts of the class action, including an extensive review of relevant documents and data, and have diligently pursued an investigation of the relevant facts. Our office is of the opinion that the settlement

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with Defendants for the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendants, and the potential risk of no monetary recovery. Our office and Defendants' counsel also agree that the Settlement is fair and in the best interest of the Settlement Class.

Settlement Class

- 5. Plaintiff agreed to settle this Action on behalf of a class of similarly situated persons in California who purchased AGAG-brand garment product that contained any foreign-made component parts that was labeled as "MADE IN USA" or "MADE IN THE USA OF IMPORTED FABRIC" (the "Class Products"), from June 4, 2010 to December 31, 2015, for non-commercial use (the "Settlement Class"). Excluded from the Settlement Class are all persons who are employees, directors, officers, and agents of Defendants or its subsidiaries and affiliated companies, as well as the Court and its immediate family and staff.
- Defendant AGAG (the manufacturer) sold approximately 1 million 6. units of Class Products in California during the class period. The average price per garment is approximately \$200.00, which amounts to gross sales in California of approximately \$200 million.
- Under the terms of the Settlement Agreement, if the settlement is 7. granted final approval status by the Court, Defendant will distribute either one (1) \$20 Promotional Code for each Class Product claimed, or one (1) pair of AGAG pants, subject to the following terms and conditions, as determined by the Class Administrator after review and evaluation of each qualifying claimant's Claim Form:

- a. Class Members who purchased two or more Class Products are not permitted to split their claims to obtain both Promotional Codes and AGAG pants, but must choose one or the other option exclusively.
- b. Each eligible class member, as determined by the Claims Administrator, shall receive by mail either one (1) \$20 Promotional Code per product purchased, or one (1) pair of AGAG pants per Class Product purchased. In the event any class member claims to have purchased more than two (2) Class Products, the class member must establish proper proof of purchase of such additional Class Products (with receipts, etc.).
- c. The Promotional Codes can be used toward the purchase of any AGAG product available at www.agjeans.com at the time of purchase. The Promotional Codes shall be fully transferrable. Up to two (2) Promotional Codes can be used per transaction. The Promotional Codes cannot be used in combination with coupons, discounts, or other promotional pricing that may be offered by AGAG.
- d. The AGAG pants shall be of AGAG's selection, from current or prior seasons, but in the size and for the gender specified on the Class Member's claim form. For purposes of this Settlement, AGAG will set aside 25,000 pairs of pants to fulfill claims from Qualifying Claimants who choose to receive AGAG pants on their respective Claim Forms. AGAG is not required to distribute more than 25,000 pairs of pants under this Settlement. If the total number of pairs of pants selected by Qualifying Claimants exceeds 25,000, AGAG may, in its discretion, elect to either (i) distribute more than 25,000 pairs of pants to fulfill all Qualifying Claimants' selections or (ii) fulfill Qualifying Claimants' selections up to 25,000 pairs of pants on a first-come/first-served basis and distribute \$20 Promotional Codes to all other Qualifying Claimants.

- e. Any Class Member who completes a Claim Form to attest to his purchase of a qualifying Class Product during the Class Period shall receive the restitution detailed above.
- 8. The measure of restitution (in relation to the \$20.00 promotional code) was not arbitrarily determined; rather, it was discussed and negotiated at length at mediation and after and is based on calculations off of the amount of foreign-made component parts in the Class Products in conjunction with a factoring of the risks of potentially receiving no monetary recovery to the Class at time of trial.
- 9. The pants are high-end pant products valued *at least* \$160.00 per pair of pants. Because AGAG agreed to distribute 25,000 pairs of pants, the undisputed original retail value of the jeans distribution is <u>\$4 million</u>. I personally confirmed the accuracy of these numbers in conjunction with my work with Defendants' counsel.
- 10. The settlement will be administered by a professional Claims Administrator to administer the claims and payment process. Defendants and/or the Claims Administrator shall also obtain an appropriate URL specifically to handle the Settlement process, such as <u>agagsettlement.com</u> (the "Settlement Website"). The Claims Administrator shall report any invalid claims and reports all such determinations of invalidity to both our office and Defendants' counsel in a timely manner.
- 11. The parties agreed to a "not to exceed" amount in the amount of \$175,000.00 as it relates to Plaintiff's Motion for Award of Attorneys' Fees and Reimbursement of Expenses. Class Counsel shall also seek confirmation by this Court, at that time, of a single \$5,000.00 payment as an incentive award to Plaintiff David Paz for serving as the class representative. Defendant agreed not to oppose

these requests as long as the requested amounts are at or below the above-stated amounts.

- 12. Upon entry of the Preliminary Approval Order, Defendants, in cooperation with the Claims Administrator, shall take the following actions:
 - (a) Defendant AGAG shall direct the Claims Administrator to mail the Notice to any and all members of the Settlement Class to the extent that Defendant AGAG possesses such information in its corporate records. Defendant AGAG shall provide this information to the Claims Administrator within 20 days of entry of the order granting Preliminary Approval. The Claims Administrator shall thereafter be tasked with mailing the Postcard Notice (in the form attached to Exhibit F of the Agreement of Settlement) to the potential class members.
 - (b) The Claims Administrator will arrange for publication of the Notice in publications that adequately cover the consumers of AGAG products, as determined by the Claims Administrator in its reasonable judgment.
 - (c) Defendants shall provide notice of the settlement on their respective websites for the duration of the Claims Period with a hyperlink that will send consumers directly to the Settlement Website.
- 13. Defendant will pay up to \$90,000.00 for the costs, fees, and expenses of providing notice to the Settlement Class and administering the Settlement in accordance with the Settlement Agreement. (See Exhibit "1" hereto, at Section F.9).
- 14. The proposed settlement herein has no "obvious deficiencies" and is well within the range of possible approval. All Class members will receive the same opportunity to participate in and receive payment. It is undeniable that the goal of this litigation, to seek redress for the Class, has been met.

- 15. There is a substantial risk, given the current legal landscape in terms of properly quantifying and measuring damages in cases predicated on false advertising claims, that, if this action was not settled, Plaintiff would have been unable to either obtain class certification or prevail at trial; thereby ensuring zero recovery on behalf of consumers.
- 16. Prosecuting this case through trial would necessarily require Plaintiff to expend over \$100,000 in expert fees alone, *at a minimum*, to develop a restitution model that *might* be approved by this Court as there is no clear guideline on how to quantify restitution in UCL false advertising cases.

Experience of Class Counsel

- 17. Del Mar Law Group, LLP, and myself in particular, are competent counsel to represent the Class. I have had significant class action and litigation experience. I have been licensed to practice law in all Courts in the State of California since 1999 and have been actively involved in the representation of both plaintiffs and defendants in many complex class action and representative plaintiff cases pending in federal and state courts that have involved hundreds of millions of dollars in controversy.
- 18. The law firm of Del Mar Law Group, LLP has represented plaintiffs in consumer class actions since its inception in 2006. Del Mar Law Group, LLP and its attorneys have extensive experience in consumer protection, false advertising, and cases involving violations of various California consumer statutes. Specifically, I have personally supervised all litigation in this matter on behalf of our firm. Our firm, myself included, have been certified as class counsel in multiple class action cases, including, but not limited to the following:
 - a. *Cleary v. Door to Door Storage, Inc.*, San Diego Superior Court ("SDSC"), Case No. GIC875359;

- b. Goestl v. Thunder Power, Inc., SDSC, Case No. GIC879513;
- c. Hofmann v. Horizon Hobby, Inc., SDSC, Case No. GIC881803;
- d. *Stewart v Channellock*, SDSC, Case No. 37-2008-00081963-CU-BT-CTL;
- e. Card v Bell Sports, Inc., SDSC, Case No. 37-2010-00083292-CU-BT-CTL.
- f. Chambers v. Weber-Stephen Products, LLC, SDSC, Case No. 37-2011-00085919-CU-BT-CTL;
- g. *Clark v The Nutro Company*, SDSC, Case No. 37-2011-00090424-CU-BT-CTL;
- h. *Hecht-Nielsen v. Lifetime Products, Inc.*, SDSC Case No. 37-2011-00089380-CU-BT-CTL.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 30th day of November, 2015.

By:/sJohn H. Donboli
John H. Donboli

EXHIBIT 1

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8	UNITED STATES I	DISTRICT COURT	
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11	DAVID PAZ, an individual and on behalf) of all others similarly situated,	CASE NO.: 3:14-cv-1372-DMS-DHB	
12	of all others similarly situated,	Complaint Filed: June 4, 2014	
13		Trial Date: September 6, 2016	
14	Plaintiff,	CLASS ACTION	
15	vs.	AGREEMENT OF SETTLEMENT	
16			
17	AG ADRIANO GOLDSCHMIED, INC., a California Corporation; NORDSTROM, INC., a Washington Corporation; and DOES 1 through 100, inclusive,	Judge: Hon. Dana M. Sabraw Ctrm: 13A	
18	DOES 1 through 100, inclusive,		
19	Defendants.) 	
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	AGREEMENT OF SETTLEMENT		

Subject to Court approval, this Agreement of Settlement ("Settlement Agreement"), is made as of this 28th day of October 2015, by and between Plaintiff David Paz ("Plaintiff" or "Paz"), both individually and on behalf of all Class Members (as defined below), Defendant AG Adriano Goldschmied, Inc. ("AGAG"), and Defendant Nordstrom, Inc. ("Nordstrom"), collectively, ("Defendants").

RECITALS

A On June 4 2014 Plaintiff filed a putative class action complaint

- A. On June 4, 2014, Plaintiff filed a putative class action complaint against Defendants in the United States District Court for the Southern District of California, captioned *Paz v. AG Adriano Goldschmied, Inc. et al*, Case No. 3:14-cv-1372-DMS-DHB (the "Action"). The Action sets forth three causes of action for: (1) Violations of California Business and Professions Code sections 17200 *et seq.* (the California "UCL"); (2) Violation of California Business and Professions Code section 17533.7 (the California "Made in USA Statute"); and (3) Violation of the California Consumers Legal Remedies Act (the "CLRA").
- B. Plaintiff alleges that Defendants manufactured, distributed and/or sold various AG Adriano Goldschmied brand apparel products that were labeled as "Made in USA" or "Made in USA of Imported Fabric" but contained foreign-made component parts (the "Apparel Products") in violation of California and/or federal law. Specifically, Plaintiff alleges that the Apparel Products, including the jeans purchased by Plaintiff as part of the "Plaintiff Transaction" were made with foreign-made buttons, rivets, zipper assembly, thread, and/or fabric. Accordingly, Plaintiff alleges that Defendants falsely marketed and represented to consumers that their Apparel Products were "Made in USA" when they were not lawfully entitled to make such representations.
- C. Defendants deny and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or

ADRIANO GOLDSCHMIED, INC. ("AGAG") specifically denies that it knowingly or intentionally labeled and marketed the Apparel Products in a manner that was false or misleading as to their country of origin. As a result, AGAG contends that it is not and cannot be held liable. Defendants also have denied and continue to deny, *inter alia*, allegations that Plaintiff, the Settlement Class, or any other member of the Settlement Class has suffered damage or harm by reason of any alleged conduct, statement, act, or omission of Defendants.

- D. On April 27, 2015, the parties mediated this case before the Hon. Irma E. Gonzalez (Ret.) at the JAMS offices in San Diego, California. The Parties engaged in good faith, arms'-length negotiations and after a full day of mediation, the Parties reached agreement on a settlement proposal presented by Judge Gonzalez, the terms and details of which were further negotiated and memorialized in a non-binding Letter of Intent dated June 30, 2015 that was signed by the parties. The terms of the settlement are laid out in greater detail herein.
- E. Class Counsel conducted a thorough examination and investigation of the facts and law relating to the matters in the Action, including but not limited to examining highly confidential and competitively sensitive information in documents and written responses provided by Defendant AGAG (all of which was subject to a Stipulation for a Protective Order entered by the Court on April 17, 2015).
- F. Class Counsel analyzed and evaluated the merits of all Parties' contentions and this settlement as it impacts all Parties and the Settlement Class Members. Class Counsel and Plaintiff believe that they have meritorious claims against Defendants, but recognize that the settlement provides significant benefits to all members of the class, eliminates the burden, expense, and uncertainty inherent in complex litigation, and minimizes significant uncertainties associated

with further litigation. Among the risks of continued litigation are the risks of prevailing on a motion to certify the putative class and proving liability or damages on a classwide basis. Class Counsel and Plaintiff, after taking into account the foregoing, are satisfied that the terms and conditions of this Settlement Agreement are fair, reasonable, adequate, and equitable, and that a settlement of the Action and the prompt provision of effective relief to the Class are in the best interest of the Settlement Class Members.

- G. Defendants, while continuing to deny all allegations of wrongdoing and disclaiming any liability with respect to any and all claims, consider it desirable to resolve the Action on the terms stated herein to avoid further expense, inconvenience, and the distraction and diversion of their personnel and resources. Therefore, Defendants determined that settlement of this Action on the terms set forth herein is in their collective best interests.
- H. Each of the terms set forth in this Settlement Agreement was reached through arms'-length negotiation, including discussions that took place in connection with the mediation. Defendants, Class Counsel, and Plaintiff agreed to settle, compromise, and dismiss with prejudice the operative complaint and all claims thereunder of the Class Members (as defined below) without costs to any party (except as provided herein) on the terms and conditions set forth in this Settlement Agreement, subject to the approval of the Court.
- I. This Settlement Agreement reflects a compromise between the Parties, and shall in no event be construed as or be deemed an admission or concession by any Party of the truth of any allegation or the validity of any purported claim or defense asserted in any of the pleadings in the Action, or of any fault on the part of Defendants, and all such allegations are expressly denied. Nothing in this Settlement Agreement shall constitute an admission of liability or be used as evidence of liability, by or against any Party hereto.

J. This Settlement Agreement, including its exhibits, embodies all of the terms and conditions of the settlement between Defendants and Plaintiff, both individually and on behalf of the Settlement Class, subject to the approval of the Court.

TERMS AND CONDITIONS OF SETTLEMENT

NOW THEREFORE, it is agreed by the undersigned, on behalf of Plaintiff and Defendants, that this Action and all claims of the Plaintiff and all other Class Members shall be settled, compromised and dismissed on the merits *with prejudice* as to Defendants, without costs to Plaintiff or Defendants (except as provided below), on the following terms and conditions.

A. **DEFINITIONS**

The following terms, as used in this Settlement Agreement and attached exhibits, have the meanings set forth below:

- 1. "Attorneys' Fees" means any award of attorneys' fees and costs approved by the Court for payment to the Class Counsel.
- 2. "Claim" means a claim made either electronically or by U.S. Mail by a person that he or she is a member of the Settlement Class and made a selection of one of the considerations set forth in Section D(2) of this Settlement Agreement, all in accordance with the Claim Form and the requirements contained in this Settlement Agreement.
 - 3. "Claim Form" means the form attached hereto as Exhibit F.
- 4. "Claims Administrator" means KCC Class Action Services, LLC or other mutually agreeable administrator, which will be retained to administer the Notice Program as described in Section E of this Settlement Agreement and the Claim Program as described in Section F of this Settlement Agreement.

- 5. "Claims Period" means the period of time commencing on the date the Court enters the Preliminary Approval Order and ending on the ninetieth (90th) day thereafter.
- 6. "Class Counsel" means John H. Donboli and Del Mar Law Group, LLP.
- 7. "Class Member(s)" means any member of the Settlement Class who does not timely exclude himself or herself from the Settlement pursuant to Section J of this Settlement Agreement.
 - 8. "Class Period" means June 4, 2010 through December 31, 2015.
- 9. "Court" means the United States District Court for the Southern District of California.
- 10. "Defendants' Counsel" means Buchalter Nemer, A Professional Corporation.
- 11. "Effective Date" means twenty (20) days after the entry of the Court's order regarding final approval of the settlement or entry of judgment, whichever is later.
- 12. "Final Approval Hearing" means the hearing to consider the final approval of the Settlement as required by Federal Rule of Civil Procedure 23(e).
- 13. "Final Approval Order" means the final order entered by the Court in the form attached hereto as Exhibit D, approving this Settlement Agreement as fair, adequate, and reasonable and dismissing the Complaint and all allegations, claims, or causes of action asserted therein against Defendant with prejudice.
- 14. "Promotional Code" means a \$20 AGAG promotional code that can be used toward the purchase of any AGAG product available at www.agjeans.com at the time of purchase.

- 15. "Judgment" means the judgment entered by the Court in the form attached hereto as Exhibit E. The Judgment (and the underlying Final Approval Order) shall be deemed "Final" upon entry of judgment.
- 16. "Notice" means the Notice of Proposed Settlement of Class Action in the form attached hereto as Exhibit A.
- 17. "Notice Expenses" means the costs reasonably and actually incurred by the Claims Administrator in connection with providing notice to Settlement Class Members, and administering Claims pursuant to this Settlement Agreement (including, where appropriate, shipping costs to Settlement Class Members of the Promotional Codes or AGAG pants), as discussed in Sections D-F of this Settlement Agreement.
- 18. "Notice Program" means the mechanisms and arrangement for providing notice as described in Section E of this Settlement Agreement.
 - 19. "Parties" means Plaintiff and Defendants, collectively.
- 20. "Person" means a natural, individual person and does not includea corporation, partnership, association, or any other type of legal entity.
- 21. "Plaintiffs" collectively refers to Plaintiff David Paz and Class Members.
- 22. "Preliminary Approval Order" means the Order issued by the Court in substantially the same form attached hereto as Exhibit C.
- 23. "Products" means AGAG-brand garments and accessories, including, but not limited to, the Apparel Products, manufactured, marketed, and/or distributed by Defendants with the designation "MADE IN USA," "MADE IN THE USA," or "MADE IN USA OF IMPORTED FABRIC" on the label but that contain one or more foreign-made component parts that are not disclosed on the label.

- 24. "Qualifying Transaction" means a purchase in California of an AGAG-brand Product that was sold with a "MADE IN USA," "MADE IN THE USA," or "MADE IN USA OF IMPORTED FABRIC" label during the Class Period for non-commercial use but that contains one or more foreign-made component parts that were not disclosed on the label.
- 25. "Qualifying Claimant" means a Class Member who submits a timely, completed, and fully executed Claim Form, indicating that he or she engaged in a Qualifying Transaction, and whose claim is not rejected by the Claims Administrator and is not disputed by the Claims Administrator under the procedures set forth in Section F below.
- 26. "Released Claims" means the claims released as described in Section K of this Settlement Agreement.
- 27. "Released Persons" means and includes Defendants and their past and present subsidiaries and affiliates, parent companies, divisions, as well as their distributors, wholesalers, retailers, customers and licensors, including the officers, directors, trustees, employees, shareholders, agents, insurers, spokespersons, legal representatives, attorneys, public relations firms, advertising and production agencies and assigns of all such persons or entities.
- 28. "Settlement" means the terms and conditions of the settlement embodied by this document.
- 29. "Settlement Class" means, for settlement purposes only, all California persons who made a Qualifying Transaction. Specifically excluded from the Settlement Class are: (a) employees, officers, directors, agents, and representatives of Defendants and their subsidiaries and affiliates; (b) persons who purchased an AGAG Product bearing a "Made in Mexico" or other non-US label; (c) all mediators, judges and judicial staff who have presided over the Action; and (d) all Persons who have opted-out and/or been properly excluded from the Class.

30. "Settlement Website" means the website to be created for this Settlement that will, at the appropriate time, prominently post information pertaining to the Action and the terms of the Settlement, and which will contain a copy of the Notice, the operative complaint in the Action, and other relevant documents and electronic and printable forms relating to the Settlement, including the Claim Form which can be submitted online or printed and mailed. An appropriate URL shall be obtained such as agagsettlement.com. The Claims Administrator shall consult the parties on the design and content of the Settlement Website, and the Settlement Website shall not become active without AGAG's prior written final approval as to, *inter alia*, appearance, subject matter, and/or content, which shall be reviewed and approved in good faith.

B. TIMING OF PRELIMINARY APPROVAL

The parties agree to file a motion for preliminary approval of this Settlement as soon as practicable after the execution of this Settlement Agreement.

C. <u>CONDITIONS OF SETTLEMENT</u>

Counsel for the undersigned agree to recommend approval of this Settlement Agreement to the Court and to undertake reasonable efforts, including all steps and efforts contemplated by this Settlement Agreement and any other steps and efforts that may be necessary or appropriate, by order of the Court or otherwise, to carry out the terms of this Settlement.

Defendants hereby agree to comply with California Business & Professions Code § 17533.7 (the California "Made in USA" Statute), 15 U.S.C. § 70 et seq. (the "Textile Act"), and 15 U.S.C. § Section 41 et seq. (the "FTC Act") in conjunction with all future sales of its Apparel Products and to permit the entry of the stipulated permanent injunction as fully detailed herein.

D. <u>SETTLEMENT CONSIDERATION FROM DEFENDANT AGAG</u>

- 1. The consideration provided by Defendant AGAG in accordance with this Settlement Agreement is in full, complete, and final settlement of the claims of Class Members in the Action as against all Released Persons. Defendant Nordstrom shall not be responsible for providing any of the consideration set forth in this Section D.
- 2. AGAG Promotional Codes/AGAG pants. In full and complete settlement of all claims which have been, might have been, are now or could be asserted in the Action by Class Members against all Released Persons, AGAG, either directly or indirectly through the Claims Administrator, will distribute to each Qualifying Claimant who timely submits a fully executed Claim Form, either one (1) \$20 Promotional Code for each Class Product claimed, or one (1) pair of AGAG pants, subject to the following terms and conditions, as determined by the Class Administrator after review and evaluation of each Qualifying Claimant's Claim Form:
 - a. Class Members who purchased two or more Class Products are not permitted to split their claims to obtain both Promotional Codes and AGAG pants, but must choose one or the other option exclusively.
 - b. Each eligible class member, as determined by the Claims Administrator, shall receive by mail either one (1) \$20 Promotional Code per product purchased, or one (1) pair of AGAG pants per Class Product purchased. In the event any class member claims to have purchased more than two (2) Class Products, the class member must establish proper proof of purchase of such additional Class Products (with receipts, etc.).

- c. The Promotional Codes can be used toward the purchase of any AGAG product available at www.agjeans.com at the time of purchase. The Promotional Codes shall be fully transferrable. Up to two (2) Promotional Codes can be used per transaction. The Promotional Codes cannot be used in combination with coupons, discounts, or other promotional pricing that may be offered by AGAG.
- d. The AGAG pants shall be of AGAG's selection, from current or prior seasons, but in the size and for the gender specified on the Class Member's claim form. For purposes of this Settlement, AGAG will set aside 25,000 pairs of pants to fulfill claims from Qualifying Claimants who choose to receive AGAG pants on their respective Claim Forms. AGAG is not required to distribute more than 25,000 pairs of pants under this Settlement. If the total number of pairs of pants selected by Qualifying Claimants exceeds 25,000, AGAG may, in its discretion, elect to either (i) distribute more than 25,000 pairs of pants to fulfill all Qualifying Claimants' selections or (ii) fulfill Qualifying Claimants' selections up to 25,000 pairs of pants on a first-come/first-served basis and distribute \$20 Promotional Codes to all other Qualifying Claimants.
- 3. <u>Shipping Costs</u>. The cost to ship the AGAG pants shall be paid by Defendant AGAG.
- 4. <u>Injunctive Relief.</u> On a going-forward basis, AGAG shall revise the country of origin labels on its Apparel Products to comply with California Business & Professions Code Section 17533.7, including adding qualifying language as appropriate on its labels, to address the concerns raised in this Action.

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AGAG provided exemplars of the revised labels to Class Counsel during the pendency of this Action and Class Counsel approved the form and content of those labels. AGAG started the process of affixing revised labels to its products in November 2014 and represents that its products with revised labeling have already begun entering the market.

The Permanent Injunction described above will become effective as part of the Judgment on the Effective Date. The Permanent Injunction will be substantially in the form of Exhibit E and include: (i) a meet-and-confer requirement before Plaintiff or his counsel may take any action to enforce the Permanent Injunction; (ii) a cure provision requiring notice to AGAG and an opportunity to resolve any alleged violation before seeking relief from any other court, tribunal, arbitration panel, commission, agency, governmental and/or administrative body, or any other adjudicatory body, and (iii) provisions restricting the injunction to products created and placed on the shelves after the Effective Date.

E. <u>NOTICE PROGRAM</u>

- 1. The terms of the Notice to the Settlement Class shall be more fully set forth after consultation with the Claims Administrator. However, the Class Notice shall conform to all applicable requirements of California law, the United States Constitution (including the Due Process Clause), and any other applicable law, and shall otherwise be in the manner and form agreed upon by the Settling Parties and approved by the Court.
 - 2. The Notice shall be in the form attached hereto as Exhibit A.
- 3. The Claim Administrator will arrange for publication of the Notice in publications (either printed or electronic or both) that adequately cover the consumers of AGAG Products, as determined by the Class Action Settlement Administrator in its reasonable judgment.

- 4. AGAG and Nordstrom will each post a link to the Settlement Website on their respective websites for the duration of the Claims Period. The links need not be included on the homepages of either AGAG's or Nordstrom's websites.
- 5. To the extent that AGAG has any California end-user identifying information in its corporate books and records that establish that a particular consumer is or would be a member of the Class, and to the extent that AGAG has each consumer's consent to utilize that information to contact the consumer, AGAG will provide such information to the Claim Administrator and direct the Claims Administrator to mail the Notice to those consumers. All such mailings shall be mailed within twenty (20) days of the entry of the Preliminary Approval Order. For any and all Notices returned to the Claims Administrator that have forwarding addresses provided by the postal service, the Claims Administrator shall re-mail the Notices to the new addresses, except that the Claims Administrator will have no obligation to re-mail returned Notices that they receive from the postal service later than fifty (50) days after entry of the Preliminary Approval Order. Under no circumstances shall AGAG be required to contact consumers where, to do so, would arguably violate any state or federal law or any privacy rights of the consumer.
- 4. The Settlement Website shall be active within twenty (20) days after the Preliminary Approval Order is entered and shall remain active until 30 days after the Court enters the Judgment.
- 5. At least thirty (30) days prior to the Final Approval Hearing, the Claims Administrator shall either provide to Class Counsel or cause to be filed with the Court, a declaration or declarations that they complied with provisions of Section E herein.

F. <u>CLAIM PROGRAM</u>

1. Notice will be provided to members of the Settlement Class by the

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method set forth in Section E of this Settlement Agreement.

- 2. Every Settlement Class Member shall have the right to submit a claim for settlement benefits. A claim shall be valid only if submitted on the Claim Form pursuant to the procedures set forth herein.
- 3. Claim Forms must be submitted: (a) electronically through the Settlement Website no later than the last day of the Claims Period; or (b) in paper form via first class mail postmarked no later than the last day of the Claims Period. On the Claim Form, the Settlement Class Member must certify the following under the penalty of perjury:
 - a. his or her name and valid residential address;
 - b. the date (during the Class Period) of purchase (the Claims Administrator shall provide online claimants with a calendar field and ensure that no Claimant can enter a date prior to the Claims Period);
 - c. the type of Product(s) purchased (a drop-down box will be provided by the Claims Administrator for online claimants stating, for example, blouse, jeans, shirt, etc.); and
 - d. an attestation that the Product(s) purchased bore a "Made in the USA" or equivalent label;

This information must be certified under penalty of perjury with a signature for Claim Forms submitted in paper form, or with an electronic signature, in the form of typed initials, for Claim Forms submitted electronically.

4. The Claims Administrator will review each Claim Form submitted by a Class Member to determine whether the Claim Form is timely and valid, and will reject any untimely and/or invalid claims (if any), within thirty (30) days after the expiration of the Claims Period. The Claims Administrator shall report all such

determinations of untimeliness or invalidity to Class Counsel during weekly updates to Class Counsel.

- 5. The Claims Administrator shall within a reasonable time notify the class members of the appropriate distribution methods as described in Section D of this Settlement Agreement.
- 6. If the Claims Administrator disputes a Claim, then it shall notify the claimant in writing by mail no later than forty-five (45) days after the expiration of the Claims Period, stating the reasons for the rejection. The claimant will have fifteen (15) days after the notice is mailed to present in writing by mail additional information or evidence in support of his or her Claim. If a claimant timely provides such additional information or evidence, the Claims Administrator will either (i) approve the Claim; or (ii) advise Class Counsel that the Claims Administrator continues to dispute the Claim. The Court will retain jurisdiction regarding disputed Claims. If Class Counsel and Defendant AGAG cannot agree on the resolution of any disputed Claim, final determination of disputed Claims will be made by the Court. Class Counsel and Defendant AGAG will exercise best efforts to submit any such disputed Claims to the Court in batches.

Any claimant who is rejected by the Claims Administrator pursuant to this Paragraph shall <u>not</u> be bound by any judgment entered in connection with this settlement. A list of persons who constitute rejected claimants shall be filed with the Court by Defendant's Counsel before the date for the hearing on final approval.

- 7. Class Members who do not return a Claim Form postmarked on or before the final day of the Claims Period will remain Class Members and be bound by this Settlement.
- 8. The Claims Administrator shall be responsible for, and shall bear the costs of: (i) establishing the Settlement Website; (ii) providing notice to potential class members; (iii) processing claims by potential class members; (iv)

determining eligibility of potential class members for receipt of Promotional Codes or AGAG pants; (v) informing class members where and how to receive their Promotional Codes or pants; (vi) shipping, where appropriate, Promotional Codes or pants to Class Members; and (vii) preparing and submitting such documentation and declarations as are reasonably necessary to obtain judicial approval of the settlement.

9. AGAG shall pay claims administration fees up to \$90,000, which will include, but is not limited to, the costs of distribution of Promotional Codes to Claimants, as described in Section D(2) of this Settlement Agreement. Any claims administration fees in excess of \$90,000 shall be presented to Class Counsel who reserves the right to either pay or reject expenses above \$90,000. Nordstrom shall not be liable for any claims administration fees or costs.

G. <u>FEES AND EXPENSES OF CLASS COUNSEL; CLASS</u> <u>REPRESENTATIVE INCENTIVE AWARD</u>

- 1. Class Counsel shall file a motion with the Court for an award of Attorneys' Fees, reimbursement of actual expenses, and an award of a class representative enhancement fee against Defendants.
- 2. These papers may include references to highly confidential and competitively sensitive information such as sales and product information provided to Class Counsel by AGAG during discovery and/or in support of the parties' settlement efforts and to the extent that Class Counsel reasonably believes that any of that information is necessary to obtain judicial approval, it shall submit a declaration under seal detailing generally the information and will submit specific information if, and only if, directed to do so by the Court.
- 3. Such a motion shall be heard at the Final Approval Hearing (or at any other time deemed appropriate by the Court).

4. Defendants reserve the right to file an opposition to the above-referenced motion(s). Defendants, however, agree *not* to oppose a request by Class Counsel of an award of attorneys' fees and expenses not to exceed \$175,000.00, and/or an award of an incentive fee to Plaintiff that does not exceed \$5,000.00. Class Counsel agrees not to request an award of Attorneys' Fees and expenses greater than \$175,000.00. Class Counsel and Plaintiff agree not to request an incentive fee to Plaintiff greater than \$5,000.00. The payment of Attorneys' Fees, reimbursement of actual expenses, and an award of a class representative incentive fee (if any) will be paid by Defendant AGAG in addition to the settlement consideration to the Settlement Class. If approved, these awards will be paid within twenty (20) days of entry of Judgment.

H. FINAL APPROVAL HEARING

- 1. <u>Hearing Date</u>: Pursuant to the Preliminary Approval Order, the Court will hold a Final Approval Hearing on a date to be set by the Court.
- 2. <u>Briefing Schedule</u>: Any briefs in support of final approval by Class Counsel or Defendants shall be submitted not less than twenty-one (21) calendar days before the Final Approval Hearing, unless otherwise agreed by the parties or ordered by the Court. Class Counsel will file a Memorandum of Points and Authorities requesting recommendations of final approval of the Settlement by the Court, including a determination by the Court: (i) that the Settlement be approved as fair, reasonable, and adequate; (ii) that Class Counsel have adequately represented the interests of the Settlement Class; (iii) that the Settlement Class, excluding those persons who exercise their right to opt out of participation in the Settlement, will be certified; and (iv) that the Final Approval Order approving the Settlement substantially in the form of Exhibit D and the Judgment in substantially the form of Exhibit E, should be entered. The Final Approval Hearing may be

continued from time to time as necessary without further notice to the Settlement Class.

3. Consequences of Non-Approval: If the Court does not grant final approval of the settlement reflected in this Settlement Agreement, any certification of any Settlement Class will be vacated and the Parties will be returned to their positions with respect to the Action as if they had not entered into the Settlement Agreement. If Final Approval is not achieved: (a) any Court orders preliminarily or finally approving the certification of any class contemplated by this Settlement Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this Settlement Agreement shall not be used or cited thereafter by any person or entity, in any manner whatsoever, including without limitation any contested proceeding relating to the certification of any class. However, the failure by the Court to approve the Attorneys' Fee and expense award and/or class representative award in the amount requested by Class Counsel shall not be a material event justifying the option to withdraw from this Settlement.

I. <u>OBJECTION</u>

- 1. Any Class Member who has not timely requested exclusion may appear at the Final Approval Hearing to show cause why the Court should not approve this Settlement and dismiss the Action with prejudice, and may appear at the hearing to support or oppose Class Counsel's request or application for Attorneys' Fees.
- 2. For a Class Member to have objections considered, the Class Member must file any objections and all papers in support of such objections with the Court in the time set forth in the Notice, which will be no later than sixty (60) days after entry of Preliminary Approval Order. All such written objections shall be served on Class Counsel and Defendants' Counsel. The filing of any objection will not

extend the time within which a member of the Settlement Class may file a request for exclusion from the settlement.

3. Any objection must include: (1) the Class Member's complete name and residence or business address (giving the address of any lawyer who represents the Class Member is not sufficient); (2) a statement that the Class Member falls within the definition of the Settlement Class, including the approximate date the Class Member purchased the garment product; and (3) each ground for comment or objection and any supporting papers the Class Member desires the Court to consider (i.e., a mere statement that "I object" will not be deemed-sufficient).

J. OPT-OUT RIGHTS OF MEMBERS OF THE SETTLEMENT CLASS

1. Any member of the Settlement Class may request exclusion from this class action settlement by first class mail, personally signed, and stating unequivocally that he or she wishes to be excluded from this Settlement. Any request for exclusion must be mailed to Class Counsel and Defendants' Counsel, postmarked on or before sixty (60) days after Preliminary Approval Order, and referring, in the request for exclusion, to the name and number of the Action, Paz v. AG Adriano Goldschmied, Inc., case no. 3:14-cv-01372-DMS-DHB. Such request shall state the name, address, and phone number of the person requesting exclusion and that such person elects to be excluded from this litigation. The person requesting exclusion must sign the request for exclusion personally. No member of the Settlement Class who chooses to be excluded may submit a Claim Form. Any member of the Settlement Class who chooses to be excluded and who provides the requested information will not be bound by any judgment entered in connection with this Settlement but shall not be entitled to pursue relief against AGAG or Nordstrom in the form of a class action as it relates to the Released Claims. A list of persons who requested exclusion shall be filed with the Court by Defendants' Counsel before the date of the Final Approval Hearing.

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2. If more than two hundred (200) Class Members request exclusion, then Defendants shall have the unilateral right, in their sole discretion, to withdraw from this Settlement Agreement. That unilateral right to withdraw must be exercised within ten (10) days of Defendants' receipt of notification that the number of individuals validly requesting exclusion exceeds two hundred (200); Defendants' unilateral right to withdraw is waived if not so exercised.

K. RELEASES

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1. In addition to the effect of any final judgment entered in accordance with this Settlement Agreement, upon this Settlement becoming final, Defendants and the Released Persons will be released and forever discharged from any and all actions, claims, demands, rights, suits, and causes of action of any kind or nature whatsoever against the Released Persons, including damages, costs, expenses, penalties, and attorneys' fees, whether at law or equity, known or unknown, unforeseen, developed or undeveloped, foreseen or direct, indirect consequential, liquidated or unliquidated, arising under common law, regulatory law, statutory law, or otherwise, based on federal, state, or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim that Plaintiff or Class Members ever had, now have, may have, or hereafter can, shall or may ever have against the Released Persons in any other court, tribunal, arbitration panel, commission, agency or before any governmental and/or administrative body, or any other adjudicatory body, on the basis of, connected with, arising from or in any way whatsoever relating to actions or omissions in manufacturing, advertising, marketing, labeling, packaging, promotion, selling and distribution AGAG-brand Apparel Products with a "Made in USA" or equivalent country of origin label, from June 4, 2010 to December 31, 2015, including those which have been asserted or which could reasonably have been asserted by the Class Members against Defendants in this Action or any other threatened or pending litigation asserting claims of the nature encompassed by this release, and any claims arising after the date of final approval which could be asserted based on labels or marketing in existence as of the date of final approval of the Settlement Agreement.

Defendants and their parents, subsidiaries and affiliated corporations, partnerships and businesses, past, present and future, and all of their past, present and future trustees, directors, officers, shareholders, partners, agents, employees, representatives, attorneys, insurers, hereby release Plaintiff David Paz and his counsel from any claims of abuse of process, malicious prosecution, or any other claims arising out of the institution, prosecution, assertion, or resolution of this Action, including, but not limited to, claims for attorneys' fees, costs of suit, or sanctions of any kind.

2. Each Class Member and Defendant expressly waives the provisions of Section 1542 of the California Civil Code (and all other like provisions of law) to the full extent that these provisions may be applicable to the releases in paragraph K(1). California Civil Code, Section 1542, provides:

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

3. Subject to the above, each Class Member or Defendant may hereafter discover facts other than or different from those which he, she, or it knows or believes to be true with respect to the claims being released. Nevertheless, each Class Member and Defendants expressly waive and fully, finally and forever settle and release, upon this Settlement becoming final, any known or unknown, contingent or non-contingent claim in any way relating to the subject matter of the claims being released in paragraph K(1), whether or not concealed or hidden,

without regard to subsequent discovery or existence of such different or additional facts.

L. FORCE AND EFFECT OF SETTLEMENT

1. In the event that this Settlement does not become final in accordance with the terms hereof, then this Settlement Agreement will be of no force or effect, except that the parties hereto agree that this Settlement Agreement, including its exhibits, and any and all negotiations, drafts of settlement documents and discussions associated with it, will be without prejudice to the rights of any party, will be inadmissible in evidence against any party, and further will not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Defendants, or of the truth of any of the claims or allegations contained in any complaint or any other pleading filed in the Action or any other action, and evidence thereof will not be discoverable or used directly or indirectly in any way, whether in the Action or in any other action or proceeding. Plaintiff and Defendants expressly reserve all of their rights and preserve all applicable defenses if this Settlement does not become final in accordance with the terms of this Settlement Agreement. In the event this Settlement is terminated, the Settlement Agreement and all matters leading up to or related to the Settlement are confidential settlement communications inadmissible under Federal Rule of Evidence 408 or any and all other applicable federal and/or state laws. The provisions of this paragraph will survive and continue to apply to Defendants and each member of the Settlement Class, even if the Court does not approve the Settlement, or the Court's approval of this Settlement is set aside on appeal, or Defendants withdraw from the Settlement Agreement. Notwithstanding the foregoing, this Settlement Agreement may be used or admitted into evidence against any party as to whom this Settlement Agreement is being enforced.

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M. MISCELLANEOUS PROVISIONS

- 1. This Settlement Agreement will be binding upon and inure to the benefit of the successors of the parties hereto. Without limiting the generality of the foregoing, each and every covenant and agreement herein by Plaintiffs and Class Counsel will be binding upon all Class Members.
- 2. This Settlement Agreement contains the entire, complete, and integrated statement of each and every term and provision agreed to by and among the parties, superseding all previous negotiations and understandings, including but not limited to the June 30, 2015 Letter of Intent, and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties are not subject to any condition not provided for herein. This Settlement Agreement may be amended or modified only by a written instrument signed by Class Counsel and Defendants' Counsel. Amendments and modifications may be made without additional notice to the Class Members unless such notice is required by the Court.
- 3. Any inconsistency between this Settlement Agreement and the exhibits attached hereto will be resolved in favor of the Settlement Agreement.
- 4. The determination of the terms of, and the drafting of, this Settlement Agreement have been by mutual agreement after negotiation, with consideration by and participation of all Parties hereto and their counsel. None of the parties hereto will be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter thereof.
- 5. All terms of this Settlement Agreement and the exhibits hereto will be governed by and interpreted according to the substantive laws of the State of California without regard to its choice of law or conflict of laws principles.

- 6. Defendant and each Class Member hereby irrevocably submit to and agree not to contest the exclusive jurisdiction of the Court and agree that the Court is a proper venue and convenient forum, for purposes of any suit, action, proceeding or dispute arising out of or relating to this Settlement Agreement and/or the exhibits hereto.
- 7. Neither this Settlement Agreement nor the Settlement, nor the releases given herein, nor any consideration therefor, nor any act performed or document executed pursuant to or in furtherance of this Settlement Agreement or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any released Claim, or defense, or any point of fact or law alleged in the Action, or of any wrongdoing or liability of Defendants, or of the propriety of maintaining the Action as a class action; or (ii) is or may be deemed to be or may be used as an admission, concession, presumption, or inference of any wrongdoing by the Released Persons in any proceeding in any court, administrative agency, or other tribunal, except such proceedings as may be necessary to consummate, interpret, or enforce this Settlement Agreement. Further, Defendants may file this Settlement Agreement or the Judgment in any action that may be brought against any Released Person in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. In the event the provisions of this Settlement Agreement are asserted by either of the Defendants as a defense, in whole or in part, to any claim or cause of action or otherwise raised as an objection in any suit, action or proceeding by a Class Member, it is hereby agreed that Defendants will be entitled to a stay of that suit, action, or proceeding until the Court has entered a final judgment no longer subject

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to any appeal or review determining any issues relating to the defense or objection based on such provisions.

- 8. This Settlement Agreement shall not be subject to collateral attack by any Settlement Class Member or any recipient of the notices to the Settlement Class after the Judgment is entered. Such prohibited collateral attacks shall include claims made before the Final Approval hearing that a Settlement Class Member failed to receive timely notice of the Settlement or failed to submit a timely dispute letter for any reason.
- 9. This Settlement Agreement may be executed in counterparts. Facsimile or scanned PDF copies of signatures will be considered as valid signatures as of the date hereof, although the original signature pages may be appended to this Settlement Agreement at a later date.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have caused this Settlement Agreement to be executed by their officers or representatives hereunto duly authorized, effective as of the date first above mentioned. In so doing, the parties expressly agree to and intend to be legally bound by this Settlement Agreement.

David Paz, Plaintiff

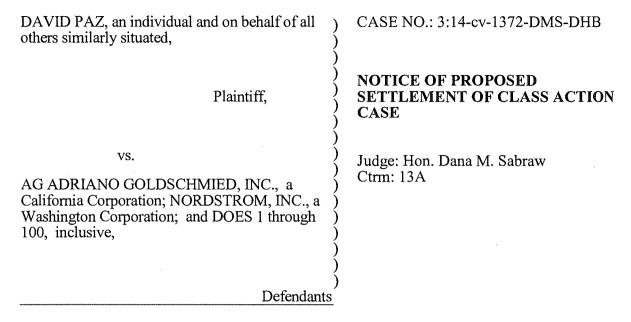
AG Adriano Goldschmied, Inc.

By: U YW KU (print name)

Title: <u>CEO</u>

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5	,	By: Claire Korenblit (print name)
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7		Title: Business Litigation Counsel
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9	APPROVED AS TO FORM:	
10	DATE: October 28, 2015	BUCHALTER NEMER, APC
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12		By: Illu
13		Mark T. Cramer
14		BUCHALTER NEMER Attorneys for: AG ADRIANO
15		Attorneys for: AG ADRIANO GOLDSCHMIED, INC. and NORDSTROM, INC.
16	DATE: October 29, 2015	DEL MADIAM CDOID LID
17	DATÉ: October 28, 2015	DEL MAR LAW GROUP, LLP
18		D. I.
19		By: John H/Donboli DEL MAR LAW GROUP LLD
20		DEL MAR LAW GROUP, LLP Attorneys for: Plaintiff and the Settlement Class
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EXHIBIT A



IF YOU PURCHASED AN AG ADRIANO GOLDSCHMIED GARMENT PRODUCT LABELED AS "MADE IN USA" FROM JUNE 4, 2010 TO [INSERT DATE OF PRELIMINARY APPROVAL ORDER], YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DON'T ACT. PLEASE READ THIS NOTICE CAREFULLY.

- 1. Introduction This Notice of Proposed Class Action ("Notice") concerns a proposed settlement (the "Proposed Settlement") of a lawsuit (the "Action") against AG Adriano Goldschmied, Inc. ("AGAG") and Nordstrom, Inc. based on the claim that AGAG misrepresented the country of origin of various AGAG products from June 4, 2010 to [INSERT DATE OF PRELIMINARY APPROVAL ORDER] by claiming that the products were "Made in USA" or "Made in USA of Imported Fabric" when they contained one or more foreign-made component parts that were not disclosed on the label. The Action is currently pending in the United States District Court for the Southern District of California (the "Court"). For purposes of settlement only, the Court has certified the Action to proceed as a class action on behalf of the class described below. The details of the Proposed Settlement are set forth below.
- 2. **Court Approval** This Notice was court-approved in its entirety by the Agreement of Settlement on file with the Court.
- 3. **Purpose of Notice** This Notice is intended (1) to inform you of the Proposed Settlement of the Action, (2) to describe the Proposed Settlement, and (3) to advise you of your rights and your options with respect to the Proposed Settlement.
- 4. **Description of the Action** This Action alleges that Defendants violated California law by improperly labeling and selling certain AGAG products ("Products") as "Made in USA" or "Made in USA of Imported Fabric" when doing so was prohibited by a California false advertising statute that requires that if any foreign-made component is part of a product that

is otherwise designed, produced and assembled in the USA, the "Made in USA" product label must disclose that the product also contains foreign-made components.

- 5. **Defendants' Denials** Defendants deny the allegations in the Action and have asserted a number of defenses to it.
- 6. **Definition of the Class** The Settlement Class is defined as all persons who purchased an AGAG product in California that was labeled "MADE IN USA" or "MADE IN THE USA" from June 4, 2010 to **INSERT DATE OF PRELIMINARY APPROVAL ORDER**, for non-commercial use, that did not disclose that the product contained one or more foreign-made component parts.
- 7. **The Proposed Settlement** The parties have reached a Proposed Settlement of this Action, which the attorneys for the Settlement Class believe is fair, reasonable, adequate, and in the best interest of the members of the Settlement Class ("Class Member(s)"). Defendants agreed to the Proposed Settlement, without admitting liability, to avoid the costs and other burdens of continued litigation. The Proposed Settlement provides the following:
 - a. Restitution to every Class Member who does not opt out of the Settlement and returns a valid Claim Form. Restitution will consist of one of the following options: one (1) \$20.00 AGAG promotional code (promo code) per qualifying class product purchased; or one (1) free pair of AGAG pants per qualifying class product purchased in the size and gender specified on the Class Member's claim form. Class Members who purchased two or more Class Products are not permitted to split their claims to obtain both promo codes and AGAG pants, but must choose one or the other option exclusively. To be eligible to receive more than two promo codes or two pairs of pants, Class Members must submit proper proofs of purchase.

The promo codes can be used toward the purchase of any AGAG product available at www.agjeans.com at the time of purchase. The promo codes shall be fully transferrable. Up to two (2) promo codes can be used per transaction. The promo codes cannot be used in combination with coupons, discounts, or other promotional pricing that may be offered by AGAG.

The AGAG pants will be available on a first-come/first served basis up to a maximum of 25,000 pairs of pants. The AGAG pants shall be of AGAG's selection, from current or prior seasons, but in the size and for the gender specified on the Class Member's claim form.

b. A <u>permanent injunction</u> in which AGAG agrees on a going-forward basis to revise the country of origin labels on its products as necessary to ensure compliance with California law.

AGAG also agrees to (1) pay a class representative incentive fee (to the extent awarded by the Court) to class representative David Paz in an amount not to exceed \$5,000.00, and (2)

pay Class Counsel's attorneys' fees and costs (to the extent awarded by the Court) in an amount not to exceed \$175,000.00. Defendants have agreed not to oppose the request for a class representative incentive award or attorneys' fees and expenses as long as the requested amounts do not exceed the figures referenced above. Plaintiff will file a motion for recovery of attorneys' fees and costs and award of class representative enhancement fee with the Court at the appropriate time. This issue shall be determined solely by the Court by way of a written motion.

- 8. **Releases** In return for the Settlement described above, Class Members who do not request exclusion from the class agree to release (give up) all claims against Defendants and Defendants' past and present subsidiaries and affiliates, parent companies, divisions, as well as their distributors, wholesalers, retailers, customers and licensors, including the officers, directors, trustees, employees, shareholders, agents, insurers, spokespersons, legal representatives, public relations firms, advertising and production agencies and assigns of all such persons or entities arising out or relating to actions or omissions in manufacturing, advertising, marketing, labeling, packaging, promotion, sale, and distribution of the Products, and/or any claims or omissions regarding the geographic location that any Product and/or any component of any Product was manufactured, assembled and/or created, including those which have been asserted or which could reasonably have been asserted by the Class Members against the Defendants in this Action
- 9. **How to Make a Claim** Only Class Members who mail a Claim Form to the address listed below no later than **[INSERT DATE]** will be eligible to participate in the settlement. Claim Forms postmarked after **[INSERT DATE]** will not be considered. If you received this Notice in the mail, a Claim Form is enclosed. If you received this Notice in any other way or do not have a Claim Form, you may go to www.agagsettlement.com to complete and submit a copy of the Claim Form online, or print out a copy of the Claim Form to complete and mail to:

AGAG Class Action c/o KCC P.O. Box [xxxxx]

Approved claims will be honored after the processing of all Claims Forms.

10. **Request for Exclusion from the Class** - Under California law, if you are a Class Member, you have the right to be excluded from the class. If you wish to be excluded from the class, you must mail a letter so that it is postmarked no later than **[INSERT DATE]** to counsel for Plaintiff and the Class and Counsel for Defendants at the addresses listed in paragraph 12 below. The letter must clearly state your full name, current mailing address, phone number, and signature and include the following statement: "I want to be excluded from the plaintiff class in *Paz v. AG Adriano Goldschmied, Inc. et. al.*, Case No. 3:14-cv-01372-DMS-DHB."

The request for exclusion must be submitted in your own name and signed by you personally; no individual may request that other persons be excluded from the class. Do not send a letter requesting exclusion if you wish to remain a Class Member or file a claim for monetary payment under the settlement. If you exclude yourself from the class, you will not be entitled to share in any benefits that the class may obtain. If you do not exclude yourself, you will not

be able to file a separate claim against Defendants based on the events, circumstances and/or practices alleged in the Action.

11. **Objection** - If you do not request exclusion, you may still object to the Proposed Settlement. You may also ask to appear in the Action.

If you wish to object, it is suggested that you file a written objection with the Court. The objection should include: (1) your complete name and current residence and business address (giving the address of any lawyer who represents you is not sufficient); (2) a statement that you fall within the definition of the class, including the approximate date (during the Class Period) and place of purchase of the Product(s), the type of Product(s) purchased, that the Product(s) you purchased bore a "Made in the USA" label, that your decision to purchase the Product(s) was influenced by the presence of a "Made in the USA" label, and that you would not have purchased the Product(s) at that time had you known that the Product(s) in question was/were not entirely manufactured within the United States of U.S.-made materials; and (3) each ground for comment or objection and any supporting papers you wish the Court to consider (*i.e.*, a mere statement that "I object" is insufficient).

You or your personal attorney may attend the settlement hearing and state your support or objection orally, but you are not required to do so. If you intend to attend the hearing and orally state your opinion, your written objection should state "I intend to appear at the hearing." Class Members, or their attorneys, may also attend the Final Approval Hearing and assert their objections (if any) with the Court. Written objection (to the extent filed) must be filed with the Court and mailed to Class Counsel no later than [INSERT DATE] at the following addresses:

United States District Court, Southern District of California Dept. 13A 333 West Broadway San Diego, CA 92101

Counsel for Plaintiff/Class
John H. Donboli
DEL MAR LAW GROUP, LLP
12250 El Camino Real
Suite 120

San Diego, CA 92130 Tel: 858-793-6244 Counsel for Defendants:
Mark T. Cramer, Esq.
BUCHALTER NEMER, PC
1000 Wilshire Boulevard
Suite 1500
Los Angeles, CA 90017
Tel: (213) 630-5606

If you wish to submit a brief to the Court in support of any objection, such brief must be filed with the Court, and served by mail on counsel for the plaintiff class and counsel for Defendants, at the addresses listed above no later than **[INSERT DATE]**.

12. **Hearing On Proposed Settlement** - The Court will hold a Final Approval Hearing to consider: (a) whether the Proposed Settlement summarized above is fair, reasonable, adequate, and in the best interests of the Class, and (b) whether Plaintiff and his attorneys have fully, fairly, and adequately represented the Class in the Action and in negotiating the Proposed Settlement. The Final Approval Hearing is presently scheduled for **INSERT DATE & TIME!** in Department 13A of the United States District Court, Southern District of California, 333 W.

Broadway, San Diego, CA 92101. The time and date of the approval may be changed by court order without further notice to the Class.

Hearing On Class Counsel Fees and Class Representative Enhancement Fee -The Court may also hold a hearing on [INSERT DATE & TIME] to consider whether to award attorneys' fees and costs to Class Counsel and whether to award a class representative incentive fee to Plaintiff David Paz. The motion shall be heard in Department 13A of the United States District Court, Southern District of California, 333 West Broadway, San Diego, CA 92101. The time and date of the hearing may be changed by the Court without further notice to the Class. At the hearing, Class Counsel shall request that the Court grant: (i) a class representative incentive fee to Plaintiff David Paz in an amount no greater than \$5,000.00; (ii) Class Counsel's attorneys' fees and reimbursement of expenses in an amount no greater than \$175,000.00. To the extent awarded by the Court, the payment of attorneys' fees, reimbursement of actual expenses, and an award of a class representative enhancement fee (if any) will be paid by AGAG in addition to the recovery to the Settlement Class (as directed bv the Court).

Any party, including Class Members, who wish to file an objection and/or oppose Plaintiff's motion for Class Counsel fees and/or the class representative enhancement fee are encouraged to do so in writing and must do so by [INSERT DATE] by filing with the Court and serving his or her objections as set forth above. In addition, if a Class Member wishes to submit to the Court any brief in support of his or her objections, he or she must file the brief with the Court and serve it on both Class Counsel and counsel for Defendants prior to [INSERT DATE].

14. Accessing Court Documents - The filed documents and orders in this case may be examined and copied during regular business hours at the offices of the Clerk of the Court, United States District Court, Southern District of California, 333 West Broadway, San Diego, CA 92101. If you wish additional information about this Notice or the Proposed Settlement, you may examine the Court's file on the case at the address shown above or you may contact Plaintiff's attorneys in writing at the address in paragraph 11 above. The Court has not ruled in favor of or against the Plaintiff or Defendants on the merits of any of their claims, denials, or defenses in this case.

PLEASE DO NOT CALL OR WRITE TO THE COURT FOR INFORMATION OR ADVICE.

EXHIBIT B

TO ALL AG ADRIANO GOLDSCHMIED CUSTOMERS

NOTICE OF CLASS ACTION LAWSUIT

IF YOU PURCHASED AN AG ADRIANO GOLDSCHMIED GARMENT PRODUCT THAT WAS LABELED WITH AN UNQUALIFIED "MADE IN USA" OR "MADE IN THE USA" FROM JUNE 4, 2010 TO INSERT DATE OF PRELIMINARY APPROVAL ORDER, YOUR LEGAL RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT THAT WAS FILED IN UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA. YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DON'T ACT. PLEASE READ THIS NOTICE CAREFULLY.

- 1. As part of a pending proposed settlement (the "Proposed Settlement"), the United States District Court certified this lawsuit as a class action and approved this notice. The lawsuit was brought against AG Adriano Goldschmied, Inc. ("AGAG") and Nordstrom, Inc. The lawsuit contends that AGAG misrepresented the country of origin of various AGAG products ("Products") from June 4, 2010 to [INSERT DATE OF PRELIMINARY APPROVAL ORDER] by claiming that the products were "Made in USA" or "Made in USA of Imported Fabric" when they contained one or more foreign-made component parts that were not disclosed on the label.
- 2. As part of the Proposed Settlement, if you made a purchase in California of an AGAG product that was sold with a "MADE IN USA" or "MADE IN USA OF IMPORTED FABRIC" label from June 4, 2010 to [INSERT DATE OF PRELIMINARY APPROVAL ORDER], you may be entitled to either: one (1) \$20.00 promotional code per product purchased; or one (1) pair of AGAG pants per product purchased. Without proper proof of purchase, you will not be eligible to receive more than two promotional codes or two pairs of AGAG pants. Other conditions and restrictions apply and are detailed at www.agagsettlement.com. You have the right to exclude yourself from the class. If you exclude yourself, your claims against AGAG will not be resolved in this lawsuit and you will retain your right to separately pursue your claims at your own cost. You will not be bound by any judgment, rulings or orders in this case. However, if you exclude yourself, you will not be eligible to receive either a promotional code or AGAG pants.
- 3. See www.agagsettlement.com for more information about the proposed settlement, including a more detailed notice and instructions on how to submit a claim form to receive a \$20 promotional code, to receive a pair of AGAG pants, or to exclude yourself from the class. You can also call the attorney for Plaintiff and Class Members (John Donboli of Del Mar Law Group, LLP) at 858.793.6244 for additional information.
- 3. Nothing in the Proposed Settlement shall constitute an admission of liability or be used as evidence of liability, by or against the Plaintiff, AGAG, or Nordstrom.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION OR ADVICE.

EXHIBIT C

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8	UNITED STATES DISTRICT COURT			
9	SOUTHERN DISTRICT OF CALIFORNIA			
10)			
11	DAVID PAZ, an individual and on behalf of all others similarly situated,	CASE NO.: 3:14-cv-1372-DMS-DHB		
12	of all others similarly situated,	CLASS ACTION		
13	Plointiff	[PROPOSED] ORDER GRANTING PRELIMINARY		
14	Plaintiff,	APPROVAL OF CLASS ACTION SETTLEMENT AND		
15	vs.	APPROVING FORM AND MANNER OF SERVICE		
16	AG ADRIANO GOLDSCHMIED, INC.,			
17	a California Corporation; NORDSTROM, SINC., a Washington Corporation; and DOES 1 through 100, inclusive,	Judge: Hon. Dana M. Sabraw Ctrm: 13A		
18	DOES I through 100, inclusive,			
19 20	Defendant.			
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	[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS			

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WHEREAS, this action is pending before this Court as a putative class action; and

WHEREAS, the parties applied to this Court for an Order preliminarily approving the settlement of the above-captioned litigation ("Action") in accordance with the Agreement of Settlement, dated , 2015 ("Settlement Agreement"). The Settlement Agreement, together with the exhibits annexed thereto, sets forth the terms and conditions of a proposed settlement of the Action, and for dismissal of the Action with prejudice against defendants AG Adriano Goldschmied, Inc. ("AGAG") and Nordstrom, Inc. ("Nordstrom") (collectively the "Defendants") upon the terms and conditions set forth therein.

Having read and considered the Settlement Agreement and the exhibits annexed thereto, and good cause appearing, the Court hereby ORDERS:

- 1. This Preliminary Approval Order incorporates by reference the definitions in the Settlement Agreement, and all terms used herein shall have the same meaning as set forth in the Settlement Agreement.
 - 2. The Court hereby preliminarily approves the Settlement Agreement.
- 3. The Court finds that the requirements of Federal Rule of Civil Procedure 23(a) and (b)(3) have been satisfied, in that (a) the Settlement Class is so numerous that joinder of all individual Settlement Class Members is impracticable; (b) there are questions of law and fact common to the Settlement Class and those common questions of law and fact predominate over any individual questions; (c) the claims of the Plaintiff are typical of the claims of the Class; (d) the Plaintiff and Class Counsel will fairly and adequately represent the interests of the Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
- Accordingly, the Court hereby conditionally certifies the Settlement 4. Class for settlement purposes only. The Settlement Class is defined as follows:

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All persons in California who purchased an AG Adriano Goldschmied brand product in California between June 4, 2010 and INSERT DATE OF PRELIMINARY APPROVAL ORDER for noncommercial use that was sold with a "Made in USA," "Made in the USA," "Made in USA of Imported Fabric" label but that contained one or more undisclosed foreign-made component parts. Excluded from the Settlement Class are all persons who are employees, directors. officers. and agents **Defendants** its subsidiaries affiliated companies, as well as the Court and its immediate family and staff.

- 5. Having considered the relevant factors set forth in Rule 23, the Court has made a preliminary determination that Plaintiff David Paz and Class Counsel are adequate representatives of the Settlement Class and hereby appoints them as such solely for purposes of settlement.
- 6. **Preliminary Approval of Settlement.** The Parties have agreed to settle the Action upon the terms and conditions set forth in the Settlement Agreement, which has been filed with and reviewed by the Court.
- 7. The Court preliminarily finds: (a) that Plaintiff in the Action, by and through his counsel, investigated the facts and law relating to the matters alleged in the Action and evaluated the risks associated with continued litigation, trial, and/or appeal; (b) that the Settlement was reached as a result of arm's-length negotiations between counsel for Plaintiff and counsel for Defendants and a mediation session with a respected mediator, the Honorable Irma E. Gonzalez (Ret.) at JAMS; (c) that the proponents of the Settlement, counsel for the parties, are experienced in similar litigation; and (d) that the Settlement confers substantial benefits upon the Settlement Class, particularly in light of the damages that Plaintiff and Class Counsel believe are potentially recoverable or provable at trial, without the costs,

- 13. **Approval of Notice Procedures.** The Court hereby approves the procedures set forth in the Settlement Agreement, and described below, for providing notice to the proposed Settlement Class. The Court finds that the procedures are fair, reasonable, and adequate; the best notice practicable under the circumstances; consistent with due process; and shall constitute due and sufficient notice to all persons entitled thereto.
- 14. Within twenty (20) days of the date of this Order, the Court hereby directs Defendants to distribute the Notice as set forth in paragraphs E.1 to E.5 of the Settlement. Defendant AGAG shall pay the costs of claims administration, including the costs associated with preparing, printing and disseminating to the Settlement Class the Notices as set forth in paragraphs E.1 to E.6 of the Settlement Agreement in amount not to exceed \$90,000.00.
- 15. At least thirty (30) days prior to the Fairness Hearing, Defendants, through their counsel of record, shall cause to be filed with the Court a sworn declaration evidencing compliance with the provisions of the Settlement Agreement as it relates to providing Notice.
- 16. Pending resolution of these settlement proceedings, no other action now pending or hereinafter filed arising out of all or any part of the subject matter of the Action shall be maintained as a class action and, except as provided by further order of the Court, for good cause shown, all persons are hereby enjoined, during the pendency of these settlement proceedings, from filing or prosecuting purported class actions against Defendants with respect to any of the Released Claims as defined in the Settlement Agreement.
- 17. Upon the Settlement Effective Date, as defined in the Settlement Agreement, all members of the Settlement Class who have not opted out of the settlement shall be enjoined and barred from asserting any of the Released Claims

1	Order or the Agreement, including making, without further approval of the Court,		
2	minor changes to the form or content of the Notice, Summary Notice, and other		
3	exhibits that they jointly agree are reasonable or necessary to effectuate the		
4	Settlement and the purposes of this Preliminary Approval Order.		
5	IT IS SO ORDERED.		
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8	Dated:		
9	HONORABLE DANA M. SABRAW UNITED STATES DISTRICT JUDGE		
10	UNITED STATES DISTRICT JUDGE		
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	[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS		

Case 3:14-cv-01372-DMS-DHB Document 45-2 Filed 11/30/15 Page 52 of 69

EXHIBIT D

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8	UNITED STATES DISTRICT COURT			
9	SOUTHERN DISTRICT OF CALIFORNIA			
10)	CASE NO.: 3:14-cv-1372-DMS-DHB		
11	DAVID PAZ, an individual and on behalf of all others similarly situated,	CLASS ACTION		
12	}	[PROPOSED] ORDER		
13	Plaintiff,	GRANTING FINAL APPROVAL OF CLASS ACTION		
14	}	SETTLEMENT		
15	vs.	Judge: Hon Dana M Sahraw		
16	AG ADRIANO GOLDSCHMIED, INC.,	Judge: Hon. Dana M. Sabraw Ctrm: 13A		
17	AG ADRIANO GOLDSCHMIED, INC., a California Corporation; NORDSTROM, INC., a Washington Corporation; and DOES 1 through 100, inclusive,			
19	Sold Fundagn 100, morasive,			
20	Defendants.			
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	[PROPOSED] ORDER GRANTING FINAL APPROVAL OF CLASS			

1	WHEREAS this matter, having been brought before the Court on
2	, 2015, pursuant to the Court's Order Granting Preliminary
3	Approval of the Class Action Settlement, to determine whether the Agreement of
4	Settlement, dated, 2015 (the "Settlement Agreement"), between named
5	plaintiff David Paz on behalf of himself individually and all members of the Class,
6	and defendants AG Adriano Goldschmied, Inc. ("AGAG") and Nordstrom, Inc.
7	("Nordstrom") (collectively the "Defendants"), is fair and reasonable and should
8	be approved as in the best interest of the Class Members; and
9	WHEREAS notice of the proposed settlement having been given to
10	members of the Class as directed by this Court's Order Granting Preliminary
11	Approval of the Class Action Settlement, and proof of notice having been filed
12	with the Court; and
13	WHEREAS the Court has received and reviewed the Settlement Agreement
14	and its exhibits; and
15	WHEREAS all persons present or represented at the hearing, who were
16	entitled to be heard pursuant to the Class Notice, having been given an opportunity
17	to be heard; and counsel for the parties having appeared in support of the
18	settlement; and Class Counsel having represented to the Court that in their opinion
19	the settlement is fair and reasonable and in the best interests of the Class Members;
20	and
21	WHEREAS the Court having considered all documents filed in support of
22	the settlement, and fully considered all matters raised, all exhibits and affidavits
23	filed, and all evidence received at the hearing, all other papers and documents
24	comprising the record herein, and all oral arguments presented to the Court;
25	IT IS HEREBY ORDERED as follows:
26	1. For all purposes of this Order Granting Final Approval of Class
27	Action Settlement ("Order"), the Court adopts all defined terms as set forth in the
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- 2. For purposes of this Order, "Class Member(s)" shall mean all persons in California who did not timely exclude himself or herself from the Settlement pursuant to Section J of the Settlement Agreement and who purchased an AG Adriano Goldschmied brand product in California between June 4, 2010 and [INSERT DATE OF PRELIMINARY APPROVAL ORDER] for non-commercial use that was sold with a "Made in USA," "Made in the USA," or "Made in USA of Imported Fabric" label (the "Products") but that contained one or more undisclosed foreign-made component parts. Excluded from the definition of "Class Member(s)" are all persons who timely excluded himself or herself from the Settlement pursuant to Section J of this Settlement Agreement, all persons who are employees, directors, officers, and agents of Defendants or its subsidiaries and affiliated companies, as well as the Court and its immediate family and staff.
- 3. The Court finds that it has jurisdiction over the subject matter of the Action, and over all parties to the Action, including all Class Members.
- 4. The Court approves the Settlement set forth in the Settlement Agreement as being fair, just, reasonable, and adequate to the Class Members.
- 5. Any and all objections to the Settlement and Settlement Agreement are overruled as being without merit.
- 6. This Action may be maintained as a class action for settlement purposes.
- 7. The Court certifies this litigation as a class action for settlement purposes only, and certifies the class as comprised of all Class Members.
- 8. The Court finds that the requirements of Federal Rule of Civil Procedure 23(a) and (b)(3) have been satisfied, in that (a) the Settlement Class is so numerous that joinder of all individual Settlement Class Members is impracticable; (b) there are questions of law and fact common to the Settlement Class and those

- 9. The Notice provided to the members of the Class pursuant to the Order Granting Preliminary Approval of Class Action Settlement constitutes full and adequate notice and is in full compliance with the requirements of California law and due process of law.
- 10. The Settlement shall be implemented and consummated in accordance with the definitions and terms of the Settlement Agreement.
- 11. Neither the Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it shall be construed as an admission or concession by Defendants of the truth of any of the allegations in the Action, or of any liability, fault or wrongdoing of any kind.
- 12. Plaintiff and all Class Members, on behalf of themselves and any of their respective agents, successors, heirs, assigns, and other persons and entities referenced in the Settlement Agreement, for good and sufficient consideration, the receipt of which is hereby acknowledged, shall be deemed to have released and forever discharged the Released Persons from any and all Released Claims, as defined in the Settlement Agreement.
- 13. Plaintiff and all Class Members are permanently barred and enjoined from asserting, commencing, prosecuting, or continuing the Released Claims, or any of them, against the Released Persons.
- 14. The Court hereby reserves jurisdiction over the Action and Settlement to enforce the terms of the judgment.
 - 15. This Order is final for purposes of appeal and may be appealed, and

d	ase 3:14-cv-01372-DMS-DHB Document 45-2 Filed 11/30/15 Page 58 of 69		
1	the Clerk is hereby directed to enter judgment thereon. If this Order does not		
2	become "Final" in accordance with the terms of the Settlement Agreement		
3	(because the Judgment is set aside, in whole or in material part after being timely		
4	appealed), then this Order, and all other orders entered in connection with this		
5	Settlement (including without limitation, the Order Granting Preliminary Approval		
6	of Class Action Settlement) shall be rendered void ab initio, and vacated in		
7	accordance with the terms of the Settlement Agreement.		
8	IT IS SO ORDERED.		
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10	D. c. 1		
11	Dated:		
12	HONORABLE DANA M. SABRAW UNITED STATES DISTRICT JUDGE		
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	[PROPOSED] ORDER GRANTING FINAL APPROVAL OF CLASS		
	[I KOI OSED] OKDER OKANTINO FINAL AI I KOVAL OF CLASS		

EXHIBIT E

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8	UNITED STATES D	ISTRICT COURT
9	SOUTHERN DISTRIC	T OF CALIFORNIA
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11	DAVID PAZ, an individual and on behalf of all others similarly situated,	CASE NO. 3:14-CV-01372-DMS-DHB
12	}	CLASS ACTION
13	Plaintiff,	FINAL JUDGMENT AND
14	{	PERMANENT INJUNCTION
15	vs.	Judge: Hon. Dana M. Sabraw Ctrm: 13A
16	AG ADRIANO GOLDSCHMIED, INC.,	Ctrm: 13A
17	AG ADRIANO GOLDSCHMIED, INC., a California Corporation; NORDSTROM, INC., a Washington Corporation; and DOES 1 through 100, inclusive,	
18	DOES 1 through 100, inclusive,	
19	Defendants	
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	FINAL JUDGMENT AND PE	RMANENT INJUNCTION
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Plaintiff David Paz, individually and on behalf of all members of the class, and Defendant AG Adriano Goldschmied, Inc. ("AGAG") and Defendant Nordstrom, Inc. ("Nordstrom") (collectively the "Defendants"), through their respective attorneys of record, having stipulated to the entry of this Final Judgment and Permanent Injunction (the "Judgment") without the taking of proof, without trial or adjudication of any fact or law herein, without the judgment constituting evidence of or an admission by Defendants regarding any issue of fact or law alleged in the operative complaints herein, and without Defendants admitting any liability, and good cause appearing therefore:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

This action is brought under California law, and this Court has jurisdiction

This action is brought under California law, and this Court has jurisdiction over the allegations and subject matter of the operative complaint in the above-captioned matter on file herein.

This Court has personal jurisdiction over the parties to this action, including the Class Members (as defined below).

This Judgment has been reviewed by this Court, and this Court finds that it has been entered into in good faith and to be in all respects suitable and equitable.

The injunctive provisions of this Judgment are applicable to Defendant AG Adriano Goldschmied, Inc. *only*, as well as its past and present parent companies, subsidiaries, divisions; their successors and the assigns of all or substantially all of the assets of their business; their directors, officers, employees, agents, managers, members, and principals (collectively, the "Enjoined Parties").

Pursuant to Federal Rule of Civil Procedure 23, the members of the class are all persons in California who did not timely exclude himself or herself from the Settlement pursuant to Section J of the Settlement Agreement and who purchased an AG Adriano Goldschmied brand product in California between June 4, 2010 and [INSERT DATE OF PRELIMINARY APPROVAL ORDER] for non-

commercial use that was sold with a "Made in USA," "Made in the USA," or "Made in USA of Imported Fabric" label (the "Products") but that contained one or more undisclosed foreign-made component parts (hereinafter the "Class" Members"). Excluded from the definition of "Class Member(s)" are all persons who timely excluded himself or herself from the Settlement pursuant to Section J of this Settlement Agreement, all persons who are employees, directors, officers, and agents of Defendants or its subsidiaries and affiliated companies, as well as the Court and its immediate family and staff.

Permanent Injunction. Without admitting any liability or wrongdoing whatsoever, pursuant to California Business and Professions Code Sections 17203 and 17535, the Enjoined Parties, and each of them, shall be enjoined and restrained from directly or indirectly doing or performing any and all of the following acts or practices: representing, labeling, advertising, selling, offering for sale, and/or distributing products in California with a "MADE IN USA," "MADE IN THE USA," or "MADE IN USA OF IMPORTED FABRIC" label that does not comply with California Business & Professions Code Section 17533.7 or other applicable laws governing country-of-origin product labels.

Payment to Class Members. Without admitting any liability or wrongdoing whatsoever, subject to the conditions and restrictions set forth below, AGAG shall distribute to each Class Member who timely submitted a properly completed, signed claim form that is not rejected by the Claims Administrator or Defendants, either one (1) \$20,00 AGAG Promotional Code per Class Product purchased; or one (1) pair of AGAG pants in the size and gender specified on the Class Member's claim form.

Class Members who purchased two or more Class Products are not a. permitted to split their claims to obtain both Promotional Codes and AGAG pants, but must choose one or the other option exclusively.

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- b. Each eligible class member, as determined by the Claims Administrator, shall receive by mail either one (1) \$20.00 Promotional Code per product purchased, or one (1) pair of AGAG pants per Class Product purchased. In the event any class member claims to have purchased more than two (2) Class Products, the class member must establish proper proof of purchase of such additional Class Products (with receipts, etc.).
- C. The Promotional Codes can be used toward the purchase of any AGAG product available at www.agjeans.com at the time of purchase. The Promotional Codes shall be fully transferrable. Up to two (2) Promotional Codes can be used per transaction. The Promotoinal Codes cannot be used in combination with coupons, discounts, or other promotional pricing that may be offered by AGAG.
- d. The AGAG pants shall be of AGAG's selection, from current or prior seasons, but in the size and for the gender specified on the Class Member's claim form. For purposes of this Settlement, AGAG will set aside 25,000 pairs of pants to fulfill claims from Qualifying Claimants who choose to receive AGAG pants on their respective Claim Forms. AGAG is not required to distribute more than 25,000 pairs of pants under this Settlement. If the total number of pairs of pants selected by Qualifying Claimants exceeds 25,000, AGAG may, in its discretion, elect to either (i) distribute more than 25,000 pairs of pants to fulfill all Qualifying Claimants' selections or (ii) fulfill Qualifying Claimants' selections up to 25,000 pairs of pants on a first-come/first-served basis and distribute \$20.00 Promotional Codes to all other Qualifying Claimants.

This Court retains jurisdiction for the purpose of enabling any party to this

Judgment to apply to this Court at any time for such further orders and directions
as may be necessary or appropriate for the construction or carrying out of this

Judgment, for the modification of any of the provisions hereof, for the enforcement
of compliance herewith, and for the punishment of violations hereof.

The parties agree to negotiate in good faith to try to resolve any disputes that may arise relating to this Judgment. The parties further agree that Plaintiff shall give Defendants thirty (30) days' notice and an additional reasonable opportunity to resolve any alleged violation before filing an application or other pleading seeking any relief for any purported violation of this Judgment from any other court, tribunal, arbitration panel, commission, agency or before any governmental and/or administrative body, or any other adjudicatory body. Plaintiff further agrees that he or his counsel will not take any action to enforce the Permanent Injunction without first meeting and conferring with Defendants and/or their counsel in person.

The Permanent Injunction shall apply only to AGAG products created and placed on the shelves after the Effective Date.

Nothing in this Judgment shall be deemed to permit or authorize any violation of the laws, rules, or regulations of California or otherwise be construed to relieve Defendants of any duty to comply with any applicable laws, rules, or regulations of California.

This Judgment is a final resolution and disposition of all those matters, claims, and causes of action alleged in the operative complaint herein. This Judgment shall have a *res judicata* effect that bars Plaintiff and all Class Members from bringing and asserting any and all actions, claims, demands, rights, suits, and causes of action of any kind or nature whatsoever against Defendants and Defendants' past and present subsidiaries and affiliates, parent companies,

divisions, as well as their distributors, wholesalers, retailers, customers and
licensors, including the officers, directors, trustees, employees, shareholders,
agents, insurers, spokespersons, legal representatives, public relations firms,
advertising and production agencies and assigns (the "Released Persons"),
including damages, costs, expenses, penalties, and attorneys' fees, whether at law
or equity, known or unknown, foreseen or unforeseen, developed or undeveloped,
direct, indirect or consequential, liquidated or unliquidated, arising under common
law, regulatory law, statutory law, or otherwise, based on federal, state, or local
law, statute, ordinance, regulation, code, contract, common law, or any other
source, or any claim that Plaintiff or Class Members ever had, now have, may
have, or hereafter can, shall or may ever have against the Released Persons in any
other court, tribunal, arbitration panel, commission, agency or before any
governmental and/or administrative body, or any other adjudicatory body, on the
basis of, connected with, arising from or in any way whatsoever relating to actions
or omissions in manufacturing, advertising, marketing, labeling, packaging,
promotion, sale and distribution of the Products, and/or any claims or omissions
regarding the geographic location any Product and/or any component of any
Product was manufactured, assembled and/or created, from June 4, 2010 to the
Effective Date, and any claims arising after the date of final approval which could
be asserted based on labels or marketing in existence as of the date of final
approval of the Settlement Agreement
This Judgment shall take effect immediately upon entry thereof, without
further notice to Defendants.
The Court finds an attorneys' fees award, inclusive of reimbursement of
costs and expenses, of \$ to be fair and reasonable and
awards same to Class Counsel.

¢	ase 3:14-cv-01372-DMS-DHB Document 45-2 Filed 11/30/15 Page 66 of 69		
1	The Court further awards Plaintiff Paz an incentive award of \$5,000, which		
2	the Court finds to be fair and reasonable.		
3	The attorneys' fees award, reimbursement of expenses, and the Plaintiff		
4	incentive award shall be paid within twenty (20) business days after the date of this		
5	Judgment. If not so paid, then interest on such award, fees and expenses shall		
6	accrue from the date of this Judgment until paid at the maximum rate allowed by		
7	law.		
8	The Clerk shall enter this Judgment forthwith.		
9	IT IS SO ORDERED.		
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11	Dated:		
12	HONORABLE DANA M. SABRAW		
13	UNITED STATES DISTRICT JUDGE		
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FINAL JUDGMENT AND PERMANENT INJUNCTION

EXHIBIT F

RETURN COMPLETED FORM TO:

AG Adriano Goldschmied, Inc. et al., Class Action

P.O. Box xxxx				
, CA [File at (www.agagsettlement.com)]				
PROOF OF CLAIM				
To make a Claim, you must fully complete this Claim Form so that it is postmarked no later than INSERT DATE]. A complete description of the class qualifications and claim benefits is provided in the Notice of Proposed Settlement of Class Action (www.agagsettlement.com). The completed Claim Form must be returned to the following address: AG Adriano Goldschmied, Inc. <i>et al.</i> , Class Action Settlement, c/o KCC, P.O. Box,, CA, prior to INSERT DATE] to take part in the settlement.				
THE WILLFUL SUBMISSION OF A FALSE CLAIM CONSTITUTES THE CRIME OF PERJURY AND IS PUNISHABLE BY CALIFORNIA LAW.				
AG Adriano Goldschmied, Inc., et al., Class Action Settlement				
I,, certify that I am a member of this Class and that in consideration for the right to receive either one (1) \$20.00 AGAG promotional code per product purchased, or one (1) free pair of AGAG pants per product purchased (subject to the conditions and restrictions set forth in Paragraph 6 below); hereby swear under the penalty of perjury that:				
1. I purchased the following AG Adriano Goldschmied garment product				
2. The Product(s) I purchased were labeled "Made in USA" or "Made in USA of Imported Fabric";				
3. I chose to purchase the Product(s), at least in part, because of the "Made in USA" or "Made in USA of Imported Fabric" label;				
4. I have not previously received credit or a refund from AGAG for the Product(s) described above;				
5. (Check one. You may not check both.)				
☐ I choose to receive one \$20.00 promotional code per Product purchased.				
☐ I choose to receive one pair of AGAG pants per Product purchased.				
Size desired: Gender desired				
6. I understand that if I claim to have purchased more than two (2) Products, I am required to submit sales receipts or other proof of purchase. If I do not submit proof of purchase, I will only receive a maximum of either two promotional codes or two pairs of pants. I understand that I may not split my claim to receive, for example, one promotional code and one pair of pants.				
I expressly release and agree that I shall not hereinafter institute, maintain or assert in any way any claims against AG Adriano Goldschmied, Inc. or Nordstrom, Inc., their past and present subsidiaries and affiliates, parent companies, divisions, as well as their distributors, wholesalers, retailers, customers and licensors, including the officers, directors, trustees, employees, shareholders, agents, insurers, spokespersons, legal				

Case 3:14-cv-01372-DMS-DHB Document 45-2 Filed 11/30/15 Page 69 of 69

representatives, public relations firms, advertising and production agencies and assigns of all such persons or entities arising out or relating to actions or omissions in manufacturing, advertising, marketing, labeling, packaging, promotion, sale and distribution of the Products, and/or any claims or omissions regarding the geographic location any Product and/or any component of any Product was manufactured, assembled and/or created.							
understand that AG Adriano Goldschmied, Inc. and Nordstrom, Inc. have the right to verify and dispute his claim.							
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on:							
· · · · · · · · · · · · · · · · · · ·	Signature						
· 	Print Full Name						
j	Residence Address (No P.O. Boxes)						

Please do not forget to sign this claim form. If you do not sign it, your claim will not be processed and will be denied.

Email

City, State, Zip Code

1	UNITED STATES DISTRICT COURT	COURT USE ONLY	
2	SOUTHERN DISTRICT OF CALIFORNIA		
3	ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address): John H. Donboli (SBN: 205218)		
4	JL Sean Slattery (SBN: 210965) Tel: (858) 793-6244 DEL MAR LAW GROUP, LLP Fax (858) 793-6005		
5	12250 El Camino Real, Suite 120		
6	San Diego, California 92130 SHORT CASE TITLE	DEDE 10.4	
7	DAVID PAZ v. AG ADRIANO GOLDSCHMIED, INC., et al.	DEPT: 13A	
8	ATTORNEYS FOR PLAINTIFF DAVID PAZ, an individual and on behalf of	Case No. 3:14-cv-01372-DMS-DHB	
9	all others similarly situated		
10	PROOF OF SERVICE		
11	I, the undersigned, say: I am over 18 years of age, employed in the County		
12	of San Diego, California, and that I am not a party to the subject cause. My		
13	business address is 12250 El Camino Real, Suite 120, San Diego, California 92130.		
14			
15	On November 30, 2015, I served the following doc	ument(s):	

- 1. PLAINTIFF'S NOTICE OF MOTION AND MOTION: (1)
 GRANTING PRELIMINARY APPROVAL OF CLASS
 SETTLEMENT; (2) SCHEDULING A FINAL APPROVAL
 HEARING; AND (3) DIRECTING THAT NOTICE BE SENT TO
 CLASS MEMBERS;
- 2. MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION (1) GRANTING PRELIMINARY APPROVAL OF CLASS SETTLEMENT; (2) SCHEDULING A FINAL APPROVAL HEARING; AND (3) DIRECTING THAT NOTICE BE SENT TO CLASS MEMBERS; AND
- 3. DECLARATION OF JOHN H. DONBOLI IN SUPPORT OF MOTION: (1) GRANTING PRELIMINARY APPROVAL OF CLASS SETTLEMENT; (2) SCHEDULING A FINAL APPROVAL HEARING; AND (3) DIRECTING THAT NOTICE BE SENT TO CLASS MEMBERS

on interested parties in this action as follows:

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