

JEFF CARD, an individual and on behalf of all others
similarly situated,

Plaintiff,

vs.

JOE’S JEANS, INC., a California Limited Liability
Company; and DOES 1 through 100, inclusive,

Defendants)

CASE NO.: 37-2015-00021834-CU-BT-CTL
(consolidated with CASE NO.: 37-2015-
00000566-CU-BT-CTL)

**NOTICE OF PROPOSED SETTLEMENT OF
CLASS ACTION CASE**

Judge: Hon. Joan M. Lewis
Dept.: C-65

EINAT NOIMAN, an individual and on behalf of all
others similarly situated,

Plaintiff,

vs.

HUDSON CLOTHING, LLC, a California Limited
Liability Company; and DOES 1 through 100,
inclusive,

Defendants)

IF YOU PURCHASED JOE’S JEANS OR HUDSON CLOTHING, LLC’S PRODUCTS LABELED AS
“MADE IN USA” FROM JANUARY 7, 2011, TO DECEMBER 31, 2015, YOUR LEGAL RIGHTS ARE
AFFECTED WHETHER YOU ACT OR DON’T ACT. PLEASE READ THIS NOTICE CAREFULLY.

1. **Introduction** - This Notice of Proposed Class Actions (“Notice”) concerns a proposed settlement (the “Proposed Settlement”) of lawsuits (the “Actions”) against Joe’s Jeans, Inc. (now Differential Brands Group, Inc.) (“Joe’s”) and Hudson Clothing, LLC (“Hudson”) (collectively, “Defendants”) based on claims that Defendants misrepresented the country of origin of various Defendants’ products by claiming that the products were “**Made in USA**” when they contained foreign made component parts. The Actions are currently pending in the Superior Court of California, County of San Diego (the “Court”). For settlement purposes only, the Court has certified the Actions to proceed as class actions 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 Actions, (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 Actions** - The Actions allege that Defendants violated California law by improperly labeling and selling Joe’s and Hudson products as “Made in USA” 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 U.S., that product cannot be labeled as “Made In USA.”

5. **Defendants’ Denials** – Defendants deny the allegations of the operative complaints and have asserted a number of defenses to the claims.

6. **Definition of the Class** - The Settlement Class is defined as all persons who made a purchase in the United States of Joe’s products or Hudson’s products containing foreign-made component parts that was

labeled as “MADE IN USA” or “MADE IN THE USA” (the “Products”), from January 7, 2011 to December 31, 2015, for non-commercial use.

7. **The Proposed Settlement** - The parties have reached a Proposed Settlement of the Actions, 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 agree 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 Qualifying Claimant who timely submits an executed valid Claim Form. Restitution will consist of, one (1) Tote Bag, OR one t-shirt (in the size of the Qualifying Claimant’s section) to the Qualifying Claimant.
- b. Every class member who submits a valid claim shall receive a tote bag or t-shirt. There shall be no cap on the number of tote bags or t-shirts distributed. Class counsel shall pay for 25% of the cost of any tote bag or t-shirt required to be produced over the first 15,000. The remaining balance of tote bags or t-shirts (if any) shall be donated to mutually agreeable 501(c)(3) charities whose charter includes assisting consumers.
- c. Defendants agree to pay an enhancement fee to plaintiffs Einat Noiman, Jeff Card, and Maya Schulert that does not exceed \$5,000.00, per representative plaintiff.
- d. Upon the Court’s final approval, the Court shall retain jurisdiction to enforce this Agreement, including adequate supervision to ensure that the donation was actually completed by Defendants.
- e. Defendants must agree to comply with California Business & Professions Code Section 17533.7 and relevant federal law, as well as the laws of the other 49 states and the District of Columbia (including Maine Unfair Trade Practices Act, 5 M.R.S.A. § 207 *et seq.*, Maine Deceptive Trade Practices Act, 10 M.R.S.A. § 1212 *et seq.*, and the Federal Trade Commission Act, 15 U.S.C. § 45a), in conjunction with all future sales of the Class Products to consumers, downstream sellers, or other third parties for as long as Section 17533.7 is not repealed or amended, and to permit the entry of the stipulated injunction as fully detailed herein.

Defendants also agree to the payment of Attorneys’ Fees and the reimbursement of actual expenses, which will be paid by Defendants in an amount not to exceed \$425,000 which is inclusive of all three lawsuits. The attorneys’ fees shall be divided as follows: \$165,000 for *Noiman v. Hudson Clothing, LLC* (San Diego Superior Court Case No.: 37-201500000566-CU-BT-CTL), \$200,000 for the *Card v. Joe’s Jeans, Inc.*, (San Diego Superior Court Case No.: 37-2015-00021834-CU-BT-CTL) and \$60,000 for *Schulert v. Hudson Clothing, LLC* (United States District Court, District of Marine Case No.: 2:15-cv-00276-JDL). 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 each of their present and former parent companies, subsidiaries, affiliates, divisions, purchasers, operators, assignees, predecessors, successors, partners, heirs, executors, administrators, officers, directors, insurers, employees, agents, dealers, retailers (including, but not limited to, Joe’s Jeans boutiques, Macy’s, Bloomingdales, Nordstrom’s, and Nordstrom Rack), manufacturers, suppliers, packagers, distributors, wholesalers, and legal representatives in addition to all such persons or entities relating to actions or omissions in manufacturing, advertising, marketing, labeling, packaging, promotion, sale and distribution of the Class Products (including but not limited to any act or omission regarding the geographic location that any Class Product, or any component of any Class Product, was manufactured, assembled and/or created) including those claims which have been asserted or which could reasonably have been asserted by the Class Members against the Defendants in these Actions (the “Released Claims”).

9. **How to Make a Claim** – The Claims Administrator shall be tasked with mailing the Postcard Notice to potential class members. 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 no later than fifty (50) days after entry of the Preliminary Approval Order. Within twenty (20) days after the entry of order for Preliminary Approval, Defendants shall provide notice of this settlement on their homepages (www.hudsonjeans.com and www.joesjeans.com) with a hyperlink stating “Notice to Consumers.” The hyperlink will direct consumers directly to the Settlement Website. Defendants and the Claims Administrator shall ensure that the Settlement Website is active and able to accept online claims within ten (10) days of entry of the Preliminary Approval Order, or as soon thereafter as reasonably practicable. The Notice of Settlement and/or Settlement Website shall stay online for the entirety of the claims period. The Claim Form must be mailed or submitted electronically to the Claims Administrator and postmarked first class mail no later than **June 19, 2017 (the last day of the Claims Period)**. Only Class Members who submit an online claim or mail a Claim Form to the address listed below no later than **June 19, 2017 (the last day of the Claims Period)** will be eligible to participate in the settlement. 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.hudsonjeanssettlement.com and/or www.joesjeanssettlement.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 the Claims Administrator at:

Joe’s Jean’s Current Class Actions
c/o KCC Class Action Services
P.O. Box 43472
Providence, RI 02940-3472

10. All valid and timely claims will be honored within three hundred and sixty (360) days of the expiration of the Claims Period or Effective Date (whichever occurs last). **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 first class mail no later than **June 19, 2017**, to counsel for Plaintiff and the Class and Counsel for Defendants as well as the Claims Administrator 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 *Noiman v. Hudson Clothing, LLC*, *Card v. Joe’s Jeans, Inc.*, and/or *Schulert v. Hudson Clothing, LLC*.”

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 Defendant based on the events, circumstances and/or practices alleged in the Actions.

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

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) purchased bore a “Made in the USA” label, that your decision to purchase the Product 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 at your expense 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, Defense Counsel, and Claims Administrator no later than **May 9, 2017**, at the following addresses:

Superior Court of the State of California-County of San Diego
Dept. C-65
220 W. 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

Kevin D. Rising
BARNES & THORNBURG, LLP
2029 Century Park East
Suite 300
Los Angeles, CA 90067
Tel.: 310-284-3880

Claims Administrator

Joe's Jean's Current
Class Actions
c/o KCC Class Action Services
P.O. Box 43472
Providence, RI 02940-3472

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, counsel for Defendants, and the Claims Administrator at the addresses listed above no later than **May 9, 2017**.

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 plaintiff class, and (b) whether Plaintiffs and their attorneys have fully, fairly and adequately represented the plaintiff class in the Actions and in negotiating the Proposed Settlement. The Final Approval Hearing is presently scheduled for **July 28, 2017, at 8:30 a.m.** in Department C-65 of the Superior Court of the State of California-County of San Diego, 330 W. Broadway, San Diego, CA 92101. The time and date of the approval may be changed by the court order without further notice to the class.

13. **Hearing On Class Counsel Fees and Class Representative Enhancement Fee** - The Court will/may also hold a hearing on **July 28, 2017, at 8:30 a.m.** to consider whether to award attorneys' fees and costs to Class Counsel and whether to award a class representative incentive fee to Plaintiffs. The motion shall be heard in Department C-65 of the Superior Court of the State of California-County of San Diego, 330 W. 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 above-referenced court hearing, Plaintiff shall request that the Court grant: (i) Class Counsel's attorneys' fees and reimbursement of expenses. The payment of attorneys' fees, reimbursement of actual expenses, and an award of a class representative enhancement fee (if any) to Plaintiffs will be paid by Defendants in addition to the recovery to the Settlement Class.

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 May 9, 2017**, 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 **May 9, 2017**.

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, of the Superior Court of the State of California-County of San Diego, 330 W. Broadway, San Diego, CA 92101. If you wish to obtain 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.