



and 23(b)(3) of the Federal Rules of Civil Procedure (Docket 275) on behalf of a class consisting of all Persons who purchased or otherwise acquired Tile Shop Holdings, Inc. (“Tile Shop”) common stock between August 22, 2012 and January 28, 2014, inclusive (the “Class”). For purposes of the Settlement, the Parties have agreed to exclude from the Class: (a) Defendants, their spouses, and anyone (other than a tenant or employee) sharing the household of any Defendant, (b) Fumitake Nishi, and (c) any Persons who submit valid and timely requests for exclusion pursuant to the Notice ordered by the Court; and

**WHEREAS**, the Court appointed Beaver County Employees’ Retirement Fund, Erie County Employees’ Retirement System, and Luc DeWulf (“Lead Plaintiffs”) as class representatives, and Kessler Topaz Meltzer & Check, LLP and Robbins Geller Rudman & Dowd LLP as Class Counsel; and

**WHEREAS**, on January 19, 2017, the Court entered the Order Preliminarily Approving Settlement and Providing for Notice and Settlement Hearing (“Preliminary Approval Order”), which, inter alia: (i) preliminarily approved the Settlement; (ii) approved the forms and manner of notice of the Action and Settlement to members of the Class (“Class Members”); (iii) directed that appropriate notice of the Action and Settlement be given to the Class; and (iv) set a hearing date to consider final approval of the Settlement; and

**WHEREAS**, notice of the Settlement was provided to Class Members in accordance with the Court’s Preliminary Approval Order, including by individual mailed

notice to all Class Members who could be reasonably identified and by publication of a summary notice in *The Wall Street Journal* and over a national newswire service; and

**WHEREAS**, notice of the Settlement was mailed to federal officials and state officials as described in 28 U.S.C. §1715; and

**WHEREAS**, on May 3, 2017, at 10:00 a.m., at the United States District Court for the District of Minnesota, 300 South Fourth Street, Minneapolis, Minnesota 55415, The Honorable Ann D. Montgomery held a hearing to determine whether the Settlement was fair, reasonable, and adequate to the Class (“Settlement Hearing”); and

**WHEREAS**, based on the foregoing, having considered the papers filed and proceedings held in connection with the Settlement, having considered all of the other files, records, and proceedings in the Action, and being otherwise fully advised,

**THE COURT HEREBY FINDS AND CONCLUDES** that:

A. This Court has jurisdiction over the subject matter of the Action and over all Parties to the Action, including all Class Members.

B. This Order incorporates the definitions in the Stipulation, and all terms used in this Order have the same meanings as set forth in the Stipulation, unless otherwise defined herein.

C. The Notice and Summary Notice given to the Class in accordance with the Preliminary Approval Order was the best notice practicable under the circumstances of this Action, and constituted due and sufficient notice of the proceedings and matters set forth therein, including of the Settlement, to all Persons entitled to notice. The notices

fully satisfied the requirements of due process, 15 U.S.C. §78u-4(a)(7), Rule 23 of the Federal Rules of Civil Procedure, and all other applicable law and rules.

D. The notice to federal officials and state officials, as given, complied with 28 U.S.C. §1715.

E. The Settlement set forth in the Stipulation (i) is in all respects fair, reasonable, and adequate to the Class, (ii) was the product of informed, arms'-length negotiations among competent, able counsel, and (iii) was made based upon a record that is sufficiently developed and complete to have enabled the Lead Plaintiffs and Defendants to adequately evaluate and consider their positions.

F. Lead Plaintiffs have fairly and adequately represented the interests of the Class Members in connection with the Settlement.

G. The Persons who have timely and validly requested exclusion from the Class are identified in Exhibit 1 attached hereto ("Excluded Persons").

H. Lead Plaintiffs and the Class Members, and all and each of them, are hereby bound by the terms of the Settlement set forth in the Stipulation.

I. During the course of the Action, all Parties and their respective counsel appearing herein have complied with their obligations under Rule 11(b) of the Federal Rules of Civil Procedure.

**NOW, THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED** that:

1. Pursuant to Federal Rule of Civil Procedure 23, the Court hereby approves the Settlement set forth in the Stipulation as fair, reasonable and adequate to the Class.

Accordingly, the Court authorizes and directs implementation of all terms and provisions of the Stipulation.

2. All Parties to this Action, and all Class Members, are bound by the Settlement as set forth in the Stipulation and this Order. Excluded Persons identified in Exhibit 1 are no longer parties to this Action, and are not bound by the Stipulation or the Settlement.

3. Judgment shall be, and hereby is, entered dismissing the Action with prejudice, on the merits, and without taxation of costs in favor of or against any Party.

4. Lead Plaintiffs and all Class Members are hereby conclusively deemed to have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged Tile Shop Holdings, Inc., Robert A. Rucker, The Tile Shop, Inc., Timothy C. Clayton, Peter J. Jacullo, III, JWTS, Inc., Peter H. Kamin, Todd Krasnow, Adam L. Suttin, William E. Watts, Robert W. Baird & Co. Incorporated, Citigroup Global Markets, Inc., CJS Securities, Inc., Houlihan Lokey Capital, Inc., Piper Jaffray & Co., Sidoti & Company, LLC, Telsey Advisory Group LLC, and Wedbush Securities, Inc., all and each of them, and all and each of their respective past and present parent, subsidiary, and affiliated corporations and entities, the predecessors and successors in interest of any of them, and all of their respective past and present officers, directors, employees, members, agents, partners, representatives, spouses, heirs, executors, administrators, and insurers (including the Insurers) (all of them are the “Defendants’ Released Parties”), with respect to any and all claims, actions, causes of action, rights or liabilities, whether arising out of state, federal, foreign, or common law, including

Unknown Claims, of any Lead Plaintiff or Class Member, which exist or may exist against any of the Defendants' Released Parties by reason of any matter, event, cause or thing whatsoever arising out of, relating to, or in any way connected with: (a) the purchase, acquisition, sale, or disposition of Tile Shop common stock during the Class Period; and (b) any facts, circumstances, transactions, events, occurrences, acts, omissions or failures to act that were or could have been alleged in the Action (all of the foregoing are "Released Plaintiffs' Claims").

5. Lead Plaintiffs and all Class Members are hereby barred and permanently enjoined from commencing, instituting, asserting, prosecuting, or continuing to prosecute any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Plaintiffs' Claims against any or all of the Defendants' Released Parties.

6. Defendants are hereby conclusively deemed to have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged Lead Plaintiffs and Plaintiffs' Counsel, of and from any and all claims, actions, causes of action, rights or liabilities, whether arising out of state, federal, foreign, or common law, including Unknown Claims, of any Defendant against Lead Plaintiffs or Plaintiffs' Counsel that solely arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action, except for proceedings to enforce the Settlement (all of the foregoing are "Released Defendants' Claims").

7. Defendants are hereby barred and permanently enjoined from commencing, instituting, asserting, prosecuting, or continuing to prosecute any action or proceeding in

any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Defendants' Released Claims against Lead Plaintiffs or Plaintiffs' Counsel.

8. The Court will enter separate orders ruling on the Plan of Distribution and the Fee and Expense Petition. Such rulings shall not disturb or affect this Order.

9. Except as otherwise expressly provided herein, this Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

a. shall not be offered or received against Defendants for any purpose, including without limitation as evidence of, or construed as or deemed to be evidence of, any presumption, concession or admission by any of Defendants with respect to the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that had been or could have been asserted against Defendants in the Action or in any proceeding, or of any liability, negligence, fault or wrongdoing of Defendants;

b. shall not be offered or received against Defendants for any purpose, including without limitation as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant;

c. shall not be offered or received against Defendants or against Lead Plaintiffs or any other Class Members for any purpose, including without limitation as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Parties to this Stipulation, in any other civil, criminal or administrative action

or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; *provided, however*, that if this Stipulation is approved by the Court, Defendants may refer to them to effectuate the liability protection granted them hereunder;

d. shall not be construed against Defendants, Lead Plaintiffs or any other Class Members for any purpose, including without limitation as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and/or

e. shall not be construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or other Class Members or any of them as evidence of any infirmity in their claims or that any of their claims are without merit or that damages recoverable under the Consolidated Complaint would not have exceeded the Settlement Amount.

10. The Court hereby retains and reserves jurisdiction over: (a) implementation of this Settlement and any distributions from the Settlement Fund; (b) hearing and determining applications for attorneys' fees, interest, and expenses in the Action; (c) the Action, until the Effective Date, and until each and every act agreed to be performed by the Parties has been performed pursuant to the Stipulation; and (d) all Parties, for the purpose of enforcing and administering the Stipulation and the Settlement.

11. In the event that this judgment does not become Final in accordance with ¶ IV(A)(18) of the Stipulation, and the Effective Date in accordance with ¶ IV(H)(1) of the Stipulation does not occur, then the judgment shall be rendered null and void to the extent

provided by and in accordance with the Stipulation, and this Order shall be vacated. In such event, all orders entered and releases delivered in connection with the Settlement shall be null and void, except to the extent provided by and in accordance with the Stipulation. In such event, the Action shall return to its status as of the date and time immediately prior to execution of the Stipulation.

12. There being no just reason for delay, the Clerk of Court is hereby directed to enter final judgment forthwith pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

**LET JUDGMENT BE ENTERED ACCORDINGLY.**

Date: \_\_\_\_\_, 2017.  
Minneapolis, Minnesota

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Ann D. Montgomery  
United States District Judge

US.109293371.04

**Exhibit 1**

**Persons Excluded from the Class Pursuant to Request**

1. Brian J. Cecil  
Alexandria, VA
2. Merle L. Bourn  
Leesburg, FL
3. Robert V. Robinson  
Betty S. Robinson  
Concord, NC