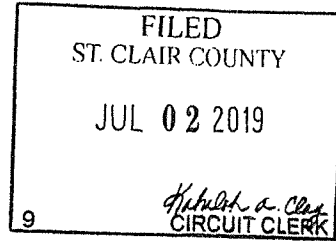


**CIRCUIT COURT FOR THE 20TH JUDICIAL CIRCUIT
COUNTY OF ST. CLAIR, STATE OF ILLINOIS**

DENISE HANSEN-MITCHELL, et al,)
 individually and on behalf of all others)
 similarly-situated,)
)
 Plaintiffs,)
 v.)
)
 WELSPUN USA, INC., WELSPUN)
 GLOBAL BRANDS LIMITED, AND)
 WELSPUN INDIA LTD.)
)
 Defendants.)

Case No. 19-L-0391



**~~PROPOSED~~ ORDER GRANTING PLAINTIFFS' UNCONTESTED MOTION FOR
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

Plaintiffs Denise Hansen-Mitchell, Austin Barnes, Charlotte LaMarca, Kim Keane, Hannah Grindel, Tim DeMoor, Megan Ratcliff, Nicole Jauer Reynolds, Patricia Campbell, Jennifer Johancen, Katherine Stuckey, Cynthia Bell, Julie George, Michelle Blair, Angela Barnes, Jennifer Dougherty, Lena May, Cheryl Karras Hulse, Dawn Snyder, Gregory Shrum, Caitlin Novak, Shannon Flinn-Lambert, Rachel Ann Adams, Sam O'Neill, Gary Snyder, Elise Aasgaard, Julieann Berg, Shannah Burton, Paulette Kremmel, Leyla Mozayen, and Emily Lane ("Plaintiffs" or "Class Representatives") have moved the Court for preliminary approval of a proposed class action settlement with Welspun USA, Inc. ("Welspun USA"), Welspun India Limited ("Welspun India"), and Welspun Global Brands Limited ("WGBL" and, together with Welspun USA and Welspun India, "Defendants"), the terms and conditions of which are set forth in the Settlement Agreement filed with the Court on May 23, 2019 (the "Settlement Agreement"), and as amended by the Supplemental Agreement filed with the Court on June 26, 2019 (the "Supplemental Agreement").

This case concerns the labeling, marketing, advertising, distribution, and selling of Welspun home textile products bearing the label in any way as “Egyptian Cotton” and “Pima Cotton” (the “Subject Products”).¹ Plaintiffs contend the Subject Products are mislabeled.

Plaintiffs contend that, by labeling and marketing the Subject Products as “Egyptian Cotton” and “Pima Cotton,” Defendants caused consumers to purchase the Subject Products instead of competing home textiles, to pay a premium for the Subject Products, and/or to pay more for the Subject Products than they otherwise would have, had the Subject Products not been labeled and marketed “Egyptian Cotton” or “Pima Cotton.” Plaintiffs seek to recover, on behalf of a class of all Persons who purchased, for non-commercial use and not for the purposes of resale, the Subject Products in the United States between January 1, 2012, and the date of this Order.

Defendants deny that there is any factual or legal basis for Plaintiffs’ allegations. Defendants contend that the labeling and marketing of the Subject Products was truthful and non-misleading, and that consumers did not pay a “premium” for the Subject Products as the result of any alleged misrepresentations. Defendants, therefore, deny all allegations of wrongdoing and any liability. They also deny that Plaintiffs or any other members of the Settlement Class have suffered injury or are entitled to monetary or other relief. Defendants finally deny that this case should be certified as a class action, except for purposes of settlement; however, in the interest of settling, Defendants do not oppose Plaintiffs’ request to certify the Settlement Class.

On December 13, 2016, all then pending actions challenging Welspun’s labeling and marketing of “Egyptian Cotton” bed linen products—*Abbott v. Welspun India LTD, et al.*, No. 16-cv-6792 (RJS), *Brower, et al. v. Welspun India LTD, et al.*, No. 16-cv-7318 (RJS), *Keep v. Welspun*

¹ This reference includes, but is not limited to, all products listed on Exhibit C to the Settlement Agreement.

India LTD, et al., No. 16-cv-9133 (RJS), *Monahan v. Wal-Mart Stores Inc.*, No. 16-cv-8662 (RJS), and *Aasgaard, et al. v. Welspun USA, Inc.*, No. 16-cv-1408 (E.D. Mo.)—were combined into a single putative class action, *In re Welspun Litigation*, Case No. 7:16-6792-VB (S.D.N.Y), in the Southern District of New York (the “SDNY Litigation”). On May 29, 2018, counsel for Plaintiff Shannah Burton filed a putative class action, *Burton v. Welspun USA, Inc., et al.*, Case No. 18-L-0374, in the Circuit Court for the 20th Judicial Circuit, Court of St. Clair, State of Illinois, raising various claims under common law and Illinois consumer protection law alleging that Welspun USA and Welspun India improperly labeled and marketed bed linen products as “Pima Cotton” or “Pure Pima Cotton.”

Shortly after Plaintiff Burton filed suit, her counsel and counsel for Welspun USA engaged in extensive arm’s-length negotiations related to a voluntary exchange of information to assess the potential for settlement through mediation for all claims surrounding Welspun’s premium cotton home textile products, including claims related to Welspun’s marketing and labeling of linen products in any way as “Pima Cotton” or “Egyptian Cotton.” Welspun USA then provided counsel for Plaintiff Burton with extensive information regarding Welspun’s cotton linen products, including the sales data within its possession regarding linen products labeled in any way as “Egyptian Cotton,” “Pima Cotton,” and “100% Cotton” (the “Sales Data”) and all document discovery that Welspun India and Welspun USA produced in the SDNY Litigation. Following this information exchange, counsel for Plaintiff Burton and counsel for Welspun USA agreed to enter into an early mediation and retained the Honorable Layn R. Phillips, Retired United States District Judge, on November 16, 2018.

To facilitate the mediation, counsel for Plaintiff Burton and counsel for Welspun USA each retained expert consultants to analyze the Sales Data and assess alleged damages. The parties exchanged opening mediation briefs on December 7, 2018 and reply briefs on December 21, 2018. The parties also engaged in multiple pre-mediation telephone conferences with staff for Judge Phillips and, at Judge Phillips' suggestion, the parties also had a telephonic conference with each other to discuss their experts' methodologies. Counsel for Plaintiff Burton and counsel for Welspun USA then engaged in mediation on January 4, 2019 before Judge Phillips, and entered into a non-binding term sheet concerning a potential settlement.

The Class Representatives have moved the Court for preliminary approval of a proposed class action settlement with Defendants, the terms and conditions of which are set forth in the Settlement Agreement filed with the Court on May 23, 2019. As noted, the Settlement was negotiated with the assistance and oversight of Judge Phillips.

On June 6, 2019, counsel for the named plaintiffs in the SDNY Litigation, Bursor & Fisher, P.A. ("B&F"), filed a motion to intervene contesting the nature of the parties' settlement process and a motion to stay this action, which the parties opposed. Following those motions, the parties and B&F engaged in extensive arms-length negotiations related to the relief provided in the Settlement Agreement.

On June 21, 2019, the parties and B&F were able to reach a global resolution of all pending and future disputes and entered into the Supplemental Agreement, which incorporates and supplements the Settlement Agreement.

The terms of the Settlement are summarized in the proposed Class Notice to Settlement Class Members, which is attached as Exhibits B1-3 to the Settlement Agreement. In brief,

Defendants have agreed to adhere to marketing reforms to ensure they will accurately market and label home textile products as “Egyptian Cotton” or “Pima Cotton.”

In addition, members of the Settlement Class may submit a claim for two categories of Subject Projects: (i) towels and pillowcases and (ii) all other products as outlined in the Supplemental Agreement:

- Tier 1. Settlement Class Members who elect to fill out the Claim Form for Tier 1 and who provide valid Proof of Purchase may recover: (i) up to a maximum of two dollars and thirty cents (\$2.30) per Subject Product for towels and pillowcases; and (ii) up to a maximum of nine dollars and twenty cents (\$9.20) per Subject Product for all other products purchased during the Class Period. There is no Household limit for Tier 1 Claims.
- Tier 2. Settlement Class Members who elect to fill out the Claim Form for Tier 2 and who do not have a valid Proof of Purchase may recover: (i) up to a maximum of one dollar and fifteen cents (\$1.15) per Subject Product for towels and pillowcases; and (ii) up to a maximum of four dollars and sixty cents (\$4.60) per Subject Product for other products purchased during the Class Period. There is a ten dollar and thirty-five cents (\$10.35) Household cap for Tier 2 Claims.
- Tier 3. All individuals who already have received a Refund and (i) for which the Settlement Administrator has a valid U.S. mailing or email address or (ii) who timely submit a Valid Claim shall receive a voucher that is good for the greater of a ten percent (10%) one-time discount or a five dollar and zero cents (\$5.00) credit on a future online purchase through one or more online outlets specified on the voucher. Vouchers will

be fully transferable but cannot be clubbed and will expire within one (1) year of issuance. Vouchers cannot be exchanged for cash.

If the total amount of all Valid Claims exceeds the Settlement Amount of thirty-six-million-dollars and zero cents (\$36,000,000.00), then the Benefit payable to each Claimant shall be proportionately reduced, such that Defendants' maximum liability for Valid Claims will not exceed the Settlement Amount in the aggregate.

As part of the Settlement Agreement and the Supplemental Agreement, Plaintiffs' attorneys intend to apply to this Court for an award from Defendants to pay their attorneys' fees, costs (including court costs), expenses, and disbursements incurred by them and their experts, staff, and consultants in connection with this action. Defendants have reserved the right to oppose or object to any Fee Award in excess of Nine Million Dollars (\$9,000,000.00). Plaintiffs' attorneys may also apply to this Court for payments from Defendants to the Class Representatives for up to \$750.00 for each Class Representative. Such amounts must be approved by the Court, and the Court will defer any ruling on the appropriateness of such awards until the Final Approval Hearing.

Having considered all matters submitted to it at the hearing on the motion and otherwise, including the complete record of this action, and good cause appearing therefore, the Court grants preliminary approval and hereby finds and concludes as follows:

1. The capitalized terms used in this Order shall have the same meaning as defined in the Settlement Agreement except as otherwise expressly provided, including without limitation in Paragraph 1 of the Supplemental Agreement.

2. The Court preliminarily approves the Settlement Agreement and the Supplemental Agreement as within the range of possible final approval and as meriting submission to the Settlement Class for its consideration. The parties' Settlement Agreement was reached as a result

of extensive arm's length negotiations between the parties and their counsel and involved a well-respected and experienced mediator. Additionally, before entering into the Settlement Agreement, Defendants produced to Plaintiffs' counsel nearly 140,000 pages of documents and millions of rows of Sales Data. Thus, Plaintiffs and their counsel had sufficient information to evaluate the strengths and weaknesses of the case and to conduct informed settlement discussions. The Supplemental Agreement was also reached as a result of extensive arm's length negotiations between the parties, their counsel, and counsel for the named plaintiffs in the SDNY Litigation.

3. For purposes of the Settlement only, the Court provisionally certifies the Settlement Class, which consists of all Persons who, between January 1, 2012 and the Effective Date of this Order, purchased any Subject Product in the United States or any of its territories through any in-store or online distributor or retailer, such purchases not made for the purpose of resale or commercial use. Specifically excluded from the Settlement Class are: (i) any Governmental Entity; (ii) subsidiaries, divisions, affiliates, officers, employees, and directors of Defendants; (iii) any assigned judges and members of their families within the first degree of consanguinity, or any member of the Court's staff; and (iv) Class Counsel.

4. The Court preliminarily finds and concludes, solely for purposes of considering this Settlement, that the requirements of 735 ILCS 5/2-807(b) are conditionally satisfied for certification of the Settlement Class to pursue claims for breach of express warranty, unjust enrichment, fraud, negligent misrepresentation, the Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301, *et seq.*, and under the consumer protection laws of the states of the United States. Solely for the purpose of considering this Settlement, the Court finds Plaintiffs have met the requirements of 735 ILCS 5/2-807(b) for the reasons set forth in Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement, as well as for the reasons that follow.

- a. The Settlement Class Members are too numerous to be joined in a single action;
- b. There are questions of fact or law common to the class, and the common questions predominate over any questions affecting only individual members;
- c. The Class Representatives are typical of consumers around the country in that they were all exposed to identical Subject Product labels, which are alleged to have been false and deceptive for identical reasons, and, thus, their claims for breach of express warranty, unjust enrichment, fraud, negligent misrepresentation, the Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301, *et seq.*, and violations of consumer protection statutes all states in the United States are such that they will fairly and adequately protect the interests of the class; and
- d. A settlement class is an appropriate method for fairly and efficiently adjudicating the controversy and is superior to alternative means of resolving the claims and disputes at issue in this litigation.

5. The Court further notes that Plaintiffs filed a lawsuit seeking a nationwide class; that Defendants do not oppose Plaintiffs' request to certify a nationwide Settlement Class for the purpose of this Settlement; and that, in the event final approval of the Settlement Agreement and the Supplemental Agreement is denied, or a mandate is issued reversing an award of final approval, or the Settlement Agreement and the Supplemental Agreement are otherwise terminated, the certification of the Settlement Class will be void; and that, in such event, Defendants do not waive, and instead expressly reserve, all rights to defend this Action and shall not be precluded from

challenging class certification in further proceedings in the Action or in any other action.

6. The Court conditionally designates the law firms of Steckler Gresham Cochran PLLC; Nelson & Nelson, Attorneys at Law, P.C.; and Armstrong Law Firm LLC as Class Counsel and Denise Hansen-Mitchell, Austin Barnes, Charlotte LaMarca, Kim Keane, Hannah Grindel, Tim DeMoor, Megan Ratcliff, Nicole Jauer Reynolds, Patricia Campbell, Jennifer Johancen, Katherine Stuckey, Cynthia Bell, Julie George, Michelle Blair, Angela Barnes, Jennifer Dougherty, Lena May, Cheryl Karras Hulse, Dawn Snyder, Gregory Shrum, Caitlin Novak, Shannon Flinn-Lambert, Rachel Ann Adams, Sam O'Neill, Gary Snyder, Elise Aasgaard, Julieann Berg, Shannah Burton, Paulette Kremmel, Leyla Mozayen, and Emily Lane as Class Representatives for purposes of this Settlement. The Court preliminarily finds that the Class Representatives and Class Counsel fairly and adequately represent and protect the interests of the absent Settlement Class Members. The Court designates, and approves, Heffler Claims Group to serve as Settlement Administrator.

7. Because the Settlement Agreement and the Supplemental Agreement are within the range of reasonableness and possible final approval, notice shall be provided to the Settlement Class as described in Section V of the Settlement Agreement.

- a. The Media Plan consists of the notice plan, in substantially the form attached thereto as Exhibit B2 of the Settlement Agreement, developed by the Settlement Administrator to notify the Settlement Class of the Settlement Notice and to command the Class Members' attention about their rights under the Settlement. If the Defendants have consumer contact information through Defendants' customer service line and/or database, Defendants will provide direct notice to said consumers.

- b. At least ten (10) business days prior to the Notice Date, the Settlement Administrator will establish the Settlement Website, which shall contain the Settlement Notice in both downloadable PDF format and HTML format with a clickable table of contents; answers to frequently asked questions; a contact information page that includes the address for the Settlement Administrator and addresses and telephone numbers for Class Counsel and Defendants' counsel; the Settlement Agreement; the signed Preliminary Approval Order and publicly filed motion papers and accompanying papers; and a downloadable and online version of the Claim Form. The Settlement Administrator shall add to the Settlement Website all other material filings by the parties or the Court regarding the Settlement, including Plaintiffs' application for attorneys' fees, costs, expenses, and/or payments to the Class Representatives, the motion for final approval, and any orders with respect to such applications and motions.
- c. The Settlement Administrator shall initiate the process of providing the online notices on websites as set forth in the Media Plan, so that overall notice of the Settlement (including the Publication Notice) is reasonably calculated to apprise the Settlement Class Members of the Settlement.
- d. The Settlement Administrator shall issue the Publication Notice as a press release, as further described in the Media Plan.
- e. The Settlement Administrator also will receive and process Claim Forms. Defendants alone will pay the notice and administration costs associated with the Settlement.

8. Prior to the Final Approval Hearing, the following deadlines shall apply:

Notice Date Commencement	30 days after Preliminary Approval Order
Claim Form Period	Commences 30 days before Final Approval Hearing and concludes 30 days after Final Approval Hearing
Claim Form Deadline	30 days after Final Approval Hearing
Opt-Out Deadline	30 days after the Final Publication Date
Objection Deadline	30 days after the Final Publication Date

9. A Final Approval Hearing shall be held before this Court at _____ []m. on [], 2019, in the 20th Judicial Circuit, Court of St. Clair, State of Illinois, to address: (i) whether the proposed Settlement should be finally approved as fair, reasonable, adequate, and equitable, and whether the Final Approval Order should be entered, and (ii) whether Class Counsel's application for attorneys' fees, costs, and a payment to the Class Representatives should be approved.

10. Pending the Court's issuance of a Final Approval Order, the Court hereby stays all proceedings in this case, other than those proceedings necessary to carry out or enforce the terms and conditions of the Settlement Agreement and the Supplemental Agreement.

11. The Court approves, as to form and content, the Claim Form and Notices that are substantially similar to the forms attached as Exhibits A and B1-3 to the Settlement Agreement. The Claim Form and all the Notices are written in plain English and are easy to comprehend. The Parties shall have discretion to jointly make non-material minor revisions to the Claim Form and Notices before publishing. Responsibility for settlement administration, including, but not limited to, notice and related procedures, shall be performed by the Settlement Administrator, subject to the oversight of the Parties and this Court as described in the Settlement Agreement.

12. The Court finds that the Parties' plan for providing notice to the Settlement Class is reasonably calculated to provide notice to the Settlement Class of the pendency of the Action, certification of the Settlement Class, the terms of the Settlement Agreement, and the Final Approval Hearing, and complies fully with the requirements of due process, 735 ILCS 5/2-803, and any other applicable law. The Parties and the Settlement Administrator shall comply with the notice plan as set forth in the Settlement Agreement.

13. No later than five (5) days before the Final Approval Hearing, the Settlement Administrator shall prepare and deliver to the Parties a list of the names of the Persons who, pursuant to the Class Notice, described herein, have excluded themselves from the Settlement Class in a valid and timely manner. Plaintiffs' counsel shall file that list with the Court. The Court retains jurisdiction to resolve any disputed exclusion requests.

14. Any member of the Settlement Class who elects to be excluded shall not receive any benefits of the Settlement, shall not be bound by the terms of the Settlement Agreement and the Supplemental Agreement, and shall have no standing to object to the Settlement or intervene in the Action. If the Settlement is granted final approval, all Settlement Class Members who do not timely submit a valid request for exclusion will be bound by the Final Approval Order and final judgment and enjoined from bringing or prosecuting any action relating to the Released Claims, including claims related to the sell-through of existing stock, as defined in the Settlement Agreement.

15. Any Settlement Class Member who does not submit a valid and timely request for exclusion may submit an objection to the Settlement Agreement and the Supplemental Agreement. The written objection must satisfy the requirement described in the Settlement Notice. An objection must be electronically filed or postmarked no later than thirty (30) days after the Final

Publication Date or it will be rejected.

16. Any Settlement Class Member shall have the right to appear and be heard at the Final Approval Hearing, either personally or through an attorney retained at the Settlement Class Member's own expense. However, if the Settlement Class Member wishes to object to the Settlement at the Final Approval Hearing (either personally or through counsel), the Settlement Class Member must submit a written objection as set forth in the prior paragraph of this Order.

17. Plaintiffs shall file their motion for final approval and class representative payments no later than fourteen (14) days prior to the Final Approval Hearing and their motion for an award of attorneys' fees, costs, and expenses no later than fourteen (14) days prior to the Final Approval Hearing. Those motions and all supporting documentation shall simultaneously be posted to the Settlement Website.

18. In the event that the proposed Settlement is not finally approved by the Court, or in the event that the Settlement Agreement or the Supplemental Agreement becomes null and void pursuant to its terms, this Preliminary Approval Order and all orders entered in connection herewith (including any order amending the petition) shall become null and void, shall be of no further force and effect, and shall not be used or referred to for any purposes whatsoever in this Action or in any other case or controversy; in such event the Settlement Agreement and the Supplemental Agreement and all negotiations and proceedings directly related thereto shall be deemed to be without prejudice to the rights of any and all of the Parties, who shall be restored to their respective positions as of the date and time immediately preceding the execution of the Settlement Agreement.

19. This Order shall not be construed as, offered in evidence as, and/or deemed to be evidence of a presumption, concession, or an admission by Defendants of the truth of any

