

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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In re LIGHTINTHEBOX HOLDING CO., LTD.,
SECURITIES LITIGATION

Case No.: 13-cv-6016(VEC)

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**[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT
AND PROVIDING FOR NOTICE OF PROPOSED SETTLEMENT**

WHEREAS a consolidated class action is pending before the Court entitled *In re LightInTheBox Holding Co., Ltd., Securities Litigation*, No. 13-cv-6016 (VEC) (S.D.N.Y.) (the “Action”);

WHEREAS the Court has reviewed the Stipulation of Settlement dated as of September 4, 2014 (the “Stipulation”), Dkt. 71 Ex. A, which has been entered into by the Lead Plaintiff (on behalf of the Settlement Class) and Lightinthebox Holding Co, Ltd. (“LITB”) (collectively, the “Settling Parties”);

WHEREAS the Stipulation, together with the exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement and dismissal of the Action with prejudice (the “Settlement”);

WHEREAS the Settling Parties have made an application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the Settlement, and the Court having read and considered the Stipulation, the exhibits annexed thereto, and submissions made relating to the Settlement;

WHEREAS Lead Plaintiff submitted a Supplemental Memorandum of Law providing additional information regarding the procedural and substantive fairness of the proposed terms of the Settlement on October 4, 2014;

WHEREAS the Settling Parties have consented to the entry of this Order; and

WHEREAS all capitalized and defined terms contained herein shall have the same meaning as set forth in the Stipulation;

IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.
2. Pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the Action is hereby preliminarily certified as a class action on behalf of all Persons (“Settlement Class Members”) who purchased or otherwise acquired American Depository Shares (“ADSs”) of LITB between June 6, 2013 and August 19, 2013, inclusive of those dates, excluding (i) Persons who timely and validly request exclusion from the Settlement Class pursuant to paragraph 15, *infra*; and (ii) Defendants and any entity in which Defendants have a controlling interest, as well as the officers, directors, affiliates, legal representatives, immediate family members, heirs, successors, subsidiaries and/or assigns of any Defendant in their capacity as such.
3. The Court finds, preliminarily and for purposes of this Settlement only, that the prerequisites for a class action under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all members of the Settlement Class is impracticable; (b) there are questions of law or fact common to the Settlement Class Members that predominate over any

individual questions; (c) the claims of Lead Plaintiff are typical of the claims of the Settlement Class he seeks to represent; (d) Lead Plaintiff fairly and adequately represents the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, preliminarily and for the purposes of this Settlement only, Lead Plaintiff is appointed as the class representative on behalf of the Settlement Class, and The Rosen Law Firm, P.A. is hereby appointed Counsel for the Settlement Class (“Plaintiffs’ Counsel”). Plaintiffs’ Counsel have the authority to enter into the Stipulation on behalf of the Settlement Class and are authorized to act on behalf of the Settlement Class with respect to all acts or consents required by or that may be given pursuant to the Settlement.

5. The Court finds that: (a) the Stipulation resulted from good faith, arm’s-length negotiations; and (b) the Stipulation is sufficiently fair, reasonable and adequate to the Settlement Class Members to warrant a hearing to determine the ultimate fairness of the Settlement upon further development of the record, including any objections from class members.

6. The Settlement Hearing shall be held before the Honorable Valerie Caproni on March 25, 2015 (110 or more days after the date of this Order), at 11:00 a.m. in Courtroom 443 of the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York 10007, to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the Settlement Class and should be approved by the Court; whether a Final Judgment and Order of Dismissal with Prejudice (“Final Judgment”) as provided

in Exhibit B to the Stipulation should be entered herein; whether the proposed Plan of Allocation should be approved; to determine the amount of fees and expenses that should be awarded to Plaintiffs' Counsel; and to rule upon such other matters as the Court may deem appropriate. The Court may adjourn the Settlement Hearing without further notice to Settlement Class Members.

7. The Court approves, as to form and content, the revised Notice of Proposed Settlement of Class Action and Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Expenses (the "Notice"), Dkt. 78 Ex. A-1, the Proof of Claim and Release form (the "Proof of Claim"), Dkt. 78 Ex. A-2, and the Summary Notice ("Summary Notice"), Dkt. 78 Ex. A-3, filed on November 21, 2014.

8. The Court appoints Strategic Claims Services as the Claims Administrator to supervise and administer the notice procedure as well as the processing of claims, as follows:

(a) Not later than seven (7) days after the date of this Order, LITB shall provide to Lead Plaintiff a list of the record owners of LITB ADSs during the Class Period from the Company's transfer agent, Bank of New York, in electronic format. Lead Plaintiff agrees that this information will be kept confidential and not used for any purpose other than to provide the Notice contemplated by this Order.

(b) Not later than eighteen (18) days after the date of this Order (the "Notice Date"), the Claims Administrator shall cause a copy of the Notice and the Proof of Claim, substantially in the forms annexed as Exhibits A-1 and A-2 to ECF Docket Entry 78 of this Action, to be mailed by first class mail to all record owners of LITB ADSs identified pursuant to paragraph ¶ 8(a).

(c) Not later than twenty-five (25) days after the date of this Order, the Claims Administrator shall cause the Summary Notice to be published once in *Investor's Business Daily* and to be transmitted over *GlobeNewsWire*.

9. Record owners who are nominees or custodians who held ADSs during the Class Period for the benefit of any Settlement Class Member shall, within ten (10) days of receipt of the Notice and Proof of Claim as provided in ¶ 8(b) hereof, either (i) request additional copies of the Notice and Proof of Claim sufficient to send the Notice and Proof of Claim to all beneficial owners for whom they are nominee or custodian and within ten (10) days after receipt thereof send copies to such beneficial owners; or (ii) provide a list of the names, addresses and email addresses of such beneficial owners to the Claims Administrator, in which event the Claims Administrator shall promptly deliver the Notice and Proof of Claim to such beneficial owners. Nominees who elect to send the Notice and Proof of Claim to beneficial owners shall send a statement certification to the Claims Administrator confirming that the mailing has been made as directed. The Claims Administrator shall, if requested, reimburse banks, brokerage houses or other nominees or custodians out of the Settlement Fund solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners, which expenses would not have been incurred except for the sending of such Notice, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

10. Not later than eighteen (18) days after the date of this Order, the Claims Administrator shall cause the Stipulation and its exhibits, this Preliminary Approval Order, and a copy of the Notice to be posted on the Claims Administrator's website.

11. Not later than thirty five (35) days prior to the Settlement Hearing, Plaintiffs' Counsel shall cause to be filed with the Court proof, by affidavit or declaration, of the mailing and publishing required by this Order.

12. The forms and methods set forth herein of notifying Settlement Class Members of the Settlement and its terms and conditions meet the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Exchange Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constitute the best notice practicable under the circumstances; and constitute due and sufficient notice to all Persons entitled thereto.

13. All Settlement Class Members shall be bound by all determinations and judgments in this Action concerning the Settlement, unless such Persons request exclusion from the Settlement Class in a timely and proper manner.

14. Any Person falling within the definition of the Settlement Class may, upon request, be excluded from the Settlement Class. Any request for exclusion must be in the form of a written, signed statement (the "Request for Exclusion") and mailed to the Claims Administrator at the address designated in the Notice on or before February 25, 2015 (28 calendar days prior to the Settlement Hearing) (the "Exclusion Deadline").

15. In order to be valid, a Request for Exclusion must (A) state the name, address, email address and telephone number of the Person seeking exclusion; (B) state that the sender "requests exclusion from the Settlement Class in *In re LightInTheBox Holding Co., Ltd., Securities Litigation*, No. 13-cv-6016 (VEC) (S.D.N.Y.)"; (C) state (i) the date(s), number and dollar amount of ADSs purchased and of any sale transactions during the Class Period and (ii) the number of ADSs held by that Person as of August 19, 2013; and (D) include documentary

proof (i) of all purchases or obtainments of the claimed ADSs, and (ii) that the Person is the beneficial owner of the ADSs. Any such Request for Exclusion must be signed and submitted by the beneficial owner.

16. A Request for Exclusion shall not be valid or effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. The Claims Administrator shall provide all Requests for Exclusion and supporting documentation submitted therewith (including untimely requests) to counsel for the Settling Parties as soon as possible and no later than the Exclusion Deadline or upon the receipt thereof (if later than the Exclusion Deadline). The Settlement Class will not include any Person who delivers a valid and timely Request for Exclusion.

17. Any Settlement Class Member who submits a Request for Exclusion shall not be deemed to have submitted to the jurisdiction of any Court in the United States for any matter on account of such submission, and any Settlement Class Member who submits a Proof of Claim thereby submits to the jurisdiction of this Court with respect only to the subject matter of such Proof of Claim and all determinations made by this Court thereon and shall not be deemed to have submitted to the jurisdiction of this Court or of any court in the United States for any other matter on account of such submission.

18. Any Person that submits a Request for Exclusion may thereafter submit to the Claims Administrator a written revocation of that Request for Exclusion, provided that it is received no later than two business days before the Settlement Hearing, in which event that Person will be included in the Settlement Class.

19. All Persons who submit a valid, timely and unrevoked Request for Exclusion will be forever barred from receiving any payments pursuant to the Settlement.

20. Any Settlement Class Member who wishes to share in the distribution of the proceeds of the Settlement shall complete and submit a Proof of Claim form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim forms must be received by the Claims Administrator no later than February 25, 2015 (twenty eight (28) days prior to the Settlement Hearing). Any Settlement Class Member who does not submit a Proof of Claim and the information and documentation required therein within the time allowed shall be barred from sharing in the distribution of the proceeds of the Settlement, unless otherwise ordered by the Court.

21. Except where a Settlement Class Member who submits a Request for Exclusion commences or otherwise prosecutes or pursues a Released Claim against a Released Party, all information submitted by a Settlement Class Member in a Request for Exclusion or a Proof of Claim shall be treated as confidential protected information and may not be disclosed by the Claims Administrator, its affiliates or the Settling Parties to any third party absent a further order of this Court upon a showing of necessity, and any such information that is submitted to the Court shall be filed under seal.

22. Any Settlement Class Member may enter an appearance in the Action, at their own expense, individually or through counsel of their own choice, in which case such counsel must file with the Clerk of the Court a notice of such appearance. Absent entry of a notice of appearance by the Settlement Class Member's separate counsel, Settlement Class Members will be represented by Plaintiffs' Counsel, except that a Settlement Class Member may represent himself or herself with regards to any objection to the terms of the proposed Settlement or attorneys' fees.

23. Any Settlement Class Member may appear at the Settlement Hearing and show cause why the proposed Settlement should or should not be approved as fair, reasonable and adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, or why attorneys' fees and reimbursement of expenses should or should not be awarded to Plaintiffs' Counsel in the amount Plaintiffs' Counsel requests.

24. No Settlement Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or any other order relating thereto, unless that Person has filed appropriate objections, affidavits and briefs with the Clerk of the United States District Court for the Southern District of New York, on or before the Exclusion Deadline and delivered copies of any such papers to counsel identified in the Notice on or before such date. To be valid, an objection must indicate the case name and also include the following information: (1) name, address, telephone number of the Class Member; (2) all grounds for the objection, including any legal support known to the Class Member or his or her counsel; (3) the name, address, and telephone number of all counsel who represent the Class Member, including former or current counsel who may be entitled to compensation in connection with the objection; (4) a statement indicating whether the Class Member or his or her counsel plans to appear at the Settlement Hearing; (5) the name, address, and telephone number of any counsel that will appear at the Settlement Hearing; (6) the number of times the Class Member has filed an objection in the previous five years and the nature of each objection to each case in which Class Member filed an objection in the previous five years; and (7) the identity of any witnesses the Class Member may call to testify and any exhibits the intending to be introduced into evidence at the Settlement Hearing. Any Settlement Class Member who does not make an

objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any such objection, unless otherwise ordered by the Court.

25. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed or returned pursuant to the Stipulation and Plan of Allocation and/or further order(s) of the Court.

26. All papers in support of the Settlement, the Plan of Allocation, and the application for attorneys' fees or expenses, shall be filed and served not later than thirty five (35) days prior to the Settlement Hearing. Any reply papers shall be filed and served no later than seven (7) days prior to the Settlement Hearing.

27. No later than seven (7) days prior to the Settlement Hearing, the Settling Parties shall file joint letter to the Court indicating: (1) the total number of ADSs affected by the proposed Settlement (or, if indefinable, an estimate based on trading volume during the Class Period); (2) the number of Class Members who filed claims; (3) the number of Class Members who filed requests for exclusion; (4) the number of ADSs represented by the filed claims, (5) the number of ADSs represented by the excluded claims; (6) the percent of the total number of potential ADSs represented in the final settlement; and (7) the average settlement award per ADS as a dollar value and as a percent of the ADSs value.

28. LITB, its counsel and the Released Parties shall have no responsibility for or liability with respect to the Plan of Allocation or any application for attorneys' fees or expenses submitted by Plaintiffs' Counsel or the Lead Plaintiff.

29. All reasonable expenses incurred in identifying and notifying Settlement Class Members, as well as in administering the Settlement, including payment of any taxes, shall be

paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiff nor Plaintiffs' Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Settlement Fund to pay for such expenses.

30. Neither the Stipulation, 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 LITB or any of the Released Parties of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an admission or concession that the Lead Plaintiff or any Settlement Class Members have suffered any damages, harm, or loss. Further, neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, nor this Order shall be construed as an admission or concession by the Lead Plaintiff of the validity of any factual or legal defense or of any infirmity in any of the claims or facts alleged in this Action.

31. The Settling Parties may elect to terminate the Settlement only as provided in the Stipulation. In such event, or in the event the Settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, then the Stipulation and this Order (including any amendment(s) thereof, and except as expressly provided in the Stipulation or by order of the Court) shall be rendered null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence or used in any action or proceeding by any Person against the Settling Parties or the Released Parties, and each shall be restored to his, her or its respective litigation positions as they existed prior to the execution of the Stipulation. Notwithstanding the foregoing, if the Effective

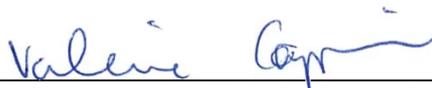
Date does not occur as a result of LITB failing to pay the Settlement Amount, Lead Plaintiff shall have the right (and LITB shall not have the right) to terminate or to enforce the terms of the Settlement and this Stipulation in accordance with paragraph 10.2 of the Stipulation.

32. Pending final determination of whether the Settlement should be approved or upon further order of the Court, the Court hereby stays all litigation of claims and related discovery in the Action between the Lead Plaintiff and Settlement Class Members on one hand and Defendants on the other, except as provided in the Stipulation and as necessary to carry out or comply with the terms and conditions of the Stipulation.

33. The Court reserves the right to consider all further applications arising out of or connected with the Stipulation. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, without further notice to the Settlement Class, where to do so would not impair Settlement Class Members' rights in a manner inconsistent with Rule 23 and due process of law.

IT IS SO ORDERED.

DATED: November 26, 2014



The Honorable Valerie Caproni
United States District Judge