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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

GEORGE BARNEY, Individually and
on behalf of all others similarly
situated,

Plaintiff,

v.

NOVA LIFESTYLE, INC., THANH
H. LAM, YA MING WONG,
JEFFERY CHUANG, and YUEN
CHING HO,

Defendants.

No. 2:18-cv-10725-TJH(AFMx)

CLASS ACTION

**ORDER GRANTING
MOTION FOR
PRELIMINARY APPROVAL
OF CLASS ACTION
SETTLEMENT [87]**

Hon. Terry J. Hatter, Jr.

[NOTE CHANGES MADE BY COURT]

1 WHEREAS, Lead Plaintiffs Richard Deutner and ITENT EDV
2 Dienstleistungs GmbH (“Plaintiffs”), on behalf of themselves and the Settlement
3 Class, and Defendants Nova LifeStyle, Inc. (“Nova” or the “Company”), Thanh
4 H. Lam, and Jeffrey Chuang (“Settling Defendants” and with Plaintiffs, the
5 “Parties”) have entered into the Renewed Stipulation of Settlement, dated March
6 24, 2023 (the “Stipulation”), which is subject to review under Rule 23 of the
7 Federal Rules of Civil Procedure, and which, together with the exhibits annexed
8 thereto, sets forth the terms and conditions for the proposed settlement and
9 dismissal with prejudice of the securities class action pending before the Court
10 titled *George Barney v. Nova Lifestyle, Inc., et al.*, Case No. 2:18-cv-10725-
11 TJH(AFMx) (the “Action”); and the Court having read and considered the
12 Stipulation and the exhibits thereto and submissions made relating thereto, and
13 finding that substantial and sufficient grounds exist for entering this Order; and
14 the Parties having consented to the entry of this Order;

15 NOW, THEREFORE, IT IS HEREBY ORDERED, this 10th day of
16 JULY, 2023, that:

17 1. Capitalized terms used herein have the meanings defined in the
18 Stipulation.

19 2. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil
20 Procedure and for the purposes of the Settlement only, the Action is hereby
21 preliminarily certified as a class action on behalf of all persons or entities that
22 purchased publicly traded Nova common stock during the period from December
23 3, 2015 through December 20, 2018, both dates inclusive, and were damaged
24 thereby. Excluded from the Settlement Class are: Defendants; the officers,
25 directors, and affiliates of Nova, at all relevant times; Nova’s employee retirement
26 or benefit plan(s) and their participants or beneficiaries to the extent they
27 purchased or acquired Nova stock through any such plan(s); any entity in which

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1 Defendants have or had controlling interest; immediate family members of any
2 excluded person; and the legal representatives, heirs, successors, or assigns of any
3 excluded person or entity. Also excluded from the Settlement Class are those
4 persons who file valid and timely requests for exclusion in accordance with this
5 Order.

6 3. This Court finds, preliminarily and for purposes of the Settlement of
7 the Action only, that the prerequisites for a class action under Rules 23(a) and
8 (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the
9 number of Settlement Class Members is so numerous that joinder of all members
10 of the Settlement Class is impracticable; (b) there are questions of law and fact
11 common to the Settlement Class; (c) Plaintiffs' claims are typical of the claims of
12 the Settlement Class they seek to represent; (d) Plaintiffs fairly and adequately
13 represent the interests of the Settlement Class; (e) questions of law and fact
14 common to the Settlement Class predominate over any questions affecting only
15 individual members of the Settlement Class; and (f) a class action is superior to
16 other available methods for the fair and efficient adjudication of the Action.

17 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure,
18 preliminarily and for the purposes of the Settlement of the Action only, Plaintiffs
19 are certified as class representatives on behalf of the Settlement Class ("Class
20 Representatives") and Lead Counsel, selected by Plaintiffs and previously
21 appointed by the Court, is hereby appointed as Class Counsel for the Settlement
22 Class ("Class Counsel").

23 5. The Court finds that (a) the Settlement memorialized in the
24 Stipulation resulted from good faith, arm's length negotiations, and (b) the
25 Settlement memorialized in the Stipulation is sufficiently fair, reasonable and
26 adequate to the Settlement Class Members to warrant providing notice of the
27 Settlement to Settlement Class Members and holding a Settlement Hearing.

1 6. The Court hereby preliminarily approves the Settlement, subject to
2 further consideration at a hearing (the “Settlement Hearing”) pursuant to Federal
3 Rules of Civil Procedure 23(e), which will be set after giving notice to the class
4 members of the proposed settlement and giving them an opportunity to object to
5 it for the following purposes

6 (a) to determine finally whether the applicable prerequisites for
7 class action treatment of the Action under Federal Rules of Civil Procedure 23(a)
8 and (b) are satisfied;

9 (b) to determine finally whether the Settlement is fair, reasonable,
10 and adequate, and should be approved by the Court;

11 (c) to determine finally whether the Judgment, substantially in the
12 form of Exhibit B to the Stipulation, should be entered, dismissing the Action on
13 the merits and with prejudice, and to determine whether the release by the
14 Releasing Parties of the Released Claims against the Released Parties, as set forth
15 in the Stipulation, should be ordered, along with a permanent injunction barring
16 efforts to prosecute or attempt to prosecute any Released Claims extinguished by
17 the release against any of the Released Parties, as also set forth in the Stipulation;

18 (d) to determine finally whether the proposed Plan of Allocation
19 for the distribution of the Net Settlement Fund is fair and reasonable and should
20 be approved by the Court;

21 (e) to consider the applications of Class Counsel for awards of
22 attorneys’ fees with interest and expenses to Class Counsel and award to the Class
23 Representatives;

24 (f) to consider Settlement Class Members’ objections to the
25 Settlement, if any, whether submitted previously in writing or presented orally at
26 the Settlement Hearing by Settlement Class Members (or by counsel on their
27 behalf), provided that they give proper notice that they intend to appear at the
28 Settlement Hearing; and

1 (g) to rule upon such other matters as the Court may deem
2 appropriate.

3 7. The Court reserves the right to adjourn the Settlement Hearing to a
4 later date and to approve the Settlement without modification, or with such
5 modifications as may be agreed to by the Parties, and with or without further
6 notice of any kind. The Court may decide to hold the Settlement Hearing
7 telephonically or by other virtual means without further notice. The Court further
8 reserves the right to enter its Judgment approving the Settlement and dismissing
9 the Action, on the merits and with prejudice, regardless of whether it has approved
10 the Plan of Allocation or awarded attorneys' fees and expenses.

11 8. The Court approves the form, substance and requirements of (a) the
12 Notice of Pendency and Proposed Settlement of Securities Class Action ("Long
13 Notice"), (b) the Summary Notice of Pendency and Proposed Securities Class
14 Action Settlement ("Summary Notice"), (c) the Postcard Notice, and (d) the Proof
15 of Claim and Release Form ("Proof of Claim"), all of which are exhibits to the
16 Stipulation.

17 9. Class Counsel has the authority to enter into the Settlement on behalf
18 of the Settlement Class and has the authority to act on behalf of the Settlement
19 Class with respect to all acts or consents required by or that may be given
20 pursuant to the Stipulation or such other acts that are reasonably necessary to
21 consummate the Settlement.

22 10. Strategic Claims Services is appointed and approved as the Claims
23 Administrator to supervise and administer the notice procedure as well as the
24 processing of claims.

25 11. The Escrow Agent may, at any time after entry of this Order and
26 without further approval from Settling Defendants or the Court, disburse at the
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1 direction of Class Counsel up to \$95,000 (Ninety-Five Thousand Dollars) from
2 the Settlement Fund prior to the Effective Date to pay Administrative Costs.

3 12. No later than seven (7) calendar days after the date of entry of this
4 Order, Nova, at no cost to Plaintiffs or Lead Counsel, shall provide and/or cause
5 Nova's transfer agent to provide to Lead Counsel a list of the names and last
6 known mailing addresses of the record owners of Nova's common stock during
7 the Settlement Class Period in a usable electronic format (to the extent available),
8 such as an Excel spreadsheet ("Settlement Class Information"). If in the transfer
9 agent's possession, the Settlement Class Information should include email
10 addresses of record owners of Nova's common stock in the Settlement Class. Any
11 information provided to Lead Counsel by the Company pursuant to this paragraph
12 shall be treated as confidential and shall be used by Lead Counsel and the Claims
13 Administrator solely to disseminate notice, apprise Settlement Class Members of
14 the Settlement, and/or implement the Settlement and no other purpose.

15 13. Within sixteen (16) calendar days of the entry of this Order, Class
16 Counsel, through the Claims Administrator, shall either: (a) email links to the
17 webpage hosting the Long Notice and Proof of Claim to Settlement Class
18 Members for whom the Claims Administrator is able to obtain email addresses,
19 substantially in the form annexed to the Stipulation as Exhibit A-1 and Exhibit A-
20 2; or (b) cause the Postcard Notice, substantially in the form annexed to the
21 Stipulation as Exhibit A-4, if no electronic mail address can be obtained, mailed,
22 by first class mail, postage prepaid, to Settlement Class Members who can be
23 identified with reasonable effort by Class Counsel, through the Claims
24 Administrator.

25 14. Class Counsel, through the Claims Administrator, shall make all
26 reasonable efforts to give notice to nominees or custodians who held Nova
27 common stock during the Settlement Class Period as record owners but not as
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1 beneficial owners. Such nominees or custodians shall, within ten (10) calendar
2 days of receipt of the notice, either: (i) request copies of the Postcard Notice
3 sufficient to send the Postcard Notice to all beneficial owners for whom they are
4 nominee or custodian, and within ten (10) calendar days after receipt thereof send
5 copies to such beneficial owners; (ii) request and email links to the webpage
6 hosting the Long Notice and Proof of Claim to each beneficial owner for whom
7 they are nominee or custodian within ten (10) calendar days after receipt thereof;
8 or (iii) provide the Claims Administrator with lists of the names, last known
9 addresses and email addresses (to the extent known) of such beneficial owners, in
10 which event the Claims Administrator shall promptly deliver the Postcard Notice
11 to such beneficial owners. If the Claims Administrator receives an email address,
12 it will send an email with a link to the webpage hosting the Long Notice and Proof
13 of Claim. Nominees or custodians who elect to email or send the Postcard Notice
14 to their beneficial owners shall send a written certification to the Claims
15 Administrator confirming that the mailing or emailing has been made as directed.
16 Copies of the Postcard Notice shall be made available to any nominee or
17 custodian requesting same for the purpose of distribution to beneficial owners.
18 The Claims Administrator shall, if requested, reimburse nominees or custodians
19 out of the Settlement Fund solely for their reasonable out-of-pocket expenses,
20 incurred in providing notice to beneficial owners, which expenses would not have
21 been incurred except for the providing names and addresses, of up to \$0.05 per
22 name, address, and email address provided to the Claims Administrator; up to
23 \$0.05 per unit for each Postcard Notice actually mailed, plus postage at the pre-
24 sort rate used by the Claims Administrator; or up to \$0.05 per email notice sent,
25 and subject to further order of this Court with respect to any dispute concerning
26 such reimbursement.

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1 (a) A properly completed and executed Proof of Claim must be
2 submitted to the Claims Administrator either: (a) electronically through the
3 Claims Administrator’s website, www.strategicclaims.net/Nova by 11:59 p.m.
4 EST at the Post Office Box indicated in the Notice, postmarked no later
5 than (thirty (30) calendar days prior to the Settlement Hearing). Such deadline
6 may be further extended by Order of the Court. Each Proof of Claim shall be
7 deemed to have been submitted when: (a) the claim receives a confirmation notice
8 from Strategic Claims Services for electronic submissions; or (b) legibly
9 postmarked (if properly addressed and mailed by first class mail) provided
10 such Proof of Claim is actually received before the filing of a motion for an
11 Order of the Court approving distribution of the Net Settlement Fund. Any Proof
12 of Claim submitted in any other manner shall be deemed to have been submitted
13 when it was actually received by the Claims Administrator at the address
14 designated in the Notice.

15 (b) The Proof of Claim submitted by each Settlement Class
16 Member must satisfy the following conditions: (i) it must be properly completed,
17 signed, and submitted in a timely manner in accordance with the provisions of the
18 preceding subparagraph; (ii) it must be accompanied by adequate supporting
19 documentation for the transactions reported therein, in the form of broker
20 confirmation slips, broker account statements, an authorized statement from the
21 broker containing the transactional information found in a broker confirmation
22 slip, or such other documentation as is deemed adequate by the Claims
23 Administrator or Class Counsel; (iii) if the person executing the Proof of Claim is
24 acting in a representative capacity, a certification of their current authority to act
25 on behalf of the Settlement Class Member must be provided with the Proof of
26 Claim; and (iv) the Proof of Claim must be complete and contain no material

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1 deletions or modifications of any of the printed matter contained therein and must
2 be signed under penalty of perjury.

3 (c) Once the Claims Administrator has considered a timely
4 submitted Proof of Claim, it shall determine whether such claim is valid, deficient
5 or rejected. For each claim determined to be either deficient or rejected, the
6 Claims Administrator shall send a deficiency letter or rejection letter as
7 appropriate, describing the basis on which the claim was so determined. Persons
8 who timely submit a Proof of Claim that is deficient or otherwise rejected shall be
9 afforded a reasonable time (at least ten (10) calendar days) to cure such
10 deficiency, if it shall appear that such deficiency may be cured. If any Claimant
11 whose claim has been rejected in whole or in part wishes to contest such rejection,
12 the Claimant must, within ten (10) calendar days after the date of mailing of the
13 notice, serve upon the Claims Administrator a notice and statement of reasons
14 indicating the Claimant's ground for contesting the rejection along with any
15 supporting documentation, and requesting a review thereof by the Court. If an
16 issue concerning a claim cannot be otherwise resolved, Class Counsel shall
17 thereafter present the request for review to the Court.

18 (d) As part of the Proof of Claim, each Settlement Class Member
19 shall submit to the jurisdiction of the Court with respect to the claim submitted,
20 and shall, upon the Effective Date, release all claims as provided in the
21 Stipulation. No discovery shall be allowed on the merits of the Action or the
22 Settlement in connection with processing of the Proofs of Claim, nor shall any
23 discovery from or of Settling Defendants be allowed on any topic.

24 20. All Settlement Class Members who do not submit valid and timely
25 Proofs of Claim will be forever barred from receiving any payments from the Net
26 Settlement Fund but will in all other respects be subject to and bound by the
27 provisions of the Stipulation and the Judgment, if entered.

1 21. Settlement Class Members shall be bound by all determinations and
2 judgments in the Action whether favorable or unfavorable, unless such Persons
3 request exclusion from the Settlement Class in a timely and proper manner, as
4 hereinafter provided. A Settlement Class Member wishing to make such request
5 for exclusion from the Settlement shall mail it, in written form, by first class mail,
6 postage prepaid, or otherwise deliver it, so that it is received no later than
7 (twenty-one (21) calendar days prior to the Settlement Hearing) (the
8 “Exclusion Deadline”), to the address listed in the Long Notice. In order to be
9 valid, such request for exclusion must (A) indicate the name, address, phone
10 number, and e-mail contact information (if any) of the Person seeking
11 exclusion, and state that the sender specifically “requests to be excluded from the
12 Settlement of *George Barney v. Nova Lifestyle, Inc., et al.*, Case No. 2:18-cv-
13 10725-TJH(AFMx)” and (B) state the date, number of shares and dollar amount of
14 each Nova common stock purchase or acquisition and, if applicable, each sale
15 during the Settlement Class Period, as well as the number of shares of Nova
16 common stock held by the Person as of the opening and closing of the Settlement
17 Class Period. In order to be valid, such request for exclusion must be submitted
18 with documentary proof: (i) of each purchase or acquisition and, if applicable, sale
19 transaction of Nova common stock during the Settlement Class Period; and (ii)
20 demonstrating the Person’s status as a beneficial owner of the Nova common
21 stock. Any such request for exclusion must be signed and submitted by the
22 beneficial owner under penalty of perjury. The request for exclusion shall not be
23 effective unless it provides the required information, is legible, and is made within
24 the time stated above, or the exclusion is otherwise accepted by the Court. Class
25 Counsel may contact any Person filing a request for exclusion, or their attorney if
26 one is designated, to discuss the request for exclusion.

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1 LEAD COUNSEL

2 Phillip Kim
3 THE ROSEN LAW FIRM, P.A.
4 275 Madison Avenue, 40th Floor
5 New York, NY 10016

6 COUNSEL FOR SETTLING DEFENDANTS

7 COZEN O’CONNOR
8 Robert W. Hayes
9 1650 Market Street, Suite 2800
10 Philadelphia, PA 19103

11 26. To be valid, any such objection must contain the Settlement Class
12 Member’s: (1) name, address, and telephone number; (2) a list of all purchases
13 and sales of Nova common stock during the Settlement Class Period in order to
14 show membership in the Settlement Class; (3) all grounds for the objection,
15 including any legal support known to the Settlement Class Member and/or his,
16 her, or its counsel; (4) the name, address, and telephone number of all counsel
17 who represent the Settlement Class Member, including former or current counsel
18 who may be entitled to compensation in connection with the objection; and (5) the
19 number of times the Settlement Class Member and/or his, her, or its counsel has
20 filed an objection to a class action settlement in the last five years, the nature of
21 each such objection in each case, the jurisdiction in each case, and the name of the
22 issuer of the security or seller of the product or service at issue in each case.
23 Attendance at the Settlement Hearing is not necessary, but Persons wishing to be
24 heard orally in opposition to the approval of the Stipulation, the Plan of
25 Allocation, and/or the Fee and Expense Application are required to indicate in
26 their written objection (or in a separate writing that is submitted in accordance
27 with the deadline and instructions pertinent to the submission of a written

1 objection) that they intend to appear at the Settlement Hearing and identify any
2 witnesses they may call to testify or exhibits they intend to introduce into
3 evidence at the Settlement Hearing. Settlement Class Members do not need to
4 appear at the Settlement Hearing or take any other action to indicate their
5 approval.

6 27. Any Settlement Class Member who does not object in the manner
7 prescribed above shall be deemed to have waived all such objections and shall
8 forever be foreclosed from making any objection to the fairness, adequacy or
9 reasonableness of the Settlement, the Judgment to be entered approving the
10 Settlement, the Plan of Allocation, and/or the Fee and Expense Application, unless
11 otherwise ordered by the Court; shall be bound by all the terms and provisions of
12 the Stipulation and by all proceedings, orders and judgments in the Action; and
13 shall also be foreclosed from appealing from any judgment or order entered in this
14 Action.

15 28. The Court reserves the right to adjourn the Settlement Hearing
16 without any further notice other than entry of an Order on the Court's docket and
17 to approve the Settlement without further notice to the Settlement Class Members.

18 29. All papers in support of the Settlement, the Plan of Allocation, and/or
19 the Fee and Expense Application shall be filed and served no later than thirty (30)
20 calendar days before the Settlement Hearing.

21 30. Any submissions filed in response to any objections or in further
22 support of the Settlement, the Plan of Allocation and/or the Fee and Expense
23 Application shall be filed no later than seven (7) calendar days prior to the
24 Settlement Hearing.

25 31. Settling Defendants, their counsel, and other Released Parties shall
26 have no responsibility for, or liability with respect to, the Plan of Allocation or
27 any application for attorneys' fees and interest, or expenses or payments to the

1 Class Representatives submitted by Class Counsel, and such matters will be
2 considered separately from the fairness, reasonableness, and adequacy of the
3 Settlement.

4 32. Pending final determination of whether the Settlement should be
5 approved, all Released Parties shall be enjoined from commencing, prosecuting,
6 or attempting to prosecute any Released Claims against any Released Party in any
7 court or tribunal or proceeding. Unless and until the Stipulation is cancelled and
8 terminated pursuant to the Stipulation, all proceedings in the Action, other than
9 such proceedings as may be necessary to carry out the terms and conditions of the
10 Stipulation, are hereby stayed and suspended until further order of the Court.

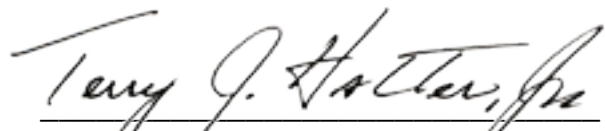
11 33. All funds held by the Escrow Agent shall be deemed and considered
12 to be in the custody of the Court and shall remain subject to the jurisdiction of the
13 Court, until such time as such funds shall be distributed or returned pursuant to the
14 Stipulation and Plan of Allocation and/or further order(s) of the Court.

15 34. Neither the Stipulation, nor any of its terms or provisions, nor any of
16 the negotiations or proceedings connected with it, shall be construed as an
17 admission or concession by Settling Defendants, their counsel, or any of the other
18 Released Parties of the truth of any of the allegations in the Action, or of any
19 liability, fault, or wrongdoing or any kind and shall not be construed as, or
20 deemed to be evidence of or an admission or concession that Class
21 Representatives or any Settlement Class Members directly have suffered any
22 damages, harm, or loss. Further, neither the Stipulation, nor any of its terms or
23 provisions, nor any of the negotiations or proceedings connected with it, nor this
24 Order shall be construed as an admission or concession by Class Representatives
25 of the validity of any factual or legal defense or of the infirmity of any of the
26 claims or facts alleged in the Action.

1 35. In the event the Settlement is not approved or otherwise
2 consummated in accordance with the terms of the Stipulation, then the Stipulation
3 and this Order (including any amendment(s) thereof, and except as expressly
4 provided in the Stipulation or by order of the Court) shall be null and void, of no
5 further force or effect, and without prejudice to any Party, and may not be
6 introduced as evidence or used in any action or proceeding by any Person against
7 the Parties or the Released Parties, and each Party shall be restored to his, her, or
8 its respective pre-settlement litigation positions, pursuant to the terms of the
9 Stipulation.

10 36. The Court reserves the right to alter the time or the date of the
11 Settlement Hearing without further notice to the Settlement Class Members,
12 provided that the time or the date of the Settlement Hearing will not be set earlier
13 than the time and date set forth in ¶ 6 above. The Court retains exclusive
14 jurisdiction over the Action to consider all further matters arising out of, or
15 relating to, the Stipulation, including by way of illustration and not limitation, any
16 dispute concerning any Proof of Claim submitted and any future requests by one
17 or more of the Parties that the Judgment, the releases, and/or the permanent
18 injunction set forth in the Stipulation be enforced.

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20 Dated: JULY 10, 2023

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22 HON. TERRY J. HATTER, JR.
23 UNITED STATES DISTRICT JUDGE
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