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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

**CITY OF MIAMI GENERAL EMPLOYEES' &
SANITATION EMPLOYEES' RETIREMENT
TRUST,**
on behalf of itself and all others similarly
situated,

Plaintiff,

vs.

RH, INC., GARY FRIEDMAN, KAREN BOONE,

Defendants.

) Case No. 4:17-cv-00554-YGR

) CLASS ACTION

) ORDER GRANTING PUBLIC SCHOOL
) TEACHERS' PENSION & RETIREMENT
) FUND OF CHICAGO AND ARKANSAS
) TEACHER RETIREMENT SYSTEM
) APPOINTMENT AS LEAD PLAINTIFF,
) APPROVAL OF SELECTION OF COUNSEL
) AND CONSOLIDATION OF RELATED
) ACTIONS

) DATE: May 10, 2017

) TIME: 2:00 p.m.

) CTRM: #1, 4th Floor (Oakland)

) JUDGE: Hon. Yvonne Gonzalez Rogers

(caption continued)

1 Presently before the Court is the motion of Plaintiffs Public School Teachers Pension &
2 Retirement Fund of Chicago and Arkansas Teacher Retirement System (“Chicago and Arkansas
3 Teachers”) to: (1) appoint Chicago and Arkansas Teachers as Lead Plaintiff on behalf of all
4 persons who purchased the common stock of RH, Inc. (“RH”) between March 26, 2015 and June
5 8, 2016; (2) approve selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel
6 for the Class, pursuant to Section 21D(a)(3)(B) of the Securities Exchange Act of 1934, 15
7 U.S.C. § 78u-4(a)(3)(B) (the “Exchange Act”), as amended by the Private Securities Litigation
8 Reform Act of 1995 (the “PSLRA”), and Rule 42 of the Federal Rules of Civil Procedure; and
9 (3) consolidate related case *Errichiello v. RH, Inc. Gary Friedman, Karen Boone*, No. 3:17-cv-
10 YGR-01425 (N.D.Cal.) with *City of Miami General Employees’ & Sanitation Employees’*
11 *Retirement Trust v. RH, Inc., Gary Friedman, Karen Boone*, No. 4:17-cv-00554-YGR
12 (N.D.Cal.). (Dkt. No. 11, “Motion”). The Motion was filed on April 4, 2017. The Hulaj family
13 filed a competing motion on the same day seeking to (1) appoint Steven Hulaj, Henrietta Hulaj,
14 Blair Hulaj, and Kristen Hulaj as Lead Plaintiffs; (2) approve selection of Pomerantz LLP as
15 Lead Counsel; and (3) consolidate the above-captioned actions. (Dkt. No. 15, Competing
16 Motion).¹ No party opposes the consolidation.

17 Based upon the matters submitted in connection with the motion: (1) Chicago and
18 Arkansas Teachers are presumptively most adequate lead plaintiffs, as defined by the PSLRA,
19 due to their alleged losses of approximately \$3.6 million, suffered in connection with their
20 purchases of RH common stock, as alleged in the action; and (2) Chicago and Arkansas Teachers
21 have made a *prima facie* showing sufficient to satisfy the requirements of Rule 23(a) of the
22 Federal Rules of Civil Procedure, as their claims as alleged are typical of other putative class
23 members’ claims, and the record before the Court indicates that they will fairly and adequately
24 represent the putative class.

25 The PSLRA further vests authority in the Lead Plaintiffs to select and retain lead counsel,
26 subject to the approval of the Court. 15 U.S.C. § 78u-4(a)(3)(B)(v). Here, Chicago and Arkansas

27 ¹ The Retirement Trust and Kalpesh Patel also filed motions, but thereafter withdrew them. (*See* Dkt. Nos.
28 7 and 31; 21 and 28).

1 Teachers have selected Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the
2 Class, and that firm appears to be experienced, well-qualified counsel.

3 Having carefully considered the papers submitted and the pleadings in this action, and for
4 the reasons set forth below, the Court **ORDERS** as follows:²

5 1. The Motion is **GRANTED**.

6 2. The above-captioned actions are consolidated for all purposes (the “Consolidated
7 Action”). This Order (the “Order”) shall apply to the Consolidated Action and to each case that
8 relates to the same subject matter that is subsequently filed in this Court or is transferred to this
9 Court, and is subsequently consolidated with the Consolidated Action.

10 3. A Master File is established for the Consolidated Action. The Master File number
11 shall be 4:17-cv-00554. All filings in the Consolidated Action shall be made solely within the
12 Master File. Docket 17-cv-01425 shall be administratively closed.

13 4. Every pleading in the Consolidated Action shall have the following caption:

14
15 IN RE RH, INC. SECURITIES LITIGATION

Case No. 4:17-00554 YGR

16
17 5. To the extent future cases are filed that may be related, the parties shall follow the
18 procedures outlined in Civil Local Rule 3-12. The parties may also file stipulations or motions
19 to consolidate if appropriate.

20 6. Chicago and Arkansas Teachers is appointed to serve as Lead Plaintiff in the
21 Consolidated Action pursuant to 15 U.S.C. § 78u-4(a)(3)(B). *See In re Diamond Foods, Inc.,*
22 *Sec. Litig.*, 281 F.R.D. 405, 410 (N.D. Cal. 2012).

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25 _____
26 ² Pursuant to Federal Rule of Civil Procedure 78(b) and Civil Local Rule 7-1(b), the
27 Court finds this motion appropriate for decision without oral argument. Accordingly, the Court
28 **VACATES** the hearing set for **May 10, 2017**. This Order likewise rules on the parties’ stipulated
request to extend the dates for responding to the complaint and the case management conference.
(Dkt. No. 36).

1 7. Chicago and Arkansas Teachers selection of Bernstein Litowitz Berger &
2 Grossmann LLP as Lead Counsel for the Class is approved pursuant to 15 U.S.C. § 78u-
3 4(a)(3)(B)(v). Lead Counsel shall have the authority to speak for all Plaintiffs and Class
4 members in all matters regarding the litigation, including, but not limited to, pretrial proceedings,
5 motion practice, trial, and settlement. Lead Counsel shall make all work assignments in such a
6 manner as to facilitate the orderly and efficient prosecution of this litigation, and to avoid
7 duplicative or unproductive effort. Additionally, Lead Counsel shall have the following
8 responsibilities:

- 9 a. to brief and argue motions;
- 10 b. to initiate and conduct discovery, including, but not limited to,
11 coordination of discovery with Defendants' counsel, and the preparation
12 of written interrogatories, requests for admissions, and requests for
13 production of documents;
- 14 c. to direct and coordinate the examination of witnesses in depositions;
- 15 d. to act as spokesperson at pretrial conferences;
- 16 e. to call and chair meetings of Plaintiffs' counsel as appropriate or
17 necessary from time to time;
- 18 f. to initiate and conduct any settlement negotiations with Defendants'
19 counsel;
- 20 g. to provide general coordination of the activities of Plaintiffs' counsel and
21 to delegate work responsibilities to selected counsel as may be required, in
22 such a manner as to lead to the orderly and efficient prosecution of this
23 litigation and to avoid duplication or unproductive effort;
- 24 h. to consult with and employ experts;
- 25 i. to receive and review periodic time reports of all attorneys on behalf of
26 Plaintiffs, to determine if the time is being spent appropriately and for the
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benefit of Plaintiffs, and to determine (subject to Court approval) and distribute Plaintiffs' attorneys' fees; and

j. to perform such other duties as may be expressly authorized by further order of this Court.

In light of the foregoing, the Competing Motion is **DENIED**.

The Court further Orders Lead Counsel to file a consolidated complaint within 21 days of this Order. Defendants shall file their response to the complaint within 35 days thereafter.


The Stipulation filed as Docket Number 36 is **DENIED** as moot.

The case management conference, currently set for May 15, 2017, is continued to August 28 at 2:00 p.m. in Courtroom 1, Federal Courthouse, Oakland, California.

This Order terminates Docket Numbers 7, 11, 15, 21 and 36.

IT IS SO ORDERED.

DATED: April 26, 2017


HONORABLE YVONNE GONZALEZ ROGERS
UNITED STATES DISTRICT COURT JUDGE