

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

**IN RE THE LOVESAC COMPANY
DERIVATIVE LITIGATION**

Lead Case No. 3:24-cv-01260-VAB

This Document Relates to:

ALL ACTIONS

**ORDER PRELIMINARILY APPROVING SETTLEMENT,
DIRECTING NOTICE TO SECURITIES HOLDERS, AND
SETTING HEARING FOR FINAL APPROVAL OF SETTLEMENT**

WHEREAS, Plaintiffs¹ in the above-captioned consolidated Derivative Action, Defendants, and Nominal Defendant The Lovesac Company (“Lovesac” or the “Company”) have reached a proposed Settlement of all claims that have been, could have been, or could be alleged in the Derivative Action; and

WHEREAS, Plaintiffs filed an application for preliminary approval of the proposed Settlement and attached to their application the Stipulation of Settlement and exhibits (collectively, the “Settlement Agreement”), which consist of (i) a proposed order preliminarily approving the proposed Settlement, directing notice of the proposed Settlement to Lovesac Securities Holders, and setting a hearing for final approval of the proposed Settlement (Exhibit A), (ii) a proposed order granting final approval of the proposed Settlement (Exhibit B), (iii) a proposed final judgment (Exhibit C), (iv) a proposed Notice and Summary Notice to Securities Holders regarding

¹ To the extent capitalized terms are not defined in this Order, this Court adopts and incorporates the definitions set out in the Stipulation of Settlement dated May 19, 2025 (the “Stipulation of Settlement”).

the proposed Settlement (Exhibits D and E), and (v) the corporate governance Reforms to which the Settling Parties have agreed (Exhibit F); and

WHEREAS, the Court has read and considered the Settlement Agreement and Plaintiffs' submission seeking preliminary approval; and

WHEREAS, based on the above materials and submissions, the Court finds that the proposed Settlement is within the range of possible approval and that notifying Securities Holders about the terms and conditions of the proposed Settlement and scheduling a hearing for approval of the proposed Settlement are warranted;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. ***Preliminary Findings on Proposed Settlement*** – The Court finds that the proposed Settlement as evidenced by the Settlement Agreement is within the range of possible approval and that notifying Securities Holders about the terms and conditions of the proposed Settlement and scheduling a Fairness Hearing to consider final approval of the proposed Settlement are warranted. Accordingly, the Court hereby preliminarily approves the proposed Settlement as fair, reasonable, and adequate, subject to further consideration at the Fairness Hearing described below.

2. ***Scheduling of Fairness Hearing*** – Subject to paragraph 21 of this Order, a Fairness Hearing will be held on **August 13, 2025, at 1:00, p.m. ET**, before Judge Victor A. Bolden, United States District Judge for the District of Connecticut, United States Courthouse, 141 Church Street, New Haven, CT 06510, in Courtroom 2, to determine, among other things, whether (i) the proposed Settlement is fair, reasonable, and adequate and in the best interests of Lovesac and its shareholders and should be approved by the Court and (ii) the proposed Approval Order and the proposed Judgment, forms of which are attached as Exhibits B and C, respectively, to the

Stipulation of Settlement, should be entered, the claims made by Plaintiffs should be dismissed with prejudice, and the claims against Releasees should be fully and finally discharged.

3. ***Review of the Settlement Agreement*** – The Court may approve the Settlement Agreement (with or without any modifications executed by the Settling Parties) and enter the proposed Approval Order at or after the Fairness Hearing or any adjournment of the Fairness Hearing and dismiss the claims asserted against Defendants on the merits and with prejudice with or without further notice to any persons or entities other than the Settling Parties.

4. ***Notice*** – Notice of the terms of the proposed Settlement and the scheduled Fairness Hearing shall be substantially in the forms filed with the Court as Exhibits D and E to the Stipulation of Settlement. No later than the Notice Date, which shall be ten (10) calendar days after entry of this Order and at least thirty (30) calendar days before the deadline for objecting to the proposed Settlement:

a. Lovesac will publish the Summary Notice of the proposed Settlement on *PRNewswire* and/or Global Newswire and in any other publications and/or wire services on which the Settling Parties agree.

b. Lovesac will cause the Notice and Summary Notice to be filed with the SEC on a Form 8-K and will cause the Notice and the Settlement Agreement to be published on the Investor Relations page of Lovesac's website. Those materials shall remain posted until after the Fairness Hearing. The Notice and Summary Notice will contain a link to the Investor Relations page of Lovesac's website.

5. ***Notice Costs*** – Lovesac shall pay or cause to be paid the costs for publishing the notice of this Settlement as described in paragraphs 4.a and 4.b of this Order.

6. ***Notice Findings*** – The Court finds that the forms and method of notice specified in the Settlement Agreement and set out in paragraph 4 of this Order (i) satisfy the requirements of the Federal Rules of Civil Procedure, the Rules of this Court, and due-process principles, (ii) sufficiently inform all relevant persons and entities about the Settlement Agreement, the pendency of the Derivative Action and the Fairness Hearing, and the relevant persons’ ability to object to the Settlement, and (iii) are reasonable and constitute due, adequate, and sufficient notice to all persons entitled to notice.

7. ***Proof of Notice*** – At or before the Fairness Hearing, Lovesac shall cause proof of the publication of the Summary Notice as set out in paragraphs 4.a and 4.b of this Order to be filed with the Court.

8. ***Company Communications with Securities Holders*** – Lovesac maintains the right to communicate orally and in writing with its shareholders in the normal course of business.

9. ***Preliminary Injunction*** – Pending determination by the Court whether the Settlement Agreement should be approved, and subject to the reservations set out in Section VIII.E of the Settlement Agreement, this Court preliminarily bars and enjoins:

a. Plaintiffs, all other Securities Holders, Lovesac (whether acting on its own behalf or by and through its shareholders, or any of them), and/or any of their respective heirs, executors, administrators, trustees, predecessors, successors, Affiliates, representatives, attorneys, and assigns, and anyone else purporting to act on behalf of or derivatively for any of the above, from filing, commencing, prosecuting, intervening in, participating in, or receiving any benefits or other relief from any other lawsuit, arbitration, or administrative, regulatory, or other proceeding (including a motion or complaint in intervention in any such action or proceeding if the person or entity filing such motion or complaint in intervention purports to be acting as, on behalf of, for the

benefit of, or derivatively for any of the above persons or entities) or order, in any jurisdiction or forum, as to the Releasees based on or relating in any way to the Released Company Claims; and

b. Defendants, and anyone else purporting to act on behalf of, for the benefit of, or derivatively for any of such persons or entities, from commencing, prosecuting, intervening in, or participating in any claims or causes of action relating to the Defendants' Mutually Released Claims.

10. ***Objections*** – Securities Holders who wish to object to the fairness, reasonableness, or adequacy of the Settlement Agreement or to any term(s) of the Settlement Agreement must both serve on Co-Lead Counsel and Defendants' Counsel (as set out below) and file with the Court a statement of objection, which must be received by no later than **July 11, 2025**. Securities Holders may object on their own or through counsel hired at their own expense. Any statement of objection should set out the specific reasons, if any, for each objection, including any legal support the Securities Holder wishes to bring to the Court's attention and any evidence the Securities Holder wishes to introduce in support of such objection. The statement of objection must include the caption of the Derivative Action (as set out above) and the following information: (i) the Securities Holder's name, address, telephone number, and e-mail address (if available), (ii) if the objection is made by the Securities Holder's counsel, the counsel's

name, address, telephone number, and e-mail address, and (iii) evidence that the objector (or Securities Holder on whose behalf the objection is being made) is and has been a Securities Holder from May 19, 2025 through the date of the objection.

11. Any attorney hired by a Securities Holder for the purpose of objecting pursuant to paragraph 10 must both serve on Co-Lead Counsel and Defendants' Counsel (as set out below) and file with the Court a notice of appearance, which must be received by no later than **July 11, 2025**.

12. A Securities Holder who wishes to object to the proposed Settlement does not need to attend the Fairness Hearing. However, any Securities Holders who file and serve a timely written objection pursuant to paragraph 10 – and only such Securities Holders – may appear at the Fairness Hearing either in person or through personal counsel retained at their own expense. Such Securities Holders or their counsel who intend to make an appearance at the Fairness Hearing must serve on Co-Lead Counsel and Defendants' Counsel (as set out below) and file with the Court a notice of intention to appear, which must be received by no later than **July 11, 2025**.

13. Any Securities Holders who fail to comply with the requirements of paragraphs 10 through 12 of this Order shall waive and forfeit any and all rights they might otherwise have to

object and/or to appear separately at the Fairness Hearing. Securities Holders do not need to appear at the hearing or take any other action to indicate their approval of the Settlement Agreement.

14. Any Securities Holder who submits an objection to the Settlement Agreement shall be deemed to consent to the exclusive jurisdiction of this Court as to such objection and all issues that arise or relate to such objection, including any order issued or findings made by the Court regarding the objection.

15. ***Filing and Service of Securities Holders' Submissions*** – Any submissions made pursuant to paragraphs 10 through 12 of this Order must be served on Co-Lead Counsel and Defendants' Counsel and filed with the Court as follows:

a. the submission must be filed with the Clerk of Court for the United States District Court for the District of Connecticut, 141 Church Street, New Haven, CT 06510, or through the Court's electronic filing system, and

b. the submission must be served by facsimile, email, and/or next-day (excluding Saturday or Sunday) express delivery service upon each of the following counsel:

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16. Counsel for the Settling Parties are directed to promptly inform each other of any submission served on them (or that otherwise comes into their possession) pursuant to paragraphs 10 through 12 of this Order.

17. ***Papers Submitted by Settling Parties Regarding the Settlement*** – The Settling Parties shall file with the Court (and serve on each other) any papers they wish to submit in support of the proposed Settlement as follows:

a. Any motions for final approval of the proposed Settlement and/or any motions for an Attorneys' Fees and Expenses Award must be filed and served by **July 11, 2025**; and

b. Any papers in response to objections submitted pursuant to paragraph 10 must be filed and served by **July 25, 2025**.

18. ***Termination of Settlement Agreement*** – Subject to Sections XII.E.8 and XII.E.9 of the Settlement Agreement, this Order shall become null and void, and shall be without prejudice to the rights of the parties in this Derivative Action or any other action, all of whom shall be restored to their respective positions existing immediately before the Execution Date, if (i) the proposed Settlement is not approved by the Court or the Court’s approval does not become Final, or (ii) the proposed Settlement is terminated in accordance with the terms of the Settlement Agreement or does not become effective as required by the terms of the Settlement Agreement for any other reason; *provided however*, that the Confidentiality Agreement shall remain in full force and effect. Other than Section XII.E of the Settlement Agreement, the Settlement Agreement shall become null and void and of no further force and effect in accordance with its terms, and it shall not be used or referred to for any purpose whatsoever.

19. ***Use of Order*** – Other than as to enforcement of the Confidentiality Agreement, this Order shall be of no force or effect if the proposed Settlement does not become Final. This Order shall not be construed or used as an admission, concession, or declaration by or against the Releasees of any fault, wrongdoing, breach, or liability. Nor shall this Order be construed or used as an admission, concession, or declaration by or against Plaintiffs or any other Securities Holders that their Claims lack merit or that the relief requested in the Complaints is inappropriate, improper, or unavailable, or is a waiver by any party of any defenses or claims he, she, or it might have.

20. ***Retention of Jurisdiction*** – The Court retains exclusive jurisdiction over the Derivative Action to consider all further matters arising out of or connected with the Settlement Agreement, including a determination whether the proposed Settlement should be approved as fair,

reasonable, and adequate and in the best interest of Lovesac and its shareholders, and to enter an Order so finding.

21. *Adjournment of Fairness Hearing* – The Court reserves the right to continue the Fairness Hearing without further written notice to Securities Holders or anyone else other than the Settling Parties. The Court may decide to hold the Fairness Hearing telephonically or by videoconference without further notice to Securities Holders. Any Securities Holders (or their counsel) who wish to appear at the Fairness Hearing should consult the Court’s calendar for any change in date, time, or format of the Fairness Hearing.

SO ORDERED this 3rd day of June, 2025.

_____/s/ Victor A. Bolden_____
The Honorable Victor A. Bolden
United States District Judge