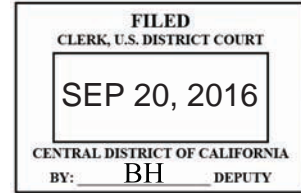


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Lead Counsel for Lead Plaintiff and the Class

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

IN RE AMERICAN APPAREL, INC.
SHAREHOLDER LITIGATION

Case No. CV-10-6352 MMM (JCG)
(Consolidated)

This Document Relates To: All
Actions

CLASS ACTION

**~~[PROPOSED]~~ ORDER
AUTHORIZING DISTRIBUTION
OF THE NET SETTLEMENT FUND**

Date: TBD
Time: TBD
Room: 780 - Temple Street Courthouse
Judge: Hon. Margaret M. Morrow

1 WHEREAS, by its Final Judgment entered in the above-captioned action
2 (“Action”) on July 29, 2014 (Dkt. No. 193), this Court approved the terms of the
3 settlement set forth in the Stipulation and Agreement of Settlement dated January
4 17, 2014 (the “Stipulation”) (Dkt. No. 182) and the plan for allocating the net
5 settlement proceeds to eligible Class Members (the “Plan of Allocation”),
6 respectively; and

7 WHEREAS, this Court had directed the parties to consummate the terms of
8 the Stipulation and Plan of Allocation; and

9 WHEREAS, the \$4,800,000 cash settlement proceeds have been deposited
10 into an escrow account maintained by The Huntington National Bank on behalf of
11 the Class (the “Settlement Fund”); and

12 WHEREAS, as set forth in the Notice of Pendency and Proposed Settlement
13 of Class Action, Motion for Attorneys’ Fees and Litigation Expenses, and
14 Settlement Fairness Hearing (the “Notice”), the deadline for Class Members to
15 submit Proof of Claim and Release forms (“Claim Forms” or “Claims”) to the
16 Court-authorized claims administrator for the Settlement, Gilardi & Co. LLC
17 (“Gilardi”), in order to be potentially eligible to participate in the distribution of
18 the Net Settlement Fund has passed; and

19 WHEREAS, in satisfaction of due process requirements, all Class Members
20 who submitted Claims that were in any way ineligible or deficient were: (1)
21 informed that their Claims were ineligible or deficient; and (2) given opportunities
22 to correct any curable deficiency(ies) prior to their Claims being finally rejected, or
23 to contest the determination as to such deficiency(ies), by requesting review; and

24 WHEREAS, the process of reviewing all Claims has been completed; and

25 WHEREAS, Lead Counsel now seeks authorization to distribute the
26 proceeds of the Settlement Fund to Authorized Claimants, after deduction of any
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1 taxes, fees and expenses previously approved by the Court or approved by this
2 Order (the “Net Settlement Fund”); and

3 WHEREAS, this Court has retained continuing jurisdiction of this Action for
4 the purposes of supervising the implementation, enforcement, construction, and
5 interpretation of the Stipulation, the Plan of Allocation and the Final Judgment and
6 supervising the distribution of the Settlement Fund;

7 NOW, THEREFORE, upon reading: (1) the Declaration of Lara McDermott
8 in Support of Motion for Distribution of the Net Settlement Fund (the “McDermott
9 Declaration”) submitted on behalf of Gilardi; (2) the Notice of Motion and
10 Unopposed Motion for Distribution of the Net Settlement Fund; and Memorandum
11 of Points and Authorities in Support; and (3) the other submissions and papers on
12 file with the Court; and upon all prior proceedings heretofore had herein, and after
13 due deliberation, it is hereby

14 ORDERED, that the administrative determinations of Gilardi accepting the
15 Claims as described in the McDermott Declaration and listed on Exhibit D(1)
16 thereto, calculated pursuant to the Court-approved Plan of Allocation set forth in
17 the Notice, be and the same hereby are approved, and said Claims are hereby
18 accepted; and it is further

19 ORDERED, that the administrative determinations of Gilardi rejecting the
20 Claims as described in the McDermott Declaration and listed on Exhibit D(2)
21 thereto, be and the same hereby are approved, and said Claims are hereby rejected;
22 and it is further

23 ORDERED, that payment be made from the Settlement Fund to the Internal
24 Revenue Service for the proper amount of taxes due and owing on the interest
25 earned on the Settlement Fund while in escrow, if any; and it is further

26 ORDERED, that Gilardi be paid the sum of \$59,777.40 from the Net
27 Settlement Fund as payment for the balance of its fees and expenses incurred and
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1 to be incurred in connection with the administration of the Settlement and the
2 initial distribution of the Net Settlement Fund; and it is further

3 ORDERED, that the Net Settlement Fund shall be distributed to the
4 Authorized Claimants listed on Exhibit D(1) to the McDermott Declaration
5 pursuant to the Court-approved Plan of Allocation in proportion to each
6 Authorized Claimant's Recognized Claim as compared to the total Recognized
7 Claims of all Authorized Claimants as shown on such exhibit; and it is further

8 ORDERED, that the checks for distribution to the Authorized Claimants
9 shall bear the notation "CASH PROMPTLY, VOID AND SUBJECT TO RE-
10 DISTRIBUTION IF NOT CASHED BY [DATE 120 DAYS AFTER ISSUE
11 DATE]." Lead Counsel and Gilardi are authorized to take appropriate actions to
12 locate and/or contact any Authorized Claimant who has not cashed his, her or its
13 check within said time; and it is further

14 ORDERED, that Authorized Claimants who do not cash their checks within
15 the time allotted will irrevocably forfeit all recovery from the Settlement Fund; and
16 it is further

17 ORDERED, that, any funds remaining following the distribution of the Net
18 Settlement Fund to the Class, will be used: (i) first, to pay any amounts mistakenly
19 omitted from the initial distribution to Authorized Claimants or to pay any late, but
20 otherwise valid and fully documented claims received after the cut-off date used to
21 make the initial distribution, which were not previously authorized by the Court to
22 be paid, provided that such distributions to any late post-distribution claimants
23 meet all of the other criteria for inclusion in the initial distribution, including the
24 \$10.00 minimum check amount set forth in the Notice; (ii) second, to pay any
25 additional fees and expenses incurred in administering the Settlement; and (iii)
26 finally, to make a second distribution to Authorized Claimants who cashed their
27 checks from the initial distribution and who would receive at least \$10.00 from
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1 such second distribution, after payment of the estimated fees to be incurred in
2 administering the Net Settlement Fund and in making this second distribution, if
3 such second distribution is economically feasible; and it is further

4 ORDERED, that, any funds remaining six (6) months after such second
5 distribution, if undertaken, or if such second distribution is not undertaken, and
6 after the Claims Administrator has made reasonable and diligent efforts to have
7 Authorized Claimants who are entitled to participate in this Settlement cash their
8 checks, shall be donated to a non-profit charitable organization(s) selected by Lead
9 Counsel and approved by the Court; and it is further

10 ORDERED, that the Court finds that the administration of the Settlement
11 and the proposed distribution of the Net Settlement Fund comply with the terms of
12 the Stipulation and the Plan of Allocation and that all persons involved in the
13 review, verification, calculation, tabulation, or any other aspect of the processing
14 of the Claims submitted in connection with the Settlement of this Action, or who
15 are otherwise involved in the administration or taxation of the Settlement Fund or
16 the Net Settlement Fund are released and discharged from any and all claims
17 arising out of such involvement, and, pursuant to the release terms of the
18 Settlement, all Class Members, whether or not they are to receive payment from
19 the Net Settlement Fund, are barred from making any further claims against the
20 Net Settlement Fund or the parties released pursuant to the Settlement beyond the
21 amount allocated to them pursuant to this Order; and it is further

22 ORDERED, that Gilardi is hereby authorized to destroy the paper copies and
23 all supporting documentation of the Claim Forms one (1) year after distribution of
24 the Net Settlement Fund and all electronic copies of claim records three (3) years
25 after distribution of the Net Settlement Fund; and it is further

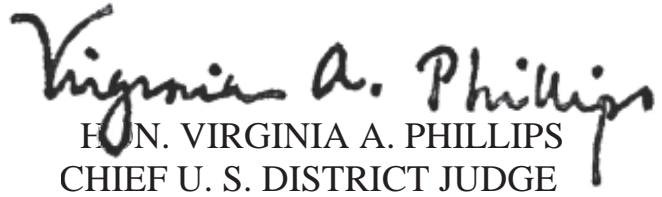
26 ORDERED, that this Court retain jurisdiction over any further application or
27 matter which may arise in connection with this Action; and it is further
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ORDERED, that any Claim received after April 20, 2016 be rejected as untimely and not included in the initial distribution of the Net Settlement; and it is further

ORDERED, that any response to a Deficiency or Rejection Notice received after April 20, 2016 be rejected as untimely and not included for consideration in connection with the initial distribution of the Net Settlement.

Dated: Sept 20, 2016


HON. VIRGINIA A. PHILLIPS
CHIEF U. S. DISTRICT JUDGE