

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION

**IN RE: THE HONEST COMPANY, INC., SODIUM
LAURYL SULFATE (SLS) MARKETING AND
SALES PRACTICES LITIGATION**

No. 2:16-ML-02719 AB (RAOx)

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

TO: All United States residents who purchased Honest multi-surface cleaner (regular and concentrate), dish soap (regular and concentrate, all scents) and laundry detergent between January 17, 2012 and August 2, 2017.

IF YOU ARE A MEMBER OF THIS CLASS OF PERSONS, YOU SHOULD READ THIS NOTICE CAREFULLY BECAUSE IT WILL AFFECT YOUR LEGAL RIGHTS AND OBLIGATIONS.

A settlement (“Settlement”) has been proposed in the class action lawsuit referenced above pending in the United States District Court for the Central District of California (“Action”). If the Court gives final approval to the Settlement, The Honest Company, Inc. (“Honest”) will provide for each Class Member who properly and timely completes and submits a Claim Form either, at the Class Member’s election, a check, or a Settlement Credit usable for a future purchase at Honest.com, subject to the additional conditions explained later in this notice. The value a Class Member’s award depends upon the number of relevant products he or she purchased and the number of persons who participate in the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	This is the only way to get an award under the Settlement. Visit the Settlement website located at www.slssettlement.com to obtain a Claim Form.	Deadline: November 15, 2017
EXCLUDE YOURSELF	If you exclude yourself from the Settlement, you will not receive an award under the Settlement. Excluding yourself is the only option that allows you to bring or maintain your own lawsuit against Honest regarding the allegations in the Action.	Deadline: November 15, 2017
OBJECT	You may write to the Court about why you object to (i.e., don’t like) the Settlement and think it shouldn’t be approved. Filing an objection does not exclude you from the Settlement.	Deadline: November 15, 2017
GO TO THE “FAIRNESS HEARING”	The Court will hold a “Fairness Hearing” to consider the Settlement, the request for attorneys’ fees and costs of the lawyers who brought the Action, and the Representative Plaintiffs’ request for service awards for bringing the Action. You may, but are not required to, speak at the Fairness Hearing about any objection you submitted to the Settlement. If you intend to speak at the Fairness Hearing, you must also submit a “Notice of Intention to Appear” to the Court and the parties’ attorneys, indicating your intent to do so.	Hearing Date: December 15, 2017
DO NOTHING	You will not receive a Settlement award under the Settlement. You will also give up your right to object to the Settlement and you will be not be able to be part of any other lawsuit about the legal claims in this case.	N/A

These rights and options—**and the deadlines to exercise them**—are explained in more detail below.

The Court in charge of this Action has preliminarily approved the Settlement and must decide whether to give final approval to the Settlement. The relief provided to Class Members will be provided only if the Court gives final approval to the Settlement and, if there are any appeals, after the appeals are resolved in favor of the Settlement. *Please be patient.*

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BACKGROUND INFORMATION

1. *Why did I get this notice?*

You received this Notice because a Settlement has been reached in this Action. If you are a member of the Settlement Class you may be eligible for the relief detailed below.

This Notice explains the nature of the Action, the general terms of the proposed Settlement, and your legal rights and obligations. To obtain more information about the Settlement, including information about how you can see a copy of the Settlement Agreement (which defines certain capitalized terms used in this Notice), see Section 20 below.

2. *What is this lawsuit about?*

Plaintiffs Staci Seed, Margo Smith, Amy Glover, Alvaro Alhadeff, Mario Aliano, Alan Klarik, Monica Gomez, Michael Cesarini, Julie Sanchez and Tiffanie Woodward (the “Representative Plaintiffs”) filed lawsuits, which were subsequently consolidated, against Honest on behalf of themselves and all others similarly situated. The lawsuits allege that Honest engaged in unfair and deceptive marketing and advertising by referring to the Honest multi-surface cleaner (regular and concentrate), dish soap (regular and concentrate, all scents) and laundry detergent as being “free” of sodium lauryl sulfate or SLS, when they allegedly contained SLS.

Honest denies each and every one of the allegations of unlawful conduct, any wrongdoing, and any liability whatsoever, and no court or other entity has made any judgment or other determination of any liability. Honest further denies that any Class Member is entitled to any relief and, other than for settlement purposes, that this Action is appropriate for certification as a class action.

The issuance of this Notice is not an expression of the Court’s opinion on the merits or the lack of merits of the Representative Plaintiffs’ claims in the Action.

For information about how to learn about what has happened in the Action to date, please see Section 20 below.

3. *Why is this a class action?*

In a class action lawsuit, one or more people called “Representative Plaintiff(s)” (in this Action, Staci Seed, Margo Smith, Amy Glover, Alvaro Alhadeff, Mario Aliano, Alan Klarik, Monica Gomez, Michael Cesarini, Julie Sanchez and Tiffanie Woodward) sue on behalf of other people who allegedly have similar claims. For purposes of this proposed Settlement, one court will resolve the issues for all Class Members. The company sued in this case, Honest, is called the Defendant.

4. *Why is there a Settlement?*

The Representative Plaintiffs have made claims against Honest. Honest denies that it has done anything wrong or illegal and admits no liability. The Court has not decided that the Representative Plaintiffs or Honest should win this Action. Instead, both sides agreed to a Settlement. That way, they avoid the cost of a trial, and the Class Members will receive relief under the Settlement.

5. *How do I know if I am part of the Settlement?*

The Court has decided that everyone who fits this description is a Class Member for purposes of the proposed Settlement: All persons residing in the United States who purchased, and did not subsequently return, Honest Multi-Surface Cleaner (regular and concentrate), Honest Dish Soap (regular and concentrate, all scents) or Honest Laundry Detergent between January 17, 2012 and August 2, 2017. Excluded from the Class are companies that purchased the Products at wholesale for resale, Defendant’s Counsel, Defendant’s officers and directors, and the judge presiding over the Action.

6. *I'm still not sure if I am included.*

If you are still not sure whether you are included, you can write the Claims Administrator for free help. The email address of the Claims Administrator is info@slssettlement.com and the U.S. postal (mailing) address is:

Honest SLS MDL Settlement
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

THE PROPOSED SETTLEMENT

7. *What relief does the Settlement provide to the Class Members?*

Honest has agreed to provide to Class Members who timely and validly complete a claim form a pro rata share of the “Net Settlement” amount described below, in either U.S. dollars or a Settlement Credit, as described below. A Class Member may submit only one Claim Form and only one Claim per household will be accepted.

- Class Members who timely and validly fill out a claim form will receive points according to the following grid:

Level	Points Allotted to the Claim
Unverified Claim or Verified Claim for \$0.01 - \$50.00 in Purchases	1 point
Verified Claim for \$50.01 - \$100.00 in Purchases	2 points
Verified Claim for \$100.01 - \$150.00 in Purchases	3 points
Verified Claim for \$150.01 - \$200 in Purchases	4 points
Verified Claim for \$200.01 + in Purchases	5 points

- To verify retail purchases (i.e., purchases not on Honest.com) of Honest multi-surface cleaner, dish soap, and laundry detergent the Class Member must submit to the Claims Administrator a receipt.
- Online purchases on Honest.com of multi-surface cleaner, dish soap and laundry detergent the Class Member will be considered verified if the purchases are reflected in Honest’s records.
- The award to each Class Member will be determined based on the total number and amount of the valid and timely claims submitted, the amount of the Class Member’s claim, the amount available in the “Net Settlement Amount,” and whether the Class Member requests relief in the form of a check or credits to spend at Honest.com. More specifically:
 - The Net Settlement is calculated by taking the total settlement fund of \$1,550,000 and subtracting payments to the Representative Plaintiffs (discussed in Section 12 below), payments to the attorneys representing the Class (discussed in Section 11 below) and payments to the Claims Administrator for providing notice to the Class and to administer the Settlement.
 - To determine a Class Member’s Award, the Claims administrator will add up all the valid and timely points claimed. This is the “Total Point Value.” It will then divide the Net Settlement Amount by the Total Point Value. This is the “Net Point Value.” Finally, the Claims

administrator will multiply the Net Point Value by the amount of points validly and timely claimed by a Class Member. This is the value of the award to the Class Member. If, however, a Class Member chooses to receive his or her Settlement payment in the form of Settlement Credits usable at Honest.com, the Credits will be valued at 1.5 times the dollar recovery amount. For example a \$10 check payment would be valued as a \$15 Honest.com credit.

- The Settlement Credits distributed pursuant to this Settlement shall have the following terms and conditions: (a) to use the Credit, the Authorized Claimant must already have or must create an Honest.com account; (b) Credits will be redeemable at Honest.com for one (1) year after transmission, but once applied by the Authorized Claimant to his or her Honest account the Credits will not expire; (c) Credits can only be loaded into an Honest.com account once, but once loaded can be applied to multiple purchases if sufficient funds are available; (d) Credits are not redeemable for gift cards or cash, including no cash back; (e) Credits will not be valid for prior purchases; and (f) Credits will not be replaced if lost, stolen, expired, or damaged.
- Settlement checks will be negotiable for ninety (90) calendar days. If the total amount of uncashed checks does not justify the costs of additional distribution after the Settlement Administrator makes its best and reasonable efforts, the Settlement Administrator shall donate such remaining funds to the Dermatology Foundation.

HOW TO REQUEST AN AWARD UNDER THE SETTLEMENT – SUBMITTING A CLAIM FORM

8. *How can I get a Settlement Award?*

To qualify for a Settlement award, you must send in a Claim Form. A Claim Form is available by clicking [HERE](#) or on the Internet at the website www.slsettlement.com. The Claim Form may be submitted electronically or by postal mail. Read the instructions carefully, fill out the form, and postmark it by November 15, 2017 or submit it online on or before 11:59 p.m. (Pacific) on November 15, 2017.

9. *When will I get a Settlement award?*

As described in Sections 17 and 18, the Court will hold a hearing on December 15, 2017 at 9:30 a.m. to decide whether to approve the Settlement. If the Court approves the Settlement, after that, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. You can check on the progress of the case on the website dedicated to the Settlement at www.slsettlement.com. *Please be patient.*

THE LAWYERS IN THIS CASE AND THE REPRESENTATIVE PLAINTIFFS

10. *Do I have a lawyer in this case?*

The Court has ordered that the law firms of Pearson, Simon & Warshaw, LLP and Freed Kanner London & Millen LLC will represent the interests of all Class Members. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

11. *How will the lawyers be paid?*

Pearson, Simon & Warshaw, LLP and Freed Kanner London & Millen LLC, and the other attorneys involved in bringing the Action, will petition the Court to receive attorneys' fees and costs up to \$417,500.00. The Court will make the final decision as to the amount to be paid to the attorneys for their fees and costs. You will not be required to separately pay any attorneys' fees or costs.

12. Will the Representative Plaintiffs receive any compensation for their efforts in bringing this Action?

The Representative Plaintiffs will request a service award of up to \$1,000.00 (each) for their services as Class Representatives and their efforts in bringing the Action. The Court will make the final decision as to the amount to be paid to the class representatives.

DISMISSAL OF ACTION AND RELEASE OF ALL CLAIMS

13. What am I giving up to obtain relief under the Settlement?

If the Court approves the proposed Settlement, unless you exclude yourself from the Settlement, you will be releasing your claims against Honest. This generally means that you will not be able to file a lawsuit, continue prosecuting a lawsuit, or be part of any other lawsuit against Honest regarding the allegations in the Action. The Settlement Agreement, available on the Internet at the website www.slsettlement.com contains the full terms of the release.

HOW TO EXCLUDE YOURSELF FROM THE SETTLEMENT

14. How do I exclude myself from the Settlement?

You may exclude yourself from the Class and the Settlement. If you want to be excluded, you must send a letter or postcard stating: (a) the name, or abbreviation thereof, and case number of the Action – e.g., “*Honest SLS MDL, C.D. Cal. Case No. 16-ML-02719*”; (b) the full name, address, email address associated with the Class Member’s Honest account (if the Class Member has an Honest account), and telephone number of the person requesting exclusion; and (c) a statement that he/she does not wish to participate in the Settlement, postmarked no later than November 15, 2017 to the Claims Administrator at:

Honest SLS MDL Settlement
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

If you timely request exclusion from the Class, you will be excluded from the Class, you will not be bound by the judgment entered in the Action, and you will not be precluded from prosecuting any timely, individual claim against Honest based on the conduct complained of in the Action.

HOW TO OBJECT TO THE SETTLEMENT

15. How do I tell the Court that I disagree with the Settlement?

At the date, time, and location stated in Section 18 below, the Court will hold a Fairness Hearing to determine if the Settlement is fair, reasonable, and adequate, and to also consider the attorneys’ who initiated the Action’s request for an award of attorneys’ fees and costs, and a service award to the Representative Plaintiffs.

If you wish to object to the fairness, reasonableness, or adequacy of the Settlement Agreement or the proposed Settlement, you must submit the objection no later than (*i.e.*, postmarked by) November 15, 2017 to the Claims Administrator at:

Honest SLS MDL Settlement
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

Any written objections must state: (i) the Action’s name, or abbreviation of it, and case number – e.g., “*Honest SLS MDL, C.D. Cal. Case No. 16-ML-02719*”; (ii) your full name and contact information (e.g., email address and/or postal address); (iii) facts regarding your status as a Class Member—either (A) the unique identifier you

received from the Claims Administrator in the notice you received regarding the Settlement, or (B) if you did not receive an email or postcard notifying you of the Settlement, a proof of purchase or the approximate date, location and seller where you purchased the Product, (iv) a statement of each objection, including the specific reasons, if any, for each objection, including any legal and factual support you wish to bring to the Court's attention and any evidence you wish to introduce in support of the objection(s); (v) a statement whether you are represented by an attorney in connection with the objection (even if the objection itself is filed in pro per); and (vi) identification of any other class actions in which you or your attorney have filed an objection to a class action settlement.

The written objection must be signed and dated, and must include the following language immediately above the signature and date "I declare under penalty of perjury under the laws of the United States of America that the foregoing statements regarding class membership are true and correct to the best of my knowledge."

You may, but need not, submit your objection through counsel of your choice. If you do make your objection through an attorney, you will be responsible for your personal attorney's fees and costs.

IF YOU DO NOT TIMELY MAKE YOUR OBJECTION, YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS AND WILL NOT BE ENTITLED TO SPEAK AT THE FAIRNESS HEARING.

If you submit a written objection, you may appear at the Fairness Hearing, either in person or through personal counsel hired at your expense, to object to the Settlement Agreement. You are not required, however, to appear. If you, or your attorney, intend to make an appearance at the Fairness Hearing, you must include on your timely and valid objection a statement substantially similar to "Notice of Intention to Appear".

If you intend to appear at the Fairness Hearing through counsel, you must also identify the attorney(s) representing you who will appear at the Fairness Hearing and include the attorney(s) name, address, phone number, e-mail address, and the state bar(s) to which counsel is admitted. Also, if you intend to request the Court to allow you to call witnesses at the Fairness Hearing, such request must be made in your written brief, which must also contain a list of any such witnesses and a summary of each witness's expected testimony.

16. What is the difference between excluding myself and objecting to the Settlement?

Objecting is telling the Court that you disagree with the Settlement and do not want it to be approved. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you have no right to object because the Settlement no longer affects you.

FAIRNESS HEARING

17. What is the Fairness Hearing?

The Court has preliminarily approved the Settlement and will hold a Fairness Hearing to decide whether to give final approval to the Settlement. The purpose of the Fairness Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Settlement Class; to consider the award of attorneys' fees and expenses to the attorneys in the Action; and to consider the request for a service award to the Representative Plaintiffs. At the hearing, the Court will be available to hear any objections and arguments concerning the proposed Settlement's fairness.

18. When and where is the Fairness Hearing?

On December 15, 2017 at 9:30 a.m. a hearing will be held on the fairness of the proposed Settlement. The hearing will take place before the Honorable Hon. André Birotte Jr. in Courtroom 7B of the U.S. District Court for the Central District of California – Western Division, located at 350 West First Street, Los Angeles, CA 90012. The hearing may be postponed to a different date or time or location without notice. Please check www.slssettlement.com for any updates about the Settlement generally or the Fairness Hearing specifically. If the date or time of the Fairness Hearing changes, an update to the Settlement website will be the only way you will be informed of the change.

19. *May I speak at the hearing?*

At that hearing, the Court will be available to hear any objections and arguments from Class Members concerning the fairness of the Settlement.

You may attend, but you do not have to. As described above in Section 15, you may speak at the Fairness Hearing only if (a) you are a Class Member; (b) you have timely submitted an objection, and (c) you have timely and validly provided a Notice of Intent to Appear.

If you have requested exclusion from the Settlement, however, you may not speak at the Fairness Hearing.

ADDITIONAL INFORMATION

20. *How do I get more information?*

To see a copy of the Settlement Agreement, the Court's Preliminary Approval Order, the application for attorneys' fees and costs, and the operative complaint filed in the Action, please visit the Settlement website located at: www.slssettlement.com or call 1-866-791-2071. Alternatively, you may contact the Claims Administrator at the email address info@slssettlement.com or the U.S. postal (mailing) address: Honest SLS MDL Settlement, c/o Dahl Administration, PO Box 3614, Minneapolis, MN 55403-0614.

This description of this Action is general and does not cover all of the issues and proceedings that have occurred. To see the complete file you should visit www.pacer.gov or the Clerk's office at 350 West First Street, Los Angeles, CA 90012. The Clerk will tell you how to obtain the file for inspection and copying at your own expense.

21. *What if my address or other information has changed or changes after I submit a Claim Form?*

It is your responsibility to inform the Claims Administrator of your updated information. You may do so at the address below:

Honest SLS MDL Settlement
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE.

Dated: September 15, 2017

By: Order of the Central District of California
HONORABLE HON. ANDRÉ BIROTTE JR. UNITED STATES
DISTRICT COURT JUDGE