



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN RE TILE SHOP HOLDINGS, INC.  
LITIGATION

Consol. C.A. No. 2019-0892-SG

**UNSWORN AFFIDAVIT OF CHRISTOPHER J. ORRICO  
PURSUANT TO 10 DEL. C. § 3927 IN SUPPORT OF THE SETTLEMENT,  
AN AWARD OF ATTORNEYS' FEES AND EXPENSES,  
AND PLAINTIFFS' INCENTIVE AWARDS**

Pursuant to the Delaware Supreme Court's Administrative Order No. 10 (dated September 4, 2020),<sup>1</sup> I, Christopher J. Orrico, do hereby state as follows:

1. I am Senior Counsel of Bernstein Litowitz Berger & Grossmann LLP ("BLB&G"), Plaintiffs' lead counsel in the above-captioned class action and derivative litigation. I actively participated in all phases of the prosecution of this Action.

2. I respectfully submit this affidavit in support of the joint application of my firm and that of Offit Kurman, P.A. in this Action for an award of attorneys' fees

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<sup>1</sup> NOW, THEREFORE, IT IS ORDERED that:

\* \* \* \*

(6) Administrative Order No. 3 regarding the suspension of any requirements for sworn declarations, verifications, certificates, statements, oaths, or affidavits in filings with the Supreme Court, the Court of Chancery, the Superior Court, the Family Court, the Court of Common Pleas, or the Justice of the Peace Court will remain in effect.

and expenses for the benefits achieved in the settlement of this Action and the application for Plaintiffs' incentive awards.

**A. BLB&G's Time and Expenses**

3. From the commencement of this Action through August 7, 2020, BLB&G attorneys and support staff dedicated 5,287.00 hours to the prosecution of this Action for a lodestar value of \$3002,101.26, based on the firm's hourly rates that are the usual and customary rates for each individual in our cases. A breakdown of the hours, rates and lodestar as follows:

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Lodestar</b>
<b>Partners:</b>			
Jeroen van Kwawegen	14.25	\$1,000	\$14,250.00
Mark Lebovitch	270.25	\$1,000	\$270,250.01
Gregory Varallo	276.75	\$1,000	\$276,750.00
<b>Senior Counsel:</b>			
Christopher J. Orrico	1,412.50	\$800	\$1,130,000.00
John Mills	51.75	\$750	\$38,812.50
<b>Associates:</b>			
Andrew Blumberg	6.50	\$500	\$3,250.00
Thomas James	214.75	\$500	\$107,375.00
Jacqueline Y. Ma	127.75	\$450	\$57,487.50
<b>Paralegals:</b>			
Kenneth Cardwell	151.25	\$350	\$52,937.50
Ronald Wittman	242.50	\$350	\$84,875.00
<b>Managing Clerk:</b>			
Mahiri Buffong	40.00	\$350	\$14,000.00
<b>Staff Attorneys</b>			

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Lodestar</b>
James Briggs	811.25	\$375	\$304,218.75
Chris Clarkin	506.50	\$395	\$200,067.50
Igor Faynshteyn	391.00	\$375	\$146,625.00
Jason Gold	25.00	\$395	\$9,875.00
Rebecca Reyhani	13.00	\$395	\$5,135.00
Lewis Smith	47.00	\$395	\$18,565.00
Mark Weaver	545.75	\$395	\$215,571.25
<b>Litigation Support</b>			
Paul Charlotin	6.50	\$350	\$2,275.00
Johanna Pitcairn	27.00	\$375	\$10,125.00
Roberto Santamarina	105.75	\$375	\$39,656.25
<b>TOTALS:</b>	<b>5,287.00</b>		<b>\$3,002,101.26</b>

4. During the course of this Action, BLB&G incurred and disbursed \$624,931.61 in expenses necessary to the prosecution of the Action through August 7, 2020, which was used to pay, for example, expert expenses, mediator costs, and court-reporting costs. The following table summarizes these expenses:

<b>Disbursements</b>	
Court Fees	\$68,825.25
Service of Process	\$3,232.39
Online Factual Research	\$21,560.33
Telephone	\$43.90
Postage & Express Mail	\$1,853.73
Hand Delivery Charges	\$1,776.15
Local Transportation	\$901.41
Internal Copying/Printing	\$1,988.00
Outside Copying	\$1,749.72
Out of Town travel	\$18,424.05
Working Meals	\$1,449.57
Court Reporting & Transcripts	\$28,004.16
Special Publications	\$280.93

Trial Preparation Materials	\$21.50
Experts	\$466,725.52
Mediation Fees	\$7,500.00
Special Counsel	\$595.00
<b>TOTAL</b>	<b>\$624,931.61</b>

5. BLB&G's expenses pertaining to this case are reflected in the books and records of the firm. These books and records are prepared from invoices, bills, expense vouchers, and check records kept in the normal course of business.

6. I respectfully request that the Court award the attorneys' fees and expense reimbursement requested.

**B. Transmittal of Documents**

7. To the best of my knowledge, attached are true and correct copies of the below-listed documents:

<b>Exhibit</b>	<b>Document</b>
1	Vice Chancellor Kathaleen St. Jude McCormick, Mediators' Recommendation Letter, dated August 5, 2020 (CONFIDENTIAL)
2	Tile Shop Holdings, Inc. (Form 8-K) (Mar. 24, 2020)
3	Tile Shop Holdings, Inc. (Form 8-K) (Apr. 20, 2020)

I declare under penalty of perjury and under the laws of the State of New Jersey that the foregoing is true and correct.

Executed on September 25, 2020

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Christopher J. Orrico  
**BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP**  
1251 Avenue of the Americas, 44<sup>th</sup> Floor  
New York, New York 10020  
(212) 554-1400

*Lead Counsel for Plaintiffs*

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN RE TILE SHOP HOLDINGS, INC.  
LITIGATION

Consol. C.A. No. 2019-0892-SG

**EXHIBIT 1 TO**

**AFFIDAVIT OF CHRISTOPHER J. ORRICO IN SUPPORT  
OF THE SETTLEMENT, AND AWARD OF ATTORNEYS' FEES  
AND EXPENSES, AND PLAINTIFFS' INCENTIVE AWARDS**

YOU ARE IN POSSESSION OF A CONFIDENTIAL FILING FROM THE  
COURT OF CHANCERY OF THE STATE OF DELAWARE

If you are not authorized by Court order to view or retrieve this document read no further than this page. You should contact the following person:

Gregory V. Varallo (Bar No. 2242)  
**BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP**  
500 Delaware Avenue, Suite 901  
Wilmington, DE 19801  
(302) 364-3601

*Attorneys for Plaintiffs*

**A public version of this document need not be filed, per Rule 5.1(d)(2).**

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ACCESS IS PROHIBITED EXCEPT AS AUTHORIZED BY COURT ORDER.**

**COURT OF CHANCERY  
OF THE  
STATE OF DELAWARE**

KATHALEEN ST. JUDE MCCORMICK  
VICE CHANCELLOR

LEONARD L. WILLIAMS JUSTICE CENTER  
500 N. KING STREET, SUITE 11400  
WILMINGTON, DELAWARE 19801-3734

August 5, 2020

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Greg Shinall, Esquire  
Steven Florsheim, Esquire  
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Chicago, IL 60603

Kenneth J. Nachbar, Esquire  
Morris Nichols Arsht & Tunnell  
1201 N. Market Street, 16th Floor  
Wilmington, DE 19801

Re: *In re Tile Shop Hldgs., Inc. Litig.*,  
C.A. No. 2019-0892-SG

Dear Counsel:

On June 30, 2020, the plaintiffs, the defendants, Tile Shop Holdings, Inc. (the “Company”), and the Company’s insurance carriers agreed upon terms of a settlement to submit for court approval in the above-referenced action. The proposed settlement includes monetary and non-monetary consideration for the proposed class and the Company. You have requested my help in mediating the dispute over the appropriate amount of attorneys’ fees to be awarded with respect to

CONFIDENTIAL

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the non-monetary benefits. This letter sets forth my recommendation along with, in abbreviated fashion, the bases for my recommendation.

I understand that the parties negotiated to within a range of \$2.5 to \$3.0 million and requested that I supply a recommendation on a specific amount within that range, which I have agreed to do. I also understand that the plaintiffs' counsel, the parties, and the Company's insurers have agreed to be bound by my decision. I allowed the parties to submit supplemental mediation statements regarding this issue.

As you know, when a plaintiff pursues a cause of action that generates a benefit for the corporation, Delaware law applies the factors set forth in *Sugarland Industries, Inc. v. Thomas*<sup>1</sup> to determine the appropriate fee award.<sup>2</sup> Of the *Sugarland* factors, this Court "assigns the greatest weight to the benefit achieved."<sup>3</sup>

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<sup>1</sup> 420 A.2d 142 (Del. 1980).

<sup>2</sup> *Ams. Mining Corp. v. Theriault*, 51 A.3d 1213, 1254 (Del. 2012) (identifying the five *Sugarland* factors as "1) the results achieved; 2) the time and effort of counsel; 3) the relative complexities of the litigation; 4) any contingency factor; and 5) the standing and ability of counsel involved").

<sup>3</sup> *Id.* & n.89 (collecting cases); see also *In re Emerson Radio S'holder Deriv. Litig.*, 2011 WL 1135006, at \*6 (Del. Ch. Mar. 28, 2011) (quoting *In re Anderson Clayton S'holders Litig.*, 1988 WL 97480, at \*3 (Del. Ch. Sept. 19, 1988)).



“When the benefit is quantifiable, . . . courts typically apply a ‘percentage of the benefit’ approach,”<sup>4</sup> with higher percentages awarded when the plaintiff has engaged in meaningful litigation efforts.<sup>5</sup> The typical fee range for a case that settles after meaningful litigation efforts, but before trial, is between 15% to 25% of the common fund.<sup>6</sup> Given the posture of the case at which the terms of settlement were reached and the meaningful litigation efforts of counsel, it seems likely that the settlement fund will generate a fee of around 25% of the fund, or \$3.0 million.<sup>7</sup>

When the benefit is therapeutic in nature, the Court attempts to apply a quantitative approach to “anchor this Court’s discretionary fee determinations to something more objective than the boldness of the plaintiffs’ ask and the vigor or passivity of the defendants’ response.”<sup>8</sup> Where, as here, the value of the benefit

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<sup>4</sup> *Emerson Radio*, 2011 WL 1135006, at \*3 (quoting *Julian v. E. States Constr. Serv., Inc.*, 2009 WL 154432, at \*2 (Del. Ch. Jan. 14, 2009) (footnotes and internal quotation marks omitted)).

<sup>5</sup> *Ams. Mining*, 51 A.2d at 1259–60.

<sup>6</sup> *Id.*

<sup>7</sup> See *In re Activision Blizzard, Inc. S’holder Litig.*, 124 A.3d 1025, 1071, 1075 (Del. Ch. 2015) (awarding fees approximating 22.7%–24.5% of the monetary benefit in a case that settled a month before trial).

<sup>8</sup> *In re Compellent Techs., Inc. S’holder Litig.*, 2011 WL 6382523, at \*20 (Del. Ch. Dec. 9, 2011).

achieved is not easily quantified, the Court of Chancery often looks to prior fee awards for similar benefits.<sup>9</sup>

The non-monetary benefits achieved in the proposed settlement are substantial and tailored to prevent a recurrence of the wrongs identified in the plaintiffs' complaint. They include:

- Mirror voting provisions designed to nullify the voting power of the shares purchased by Messrs. Kamin and Jacullo after the Company announced its intention to delist, under which Messrs. Kamin and Jacullo agreed to vote such shares in the same proportion as the vote of shares held by public stockholders for three years post-acquisition;
- Supplements to the Standstill Agreements intended to prevent Kamin, Jacullo, and Rucker from accumulating control of the Company in open-market purchases;
- An amendment to the Company's Certificate of Incorporation and Bylaws (subject to a stockholder vote) to include a "majority of the public stockholders" vote that applies to any later change to the Certificate of Incorporation or Bylaws affecting the rights or interests of any directors differently from those of public stockholders;
- The appointment of two independent directors, vetted by the plaintiffs, who will serve on committees agreed-upon by the plaintiffs, and the creation of an independent transaction committee empowered to review, assess, and negotiate certain Company transactions requiring Board approval, including changes to the Company's capitalization or corporate structure, changes to the Board, or certain transactions with related persons;

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<sup>9</sup> *Mudrick Capital Mgmt., L.P. v. Globalstar*, C.A. 2018-0699-TMR, at 22–23 (Del. Ch. Mar. 19, 2019) (TRANSCRIPT) (citing *Sciabacucchi v. Salzberg*, 2019 WL 2913272, at \*1 (Del. Ch. July 8, 2019), *overruled on other grounds*, 227 A.3d 102 (Del. 2020)).

- Modifications to the insider trading policy to require that, after a public announcement of material information, at least two full trading days must elapse before persons with prior knowledge of the material information may initiate trades in the Company's stock; and
- Continuing public disclosures, including quarterly financial reporting, quarterly conference calls for investors, and reporting within two business days of insider transactions in the Company's stock.

These benefits are difficult to quantify. Accordingly, the plaintiffs have pointed me to precedent for guidance, and specifically to: *Globalstar, Sorrento*,<sup>10</sup> and *Ceridian*.<sup>11</sup>

*Globalstar* involved a challenge to a proposed merger between two entities controlled by James Monroe, III. Had the merger closed, Monroe would have increased his ownership of Globalstar from 53% to over 80%, diluting minority stockholders in the process. The settlement provided: (i) a requirement that public stockholders elect two of Globalstar's seven directors until Monroe and his affiliates held less than 45% of Globalstar's stock; (ii) a requirement that minority stockholders approve certain related-party transactions; and (iii) the establishment of a strategic review committee comprised of independent directors required to review corporate transactions. The plaintiffs were awarded \$4.5 million in fees.

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<sup>10</sup> *Williams v. Ji*, C.A. No. 12729-VCMR (Del. Ch. May 15, 2018) (TRANSCRIPT).

<sup>11</sup> *Minneapolis Firefighters' Relief Assoc. v. Ceridian Corp.*, C.A. No. 2996-CC (Del. Ch. Mar. 24, 2008) (TRANSCRIPT).

*Sorrento* involved a challenge to an issuance of stock options and warrants made to directors and their affiliates without stockholder approval. Shortly after the issuance, Sorrento entered into a series of private placements that transferred a large bloc of its stock to outside investors. In connection with the private placements, Sorrento entered into a voting agreement with one of the outside investors. The settlement required: (i) cancellation of the challenged issuance; (ii) modification of the challenged voting agreement to require public disclosure of any rights exercised thereunder; (iii) creation of an independent committee process for future stock awards and related-party transactions; and (iv) submission of future stock plans of Sorrento's subsidiaries to a vote of all Sorrento stockholders. The plaintiffs were awarded \$3.2 million in fees.

*Ceridian* involved a challenge to a merger agreement that contained deal protections preventing the board from communicating or negotiating with third parties except in limited circumstances, and that allowed the buyers to terminate the merger agreement if a majority of the board nominees were not elected at the next annual stockholder meeting. The settlement resulted in: (i) amendments to the objectionable provisions of the merger agreement; (ii) information rights for the plaintiffs' counsel regarding alternative proposals; and (iii) additional disclosures in the company's proxy statement. The plaintiffs were awarded \$5.1 million in fees.

There is a good argument that the suite of non-monetary benefits achieved through the proposed settlement is more impressive than the non-monetary benefits achieved in the three cases that the plaintiffs rely upon. In this case, the parties have agreed to both governance terms like those obtained in *Globalstar* and *Sorrento*, as well as enhanced information rights in the form of disclosures arguably better than those obtained in *Ceridian*. This conclusion might ordinarily counsel in favor of a fee award in this case on par or better than the amount awarded in those three cases.

That said, and although I view the non-monetary benefits obtained in the proposed settlement as excellent, I have concerns with a fee award at the high end of the range negotiated by the parties.

My primary concern derives from the relatively small enterprise value of Tile Shop, which the defendants say is around \$80 million. By comparison, the market capitalizations of *Globalstar*, *Sorrento*, and *Ceridian* were roughly \$637 million, \$687 million, and \$4.4 billion, respectively.

On this point, the defendants point me to *Activision*, where the settlement obtained added two independent directors and reduced an insider's voting power from 24.9% to 19.9%.<sup>12</sup> In lauding this benefit, Vice Chancellor Laster expressly noted *Activision*'s \$15 billion market capitalization, commenting that

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<sup>12</sup> *Activision*, 124 A.3d at 1067.

“[e]stablishing an independent Board majority and reducing the stockholder-level control of insiders at a corporation with a market capitalization in excess of \$15 billion is a valuable non-monetary benefit.”<sup>13</sup> After surveying fee awards granted for similar benefits in comparatively large companies (those in *Google*, *Yahoo!*, and *Ceridian*), the Vice Chancellor noted that “[p]recedent suggests that an award of \$5–10 million” (an amount less than one-tenth of one percent of Globalstar’s market capitalization) “could be justified.”<sup>14</sup>

*Activision* and its cited authorities do not, to my mind, establish a hard and fast rule that fee awards for governance benefits should be scaled in a directly proportionate manner to the company’s market capitalization. Such a rule would create poor incentives. By way of example, in this case, a fee award of less than one-tenth of one percent of the Company’s market capitalization, which would presumably result in a fee award of under \$100,000—an amount not worth the plaintiffs’ efforts. Yet, I acknowledge the intuitive sensibility of reducing the fee award to account for the size of the Company and the number of stockholders who

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<sup>13</sup> *Id.* at 1071.

<sup>14</sup> *Id.* & n.30 (citing *In re Google Inc. Class C S’holder Litig.*, Cons. C.A. No. 7469-CS, at 19–20 (Del. Ch. Oct. 28, 2013) (TRANSCRIPT) (market capitalization of \$683 billion); *In re Yahoo! S’holders Litig.*, C.A. 3561-CC, let. op. at 1 (Del. Ch. Mar. 6, 2009) (market capitalization of \$27 billion); *Ceridian*, C.A. No. 2996-CC (market capitalization of \$4.4 billion)).

might ultimately benefit from the governance terms. The bottom line is that this is not a billion dollar company, and so some incremental reduction in the fees awarded for the governance terms is warranted.

There is one other consideration guiding my recommendation. Although Delaware courts sometimes value monetary and non-monetary benefits separately for the purpose of granting a total fee award,<sup>15</sup> the methodology is not an exact science,<sup>16</sup> and some consideration needs to be given to the aggregate fee award. In this case, the award the plaintiffs request would likely generate at least \$6 million in the aggregate, which is close to the highest end of the range of fees I would have considered granting for a settlement of this nature in a case of this size. Perhaps I would be more inclined to err on the side of a more generous award in more prosperous times. Given the current economic environment, however, I am reticent to lean toward a fee award on the highest end of the spectrum, notwithstanding the excellent terms achieved and the advocacy that went into them.

For these reasons, I arrive at the conclusion that a fee award of \$2.7 million for the non-monetary benefits is appropriate. This recommendation is based on the assumption that expenses will be paid in addition to this amount, or from the

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<sup>15</sup> See, e.g., *Emerson Radio*, 2011 WL 1135006, at \*5–6.

<sup>16</sup> *Compellent*, 2011 WL 6382523, at \*21 (observing that when awarding fees in representative litigation, scientific precision is neither required nor possible).

settlement fund, or from a combination of additional payments and the settlement fund.

I note also that the time and effort expended by counsel supplies a helpful “cross-check to guard against windfalls, particularly in therapeutic benefit cases.”<sup>17</sup> I have cross-checked my recommendation, coupled with the amount the plaintiffs’ counsel is likely to obtain in connection with the settlement fund, against the plaintiffs’ counsel’s lodestar and find it to be within a range of reasonableness.

Lastly, I would be remiss if I did not thank and credit you all for your diligence and professionalism in this matter. Your hard work made settlement happen; working with you was a pleasure.

Sincerely,



Kathaleen St. Jude McCormick  
Vice Chancellor

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<sup>17</sup> *Emerson Radio*, 2011 WL 1135006, at \*2 (citing *Brinckerhoff v. Tex. E. Prods. Pipeline Co.*, 986 A.2d 370, 396 (Del. Ch. 2010)).



# EXHIBIT 2

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 24, 2020**

**TILE SHOP HOLDINGS, INC.**

(Exact name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-35629**  
(Commission File Number)

**45-5538095**  
(IRS Employer Identification No.)

**14000 Carlson Parkway, Plymouth, Minnesota 55441**  
(Address of principal executive offices, including ZIP code)

**(763) 852-2950**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>None</b>	<b>N/A</b>	<b>N/A</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b—2 of the Securities Exchange Act of 1934 (§ 240.12b—2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On March 24, 2020, Todd Krasnow submitted his resignation from the board of directors of Tile Shop Holdings, Inc. (the "Company") and its committees, effective immediately. Mr. Krasnow's resignation was not due to any disagreement with the Company. His resignation letter is included as [Exhibit 17.1](#) to this Current Report on Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

[17.1 Letter, dated March 24, 2020, from Todd Krasnow.](#)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TILE SHOP HOLDINGS, INC.

By /s/ Nancy DiMattia

\_\_\_\_\_  
Name: Nancy DiMattia

Title: Chief Financial Officer

Date: March 24, 2020

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**Exhibit 17.1**

Todd Krasnow  
Newton, MA 02459

Mr. Peter Kamin  
Chairman  
The Tile Shop  
14000 Carlson Parkway  
Plymouth, MN 55441

March 24, 2020

Dear Peter,

I am resigning from the Tile Shop board of directors effective immediately.

It has been an honor and a pleasure to serve on the company's board for the past eight years. However, for family health reasons in the current uncertain times I have decided to step down. I remain confident in the board and management to steer the company through the challenging business environment we are in today.

Sincerely,



Todd Krasnow

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# EXHIBIT 3

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 14, 2020

**TILE SHOP HOLDINGS, INC.**

(Exact name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-35629**  
(Commission File Number)

**45-5538095**  
(IRS Employer Identification No.)

**14000 Carlson Parkway, Plymouth, Minnesota 55441**  
(Address of principal executive offices, including ZIP code)

**(763) 852-2950**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>None</b>	<b>N/A</b>	<b>N/A</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02          Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On April 14, 2020, Philip B. Livingston notified Tile Shop Holdings, Inc. (the “Company”) of his intention not to stand for reelection at the 2020 Annual Meeting of Stockholders (the “Annual Meeting”). Accordingly, after serving the remainder of his full term as a Class II director, which term expires as of the close of the Annual Meeting, his service on the Board and its committees will end. Mr. Livingston’s decision not to stand for reelection will allow the Company greater flexibility in identifying a slate of new directors with skills and experience that can benefit the Company and its evolving business strategy. Mr. Livingston’s decision was not due to any disagreement with the Company.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TILE SHOP HOLDINGS, INC.

Date: April 20, 2020

By /s/ Nancy DiMattia  
Name: Nancy DiMattia  
Title: Chief Financial Officer

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