

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

TO: All persons in the State of California who purchased or held a PetSmart, Inc. gift certificate or gift card between January 1, 2008 and October 30, 2010.

WHAT THIS ACTION IS ABOUT

There is now pending in the San Francisco County Superior Court a class action entitled PetSmart Gift Card Cases, Case No. CJC-09-004590 (the "Action"). Plaintiffs in the Action, Katherine Chamberlin and Rey Marilao, filed class action lawsuits on behalf of the class described above, alleging that defendant PetSmart, Inc. ("PetSmart") violated California law by refusing to redeem gift cards for their cash value when the remaining value on the card was less than \$10 and by selling gift cards containing unqualified language in their terms and conditions stating that they are not redeemable for cash. While PetSmart denies any wrongdoing and liability whatsoever, it has concluded it is in its best interests to settle the Action on the terms generally set forth in this notice in order to avoid expense, inconvenience, and interference with ongoing business operations. The parties have negotiated a proposed settlement. The San Francisco County Superior Court has conditionally certified the class for settlement purposes only, with Plaintiffs Katherine Chamberlin and Rey Marilao as the representatives of the Class, and the Court has granted preliminary approval of the settlement. This notice explains the nature of the lawsuit and the general terms of the settlement, and informs you of your legal rights and obligations.

THE PROPOSED SETTLEMENT

- A. PetSmart has agreed to the following policies and procedures: (a) remove from its stores gift cards containing unqualified language in their terms and conditions stating that they are not redeemable for cash; (b) change the language on its gift cards such that any statement that gift cards are not redeemable for cash is qualified; (c) provide additional training to store employees regarding gift card redemptions; and (d) post signs in its California stores regarding gift card redemption rights for a period of six (6) months from September 15, 2010.
- B. Plaintiffs Katherine Chamberlin and Rey Marilao may seek, subject to Court approval, an incentive fee/award of \$1,000 each for themselves.
- C. PetSmart has agreed, subject to court approval, to pay class counsel attorneys' fees and costs in an amount up to \$73,000.00 total.
- D. Class Members who do not validly and timely request to be excluded from the proposed settlement, and each of their respective successors, assigns, legatees, heirs, and personal representatives release and forever discharge PetSmart, Inc., and each of its direct or indirect parents, wholly or majority owned subsidiaries, affiliated and related entities, predecessors, successors and assigns, partners, privities, and any of their present and former directors, officers, employees, shareholders, agents, representatives, attorneys, accountants, insurers, and all persons acting by, through, under or in concert with them, or any of them, from all manner of action, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, which they have or may have arising out of or relating to any and all violations of California Civil Code section 1749.5(b)(1) & (2) or that were alleged or that could have been asserted in the complaints in the Action, including but not limited to causes of action for declaratory relief, severance, unjust enrichment, violations of the Consumers Legal Remedies Act (California Civil Code § 1750 et seq.), Unfair Competition Law (California Business and Professions Code § 17200, et seq.), and False Advertising Law (California Business and Professions Code § 17500, et seq.).

In addition, Class Members, and each of their respective successors, assigns, legatees, heirs, and personal representatives, expressly waive

and relinquish, as to the released claims, to the fullest extent permitted by law, the provisions, rights and benefits of California Civil Code § 1542, or any other similar provision under federal or state law, which provides: **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

FINAL SETTLEMENT HEARING

On January 25, 2011, at 9:30 a.m., a hearing will be held on the fairness of the proposed settlement and the Court will be available to hear any objections and arguments concerning the fairness of the proposed settlement. The hearing will take place before Judge John E. Munter in Department 305 of the San Francisco County Superior Court, located at 400 McAllister St., San Francisco CA 94102.

WHAT YOU CAN DO

You have the right to exclude yourself from the class action and the settlement. To be excluded, you must submit a letter postmarked no later than December 29, 2010, containing: (a) the name of the Action, "*PetSmart Gift Card Cases*," (b) your full name, address, and telephone number, and (c) a statement that you are a Class Member and wish to be excluded from the Class. **TO BE CONSIDERED VALID, A REQUEST FOR EXCLUSION MUST SET FORTH ALL OF THIS INFORMATION AND MUST BE TIMELY RECEIVED.** If you timely request exclusion from the Settlement Class, you will be excluded from the Settlement Class, and you will not be bound by the judgment entered in the Action. Your request must be sent to class counsel and defense counsel at the following addresses:

Class Counsel	Defense Counsel
Robert B. Hancock, Esq. PACIFIC JUSTICE CENTER 50 California Street, Suite 1500 San Francisco, CA 94111	Michelle Doolin, Esq. COOLEY LLP 4401 Eastgate Mall San Diego, CA 92121

Class Members who want to object to the Settlement must file a written objection with the Court (by delivery or mail) at 400 McAllister St., San Francisco CA 94102, Room 103, and serve copies on class counsel and defense counsel (see above) postmarked no later than December 29, 2010. The written objection must include: (a) the name of the Action, "*PetSmart Gift Card Cases*," (b) your full name, address, and telephone number, (c) a statement that you are a Class Member, (d) the words "Notice of Objection" or "Formal Objection," (e) the arguments supporting your objection, and (f) whether you intend to speak at the Final Settlement Hearing. If you do not make objections in this manner, you will be deemed to have waived any objections and will be foreclosed from making any objections (whether by appeal or any other process) to the Agreement. If your objection is rejected, you will be bound by the final judgment. You may, but need not, enter an appearance through counsel and, you will be responsible for your attorney's fees and costs.

This description of the case is general. In order to see the complete file you may visit the Clerk of the Court of the San Francisco County Superior Court, 400 McAllister St., San Francisco, CA 94102. The Clerk will make the file relating to this lawsuit available to you for inspection and copying at your own expense. **DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR TO THE JUDGE.**

DATED: September 15, 2010

BY ORDER OF THE COURT
JUDGE JOHN E. MUNTER
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO