

NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT

If you are or were a non-exempt hourly employee of Warehouse Demo Services, Inc. and worked in California as a Product Demonstrator (including Product Demonstrators assigned to work as Breakers, Leads, Helpers or Merchandisers) at any time between October 8, 2005 and April 1, 2011 (the “Class Period”), a class action lawsuit may affect your rights.

A court authorized this Notice. This is not a solicitation from a lawyer.

- The proposed settlement resolves lawsuits filed against Warehouse Demo Services, Inc. (“WDS” or “the Company”) alleging the Company denied compensation to California non-exempt employees.
- The Court did not decide whether the Company violated the law. The Court preliminarily approved this lawsuit as a class action for settlement purposes only.
- Your legal rights are affected and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
Submit a Claim Form	You will receive a Settlement Award and you give up any rights to sue the Company separately about the same legal claims in this lawsuit.
Request Exclusion	You will not share in the money distributed pursuant to the settlement but you retain the right to sue the Company separately about the same legal claims in the lawsuit. If you request to be excluded, you may not object to the settlement.
Object	If you believe the settlement is unfair or inadequate you may object in writing, personally or through an attorney. You may submit a Claim Form and object to the settlement.
Do Nothing	You will not share in the money distributed pursuant to the settlement and you give up any rights to sue the Company separately about the same legal claims in this lawsuit.

- Your rights are explained in this Notice. If you wish to receive money from the settlement, you must return a claim form postmarked no later than July 13, 2011.
- The Court still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did receive this Notice?

The Company’s records show that you work, or previously worked, for WDS in California as a non-exempt Product Demonstrator during the Class Period. You have legal rights and options you may exercise before the Court grants final approval to the settlement. The United States District Court for the Northern District of California is overseeing this class action, known as *Domnitz et al. v. Warehouse Demo Services, Inc.*, Case No.CV-09-05305 MMC, which was consolidated with another case settled concurrently and known as *Martin v. Warehouse Demo Services, Inc.*, Case No.CV-10-04539 MMC (the two cases are collectively referred to as the “Lawsuits”).

2. What are the Lawsuits about?

The Lawsuits allege the Company denied compensation to California non-exempt employees for off-the-clock work, failed to provide meal and rest breaks, failed to provide accurate wage statements and maintain records, and failed to timely pay wages upon termination.

3. How does the Company respond?

The Company denies any liability or wrongdoing of any kind associated with the Lawsuits and maintains it complied at all times with the California Labor Code, the California Business and Professions Code, and all other laws, statutes, and orders alleged in the lawsuit.

4. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” (in this case, Jacqueline Domnitz, Imelda Kantere, Pamela Taddei, and Nick Martin) sue on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” The people who sued are called the Plaintiffs. The Company is called the Defendant. One court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class.

5. Why is this case a class action?

- There are many current and former WDS employees who worked as Product Demonstrators (including Breakers, Leads, Helpers, or Merchandisers) during the Class Period;
- There are legal and factual questions common to each of them;
- The Class Representatives’ claims are typical of the claims of the rest of the class;
- The Class Representatives and the lawyers representing the class will fairly and adequately represent class interests;
- The common legal and factual questions predominate over questions affecting only individual members; and
- This class action will be more efficient than having many individual lawsuits.

6. Has the Court decided who is right?

The Court did not decide in favor of either party. By establishing the Class and issuing this Notice, the Court is not suggesting either party would win or lose a trial in this case. Instead of a trial, the parties agreed to a settlement. That way, they avoid the cost, risk, and uncertainty of a trial, and the affected employees receive compensation. The Class Representatives and the attorneys believe the settlement is fair, reasonable and adequate and in the best interests of all members of the Class.

YOUR RIGHTS AND OPTIONS

7. Am I part of the Class?

The Court decided that all current and former non-exempt hourly employees of WDS who worked as Product Demonstrators in California (including Product Demonstrators assigned to work as Breakers, Leads, Helpers, or Merchandisers) at any time from October 8, 2005, to April 1, 2011 are Class Members. You now must decide whether to stay in the Class or be excluded.

8. What does the settlement provide?

The Company agreed to create a settlement fund to be divided among all Participating Class Members, as discussed below.

9. How do I participate in the settlement as a member of the Class?

If you wish to receive a Settlement Award you must sign and return the attached Claim Form. Your Claim Form must be postmarked no later than July 13, 2011. If you dispute your estimated Settlement Award, your dispute must be postmarked no later than July 13, 2011.

10. How do I ask to be excluded?

If you wish to be excluded from the settlement, you must sign and return the attached Request for Exclusion. Your Request for Exclusion must be postmarked no later than July 13, 2011. If you exclude yourself, sometimes called “opting out” of the Class, you will not share in the money distributed pursuant to the settlement but you retain any rights to sue the Company separately about the same legal claims in the lawsuit. If you start your own lawsuit against the Company after you exclude yourself, you’ll have to prove your own claims.

11. May I object to the settlement?

If you believe the settlement is unfair or inadequate, you may object by filing a written objection with the United States District Court for the Northern District of California, 450 Golden Gate Avenue, P.O. Box 36060, San Francisco California 94102, and mailing a copy of your objection to counsel for the parties at the addresses below. Only Class Members who do not request to be excluded may object to the settlement. All objections must be filed and postmarked no later than July 13, 2011. Your objection should clearly explain why you object to the settlement and must state whether you (or someone acting on your behalf) intend to appear, at your own expense, at the final approval hearing. Any Class Member who does not object in the manner provided shall be deemed to have waived any objections to the fairness or adequacy of any aspect of the settlement.

12. What happens if I do nothing at all?

By doing nothing, you stay in the Class. You give up any rights to sue the Company separately about the same legal claims in the Lawsuits but you will not receive a Settlement Award.

13. When is the settlement final?

A final approval hearing on the fairness and adequacy of the proposed settlement will be held on August 26, 2011 at 9:00 a.m. in Department 7 of the United States District Court for the Northern District of California, located at 450 Golden Gate Avenue, San Francisco California. The final approval hearing may be continued without further notice. If the settlement is not approved, the Lawsuits will continue to be prepared for trial or other judicial resolution.

14. When will I receive payment?

If the settlement is given final approval, there may be appeals. Resolving them can take time, perhaps more than a year. Please be patient.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court decided the law firms of Hoffman Employment Lawyers, LLP and Stonebarger Law, APC are qualified to represent you and all Class Members. Together the law firms are called “Class Counsel.”

16. May I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. If you wish to hire your own lawyer, you are responsible for paying that lawyer.

17. How will Class Counsel be paid?

Class Counsel petitioned the Court for fees and expenses based on the benefits obtained for the Class. If the Court grants Class Counsel's request, the fees and expenses will be paid from a fund established by the Company for the benefit of the Class. A copy of Class Counsel's motion for award of fees and costs can be viewed at www.employment-lawyers.com/court-notice.html.

YOUR ESTIMATED SETTLEMENT AWARD

Individual settlement payments ("Settlement Awards") shall be distributed on a pro rata basis to Class Members who submit valid and timely Claim Forms ("Participating Class Members"). This section explains how Settlement Awards will be calculated. Your share of the fund depends upon a number of factors, explained below.

The Gross Settlement Fund. The Company has agreed to settle the class claims for three-million, three-hundred thousand dollars (\$3,300,000). This is the Gross Settlement Fund.

The Net Settlement Fund. All Settlement Awards will be paid from the "Net Settlement Fund," calculated by deducting from the Gross Settlement Fund: (i) the attorneys' fees that the Court approves for Class Counsel as a reasonable fee (Class Counsel is requesting twenty-five percent (25%) of the Gross Settlement Fund); (ii) all litigation costs (as approved by the Court and not to exceed \$75,000); (iii) the Class Representatives' Enhancement Awards (as approved by the Court but not to exceed \$7,500 to each Class Representative); (iv) a \$37,500 payment to the California Labor and Workplace Development Agency to settle the Plaintiffs' claims under the California Private Attorneys' General Act; and (v) the Administration Costs (as approved by the Court but not to exceed \$75,000). If the total Participating Class Member Awards equals less than 50% of the Net Settlement Fund, then Settlement Awards shall be proportionately increased to ensure the total payout to Participating Class Members equals 50% of the Net Settlement Fund. Any unclaimed amount above 50% of the Net Settlement Fund shall be and remain the exclusive property of Defendant.

The Settlement Awards. Each Class Member is entitled to submit a claim for a pro-rata distribution from the Net Settlement Fund based on the number of shifts worked during the Class Period. As explained in the attached Claim Form, each Class Member's estimated Settlement Award shall be determined by reference to the Company's payroll records. As further explained in the attached Claim Form, if you disagree with your estimated Settlement Award, contact the Claims Administrator at the address below and provide evidence of the number of shifts you claim you worked as a non-exempt hourly Product Demonstrator (including assignments worked as a Breaker, Lead, Helper or Merchandiser) in California during the Class Period. The Company's payroll records are presumed to be correct unless you provide information and documents proving otherwise. The Claims Administrator will evaluate the evidence you submit and resolve the dispute, subject to the right of a Class Member to appeal a decision by the Claims Administrator to the Court within 10 calendar days of the decision by the Claims Administrator.

As calculated by the Claims Administrator, your estimated Settlement Award is \$ <<CLAIM FORM>>.

The Claims Administrator will deduct applicable income and payroll taxes prior to distribution of Settlement Awards. Of the Settlement Awards, thirty percent (30%) will be allocated to the payment of

wages, forty percent (40%) to the payment of penalties, and thirty (30%) to the payment of interest. Payments allocated to wages shall be subject to all applicable wage laws, including federal, state and local tax withholding and payroll taxes. Payments allocated to penalties and interest shall not be subject to withholding or deductions for 401(k) contributions. The Claims Administrator shall issue all reports required by the Internal Revenue Service to document all payments required under this Settlement.

RELEASE OF CLAIMS

Upon final approval by the Court, each Class Member who has not submitted a valid Request for Exclusion fully and finally releases and forever discharges Defendant and its former and present parents, subsidiaries, affiliated corporations, officers, directors, employees, partners, agents, insurers, any individual or entity which could be jointly liable, and any other successors, assigns or legal representatives (“Releasees”), from any and all applicable California wage and hour claims, rights, demands, liabilities and causes of action of every nature and description, whether known or unknown, arising from or related to the Lawsuits against Defendant, including without limitation statutory, constitutional, contractual or common law claims for actual damages, penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, equitable relief based on the following categories of wage and hour allegations and claims reasonably related to: (a) any and all claims for failure to provide meal and rest breaks pursuant to Labor Code §§ 226.7 and 512; (b) any and all claims for failure to provide accurate and timely wage statements pursuant to Labor Code §§ 226(e) and 226.3; (c) any and all claims for failure to maintain employee time records pursuant to Labor Code § 1174(d); (d) any and all claims for unfair competition pursuant to Business and Professions Code § 17200 et seq. for the underlying Labor Code violations set forth in the Lawsuits; (e) any and all claims for failure to compensate employees for all time worked, including any failure to pay overtime pursuant to Labor Code § 1194; (f) any and all claims for failure to compensate employees for reporting time pursuant to IWC Wage Order No. 7, § 5; and (g) any and all claims for waiting time penalties pursuant to Labor Code §§ 201-203; (h) any and all claims for injunctive relief; (i) any and all claims for actual or liquidated damages under the Fair Labor Standards Act (FLSA) for the same or reasonably related claims; (j) any and all claims for statutory penalties for the alleged Labor Code violations; (k) any and all claims for interest and (l) any and all claims for attorneys’ fees and costs (the “Released Claims”).

Each Settlement Class Member shall be deemed to have expressly waived and relinquished all rights and benefits of Section 1542 of the Civil Code of the State of California, and to have done so understanding and acknowledging the significance and consequence of specifically waiving Section 1542, 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.

However:

The Parties expressly exclude from the scope of this release (except with respect to the Class Representatives, who waive all claims) any claims that Settlement Class Members have in connection with any individual actions or class actions involving claims other than the Released Claims.

FURTHER INFORMATION

This Notice only summarizes the proposed settlement. For more information, you may inspect the Court files by contacting the office of the Clerk of Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, 16th Floor, San Francisco California 94102. Any questions regarding this Notice, your estimated Settlement Award, or requests for exclusion may be directed to the Claims Administrator, Rust Consulting, at the address and telephone number below. Alternatively, you may contact Class Counsel at the addresses and telephone numbers below. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Claims Administrator.

CLAIMS ADMINISTRATOR:

Domnitz et al. v. Warehouse Demo Services, Inc. Class Action Settlement
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PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE