

FULL CLASS NOTICE

Saunders v. Sears Holdings Management Corporation
Napa County Superior Court
Case No. 17-CV-000034

**READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED**

All consumers in California who possessed a Sears gift card with a balance of less than \$10.00 but disposed of it during the period January 12, 2013 through June 21, 2017, inclusive, upon being informed by a Sears employee in California that it could not be redeemed for cash. This settlement covers consumers in that circumstance. Please read the rest of this Notice to find out more.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Participate in the Settlement	If you wish to receive a \$9.99 Sears Gift Card, read this Notice for information on how to file a claim. If you do not file a Claim by the earlier of 12 months after the Effective Date (defined below) or when 1,000 Settlement Class Members have submitted a valid claim, you will not receive a settlement gift card.
Exclude Yourself from the Settlement	If you do not want to participate in the settlement, you must send a letter requesting exclusion postmarked no later than September 19, 2017 or else you will be bound by the settlement.
Object to the Settlement	If you wish to object to the settlement, you must follow the directions in this Notice. The deadline to object is September 19, 2017.
Participate in the Hearing	If you submit a timely objection to the settlement, you may also indicate in the objection whether you wish to appear in court and be heard at the time of the final fairness hearing.
Do Nothing	If you do nothing with respect to this Notice, you will not receive any Settlement Payment and you will be bound by the terms of the settlement including the release of claims described below.

THESE RIGHTS AND OPTIONS, INCLUDING THE DEADLINES BY WHICH TO EXERCISE THEM, ARE EXPLAINED BELOW

What is the Case About?

The Settlement will resolve this class action case (“the Action”) involving an allegation that Sears failed to redeem gift cards, upon request, when the remaining balance on the gift card was less than \$10.00. Sears denies any wrongdoing. The parties concluded it is in their best interests to settle the Action to avoid the expense and uncertainty of ongoing litigation.

Am I a Class Member?

You are a Class Member if you are a California consumer who possessed a Sears gift card with a balance of less than \$10.00 but disposed of it during the period January 12, 2013 through June 21, 2017, inclusive, upon being informed by a Sears employee in California that it could not be redeemed for cash.

What Does The Settlement Provide?

Sears agrees to participate in a claims process whereby Settlement Class Members claiming to have disposed of one or more Sears gift card(s) with a remaining balance less than \$10.00 during the period January 12, 2013 through June 21, 2017, inclusive, as a result of being informed by a Sears employee that redemption for cash was not permissible, will receive one gift card valued at \$9.99 which can be used or redeemed for cash at any Sears location in California, without any purchase requirement. Sears will make available up to 1,000 total \$9.99 gift cards for the earlier of 12 months after the Effective Date (which is 30 days after the Settlement becomes final) or when 1,000 Settlement Class Members have submitted a valid claim.

Sears has also agreed to: (1) comply with California gift card law (Civil Code §§ 1749.45 *et seq.*) in all of its California locations; (2) review and, if necessary, update its written policies and procedures related to gift cards to ensure that they fully comply with California law and will provide copies of the current policies and procedures to Plaintiff’s Counsel; (3) ensure that its documentation available to its store employees specifically note that California law requires that a gift card must be redeemed for cash, upon a customer's request, when the gift card balance falls below \$10.00; (4) will send a reminder to each of its California stores that California law requires that a gift card must be redeemed for cash, upon a customer’s request, when the gift card balance falls below \$10.00. The reminder will instruct store management to share that message and reminder to all “member/customer facing employees”; (6) post in each store for 12 consecutive months, in the area used for employee-notices, the following notice, no smaller than a 4 x 6 inches: “California law requires that a gift card must be redeemed for cash, upon a customer's request, when the gift card balance falls below \$10.00”; and (7) publish for at least 24 consecutive months, either on its "Gift Card" web page or on its "Terms and Conditions" web page, the following or similar language: "In certain states, Sears gift cards with balances under \$10 are redeemable for cash when they fall below a dollar threshold specified by law."

What Do I Need to Do To Receive a Settlement Payment?

You must complete a Claim Form and return it to the Class Counsel on time. You may obtain a hard copy Claim Form from the settlement website, <https://kellergrover.com/giftcardsettlement/>, or by writing to the Class Counsel c/o Keller Grover LLP, 1965 Market Street, San Francisco, California 94103. You also may submit a completed Claim Form online at the settlement website, <https://kellergrover.com/giftcardsettlement/>. A Claim Form will not be considered timely unless it is returned to Class Counsel online or sent by mail postmarked no later than the earlier of 12 months after the Effective Date or when 1,000 Settlement Class Members have submitted a valid claim. The date that is 12 months after the Effective Date will be posted on the settlement website. If 1,000 Settlement Class Members submit valid claims before that date, Class Counsel will announce the end of the claims period on the settlement website.

What Am I Giving Up to Get Settlement Benefits or Stay In the Class?

Questions? Call 1-415-543-1305 or visit <https://kellergrover.com/giftcardsettlement/>

Unless you exclude yourself, as described below, you will remain in the Class and be bound by the terms of the settlement and all of the Court's orders regardless of whether you submit a claim form. This means that you can't sue or be part of any other lawsuit against Sears or other Released Parties (defined below) about the issues in this case. Staying in the Class also means that you agree to the following release of claims, which describes the legal claims that you give up:

Release by the Settlement Class. Upon entry of the Final Approval Order and Judgment, the Class Representative and each Settlement Class Member, and their respective heirs, assigns, successors, agents, attorneys, executors, and representatives, shall be deemed to have and by operation of this Agreement and the Final Approval Order and Judgment shall have, fully, finally, irrevocably, and forever, released Sears Holdings Management Corporation and its current or former officers, directors, shareholders, employees, agents, attorneys, auditors, accountants, insurers, experts, parent companies, subsidiaries, affiliates, divisions, stockholders, heirs, executors, licensees, representatives, predecessors, successors and assigns through June 21, 2017, in connection with any and all claims and causes of action alleging that Sears' gift card-related policies or procedures violated Civil Code §§ 1749.45 *et seq.*, Civil Code §§ 1750 *et seq.*, or Business & Professions Code §§ 17200 *et seq.* premised on any underlying gift card-related violation of Civil Code §§ 1749.45 *et seq.* or Civil Code §§ 1750 *et seq.* This definition of Released Claims is not intended to include any claims alleging violations of Civil Code §§ 1750 *et seq.* or Business & Professions Code §§ 17200 *et seq.* unrelated to gift card-related claims.

When Can I Expect To Receive My Settlement Payment?

The Court will hold a hearing on October 4, 2017 to decide whether to give final approval to the Settlement. If the Settlement is finally approved, all valid claims made prior to the Effective Date will be paid within 30 days of the Effective Date. All other valid claims will be paid within 10 days of receipt of the claim. Plaintiff's Counsel shall email a \$9.99 gift card to each Settlement Class Member making a valid claim.

Can I Exclude Myself From the Settlement?

If you want to keep the right to sue Sears or any of the Released Parties on your own at your own expense about the issues in this case, then you must take steps to exclude yourself from the settlement. This is also called "opting out" of the settlement. To exclude yourself from the settlement, you must send a letter by first class United States mail to Class Counsel, containing: (1) the title of the Action; (2) your full name, address, and telephone number; and (3) a statement that you request to be excluded from the Settlement Class. Be sure to include your name, address, telephone number, and signature. Your letter requesting exclusion from the settlement must be postmarked no later than September 19, 2017 and mailed to:

Keller Grover LLP
1965 Market Street
San Francisco, California 94013

If you request exclusion from the settlement, you will not get any settlement benefits, and you cannot object to the terms of the settlement. You will not be legally bound by anything that happens in this lawsuit.

Do I Have a Lawyer in the Case?

The Court has appointed Eric A. Grover of Keller Grover LLP to represent you and other Class Members as Class Counsel. Class Counsel will be paid by Sears and you will not be charged for this. If you want to be represented by your own lawyer, you may hire one at your own expense.

How Will the Lawyers and the Class Representative Be Paid?

Class Counsel will ask the Court to approve payment of up to \$46,500.00 in attorneys' fees and out-of-pocket costs. The fees would pay Class Counsel for investigating the facts, litigating the case, negotiating the settlement, administering the claims process, and following through to make sure that its terms are carried out. Class Counsel also will ask the Court to approve a payment of \$3,500.00 to Plaintiff Michael Saunders for his service as Class Representative.

How Do I Tell the Court That I Don't Like the Settlement?

You can ask the Court to deny approval by filing an objection. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue.

Any objection to the proposed settlement must be in writing. All written objections and supporting papers must include: (1) the name and case number of the lawsuit; (2) the objector's full name and postal address; (3) a statement as to the basis of the objector's belief that he or she is a member of the Settlement Class; (4) all grounds for the objection including, if available, the factual and legal bases for the objection known to the objector or his or her counsel and the relief the objector is seeking; (5) the identity, postal address, and telephone number for all counsel who represent the objector, if any; and (6) a statement confirming whether the objector or the objector's counsel intends to appear personally at the final fairness hearing.

Objections must be filed with the Civil Clerk, Napa County Superior Court, located at 825 Brown Street, Napa, California 94559 and by mailing them to Plaintiff's Counsel (Eric A. Grover, Keller Grover LLP, 1965 Market Street, San Francisco, California 94103) and Defense Counsel (Tera M. Heintz, Morgan, Lewis & Bockius LLP, One Market Street, Spear Street Tower, San Francisco, California 94105). Objections must be filed with the Court and postmarked to counsel on or before September 19, 2017 to be considered timely.

When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a final fairness hearing regarding the settlement at 8:30 a.m. on October 4, 2017 at the Napa County Superior Court, Department F, 825 Brown Street, Napa, California. At that hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court also will decide how much to pay to Class Counsel and the Class Representative. After the hearing, the Court will decide whether to approve the settlement. Class Counsel does not know how long those decisions will take.

The final fairness hearing date or time may be changed without further notice. Any change to the final fairness hearing date or time will be posted on the settlement website, <https://kellergrover.com/giftcardsettlement/>.

What Happens if I Do Nothing At All?

If you do nothing, you will remain in the Settlement Class and will be bound by the terms of the settlement and all of the Court's orders including the Release. This also means that you will not receive any settlement benefits and can't sue or be part of any other lawsuit against Sears or the Released Parties about the issues in this case.

Are There More Details About the Settlement?

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the Settlement Agreement and Release. You can get a copy of the Settlement Agreement and Release and other case documents at the settlement website, <https://kellergrover.com/giftcardsettlement/>, by accessing the Court docket in this case through the

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Court's website at <https://portal.napa.courts.ca.gov/Secure/Home/Dashboard/29> and typing in the case number (17-CV-000034), or by contacting Class Counsel Eric A. Grover at Keller Grover LLP, 1965 Market Street, San Francisco, California 94103; telephone number 415-543-1305; email eagrover@kellergrover.com.

PLEASE DO NOT CALL THE COURT, THE COURT CLERK'S OFFICE, SEARS OR DEFENSE COUNSEL WITH ANY QUESTIONS RELATED TO THE SETTLEMENT.

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