

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: All Persons while residing in California who purchased any product directly from Telebrands Corp. marketed under the names Crazy Critters, Windshield Wonder, Heeltastic, Shoes Under, Aluma Wallet, Insta Bulb, Lint Lizard, Chef Basket, EZ Combs, Edge of Glory, Pasta Boat, Bare Lifts, Perfect Fit Button, Pet Rider, Fresh Sticks, Jupiter Jack, Sticky Buddy and Robo Stir (“Products”) under the offer that they would receive an additional Product as a “bonus” or for “free” (or other similar term) at any time from October 16, 2010 to December 1, 2011, and paid a separate fee for the additional Product (the “Settlement Class.”)

PLEASE READ THIS NOTICE CAREFULLY. THIS IS NOT A NOTICE OF A LAWSUIT AGAINST YOU. YOU MAY BENEFIT FROM READING THIS NOTICE.

I. WHAT THIS SETTLEMENT IS ABOUT

This lawsuit was filed against Telebrands Corp. (“Telebrands” the “Company” or “Defendant”) in the Superior Court for the State of California, County of San Luis Obispo, on behalf of the Settlement Class (the “Action”). The complaint alleges that Defendant marketed its Products through advertising that consumers would receive an additional product as a “bonus” or for “free” when in reality consumers were charged and required to pay shipping, processing or handling charges in excess of what is permitted by law. The complaint seeks damages, injunctive and declaratory relief under California’s False Advertising Law, which makes it unlawful as part of an advertising plan or program, or by any other means, for a retailer to represent that the consumer will receive a free gift (or other similar term) and that as a condition of receiving the free gift, the consumer must pay money for shipping that exceeds the average cost of postage or the exact amount for the shipping or that the consumer must pay for handling that is not reasonable or exceeds the actual cost of handling or the greater of \$3.00 or 80% of the actual cost of the gift item.

Telebrands has denied liability. However, to resolve this dispute without further cost or delay, plaintiff and Telebrands have entered

into a settlement that provides benefits to the eligible class members as described below. This settlement is not an admission of wrongdoing by any party.

If approved by the Court, the settlement will provide certain benefits to the Settlement Class and a dismissal of the lawsuit and release of claims against the Company as described below.

Judge Barry T. LaBarbera has granted preliminary approval of the settlement, has conditionally certified the Settlement Class defined above and has scheduled a final fairness hearing, which will take place on **January 25, 2018 at 9:00 a.m.** in Department 2 of the Superior Court for the State of California, County of San Luis Obispo, 1035 Palm Street, San Luis Obispo, CA 93408.

This notice explains the nature of the lawsuit and the terms of the settlement and informs you of your legal rights and obligations.

Plaintiff and Defendant have agreed to the settlement described below. If you do not wish to be part of the settlement, you must request to be excluded from the Settlement Class in the manner described below.

II. BENEFITS PROVIDED TO SETTLEMENT CLASS MEMBERS

A. Compensation

1. Telebrands will pay a total of \$300,000.00 in compensation to Settlement Class Members who purchased a Product directly from Telebrands Corp. under the offer that they would receive an additional Product as a “bonus” or for “free” (or other similar term) at any time from October 16, 2010 to December 1, 2011, and paid a separate fee for the additional Product subject to the terms of the Settlement Agreement which are summarized below.

2. To be eligible for compensation, a Settlement Class Member must submit a Claim Form. Payment will be made to all Settlement Class Members who submit a Claim Form, and do not seek exclusion from the Class (“Claimant.”) Each Claimant will be entitled to \$5.00. If the class claims exceed the net settlement fund of \$300,000.00 after deduction of attorney’s fees, reasonable costs and expenses incurred by Class Counsel, and the incentive award paid to the Class Representative, the settlement funds shall be allocated among the Claimants on a pro-rata basis. If the class claims do not exceed the sum of \$50,000.00, then Defendant shall pay the difference between the amount of actual class claims and the sum of \$50,000.00 to a *cy pres* charity as agreed by the Parties and allowed under the laws of California. Any remaining funds greater than the class claims and the distribution floor of \$50,000.00 shall revert to defendant.

3. In addition to the gross settlement of \$300,000.00, Defendant shall pay all costs associated with providing class notice and

settlement administration.

4. Payments will be made to Settlement Class Members by check delivered by U.S. Mail after final approval of the settlement. As used herein, final approval of the settlement means the entry of an Order by the Superior Court approving the settlement that is no longer subject to appeal.

III. RELEASE OF CLAIMS

If the Court approves the settlement, each Settlement Class Member shall be deemed to have released each Released Party (defined below) of and from any and all Released Claims.

Released Claims means any claim for damages (including, but not limited to, compensatory, consequential, special, statutory, exemplary or punitive), injunctive relief, based upon a violation of the FAL or the UCL or any other statute, common law principle, whether known or unknown, asserted or unasserted by the Releasing Parties against the Released Parties based on the claim that the Defendant marketed and sold its Products through advertising that consumers would receive an additional Product as a “bonus,” or for “free,” or any similar language stating or implying that the additional Product would be received at minimal or no cost when in reality consumers were charged and required to pay shipping, processing or handling charges in excess of the actual cost to ship, process, or handle the additional Product. This release does not release or purport to release any claims of a governmental entity and it does not release or purport to release any other claims that the Releasing Parties may have arising out of Defendant’s marketing or sale of any other products.

Released Party(ies) means Defendant, its predecessors, successors, assigns, its past, present and future parents, subsidiaries, affiliates, divisions, departments, vendors, and all of the past, present and future officers, directors, employees, stockholders, partners, agents, servants, successors, attorneys, auditors, consultants, representatives, insurers, and subrogees, of any and all of the forgoing. It is expressly understood that any Released Party that is not a party to this Agreement is an intended third party beneficiary of this Agreement.

IV. ATTORNEY'S FEES, COSTS, AND INCENTIVE AWARD

Class counsel will file a petition for an award of attorney's fees, costs and expenses, and an incentive award payable to the Class Representative. The Court will determine the amount of the award, but the amount of attorney's fees cannot exceed \$100,000.00, plus reasonable costs and expenses incurred in the litigation, and the incentive award will not exceed \$5,000.00. The award will be paid out of the Settlement Fund.

V. CLASS COUNSEL'S OPINION OF THE SETTLEMENT

As part of this litigation, the Court-approved Class Counsel has conducted an investigation and discovery into the claims of the Settlement Class members and the defenses that might be asserted thereto. The investigation has included a review of relevant documents produced by the Company and a third party fulfillment company; and an analysis of relevant legal issues. Based on this investigation, Class Counsel believes that the settlement is fair, reasonable and adequate and in the best interests of the Settlement Class.

Class Counsel has taken into account the expense and length of continued proceedings necessary to continue to prosecute this case through verdict, judgment and appeals and the uncertainty and risk of the outcome of continued litigation, especially in complex actions such as these as well as the difficulties and delays inherent in such actions. In addition, the Honorable Ronald Sabraw, retired Superior Court Judge mediated the settlement discussions and this settlement was only achieved after lengthy arms-length negotiations before Judge Sabraw.

VI. FAIRNESS HEARING

A hearing will be held on the fairness of the proposed settlement. At the hearing, the Court will be available to hear any objections and arguments concerning the fairness of the proposed settlement, including the amount of any award to Class Counsel for attorney's fees costs and expenses. The hearing will take place on **January 25, 2018 at 9:00 a.m.** before Judge Barry T. LaBarbera, in Dept. 2 of the Superior Court of the State of California, County of San Luis Obispo, 1035 Palm Street, San Luis Obispo, CA 93408. **YOU ARE NOT OBLIGATED TO ATTEND THIS HEARING UNLESS YOU PLAN TO OBJECT TO THE SETTLEMENT AND WISH TO PRESENT AN ARGUMENT TO THE COURT AS TO YOUR OBJECTION.**

If the settlement is not approved, the case will proceed. There can be no assurance that if the settlement is not approved, the Settlement Class will recover more than is provided in the settlement, or indeed, anything.

VII. WHO REPRESENTS YOU

The Court has approved the law firm identified below to represent the Settlement Class. The Class Counsel who is designated to respond to questions from Settlement Class Members is also identified below. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense to advise you as to your rights under the settlement.

Class Counsel:

Stephen G. Geihs, Esq.
Law Offices of Stephen G. Geihs
314 Pomeroy Ave., P.O. Box 155
Pismo Beach, CA 93448
Tele: (805) 773-4601

VIII. YOUR OPTIONS

A. Submit a Claim Form.

If you wish to receive the relief provided under the settlement, you must submit a Claim Form. You can complete or get a Claim Form on the Internet at <http://www.TelebrandsClassActionSettlement.com>, and submit it on line. Alternatively, you may submit your Claim Form by mailing it to the following address: Claims Administrator, PO Box 2561, Faribault, MN 55021-9561. It must be postmarked no later than November 17, 2017.

If you received a Notice in the mail or by e-mail, a Claim Form was enclosed, and you have been identified as potential class member. If you did not receive a Claim Form, you can obtain from <http://www.TelebrandsClassActionSettlement.com>, where you can also submit it online, or call toll-free, 1-8866-880-0222 or write the Claim Administrator at PO Box 2561,

Faribault, MN 55021-9561. Be sure to include your name and mailing address. **TO BE VALID, ALL CLAIM FORMS MUST BE POSTMAKED OR SUBMITTED BY NOVEMBER 17, 2017.**

B. Exclude Yourself From the Settlement Class.

You have the right to exclude yourself from the class action settlement by completing and returning a request for exclusion to the Claims Administrator, PO Box 2561, Faribault, MN 55021-9561, by October 16, 2017. By excluding yourself from the settlement, you will not be legally entitled to receive any of the benefits provided under the settlement and will not be allowed to submit any objections to the settlement. If certain conditions to the Settlement Agreement do not occur, the Company will have the option of withdrawing from the settlement. **The request for exclusion must be postmarked by October 16, 2017** and must list your name, address, and the name and number of this case. The requests for exclusion must be personally signed by the person requesting exclusion. You must also mail copies of the request for exclusion to each of the attorneys whose address is provided below, and **such mailing must be postmarked by October 16, 2017.**

Class Counsel:

Stephen G. Geihs, Esq.
Law Offices of Stephen G. Geihs
314 Pomeroy Avenue
P.O. Box 155
Pismo Beach, CA 93448

Defendant's Counsel

Matthew G. Ball, Esq.
K&L Gates LLP
4 Embarcadero Center, Suite 1200
San Francisco, CA 94111

C. You May Object to the Settlement.

To submit an objection to the settlement, you must file your written objection with the Clerk of the Superior Court, 1035 Palm Street, Rm. 385, San Luis Obispo, CA 93408. The objection must be filed with the Clerk of the Court on or before October 16, 2017 and must refer to the name and number of this case. You must also send a copy of your objection by first class mail to Class Counsel and Defendant's Counsel listed above, and such mailing must be postmarked by October 16, 2017. Any objection must include your name and address, telephone number and a statement of the reasons why you believe that the Court should find that the proposed settlement is not fair or is not in the best interests of the Settlement Class. You must also submit proof of class membership. You may also appear at the hearing before Judge Barry T. LaBarbera on January 25, 2018 at 9:00 a.m. and request to be heard by the Court as to your objection. If you wish to be heard by the Court at the Fairness Hearing, you must so indicate in your objection filed with the Court. **YOU ARE NOT REQUIRED TO ATTEND THIS HEARING UNLESS YOU WISH TO PRESENT AN ARGUMENT TO THE COURT AS TO YOUR OBJECTION. PLEASE NOTE THAT IT IS NOT SUFFICIENT TO SIMPLY STATE THAT YOU OBJECT. YOUR OBJECTION SHOULD STATE THE REASONS WHY YOU OBJECT TO THE SETTLEMENT OR WHY IT SHOULD NOT BE APPROVED.**

If the Court approves the settlement, persons who objected to the settlement will be bound by its terms, including but not limited to the Release of Claims described above. If you do not wish to receive the benefits and provide

the Release of Claims described above, you should request exclusion from the Settlement Class according to the procedures described above. You may **not** object to the settlement and also ask to be excluded from the settlement. Any submission that asserts an objection and a request for exclusion will be treated as an objection. An objector will be bound by the Settlement Agreement if the Court approves it.

IX. THIS NOTICE ONLY PROVIDES A GENERAL DESCRIPTION

This description of the case contained in this notice is general and does not cover all of the issues and proceedings thus far. In order to see the complete file, including a copy of the Settlement Agreement, you should visit the office of the Clerk of the Superior Court for the State of California, County of San Luis Obispo, at 1035 Palm Street, San Luis Obispo, CA 93408. The Clerk will make the files relating to this lawsuit available to you for inspection and copying at your own expense. Certain documents are also available on the settlement website: www.TelebrandsClassActionSettlement.com

X. INQUIRIES

Any questions you or your attorney may have concerning this notice should be directed to Class Counsel at the address listed above. Please include the case name and number, and your name and your current return address on any letters, not just the envelopes. You may also contact Class Counsel at (805) 773-4601. Information is also available on the settlement website: www.TelebrandsClassActionSettlement.com.

Please do not contact the Court, the Court

Clerk or Defendant's Counsel; as they are not in a position to give you any advice about this settlement.

By Order of the Court Dated: August 17, 2017

HONORABLE BARRY T. LaBARBERA

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF SAN LUIS OBISPO