

SUPERIOR COURT OF THE STATE OF WASHINGTON
KING COUNTY
Case No. 01-2-24553-8 SEA

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

BASIC INFORMATION

1. Why did I get this Notice?

You received this Notice because Wal-Mart's records show that you now work or previously worked as an hourly employee at a Wal-Mart Store, Supercenter, Sam's Club, or Distribution Center in the State of Washington at some time from September 10, 1997 to February 3, 2009.

2. What is the purpose of this Notice?

The purpose of this Notice is to inform you that a proposed Settlement has been reached in a class action brought in Washington against Wal-Mart. This Notice summarizes the Settlement and your rights under it. This Notice contains only a summary of the Settlement Agreement. For more detailed information visit the Settlement website at www.walmartwageswa.com.

3. What is the lawsuit about?

This lawsuit is titled *Barnett v. Wal-Mart Stores, Inc., et al.*, Case No. 01-2-24553-8 SEA, and is pending in the King County, Washington Superior Court before the Honorable Julie Spector. Plaintiffs claim that Wal-Mart and Sam's Club failed to compensate their hourly employees for missed and interrupted rest breaks and meal periods and for time they worked when they were not clocked into Wal-Mart's time keeping system. In particular, Plaintiffs claim that they and other employees of Wal-Mart and Sam's Club in Washington were denied the opportunity to take earned rest breaks and meal periods, or had their rest breaks and meal periods interrupted. Plaintiffs also allege that Wal-Mart and Sam's Club failed to pay their employees for all the time they worked. Plaintiffs assert that they and the other employees are entitled to payment as a result of these allegations. Wal-Mart and Sam's Club deny Plaintiffs' claims and allegations. Wal-Mart and Sam's Club state that they took reasonable steps to afford employees the opportunity to take earned meal periods and rest breaks and to record all of their time so that employees would be properly paid for all time worked.

4. What claims are resolved by the Settlement?

The Settlement will resolve all of the claims that class members could have brought against Wal-Mart regarding Wal-Mart's alleged failure to provide full and uninterrupted rest breaks and meal periods and any alleged failure to pay for all hours worked, including overtime hours, alleged deletion of time from time records, and work performed while not on the clock.

5. Who is covered by the Settlement?

The Settlement will cover any and all hourly employees who worked at a Wal-Mart Store, Supercenter, Sam's Club, or Distribution Center at any time from September 10, 1997 through February 3, 2009, who do not affirmatively exclude themselves from the Class. To receive any money, individual Class members must submit a Claim Form as set forth in Section 13 of this Notice.

6. Who represents the Settlement Class?

The Court has designated Debra Barnett, Georgie Knoles, and Bella Blaubergs to represent the Settlement Class. These individuals are called Class Representatives. Each of the Class Representatives has worked for Wal-Mart in Washington during the Settlement Class Period.

7. Are there lawyers representing the Settlement Class?

Yes. The Court has appointed the following lawyers to represent the interests of the Class Representatives and the Settlement Class:

Beth E. Terrell
Toby J. Marshall
Jennifer Rust Murray
TERRELL MARSHALL & DAUDT PLLC
3600 Fremont Avenue N.
Seattle, WA 98103
(206) 816-6603

Kelly M. Dermody
Jahan C. Sagafi
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP
275 Battery Street, Suite 3000
San Francisco, CA 94111-3339
(415) 956-1000

Rachel Geman
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP
250 Hudson Street, 8th Floor
New York, NY 10013-1413
(212) 355-9500

Janissa Strabuk
TOUSLEY BRAIN STEPHENS PLLC
1700 Seventh Avenue, Suite 2200
Seattle, WA 98101
(206) 682-5600

8. Why is there a Settlement?

The attorneys representing the Settlement Class have engaged in extensive settlement discussions and arm's-length negotiations with Wal-Mart's attorneys on behalf of all class members, including you. The Class Representatives and the attorneys for the Settlement Class have concluded, after investigation and discovery of the facts of the case, research and assessment of the legal issues that the Settlement is in the best interests of the Settlement Class members.

THE TERMS OF SETTLEMENT

9. What are the terms of The Settlement?

The Settlement provides for both monetary and injunctive relief.

- For monetary relief, the Settlement provides that Wal-Mart will pay up to \$35,000,000, to be allocated as follows:
 - A. Payments of approved Class Member Claims, Attorneys' Fees and Costs, the costs of Notice and Administration, and Class Representative Incentive Awards have a combined cap of up to \$35,000,000, with all claims by Class Members to be paid on a claims-made basis and with unclaimed funds above the floor of \$17,500,000 remaining with Wal-Mart. Any award of Attorneys' Fees and Costs, and any Class Representative Incentive Awards, shall be counted against the floor amount.
 - B. In order to recover a share of the settlement amount, each Class Member must submit a claim by completing and submitting one of the following three Claim Forms postmarked on or before **August 19, 2009**: (a) Claim Form A, which provides for an automatic, fixed payment based on length of employment at Wal-Mart in Washington; (b) Claim Form B, which provides for a payment amount up to a maximum amount based on length of employment with Wal-Mart and your answers to questions regarding your work experience with respect to missed or interrupted rest breaks; or (c) Claim Form C, which provides for a payment amount up to a maximum amount based on length of employment with Wal-Mart and your answers to questions regarding your work experience with respect to missed or interrupted rest breaks, interrupted meal periods and off-the-clock work. You may submit only *one* of the three Claim Forms. The Claim Forms shall be executed under oath, but not notarized. The Claim Form you submit may be subject to verification of eligibility or audit.
 - C. It is anticipated that Class Members who submit a Claim Form may be eligible to recover the following amounts depending on the type of Claim Form submitted. These anticipated amounts could increase or decrease depending on a variety of factors as described in Paragraph 9 H below.

- **Claim Form A:** The anticipated payment amount available under Claim Form A is Fifty Dollars (\$50) for a Settlement Class member who worked at Wal-Mart for less than twelve (12) pay periods; One Hundred Dollars (\$100) for a Settlement Class member who worked at Wal-Mart for twelve (12) pay periods up through twenty-six (26) pay periods; and One Hundred Fifty Dollars (\$150) for a Settlement Class member who worked at Wal-Mart for twenty-seven (27) pay periods or more.
 - **Claim Form B:** The maximum anticipated payment amount available under Claim Form B shall be: up to One Hundred Fifty Dollars (\$150) for a Settlement Class member who worked at Wal-Mart for twenty-six (26) pay periods or less; up to Three Hundred Dollars (\$300) for a Settlement Class member who worked at Wal-Mart for twenty-seven (27) pay periods up through fifty-two (52) pay periods; up to Five Hundred Dollars (\$500) for a Settlement Class member who worked at Wal-Mart for fifty-three (53) pay periods up through two hundred and eight (208) pay periods; and up to Seven Hundred Fifty Dollars (\$750) for a Settlement Class member who worked at Wal-Mart for two hundred and nine (209) pay periods or more.
 - **Claim Form C:** The maximum anticipated payment amount available under Claim Form C shall be: up to Two Hundred Dollars (\$200) for a Settlement Class member who worked at Wal-Mart for up through twenty-six (26) pay periods; up to Four Hundred Dollars (\$400) for a Settlement Class member who worked at Wal-Mart for twenty-seven (27) pay periods up through fifty-two (52) pay periods; up to Seven Hundred Fifty Dollars (\$750) for a Settlement Class member who worked at Wal-Mart for fifty-three (53) pay periods up through two hundred and eight (208) pay periods; and up to Nine Hundred Fifty Dollars (\$950) for a Settlement Class member who worked at Wal-Mart for two hundred and nine (209) pay periods or more.
- D. Subject to the maximums described above, the potential payment amount if you submit either Claim Form B or Claim Form C shall be determined based on your answers to questions about your individual work experience at Wal-Mart in Washington and applying the following schedule:
- (i) Two Dollars (\$2) for each claimed missed or interrupted rest break.
 - (ii) Ten Dollars (\$10) per hour of claimed off-the-clock work.
 - (iii) Twenty-Five Dollars (\$25) for each claimed One or Two Minute Punch event.
 - (iv) Five Dollars (\$5) for each claimed inserted meal period.
 - (v) Four Dollars (\$4) for each claimed lock-in event.
 - (vi) Four Dollars (\$4) for each claimed interrupted meal period.
- E. Each recipient of any monies paid under the Settlement is responsible for any taxes associated with the monies received by that recipient. Wal-Mart shall be responsible for payment of any employer-associated tax liabilities.
- F. Class Counsel will request that the Court award Class Counsel a reasonable award of Attorneys' Fees and Costs in the amount of \$10,500,000. These monies shall be counted against the floor. The Court has already granted preliminary approval of Class Counsel's request for Attorneys' Fees and Costs.
- G. Class Counsel will request that the Court award each of the Class Representatives \$10,000 to compensate them for the time, effort, and risk they undertook as Class Representatives. These monies shall be counted against the floor and will be in addition to any other money to which the Class Representatives are eligible to recover by way of submitting a Claim Form. The Court has already granted preliminary approval of the Class Representative Incentive Awards.
- H. If the total of the Attorneys' Fees and Costs, Class Representative Incentive Awards, costs of Notice and Administration and approved Class Member Claims is less than the floor, the remaining money under the floor shall be redistributed to approved claimants on a pro-rata basis according to a formula to be determined by the Court. If the total of the Attorneys' Fees and Costs, Class Representative Incentive Awards, costs of Notice and Administration and approved Class Member claims is greater than the floor but less than the cap, the remainder up to the cap will be returned to Wal-Mart. If the total of the Attorneys' Fees and Costs, Class Representative Incentive Awards, costs of Notice and Administration and approved Class Member Claims is greater than the cap, there will be a pro-rata reduction of the approved claims according to a formula to be determined by the Court.

- For injunctive relief, the Settlement provides that for a three-year period Wal-Mart will implement and/or continue to utilize the following programs and procedures:
 - (i) A clockout/lockout program that locks associates out of electronic devices, including CBL terminals and cash registers, if they are not clocked in for work on Wal-Mart's time clock.
 - (ii) Reasonably feasible technology that aids hourly associates and management in ensuring that an hourly associate is on the clock before he or she can use any in-store electronic device that requires an associate log-on and can be linked to associate user-id and timestamp combinations, such as a Computer Based Learning (CBL) or My Learning Center (MLC) module, a cash register, or a telxon device.
 - (iii) Reasonably feasible technology that aids hourly associates and management in (a) providing associates with the opportunity to take any meal periods they earn in accordance with applicable state law; (b) helping to prevent management from inserting one-minute shifts that are not approved by the hourly associate; (c) assuring compliance with applicable law governing the treatment of break time as hours worked.
 - (iv) Obtain feedback from hourly associates to confirm that they are being provided the opportunity to take earned meal periods and rest breaks, and are being paid for all time worked.
 - (v) Make a Hotline available to hourly associates to report missed rest breaks, missed meal periods, and off-the-clock work, and post a notice in the break room of each store or club informing associates of the availability of the Hotline.
- In exchange for the benefits allowed under the Settlement, Class Members will irrevocably release certain claims as more fully described in the Settlement Agreement. If you do not exclude yourself from the Settlement, you will be bound by the release of claims regardless of whether or not you submit a Claim Form.

10. What is the Settlement approval procedure?

The Court will hold a Final Fairness Hearing on July 20, 2009, to consider whether the Settlement should be given final approval as fair, reasonable, and adequate, to determine whether judgment dismissing this Litigation with prejudice should be entered, and to determine what amounts to award Class Counsel and the Class Representatives. The Hearing will be held in the courtroom of the Honorable Julie Spector, Department 3 Judge in the King County, Washington Superior Court at 516 3rd Ave., E609 Seattle, Washington, 98104-2386. If objections have been received, the Court will consider them at that time. Without further notice, the Court may adjourn and reconvene the Final Fairness Hearing and set it for a different time.

You do not need to appear at the Final Fairness Hearing. If you or your personal attorney wish to attend the hearing, you may do so at your own expense.

If you exclude yourself from the Settlement, you are not entitled to comment on or object to the Settlement or to be heard at the hearing.

If you remain a Class member and you wish to comment on or object to the Settlement, you may submit your comments and objections in writing, as explained in detail in this Notice.

11. What is the status of the Settlement?

The Settlement, including the request for Attorneys' Fees and Costs, has been approved by the Court on a preliminary basis. At this time, the Court has not yet issued a final order approving the Settlement. The issuance of settlement funds for valid, timely claims will not begin until after the Court enters an order granting final approval of the Settlement, any potential appeals are resolved, and the Claims Administrator has validated the claims.

YOUR OPTIONS

12. With Preliminary Approval of the Settlement, What Are My Options?

You have three different options to consider. These options, along with any deadlines that apply to these options, are summarized below.

A. You may stay in the Settlement Class and be eligible to receive benefits.

If you do not affirmatively exclude yourself from the Settlement Class by submitting an Exclusion Letter as described in Section 12B, you will be included in the Settlement Class and will be entitled to submit a claim for money benefits. The deadline for submission of a Claim Form is August 19, 2009.

Regardless of whether you submit a Claim Form, if you do not affirmatively exclude yourself from the Settlement Class, you will be bound by the terms and conditions of the Settlement, including the release of claims as contained in the Settlement Agreement.

For more information regarding how to submit a Claim Form, please see Section 13 of this Notice.

B. You may exclude yourself from the Settlement Class.

You have the right to exclude yourself from the Settlement Class by submitting an Exclusion Letter as described below. If you exclude yourself from the Settlement Class, you will be giving up the right to any of the described Settlement benefits and the right to object to the Settlement, but you will be free to pursue your claims individually. In other words, you will not be releasing any claims against Wal-Mart and will not be subject to the release contained in the Settlement Agreement. Please note that if you exclude yourself from the Settlement Class but do not pursue your claims in a timely manner, some or all of your claims may be barred by the passage of time.

To exclude yourself from the Settlement Class, you must send a letter signed by you and postmarked no later than June 27, 2009 to the Claims Administrator PO Box 1986, Faribault, MN 55021-6182. The letter must include your full name, your current address and telephone number, your Social security number, the date, and the following language:

“I do not want to be a member of the Settlement Class in *Barnett v. Wal-Mart Stores, Inc., et al.*, Case No. 01-2-24553-8 SEA, King County, Washington Superior Court. I understand that I will not be eligible to receive any benefits of the Settlement or to object to the settlement and that it will be my responsibility to pursue any claims I may have, if I so desire, on my own and at my expense.”

PLEASE REMEMBER THAT YOU CANNOT EXCLUDE YOURSELF BY PHONE, BY SENDING AN EMAIL, OR BY FACSIMILE.

C. You may object to the Settlement.

You have the option of objecting to the Settlement. Persons who desire to object to the Settlement must file a written statement with the Court Clerk of Department 3, King County Washington, Superior Court, 516 3rd Ave., E609, Seattle, Washington 98104-2386, and provide a copy of the statement to Class Counsel at Terrell Marshall & Daudt, PLLC, c/o Beth E. Terrell, 3600 Fremont Avenue N., Seattle, Washington 98103, and counsel for Wal-Mart, Susman Godfrey, LLP, c/o Drew Hansen, 1201 Third Avenue, Suite 3800, Seattle, Washington 98101. **Your written objection must be filed with the Court Clerk on or before June 27, 2009.**

If you submit a written objection, you must include your name and address and a statement of the reasons why you believe that the Court should find that the proposed Settlement is not in the best interests of the Class. Please note it is not sufficient to simply state that you object. You must give specific reasons for why you believe the Settlement should not be approved.

If you wish to address the Court at the hearing, you must indicate your intent to do so in writing to Class Counsel, postmarked no later than **June 27, 2009**, who will inform the Court and counsel for Wal-Mart of your intentions. If you do not comply with these procedures, you will not be entitled to be heard at the hearing or otherwise to contest the approval of the Settlement or appeal from any orders of judgments of the Court. If the Court approves the Settlement, the approval will bind all members of the Class, except those who exclude themselves by the exclusion deadline, and the judgment will release and dismiss all of the Class members' settled claims.

If the Settlement is not approved, the case will proceed as if no settlement had been attempted. In that event, Wal-Mart retains the right to contest whether the case should continue to be maintained as a class action and to contest the merits of the claims being asserted in these matters. If the Settlement is not approved, there can be no assurance that Class members will recover more than is provided in the Settlement or anything at all.

Please note that there is an important difference between objecting to the Settlement (Option C) and excluding yourself from the Settlement (Option B). Exclusion means that you are no longer a member of the Settlement Class and do not want to be subject to the Settlement's terms and conditions. Once excluded, you lose any right to object to the Settlement because the case no longer affects you, and you will not receive any Settlement benefits. Objection means that you object to some aspect of the Settlement but wish to remain a member of the Settlement Class and to be subject to the Settlement. An objection allows your views to be heard in Court.

13. How do I participate in the Settlement?

Based on the Court's preliminary approval of the Settlement, members of the Settlement Class may submit Claim Forms so that, if the Settlement receives final approval by the Court, the proceeds of the Settlement may be distributed to all eligible Settlement Class Members. To assist in this process, the Court has authorized Rust Consulting to act as the Claims Administrator.

In order to be eligible to receive a share of the Settlement, you must timely complete only one Claim Form. The Claim Form must be executed under oath, but need not be notarized. The answers to the questions on the Claim Forms may be cross-checked by the Claims Administrator or may be audited by the parties as described in the Settlement Agreement.

14. Can Wal-Mart retaliate against me for participating in or excluding myself from the Settlement?

No. The law does not allow retaliation or discrimination by an employer against anyone who chooses to stay in or be excluded from a class action. This means Wal-Mart cannot fire you, withhold pay or bonuses, or demote you for participating in this lawsuit or for excluding yourself from it. If you want to participate in the Settlement, Wal-Mart cannot make you exclude yourself or retaliate against you. Likewise, if you want to exclude yourself from the Settlement, your co-workers or manager cannot make you participate in the Settlement. Finally, unless a Class Member initiates a proceeding other than the above-captioned case, your managers and co-workers will not be told if you participated in or excluded yourself from the Settlement or about the nature of your participation or non-participation, absent a showing by Wal-Mart of good cause to disclose this information.

15. What will happen if the Settlement is approved?

If the Court approves the Settlement, the Claims Administrator will mail checks to those Class members who submitted timely and valid Claim Forms. If someone appeals the approval of the Settlement, payment will be delayed until all appeals are resolved.

GETTING MORE INFORMATION

16. How do I get more information?

Of course, you may have questions that cannot be answered by the information contained in this Notice. For additional information concerning the Settlement, the claims process and your options, please contact the Claims Administrator by mail at Barnett Claims Administrator, c/o Rust Consulting, PO Box 1986, Faribault, MN 55021-6182 or toll-free at 1-877-867-6208 or by email at info@walmartwageswa.com. You can also obtain information regarding the Settlement online at www.walmartwageswa.com. Copies of the documents that discuss this Settlement in more detail -- including the Settlement Agreement, Notice and Claim Forms -- are available at www.walmartwageswa.com.

Please Do Not Call The Court or The Court Clerk.