

BLOOD HURST & O'REARDON, LLP

1 BLOOD HURST & O'REARDON, LLP
TIMOTHY G. BLOOD (149343)
2 LESLIE E. HURST (178432)
THOMAS J. O'REARDON II (247952)
3 701 B Street, Suite 1700
San Diego, CA 92101
4 Telephone: 619/338-1100
Facsimile: 619/338-1101
5 tblood@bholaw.com
lhurst@bholaw.com
6 toreardon@bholaw.com

7 Attorneys for Plaintiff

8 [Additional counsel appear on signature page.]
9

10 UNITED STATES DISTRICT COURT
11 WESTERN DISTRICT OF KENTUCKY
LOUISVILLE DIVISION

12 IN RE: SKECHERS TONING SHOES MASTER FILE No. 3:11-MD-2308-TBR
13 PRODUCTS LIABILITY
LITIGATION MDL No. 2308

14 Honorable Thomas B. Russell

15 This document relates to:

16 Grabowski v. Skechers U.S.A., Inc., Case No.: 3:12-CV-00204-TBR
17 S.D. California, C.A. No. 3:10-01300
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21 AMENDMENT TWO TO SETTLEMENT AGREEMENT
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This Amendment Two to the Settlement Agreement is stipulated and agreed to by and between Plaintiffs Tamara Grabowski and Venus Morga, and Defendant Skechers U.S.A, Inc., through their duly auhothorized counsel, that the Settlement Agreement entered between the parties on May 15, 2012, and filed with the Court on May 16, 2012, in *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.), is hereby amended to correctly reflect the agreement by the parties as follows:

Sections IX.A through IX.D. of the Settlement Agreement are hereby deleted and replaced with the following:

- A. Class Counsel and Skechers agree that an award of attorneys' fees and expenses is appropriate in this matter. Class Counsel and Skechers also agree that any award of attorneys' fees and expenses to Class Counsel and to any other counsel representing, or purporting to represent, the Class or any of its members, shall not, in the aggregate, exceed \$5 million (the "fund"). The fund established for the payment of attorneys' fees and expenses shall be in excess of and in addition to the Escrowed Funds established for payment of relief to class members.
- B. Attorneys' fees and expenses shall be awarded by the Court in accordance with Federal Rules of Civil Procedure 23(h) and 54(d)(2). No award of fees or expenses shall be granted from the established fund unless a party first makes a motion to the Court for an award of fees in accordance with those rules. Attorneys' fees and expenses will only be awarded to those parties demonstrating that their efforts resulted in a benefit to the Class. Upon receiving a motion for an award of attorneys' fees and expenses, the Court, after considering the briefs and any objections filed thereto, shall be responsible for determining whether the moving party is entitled to an award because its efforts resulted in a benefit to the Class.
- C. Should any portion of the fund established for attorneys' fees and expenses not be consumed by awards of attorneys' fees and expenses, Skechers shall apply the remaining funds to settlement relief only in the event that the amounts payable to Class Members are insufficient to pay all Claims.

Further, paragraph 13 of Exhibit 5 to the Settlement Agreement, entitled "Preliminary Approval Order," is hereby replaced with the following:

a. All Class Members and/or their representatives who do not timely exclude themselves from the Class are hereby preliminarily barred and enjoined from filing, commencing, prosecuting, maintaining, intervening in, participating in, conducting, or continuing litigation as class members, putative class members, or otherwise against Skechers (or against any of its related parties or affiliates), and/or from receiving any benefits from, any lawsuit, administrative, or regulatory proceeding or order in any jurisdiction, based on or relating to the claims or causes of actions or the facts, and circumstances relating thereto, relating to the Eligible Shoes, the Action, and/or the Release. In addition, all Class Members and those persons who opt to exclude themselves from the Class are hereby preliminarily barred and enjoined from filing, commencing, or prosecuting a lawsuit against Skechers (or against any of its related parties or affiliates) as a class action, a separate class, or group for purposes of pursuing a putative class action (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action in any jurisdiction), arising out of, based on or relating to the claims, causes of action, facts and/or circumstances relating thereto, relating to the Eligible Shoes, the Action and/or the Release.

b. The injunction described above includes, but is not limited to, the following actions which are proceeding as proposed class actions: *Morga v. Skechers U.S.A., Inc.*, No. 3:10-CV-1780 (S.D. Cal. Filed August 25, 2010); *Hochberg v. Skechers U.S.A. Inc.*, No. CV11-5751 (E.D.N.Y. filed Nov. 23, 2011); *Lovston v. Skechers U.S.A., Inc.*, No. 4:11-CV-0460 DPM (E.D. Ark. filed May 13, 2011); *Lovston v. Skechers U.S.A., Inc.*, No. CV-11-321 (Ark. Cir. Ct.); *Tomlinson v. Skechers U.S.A., Inc.*, No. CV 2011-121-7 (Ark. Cir. Ct. filed Jan. 13, 2011); *Tomlinson v. Skechers U.S.A., Inc.*, No. 5:11-CV-05042 JLH (W.D. Ark.); *Stalker v. Skechers U.S.A., Inc.*, No. CV 10-05460 SJO (JEMx) (C.D. Cal. Filed July 2, 2010); *Loss et al. v. Skechers U.S.A., Inc., et al.*, No. 3:12-CV-78-H (W.D. Ky. Filed February 10, 2012); and *Boatright et. al. v. Skechers, U.S.A., Inc. et al.* No. 3:12-CV-87-S (W.D. Ky. Filed February 15, 2012).

Should the named plaintiffs in any action wish to proceed individually, they must opt out as specifically provided in the terms of the Settlement Agreement.

c. Pursuant to 28 U.S.C. §§ 1651(a) and 2283, the Court finds that issuance of this preliminary injunction is necessary and

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appropriate in aid of the Court's continuing jurisdiction and authority over this Action.

To conform other provisions of the Settlement Agreement to the foregoing amendments, the Parties further agree to the following additional modifications:

(1) Section II.A.3. is hereby deleted and replaced with the following:

3. "Attorneys' Fees and Expenses" means such funds as may be awarded by the Court pursuant to Section IX of this Agreement, as amended.

(2) Section II.A.19. is hereby deleted and replaced with the following:

19. "Final Settlement Date" means the date on which the Final Order and Final Judgment approving this Agreement becomes final ("Final Approval Date"). For purposes of this Agreement, Final Approval Date means:

- a. If no appeal has been taken from the Final Order and Judgment, "Final Approval Date" means the date on which the time to appeal therefrom has expired pursuant to Federal Rule of Appellate Procedure 4; or
- b. If any appeal has been taken from the Final Order and Final Judgment, "Final Approval Date" means the date on which all appeals therefrom, including petitions for rehearing or reargument pursuant to Federal Rule of Appellate Procedure 35 and petitions for certiorari pursuant to Rule 13 of the Rules of the Supreme Court or any other form of review, have been finally disposed of in a manner that affirms the Final Order and Judgment.
- c. Notwithstanding either a. or b., above, if Class Counsel and Skechers agree in writing, "Final Approval Date" can occur on any other agreed date.

(3) Section IX.E. shall be renumbered as Section IX.D, but the text of that section shall otherwise remain unchanged.

(4) Sections IX.F through IX.H are hereby deleted and replaced with the following renumbered paragraphs:

- E. The amounts collectively awarded by the Court in Attorneys' Fees and Expenses shall be the sole aggregate compensation paid by Skechers to all counsel representing, or purporting to represent, the Class or any of its members. Skechers shall not be liable for or obligated to pay any fees, expenses, costs, or disbursements to, or incur any expense on behalf of, any person or entity, either directly or indirectly, in connection with this Action or any other putative class action brought on behalf of any members of the Class.
- F. Skechers shall make an initial payment of seven-tenths (7/10) of the amount of Attorneys' Fees and Expenses awarded by the Court ("Initial Payment"), up to a maximum of \$3.5 million, within ten (10) calendar days after entry of the Court's order so awarding Attorneys' Fees and Expenses. If the Final Order and Final Judgment (or the order awarding Attorneys' Fees and Expenses) is reversed, vacated, modified, and/or remanded for further proceedings or otherwise disposed of in any manner other than one resulting in an affirmance, then any counsel who are awarded a payment of Attorneys' Fees and Expenses by the Court (or, as applicable, any and all successor(s) or assigns of their respective firms) shall, within ten (10) calendar days of such event, (i) repay to Skechers, as applicable, the full amount of the Initial Payment paid to them, or (ii) repay to Skechers the amount by which the award of Attorneys' Fees and Expenses has been reduced.
- G. Skechers shall make a final payment of the remaining three-tenths (3/10) of the Attorneys' Fees and Expenses awarded by the Court ("Final Payment"), up to a maximum of \$1.5 million, within ten (10) days after the Final Settlement Date.

(5) Section IX.I shall be renumbered as Section IX.H, but the text of that section shall otherwise remain unchanged.

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Further, attached hereto are amended versions of Exhibits 2, 3, 4, and 5 to the Settlement Agreement, which have been revised to conform to the amendments set forth in this "Amendment Two to Settlement Agreement."

Agreed to on the date indicated below.

APPROVED AND AGREED TO BY:

BY  DATE August 10, 2012
TIMOTHY G. BLOOD
BLOOD HURST & O'REARDON LLP

On behalf of Plaintiffs, the Class, and Class Counsel

APPROVED AND AGREED TO BY:

BY  DATE Aug. 10, 2012
JEFFREY A. BARKER
O'MELVENY & MYERS, LLP

On behalf of Defendant

BLOOD HURST & O'REARDON, LLP

AMENDED EXHIBIT 2

NOTICE OF CLASS ACTION, PROPOSED SETTLEMENT, AND FAIRNESS HEARING

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

YOU ARE NOT BEING SUED.

If you purchased any of Skechers' footwear called Shape-ups, Resistance Runner, Shape-ups Toners/Trainers, and Tone-ups between August 1, 2008 and [DATE], inclusive, the proposed settlement of a class action lawsuit may affect your rights.

Your legal rights may be affected whether you act or don't act. **Read this notice carefully because it explains decisions you must make and actions you must take now.**

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

DO NOTHING	You get no payment. You give up your rights.	
SUBMIT A CLAIM FORM	This is the only way to get a payment.	The Claim Form, which is attached to this notice as Appendix B, must be completed and electronically submitted no later than [DATE] or postmarked no later than [DATE], subject to the qualifications and requirements addressed below.
EXCLUDE YOURSELF	You get no payment under the settlement. This is the only choice that will allow you to sue <i>Skechers</i> on your own about the claims discussed in this notice.	An exclusion request must be in writing and postmarked on or before [DATE].
OBJECT TO THE SETTLEMENT	You can write to the Court about why you do not agree with any aspect of the settlement.	An objection must be in writing and filed and served on or before [DATE].
GO TO A HEARING	You can ask to speak to the Court about the "fairness" of the settlement, after you submit your objection.	A Notice of Intention to Appear must be in writing, filed and received on or before [DATE] in addition to submitting a timely objection.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court still has to decide whether to approve the settlement. Payments will be distributed if the Court approves the settlement and after appeals, if any, are resolved in favor of the settlement. Please be patient.
- If you do not exclude yourself from the Class, the proposed settlement (if finally approved) will release certain claims, which are reprinted in full in Appendix A to this notice, and will affect your right to start or continue any other lawsuit or proceeding involving Eligible Shoes.

QUESTIONS? VISIT WWW.SKECHERSSETTLEMENT.COM OR

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PART I: WHY YOU HAVE RECEIVED THIS NOTICE

1. WHY DID I RECEIVE THIS NOTICE?

You received this notice because you may be a Class Member eligible to receive payment from the proposed settlement of a class action lawsuit that was brought on behalf of persons or entities who, during the Class Period August 1, 2008 to [DATE], purchased, in the United States, Eligible Shoes (more fully described below) from Skechers U.S.A., Inc. ("Skechers"), a footwear manufacturer, and/or its authorized retailers and wholesalers, including, Skechers.com.

The Court authorized this notice because if you, during the Class Period August 1, 2008 to [DATE], purchased, in the United States, Eligible Shoes, you have a right to know about the proposed settlement of this class action lawsuit, and about your rights and options, before the Court decides whether to approve the settlement. If the Court approves the class action settlement, and after any appeals are resolved in favor of the settlement, unless Skechers authorizes an earlier payment, the Class Action Settlement Administrator appointed by the Court will make the payments that the settlement allows. If you are a Class Member and the settlement is approved and you submit an acceptable Claim, you will receive a payment.

This package explains: (1) this lawsuit, (2) the proposed settlement, (3) your legal rights, (4) what payments are available, (5) who is eligible for what payments under the settlement, (6) how to get a payment, and (7) other important information.

The essential terms of the settlement are summarized below. The Settlement Agreement sets forth in greater detail the rights and obligation of the parties. A copy of the full Settlement Agreement is available at www.SkechersSettlement.com. If there is any conflict between this notice and the Settlement Agreement, the Settlement Agreement governs.

2. WHAT IS THIS LAWSUIT ABOUT AND WHY DID IT SETTLE?

The lawsuit, *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.) (hereinafter referred to as the "*Grabowski Action*"), concerns claims that Skechers violated certain state laws and consumer protection statutes in connection with the marketing and sale of Eligible Shoes since August 1, 2008. Plaintiff alleges that Skechers, in connection with the marketing and sale of Eligible Shoes, misrepresented the benefits of wearing Eligible Shoes to consumers. Plaintiff further alleges that Eligible Shoes did not provide the benefits to consumers claimed by Skechers. Skechers denies any and all allegations of wrongdoing and does not admit or concede any actual or

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potential fault, wrongdoing or liability in connection with any facts or claims that have been or could have been alleged in this lawsuit or in any similar action. Skechers contends that fitness benefits of Shape-ups and other rocker bottom shoes have been extensively studied and confirmed in numerous well-designed clinical studies, many of which have been published in peer-reviewed journals. Skechers contends that this body of scientific literature and experts in the field of biomechanics confirm that competent and reliable scientific evidence supports fitness benefits of those shoes.

The parties negotiated the proposed settlement with an understanding of the factual and legal issues that would affect the outcome of this class action. A related lawsuit *Morga v. Skechers U.S.A., Inc.*, No. 3:12-cv-00205 (W.D. Ky.) ("*Morga*"), is also being settled as part of the Settlement Agreement.

On May 16, 2012, working in conjunction with Class Counsel, the Federal Trade Commission ("FTC") entered into a Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief ("Stipulated Order") with Skechers concerning its Skechers Toning Shoes. Pursuant to the Stipulated Order, the FTC filed a Complaint for Permanent Injunction and Other Equitable Relief against Skechers and its Skechers Toning Shoes alleging violations of the Federal Trade Commission Act and specifically 15 U.S.C. § 45(a), which prohibits "unfair or deceptive acts or practices in or affecting commerce," and 15 U.S.C. § 52, which prohibits the dissemination of any false advertisement in or affecting commerce. Actions by the Attorneys General in 44 states and the District of Columbia (the "AG Actions") were filed against Skechers. Consent Judgments and Agreed Final Judgments ("Consent and Agreed Final Judgments") were or will be entered in the AG Actions, settling all claims. This Settlement between Plaintiff and Skechers and the Stipulated Order entered into between the FTC and Skechers, and the Consent and Agreed Final Judgments entered into between Skechers and the state Attorneys General, are the products of work performed by Class Counsel, the FTC, and the state Attorneys General in conjunction, and the foregoing have coordinated these resolutions to maximize the settlement consideration available to the Class under this Settlement, including the monetary relief available to Class Members.

Skechers has also agreed to pay counsel for plaintiffs or other Class Members not more than a total of \$5 million in attorneys' fees and expenses, which shall be the sole aggregate compensation for all attorneys representing the plaintiffs or other Class Members in the litigation. Skechers has also agreed to pay \$2,500 for Plaintiff Grabowski and \$2,500 for Plaintiff Morga in recognition of the services they provided for the Class. These payments will occur within thirty (30) days after the Final Settlement Date (as defined in the response to Question 18 below).

Plaintiff Grabowski, through her attorneys, has conducted a thorough examination and evaluation of the relevant law and facts relating to the issues in these cases. In total, Plaintiff's counsel was given access to approximately 6,574 documents encompassing over 24,500 pages and over 13.5 GB of data, as well as access to key personnel at Skechers to interview. The parties believe that the settlement is fair, reasonable and adequate and will provide substantial benefit to the Class, based on their knowledge of the litigation, and their experience.

The Court has not decided whether the plaintiff's claims or Skechers' defenses have any merit, and

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it will not do so if the proposed settlement is approved. The proposed settlement does not suggest that Skechers has or has not done anything wrong, or that the plaintiff and the Class would or would not win their case if it were to go to trial.

3. WHAT DOES THE SETTLEMENT PROVIDE?

The settlement relief shall provide two primary components: (1) refunds to Class Members who submit valid Claims; and (2) Skechers conduct changes relating to its marketing and advertising of its toning shoes.

As part of the Stipulated Order entered into between Skechers and the FTC, Skechers shall be depositing \$40 million (the “Escrowed Funds”) in escrow. The Escrowed Funds will be used for the payment of: (a) the costs and expenses associated with disseminating notice to the Class; (b) the costs and expenses associated with claims administration or other costs of administration agreed to by the parties; and (c) timely, valid, and approved Claims submitted by Class Members. In addition to the \$40 million fund, Skechers has separately agreed to pay attorneys’ fees and expenses of up to \$5 million and awards to the two named class representatives not to exceed \$2,500 each, as such fees and expenses or awards may be awarded by the Court.

In addition to the above monetary relief, as part of the Settlement Agreement, Skechers will agree to implement conduct changes, including, among other things, the following conduct changes related to the Eligible Shoes and to any other footwear that purports to improve or increase muscle tone, muscle strength, muscle activation, overall circulation, or aerobic conditioning, and/or that purports to result in increased calorie burn, weight loss, loss of body fat or improvement or reduction in body composition (collectively, the “Covered Products”), Skechers is permanently enjoined from: (i) making or assisting others in making any claims that the Covered Products are effective in strengthening muscles, cause weight loss, or increase caloric expenditure, calorie burn, blood circulation, aerobic conditioning, muscle tone, and muscle activation, unless these representations are non-misleading and, at the time of making such representation, Skechers possesses and relies upon competent and reliable scientific evidence that substantiates that the representation is true, which evidence is specifically defined in relation to each type of claim; and (ii) misrepresenting or assisting others in misrepresenting the existence, contents, validity, results, conclusions, or interpretations of any test, study or research relating to Skechers’ toning footwear including misrepresenting that wearing any Covered Product will result in a quantified percentage or amount of muscle activation, toning, or strengthening. Skechers is also subject to compliance monitoring and reporting, as detailed further in the Stipulated Order, including, but not limited to, having to: (i) submit additional reports within 14 days of receipt of written notice from the FTC; (ii) produce discovery upon request; (iii) permit the interview of requested persons; (iv) notify, for a period of three years of the date of entry of the Stipulated Order, the FTC of any changes in the corporate structure of Skechers that would result in the emergence of a successor corporation; (v) submit a report to the FTC within 180 days of the entry of the Stipulated Order stating compliance with the Stipulated Order; (vi) keep certain specified records for five years from the date of the entry of the Stipulated Order; (vii) deliver, for a period of three years from the date of entry of the Stipulated Order, the Stipulated Order to certain enumerated persons; (viii) notify not later than 15 days after entry of the Stipulated Order certain enumerated parties of the notice attached to the Stipulated Order; (ix) acknowledge receipt of the Stipulated Order within seven business days of the receipt of

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the Stipulated Order; and (x) notify the FTC of the filing for bankruptcy within 15 days of filing.

If you are a Class Member who purchased any of the Eligible Shoes in the United States from August 1, 2008, up to and including [DATE], as further described below, you may be eligible for payment if you complete and submit a Claim Form electronically submitted no later than [DATE] or postmarked no later than [DATE], subject to certain conditions and limitations. In return for the benefits in this settlement, and if the settlement is implemented, all Class Members will release Skechers and others from the “Released Claims” as that term is defined in Appendix A, and this litigation will be dismissed with prejudice.

PART II: DESCRIPTION OF THE CLASS

4. WHY IS THIS A “CLASS ACTION”?

The Court in charge of the *Grabowski Action* is the United District Court for the Western District of Kentucky. The named person who sued is the Plaintiff, and the company she sued, Skechers U.S.A., Inc., is the Defendant.

In a class action, one or more people, called Class Representatives (in this case, Tamara Grabowski), sue on behalf of people who have similar claims. All these people are a Class or are Class Members. One Court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

5. AM I A MEMBER OF THE CLASS?

With some limited exceptions, described below, the Class encompasses all persons or entities that purchased Skechers Eligible Shoes in the United States from August 1, 2008, up to and including [DATE].

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

The Class does not include the following persons or entities:

- Skechers U.S.A., Inc., its Board members or executive-level officers, including its attorneys;
- Persons or entities who purchased the Eligible Shoes primarily for purposes of resale;
- Retailers or re-sellers of Eligible Shoes;
- Governmental entities;
- Persons or entities who or which timely and properly exclude themselves from the Class as provided in the Settlement Agreement; and
- Persons or entities who purchased the Eligible Shoes via the Internet or other remote means while not residing in the United States.

7. WHAT ARE “ELIGIBLE SHOES”?

“Eligible Shoes” means the Skechers’ footwear in the following toning footwear lines: Shape-ups

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rocker bottom shoes (“Shape-ups”), the Resistance Runner rocker bottom shoes (“Resistance Runner”), Shape-ups Toners/Trainers, and Tone-ups with podded outsoles (“Podded Sole Shoes”) and Tone-ups non-podded sandals, boots, clogs, trainers (“Tone-ups (Non-Podded Sole)”) purchased as new by Class Members from August 1, 2008, up to and including [DATE]. The complete list of Eligible Shoes is attached to this notice.

8. I’M STILL NOT SURE IF I’M INCLUDED.

If you do not understand whether or not you are a Class Member, you can visit our web site, www.Skecherssettlement.com, or you can contact Class Counsel.

PART III: DECISIONS YOU MUST MAKE NOW

9. WHAT DO I NEED TO DO NOW?

FIRST, you must decide now whether you wish to remain in the Class or to exclude yourself from the Class. If you want to be excluded from the Class, you must notify the Notice Administrator as described below in Part VII **no later than [DATE]**. **If you exclude yourself:**

- You will **not** be eligible for payment under the settlement.
- You will **not** be able to object to the proposed settlement and to appear at the Fairness Hearing.
- You will **not** be bound by any orders or judgments entered in this case, if the proposed settlement is approved.

SECOND, if you remain in the Class, you may object to any part of the proposed settlement by filing a written objection with the Court and providing a copy to Class Counsel and Skechers’ Counsel, as described below in Part VIII. The Court and the parties must **receive** your written objection **no later than [DATE]**.

Additionally, if you file an objection, you may also decide to appear and speak at the Court’s Fairness Hearing regarding the settlement of this lawsuit. If you wish to appear and speak at the Court’s Fairness Hearing, you must have first submitted an objection (as described in Part VIII) and, in addition, file and serve **by [DATE]** a Notice of Intention to Appear at the Fairness Hearing, as described in response to Question 29, below.

THIRD, if you remain a Class Member, in order to receive a payment, you must complete and submit a Claim Form electronically submitted no later than [DATE] or postmarked no later than [DATE].

10. WHAT DO I GIVE UP IF I CHOOSE TO STAY IN THE CLASS?

If you choose to remain in the Class, you should submit a Claim Form and, if you qualify, you will receive payment under the settlement, but you and all other Class Members will be deemed to release Skechers and the Released Parties from any and all “Released Claims,” as that term is defined in Appendix A, below, and you will also be bound by all orders, injunctions, and judgments

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entered in this Action, whether favorable or unfavorable. You will not be able to start, continue or otherwise participate in any other claim, lawsuit or other proceeding against Skechers if those claims were (or reasonably could have been) alleged in this lawsuit.

11. DO I HAVE TO SIGN A RELEASE?

No. If you remain in the Class, you will automatically release Skechers and the Released Parties from any and all Released Claims, as set forth in Appendix A and will give up your rights to pursue or continue any action against Skechers relating to your Eligible Shoes and the claims at issue in this lawsuit. Class Members will release a wide range of claims in order to receive the benefits in the Settlement Agreement.

12. WHAT IF I DO NOTHING?

If you do nothing, you will not get benefits from the settlement, but, if you are a Class Member, you will be bound by the settlement's release of the Released Claims. You must complete and submit a Claim Form on or before the deadline, which is [DATE], in order to be considered for payment under the settlement.

Unless you exclude yourself from the Class, if the settlement is approved all of the Court's orders will apply to you and you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Skechers about the claims in this lawsuit, ever again, regardless of whether you submit a Claim Form.

PART IV: SETTLEMENT BENEFITS – WHAT YOU CAN GET

13. WHAT CAN I GET FROM THE SETTLEMENT?

The amount of the cash payment you may be entitled to under the proposed settlement depends upon the number and type of Eligible Shoes that you purchased from **August 1, 2008**, up to and including [DATE], as well as the total of the timely, valid and approved Claims submitted by all other Class Members and other factors specified in the Settlement Agreement and in this Class Notice. As a result, the amount of relief available to eligible Class Members may vary, as follows:

Shoes	Initial Amount	Maximum
Shape-ups	\$40.00	\$80.00
Podded Sole Shoes	\$27.00	\$54.00
Tone-ups (Non-Podded Sole)	\$20.00	\$40.00
Resistance Runners	\$42.00	\$84.00

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If the total of the timely, valid and approved Claims submitted by Class Members exceeds the available relief, minus any covered fees and costs, each eligible Class Member's award shall be reduced on a pro rata basis. If the total of the timely, valid, and approved claims submitted by Class Members is less than the available relief, minus any covered fees and costs, each eligible Class Member's award shall be increased on a pro rata basis in accordance with the amounts set forth above.

14. HOW CAN I MAKE A CLAIM?

To receive a payment under the settlement, you must send in a Claim Form. A Claim Form and directions are attached as **Appendix B** to this Class Notice. You may also obtain and print a Claim Form and other relevant documents by visiting www.Skecherssettlement.com. Please read the instructions and certification carefully, fill out the form completely and accurately. Claim forms must be **electronically submitted** no later than [DATE] or **postmarked** no later than [DATE].

15. WHAT IS THE CLAIM PROCESS?

You will be eligible for payment provided that you are a Class Member and you complete and timely submit the Claim Form to the Court-appointed Class Action Settlement Administrator demonstrating the purchase of Eligible Shoes from August 1, 2008, up to and including [DATE]. **Claim Forms must be electronically submitted no later than [DATE] or postmarked no later than [DATE].** The Class Action Settlement Administrator may request verification of your purchase of Eligible Shoes, including, but not limited to, receipt(s) or other documentation demonstrating your purchase in the United States of any and all of the Eligible Shoes from August 1, 2008, up to and including [DATE], following the submission of a Claim Form. Failure and/or inability to timely comply with such request shall result in the disqualification of the Claim.

Shortly after receiving your Claim Form, the Class Action Settlement Administrator will review and assess the Claim Form. If a Claim is not contested and the settlement is approved, the Class Action Settlement Administrator will pay that Claim in accordance with the terms of the Settlement Agreement. If the Claim exceeds \$200.00 for the relief sought, the Class Action Settlement Administrator may request proof to validate the claim. In addition or alternatively, if the total amount of Claims submitted by all Class Members exceeds available relief, subject to any adjustments and deductions discussed in this Part, then the Class Action Settlement Administrator may request proof of purchase for the Claim. Finally, the Class Action Settlement Administrator shall exercise, in its discretion, all usual and customary steps to prevent fraud and abuse and take any reasonable steps to prevent fraud and abuse in the Claim Process, including, among others, denying claims in whole or in part to prevent actual or possible fraud or abuse.

If a Claim is contested, including but not limited to, requesting supporting documentation, the Class Action Settlement Administrator will mail a letter that advises the claimant of the reason(s) why the Claim Form was contested and request, if applicable, any and all additional information and/or documentation to validate the Claim and have it submitted for payment. Persons whose claims are contested will have thirty-five (35) days from the date of the **postmarked** letter sent by the Class Action Settlement Administrator to respond to the Class Action Settlement Administrator's request.

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If your Claim is contested, and you timely provide the requested information and/or documentation that validates your Claim, the Claim will be deemed validated and shall be paid by the Class Action Settlement Administrator. If you do not timely and completely provide the requested information and/or documentation, the Class Action Settlement Administrator will send you a letter stating that the Claim has been reduced or denied unless Class Counsel and Skechers otherwise agree. The Class Action Settlement Administrator's determination of a Claim is final and may not be appealed by anyone. However, if your Claim is reduced or denied because the Class Action Settlement Administrator determined that the documentation submitted to support your Claim was not sufficient to prove up all or part of the Claim, the Class Action Settlement Administrator shall provide a report to Class Counsel and Skechers' Counsel who shall meet and confer in an attempt to resolve these deficient Claims. If Class Counsel reasonably recommends payment of the Claim or payment of a reduced claim amount and Skechers agrees (and Skechers' agreement shall not be unreasonably withheld), then Class Counsel and Skechers shall instruct the Class Action Settlement Administrator to pay those Claims.

The Class Action Settlement Administrator may begin to pay timely, valid, and approved Claims no earlier than ten (10) days after the close of the Claim Period, if and only if: (a) this period is after the issuance of the Court's Final Order and Final Judgment approving the Settlement; and (b) if the Final Settlement Date has not yet occurred, Skechers has approved in writing the commencement of such payment. Not later than sixty (60) days after either (i) the occurrence of the Final Settlement Date, or (ii) the date that Skechers, in its sole discretion, approves the payment of Claims prior to the occurrence of the Final Settlement Date, whichever is earlier, the Class Action Settlement Administrator shall have completed the payment to Class Members who have submitted timely, valid and approved Claims pursuant to the Claim Process.

16. HOW MUCH IS THE CLAIM PROCESS WORTH TO THE CLASS?

The settlement will provide a fund of \$40 million that will be used to pay:

- (1) The costs and expenses associated with disseminating the notice, including, but not limited to, the Class Notice and the Summary Settlement Notice, to the Class;
- (2) The costs and expenses associated with claims administration or other costs of administration agreed to by the parties; and
- (3) Timely, valid, and approved Claims submitted by Class Members pursuant to the Claim Process.

The fund will not be used to pay Skechers' attorneys' fees and costs, Class Counsels' attorneys' fees and expenses, or awards made to named class representatives, as may be ordered by the Court.

Additionally, if the total amount of timely, valid and approved Claims exceeds the amount of available relief, minus any covered fees and costs, each eligible Class Member's award shall be reduced on a *pro rata* basis. If the total amount of timely, valid and approved Claims is less than the amount of available relief, minus any covered fees and costs, however, each eligible Class Member's award shall be increased on a *pro rata* basis, with a maximum increase of up to, but not more than, double the initial amount set forth in the chart in question number 13 above, not

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including any applicable sales taxes.

17. WHAT HAPPENS AFTER ALL CLAIMS ARE PROCESSED AND THERE ARE FUNDS REMAINING?

If there are any funds remaining after all claims are processed, those remaining funds shall be transferred to the Federal Trade Commission. No remaining funds will be returned to Skechers.

18. WHEN WILL I GET MY PAYMENT, IF ANY?

The Court will hold a Fairness Hearing on [DATE] at [TIME] to decide whether or not to approve the proposed settlement. The Court must finally approve the proposed settlement before any payments can be made. The Court will grant its approval only if it finds that the proposed settlement is fair, reasonable and adequate. In addition, the Court's order may be subject to appeals. It is always uncertain whether these appeals can be resolved, and resolving them takes time, sometimes more than a year. Finally, there remains a possibility that this settlement may be terminated for other reasons. Please be patient. The website www.skecherssettlement.com will be updated from time to time to reflect the progress of the settlement.

No payments will be made prior to the "Final Settlement Date," which is fully defined in the Agreement but generally means the date on which the Final Order and Final Judgment approving the Agreement becomes final and not subject to any appeal or other review.

PART V: CAN I FILE A LATER LAWSUIT MAKING SIMILAR CLAIMS?

No. If you remain a member of the Class and the settlement is finally approved, you will be automatically enjoined and barred from initiating or continuing any lawsuit or other proceeding against Skechers if those claims have been (or could have been) asserted in this lawsuit.

As part of this settlement, the Court has preliminarily enjoined all Class Members and/or their representatives (who do not timely exclude themselves from the Class) from filing, commencing, prosecuting, maintaining, intervening in, participating in, conducting, or continuing litigation as Class Members or otherwise against Skechers (or against any of its related parties or affiliates), and/or from receiving any benefits from, any lawsuit, administrative, or regulatory proceeding or order in any jurisdiction, based on or relating to the claims or causes of actions or the facts, and circumstances relating thereto, in the class action.

The Court has also preliminary enjoined all persons from filing, commencing, or prosecuting a lawsuit against Skechers (or against any of its related parties or affiliates) as a class action, a separate class, or group for purposes of pursuing a putative class action (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action in any jurisdiction), based on or relating to the claims, causes of action, facts and/or circumstances relating thereto, in the class action.

Upon final approval of the settlement, plaintiffs and Skechers will ask the Court to enter a

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permanent injunction enjoining all Class Members and/or their representatives and/or personnel from engaging in the activities described above. All Class Members will be bound by this permanent injunction.

PART VI: THE LAWYERS REPRESENTING THE CLASS

19. DO I HAVE A LAWYER IN THIS CASE?

The Court has designated attorneys Timothy G. Blood, of Blood Hurst & O'Reardon, LLP and Janine L. Pollack, of Milberg LLP to represent you and the other Class Members in this lawsuit. The lawyers representing you and the Class Members are called "Class Counsel." In addition a number of law firms have acted on behalf of plaintiffs or the Class in connection with this litigation and they may share in the fees and expenses awarded to Class Counsel. These firms are called "Plaintiffs' Counsel," which means Blood Hurst & O'Reardon, LLP; Milberg LLP; Bonnett, Fairbourn, Friedman & Balint, P.C.; Shepherd, Finkelman, Miller & Shah, LLP; Edgar Law Firm, LLC; and Cuneo, Gilbert & LaDuca, LLP. **You will not be charged for the services of the Class Counsel. No later than 14 days prior to the objection deadline (see Part VIII), Class Counsel shall submit a request to the Court for payment of attorneys' fees and expenses not to exceed \$5 million. Any fees and costs awarded by the Court will be paid by Skechers.**

You may contact Class Counsel about this lawsuit and proposed settlement at the following addresses:

Timothy G. Blood, Esq.
Blood Hurst & O'Reardon LLP
701 B Street, Suite 1700
San Diego, CA 92101

Janine L. Pollack, Esq.
Milberg LLP
One Penn Plaza
New York, NY 10119

You have the right to retain your own lawyer to represent you in this case, but you are not obligated to do so. If you do hire your own lawyer, you will be responsible for any of his or her fees and expenses. You also have the right to represent yourself before the Court without a lawyer.

20. HOW WILL THE LAWYERS AND CLASS REPRESENTATIVES IN THESE ACTIONS BE PAID?

Class Counsel have prosecuted this case on a contingent-fee basis and have not been paid anything to date for their services. Class Counsel, and any other counsel representing or purporting to represent the Class or any of its members, may make an application to the Court for an award of attorneys' fees and expenses that will not exceed \$5 million, which shall be the sole aggregate compensation from Skechers for all attorneys representing the Class in this action. Skechers has agreed to pay up to these amounts in fees and expenses as may be awarded to Plaintiffs' Counsel.

Class Counsel will petition the Court for incentive awards of up to \$2,500.00 for each of the named plaintiffs, Tamara Grabowski and Venus Morga. The purpose of such awards, if any, shall be to compensate the named plaintiffs/class representatives for efforts and risks taken by them on behalf

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of the Class. Skechers shall pay any incentive awards made by the Court in accordance with the Settlement Agreement.

Skechers shall make payment of the attorneys' fees and expenses awarded by the Court to Class Counsel as set forth in the Settlement Agreement. Skechers shall not be liable for or obligated to pay any fees, expenses, costs, or disbursements to, or incur any expense on behalf of, any person or entity, either directly or indirectly, in connection with any of the filed class actions or the Settlement Agreement, other than the amount or amounts expressly provided for in the Settlement Agreement.

PART VII: EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue Skechers on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or "opting out" of the Class.

21. HOW DO I GET OUT OF OR EXCLUDE MYSELF FROM THE SETTLEMENT?

If you want to be excluded from the Class, you must notify the Class Action Settlement Administrator. To exclude yourself from the settlement, you must send a letter by mail. Your exclusion request letter must be **postmarked** no later than **[DATE]**. Send your letter to:

Skechers Toning Shoes
P.O. Box 2008
Chanhassen, MN 55317-2008

Your letter requesting exclusion does not need to be in any particular form, but it shall include the following information in order to be effective:

- (1) your name;
- (2) your address;
- (3) your telephone number;
- (4) a statement that you purchased Eligible Shoes during the period August 1, 2008 to [DATE];
- (5) a statement that you wish to be excluded from the Class;
- (6) your signature; and
- (7) the case name and number: *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.).

Please write "EXCLUSION REQUEST" on the lower left-hand corner of the *front* of the envelope.

22. WHAT HAPPENS IF I EXCLUDE MYSELF FROM THE CLASS?

If you request exclusion from the Class, then:

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- You will **not** be eligible for payment under the proposed settlement;
- You will **not** be allowed to object to the terms of the proposed settlement; and
- You will **not** be bound by any subsequent rulings entered in this case if the proposed settlement is finally approved.

However, if your request for exclusion is late or deficient, you will still be a part of the Class, you will be bound by the settlement and by all other orders and judgments in this lawsuit, and you will not be able to participate in any other lawsuits based on the claims in this case.

23. IF I DON'T EXCLUDE MYSELF, CAN I SUE SKECHERS LATER?

No. If the Court approves the proposed settlement and you do not exclude yourself from the Class, you release (give up) all claims that were or reasonable could have been alleged in this lawsuit.

PART VIII: OBJECTING TO THE SETTLEMENT

You have the right to tell the Court that you do not agree with the settlement or any or all of its terms.

24. HOW CAN I OBJECT TO THE PROPOSED SETTLEMENT?

If you choose to remain a Class Member, you have a right to object to any parts of the proposed settlement. The Court will consider your views.

To object, you must send a letter saying that you object to the proposed settlement in the *Grabowski Action*. Your written objection must include:

- (1) your name;
- (2) your address;
- (3) your telephone number;
- (4) proof of purchase of Eligible Shoes, such as an itemized cash register receipt, a credit card receipt or a credit card statement that sufficiently indicates the purchase of the Eligible Shoes;
- (5) a written statement of your objection(s), including any legal support and/or any supporting evidence you wish to introduce;
- (6) a statement of whether you intend to appear and argue at the Fairness Hearing;
- (7) your signature; and
- (8) the case name and number: *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.).

If you choose to object, in order to be considered by the Court, your written objections must be **filed with the Court, and copies must be received by all of the following recipients no later than [DATE]:**

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COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Western District of Kentucky 601 West Broadway Room 202 Louisville, KY 40202	Timothy G. Blood, Esq. Blood Hurst & O'Reardon LLP 701 B Street, Suite 1700 San Diego, CA 92101	Jeffrey A. Barker O'Melveny & Meyers LLP 1999 Avenue of the Stars 7th Floor Los Angeles, CA 90067

You (and/or your attorney) may, at your own expense, review materials applicable to this Action. Those documents will be made available by appointment with Class Counsel during regular business hours at a place designated by Class Counsel. To obtain access to certain materials you (and/or your attorney) must first sign a Confidentiality Agreement, which Class Counsel will provide.

If you file objections, but the Court approves the settlement as proposed, you can still complete a Claim Form to be eligible for payment under the settlement, subject to the terms and conditions discussed in this Notice and in the Settlement Agreement.

25. WHAT IS THE DIFFERENCE BETWEEN “OBJECTING” AND “EXCLUDING”?

Objecting is simply a way of telling the Court that you don't like something about the settlement. You can only object if you stay in the Class.

If you object to the settlement, you still remain a member of the Class and you will still be eligible to submit a Claim Form. You will also be bound by any subsequent rulings in this case and you will not be able to file or participate in any other lawsuit or proceeding based upon or relating to the claims, causes of action, facts or circumstances of this case.

Excluding yourself is telling the Court that you don't want to be a part of the Class. If you exclude yourself, you have no basis to object to the settlement and appear at the Fairness Hearing because it no longer affects you.

PART IX: THE COURT'S FAIRNESS HEARING

The Court will hold a final hearing (called a Fairness Hearing) to decide whether to finally approve the settlement. You may attend and you may ask to speak, but you don't have to.

26. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

On [DATE], at [TIME], the Court will hold a Fairness Hearing at the United States District Court for the Western District of Kentucky, before the Honorable Thomas B. Russell, in Courtroom 202, 601 West Broadway, Louisville, Kentucky 40202-2227.

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At the hearing, the Court will consider whether to grant final certification to the Class for settlement purposes, whether to approve the proposed settlement as fair, reasonable and adequate, whether to award attorneys' fees and costs, whether to award the Class Representatives an award for their help, whether to issue a permanent injunction, and consider related settlement issues.

27. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have at the Fairness Hearing. But you are welcome to come at your own expense. Please note that the Court has the right to change the date and/or time of the Fairness Hearing without further notice. If you are planning to attend the hearing, you should confirm the date and time before going to the Court.

28. MAY I SPEAK AT THE FAIRNESS HEARING?

Yes, if you have filed an objection, you may ask the Court for permission to speak at the hearing. To do so, you must submit an objection and also file a document called a "Notice of Intention to Appear."

29. WHAT DO I HAVE TO DO TO SPEAK AT THE FAIRNESS HEARING?

If you are a member of the Class, and you (or your attorney) wants to appear and speak at the Fairness Hearing, you (or your attorney) must have submitted an objection and must file a **Notice of Intention to Appear at the Fairness Hearing** with the Clerk of the Court, and deliver that Notice to the attorneys for both sides, at the addresses listed above. **Your Notice of Intention to Appear at the Fairness Hearing must be filed and received by the Court, Skechers' Counsel and one of the Class Counsel, at the addresses specified in Part VIII, question number 25 no later than [DATE].**

If you file objections and appear at the Fairness Hearing, but the Court approves the settlement as proposed, you can still complete a Claim Form to be eligible for payment under the settlement, subject to the terms and conditions discussed in this Notice and in the Settlement Agreement.

PART X: GETTING ADDITIONAL INFORMATION

This Notice and the accompanying documents summarize the proposed settlement. More details are contained in the Settlement Agreement. The full Settlement Agreement is on file with the Clerk of the Court. For a more detailed statement of the matters involved in this case, you may review the complaint and the other papers and Court orders on file in the Clerk's office at any time during normal business hours, Monday through Friday, 8:30 a.m. to 5:00 p.m. Eastern.

If you have questions after reading this notice, you can visit www.Skecherssettlement.com to obtain additional information about the proposed settlement and the Claim Form or you can call, toll-free, 1(866) 325-4186 to obtain additional information about the settlement. You may also direct your questions about the settlement to Class Counsel, whose names and addresses are listed in Part VI, question number 20 of this Notice.

QUESTIONS? VISIT WWW.SKECHERSSETTLEMENT.COM OR

CALL, TOLL-FREE, 1(866) 325-4186

PLEASE DO NOT CALL THE COURT OR THE CLERK OF THE COURT

Dated: **[DATE]**, 2012

Clerk of the Court for the United States
District Court for the Western District of Kentucky

QUESTIONS? VISIT WWW.SKECHERSSETTLEMENT.COM OR

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APPENDIX A

Release And Waiver of Claims

On the Effective Date of the Settlement, Plaintiffs and the other members of the Class, on behalf of themselves, their heirs, guardians, assigns, executors, administrators, predecessors, and/or successors, will fully, finally and forever release, relinquish, acquit, and discharge the “Released Parties” from all “Released Claims,” and shall not thereafter institute, maintain, or assert on their own behalf, on behalf of the Class or on behalf of any other person or entity, any “Released Claims” against any “Released Parties.”

1. “Released Parties” means Skechers, its past and present officers, directors, employees, stockholders, agents, attorneys, administrators, successors, subsidiaries, suppliers, distributors, assigns, affiliates, joint-ventures, partners, members, divisions, predecessors, authorized retailers, resellers, and wholesalers of Eligible Shoes for resale, including without limitation, Skechers concept stores, Skechers factory outlet stores, Skechers warehouse outlets, Skechers.com, myshapeups.com, soholab.com, and Skechers’ Outlets.

2. “Released Claims” means any and all manner of claims, actions, causes of action, suits, rights, debts, sums of money, payments, obligations, reckonings, contracts, agreements, executions, promises, damages, liens, judgments and demands of whatever kind, type or nature whatsoever, both at law and in equity, whether past, present or future, mature or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim that Plaintiff Grabowski or Class Members ever had, now have, may have, or hereafter can, shall or may ever have against the Released Parties that were or reasonably could have been alleged in the Action or in any other court, tribunal, arbitration panel, commission, agency, or before any governmental and/or administrative body, or any other adjudicatory body, on the basis of, connected with, arising from or in any way whatsoever relating to claims that were or reasonably could have been alleged in the Action, including, but without in any way limiting the generality of the foregoing, arising from, directly or indirectly, or in any way whatsoever pertaining or relating to (1) the claims alleged in the complaints in the Action; (2) any communications, disclosures, nondisclosures, representations, statements, claims, omissions, warnings, messaging, design, testing, marketing, advertising, promotion, packaging, displays, brochures, studies, manufacture, distribution, operation, performance, functionality, notification, providing, offering, dissemination, replacement, sale and/or resale by the Released Parties of the Eligible Shoes; (3) any claims for rescission, restitution or unjust enrichment for all damages of any kind; (4) violations of any state’s deceptive, unlawful and/or unfair business and/or trade practices, false, misleading or fraudulent advertising, consumer fraud and/or consumer protection statutes; (5) any violation of the Uniform Commercial Code, any breaches of express, implied and/or any other warranties, any similar federal, state or local statutes, codes; or (6) damages, costs, expenses, extra-contractual damages, compensatory damages, exemplary damages, special damages, penalties, punitive damages and/or damage multipliers, disgorgement, declaratory relief, expenses, interest, and/or attorneys’ fees and costs.

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3. Notwithstanding the language in this section and/or this Agreement, the members of the Class, other than Plaintiffs, are not releasing any claims of or relating to personal injury.

4. Without in any way limiting its scope, and, except to the extent otherwise specified in the Agreement, this Release covers by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, costs or any other fees, costs, and/or disbursements incurred by Plaintiffs' Counsel, or by Plaintiff Grabowski or the Class Members for which the Released Parties may be liable.

5. Plaintiff Grabowski expressly understands and acknowledges, and all Class Members will be deemed by the Final Order and Final Judgment to acknowledge, that certain principles of law, including, but not limited to, **Section 1542 of the Civil Code of the State of California, provide that "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."** To the extent that anyone might argue that these principles of law are applicable, Plaintiff Grabowski hereby agrees that the provisions of all such principles of law or similar federal or state laws, rights, rules, or legal principles, to the extent they are found to be applicable herein, are hereby knowingly and voluntarily waived, relinquished and released by Plaintiff Grabowski and all Class Members.

6. Nothing in this Release shall preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed therein.

7. Plaintiff Grabowski and Defendant hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

QUESTIONS? VISIT WWW.SKECHERSSETTLEMENT.COM OR

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APPENDIX B**Claim Form*****Skechers Class Action Settlement******Claim Form***

Use this claim form only if you bought eligible Skechers shoes between August 1, 2008 and [DATE 2012].
The eligible Skechers shoes are listed below.

All claim forms must be electronically submitted no later than [DATE] or postmarked no later than [DATE] to:

Skechers Toning Shoes
P.O. Box 2008
Chanhassen, MN 55317-2008

CLAIM INFORMATION**CLASS MEMBER INFORMATION**

Name: |

Mailing Address: |

Number and Street

City: | State: | Zip Code: |

Daytime Telephone Number: () - | E-mail Address: |

Evening Telephone Number ()

PURCHASE INFORMATION -- SKECHERS SHOES

*Eligible Skechers
Shoe Types*

*Number of Pairs
Purchased*

Shape-ups

Podded Sole Shoes

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Tone-ups (Non-Podded Sole)**Resistance Runner**

Payment amounts to eligible Class Members will vary depending upon, among other factors, the product(s) purchased, the number and amounts claimed by all Class Members and other adjustments and deductions as specified in the Settlement Agreement. The amount could be more (up to double), the same, or less than \$40.00 for Shape-ups, \$42.00 for Resistance Runner, \$27.00 for Podded-Sole Shoes, and \$20.00 for Tone-ups (Non-Podded Sole).

Please note: If you submit a claim where the amount sought exceeds \$200, the Class Action Settlement Administrator may request proof of purchase to validate your claim. If the total amount of all claims submitted by all class members exceeds the total available relief, subject to any and all applicable deductions, the Class Action Settlement Administrator may request proof of purchase to validate your claim. If requested, you must provide proof of purchase or your claim will be reduced or denied and you may not appeal the reduction or denial. Any information you provide in connection with this claim form may be submitted to a federal or state agency in the administration of this settlement.

AFFIRMATION

I declare or affirm, under penalty of perjury, that the information in this claim form is true and correct to the best of my knowledge and that I purchased the applicable product(s) claimed above between August 1, 2008 to [DATE 2012]. I understand that the decision of the Class Action Settlement Administrator is final and binding. I understand that my claim form may be subject to audit, verification and Court review.

Signature: _____

Date: _____

Claim Forms must be electronically submitted no later than [DATE] or postmarked no later than [DATE], 2012.

Questions? Visit www.Skecherssettlement.com or call, toll-free, (866)-325-4186.

QUESTIONS? VISIT WWW.SKECHERSSETTLEMENT.COM OR

CALL, TOLL-FREE, 1-(866) 325-4186

AMENDED EXHIBIT 3

THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY

IN RE: SKECHERS TONING SHOES
PRODUCTS LIABILITY
LITIGATION

MASTER FILE No. 3:11-MD-2308-TBR

MDL No. 2308

Honorable Thomas B. Russell

This document relates to:

Grabowski v. Skechers U.S.A., Inc.,
S.D. California, C.A. No. 3:10-01300

Case No.: 3:12-CV-00204-TBR

FINAL ORDER APPROVING CLASS ACTION SETTLEMENT

This motion for final approval, having been brought before the Court jointly by the Parties, the Parties having entered into a Settlement Agreement, with its attached exhibits (collectively, the “Settlement Agreement”), signed and filed with this Court on May 15, 2012, to settle *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.) (the “Action”); and

The Court having entered an Order dated [DATE_____, 2012] (the “Preliminary Approval Order”), preliminarily certifying the putative class in this action for settlement purposes only under Fed. R. Civ. P. 23(a) and (b)(3), ordering individual and publication notice to potential Class Members, scheduling a Fairness Hearing for [DATE_____, 2012], providing potential Class Members with an opportunity either to exclude themselves from the settlement class or to object to the proposed settlement and issuing related Orders; and

The Court having held a Fairness Hearing on [DATE_____, 2012] to determine whether to grant final approval of the proposed settlement and issue related relief; and

The Court having considered the papers submitted by the Parties and by all other persons who timely submitted papers in accordance with the Preliminary Approval Order, and having heard oral presentations by the Parties and all persons who complied with the Preliminary Approval Order, and based on all of the foregoing, together with this Court's familiarity with the Action, it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

1. **Incorporation of Other Documents.** This Final Order Approving Class Action Settlement incorporates and makes a part hereof: (a) the Settlement Agreement, including all amendments and exhibits thereto, and definitions included therein, which was signed and filed with this Court on May 16, 2012; (b) the briefs, affidavits, declarations, and other materials filed in support of the settlement and Class Counsel's request for an award of attorneys' fees and reimbursement of expenses; (c) the record at the Fairness Hearing; (d) the documents listed on the docket sheet or otherwise submitted to the Court; and (e) all prior proceedings in the Action.

2. **Jurisdiction.** Because due, adequate, and the best practicable notice has been disseminated and all potential Class Members have been given the opportunity to exclude themselves from or object to this class action settlement, the Court has personal jurisdiction over all Class Members (as defined below). The Court has subject-matter jurisdiction over the claims asserted in the complaint and/or the Action pursuant to 28 U.S.C. §§ 1332, and 1367, including, without limitation, jurisdiction to approve the proposed settlement and the Settlement Agreement and all exhibits attached thereto, grant final certification to the Class, dismiss the Action on the merits and with prejudice and issue related orders. The Court finds that venue is proper in this district pursuant to 28 U.S.C. § 1391.

3. **Final Class Certification.** The Class preliminarily certified by this Court is hereby finally certified for settlement purposes only under Fed. R. Civ. P. 23(a), (b)(3), and (c)(2), the Court finding that the Class fully satisfies all the applicable requirements of Fed. R. Civ. P. 23 and due process. The Class shall consist of all persons or entities that, during the Class Period, August 1, 2008 to [DATE], purchased in the United States any Eligible Shoes. Excluded from the Class are: (a) Skechers' Board members or executive-level officers, including its attorneys; (b) persons or entities who purchased the Eligible Shoes primarily for the purpose of resale; (c) retailers or re-sellers of Eligible Shoes; (d) governmental entities; (e) the persons or entities listed on Exhibit A attached hereto who or which timely and properly excluded themselves from the Class as provided in the Settlement Agreement; and (f) persons or entities who purchased the Eligible Shoes via the Internet or other remote means while not residing in the United States.

4. **Requests for Exclusion.** The Court finds that only those persons and entities listed in Exhibit ___ to the Declaration of [_____] of the Class Action Settlement Administrator] and filed with the Court have submitted timely and valid requests for exclusion from the Class and are therefore not bound by this Final Order and accompanying Final Judgment. Attached hereto as Exhibit A is the list of persons or entities who submitted timely and valid requests for exclusion from the Class. Class Counsel and Skechers' Counsel may mutually agree to allow additional Class Members to exclude themselves or to withdraw their exclusion requests by filing an appropriate notice with the Court.

5. **Adequacy of Representation.** Class Plaintiff Tamara Grabowski has adequately represented the Settlement Class for purposes of entering into and implementing the settlement. Timothy G. Blood, of Blood Hurst & O'Reardon, LLP; and Janine L. Pollack, of Milberg LLP;

are experienced and adequate Class Counsel. Class Plaintiff and Class Counsel have satisfied the requirements of Fed. R. Civ. P. 23(a)(4), and 23(g).

6. **Class Notice.** The Court finds that the dissemination of the Class Notice, the publication of the Summary Settlement Notice, the establishment of a website containing settlement-related materials, the establishment of a toll-free telephone number, and all other notice methods set forth in the Settlement Agreement and the Notice Administrator's Declaration and the notice dissemination methodology implemented pursuant to the Settlement Agreement and this Court's Preliminary Approval Order, as described in the Notice Administrator's Declaration, a copy of which is incorporated herein and made a part hereof:

- a. constituted the best practicable notice to Class Members under the circumstances of the Action;
- b. constituted notice that was reasonably calculated, under the circumstances, to apprise Class Members of (i) the pendency of this action; (ii) the terms of the proposed settlement; (iii) their rights under the proposed settlement; (iv) their right to exclude themselves from the Class and the proposed settlement; (v) their right to object to any aspect of the proposed settlement (including, but not limited to, final certification of the settlement class, the fairness, reasonableness or adequacy of the proposed settlement, the adequacy of the Class's representation by Plaintiff or Class Counsel and/or the award of attorneys' fees); (vi) their right to appear at the Fairness Hearing – either on their own or through counsel hired at their own expense – if they did not exclude themselves from the Class; and (vii) the binding effect of the Orders and Judgment in this action, whether favorable or unfavorable, on all persons who did not request exclusion from the Class;

- c. constituted notice that was reasonable, due, adequate, and sufficient notice to all persons and entities entitled to be provided with notice; and
- d. constituted notice that met all applicable requirements of the Federal Rules of Civil Procedure, 28 U.S.C. § 1715, the Due Process Clause of the United States Constitution, and any other applicable law, as well as complied with the Federal Judicial Center's illustrative class action notices.

7. **Final Settlement Approval.** The terms and provisions of the proposed settlement and Settlement Agreement, including all exhibits, have been entered into in good faith and are hereby fully and finally approved as fair, reasonable, and adequate as to, and in the best interests of, each of the Parties and the Class Members, and in full compliance with all applicable requirements of the Federal Rules of Civil Procedure, the Class Action Fairness Act (P.L. 109-2), the United States Constitution (including the Due Process Clause), and any other applicable law. The settlement is approved and all objections to the settlement are overruled as without merit. The Parties and Class Members are hereby directed to implement and consummate the Settlement Agreement according to its terms and provisions. Class Counsel shall take all steps necessary and appropriate to provide Class Members with the benefits to which they are entitled under the terms of the Settlement Agreement.

8. **Early Payment.** Skechers is hereby authorized in its sole discretion, and without requiring further approval of this Court, to commence payments under the Settlement Agreement before the Final Settlement Date (as defined in the Settlement Agreement).

9. **Binding Effect.** The terms of the Settlement Agreement and of this Final Order and the accompanying Final Judgment shall be forever binding on Plaintiff, Skechers and all Class Members, as well as their heirs, executors and administrators, predecessors, successors and

assigns, and those terms shall have *res judicata* and other preclusive effect in all pending and future claims, lawsuits or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits or other proceedings involve matters that were or could have been raised in the Action or are otherwise encompassed by the Release.

10. **Release.** The following Release, which is also set forth in Section VIII of the Settlement Agreement, is expressly incorporated herein in all respects, including all defined terms used therein, is effective as of the date of this Final Order and the accompanying Final Judgment, and forever discharges the Released Parties from any claims or liabilities arising from or related to the Release:

1) In consideration for the Settlement benefits described in this Agreement, Plaintiffs and the other members of the Class, on behalf of themselves, their heirs, guardians, assigns, executors, administrators, predecessors, and/or successors, will fully, finally and forever release, relinquish, acquit, and discharge the Released Parties from, and shall not now or hereafter institute, maintain, or assert on their own behalf, on behalf of the Class or on behalf of any other person or entity, from any and all manner of claims, actions, causes of action, suits, rights, debts, sums of money, payments, obligations, reckonings, contracts, agreements, executions, promises, damages, liens, judgments and demands of whatever kind, type or nature whatsoever, both at law and in equity, whether past, present or future, mature or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim that Plaintiff Grabowski or Class Members ever had, now have, may have, or hereafter can, shall or may ever have against the Released Parties that were or reasonably could have been alleged in the Action or in any other court, tribunal, arbitration panel, commission, agency, or before any governmental and/or administrative body, or any other adjudicatory body, on the basis of, connected with, arising from or in any way whatsoever relating to claims that were or reasonably could have been alleged in the Action, including, but without in any way limiting the generality of the foregoing, arising from, directly or indirectly, or in any way whatsoever pertaining or relating to (1) the claims alleged in the Action, (2) any communications, disclosures, nondisclosures, representations, statements, claims, omissions, warnings, messaging, design, testing, marketing, advertising, promotion, packaging, displays, brochures, studies, manufacture, distribution, operation, performance, functionality, notification, providing, offering, dissemination, replacement, sale and/or resale by the Released Parties of the Eligible Shoes; (3) any claims for rescission, restitution or unjust enrichment for

all damages of any kind; (4) violations of any state's deceptive, unlawful and/or unfair business and/or trade practices, false, misleading or fraudulent advertising, consumer fraud and/or consumer protection statutes; (5) any violation of the Uniform Commercial Code, any breaches of express, implied and/or any other warranties, any similar federal, state or local statutes, codes; or (6) damages, costs, expenses, extra-contractual damages, compensatory damages, exemplary damages, special damages, penalties, punitive damages and/or damage multipliers, disgorgement, declaratory relief, expenses, interest, and/or attorneys' fees and costs.

2) Notwithstanding the language in this section and/or this Agreement, the members of the Class, other than Plaintiffs, are not releasing any claims of or relating to personal injury.

3) Plaintiff Grabowski represents and warrants that she is the sole and exclusive owner of all claims that she personally is releasing under this Agreement. Plaintiff Grabowski further acknowledges that she has not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Action, and that Plaintiff Grabowski is not aware of anyone other than herself claiming any interest, in whole or in part, in the Action or in any benefits, proceeds or values under the Action on her behalf.

4) Without in any way limiting its scope, and, except to the extent otherwise specified in the Agreement, this Release covers by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, costs or any other fees, costs, and/or disbursements incurred by Plaintiffs' Counsel, or by Plaintiff Grabowski or the Class Members for which the Released Parties may be liable.

5) Plaintiff Grabowski expressly understands and acknowledges, and all Class Members will be deemed by the Final Order and Final Judgment to acknowledge, that certain principles of law, including, but not limited to, **Section 1542 of the Civil Code of the State of California, provide that "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."** To the extent that anyone might argue that these principles of law are applicable, Plaintiff Grabowski hereby agrees that the provisions of all such principles of law or similar federal or state laws, rights, rules, or legal principles, to the extent they are found to be applicable herein, are hereby knowingly and voluntarily waived, relinquished and released by Plaintiff Grabowski and all Class Members.

6) The Parties shall be deemed to have agreed that the Release set forth herein will be and may be raised as a complete defense to and will preclude any action or proceeding based on the claims released by and through this Agreement.

7) Nothing in this Release shall preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed therein.

8) Plaintiff Grabowski and Defendant hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

11. **Permanent Injunction.** All Class Members and/or their representatives who have not been timely excluded from the Class are hereby permanently barred and enjoined from bringing, filing, commencing, prosecuting, maintaining, intervening in, participating in, continuing or receiving any benefits from, as class members or otherwise, any lawsuit (including putative class actions), arbitration, administrative, regulatory or other proceeding in any jurisdiction that is covered by the Release. All Class Members and all persons in active concert or participation with Class Members, and all persons who have opted to exclude themselves from the Class, are permanently barred and enjoined from organizing or soliciting the participation of any Class Members or those persons who have opted to exclude themselves from the Class into a separate class or group for purposes of pursuing a putative class action in any jurisdiction that is covered by the Release. Pursuant to 28 U.S.C. §§ 1651(a) and 2283, the Court finds that issuance of this permanent injunction is necessary and appropriate in aid of the Court's continuing jurisdiction and authority over the Action.

12. **Enforcement of Settlement.** Nothing in this Final Order or in the accompanying Final Judgment shall preclude any action to enforce the terms of the Settlement Agreement; nor shall anything in this Final Order or in the accompanying Final Judgment preclude Plaintiff or

other Class Members from participating in the Claim Process described in the Settlement Agreement if they are entitled to do so under the terms of the Settlement Agreement.

13. **Attorneys' Fees and Expenses.** Class Counsel and other counsel purported to represent the Class or its members applied to the Court for awards of attorneys' fees and expenses. Attorneys' fees and expenses were awarded only to those attorneys demonstrating that their efforts resulted in a benefit to the Class. The Court hereby awards attorneys' fees and expenses in the amounts of \$ to _____ [list firms], which amounts are approved as fair and reasonable, pursuant to Fed. R. Civ. P. 23(h) and is in accordance with the terms of the Settlement Agreement. The Court finds that the above stated awards of attorneys' fees is fair and reasonable in consideration of, among other things, the efforts of counsel and the settlement they achieved for the Class, and that the amount of expenses is reasonable and were reasonably incurred in the course of the litigation. All objections to Class Counsel's request for an award of attorneys' fees and reimbursement of expenses are hereby overruled.

14. **Incentive Awards.** The Court hereby awards \$2,500 each to the Plaintiff Tamara Grabowski and to plaintiff Venus Morga, as incentive awards in their capacities as a representative Plaintiff in the Action and as plaintiff in the *Morga* Action (No. 3:12-cv-00205 (W.D. Ky.)), respectively.

15. **No Other Payments.** The preceding two paragraphs of this Final Order cover, without limitation, any and all claims against the Released Parties for attorneys' fees and expenses, costs or disbursements incurred by Class Counsel or any other counsel representing or purporting to represent Plaintiffs, the Class, or Class Members, or incurred by Plaintiffs or the Class Members, or any of them, in connection with or related in any manner to the Action, the settlement of the Action, the administration of such settlement, and/or the Release, except to the

extent otherwise specified in this Final Order and accompanying Final Judgment and the Settlement Agreement. Plaintiffs are not precluded from seeking attorneys' fees, expenses, costs, or disbursements from an objecting Class Member or his or her counsel (and not Skechers or its counsel) in connection with an appeal filed by an objecting Class Member.

16. **Modification of Settlement Agreement.** The Parties are hereby authorized, without needing further approval from the Court, to agree to and adopt such amendments to, and modifications and expansions of, the Settlement Agreement, and all exhibits attached, as are consistent with this Final Order and the accompanying Final Judgment and do not limit the rights of Class Members under the Settlement Agreement.

17. **Retention of Jurisdiction.** The Court has jurisdiction to enter this Final Order and the accompanying Final Judgment. Without in any way affecting the finality of this Final Order and/or the accompanying Final Judgment, this Court expressly retains jurisdiction as to all matters relating to the administration, consummation, enforcement and interpretation of the Settlement Agreement and of this Final Order and the accompanying Final Judgment, and for any other necessary purpose, including, without limitation:

- a. enforcing the terms and conditions of the Settlement Agreement and resolving any disputes, claims or causes of action that, in whole or in part, are related to or arise out of the Settlement Agreement, this Final Order or the accompanying Final Judgment (including, without limitation, whether a person or entity is or is not a Class Member; and whether claims or causes of action allegedly related to this case are or are not barred by this Final Order and the accompanying Final Judgment);

- b. entering such additional Orders as may be necessary or appropriate to protect or effectuate this Final Order and the accompanying Final Judgment, dismissing all claims on the merits and with prejudice, and permanently enjoining Class Members from initiating or pursuing related proceedings, or to ensure the fair and orderly administration of this settlement; and
- c. entering any other necessary or appropriate Orders to protect and effectuate this Court's retention of continuing jurisdiction; provided, however, that nothing in this paragraph is intended to restrict the ability of the Parties to exercise their rights under paragraphs 8 and 16 or as otherwise provided in the Settlement Agreement.

18. **No Admissions.** Neither this Final Order, the accompanying Final Judgment nor the Settlement Agreement (nor any other document referred to herein, nor any action taken to carry out this Final Order or the accompanying Final Judgment) is, may be construed as, or may be used as an admission or concession by or against Skechers or Released Parties of the validity of any claim or defense or any actual or potential fault, wrongdoing or liability whatsoever Skechers continues to deny that the Action meets the requisites for class certification under Fed. R. Civ. P. 23 for any purpose other than settlement. Entering into or carrying out the Settlement Agreement, and any negotiations or proceedings related to it, shall not in any event be construed as, or deemed evidence of, an admission or concession as to Skechers' denials or defenses and shall not be offered or received in evidence in any action or proceeding against any Party hereto in any court, administrative agency or other tribunal for any purpose whatsoever, except as evidence of the settlement or to enforce the provisions of this Final Order and the accompanying Final Judgment and the Settlement Agreement; provided, however, that this Final Order, the

accompanying Final Judgment and the Settlement Agreement may be filed in any action against or by Skechers or Released Parties to support a defense of *res judicata*, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

19. **Dismissal of Action.** The Action (including all individual and Class claims presented therein) are hereby dismissed on the merits and with prejudice, without fees or costs to any Party except as otherwise provided in this Order and the accompanying Final Judgment and the Settlement Agreement.

Honorable Thomas B. Russell
UNITED STATES DISTRICT JUDGE

Exhibit A -- List of persons who Requested Exclusion

AMENDED EXHIBIT 4

THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY

IN RE: SKECHERS TONING SHOES
PRODUCTS LIABILITY
LITIGATION

MASTER FILE No. 3:11-MD-2308-TBR

MDL No. 2308

Honorable Thomas B. Russell

This document relates to:

Grabowski v. Skechers U.S.A., Inc.,
S.D. California, C.A. No. 3:10-01300

Case No.: 3:12-CV-00204-TBR

FINAL JUDGMENT

IT IS on this ____ day of _____, 2012, HEREBY ADJUDGED AND
DECREED PURSUANT TO FEDERAL RULE OF CIVIL PROCEDURE 58 THAT:

1. The settlement of this class action on the terms set forth in the Parties' Settlement Agreement, with exhibits (collectively, the "Settlement Agreement"), and definitions included therein, signed and filed with this Court on May 16, 2012, is finally approved, and the following class is granted final certification for settlement purposes only under Fed. R. Civ. P. 23(a) and (b)(3): all persons or entities that, during the Class Period, August 1, 2008 to [DATE], purchased in the United States any Eligible Shoes. "Eligible Shoes" means the Skechers footwear sold under the following toning footwear lines: (a) Shape-ups rocker bottom shoes ("Shape-ups"); (b) Resistance Runner rocker bottom shoes ("Resistance Runner"); Shape-ups Toners/Trainers, and Tone-ups with podded outsoles ("Podded Sole Shoes"); and Tone-ups non-podded sandals, boots, clogs, and trainers ("Tone-up (Non-Podded Sole)"). Excluded from the Class are: (a) Skechers' Board members or executive-level officers, including its attorneys; (b)

persons or entities who purchased the Eligible Shoes primarily for the purpose of resale; (c) retailers or re-sellers of Eligible Shoes; (d) governmental entities; (e) persons or entities who purchased the Eligible Shoes via the Internet or other remote means while not residing in the United States; and (f) the persons or entities listed on Exhibit A attached hereto who or which timely and properly excluded themselves from the Class.

2. The Court finds that only those persons and entities listed in Exhibit ____ to the Declaration of _____ and filed with the Court, a copy of which is attached hereto as Exhibit A, have submitted timely and valid requests for exclusion from the Class and are therefore not bound by this Final Judgment and accompanying Final Order. Class Counsel and Skechers' Counsel may mutually agree to allow additional Class Members to exclude themselves or to withdraw their exclusion requests by filing an appropriate notice with the Court.

3. The Class Notice, the Summary Settlement Notice, the web site, the toll-free telephone number, and all other notices in the Settlement Agreement and the Declaration of the Notice Administrator, and the notice methodology implemented pursuant to the Settlement Agreement: (a) constituted the best practicable notice under the circumstances; (b) constituted notice that was reasonably calculated to apprise Class Members of the pendency of the Action, the terms of the settlement and their rights under the settlement, including, but not limited to, their right to object to or exclude themselves from the proposed settlement and to appear at the Fairness Hearing; (c) were reasonable and constituted due, adequate and sufficient notice to all persons entitled to receive notice; and (d) met all applicable requirements of law, including, but not limited to, the Federal Rules of Civil Procedure, 28 U.S.C. § 1715, and the Due Process Clause(s) of the United States Constitution, as well as complied with the Federal Judicial Center's illustrative class action notices.

4. The claims in *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.) (the “Action”) are dismissed on the merits and with prejudice according to the terms (including the Release) set forth in the Parties’ Settlement Agreement and in the Court’s Final Order Approving Class Action Settlement, (the “Final Approval Order”), without costs to any party except as provided in the Final Approval Order.

5. All Class Members and/or their representatives who have not been timely excluded from the Class with respect to the Eligible Shoes are permanently barred and enjoined from bringing, filing, commencing, prosecuting, maintaining, intervening in, participating (as class members or otherwise) in, or receiving any benefits from any other lawsuit (including putative class action lawsuits), arbitration, administrative, regulatory, or other proceeding, order, or cause of action in law or equity in any jurisdiction that is covered by the Release. In addition, all Class Members and all persons in active concert or participation with Class Members are permanently barred and enjoined from organizing Class Members who have not been excluded from the Class into a separate class for purposes of pursuing, as a purported class action, any lawsuit (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action) that is covered by the Release. Pursuant to 28 U.S.C. §§ 1651(a) and 2283, the Court finds that issuance of this permanent injunction is necessary and appropriate in aid of the Court’s continuing jurisdiction and authority over the Action.

6. Class Counsel shall take all steps necessary and appropriate to provide Class Members with the benefits to which they are entitled under the terms of the Settlement Agreement and pursuant to the Orders of the Court.

7. Class Counsel and other counsel that demonstrated that their efforts resulted in a benefit to the Class shall be awarded attorneys' fees and expenses the amounts of \$____, which amounts are approved as fair and reasonable, in accordance with the terms of the Settlement Agreement.

8. The Plaintiff Tamara Grabowski and Plaintiff Venus Morga, shall each be awarded \$2,500 as incentive awards in their capacity as a representative Plaintiff in the Action and as plaintiff in the *Morga* Action (No. 3:12-cv-00205), respectively.

9. The Court will retain continuing jurisdiction over the Action for the reasons and purposes set forth in this Court's Final Approval Order.

Honorable Thomas B. Russell
UNITED STATES DISTRICT JUDGE

Exhibit A -- List of persons who Requested Exclusion

AMENDED EXHIBIT 5

THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY

IN RE: SKECHERS TONING SHOES
PRODUCTS LIABILITY
LITIGATION

MASTER FILE No. 3:11-MD-2308-TBR

MDL No. 2308

Honorable Thomas B. Russell

This document relates to:

Grabowski v. Skechers U.S.A., Inc.,
S.D. California, C.A. No. 3:10-01300

Case No.: 3:12-CV-00204-TBR

**ORDER PRELIMINARILY CERTIFYING A CLASS FOR SETTLEMENT PURPOSES,
PRELIMINARILY APPROVING THE CLASS SETTLEMENT, APPOINTING CLASS
COUNSEL, DIRECTING THE ISSUANCE OF NOTICE TO THE CLASS,
SCHEDULING A FAIRNESS HEARING, AND ISSUING RELATED ORDERS**

This motion having been brought before the Court jointly by Plaintiff and Skechers U.S.A., Inc. (“Skechers”); and *Grabowski v. Skechers U.S.A., Inc.*, No. 3:12-cv-00204 (W.D. Ky.), having been originally filed on June 18, 2010 in the United States District Court for the Southern District of California (the “*Grabowski Action*” or “*Action*”); and

The *Grabowski Action* alleges, on behalf of a nationwide class of consumers, that Skechers violated California’s Consumers Legal Remedies Act (“CLRA”), Civ. Code §1770, *et seq.* and the Unfair Competition Law (“UCL”), Bus. & Prof. Code §17200, *et seq.*, and is liable for breach of express warranty; and

A first amended complaint was filed in the *Grabowski Action* on February 18, 2011, and a second amended complaint was filed on May 11, 2012. The amended complaints were substantively identical to the original complaint, and re-alleged Skechers’ violations of California’s consumer protection laws, and asserted claims for breach of warranty. The first

amended complaint also sought damages as permitted by the CLRA, and the second amended complaint included claims relating to Skechers' Toners/Trainers, Tone-ups, and Resistance Runner shoes besides Shape-ups.

Skechers filed an answer to the first amended complaint on March 7, 2011 and an answer to the second amended complaint on May 15, 2012, in which it expressly denied any and all wrongdoing alleged in the action, and neither admitted nor conceded any actual or potential fault, wrongdoing or liability in connection with any facts or claims that have been or could have been alleged against it in this action.

Class Counsel has conducted a thorough examination, investigation, and evaluation of the relevant law, facts, and allegations to assess the merits of the claims and potential claims to determine the strength of both defenses and liability sought in the Action; and

Class Counsel, on behalf of Plaintiff Grabowski and the other members of the Class having engaged in extensive discovery. In particular, Skechers has produced the following documentation regarding Eligible Shoes: (i) product design, initiative and development; (ii) scientific studies and research; (iii) marketing, advertising, media and public relations; and (iv) sales and pricing data. In total, Plaintiffs' Counsel was given access to approximately 6,574 documents encompassing over 24,500 pages and over 13.5 GB of data. Skechers also has given Plaintiff access to key personnel at Skechers to interview. Before entering into this Settlement Agreement, Plaintiffs' Counsel had conducted a thorough examination and evaluation of the relevant law, facts and allegations to assess the merits of the claims and could reasonably assess the strength of Plaintiff Grabowski's claims and Skechers' liability, including its defenses; and

On May 16, 2012, working in conjunction with Class Counsel, the Federal Trade Commission ("FTC") entered into a Stipulated Final Judgment and Order for Permanent

Injunction and Other Equitable Relief (“Stipulated Order”) with Skechers concerning its Skechers Toning Shoes. Pursuant to the Stipulated Order, the FTC filed a Complaint for Permanent Injunction and Other Equitable Relief against Skechers and its Skechers Toning Shoes alleging violations of the Federal Trade Commission Act and specifically 15 U.S.C. § 45(a), which prohibits “unfair or deceptive acts or practices in or affecting commerce,” and 15 U.S.C. § 52, which prohibits the dissemination of any false advertisement in or affecting commerce. Actions by the Attorneys General in 44 states and the District of Columbia (the “AG Actions”) were filed against Skechers. Consent Judgments and Agreed Final Judgments (“Consent and Agreed Final Judgments”) were or will be entered in the AG Actions, settling all claims. This Settlement between Plaintiff and Skechers and the Stipulated Order entered into between the FTC and Skechers, and the Consent and Agreed Final Judgments entered into between Skechers and the state Attorneys General, are the products of work performed by Class Counsel, the FTC, and the state Attorneys General in conjunction, and the foregoing have coordinated these resolutions to maximize the settlement consideration available to the Class under this Settlement, including the monetary relief available to Class Members.

The Parties having entered into a Settlement Agreement in which the Parties have agreed to settle the Action, pursuant to the terms of the Settlement Agreement, subject to the approval and determination of the Court as to the fairness, reasonableness, and adequacy of the settlement which, if approved, will result in dismissal of the Action with prejudice; and

The Court having reviewed the Settlement Agreement and all amendments thereto, including the exhibits and amendments thereto attached to the Settlement Agreement (together, the “Settlement Agreement”) and all prior proceedings herein, and good cause appearing based on the record,

IT IS on this ____ day of _____, 2012, ORDERED, ADJUDGED, AND DECREED as follows (all capitalized terms being defined as they are defined in the Settlement Agreement unless otherwise specified or defined herein):

1. **Stay of the Action.** All non-settlement-related proceedings in the Action are hereby stayed and suspended until further order of this Court.

2. **Preliminary Class Certification for Settlement Purposes Only.** The Action is preliminarily certified as a class action for settlement purposes only, pursuant to Fed. R. Civ. P. 23(a) and (b)(3). The Court preliminarily finds for settlement purposes that: (a) the Class certified herein numbers at least in the tens of thousands of persons, and that joinder of all such persons would be impracticable, (b) there are issues of law and fact that are typical and common to the Class, and that those issues predominate over individual questions; (c) a class action on behalf of the certified Class is superior to other available means of adjudicating this dispute; and (d) as set forth in paragraph 4, below, Plaintiff Grabowski and Class Counsel are adequate representatives of the Class. Skechers retains all rights to assert that this action may not be certified as a class action, other than for settlement purposes.

3. **Class Definition.** The Class shall consist of all persons or entities that, during the Class Period, August 1, 2008 [TO DATE], purchased in the United States any Eligible Shoes. "Eligible Shoes" means the Skechers' footwear sold in the following toning categories: (a) Shape-ups rocker bottom shoes ("Shape-ups"); (b) Resistance Runner rocker bottom shoes ("Resistance Runner"); (c) Shape-ups Toners/Trainers, and Tone-ups with podded outsoles ("Podded Sole Shoes"); and (d) Tone-ups non-podded sandals, boots, clogs, and trainers ("Tone-up (Non-Podded Sole)"). Excluded from the Class are: (a) Skechers' Board members or executive-level officers, including its attorneys; (b) persons or entities who purchased the

Eligible Shoes primarily for the purpose of resale; (c) retailers or re-sellers of Eligible Shoes; (d) governmental entities; (e) persons or entities who purchased the Eligible Shoes via the Internet or other remote means while not residing in the United States; and (f) any persons or entities who or which timely and properly excluded themselves from the Class as provided for below.

4. **Class Representatives and Class Counsel.** Plaintiff Grabowski is designated as representative of the conditionally certified Class. The Court preliminarily finds that she is similarly situated to absent Class Members and therefore typical of the Class, and that she will be an adequate Class Representative. Timothy G. Blood, of Blood Hurst & O'Reardon LLP; and Janine L. Pollack, of Milberg LLP, whom the Court finds are experienced and adequate counsel, are hereby designated as Class Counsel.

5. **Preliminary Settlement Approval.** Upon preliminary review, the Court finds that the Settlement Agreement and the settlement it incorporates, appears fair, reasonable and adequate. Manual for Complex Litigation (Fourth) § 21.632 (2004). Accordingly, the Settlement Agreement is preliminarily approved and is sufficient to warrant sending notice to the Class.

6. **Jurisdiction.** The Court has subject-matter jurisdiction over the Action pursuant to 28 U.S.C. §§ 1332 and 1367, and personal jurisdiction over the Parties before it. Additionally, venue is proper in this District pursuant to 28 U.S.C. § 1391.

7. **Fairness Hearing.** A Fairness Hearing shall be held on _____ at _____ at the United States District Court for the Western District of Kentucky, 601 West Broadway, Room 202, Louisville, Kentucky 40202-2227, to determine, among other things: (a) whether the Action should be finally certified as a class action for settlement purposes pursuant to Fed. R. Civ. P. 23(a), and (b)(3); (b) whether the settlement of the Action should be

approved as fair, reasonable and adequate, and finally approved pursuant to Fed. R. Civ. P. 23(e); (c) whether the Action should be dismissed with prejudice pursuant to the terms of the Settlement Agreement; (d) whether Class Members should be bound by the release set forth in the Settlement Agreement; (e) whether Class Members and related persons should be subject to a permanent injunction; (f) whether the application of Class Counsel and any other counsel purporting to represent the Class or any of its members for an award of Attorneys' Fees and Expenses should be approved pursuant to Fed. R. Civ. P. 23(h); and (g) whether the application of the named Plaintiffs for incentive awards should be approved. The submissions of the Parties in support of the settlement, including applications for Attorneys' Fees and Expenses and incentive awards, shall be filed with the Court no later than fifteen (15) days prior to the deadline for the submission of objections and may be supplemented up to seven days prior to the Fairness Hearing.

8. **Administration.** In consultation with and with the approval of Skechers, Class Counsel is hereby authorized to establish the means necessary to administer the proposed settlement and implement the Claim Process, in accordance with the terms of the Agreement.

9. **Class Notice.** The proposed Class Notice, Summary Settlement Notice and the notice methodology described in the Settlement Agreement and the Declaration of the Media Notice Administrator are hereby approved.

a. Pursuant to the Settlement Agreement, the Court appoints Jeanne Finegan of the Garden City Group, Inc. to be the Media Notice Administrator and BMC Group to be the Class Action Settlement Administrator to help implement the terms of the Settlement Agreement.

b. Beginning not later than thirty (30) days after entry of this Preliminary Approval Order and to be substantially completed not later than ninety (90) days before the Fairness Hearing and subject to the requirements of the Preliminary Approval Order and the Settlement Agreement, the Class Action Settlement Administrator shall commence sending the Class Notice by First Class U.S. Mail, proper postage prepaid, to: (i) each reasonably identifiable Class Member's last known address reasonably obtainable from Skechers, which addresses shall be provided to the Class Action Settlement Administrator by Skechers no later than five (5) business days after entry of this Preliminary Approval Order, subject to the existence of such information and its current possession, if at all, by Skechers; and (ii) each appropriate State and Federal official, as specified in 28 U.S.C. § 1715. The distribution of the Class Notice shall otherwise comply with Fed. R. Civ. P. 23 and any other applicable statute, law, or rule, including, but not limited to, the Due Process Clause of the United States Constitution.

c. The Class Action Settlement Administrator shall: (a) promptly re-mail any notices returned by the United States Postal Service with a forwarding address that are received by the Class Action Settlement Administrator at least forty-five (45) days before the Fairness Hearing; (b) by itself or using one or more address research firms, as soon as practicable following receipt of any returned notices that do not include a forwarding address, research any such returned mail for better addresses and promptly mail copies of the Class Notice to the better addresses so found.

d. The Media Notice Administrator shall begin publication of the Summary Settlement Notice not later than thirty (30) days after entry of this Preliminary Approval Order, and shall have the publication of the Summary Settlement Notice completed not later than sixty (60) days thereafter. The Media Notice Administrator shall publish the Summary Settlement Notice as described in the Declaration of the Media Notice Administrator and in such additional newspapers, magazines and/or other media outlets as shall be agreed upon by the Parties.

e. The Class Action Settlement Administrator shall begin accepting Claim Forms as they are submitted by Class Members for processing, which shall begin no later than six (6) months after entry of this Preliminary Approval Order.

f. The Class Action Settlement Administrator shall establish an Internet website, www.Skecherssettlement.com, which will inform Class Members of the terms of this Agreement, their rights, dates and deadlines, and related information. The website shall include, in .pdf format, materials agreed upon by the Parties and/or required by the Court, and will be operational and live by the date of the first publication of the Summary Settlement Notice or mailing of the Class Notice, whichever is earlier.

g. The Class Action Settlement Administrator shall establish a toll-free telephone number that will provide Settlement-related information to Class Members. This toll-free telephone number will be operational by the date of the first publication of the Summary Settlement Notice or mailing of the Class Notice, whichever is earlier.

h. Not later than ten (10) days before the date of the Fairness Hearing, the Class Action Settlement Administrator shall file with the Court a list of those persons who have opted out or excluded themselves from the Settlement.

i. Not later than forty-five (45) days before the date of the Fairness Hearing, the Media Notice Administrator or the Class Action Settlement Administrator shall file with the Court the details outlining the scope, methods, and results of the media notice program.

10. **Findings Concerning Notice.** The Court finds that the form, content and method of giving notice to the Class as described in Paragraph 9 of this order: (a) will constitute the best practicable notice; (b) is reasonably calculated, under the circumstances, to apprise the Class Members of the pendency of the Action, the terms of the proposed settlement, and their rights under the proposed settlement, including, but not limited to, their right to object to or exclude themselves from the proposed settlement and other rights under the terms of the Settlement Agreement; (c) are reasonable and constitute due, adequate, and sufficient notice to all Class Members and other persons entitled to receive notice; and (d) meet all applicable requirements of law, including, but not limited to, 28 U.S.C. § 1715, Fed. R. Civ. P. 23(c) and (e) and the Due Process Clause(s) of the United States Constitution. The Court further finds that all of the notices are written in simple terminology, are readily understandable by Class Members, and comply with the Federal Judicial Center's illustrative class action notices.

11. **Exclusion from Class.** Any Class Member who wishes to be excluded from the Class must mail a signed, written request for exclusion to the Class Action Settlement Administrator at the address provided in the Class Notice, postmarked no later than thirty (30) days before the date scheduled in paragraph 7 above for the Fairness Hearing, or as the Court

otherwise may direct. Any person or entity requesting exclusion is requested to include in the signed written request the information set forth in Part VII of the Class Notice. The Class Action Settlement Administrator shall forward copies of any written requests for exclusion to Class Counsel and Skechers' Counsel. The Class Action Settlement Administrator shall file a list reflecting all timely requests for exclusion with the Court no later than ten (10) days before the Fairness Hearing. If the proposed settlement is finally approved, any potential Class Member who has not submitted a timely written request for exclusion from the Class shall be bound by all subsequent proceedings, orders and judgments in the Action, including but not limited to the Release, even if the potential Class Member previously initiated or subsequently initiates any litigation against any or all of the Released Parties relating to the claims and transaction released in the Action. Persons who properly exclude themselves from the Class shall not be entitled to participate in the benefits of the Settlement Agreement. Skechers' Counsel shall provide to the Class Action Settlement Administrator, within ten (10) business days of the entry of this Preliminary Approval Order, a list of all counsel for anyone who has litigation against Skechers that involves Eligible Shoes. The Class Action Settlement Administrator shall mail copies of the Class Notice to all such legal counsel. Skechers will promptly direct the Class Action Settlement Administrator to serve the Class Notice on counsel for any Class Members who subsequently initiate litigation, arbitration, or other proceedings against Skechers relating to claims alleging events occurring during the Class Period, the Eligible Shoes, and/or otherwise involving the Release.

12. **Objections and Appearances.** Any Class Member or counsel hired at any Class Member's own expense who complies with the requirements of this paragraph may object to any aspect of the proposed settlement.

a. Any Class Member who has not filed a timely written request for exclusion and who wishes to object to the fairness, reasonableness, or adequacy of the Settlement Agreement, the proposed Settlement, the award of Attorneys' Fees and Expenses, or the individual awards to Plaintiffs, must deliver to the Class Counsel identified in the Class Notice and to Skechers' Counsel, and file with the Court, no later than thirty (30) days before the date scheduled in paragraph 7 above for the Fairness Hearing, or as the Court otherwise may direct: (a) a written statement of objections, as well as the specific reason(s), if any, for each objection, including any legal and factual support the Class Member wishes to bring to the Court's attention; (b) any evidence or other information the Class Member wishes to introduce in support of the objections; (c) a statement of whether the Class Member intends to appear and argue at the Fairness Hearing; and (d) a list all the Class Member's purchase(s) of Eligible Shoes. Class Members may do so either on their own or through an attorney retained at their own expense. The objection must include proof of purchase of the Eligible Shoes. Acceptable proof of purchase includes an itemized cash register receipt, a credit card receipt or a credit card statement that sufficiently indicates the purchase of the Eligible Shoes. Any Class Member filing an objection may be required to sit for deposition regarding matters concerning the objection.

b. Any Class Member who files and serves a written objection, as described above, may appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, to object to the fairness, reasonableness, or adequacy of the Settlement Agreement or the proposed

Settlement, or to the award of Attorneys' Fees and Expenses or awards to the individual Plaintiffs. Class Members or their attorneys who intend to make an appearance at the Fairness Hearing must deliver a notice of intention to appear to one of the Class Counsel identified in the Class Notice and to Skechers' Counsel, and file said notice with the Court, no later than thirty (30) days before the date scheduled in paragraph 7 above for the Fairness Hearing, or as the Court may otherwise direct. Any Class Member who fails to comply with the provisions in this section shall waive and forfeit any and all rights he or she may have to appear separately and/or to object, and shall be bound by all the terms of the Settlement Agreement, this Order, and by all proceedings, orders, and judgments, including, but not limited to, the Release in the Settlement Agreement in the Action.

13. **Preliminary Injunction.** All Class Members and/or their representatives who do not timely exclude themselves from the Class are hereby preliminarily barred and enjoined from filing, commencing, prosecuting, maintaining, intervening in, participating in, conducting, or continuing litigation as class members, putative class members, or otherwise against Skechers (or against any of its related parties or affiliates), and/or from receiving any benefits from, any lawsuit, administrative, or regulatory proceeding or order in any jurisdiction, based on or relating to the claims or causes of actions or the facts, and circumstances relating thereto, relating to the Eligible Shoes, the Action, and/or the Release. In addition, all Class Members and those persons who opt to exclude themselves from the Class are hereby preliminarily barred and enjoined from filing, commencing, or prosecuting a lawsuit against Skechers (or against any of its related parties or affiliates) as a class action, a separate class, or group for purposes of pursuing a putative class action (including by seeking to amend a pending complaint to include

class allegations or by seeking class certification in a pending action in any jurisdiction) arising out of, based on or relating to the claims, causes of action, facts and/or circumstances relating thereto, relating to the Eligible Shoes, the Action and/or the Release. The injunction includes, but is not limited to, the following actions which are proceeding as proposed class actions: *Morga v. Skechers U.S.A., Inc.*, No. 3:10-CV-1780 (S.D. Cal. filed August 25, 2010); *Hochberg v. Skechers U.S.A. Inc.*, No. CV11-5751 (E.D.N.Y. filed Nov. 23, 2011); *Lovston v. Skechers U.S.A., Inc.*, No. 4:11-CV-0460 DPM (E.D. Ark. filed May 13, 2011); *Lovston v. Skechers U.S.A., Inc.*, No. CV-11-321 (Ark. Cir. Ct.); *Tomlinson v. Skechers U.S.A., Inc.*, No. CV 2011-121-7 (Ark. Cir. Ct. filed Jan. 13, 2011); *Tomlinson v. Skechers U.S.A., Inc.*, No. 5:11-CV-05042 JLH (W.D. Ark.); *Stalker v. Skechers U.S.A., Inc.*, No. CV 10-05460 SJO (JEMx) (C.D. Cal. filed July 2, 2010); *Loss et al. v. Skechers U.S.A., Inc. et al.*, No. 3:12-CV-78-H (W.D. Ky. filed February 10, 2012); and *Boatright et. al. v. Skechers, U.S.A., Inc. et al.* No. 3:12-CV-87-S (W.D. Ky. filed February 15, 2012). Should the named plaintiffs in any action wish to proceed individually, they must opt out as specifically provided in this order and pursuant to the terms of the Settlement Agreement. Pursuant to 28 U.S.C. §§ 1651(a) and 2283, the Court finds that issuance of this preliminary injunction is necessary and appropriate in aid of the Court's continuing jurisdiction and authority over this Action.

14. **Post-Office Box(es).** The Class Action Settlement Administrator or their designated agent(s) shall rent one or more post-office boxes in the name of the Clerk of the Court, to be used for receiving requests for exclusion from the Class and any other communications. Other than the Court or the Clerk of Court and the Notice Administrator, only Skechers, Skechers' Counsel, Class Counsel and their designated agents shall have access to these post-office box(es).

15. **Disclosure of Objections.** The Class Action Settlement Administrator, Skechers' Counsel and Class Counsel shall promptly furnish to each other copies of any and all objections or written requests for exclusion that might come into their possession.

16. **Termination of Settlement.** This Order shall become null and void and shall be without prejudice to the rights of the parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if: (a) the settlement is not finally approved by the Court, or does not become final, pursuant to the terms of the Settlement Agreement; (b) the settlement is terminated in accordance with the Settlement Agreement; or (c) the settlement does not become effective as required by the terms of the Settlement Agreement for any other reason. In such event, the settlement and Settlement Agreement shall become null and void and be of no further force and effect, and neither the Settlement Agreement nor the Court's orders, including this Order, relating to the settlement shall be used or referred to for any purpose whatsoever.

17. **Use of Order.** This Order shall be of no force or effect if the settlement does not become final and shall not be construed or used as an admission, concession, or declaration by or against Skechers of any fault, wrongdoing, breach, or liability. Nor shall this Order be construed or used as an admission, concession, or declaration by or against Plaintiff Grabowski or the other Class Members that their claims lack merit or that the relief requested is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims he, she, or it may have in this Action or in any other lawsuit.

18. **Access to Documents.** During the pendency of this Court's consideration of the proposed Settlement Agreement, Class Members and/or their attorneys shall be allowed access, at their own expense, at a place designated by Class Counsel, to the documents disclosed

through discovery in this Action to Class Counsel by Skechers, for the sole purpose of evaluating the fairness, reasonableness and adequacy of the proposed settlement, provided that such persons shall not be allowed access to these materials unless and until they enter into the Confidentiality Agreement, which is attached as an Exhibit to the Settlement Agreement. The terms and conditions of the Confidentiality Agreement are incorporated herein by reference and, if breached, may be the basis for a finding of contempt of Court. Only Class Members who have not excluded themselves from the Class will be allowed to review the documents produced by Skechers in the Action.

19. **Retaining Jurisdiction.** This Court shall maintain continuing jurisdiction over these settlement proceedings to assure the effectuation thereof for the benefit of the Class.

20. **Continuance of Hearing.** The Court reserves the right to adjourn or continue the Fairness Hearing without further written notice.

Honorable Thomas B. Russell
UNITED STATES DISTRICT JUDGE