

# EXHIBIT 7

### **Settlement Claim Procedures and Claim Calculation Protocol**

This Settlement Claim Procedures and Claim Calculation Protocol (the “Protocol”) are part of the Settlement Agreement (“Agreement”) and shall be used by the Class Action Settlement Administrator to review, address, implement, and process those Claims submitted pursuant to the Agreement and otherwise implement the terms of the Claim Process in the Agreement. All capitalized terms used in this Protocol shall have the same meaning given them in the Agreement.

#### **1. Class Action Settlement Administrator’s Role and Duties**

- (a) The Class Action Settlement Administrator shall be selected by the agreement of the Parties and recommended to and approved by the Court.
- (b) The Class Action Settlement Administrator must consent, in writing, to serve and shall abide by the obligations of the Agreement, this Protocol, and the Orders issued by the Court.
- (c) The Class Action Settlement Administrator shall coordinate with the Escrow Agent regarding the Escrowed Funds. However, the Class Action Settlement Administrator shall have no authority, under any circumstance, to withdraw or disburse any Escrowed Funds. Distribution of any Escrowed Funds shall occur only upon written instructions of Class Counsel and a representative of the Federal Trade Commission (the “Commission”).
- (d) The Class Action Settlement Administrator shall have access to information about the balance in the Escrowed Funds to perform calculations relating to (i) 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; (ii) the costs and expenses associated with claims administration; and (iii) timely, valid, and approved Claims submitted by Class Members pursuant to the Claim Process.
- (e) The Class Action Settlement Administrator warrants that it knows of no reason why it cannot fairly and impartially administer the Claim Process set forth in the Agreement. The Class Action Settlement Administrator shall not process the Claim of any Class Member if the Class Action Settlement Administrator, Skechers, and/or Class Counsel determines there is a conflict of interest. If the Class Action Settlement Administrator, Skechers, or Class Counsel learns of a conflict of interest as to a Claim, that party shall give written notice to the other parties, who shall resolve any such circumstances by further written agreement. Any unresolved dispute over such conflict of interest shall be submitted to the Court for resolution. The Class Action Settlement Administrator shall indemnify and defend the Parties and their counsel against any liability arising from the Class Action Settlement Administrator’s breach of this provision.
- (f) The Class Action Settlement Administrator shall keep a clear and careful record of all communications with Claimants, all claims decisions, all expenses, and all tasks performed in administering the Claim Process.

- (g) The Class Action Settlement Administrator shall provide periodic updates to the Class Counsel, the Commission and Skechers regarding Claim Form submissions beginning not later than one week before the Fairness Hearing date and continuing on a monthly basis thereafter.
- (h) As provided in Section III.A.2 of the Agreement, the actual cost of the Class Action Settlement Administrator shall be paid, from time to time, as determined by submitted and approved invoices from the Escrowed Funds, with any remaining balance paid after the conclusion of the Claim Period and/or the payments to eligible Claimants.
- (i) The Class Action Settlement Administrator shall take all reasonable efforts to administer the Claims efficiently and avoid unnecessary fees and expenses. The Class Action Settlement Administrator shall only be reimbursed for fees and expenses supported by detailed and clear timesheets and receipts for costs. As soon as work commences, the Class Action Settlement Administrator shall provide a detailed written accounting of all fees and expenses on a monthly basis to Class Counsel and Skechers' Counsel, and shall respond promptly to inquiries by Class Counsel and Skechers' Counsel concerning fees and expenses.
- (j) The Parties are entitled to observe and monitor the performance of the Class Action Settlement Administrator to assure compliance with the Agreement and this Protocol. The Class Action Settlement Administrator shall promptly respond to all inquiries and requests for information made by Skechers or its counsel or Class Counsel.

**2. Locating, Obtaining, and Submitting Claim Forms**

- (a) The Claim Form, which is in substantially the form attached as Exhibit 1 to the Agreement, shall be available as part of the Class Notice, on the Internet website at [www.Skecherssettlement.com](http://www.Skecherssettlement.com), or by contacting by telephone or by mail or other similar delivery service the Class Action Settlement Administrator and/or Notice Administrator. The Claim Form on the Internet website and the hard copy Claim Form shall be identical in content.
- (b) The Claim Form shall advise Class Members that, upon request, the Class Action Settlement Administrator has the right to request verification of the purchase of Eligible Shoes in the United States, including, but not limited to, receipt(s) or other documentation demonstrating purchase of any and all of the Eligible Shoes during the Class Period. If the Class Member does not timely comply and/or is unable to produce documents to substantiate and/or verify the information on the Claim Form and the Claim is otherwise not approved, the Claim may be reduced or denied.
- (c) Class Members may submit a Claim to the Class Action Settlement Administrator during the Claim Period. As part of the Claim Process, Class Members shall be eligible for the relief provided in the Agreement, provided Class Members

complete and timely submit the Claim Form to the Class Action Settlement Administrator within the Claim Period, subject to the terms herein and in the Agreement.

- (d) Claims may be submitted by completing the Claim Forms in hard copy by mail or other similar delivery service or on-line through a web-based Claim Form at the Internet website, [www.Skecherssettlement.com](http://www.Skecherssettlement.com).
- (e) The Class Action Settlement Administrator and the Notice Administrator shall establish and maintain an Internet website, [www.Skecherssettlement.com](http://www.Skecherssettlement.com), which shall be easily accessible through commonly used Internet Service Providers. The Class Action Settlement Administrator shall build and maintain that aspect of the website used for the submission of claims. The Internet website shall be designed to permit Class Members to readily and easily submit Claims and obtain information about the Class Members' rights and options under the Agreement. The Internet website shall be maintained continuously until the end of the Claim Period. The Class Action Settlement Administrator shall be solely responsible for receiving and processing requests for Claim Forms and for promptly delivering Claim Forms to the Class Members who request them.
- (f) The Class Action Settlement Administrator also shall establish a toll-free telephone number that will have recorded information answering frequently asked questions about certain terms of the Settlement, including, but not limited to, the Claim Process and instructions about how to request a Claim Form and/or Class Notice as well as an option to reach a live operator.

3. **Claim Form Review and Processing**

- (a) The Class Action Settlement Administrator shall begin the Claim Process so that it is completed within the time period specified in Section V of the Agreement. Except as provided in Paragraph 3(b)(iii) (below), Class Members must submit their Claims so that they are postmarked or submitted on line no later than the end of the Claim Period.
- (b) The Class Action Settlement Administrator shall gather, review, prepare, and address the Claim Forms received pursuant to the Claim Process and the Agreement.
  - (i) Claims that have been properly submitted shall be designated as Approved Claims. The Class Action Settlement Administrator shall examine the Claim Form before designating the Claim as an Approved Claim, to determine that the information on the Claim Form is reasonably complete. In determining whether a Claim Form is reasonably complete, the Class Action Settlement Administrator shall consider what an ordinary person would be able to complete on the Claim Form, and shall readily deem a Claim as an Approved Claim provided a sufficient amount of money is available in the Escrowed Funds to pay all properly completed Claim

Forms and all fees and costs that are permitted to be deducted from the Escrowed Funds pursuant to Section IV.A.2 of the Agreement and sufficient information is provided on the Claim Form to enable the mailing of the settlement payment to the Claimant.

- (ii) No Claimant may submit more than one Claim Form for each pair of Eligible Shoes owned by the Claimant, and two or more Claimants may not submit Claim Forms for all or part of the same purchase. The Class Action Settlement Administrator shall identify any Claim Forms that appear to seek relief on behalf of the same Claimant (“Duplicative Claim Forms”). The Class Action Settlement Administrator shall determine whether there is any duplication of Claims, if necessary by contacting the Claimant(s) or their counsel. The Class Action Settlement Administrator shall designate any such Duplicative Claims as rejected Claims to the extent they allege the same damages or allege damages on behalf of the same Claimant.
- (iii) The Class Action Settlement Administrator shall, in its discretion or pursuant to the joint instructions of the Parties, decide whether to accept Claim Forms submitted after the Claim Period. In deciding whether to accept a late-submitted Claim Form, the Class Action Settlement Administrator shall take into account whether enough money exists in the Escrowed Funds to pay all valid and timely submitted claims in full, including, but not limited to, any adjustments made pursuant to Section IV.C in the Agreement, and the length of time the Claim Form was submitted after the close of the Claim Period, including, but not limited to, whether the late-submitted Claim would delay the distribution of the Escrowed Funds to Claimants and the reason(s) for the late submission of the Claim Form. Whenever reasonably possible, if a Claim Form is valid but untimely, it shall be paid provided the Escrowed Funds are sufficient to pay in full all valid and timely submitted Claims and applicable fees and costs. In the event the Class Action Settlement Administrator determines that the late-submitted Claim Form is materially incomplete, but may be cured by the Claimant, the Class Action Settlement Administrator shall contact the Claimant to cure any deficiency with the late-submitted Claim Form, if reasonably practical and if the Parties agree.
- (iv) 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. The Class Action Settlement Administrator may, in its discretion, deny in whole or in part any Claim to prevent actual or possible fraud or abuse.
- (v) By agreement of the Parties, the Parties can instruct the Class Action Settlement Administrator to take whatever steps they deem appropriate to preserve the Escrowed Funds to further the purposes of the Agreement if the Class Action Settlement Administrator identifies actual or possible

fraud or abuse relating to the submission of Claims, including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse.

- (c) The Class Action Settlement Administrator shall provide periodic reports to Class Counsel, Skechers' Counsel, and a representative of the Commission regarding the implementation of the Agreement and this Protocol. To the extent a review of individual Claim Forms is needed, such review should be limited to Class Counsel, Skechers, and a representative of the Commission.
- (i) For those claims where the amount sought by the Class Member exceeds \$200.00, the Class Action Settlement Administrator may review timely submitted Claim Forms and approve or contest any of the Claims, including, but not limited to, requesting that the Class Member submit a receipt demonstrating purchase of the Eligible Shoes during the Class Period. Failure to timely or fully respond to a deficiency letter from the Class Action Settlement Administrator may result in a reduction or denial of the Class Member's Claim, unless Skechers, Class Counsel and a representative of the Commission otherwise agree.
- (ii) Upon agreement of the Parties, if the total amount of Claims submitted by all Class Members exceeds the available relief as specified in Sections IV.A.2 and IV.C of the Agreement and/or Section 4(d) of the Protocol, then the Class Action Settlement Administrator may request proof of purchase for some or all of the Claims.
- (iii) If a Claim Form is not contested, that Claim shall be processed for payment by the Class Action Settlement Administrator. If a Claim Form is contested, including but not limited to cases in which the Class Action Settlement Administrator requests supporting documentation, the Class Action Settlement Administrator shall promptly notify the Parties and 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. The additional information and/or documentation can include, for example, itemized receipts evidencing purchase of the Eligible Shoes and/or the payment amount. The Claimant shall have thirty-five (35) days from the date of the postmarked letter sent by the Class Action Settlement Administrator to respond to the request from the Class Action Settlement Administrator and the Claimant shall be so advised.
- (A) In the event the Claimant timely provides the requested information and/or documentation, the Claim shall be deemed validated and shall be processed by the Class Action Settlement Administrator for payment.

- (B) In the event the Claimant does not timely and completely provide the requested information and/or documentation, the Class Action Settlement Administrator shall send the Claimant a letter stating that the Claim has been reduced or denied unless Skechers, Class Counsel and a representative of the Commission otherwise agree.
- (d) The Class Action Settlement Administrator's reduction or denial of a Claim pursuant to paragraph 3(c)(iii) above is final and may not be appealed by the Claimant, Class Counsel, Skechers, or Skechers' Counsel. However, if a Claimant's Claim is reduced or denied because the Class Action Settlement Administrator determined that the documentation submitted to support Claimant's Claim was not sufficient to prove up 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 shall instruct the Class Action Settlement Administrator to pay those Claims. Class Counsel may petition the Court in the event Skechers' agreement is unreasonably withheld.
- (e) The Class Action Settlement Administrator shall provide all information gathered in investigating Claims, including, but not limited to, copies of all correspondence and email and all notes of the Class Action Settlement Administrator, the decision reached, and all reasons supporting the decision, if requested by Class Counsel or Skechers.

4. **Claim Calculation and Payment of Valid Claims**

- (a) As specified in Section IV of the Agreement, the Class Action Settlement Administrator shall select the timely, valid, and approved Claims submitted pursuant to the Claim Process to be paid from the Escrowed Funds (i) minus any payments or expected payments for 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 and the costs and expenses associated with claims administration; and/or (ii) subject to any pro rata adjustments.
- (b) 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.

(c) The relief to be provided to eligible Class Members shall be as follows:

<b>Shoes</b>	<b>Initial Amount</b>	<b>Maximum</b>
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

(d) Adjustments and Remaining Funds

- (i) 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.
- (ii) 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, with a maximum increase of up to, but not more than, the Maximum amount stated in the chart in Paragraph 4(c) above.
- (iii) If there are any funds remaining from the Claim Process, including, but not limited to, un-cashed distributions made payable to eligible Class Members, any remaining funds shall be paid to the Federal Trade Commission.