

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

TO: ALL INDIVIDUALS WHO PURCHASED A CLAIRE'S GIFT CARD IN NEW JERSEY ON OR AFTER APRIL 4, 2006 THROUGH THE DATE THE COURT ENTERS AN ORDER OF FINAL APPROVAL OF THE PROPOSED SETTLEMENT (THE "CLASS PERIOD"), WHICH CONTAINS A DORMANCY FEE PROVISION AND RELATED PROVISIONS AS FURTHER DESCRIBED BELOW.

IF YOU ARE A MEMBER OF THIS CLASS OF PERSONS, YOU SHOULD READ THIS NOTICE CAREFULLY BECAUSE IT WILL AFFECT YOUR RIGHTS.

There is now pending in the Superior Court of New Jersey an action entitled *Visalli v. Claire's Boutiques, Inc.*, BER-L-2012-09 (the "Visalli Action").

WHAT THIS ACTION IS ABOUT

The plaintiff in the Visalli Action filed a lawsuit against Claire's Boutiques, Inc. ("Claire's") on behalf of the Class described above. The lawsuit alleges that Claire's sold gift cards in New Jersey containing a dormancy fee and other provisions that allegedly violate the New Jersey Consumer Fraud Act (N.J.S.A. 56:8-1 et seq.), the New Jersey Truth in Consumer Contract Warranty and Notice Act (N.J.S.A. 56:12-14 et seq.) and the New Jersey Gift Card Act (N.J.S.A. 56:8-110 et seq.). Specifically, the gift cards are alleged to contain the following provisions in alleged violation of New Jersey laws:

- (i) A notice that a dormancy fee will be retroactively imposed against the initial 24-month period of non-use; or (ii) a provision that variance from this provision is prohibited except where prohibited, modified, or mandated by law without specifying whether the provision is prohibited, modified, or mandated within the State of New Jersey; or (iii) a notice of the dormancy fee not printed in at least 10-point font on the gift card, the sales receipt for the gift card, or the package for the gift card; or (iv) a telephone number which the consumer may call for information concerning the dormancy fee not printed in at least 10-point font on the gift card, the sales receipt for the gift card, or the package for the gift card.

While Claire's denies any wrongdoing and any liability whatsoever, Claire's has concluded that it is in its best interests to settle the Visalli Action on the terms

generally set forth herein in order to avoid expense, inconvenience, and interference with ongoing business operations.

The parties have negotiated a proposed settlement. The Superior Court has determined that the Visalli Action should proceed as a Class Action for purposes of settlement only, with plaintiff as the representative of the Class, and has granted preliminary approval of the proposed settlement, subject to a final fairness hearing discussed below.

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

THE PROPOSED SETTLEMENT

THE PARTIES HAVE AGREED TO THE SETTLEMENT GENERALLY DESCRIBED BELOW. IF THE PROPOSED SETTLEMENT IS GRANTED FINAL APPROVAL BY THE COURT, CLASS MEMBERS MAY BE ELIGIBLE TO RECEIVE THE FOLLOWING BENEFITS:

Claire's has agreed to provide up to 25,000 Class Members who have chosen not to opt out of the settlement with a voucher redeemable at any Claire's, Claire's Club, Icing, Icing by Claire's, Icing Ice, or Afterthoughts for \$50.00 off any purchase, provided that the Class Member submits: (i) a completed and valid proof of claim in a form to be agreed upon by the parties (e.g., name, address, UPC number and attestation); and/or (ii) a legible copy of a receipt showing the purchase of the Gift Card; and/or (iii) a copy of the Gift Card.

For any Class Member(s) who cannot submit (i) a UPC number; or (ii) a legible copy of a receipt showing the purchase of the Gift Card; or (iii) a copy of the Gift Card, Claire's will cause to be mailed via first class mail a voucher redeemable at any Claire's, Claire's Club, Icing, Icing by Claire's, Icing Ice, or Afterthoughts for \$10.00 off any purchase, provided that the Class Member submits a completed and valid proof of claim in a form to be agreed upon by the parties, which will include an attestation as to the store location where the gift card was purchased and the year in which it was purchased.

CLAIMS DEADLINE AND DISMISSAL OF ACTION

If you purchased a gift card with any of the alleged violations recited above, you may be entitled to a voucher redeemable at any Claire's, Claire's Club, Icing, Icing by Claire's, Icing Ice, or Afterthoughts for \$50.00 off any purchase. Cannot be combined with any other coupon or discount. This voucher is separate and apart from any amount that might be remaining on your gift card. You will not be sent any card balance information. In order to obtain this voucher, you must

present proof of purchase in the form of a copy of the gift card, the receipt or a credit card statement showing that you purchased the gift card, or the UPC number for the gift card purchased and the year in which it was purchased. If you cannot show proof of purchase because you have discarded or fully redeemed the gift card or discarded your receipt, then you may be entitled to a voucher in a lesser amount, provided you submit an affidavit attesting to your purchase of the gift card and the location at which it was purchased and the year in which it was purchased, in a form to be agreed upon by the parties. Each voucher must be used in one transaction, and is valid only for in-store purchases (not on-line or telephone purchases) of any merchandise. Such vouchers are not redeemable for cash or the purchase of Claire's gift cards and are not transferable. The voucher may not be duplicated or reproduced in any form, and will not be replaced if lost or stolen. No replacement vouchers will be issued for a lost or stolen voucher and if the full value of the voucher is not used on your visit, you will automatically lose any unused amount.

In order to obtain the voucher, you must submit a pre-printed Claim Form along with the required documentation. In order to obtain a Claim Form, please call the Visalli Claims Administrator, 866-254-7322. Instructions for making your claim are listed on the Claim Form. All claims must be made no later than October 22, 2010. Claims submitted after this date will not be honored. Claire's has agreed to provide up to 25,000 Class Members who have chosen not to opt out of the settlement with the above-referenced vouchers.

If the Court approves the proposed settlement, it will ultimately enter a judgment that will dismiss the Visalli Action on the merits and with prejudice as to all Class Members. All Class Members who do not validly and timely request to be excluded from the proposed settlement by filing the appropriate exclusion request with Class Counsel shall be forever barred from prosecuting their own lawsuits and shall be deemed to have released the Defendant and all other persons from all claims, causes of action or losses of any kind whatsoever which any Class Member has or may claim to have against such persons which are based upon, arising out of, or in any way relating to any of the acts, omissions or other conduct that has been alleged or otherwise referred to in the Visalli Action.

ATTORNEYS' FEES, COURT COSTS, AND LITIGATION EXPENSES

Defendant has agreed to pay class counsel's reasonable attorneys' fees, litigation expenses, and court costs in an amount to be agreed upon after the entry of preliminary approval or, if the parties cannot agree upon an amount, in an amount to be determined by the Court upon motion to be filed by class counsel. In addition, Defendant has agreed to pay Melanie Visalli \$3,000.00 as an incentive award for bringing this action on behalf of the class. Payment of the incentive award, attorneys' fees, court costs, and litigation expenses will not affect the benefits provided to the Settlement Class.

FINAL FAIRNESS HEARING

On a date to be fixed by the Court, a hearing will be held on the fairness of the proposed settlement. At the hearing, the Court will be able to hear any objections and arguments concerning the fairness of the proposed settlement. The hearing will take place before the Honorable Robert L. Polifroni, Judge of the Superior Court of New Jersey Law Division, Bergen County, located at 10 Main Street, Hackensack, New Jersey 07601. Once set by the Court, information regarding the date of the hearing will be made available at a Settlement Website linked from www.clares.com, at www.disabatolaw.com, and from the Visalli Claims Administrator, 866-254-7322.

WHAT YOU CAN DO

1.) You have the right to exclude yourself from the Visalli Action and the settlement. If you wish to be excluded from the Settlement Class, you must sign and submit a letter or postcard post-marked no later than October 22, 2010, with the case name, your name, address, telephone number and signature. **TO BE CONSIDERED VALID, A REQUEST FOR EXCLUSION MUST SET FORTH ALL OF THIS INFORMATION AND MUST BE TIMELY RECEIVED.** Your request must be sent to the Visalli Claims Administrator, at the following address:

Visalli Claims Administrator
P.O. Box. 539
Minneapolis, MN 55440-0539

If you timely and validly request exclusion from the Settlement Class, you will not receive any of the benefits of the settlement provided to Class Members, you will be excluded from the Settlement Class, you will not be bound by the judgment entered in the Visalli Action and you will not be precluded from otherwise prosecuting any individual claim, if timely, against the Defendant based on the transactions complained of in the Visalli Action.

2.) If you do not wish to exclude yourself, and have no objection to the settlement, and have submitted a valid and timely Claim Form, you will get the benefits of the settlement if the settlement is approved, provided you are one of the first 25,000 Class Members to submit a valid claim form.

3.) If you do object to the settlement, but do not wish to exclude yourself from the Class Action, you may intervene in the Visalli Action and/or object to the terms of the settlement under the procedures set forth below. If your objection is rejected you will be bound by the final judgment just as if you had not objected. If you have not timely and validly requested exclusion, you may appear at the

fairness hearing to be scheduled by the Court to show why the settlement should not be approved by the Court, provided that you have, in advance of the fairness hearing, filed with the Court a written notice of your intention to appear, all supporting papers, and a statement under penalty of perjury that you are in fact a member of the Settlement Class, and have served such notice and papers upon Class Counsel and Defendant's counsel at the following addresses:

David J. DiSabato, Esq.
Lisa R. Bouckenooghe, Esq.
DiSabato & Bouckenooghe, LLC
8 Mansfield Court
Mendham, New Jersey 07945
Class Counsel

James S. Richter, Esq.
Winston & Strawn LLP
One Riverfront Plaza, Suite 730
Newark, New Jersey 07102-5401
Counsel for Defendant

CLASS MEMBERS WHO DO NOT TIMELY MAKE THEIR OBJECTIONS IN THIS MANNER WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS AND SHALL NOT BE ENTITLED TO BE HEARD AT THE SETTLEMENT APPROVAL HEARINGS. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your personal attorney's fees and costs.

This description of the Visalli Action is general and does not cover all of the issues and proceedings thus far. In order to see the complete file including the individual terms of the settlement, you should visit the office of the Clerk of the Superior Court, located at Bergen County, located at 10 Main Street, Hackensack, New Jersey 07601. The Clerk will make the file relating to this lawsuit available to you for inspection and copying at your own expense.

If you have any questions concerning the Visalli Action, the proposed settlement, this notice or your Claim Form, you may contact Class Counsel, DiSabato & Bouckenooghe LLC, by telephone at 973-813-2525, or by e-mail at ddisabato@disabatolaw.com, referencing the "Visalli Action."

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR TO THE JUDGE. They are not permitted to answer your questions.