

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT ("NOTICE") TO:

ALL CALIFORNIA LAMPS PLUS, INC. CUSTOMERS WHO WERE REQUESTED OR REQUIRED TO PROVIDE THEIR ADDRESSES AND/OR TELEPHONE NUMBERS DURING CREDIT CARD TRANSACTIONS AT A LAMPS PLUS STORE BETWEEN NOVEMBER 9, 2002 AND JUNE 25, 2009

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ THE COMPLETE NOTICE CAREFULLY.

I. PURPOSE OF THIS NOTICE

There is now pending in the Los Angeles County Superior Court a class action lawsuit entitled Lamps Plus Credit Transaction Cases, Judicial Council Coordination Proceeding No. 4532 (the "Litigation"). This Notice explains the nature of the Litigation, general terms of a proposed settlement, and informs you of your legal rights and obligations. Unless otherwise set forth, this Notice incorporates by reference the definitions set forth in the Release and Settlement Agreement, which can be found online at <http://www.gilardi.com/lampsplus>.

II. HISTORY OF THE LITIGATION

On November 9, 2006, Vincent Finch ("Finch") filed a class action lawsuit in the Superior Court of California, County of San Diego, entitled Vincent Finch v. Lamps Plus, Inc., Case Number GIC 875385. Finch asserted causes of action for violations of California Civil Code § 1747.08 (the "Song-Beverly Act"), violations of Business and Professions Code § 17200 (the "UCL"), and violations of the Consumer Legal Remedies Act (the "CLRA"). Finch sought to represent a class of California Lamps Plus customers who were requested or required to provide their "personal identification information" during credit card transactions at a Lamps Plus, Inc. ("Lamps Plus") store dating back to November 9, 2002. "Personal identification information" is defined as "information concerning the cardholder, other than information set forth on the credit card, and including, but not limited to, the cardholder's address and telephone number."

On January 8, 2007, Cass A. Taylor ("Taylor") filed a class action lawsuit in the Superior Court of California, County of Los Angeles, entitled Cass A. Taylor v. Lamps Plus, Inc., Case Number BC 364417. Taylor asserted a single cause of action for violations of the Song-Beverly Act. Similar to Finch, Taylor sought to represent a class of California Lamps Plus customers who were requested or required to provide their "personal identification information" during credit card transactions at a Lamps Plus store dating back to January 8, 2006.

On February 14, 2008, Lamps Plus filed a Petition for Coordination with the Judicial Council of California, seeking coordination of the Finch and Taylor lawsuits. On May 14, 2008, Lamps Plus' Petition for Coordination was granted.

On July 11, 2008, James C. Folgelstrom ("Folgelstrom") filed a class action lawsuit in the Superior Court of California, County of San Diego, entitled James C. Folgelstrom v. Lamps Plus, Inc., Case Number 37-2008-00087512-CU-BT-CTL. Folgelstrom asserted causes of action for violations of the Song-Beverly Act, violations of the UCL, and invasions of privacy. Folgelstrom sought to represent a class of California Lamps Plus customers who were requested or required to provide their zip codes during credit card transactions at a Lamps Plus store. On September 15, 2008, the Folgelstrom lawsuit was added to the coordinated proceedings. However, the Folgelstrom lawsuit is not part of this settlement.

III. LAMPS PLUS' POSITION

Lamps Plus denies the allegations made by Finch and Taylor, denies any wrongdoing, denies any liability whatsoever, and believes it has numerous defenses to the claims asserted by Finch and Taylor. Lamps Plus believes that its practices complied in all respects with the law and that no Class Members, including Finch and Taylor, have sustained any damages or injuries relating to Lamps Plus' actions or omissions. Class Counsel have investigated and evaluated the claims asserted in the Litigation and have determined that the settlement detailed herein is fair, reasonable, and adequate. All parties recognize and acknowledge the uncertainty, risks, difficulties, delays and expenses involved in litigation. Judge Anthony J. Mohr of the Los Angeles County Superior Court (also referred to as the "Court") has determined that the Litigation should proceed as a class action, for purposes of settlement only, with Finch and Taylor as the representatives of the Class, and has granted preliminary approval of this settlement.

IV. CLASS MEMBERS

The Court has conditionally ruled that the Litigation may be maintained on behalf of the following: "all California Lamps Plus customers who were requested or required to provide 'Personal Identification Information,' as that term is defined in California Civil Code section 1747.08(b), during a credit card transaction at a Lamps Plus store during the Class Period." The settlement does not apply to or involve customers who were requested for information in connection with shipping, delivery, servicing, or installation of purchased merchandise, or in connection with special orders. In addition, excluded from the Class are: California Lamps Plus customers who claim that their rights were violated because they were requested or required to provide their zip code only during a credit card purchase transaction at a Lamps Plus store, as alleged in the Folgelstrom lawsuit; and all persons who timely and validly request exclusion from the Class in compliance with the requirements of this notice. Non-excluded persons and entities that fall within the foregoing definition are referred to as "Class Members."

V. SETTLEMENT BENEFIT FOR CLASS MEMBERS

If this settlement is finally approved by the Court, Lamps Plus will create a common fund of Vouchers. "Voucher" means a single \$20.00 credit that can be used toward the purchase of any product at any Lamps Plus store located in California. Vouchers are valid only during the 18 month period from the date of issuance. Vouchers are transferable and may be used for multiple transactions up to the total value of the voucher. However, only one voucher may be used in a single transaction. Lamps Plus will distribute such Vouchers to Class Members as follows:

- The total value of the common fund will be \$1,000,000.00.
- Each Class Member will be entitled to a single Voucher.
- A single Voucher will be delivered by e-mail to approximately 30,000 individuals Lamps Plus has identified as probable Class Members;
- All other Class Members must accurately complete and submit a valid Claim Form, which can be obtained online at <http://www.gilardi.com/lampsplus> or by writing to: Finch/Taylor v. Lamps Plus, c/o Gilardi & Co. LLC, P.O. Box 8060, San Rafael, CA 94912-8060. The Claim Form and all documentation must be received by September 22, 2009. All Class Members who timely submit a complete and valid Claim Form will receive a single Voucher.
- Any Vouchers not distributed to Class Members will be donated to various charities, who will make best efforts to distribute all such Vouchers to the individuals they serve. Vouchers distributed in this manner will, like the Vouchers distributed to Class Members, expire 18 months after issuance.
- Any Vouchers unused by the Class Members after 18 months will be re-issued by Lamps Plus and donated to various charities, who will make best efforts to distribute all such Vouchers to the individuals they serve. Vouchers distributed in this manner will expire 18 months after re-issuance.

VI. DISMISSAL OF LITIGATION, ENTRY OF JUDGMENT, AND RELEASE OF CLAIMS

If the Court approves this settlement, it will enter a judgment that will dismiss the Litigation 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 this settlement shall be forever barred from prosecuting their own lawsuits and shall be deemed to have released Lamps Plus and its successors, assigns, attorneys, accountants, insurers, representatives, affiliates (including, but not limited to Lamps Plus Centennial, Inc.), parents, partners, officers, directors, stockholders, employees, and agents, and each of them from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, and expenses (including but not limited to attorney fees), damages, actions, causes of action and claims for relief (collectively "Claims") of whatever kind or nature, under any theory, whether legal, equitable or other, under the law, either common, constitutional, statutory, administrative, regulatory, or other, of any jurisdiction, foreign or domestic, whether such Claims are known or unknown, suspected or unsuspected, arising out of the facts alleged in the Finch and/or Taylor lawsuits. All Class Members shall be deemed to have waived any and all provisions, rights, and benefits conferred by Section 1542 of the California Civil Code or any comparable statutory or common law provision of any other jurisdiction with respect to the released claims. Section 1542 provides as follows:

“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.”

Although the releases granted under this settlement are not general releases, all Class Members nonetheless expressly acknowledge that they are waiving the protections of Section 1542 and of any comparable statutory or common law provision of any other jurisdiction.

VII. ATTORNEY FEES AND COSTS

Class Counsel have not received any payments for their services, nor have they been reimbursed for any out-of-pocket expenses, in connection with this Litigation. If the Court approves this settlement, Class Counsel will ask the Court to award, and Lamps Plus has agreed to pay, up to \$350,000 in attorney fees and costs. Additionally, Class Counsel will ask the Court to award, and Lamps Plus has agreed to pay, Finch and Taylor \$5,000 each for their time and effort related to the Litigation. Finally, Lamps Plus has agreed to pay for all costs associated with this settlement including the class notice, costs of administering the settlement and providing the Class Benefit. An award of attorney fees and costs and the payments to Finch and Taylor will be paid separately from, and will not reduce, the Class Benefit provided under this settlement. Other than as set forth in Section IX., B. below, Class Members will not be personally liable for any attorney fees and costs or for any payments to Finch or Taylor.

VIII. RIGHTS AND OPTIONS OF CLASS MEMBERS

A. Remain a Class Member

If you do not request exclusion from the Class, you will remain a Class Member. Your interests in connection with this settlement will be represented by Finch and Taylor and Class Counsel. You, however, will not be charged for the services or expenses of Class Counsel. You must comply with the Claims Process and Deadline requirements described above to receive the Class Benefit.

Class Counsel include the following attorneys and law firms, who will serve as co-lead counsel: Ringler Kearney Alvarez LLP, 633 West Fifth Street, 28th Floor, Los Angeles, California 90071 and Blumenthal, Nordrehaug & Bhowmik, 2255 Calle Clara, La Jolla, California 92037. Lamps Plus is represented in the Litigation by Sheppard, Mullin, Richter & Hampton, LLP, 333 South Hope Street, 48th Floor, Los Angeles, California, 90071. If this settlement is approved by Judge Mohr and the judgment becomes final, you will be eligible for to the Class Benefit described in Section V., above, provided you timely and accurately comply with any and all requirements discussed herein. If this settlement is not granted final approval, or this settlement is granted final approval but the judgment does not become final, the certification of the Class will be vacated and the Litigation will continue as if no proposed settlement had been reached.

As a Class Member, you will be bound by any judgment or other disposition of the Litigation, even if you do not submit a claim or take advantage of any of the Class Benefits. Furthermore, you and your successors and assigns will be deemed to have agreed to the terms of this settlement and the release set forth in Section VII., above.

B. Opt-Out of the Settlement

You have the right to opt-out of this settlement. If you opt-out of this settlement, you will not be bound by or subject to any judgment or settlement of the Litigation. If you opt-out, however, you will also not be entitled to receive the Class Benefit. If you wish to opt-out, you must submit a written request to do so. The request must be signed, must include your full name and address, and must state: "I request to be excluded from the class settlement in the Lamps Plus Credit Transaction Cases." Requests to opt-out must be sent to: Finch/Taylor v. Lamps Plus, c/o Gilardi & Co. LLC, P.O. Box 8060, San Rafael, CA 94912-8060, and must be postmarked by no later than September 7, 2009. If you do not submit a timely opt-out request that complies with these requirements, your opt-out request will be deemed invalid and you will not be excluded from the Class.

C. Intervene In The Litigation And/Or Object to the Settlement

You have the right to intervene in the Litigation and object to, or comment on, this settlement, award of attorney fees and costs or payment to Finch and Taylor as set forth in Section IX., B., below.

IX. FINAL SETTLEMENT HEARING AND SETTLEMENT OBJECTIONS

A. Settlement Hearing

On October 1, 2009, at 4 p.m., a Final Settlement Hearing will be held before Judge Mohr in Department 309 of the Los Angeles County Superior Court, located at 600 South Commonwealth Avenue, Los Angeles, California 90005. The Final Settlement Hearing will determine: (1) whether this settlement of the Litigation, as set forth in the Release and Settlement Agreement is just, fair, reasonable, and adequate for the Class and should be granted final approval; (2) whether certification of the Class should be made final; (3) whether the Court should enter the proposed judgment dismissing the Litigation with prejudice; (4) whether the Court should award Class Counsel attorney fees and costs in the amount set forth in the Release and Settlement Agreement, or in some lesser amount; and (5) whether the Court should award Finch and Taylor \$5,000 each for their time and effort in the Litigation. You are not required to attend the Final Settlement Hearing.

B. Objection Procedure and Deadline.

If you are a Class Member, you have the right to intervene in or object to this settlement. To do so, you must submit to the Court a written statement setting forth: (1) your full name and address, (2) a reference to this Litigation (i.e., Lamps Plus Credit Transaction Cases, Judicial Council Coordination Proceeding No. 4532), and (3) your objection/intervention, comments, and supporting arguments. You must also mail or otherwise deliver identical copies of your written submission to Class Counsel and Lamps Plus' Counsel at the addresses set forth above. Your written objection or request to intervene must be received by the Court by September 7, 2009. Your submission to the Court must include a certification that you have caused identical copies to be delivered to Class Counsel and Lamps Plus's Counsel on or before September 7, 2009.

You may also attend the settlement hearing either in person or through an attorney retained by you at your own expense. You may ask to be heard by Judge Mohr at the settlement hearing. In order to be heard, however, you must have submitted a written objection or request to intervene as described above and include in your comments a statement that you intend to appear and wish to be heard at the settlement hearing. If you decide to object to the settlement you may still participate in the settlement and receive benefits under the settlement.

You cannot object or request to intervene if you have opted out of the class. Only Class Members may object to this settlement or request to intervene.

X. ADDITIONAL INFORMATION AND IMPORTANT DATES

A. Additional Information

The description of the Litigation set forth in this notice is general and does not cover all of the issues and proceedings thus far. If you have additional questions you can contact Class Counsel or see the complete file by visiting the office of the Clerk of the Court at the Los Angeles County Superior Court, located at 600 South Commonwealth Avenue, Los Angeles, California 90005. The Clerk will make the file relating to the Litigation available to you for inspection and copying at your own expense.

B. Deadlines and Dates to Remember

Requests to opt-out must postmarked by no later than September 7, 2009. Objections/interventions must be submitted to the Court no later than September 7, 2009. The Final Settlement Hearing will be held on October 1, 2009, at 4 p.m. The Claim Form and all documentation must be received by September 22, 2009 in order to receive a Voucher.

Dated: June 25, 2009 Order of the Los Angeles County Superior Court