

I. BACKGROUND OF THE CASE

On December 30, 2005, plaintiffs filed a Class Action Complaint (which was later amended) against Champps in the Orange County Superior Court on behalf of themselves and all other employees similarly situated. The amended Complaint alleges causes of action for failure to pay overtime under California Labor Code §§1194 and 1198, failure to pay minimum wages under California Labor Code §1194, failure to allow meal periods and rest breaks to hourly paid employees pursuant to California Labor Code §226.7, failure to provide itemized wage statements under California Labor Code §226, failure to pay wages upon termination under California Labor Code §203 and unfair business practices under Business & Professions Code §17200.

The parties have entered into a Joint Stipulation of Settlement, which has been given preliminary approval by the Court. The Settlement Class consists of hourly employees who were employed by Champps as hourly employees during the Claims Period (December 30, 2001 through September 19, 2006, and who do not exclude themselves from the Settlement as explained below (“Settlement Class Members”). If you are part of the Settlement Class, you can exclude yourself ("opt out") from the Settlement, if you wish to do so.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula. The total Settlement Fund is \$275,000. Champps will pay settlement awards, as described below, to each Class Member. All settlement awards are subject to tax. Each class member who receives a settlement will receive an IRS Form W-2 and/or an IRS Form 1099 and will be responsible for his or her tax liability. Each class member will receive this notice. After deduction of attorneys fees of \$67,500, costs, claims administration costs of \$15,000, and “enhancement payments” to the Class Representatives, Scott Poirot, Paul Hadad and Justin Schafer of \$7,500, which they will divide evenly between them as payment for representing the Class Members and their interests, the Settlement Fund will be divided on a pro rata basis based the number of weeks that each class member worked in the Claims Period.

B. Release. The Joint Stipulation of Settlement and Release between Plaintiffs and Champps contains a release, which releases Champps, and its present and former parent companies, subsidiaries, related or affiliated companies, general partners, limited partners, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be jointly liable with Champps from all causes of action which relate to Champps’ failure to properly pay wages or overtime, provide Class Members meal periods and rest breaks, pay penalties under the California Labor Code, and any other wage and hour claims whatsoever, all claims for restitution and other equitable relief, wages, liquidated damages, punitive damages, waiting time penalties, penalties of any nature whatsoever, other compensation or benefits including 401K benefits or matching benefits, retirement or deferred compensation benefits, attorneys' fees and costs, whether known or unknown, during the Claims Period (from December 30, 2001 through September 19, 2006), arising from employment by Champps.

C. Enhancement Payments for the Class Representatives. The Class Representatives Scott Poirot, Paul Hadad and Justin Schafer have each requested a service payment of **\$7,500**, which is subject to court approval. This payment is for the services of the Class representatives for filing the claim, participating in the investigation, discovery and mediation and for the associated risk that the matter could have resulted in and adverse judgment against them personally for asserting the claim on behalf of their co-workers.

D. Attorneys' Fees and Costs. In consideration for the Settlement and in exchange for the release by the Settlement Class, Champps agrees to pay to Class Counsel, attorneys’ fees to be set by the Court up to a maximum of Thirty Percent (30%) of the total Settlement, which amounts to **\$67,500**. The Class Representatives and Class Counsel support this Settlement.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

A. Submit a Claim Form. You must submit a claim form by September 10, 2007 in order to receive a settlement payment.

B. Excluding Yourself from the Settlement. Persons who do not wish to participate in the Settlement may exclude themselves ("opt out") by requesting exclusion. The request for exclusion must include your name, address and Social Security number. It must be sent by Registered U.S. Mail, or the equivalent, to:

Champps Claims Administrator
c/o Desmond Marcello & Amster
P.O. Box 451999
Los Angeles CA 90045
310.216.1400 ext. 301
www.dmaaction.com

The exclusion request must be postmarked no later than September 10, 2007. If you submit exclusion which is not postmarked by September 10, 2007, your exclusion will be rejected and you will be bound by the Release and all other Settlement Terms. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your exclusion.

Any person who files a complete and timely request for exclusion will, upon receipt, no longer be a member of the Settlement Class, will be barred from participating in any portion of the Settlement, and will receive no benefits from the Settlement. Any such person, at their own expense, may pursue any claims he/she may have against Champps.

C. Objection to Settlement You can object to the terms of the Settlement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement unless you have submitted a valid and timely exclusion. To object, you must file a written objection and a notice of intention to appear at the Final Approval hearing currently set for September 24, 2007, at 10:30 a.m. in Dept. CX103, with the Clerk of the Superior Court of the State of California, for the County of Orange, 751 W. Santa Ana Blvd., Santa Ana, CA 92701 and send copies to the following:

CHAMPPS COUNSEL

Maria C. Rodriguez, Esq.
Seyfarth Shaw LLP
2029 Century Park East, Suite 3300
Los Angeles, CA 90067-3063

CLASS COUNSEL

Richard E. Quintilone II, Esq.
Quintilone & Associates
22974 El Toro Road, Suite 100
Lake Forest, CA 92630-4961

Any written objections must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates of your employment by Champps. To be valid and effective, any objections to approval of the Settlement must be filed with the Clerk of the Court and delivered to each of the above-listed attorneys no later than August 23, 2007. **DO NOT TELEPHONE THE COURT.**

If you choose to file an objection to the terms of this Settlement, you may enter an appearance in propria persona (meaning you choose to represent yourself) or through your own attorney. To do so, you must file an Entry of Appearance with the Clerk of the Orange County Superior Court, and deliver copies to each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above attorneys no later than August 23, 2007. You will then continue as a Settlement Class Member either in propria persona or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney.

IV. EFFECT OF THE SETTLEMENT

A. Released Rights and Claims The Settlement is intended to settle all causes of action which relate to Champps' alleged failure, during the Claims Period, to properly pay wages and overtime, provide meal periods and rest breaks, pay penalties and all claims against Champps that members of the Settlement Class have asserted in the SCOTT POIROT, an individual, et al. v. CHAMPPS ENTERTAINMENT, et al. Orange County Superior Court case number 05CC 00315, from December 30, 2001 through September 19, 2006. The release will extend to Champps, their present or former parent companies, subsidiaries, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, and successors and assigns, and any individual entity which could be jointly liable with Champps. If you were employed as an hourly employee between December 30, 2001 and September 19, 2006, and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described claims. In addition, you will be barred from ever suing Champps again with respect to the matters covered by this Settlement. If the settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Dept. CX103 of the Orange County Superior Court, 751 W. Santa Ana Blvd., Santa Ana, California, 92701 on September 24, 2007, at 10:30 a.m. (Pacific Time), to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs and the service payments to be paid to the Class Representatives.

The hearing date and time may change. To verify the time and date you may access at the court's web site <https://ocapps.occourts.org/CivilPub/ViewCase>. Follow the prompts and enter the Case Number 05CC00315.

IT IS NOT NECESSARY FOR YOU TO APPEAR AT THIS HEARING

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed "Joint Stipulation of Settlement" which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including that stipulation, may be examined at any time during regular business hours at the Office of the Clerk of the Orange County Superior Court, 751 W. Santa Ana Blvd., California, 92701.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS!

BY ORDER THE SUPERIOR COURT