

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF LOS ANGELES**

SHEENA COCROFT, an individual; CHRISTINE JACKSON, an individual; on behalf of themselves, and all others similarly situated,  
Plaintiffs,

CASE NO. BC332889

vs.

**NOTICE OF PENDENCY OF CLASS  
ACTION SETTLEMENT AND  
SETTLEMENT HEARING**

AVEDA EXPERIENCE CENTERS, INC.,  
a Corporation; and DOES 1-20, inclusive,

Defendant.

**This Notice May Affect Your Rights. Please Read All of it Carefully.**

1. You are being notified because you were (or are) employed in one or more retail stores in California for Aveda Experience Centers, Inc. at any time between January 1, 2003 and February 16, 2007. This Notice is to inform you that a proposed settlement of the above-captioned action ("Action") filed in the Superior Court of California for the County of Los Angeles has been reached (the "Proposed Settlement"). You received this Notice because Plaintiffs allege that you were employed by Aveda in a California retail store during the dates set forth above ("the Settlement Class Period").
2. You may be able to recover money for the time you worked there between January 1, 2003 and February 16, 2007, as shown on the enclosed Proof of Claim form (item #2).
3. If you want to get the money, you must properly fill out and sign the enclosed PROOF OF CLAIM, and return it by United States mail, postage pre-paid, postmarked no later than Monday, April 9, 2007 to the Settlement Administrator at the following address:

Cocroft, et al. v. Aveda Experience Centers, Inc. Claims Administrator  
c/o Desmond, Marcello & Amster  
P.O. Box 451999  
Los Angeles, CA 90045  
(800) 789-0683

4. If you do **not** want to participate (you will not receive your share of the settlement money), you may opt-out of the Class by mailing to the Settlement Administrator, address listed above, by March 22, 2007, a written statement that you wish to be excluded from the Settlement Class. Your written statement must include:
  - a. your name (and former names, if any),
  - b. the dates of your employment with Aveda as a California retail store employee,
  - c. your current address, and telephone number.

Your notification that you wish to be excluded from the settlement must be mailed by United States mail, postage pre-paid. SEND YOUR EXCLUSION NOTIFICATION TO THE CLAIMS ADMINISTRATOR ONLY. DO NOT SEND YOUR EXCLUSION NOTIFICATION TO THE COURT.

**QUESTIONS YOU MAY HAVE**

**What is this about?**

On May 4, 2005, Plaintiffs Sheena Cocroft and Christine Jackson ("Plaintiffs") filed a lawsuit against Aveda Experience Centers, Inc. ("Aveda") in the Superior Court of the State of California, County of Los Angeles, Central District, Los Angeles Superior Court Case Number BC322960. Plaintiffs were former Aveda retail store

employees. The lawsuit alleged Plaintiffs were damaged because Aveda allegedly failed to pay wages for work performed while Plaintiffs were clocked out for their meal periods, including overtime, under federal and/or California law, including the applicable California wage orders, and therefore failed to pay Plaintiffs for all wages to which they were entitled arising out of work performed during meal periods; failed to provide Plaintiffs meal periods and rest breaks to which they were entitled under California law; failed to pay Plaintiffs waiting time penalties to which they were entitled under California law arising out of its failure to pay wages for work performed during meal periods; and unlawfully failed to provide itemized wage statements to Plaintiffs. Plaintiff alleged these were unfair business practices and sued on behalf of a class of current and former retail employees employed by Aveda that allegedly were damaged. A class action is a lawsuit in which the rights of many people are decided in a single court proceeding. In this case, two representative plaintiffs, known as the "Class Representative," allege claims on behalf of the Class. In this case Plaintiffs are the "Class Representatives." Plaintiffs are represented by the law firm Kesluk & Silverstein, LLP ("Class Counsel").

Aveda denies Plaintiffs' allegations. Aveda denies any liability or any wrongdoing of any kind associated with the claims alleged in the Action, including but not limited to violations of California's wage and hour laws. Aveda denies that Plaintiffs or any other potential class member has been damaged as alleged or damaged at all. Aveda contends it has complied at all times with the law, including California's wage and hour laws, the California Labor Code, and the California Business and Professions Code. Aveda contends that it paid Plaintiffs and other retail employees overtime when it was earned, provided all meal periods and rest breaks to which they were entitled under California law, and provided adequate payroll information. Aveda further contends that for any purpose other than this Settlement, this Action is not appropriate for class treatment or certification.

The parties have engaged in extensive arms-length negotiations concerning the possible settlement and have reached a conditional settlement of the lawsuit. Settlement was reached with the assistance of a retired Justice of the California Court of Appeal. The parties have agreed to settle the Action on the terms set forth herein.

On February 22, 2007, the Court gave preliminary approval to a settlement of the Action. This does not mean the Court has made any determination on the merits of the claim. The Court ordered that this Notice be sent to you to advise you of your choices. You will not receive anything under the settlement unless you complete and file a claim form.

**What is the PROOF OF CLAIM?**

That is the form you MUST fill out, sign and return with a postmark **no later than Monday, April 9, 2007**, if you want to collect your money.

**What if I do not want to participate in this class action?**

If you do not want to participate, you may opt-out of the Class by mailing to the Settlement Administrator, address listed above, by March 22, 2007, a written statement that you wish to be excluded from the Settlement Class, as set forth above in paragraph 4.

**What if I do nothing?** If you do not return any form, you will not receive any money, but you will still be bound by the terms of the settlement agreement and will have released any and all claims you may have that relate to matters alleged in the Complaint.

**What if I have questions about how to fill out the form?**

If you have questions, you may call the Claims Administrator at (800) 789-0683.

**FINAL HEARING**

A final hearing will be held on May 7, 2007 at 8:30 a.m. in Department 69 of the Los Angeles Superior Court, Central District, located at 111 N. Hill Street, Los Angeles, California, 90012 or as soon thereafter as the matter may be heard by the Court to determine whether the settlement is fair, reasonable and adequate.

You may appear and be heard at the Final Hearing, including for the purpose of objecting to the proposed settlement. If you are a member of the Settlement Class, you may object to the Settlement on your own or through an attorney, at your own expense. Your objection must state:

- a. your name (and former name, if any),
- b. your current address and telephone number,
- c. the name of the case (Cocroft, et al. v. Aveda Experience Centers, Inc.),
- d. the case number (BC322960),
- e. the dates Aveda employed you as a California retail store employee, and
- f. the legal or factual grounds on which you object to the settlement.

You must mail your written objections to all of the following:

Cocroft, et al. v. Aveda Experience Centers, Inc. Claims Administrator  
c/o Desmond, Marcello & Amster  
P.O. Box 451999  
Los Angeles, CA 90045  
(800) 789-0683

AND

Kesluk & Silverstein  
9255 Sunset Blvd., Suite 411  
Los Angeles, CA 90069  
Attn: Douglas S. Silverstein, Esq.  
(310) 273-3180

AND

Jeffer Mangels Butler & Marmaro, LLP  
1900 Avenue of the Stars, 7th Floor  
Los Angeles, CA 90067  
Attn: Travis M. Gemoets  
(310) 203-8080

No Proposed Settlement Class member, however, shall be heard or entitled to object, and no papers or briefs submitted by any such person shall be received or considered by the Court, unless written notice of intention to appear at the Settlement Hearing together with copies of all papers and briefs proposed to be submitted to the Court at the Settlement Hearing, shall have been postmarked on or before Thursday, March 22, 2007, or on or before Saturday, March 31, 2007, for those objectors who received a second mailing of settlement documents because the initial mailing was returned as undeliverable (the "Objection/Exclusion Deadline Date"), and mailed to each addressee listed above. If you submit an objection, you may appear personally or through an attorney, at your own expense, at the Settlement Hearing to present your objection directly to the Court. Your objection should clearly explain why you object to the Settlement and must state whether you (or someone on your behalf) intend to appear at the Settlement Hearing. If you object to the Settlement, you will remain a member of the Class and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make and serve his or her written objections in the manner provided above shall be deemed to have waived such objections and shall be foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

#### **Summary Of Terms Of The Settlement Agreement**

1. On February 14, 2007, the parties entered into a proposed Joint Stipulation of Settlement ("Settlement Agreement" or "Settlement"). On February 22, 2007, the Court granted preliminary approval to the Settlement Agreement. On May 7, 2007, the Court will hold a Settlement Hearing on the Settlement Agreement in Department 69 of the Los Angeles County Superior Court, Central District, located at 111 N. Hill Street, Los Angeles, California

90012, at 8:30 a.m., at which time the Court will determine whether to finally approve the Settlement. The principal terms of the Settlement are summarized in this Notice.

2. If approved by the Court, the proposed Settlement Agreement will be binding on all members of the Class and will bar any Class Member who does not timely "opt out" of the Settlement from bringing any released claims against Aveda and each of its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys and each of their respective company-sponsored employee benefit plans and all of their respective officers, directors, employees, administrators, fiduciaries, trustees and agents (the "Released Parties"), from the "Released Claims." For purposes of this Agreement, the "Released Claims" are defined as: all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal constitution, statute, rule, regulation, including the California Wage Orders and the wage and hour law, of any state or district within the United States, whether for economic damages, non-economic damages, restitution, penalties, liquidated damages, or interest, arising out of, relating to, or in connection with the Complaint, including: (1) any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, which are or could be the basis of claims that Released Parties did not comply with all wage and hour laws in compensating Plaintiffs during meal period clock-out times during the Class Period, including claims: (a) that Released Parties did not pay the Plaintiffs all overtime they were owed for work performed by Plaintiffs for Released Parties during meal period clock-out times; (b) that Released Parties failed to provide unpaid meal periods and paid rest breaks to the Plaintiffs; (c) that Released Parties did not pay the Plaintiffs minimum wage during meal period clock-out times; and/or (d) that Released Parties owe wages, penalties, interest, attorneys' fees or other damages of any kind based on a failure to fully compensate the Plaintiffs for all hours worked during meal period clock-out times on or before the last day of the Class Period while working for Released Parties (whether based on contract, the California Wage Orders, the wage and hour laws of any state or district within the United States in which any Class Member resided during the Class Period or which would be applicable to any Class Member's employment with Released Parties during the Class Period, or otherwise); and/or (2) the causes of action asserted in the Class Action, including any and all claims for alleged failure to pay minimum wage or overtime to Plaintiffs while employed by Released Parties during meal period clock-out times, for alleged failure to provide unpaid meal periods and paid rest breaks to Plaintiffs, for alleged failure to provide itemized wage statements to Plaintiffs while employed by Released Parties, for waiting time penalties for work performed during meal period clock-out times, and/or, as related to the foregoing, for alleged unlawful, unfair and/or fraudulent business practices under California and Business and Professions Code Sec. 17200 et seq. for alleged wage and hour violations while employed by Released Parties.

3. The Released Claims include any unknown claims relating to the subject matter of the Released Claims that the Class Members do not know or suspect to exist in their favor at the time of the release, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision to object to this Settlement. With respect to the Released Claims, the Class Members stipulate and agree that, upon the Effective Date, or for Settlement Class Members, as of his or her Payment Date, whichever comes first, the Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which Section provides: 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. The Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, or for Settlement Class Members, as of his or her Payment Date, whichever comes first, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

4. In addition to releasing the Released Parties from the Released Claims as outlined above in Paragraphs 2-3, Class Members who submit a timely claim form ("the Settlement Class Members"), as of the date of payment of the

settlement amount, release the Released Parties from the "Released Federal Claims," defined as: All claims, demands, rights, liabilities, and causes of action of every nature or description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal constitution, statute, rule or regulation, including the FLSA and federal wage and hour laws, whether for economic damages, non-economic damages, restitution, penalties, liquidated damages, or interest, arising out of, relating to, or in connection with the Complaint, including: (1) any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, which are or could be the basis of claims that Released Parties did not comply with all wage and hour laws in compensating Plaintiffs during meal period clock-out times during the Class Period, including claims: (a) that Released Parties did not pay the Plaintiffs all overtime they were owed for work performed by Plaintiffs for Released Parties during meal period clock-out times; (b) that Released Parties failed to provide unpaid meal periods and paid rest breaks to the Plaintiffs; (c) that Released Parties did not pay the Plaintiffs minimum wage during meal period clock-out times; and/or (d) that Released Parties owes wages, penalties, interest, attorneys' fees or other damages of any kind based on a failure to fully compensate the Plaintiffs for all hours worked during meal period clock-out times on or before the last day of the Class Period while working for Released Parties (whether based on contract, the FLSA, federal wage and hour laws, or otherwise); and/or (2) the causes of action asserted in the Class Action, including any and all claims for alleged failure to pay minimum wage or overtime to Plaintiffs while employed by Released Parties during meal period clock-out times, for alleged failure to provide unpaid meal periods and paid rest breaks to Plaintiffs, for alleged unlawful failure to provide itemized wage statements to Plaintiffs while employed by Released Parties, for waiting time penalties for work performed during meal period clock-out times, and/or, as related to the foregoing, for alleged unlawful, unfair and/or fraudulent business practices under California Business and Professions Code Sec. 17200 et seq. for alleged wage and hour violations while employed by Released Parties.

5. The Released Federal Claims include any unknown claims relating to the subject matter of the Released Federal Claims that the Settlement Class Members do not know or suspect to exist in their favor at the time of the release, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision not to object to this Settlement. With respect to the Released Federal Claims, the Settlement Class Members stipulate and agree that, upon his or her Payment Date, the Settlement Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which Section provides: 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. The Settlement Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Federal Claims, but upon the Payment Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Federal Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

6. This Settlement is conditioned upon the Court entering an order at or following the Settlement Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class.

7. The Settlement Agreement provides that to fully resolve the claims in this case, Aveda will pay only those timely valid claims submitted by members of the Settlement Class who were employed by one or more Released Parties as resident apartment managers in California. Settlement Class Members will receive payment within 14 days of entry of the final approval order by the Court.

8. Aveda will withhold applicable taxes and report the payments to the United States Internal Revenue Service and the California Franchise Tax Board. The total amount of the settlement to be paid by Aveda will depend upon the number of valid claims submitted and the number of months worked during the Class Period by those submitting valid claims, not to exceed \$450,000, including attorneys fees, costs, and enhancement payment to named class representatives. IRS Form W-2 (and the equivalent California forms) will be distributed to Class

Members reflecting the payments they received under the Settlement. Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments that they received under the Settlement.

9. Class Counsel will apply to the Court for approval of its attorneys' fees in an amount of \$157,500 (one hundred fifty seven thousand five hundred dollars), to be approved by the Court. These amounts constitute full and complete compensation for all legal fees of Class Counsel. Class Counsel will also apply to the Court for approval of its costs and expenses by Class Counsel in connection with the litigation and all work done through the completion of the litigation, whatever date that may be, in an amount of \$10,000 (ten thousand dollars). Class Representatives, through Class Counsel, will apply to the Court for approval of the enhancement payment in the amount of \$15,000 (fifteen thousand dollars) each, for a total of \$30,000 (thirty thousand dollars), to be approved by the Court. Class Members are not liable for the attorneys' fees, class representative enhancement payment or costs to administer the class. Class Members will not be required to pay Class Counsel for any other attorneys' fees, costs or expenses out of their own pockets if the Settlement Agreement and the fee request are finally approved by the Court.

10. The Court has also awarded costs and fees up to \$25,000 (twenty-five thousand dollars) to be paid to the Settlement Administrator, Desmond, Marcello & Amster, to notify the Class and process claims.

11. After all signed and timely submitted Claim Forms are received and all disputes regarding the validity of the claims and dates worked by the claimants are resolved, the Claims Administrator will notify the Parties and Defendant will make the appropriate distributions to Class Members that are entitled to receive such a distribution. All required state and federal income taxes will be withheld from the payments. Settlement payments will be subject to any applicable wage garnishments, liens, or other legal mandates. Unless you request to be excluded from the settlement as described below, whether or not you sign and file a Claim Form, the Settlement will be binding on you. If a Class Member entitled to receive a distribution does not cash a check within 120 days following the issuance of the check, the check will be void. Even if a Class Member entitled to receive a distribution does not cash the check, the Class Member will be deemed to have waived any right in or claim to a settlement share.

**Where Can I Find Additional Information?**

This Class Notice contains only a summary. For more detail, the pleadings in the Action and the full Settlement Agreement are available for inspection by you or your representative during regular business hours at the Office of the Clerk of the Superior Court, Room 112, 111 N. Hill Street, Los Angeles, California, 90012; or by Internet at [www.lasuperiorcourts.org](http://www.lasuperiorcourts.org). Inquiries regarding the action or this settlement should be addressed to Plaintiffs' Attorneys noted above.

THIS NOTICE HAS BEEN APPROVED BY HON. EDWARD A. FERNS, JUDGE OF THE SUPERIOR COURT.

**PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.**

Dated: February 22, 2007

By: /s/ EDWARD A. FERNS  
ORDER OF THE COURT  
JUDGE EDWARD A. FERNS  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES