

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

JOHN DEJOSEPH, an individual, on behalf of himself and all others similarly situated; GINA MARTINEZ, an individual, on behalf of herself and all others similarly situated; EDWARD GOULDING, an individual, on behalf of himself and all others similarly situated,

Plaintiffs,

vs.

MICHAELS STORES, INC., a Delaware corporation; and DOES 1 through 100, inclusive,

Defendants.

CASE NO. CV07-1489-GW (JWJx)

Hon. George H. Wu
Courtroom 10

CLASS ACTION

NOTICE OF CLASS ACTION

TO: ALL PRESENT AND FORMER STORE MANAGERS OF MICHAELS STORES, INC. (“MICHAELS STORES”) WHO WERE EMPLOYED AT ANY TIME AS STORE MANAGERS IN CALIFORNIA ON OR AFTER MAY 10, 2002.

The purpose of this Notice is to: (1) inform you of the existence of a class action lawsuit entitled *DeJoseph, et al. v. Michaels Stores, Inc.*, USDC Case No. CV07-1489-GW (JWJx); (2) inform you that the Court has certified the Plaintiffs’ overtime claim to proceed as a class action; (3) advise you of how your rights may be affected by this lawsuit; and (4) instruct you on the procedures to follow to participate in, or exclude yourself from, this class action. **This Notice contains important information concerning your rights under California law related to your employment with Michaels Stores. If you do not wish to be included in this lawsuit you must take further action (as described below) or your rights will be affected.**

I. DESCRIPTION OF THE LAWSUIT

The named Plaintiffs, former Store Managers of Michaels Stores in California, have filed a lawsuit which is currently pending in the United States District Court for the Central District of California (Los Angeles) against Michaels Stores.

The Plaintiffs allege that Michaels Stores improperly classified them as “exempt” managers, and that they spent more than 50% of their work hours performing non-managerial tasks. They are suing to recover overtime compensation for all hours worked in excess of eight (8) hours in a day and/or forty (40) hours in a week, as well as reasonable attorney’s fees and costs. The Plaintiffs also seek an injunction that would require Michaels Stores to classify its California Store Managers as non-exempt employees.

Michaels Stores denies each of the Plaintiffs' claims. Michaels Stores maintains that it properly classified its Store Managers as exempt managers, and that its Store Managers spend, and are realistically expected to spend, more than 50% of their time performing managerial duties. As such, it is the position of Michaels Stores that California law does not require its Store Managers to be paid overtime compensation in addition to the salaries they receive, and that its Store Managers should continue to be classified as exempt managers.

II. WHO IS A MEMBER OF THE CLASS?

On April 24, 2008, the Court certified a Class defined as "all persons who were employed as Store Managers in any of Michaels Stores, Inc.'s 'Michaels' retail stores in California at any time on or after May 10, 2002." If you worked as a Store Manager of any Michaels store in California during this class period, you are and will remain a Member of the Class unless you timely exclude yourself from the lawsuit.

Please be advised that the Court has not ruled on the merits of the claims or defenses asserted in the lawsuit. The decision to certify the class should not be viewed as a prediction of whether the Class will, or will not, ultimately prevail on the merits of the action. At this stage in the litigation, the court has taken no position regarding the legality of Michaels Stores' classification of Store Managers as exempt.

III. WHO REPRESENTS THE CLASS?

A. The Class Representatives

On April 24, 2008, the Court approved Plaintiffs John DeJoseph, Gina Martinez, and Edward Goulding as the Class Representatives. All three Plaintiffs are former Store Managers who worked as Store Managers for Michaels Stores in California during the Class Period, meaning on or after May 10, 2002.

B. The Attorneys for the Class

On April 24, 2008, the Court approved the law firm of Arias Ozzello & Gignac as Class Counsel. Further information about this Notice, the nature of the lawsuit, and any pertinent deadlines may be obtained by writing, calling, or e-mailing Class Counsel at:

Mike Arias, Esq.
Mark A. Ozzello, Esq.
Mikael H. Stahle, Esq.
Arias Ozzello & Gignac LLP
6701 Center Drive West, Suite 1400
Los Angeles, California 90045-1558
Phone: (310) 670-1600, Fax: (310) 670-1231
E-mail: marias@aogllp.com
mozzello@aogllp.com
mstahle@aogllp.com

IV. YOUR RIGHT TO PARTICIPATE IN THE LAWSUIT

A judgment in this class action, whether favorable or unfavorable, and any settlement approved by the Court, will bind all Members of the Class who do not request to be excluded. In other words, if you choose to remain a Member of the Class, you will be bound by the outcome of this lawsuit, whether favorable or unfavorable. Please note that federal and state law prohibit Defendant Michaels Stores from retaliating against you as a current or former employee because you exercise your right to participate in a court proceeding.

At this point, you have three options: (1) Remain a Member of the Class and be represented by Class Counsel; (2) Remain a Member of the Class and hire your own attorney; or (3) Exclude yourself from the Class.

A. OPTION ONE: Remain a Member of the Class.

If you wish to remain a Member of the Class, **you need not do anything at this time.** You will automatically be a Member of the Class and will be represented by Class Counsel.

B. OPTION TWO: Remain a Member of the Class and Hire Your Own Attorney.

You may also remain a Member of the Class but elect to hire your own attorney to represent you. If you choose this option, your attorney must file a Notice of Appearance with the Court no later than December 15, 2008, and serve a copy on the parties at the addresses listed below. Under this option, even though you would be represented by your own attorney, you would continue to be a Member of the Class. You would, however, be responsible for any fees and costs charged by your attorney.

Class Counsel:

**Mike Arias, Esq.
Mark A. Ozzello, Esq.
Mikael H. Stahle, Esq.
Arias Ozzello & Gignac LLP
6701 Center Drive West, Suite 1400
Los Angeles, California 90045-1558
Phone: (310) 670-1600, Fax: (310) 670-1231
E-mail: marias@aogllp.com
mozzello@aogllp.com
mstahle@aogllp.com**

Counsel for Defendant Michaels Stores:

**Catherine A. Conway, Esq.
Gregory W. Knopp, Esq.
Gary M. McLaughlin, Esq.
Akin Gump Strauss Hauer & Feld LLP
2029 Century Park East, Suite 2400
Los Angeles, California 90067-3012
Phone: (310) 229-1000, Fax: (310) 229-1001
E-mail: cconway@akingump.com
gknopp@akingump.com
gmclaughlin@akingump.com**

C. OPTION THREE: Exclude Yourself from the Class.

If you wish to be excluded from this lawsuit, you must mail, fax, or email a written notice to the following address, which notice must be **received or postmarked no later than December 15, 2008**:

**Michaels Stores Class Action Administrator
c/o Desmond, Marcello & Amster
P.O. Box 415999
Los Angeles, CA 90045
Fax: (310) 216-0800
Email: info@dmaclassaction.com**

In your notice, you must provide the following information: (1) your full name, (2) your current address, and (3) a statement of your intention to exclude yourself from this lawsuit (for example, "Please exclude me from the class in the *DeJoseph, et al. v. Michaels Stores, Inc.* litigation"). OPTIONAL: If you wish, you may also include your current telephone number and/or e-mail address.

If you timely request exclusion, you will be excluded from the Class and will not be bound by any disposition of the class action, and you will retain any claims you may have against Michaels Stores. However, you also will not share in any recovery that might be paid to the other Members of the Class if the Class Representatives are successful at trial or reach a settlement with Michaels Stores.

V. VIEWING COURT FILE RECORDS

You may view the Court files in this case by visiting the United States District Court for the Central District of California, located at 312 N. Spring Street, Los Angeles, California 90012.

PLEASE DO NOT WRITE OR CONTACT THE COURT FOR INFORMATION ABOUT THIS LAWSUIT. PLEASE ADDRESS ALL INQUIRIES IN WRITING TO CLASS COUNSEL SET FORTH ABOVE.

Dated: October 15, 2008

Hon. George H. Wu
Judge of the United States District Court