

## **If You Are a Watchmaker Currently Operating in the United States and Are Not Authorized By Richemont to Repair Cartier Watches, You Are Entitled to Apply to Richemont to Become An Authorized Cartier Repair Shop.**

There is a Proposed Class Action Settlement with Richemont North America, Inc. (“Richemont”), the distributor of Cartier watches. The class action lawsuit, *Fleury, et al. v. Richemont North America, Inc.*, Case No: C-05-4525 EMC, is pending in the U.S. District Court for the Northern District of California. The Proposed Settlement is subject to Court approval.

### **What Is the Class Action Lawsuit About?**

The lawsuit claims that Richemont has violated the antitrust laws by allegedly conditioning the purchase of Cartier watch parts on the purchase of Cartier watch repair service. The lawsuit asks the Court to declare Richemont’s actions unlawful, to order Richemont to discontinue its allegedly unlawful practice, and to award money damages and penalties to members of the class.

Richemont has asserted several factual and legal defenses to the lawsuit and denies that it did anything wrong. The Court has not decided which side is right, and the Proposed Settlement does not mean that any law was violated. Richemont’s position is that it has entered into the Proposed Settlement to avoid further expense and inconvenience.

### **Am I a Class Member?**

The class is made up of two sub-classes, the Watchmaker Settlement Sub-Class and the Consumer Settlement Sub-Class. The members of the Consumer Settlement Sub-Class have been notified by mail of the Proposed Settlement. The Notice you are reading is intended for members of the Watchmaker Settlement Sub-Class only.

You are a member of the Watchmaker Settlement Sub-Class if you are a watchmaker currently operating in the United States and are not an authorized Cartier dealer or an authorized Cartier repair shop.

### **What Are the Terms of the Proposed Settlement?**

Members of the Watchmaker Settlement Sub-Class are entitled to apply to Richemont to become authorized to repair Cartier watches. Richemont will evaluate applicants based on an agreed upon Evaluation Form, which can be requested by sending an email to [watchrepairsettlement@gardencitygroup.com](mailto:watchrepairsettlement@gardencitygroup.com) or by calling toll-free 1-800-918-1029. Richemont retains sole discretion to determine which applications will be accepted. Richemont’s decision on whether to approve an application will be final unless there is evidence that, in applying the criteria set forth in the Evaluation Form, Richemont breached the covenant of good faith and fair dealing, in which case the Court may become involved.

Applications must be submitted within six months of the date that the Court gives final approval to the Proposed Settlement. Each member of the Watchmaker Settlement Sub-Class who applies to Richemont within six months of final approval, and is accepted to become an authorized Cartier repair shop, will be entitled to:

- (1) Receive from Richemont free of charge a set of the Cartier-specific tooling that all authorized Cartier repair shops presently must maintain to perform repairs on Cartier watches (the total initial cost of the tooling would otherwise be approximately \$2,000); and
- (2) A 50% discount off the list prices for Cartier watch parts that are purchased for the repair shop’s own use during the two year period after becoming an authorized Cartier repair shop (up to a total maximum two year discount of \$750).

### **What Are My Legal Rights?**

**If you believe you are a member of the Watchmaker Settlement Sub-Class and wish to apply to Richemont to become an authorized Cartier repair shop,** you may request an application by sending an email to [watchrepairsettlement@gardencitygroup.com](mailto:watchrepairsettlement@gardencitygroup.com) or by calling, toll-free 1-800-918-1029.

**If you do not want to be legally bound by the Proposed Settlement,** you have the right to opt-out of this lawsuit. In order to opt-out, you must submit a written request to be excluded as outlined in the Notice of Pendency and Proposed Settlement of Class Action, which can be viewed at [www.watchrepairsettlement.com](http://www.watchrepairsettlement.com) or can be obtained by calling toll free 1-800-918-1029. Your request to be excluded must be postmarked no later than March 17, 2008. If you opt-out, you are no longer part of the settlement and are not entitled to apply to Richemont to become an authorized Cartier repair shop. If you opt-out, you will not have the ability to object to, or comment on, the Proposed Settlement.

**You can tell the Court if you do not like this Proposed Settlement or some part of it.** To object or comment, you must send a written statement that is postmarked no later than March 17, 2008, as outlined in the Notice of Pendency and Proposed Settlement of Class Action. If you object or comment, you are still part of the settlement.

### **Am I Giving Up Anything in Exchange for the Benefits of the Settlement?**

Yes. Unless you opt-out of the Proposed Settlement, you will be bound by its terms. That means that in exchange for the benefits you will receive, you will be giving up your right to pursue certain claims against Richemont and its related entities. Details about the released claims are contained in the Stipulation of Settlement, which can be viewed at [www.watchrepairsettlement.com](http://www.watchrepairsettlement.com) or can be obtained by calling, toll-free, 1-800-918-1029.

### **Will the Court Approve the Proposed Settlement?**

The Court will hold a Final Approval Hearing on May 7, 2008 at 2:30 p.m. to consider whether the Proposed Settlement is fair, reasonable, and adequate and to consider the motion for attorneys’ fees and expenses. If comments or objections have been received, the Court will consider them at this hearing.

### **Who Represents Me?**

The Court has appointed the following attorneys to represent the Settlement Class:

Bruce L. Simon  
Esther L. Klisura  
PEARSON, SIMON, SOTER, WARSHAW &  
PENNY, LLP  
44 Montgomery Street, Suite 1200  
San Francisco, CA 94104

Geoffrey Spellberg  
MEYERS, NAVE, RIBACK, SILVER & WILSON  
575 Market Street, Suite 2600  
San Francisco, CA 94105

These attorneys intend to apply to the Court for an award of attorneys’ fees and costs to be paid by Defendant in the amount of \$2 million, which is based on the percentage method authorized by *In re Activision Securities Litigation*, 723 F.Supp. 1373 (N.D. Cal. 1989). As of the date of this notice, the attorneys have incurred approximately \$921,458.50 in attorneys’ fees and approximately \$104,367.67 in out-of-pocket expenses. The request for the award of \$2 million will be inclusive of all costs and inclusive of \$10,000 in special awards (\$5,000 each) for the Consumer Settlement Sub-Class Representative and a Watchmaker Settlement Sub-Class Representative.

### **How Can I Get More Information?**

If you have any questions regarding this Notice, you may call toll-free 1-800-918-1029, or visit [www.watchrepairsettlement.com](http://www.watchrepairsettlement.com), where a complete copy of the Stipulation of Settlement and the Notice of Pendency and Proposed Settlement of Class Action can be obtained. However, please read this entire Notice carefully before calling.

**1-800-918-1029**

**[www.watchrepairsettlement.com](http://www.watchrepairsettlement.com)**