

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CHARLES MILO, individually and on behalf of all
others similarly situated,

Plaintiffs,

-against-

BARNEY'S, INC.,

Defendant.

Case No.

10-CV-3133 (PKC)

NOTICE OF PROPOSED CLASS
SETTLEMENT

**READ THIS CAREFULLY — YOU MAY BE ENTITLED TO A RECOVERY UNDER THE
TERMS OF THIS PROPOSED SETTLEMENT**

1. Why should I read this notice?

The purpose of this Notice is to inform you that there has been a proposed Settlement of claims asserted in this action with respect to disclosures on credit card applications for Barneys New York credit cards made available at Barneys New York warehouse sales. This Notice summarizes the Settlement and your rights under it.

2. What is this lawsuit about?

The plaintiff filed this lawsuit on April 13, 2010. The plaintiff alleges that Barney's, Inc. ("Barneys") violated the Truth in Lending Act ("TILA") by failing to make certain disclosures in the manner required by TILA and its implementing Regulation Z on applications made available to the general public for credit card accounts issued by Barneys. In particular, Milo asserted that credit card applications made available at Barneys warehouse sales failed to disclose the standard annual percentage rate in a clear and conspicuous manner, by reason of disclosing the standard annual percentage rate in an incorrect type size.

Barneys has denied all allegations of wrongdoing and liability.

3. What claims does the Settlement cover?

The Settlement resolves all claims asserted in the lawsuit, including all claims relating to the failure to make required disclosures on credit card applications for Barneys credit cards made available at Barneys warehouse sales during the class period.

4. Who is covered by this Settlement?

The Settlement covers a Plaintiff Settlement Class, which includes all persons who (a) opened a Barneys New York credit card account and used that account after being provided with an application in the form of Exhibit A to the Amended Complaint between April 13, 2009 and April 13, 2010 and (b) do not timely exclude themselves from the Plaintiff Settlement Class.

If you received this notice in the mail, that means Barneys' records indicate that you are part of the Plaintiff Settlement Class.

5. What are the Settlement terms?

(a) The Bank has agreed to pay a total of \$145,065.00 (the "Settlement Amount") to the Plaintiff Settlement Class. The Settlement Amount will be paid on a pro rata basis to each member of the Plaintiff Settlement Class.

(b) Subject to approval by the Court, Barneys has agreed to pay \$3,500.00 to Class Representative Charles Milo. These payments will compensate the Class Representative for his alleged damages and for the time, effort, and risk he undertook as class representative in pursuing this class action.

(c) In exchange for the benefits under the Settlement, Plaintiff Class Members will release Barneys and its affiliates, parents, direct and indirect subsidiaries, and any company or companies under common control with any of them, each of their respective predecessors, successors, and assigns, as well as various persons related to those companies, from any and all liability with respect to all claims asserted in the lawsuit, including any claims relating to disclosures required with respect to any Barneys New York credit card account within the period from April 13, 2009 to April 13, 2010.

(d) Plaintiff's counsel will ask the Court to approve an award of attorneys' fees and expenses in an amount not to exceed \$51,435.00. The award of fees and costs will not reduce the amount paid to the Class.

6. Do I need to do anything to remain a member of the class?

If you fit within the description of the Plaintiff Settlement Class set forth above, you automatically will remain a member of the Plaintiff Settlement Class, unless you take steps to exclude yourself, described below. You also may appear by your own attorney, at your own expense.

7. Who represents the Settlement class?

(a) Charles Milo, a Barneys customer who received a Barneys New York credit card application during the relevant time period, has been designated by the Court as Class Representative for the Plaintiff Settlement Class for purposes of this Settlement approval process.

(b) The Court has appointed Bromberg Law Office, P.C., and the Law Office of Harley J. Schnall as Class Counsel. These attorneys (“Class Counsel”) represent your interests and those of the Plaintiff Settlement Class.

8. How does the claim process work?

You are automatically eligible to be paid under the Settlement, unless you take steps to exclude yourself, described below.

The amount that each claimant will receive depends on how many people exclude themselves from the class. As explained above, the Bank has agreed to pay a total of \$145,065.00 to the Plaintiff Settlement Class. Notices have been mailed to approximately 1,500 Barneys account holders believed to be members of the Plaintiff Settlement Class. Funds will be distributed on a pro rata basis to each member of the Plaintiff Settlement Class. Thus, if 1,500 Class members remain in the class after the time for excluding members has passed, each claimant will receive about \$96.70. Each Settlement payment check will be valid for a period of ninety (90) days from the date of the check. If you do not cash the check within this 90-day period, the check will become null and void and you will have no further rights to receive payment under this Settlement.

Because there is no way of knowing how many Class members will timely exclude themselves, one cannot predict precisely how much money each Class member will receive.

9. How can I exclude myself from the Settlement?

If you do not want to remain a Plaintiff Class Member and participate in the Settlement, then you must sign and return an exclusion request to Barneys Class Action Opt Outs, c/o BROMBERG LAW OFFICE, P.C., 40 Exchange Place, Suite 2010, New York, NY 10005, postmarked by not later than December 30, 2011. The exclusion request must include the following statement: “I want to opt out of the Barneys Class Action.”

By electing to be excluded from the Plaintiff Settlement Class, (1) you will not share in any recovery if the Settlement is approved; (2) you will not be bound by any further orders or judgments entered for or against the Plaintiff Settlement Class; (3) you will not be entitled to comment on or object to any proposed Settlement; and (4) you may present any claims you have against the Barneys by filing your own lawsuit at your own expense, or by seeking to intervene in this lawsuit as an individual plaintiff at your own expense.

10. What is the Settlement approval procedure?

The Court will hold a Hearing on January 27, 2012, at 2:00 p.m., in the Courtroom (Courtroom 12C) of the Honorable P. Kevin Castel, United States District Judge for the Southern District of New York, 500 Pearl Street, New York, New York, to consider whether the Settlement should be approved, as well as to consider Class Counsel’s request for fees and costs and the proposed payment to the Class Representatives.

If you exclude yourself from the Plaintiff Settlement Class, you are not entitled to comment on or object to the Settlement or the fee request, or be heard at the Hearing. If you decide to remain in the Plaintiff Settlement Class and you wish to comment on or object to the Settlement, you may submit your comments in writing to Brian L. Bromberg, Bromberg Law Office, P.C., 40 Exchange Place, Suite 2010, New York, NY 10005 (Class Counsel), postmarked not later than December 30, 2011. Mr. Bromberg will forward copies to both the Court and to counsel for Barneys.

If you wish to address the Court at the Hearing, you must indicate your intent to do so in writing to Mr. Bromberg no later than December 30, 2011, who will inform the Court and Barneys' lawyers of your intentions. If you do not comply with these procedures, you will not be entitled to be heard at the Hearing or otherwise to contest the approval of the Settlement or Fee Amount, or appeal from any orders or judgments of the Court.

If the Court approves the Settlement, the approval will bind all members of the Plaintiff Settlement Class, except those who exclude themselves, and the judgment will release and dismiss all Plaintiff Class Members' settled claims.

11. When will the payment process start?

If the Court approves the Settlement, checks to claimants will be mailed approximately 30 days after approval becomes final. If someone appeals the approval of the Settlement, payment will be delayed until appeals are resolved.

12. Where do I get additional information?

If you want further information, or would like copies of the Complaint, the Settlement Agreement, or the papers filed in support of the proposed Settlement, you may write to Brian L. Bromberg, Bromberg Law Office, P.C., 40 Exchange Place, Suite 2010, New York, NY 10005 or e-mail at brian@bromberglawoffice.com. **PLEASE DO NOT CONTACT THE COURT.**

The foregoing is only a summary of the Action and the proposed Settlement. You may seek the advice of your own attorney, at your expense, if you so desire. For more detailed information, you may review the papers on file in the lawsuit, which may be inspected during regular business hours at the Clerk's Office, United States District Court, Southern District of New York, 500 Pearl Street, New York, New York.

Dated: October 21, 2011

/s/ P. Kevin Castel

P. Kevin Castel
United States District Judge