

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

EBRAHIM SHANEHCHIAN, et al.,)	
)	
Plaintiff,)	Case No. 1:07-cv-00828-SAS-SKB
)	
v.)	Judge S. Arthur Spiegel
)	Magistrate Judge Stephanie K. Bowman
MACY’S, INC. et al.,)	
)	
Defendants.)	

NOTICE OF CLASS ACTION SETTLEMENT

To all members of the following class:

All participants in the Macy’s, Inc. Profit Sharing 401(k) Investment Plan and/or the May Department Stores Company Profit Sharing Plan (the “Plans”) whose Plan account(s) held investments in the Macy’s Company Stock Fund between February 27, 2005 and July 24, 2012 (the “Class”).

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
A FEDERAL COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION.**

- If you are a member of the Class, your legal rights will be affected by a proposed settlement in a class action lawsuit entitled *Shanehchian et al. v. Macy’s Inc. et al.*, No. 1:07-cv-00828 (S.D. Ohio).
- The settlement resolves a class action lawsuit over whether Macy’s and other individuals and entities alleged to be current or former fiduciaries of the Plans breached their fiduciary duties by violating the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, et seq. (“ERISA”) with respect to the Plans’ investment options.
- The proposed settlement will provide an \$8.5 million settlement fund.
- The Court will hold a hearing on May 1, 2013 to consider whether to approve the settlement and certain other related matters. If approved, the settlement would result in payments to qualifying members of the Class. See Question 11 below.
- This Notice is intended to provide information about how this lawsuit and the proposed settlement may affect your rights and what steps you may take in relation to it. This Notice does not express the Court’s opinion on the merits of the claims or the defenses asserted in the lawsuit.

**QUESTIONS? CALL (800) 766-3330 TOLL FREE, OR VISIT www.berdonclaims.com/macys
Do not call the Court or Macy’s with your questions.**

- If the settlement is approved, your legal rights will be affected whether you act or not. Please read this Notice carefully.

<i>YOUR LEGAL RIGHTS AND OPTIONS</i>	
DO NOTHING	You do not need to do anything in response to this Notice. If the settlement is approved by the Court and you are a member of the Class, you will receive whatever payment you may be entitled to under the settlement without having to file a claim or take any other action.
FILE AN OBJECTION	If you want to submit comments or objections to the any aspect of the settlement, you may write to the Court and the parties' attorneys. <i>See</i> Question 16 below.
GO TO A HEARING	If you submit comments or objections to the settlement to the Court, you and/or your attorney may appear at the hearing and ask to speak to the Court. <i>See</i> Question 19 below.

- These rights and options – **and the deadlines you must comply with to exercise them** – are explained in detail in this Notice.
- The Court still has to decide whether to approve the settlement. Payments to Class Members will be made only if the Court approves the settlement and only after any appeals are resolved. Please be patient.

GENERAL INFORMATION

1. Why did I get this notice?

This Notice provides a summary of a class action lawsuit, the terms of a proposed settlement of that lawsuit, and the ways in which that settlement will affect the legal rights of those individuals who are members of the class.

You are receiving this Notice because you are a potential member of the Class. This means that you or someone in your family is or was a participant in the Macy's, Inc. Profit Sharing 401(k) Investment Plan and/or the May Department Stores Company Profit Sharing Plan (together, the "Plans") whose Plan account(s) held investments in the Macy's Company Stock Fund at some time between February 27, 2005 and July 24, 2012 (the "Class Period").

The Court directed that this Notice be sent to potential members of the Class because they have a right to know about the proposed settlement of this lawsuit, and about all of their options before the Court decides whether to approve the settlement. If the Court approves the settlement, and

after any appeals are resolved, the net settlement proceeds will be distributed pursuant to a Court-approved “Plan of Allocation.”

2. What is this lawsuit about?

This class action lawsuit is called *Shanehchian, et al. v. Macy’s Inc., et al.*, Case No. 1:07-cv-00828-SAS-SKB (the “Action”). It is pending in the United States District Court for the Southern District of Ohio, Western Division, before District Judge S. Arthur Spiegel.

The people who brought the lawsuit are called plaintiffs. The Plaintiffs in this case are Anita Johnson, Donald Snyder, and Joseph Stengel. For purposes of the proposed settlement, they have been appointed to represent the Class and are therefore also known as the Class Representatives.

The people and entities the plaintiffs sued are called defendants. In this case, Macy’s, the committee responsible for administering the Plans and certain current and former directors and officers of Macy’s are the Defendants.

On October 3, 2007, Ebrahim Shanehchian commenced this Action on behalf of a purported class of Plan participants. The Class Representatives later intervened as named plaintiffs and filed an Amended Complaint. They assert claims for various violations of the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. §§ 1001-1461, arising out of Defendants’ administration of the Plans following Macy’s acquisition of the May Department Stores Company in August 2005, including claims related to the prudence and performance of the Macy’s Common Stock Fund and the Plans’ other investment options, and claims related to Defendants’ disclosures to Plan participants about the Macy’s Common Stock Fund and the Plans’ other investment options.

The Complaint alleges that the Defendants were fiduciaries of the Plans and that they breached their fiduciary duties under ERISA by allowing the Plans to invest in Macy’s stock and by encouraging Plan participants to invest in Macy’s stock. The Complaint also alleges that the Defendants breached their fiduciary duties under ERISA by not prudently selecting other investment options for the Plans and by failing to disclose information about the fees and expenses of the Plans’ other investment options. The Complaint alleges that, as a result of Defendants’ ERISA violations, Plan participants suffered substantial losses of retirement savings and anticipated retirement income.

The Complaint asserts claims under ERISA for breach of the duty of prudence (Count I), failure to monitor (Count II), breach of fiduciary duty based on misrepresentations (Count III), breach of the duty of loyalty (Count IV), co-fiduciary liability (Count V), and prohibited transactions (Count VI). By this Action, Plaintiffs seek to recover the alleged losses for the Plans, as well as equitable, injunctive and other monetary relief, including attorneys’ fees.

Macy’s and the other Defendants deny the Plaintiffs’ claims in the Action and have vigorously defended the litigation.

The case has been litigated in court for several years. On June 30, 2008, Defendants moved to dismiss the Complaint. Plaintiffs filed their opposition to the motion to dismiss on August 14, 2008. Defendants replied on September 15, 2008. After exchanges of supplemental authority by the Parties, the Court held a hearing on the motion to dismiss on September 24, 2008. On August 14, 2009, the Court denied Defendants' Motion to Dismiss.

On September 11, 2009, Defendants filed an Answer to the Complaint.

On October 13, 2009, Anita Johnson, Donald Snyder, and Joseph Stengel intervened as plaintiffs and class representatives with plaintiff Ebrahim Shanehchian. On December 9, 2009, the Court issued an opinion and order granting the motion to intervene.

Plaintiffs moved for class certification on October 13, 2009. Defendants filed their opposition under seal on December 14, 2009. Plaintiffs filed their reply under seal on February 16, 2010. After exchanges of supplemental authority by the Parties, the Court held a hearing on the class certification motion on January 12, 2011.

On March 10, 2011, the Court conditionally certified the Action as a class action pursuant to Fed. R. Civ. P. Rules 23(a) and 23(b)(1) and designated Anita Johnson, Donald Snyder, and Joseph Stengel to serve as class representatives and the law firms of Harwood Feffer LLP, Milberg LLP, and Katz, Greenberger & Norton, LLP to serve as co-lead class counsel. On May 18, 2011, the Defendants' Rule 23(f) petition was denied by the Sixth Circuit.

To date, Plaintiffs have produced documents to the Defendants and have been deposed. Defendants and third parties have produced in excess of 150,000 pages of documents that Plaintiffs' counsel have reviewed in their entirety. Plaintiffs' counsel have deposed several witnesses to date, including a consultant to the Plans and the expert Defendants presented in connection with their motion for partial summary judgment and partial judgment on the pleadings. The parties also engaged in expert discovery in connection with the class certification proceedings.

While the case was being litigated, the Parties tried to resolve the case over the course of a number of years. The parties began their first mediation on July 13, 2010, but were unable to reach an agreement. The parties were also unable to reach an agreement at a settlement conference the Court held on September 7, 2011.

On July 24, 2012, however, with the assistance of a nationally recognized mediator, Plaintiffs and Defendants reached an agreement to settle the Action. In doing so, the Defendants do not admit wrongdoing or liability of any kind.

3. Why is the Action a class action?

In a class action, one or more people sue on behalf of other people who have similar claims. All of the people who have similar claims make up a "class" and are referred to individually as "class members". Bringing a lawsuit as a class action allows the court to consider and resolve all

at once many similar individual claims that might be economically too small to bring individually. The Action at issue here alleges wrongful conduct that affects a large group of people in a similar way. Accordingly, the Plaintiffs filed this case as a class action.

4. Why is there a Settlement?

Plaintiffs and Defendants have agreed to settle the Action before Plaintiffs' claims are resolved by the Court. By agreeing to a settlement, both sides avoid the risks and costs of a trial, and the Class will benefit from the creation of an \$8.5 million settlement fund. See Question 9 below. The terms of the proposed settlement are under review by the Court.

The Class Representatives and their attorneys, who are referred to in this Notice as "Plaintiffs' Co-Lead Counsel," think the settlement is fair, reasonable, and adequate. They also believe that the significant monetary benefits of the proposed settlement are an excellent result for the Class – especially given the possibility that Plaintiffs and the proposed class could otherwise recover nothing if the claims were resolved by the Court, the uncertainty of the law surrounding Plaintiffs' legal theories, the disputed issues of fact, and the likelihood that litigation of the Action would continue for many years.

5. How do I know if I am affected by the Settlement?

Everyone who fits this description is a Class Member: *All participants in the Macy's, Inc. Profit Sharing 401(k) Investment Plan and/or the May Department Stores Company Profit Sharing Plan whose Plan account(s) held investments in the Macy's Company Stock Fund between February 27, 2005 and July 24, 2012.*

6. Are any Plan participants excluded from the Class?

The Defendants, members of their immediate families, and all current officers and directors of Macy's are excluded from the Class. Additionally, Plan participants who did not hold an investment in the Macy's Company Stock Fund at some time between February 27, 2005 and July 24, 2012 are not members of the Class.

7. What if I am still not sure if I am included?

If you are still not sure whether you are a member of the Class, you can consult with an attorney of your own choosing or you can call (800) 766-3330 or visit www.berdonclaims.com for more information. Please do not call the Court or Macy's.

8. Can I get exclude myself from the Class?

In some class actions, class members have the opportunity to exclude themselves from a settlement. This is sometimes referred to as “opting out” of the class. Here, you do **not** have the right to exclude yourself from the Class. Because of the way ERISA operates, some breach of fiduciary duty claims must be brought by participants on behalf of the Plans themselves, and any judgment or resolution necessarily applies to all Plan participants and beneficiaries. As such, it is not possible for any individual participant or beneficiary to exclude himself or herself from the Class. You will be bound by any judgments or orders that are entered in the Action, whether favorable or unfavorable.

THE SETTLEMENT BENEFITS

9. What does the proposed settlement provide?

As part of the proposed settlement, Defendants have agreed to create an \$8.5 million settlement fund. After payment of the costs associated with administering the settlement fund, associated taxes, any award to Plaintiffs’ Co-Lead Counsel for attorneys’ fees and expenses, and any awards to the Class Representatives for their contributions to the Action, the balance of the settlement fund will be distributed to the Plan accounts of qualifying Class Members in accordance with a Court-approved “Plan of Allocation.” The proposed Plan of Allocation is discussed in Question 11 below. If necessary, a Plan account will be created for qualifying members of the Class who no longer have Plan accounts.

10. How do I get a payment?

You do **not** need to file a claim or take any other action to receive a payment in connection with the proposed settlement. If you are a Class Member and you qualify to receive a share of the settlement fund under the Plan of Allocation, your share will be deposited into your Plan account.

Payments to Class Members who are current Plan participants will be credited to their existing Plan accounts and allocated in accordance with their existing investment elections. Current Plan participants may reallocate their settlement payment if and as permitted by the Plans.

Payments to Class Members who liquidated their Plan accounts after March 27, 2005 but before the “Effective Date” of the proposed settlement will be credited to a new Plan account established for them by the Plan trustee and allocated in their entirety to the Plan’s current default investment option. Former Plan participants will receive notice that the new Plan account has been established along with further instructions.

All payments to the Class Members will be made as promptly as possible after all costs, taxes and other required disbursements are taken out of the settlement fund and the balance is transferred to the Plans. Please be patient.

If any of the following applies to you, please contact the Settlement Administrator as soon as possible: (1) your status as a current Plan participant has recently changed or may change in the near future; (2) your mailing address has recently changed or may change in the near future; or (3) you did not receive a mailed notice of the proposed settlement but believe that you are a Class Member. The Settlement Administrator can be contacted at: Macy's ERISA Litigation Settlement, c/o Berdon Claims Administration LLC, P.O. Box 9014, Jericho, NY 11753-8914, toll-free: (800) 766-3330, fax: (516) 931-0810, website: www.berdonclaims.com/macys.

11. How much will my payment be?

Your share of the settlement fund will be calculated as part of the implementation of the Settlement pursuant to a Court-approved Plan of Allocation summarized herein and available at www.berdonclaims.com/macys. The amount of your payment, if any, will depend on the amount of your "Recognized Claims," as calculated pursuant to the Plan of Allocation, and how that amount compares to the Recognized Claims of the other Class Members. Whether you have a Recognized Claim under the Plan of Allocation depends on whether and when you bought and/or sold shares of the Macy's Company Stock Fund between Monday, February 28, 2005 and August 16, 2007. You are not responsible for calculating the amount you may be entitled to receive under the proposed settlement. This calculation will be done by the Settlement Administrator as part of the implementation of the settlement.

The summary below is not intended to be either an estimate of the amount that a qualifying Class Member might have been able to recover from Defendants after a trial of the Action. Given the factors above, and because the Court may require changes to the proposed Plan of Allocation before the settlement is approved, it is also not intended to be an estimate of the amount that will be paid to qualifying Class Members pursuant to the settlement if the settlement is approved by the Court.

Summary of the Proposed Plan of Allocation

The formula summarized below is the proposed basis upon which the balance of the settlement fund (after payment of costs, taxes, attorneys' fees and expenses) will be proportionately allocated to qualifying Class Members. Your payment, if any, will be equal to your proportionate share of the total Recognized Claims of all Class Members multiplied by the net settlement fund (subject to certain limitations, also described below). Your Recognized Claim will be calculated as follows:

1. The Recognized Claim for shares purchased between Monday, February 28, 2005 and May 9, 2007 and:
 - A. sold before the close of trading on May 9, 2007 is \$0.00 (zero);
 - B. sold between May 10, 2007 and May 16, 2007 is the lesser of: (1) the purchase price minus the sale price or (2) \$1.18 per share;

- C. sold between May 17, 2007 and July 11, 2007 is the lesser of: (1) the purchase price minus the sale price or (2) \$2.22 per share (\$1.18 plus \$1.04);
- D. sold between July 12, 2007 and August 15, 2007 is the lesser of: (1) the purchase price minus the sale price or (2) \$4.20 per share (\$1.18 plus \$1.04 plus \$1.98);
- E. retained at the close of trading on August 15, 2007 is the lesser of: (1) the purchase price minus \$30.33 per share or (2) \$5.04 per share (\$1.18 plus \$1.04 plus \$1.98 plus \$0.84) or (3) zero (\$0.00) if shares were sold on or after August 16, 2007 and the sale price exceeded the purchase price.
2. The Recognized Claim for shares purchased between May 10, 2007 and May 16, 2007 and:
- A. sold before the close of trading on May 16, 2007 is \$0.00 (zero);
- B. sold between May 17, 2007 and July 11, 2007 is the lesser of: (1) the purchase price minus the sale price or (2) \$1.04 per share;
- C. sold between July 12, 2007 and August 15, 2007 is the lesser of: (1) the purchase price minus the sale price or (2) \$3.02 per share (\$1.04 plus \$1.98);
- D. retained at the close of trading on August 15, 2007 is the lesser of: (1) the purchase price minus \$30.33 per share or (2) \$3.86 per share (\$1.04 plus \$1.98 plus \$0.84) or (3) zero (\$0.00) if shares were sold on or after August 16, 2007 and the sale price exceeded the purchase price.
3. The Recognized Claim for shares purchased between May 17, 2007 and July 11, 2007 and:
- A. sold before the close of trading on July 11, 2007 is \$0.00 (zero);
- B. sold between July 12, 2007 and August 15, 2007 is the lesser of: (1) the purchase price minus the sale price or (2) \$1.98 per share;
- C. retained at the close of trading on August 15, 2007 is the lesser of: (1) the purchase price minus \$30.33 per share or (2) \$2.82 per share (\$1.98 plus \$0.84) or (3) zero (\$0.00) if shares were sold on or after August 16, 2007 and the sale price exceeded the purchase price.
4. The Recognized Claim for shares purchased between July 12, 2007 and August 15, 2007 and:
- A. sold before the close of trading on August 15, 2007 is \$0.00 (zero);

B. retained at the close of trading on August 15, 2007 is the lesser of: (1) the purchase price minus \$30.33 per share or (2) \$0.84 per share or (3) zero (\$0.00) if shares were sold on or after August 16, 2007 and the sale price exceeded the purchase price.

5. There is no Recognized Claim for shares that were purchased on or after August 16, 2007.

6. All negative Recognized Claims will be subtracted from positive Recognized Claims in order to determine the total Recognized Claim for each Class Member.

The Settlement Administrator shall next determine each Class Member's Net Market Loss. The Net Market Loss for each Class Member = A + B – C – D, where:

A = the dollar value of his or her investment in the Fund at the commencement of trading on Monday, February 28, 2005 (valued at \$28.40 per share);

B = the dollar value of his or her new investments in the Fund during the period Monday, February 28, 2005 through August 15, 2007, valued at the time of transaction;

C = the dollar value of his or her dispositions of shares in the Fund during the period Monday, February 28, 2005 through August 15, 2007, valued at the time of transaction; and

D = the dollar value of his or her investment in the Fund at the close of trading on August 15, 2007 (valued at \$30.33 per share).

To the extent a Class Member has a negative Net Market Loss, a market gain, the total Recognized Claim will be \$0.00. To the extent that a Class Member has a Net Market Loss, but that loss was less than the total Recognized Claim, the Class Member's final total Recognized Claim will be limited to the Net Market Loss.

The Settlement Administrator shall determine each Class Member's Preliminary Individual Dollar Recovery. The sum of all Class Members' total Recognized Claims is the Total Recognized Claim of the Class as a whole (the "Class Claim"). The ratio of each Class Member's total Recognized Claims to the Class Claim equals his or her Recognized Claim Percentage. Each Class Member's Preliminary Individual Dollar Recovery equals the product of his or her Recognized Claim Percentage and the Net Settlement Fund.

The Settlement Administrator shall then identify all Former Plan Participants whose Preliminary Individual Dollar Recovery is less than or equal to \$100.00 (the “*De Minimis* Amount”), who shall be deemed to have a Final Individual Dollar Recovery of \$0.00.¹

The Settlement Administrator shall then recalculate the Recognized Claim Percentages of the remaining Class Members by omitting from the calculation of the Class Claim the total Recognized Claims of all Former Plan Participants whose Preliminary Individual Dollar Recoveries are equal to or less than the *De Minimis* Amount. Each remaining Class Member’s Final Individual Dollar Recovery equals the product of his or her Recognized Claim Percentage and the Net Settlement Fund.

The foregoing is subject to applicable Plan provisions and procedures regarding inactive accounts, participants who cannot be located, deceased participants and Qualified Domestic Relations Orders.

For example, if a Class Member’s Plan account had 1,000 shares in the Fund before the start of trading on February 28, 2005 and then he or she then bought 1,200 additional shares at \$41.62 per share on February 6, 2007, sold 1,000 shares at \$39.11 per share on June 11, 2007, and still holds 1,200 shares, the Class Member’s *Recognized Claim* would be \$3,228 ($\$2,220 + \$1,008$) calculated as follows:

For the 1,000 shares that were sold on June 11, 2007, the *Recognized Claim* is calculated as the lesser of: the purchase price minus the sale price ($\$41.62 - 39.11 = \2.51 per share) or \$2.22 per share. Thus, the *Recognized Claim* for these shares is $\$2.22 \times 1,000 = \$2,220$.

For the 200 shares that were purchased February 6, 2007 and were still held at the close of trading on August 15, 2007, the *Recognized Claim* is calculated as the lesser of: the purchase price minus \$30.33 per share ($\$41.62 - \$30.33 = \11.29 per share) or \$5.04 per share. Thus, the *Recognized Claim* is $\$5.04 \times 200 = \$1,008$.

Under the Plan of Allocation, after calculating the *Recognized Claim*, the *Net Market Loss* for each Class Member must then be calculated. Using this example, the Class Member’s *Net Market Loss* would be \$2,838, calculated as: (A) \$28,400 (the dollar value of the 1,000 shares on February 28, 2005 at \$28.40 per share) + (B) \$49,944 (the dollar value of the purchases made February 28, 2005 through August 15, 2007) – (C) \$39,110 (the dollar value of the sales made February 28, 2005 through August 15, 2007) – (D) \$36,396 (the dollar value of the shares in

¹ Subject to Court approval, the parties may agree to modify the *De Minimis Amount* at any time before entry of the Judgment based on information they may receive from the Plans’ recordkeepers, the Trustee and/or the Settlement Administrator.

the Fund on August 15, 2007: 1,200 shares at \$30.33 per share). Because the *Net Market Loss* (\$2,838) is less than the *Recognized Claim* (\$3,228), the final total Recognized Claim is limited to the *Net Market Loss*.

The Net Settlement Fund will be proportionally allocated to Class Members based on their final *Recognized Claim* and subject to the *De Minimis Amount* set forth above. The amount of the payment to the Class Member in this example would be the product of the Class Member's Recognized Claim Percentage (\$2,838 divided by the sum of all Class Members' total Recognized Claims) multiplied by the amount of the Net Settlement Fund.

12. When would I get my payment?

The Court will hold a hearing on **May 1, 2013**, to decide whether to approve the settlement. If the Court approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time to make all the required calculations. For these reasons, a payment date cannot be provided at this stage. Please be patient. If for any reason the settlement is terminated, there will be no payments.

13. What am I giving up in exchange for the settlement payment?

Upon the "Effective Date" of the Settlement, all Class Members will release and forever discharge, and be forever enjoined from prosecuting, any "Settled Claims" (as defined below) against any of the "Released Parties" (as defined below) and will covenant not to sue any of the Released Parties with respect to any of the Settled Claims.

"Settled Claims" is defined in the proposed settlement agreement to mean "any and all claims, debts, demands, rights, causes of action, suits, matters, issues and liabilities (including, but not limited to, any and all claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including both known claims and Unknown Claims, against any of the Released Parties that (a) were asserted in the Action, including, but not limited to, all claims relating to Macy's stock or the Macy's Company Stock Fund in the Plans, and all claims relating to the disclosure or non-disclosure of information with respect to Macy's stock, the Macy's Company Stock Fund, or any of the Plans' other investment options, during the Class Period; or (b) could have been asserted in the Action and relate to investments in Macy's stock, the Macy's Company Stock Fund, or any of the Plans' other investment options, including, but not limited to, all claims that relate to the prudence, fees, cost or performance of Macy's stock, the Macy's Company Stock Fund or any of the Plans' other investment options, at any time during the Class Period. Notwithstanding the foregoing, 'Settled Claims' does not include any claims, rights, causes of action or liabilities

(i) related to enforcement of the Settlement, including any claims related to the Parties' obligations under this Stipulation and its Exhibits; or (ii) under the Securities Exchange Act of 1934, 15 U.S.C. §78a et seq., and the rules and regulations promulgated thereunder."

"Released Parties" is defined in the proposed settlement agreement to mean "the Defendants, every Person who, at any time during the Class Period, was a director, officer, employee or agent of Macy's or a trustee or fiduciary of either of the Plans, together with, for each of the foregoing, their Predecessors, Successors-In-Interest, present and former Representatives, direct or indirect parents and subsidiaries, affiliates, insurers, co-insurers, re-insurers, consultants, administrators, employee benefit plans, investment advisors, investment bankers, underwriters, and any Person that controls, is controlled by, or is under common control with any of the foregoing."

The "Effective Date" will occur when the order entered by the Court approving the settlement becomes Final and not subject to appeal.

The above definitions include certain other terms that are separately defined in the proposed settlement agreement but are not reproduced here. For more information, please see the Stipulation and Agreement of Settlement dated November 14, 2012, available on the settlement website at www.berdonclaims.com/macys.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

In its order directing distribution of notice to the Class Members and scheduling the upcoming hearing, the Court appointed the law firms of Harwood Feffer LLP and Milberg LLP in New York, NY and Katz, Greenberger & Norton, LLP in Cincinnati, OH to represent the Class. These lawyers are called Plaintiffs' Co-Lead Counsel. The Class is also represented by the Law Offices of Alfred G. Yates, Jr. as of-counsel. If you want to be represented by your own attorney, you may hire one at your own expense.

15. How will the lawyers be paid?

The Court will determine the amount of any award to Plaintiffs' Counsel, if any, to compensate them for their work on the Action and to reimburse them for associated expenses. Plaintiffs' Co-Lead Counsel intend to ask the Court to award them up to thirty percent of the settlement amount in attorneys' fees, plus reimbursement of approximately \$525,000 in expenses, plus interest. Any award by the Court will be paid out of the settlement amount. You are **not** responsible for paying Plaintiffs' Counsel.

Plaintiffs' Co-Lead Counsel also intend to ask the Court to award case contribution awards of up to \$5,000 to each of the Class Representative and of up to \$1,000 to plaintiff Ebrahim Shanehchian for their contributions to the prosecution and settlement of the Action. Any such awards will be paid out of the settlement amount.

Copies of Plaintiffs' Co-Lead Counsel's applications for attorneys' fees, expenses and case contribution awards will be available on the settlement website at www.berdonclaims.com.macys before the objection deadline.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

16. How do I tell the Court that I do not like the proposed settlement?
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If you are a Class Member, you can tell the Court that you do not agree with the proposed settlement or some part of it, including the proposed Plan of Allocation, the request for attorneys' fees and reimbursement of expenses and/or the request for case contribution awards.

To object, you must send a letter or other writing stating that you object to the settlement in *Shanehchian, et al. v. Macy's Inc., et al.*, Case No. 1:07-cv-00828-SAS-SKB. Be sure to include the following: (i) the name of the Action; (ii) your full name, address, telephone number, and signature (an attorney's signature is not sufficient); (iii) a statement that you are a Class Member; (iv) all grounds for your objection, accompanied by any legal support known to you or your counsel; (v) a statement as to whether you or your counsel intends to appear and would like to speak at the hearing; and (vi) a list of any persons you or your counsel may call to testify at the hearing in support of your objection. **Your objection must be submitted to the Court and sent to all the following counsel at the following addresses on or before March 21, 2013:**

TO THE COURT:

Clerk of the Court
United States District Court
for the Southern District of Ohio, Western Division
Potter Stewart United States Courthouse
100 East Fifth Street
Cincinnati, OH 45202
Re: ERISA Case No. 1:07-cv-00828-SAS-SKB

TO PLAINTIFFS' CO-LEAD COUNSEL:

Lori G. Feldman
Milberg LLP
One Penn Plaza
New York, NY 10119-0165

Robert I. Harwood
Harwood Feffer LLP
488 Madison Avenue, 8th Floor
New York, NY 10022

TO DEFENDANTS' COUNSEL:

Brian T. Ortelere
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921

J. Todd Kennard
Jones Day
325 John H. McConnell Blvd., Suite 600
Columbus, OH 43216-5017

YOU DO NOT NEED TO GO TO THE HEARING TO HAVE YOUR WRITTEN OBJECTION CONSIDERED BY THE COURT. IF YOU DO FILE AN OBJECTION WITH THE COURT, HOWEVER, YOU MAY APPEAR IN PERSON OR ARRANGE, AT YOUR EXPENSE, FOR A LAWYER TO REPRESENT YOU AT THE HEARING IN ACCORDANCE WITH THE INSTRUCTIONS AT QUESTION 19 BELOW. IF YOU DO FILE AN OBJECTION, YOU MAY BE SUBJECT TO DISCOVERY BY THE PARTIES TO THE ACTION ON THE ISSUES RELATED TO YOUR OBJECTION, INCLUDING HAVING YOUR DEPOSITION TAKEN. THE COURT'S FAIRNESS HEARING

17. When and where will the Court decide whether to approve the proposed settlement?

The Court will hold a hearing to decide whether to approve the proposed settlement. This hearing is called a "Fairness Hearing." The Fairness Hearing will take place at **10:00 a.m.** on **May 1, 2013**, at the United States District Court for the Southern District of Ohio, Western Division, Potter Stewart United States Courthouse, 100 East Fifth Street, Cincinnati, OH 45202. At the Fairness Hearing, the Court will consider whether the settlement is fair, reasonable and adequate. The Court will also consider the proposed Plan of Allocation and the applications for attorneys' fees, expenses and case contribution awards. The Court will take into consideration any written objections filed in accordance with the instructions at Question 16. After the Fairness Hearing, the Court will decide whether to approve the settlement and whether to award any attorneys' fees, expenses and/or case contribution awards. We do not know how long these decisions will take.

The Court may change the date and time of the Fairness Hearing. If that happens, the Settlement Administrator will post the new date and time for the Fairness Hearing on the settlement website at www.berdonclaims.com/macys and will notify any Settlement Class Members who have filed objections to the proposed settlement *as of that date*, but will not notify any other Settlement Class Members, including those who file objections after the Fairness Hearing is rescheduled. Accordingly, if you submit an objection to the Court and you or your counsel intends to attend the Fairness Hearing, please be sure to check the settlement website regularly to confirm the date and time.

18. Do I have to come to the hearing?

No. Plaintiffs' Co-Lead Counsel will answer any questions the Court may have about the proposed settlement, the proposed Plan of Allocation and the applications for attorneys' fees, expenses and case contribution awards. You and/or your counsel are welcome to attend the Fairness Hearing at your own expense, but you do not have to, even if you filed an objection. The Court will consider every timely-filed objection even if the objectors are not present at the Fairness Hearing.

19. May I speak at the hearing?

If you are a Class Member and you file an objection to the proposed settlement or any of its terms before the deadline and in accordance with the instructions at Question 16, you and/or your counsel may ask the Court for permission to speak at the Fairness Hearing. To do so, you must state in your written objection that you intend to appear and would like to speak at the Fairness Hearing. See Question 16 above.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

You do not have to take any action in response to this Notice in order to participate in the settlement. If the settlement is approved by the Court, you will receive any payment to which you are entitled under the Court-approved Plan of Allocation. See Questions 9 through 12 above.

GETTING MORE INFORMATION

21. Where can I get more details about the proposed settlement?

This Notice summarizes the proposed settlement. The actual terms and conditions of the proposed settlement are set forth in the Stipulation and Agreement of Settlement dated November 14, 2012 (the "Stipulation"). You can get a copy of the Stipulation, as well as the Court's Order for Notice and Hearing, and Plaintiffs' Co-Lead Counsel's applications for attorneys' fees, expenses and case contribution awards (after they are filed) at www.berdonclaims.com/macys or by writing to Plaintiffs' Co-Lead Counsel at the address above. All other papers that have been filed in the Action may be inspected at the Office of the Clerk of the Court of the United States District Court for the Southern District of Ohio, Western Division, Potter Stewart United States Courthouse, 100 East Fifth Street, Cincinnati, OH 45202, during regular business hours.

Dated: Cincinnati, Ohio

By Order of the Court
CLERK OF THE COURT