

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

In re PETCO ANIMAL SUPPLIES, INC. SHAREHOLDER LITIGATION)	Lead Case No. GIC 869399
_____)	<u>CLASS ACTION</u>
This Document Relates To:)	CRTM.: The Honorable John S. Meyer
ALL ACTIONS.)	DEPT.: 61
_____)	DATE ACTION FILED: 07/19/06

NOTICE OF SETTLEMENT OF CLASS ACTION

IF YOU HELD PETCO ANIMAL SUPPLIES, INC. (“PETCO”) COMMON STOCK AS OF JULY 13, 2006 AND HELD YOUR SHARES THROUGH OCTOBER 26, 2006, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF A CLASS ACTION.

The Superior Court of the State of California for the County of San Diego authorized this Notice. This is not a solicitation from a lawyer.

- The settlement resolves a lawsuit over whether Defendants breached their fiduciary duties to the shareholders of PETCO in connection with the October 26, 2006 acquisition of PETCO by several of the affiliates and/or subsidiaries of Leonard Green & Partners L.P. (“Leonard Green”), and TPG Capital, L.P. (“TPG”) (the “Acquisition”), including the claims that the disclosures concerning the Acquisition were deficient and that the Acquisition price was inadequate. The Defendants are several individuals who were officers and/or directors of PETCO. These officers and directors are Brian K. Devine, James M. Myers, Charles W. Duddles, David T. Ching, David B. Appel, Sandra N. Bane, Julian C. Day and Peter Maslen.
- The settlement provides for the payment of \$16 million for the benefit of all Persons who held PETCO common stock as of July 13, 2006 and who held such shares through October 26, 2006, the date of the consummation of the Acquisition, excluding Defendants, Dismissed Defendants and any Person, firm, trust, corporation or other entity related to or affiliated with any Defendant or Dismissed Defendant.¹ Your recovery will depend on the number of eligible shareholders that participate in the settlement by filing valid Proof of Claim forms.
- Class Plaintiff believes that the settlement provides a substantial recovery now and avoids the costs and risks associated with continued litigation, including the danger of no recovery for the Class.
- Class Plaintiff’s Counsel have not received any payment for conducting this lawsuit and negotiating the settlement on behalf of the Class. Class Plaintiff’s Counsel will ask the Court for attorneys’ fees of 30% of the Settlement Fund and payment of expenses not to exceed \$1,200,000 to be paid from the Settlement Fund. Class Plaintiff’s Counsel will also seek a service award of \$10,000 for Class Plaintiff for his time and effort in representing the Class.
- Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

- | | |
|----------------------------|---|
| DO NOTHING | Get no payment. Give up rights. |
| SUBMIT A CLAIM FORM | The only way to get a payment. |
| OBJECT | You may write to the Court if you do not like the settlement, the Plan of Allocation or counsel’s request for an award of attorneys’ fees and expenses. |
| GO TO THE HEARING | You may ask to speak in Court about the fairness of the settlement. |

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

¹ The following defendants were dismissed earlier in the litigation and are referred to as the Dismissed Defendants: PETCO, John Danhaki, Leonard Green & Partners L.P., Green Equity Investors IV, L.P., GEI Capital IV, LLC, TPG Capital, L.P., TPG GenPar V, L.P., TPG Partners V, L.P., TPG Advisors V, Inc., Texas Pacific Group, Rover Holdings Corp., and Rover Acquisition Corp.

BASIC INFORMATION

1. Why Did I Get This Notice?

You or someone in your family may have held shares of PETCO common stock as of July 13, 2006 and held those shares through October 26, 2006, the date of the consummation of the Acquisition.

The Court directed that this Notice be sent to you because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement.

This Notice explains the lawsuit, the settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Superior Court of San Diego, California (the "Court"), and the case is entitled *In re PETCO Animal Supplies, Inc. Shareholder Litigation*, Lead Case No. GIC 869399 (the "Litigation"). The case is assigned to the Honorable John S. Meyer.

2. What Is This Lawsuit About?

This Litigation was filed as a result of the acquisition of PETCO by several of the affiliates and/or subsidiaries of Leonard Green and TPG and at the price of \$29 per share. The Acquisition was completed on October 26, 2006. The Litigation seeks relief based on the allegations that actions taken by Defendants in connection with the Acquisition constituted a breach of the fiduciary duties owed to the Class by the Defendants, including the claims that Defendants failed to maximize shareholder value, failed to ensure that no conflicts of interest existed between Defendants' own interests and their fiduciary obligations to advance the interests of shareholders, and the issuance of statements in connection with the Acquisition which are alleged to contain materially false and misleading information and/or material omissions. Defendants deny they did anything wrong.

3. Why Is This a Class Action?

In a class action, one or more people or entities called class representatives or plaintiffs (in this case Bill J. Harris who was appointed by the Court as class representative (who is sometimes referred to as "Class Plaintiff")) sue on behalf of people and entities who have similar claims. Here, all these people and entities are called a Class or Class Members. One court resolves the issues for all Class Members. The people sued are called Defendants.

4. Why Is There a Settlement?

The Court did not decide in favor of Class Plaintiff or Defendants. Instead, both sides agreed to a settlement, thereby avoiding the cost and risk of continued litigation, including a trial and possible appeals. Class Plaintiff and his attorneys believe the settlement is in the best interest of the Class.

5. How Do I Know if I Am Part of the Settlement?

The Class includes all Persons who were holders of PETCO common stock as of July 13, 2006, who held such shares through October 26, 2006, the date of the consummation of the Acquisition of PETCO by Leonard Green, TPG and several of their affiliates and subsidiaries at a price of \$29 per share. Excluded from the Class are Defendants, Dismissed Defendants and any Person, firm, trust, corporation or other entity related to or affiliated with any Defendant or Dismissed Defendant. No Person shall be considered to be "related to or affiliated with any Defendant or Dismissed Defendant" by virtue of being an investor or limited partner in any investment fund sponsored or administered by either Leonard Green or TPG.

6. What if I Am Still Not Sure if I Am Included?

If you are still not sure if you are included, you can ask for free help. You can call Rick Nelson at 1-800-449-4900 for more information or you can fill out and return the claim form described in question 9 to see if you qualify.

THE SETTLEMENT BENEFITS

7. What Does the Settlement Provide?

Defendants have agreed that \$16 million in cash will be paid by or on behalf of Defendants to be divided among Class Members who send in valid claim forms, after payment of Court-approved attorneys' fees and expenses, the costs of settlement administration, including the costs of printing and mailing this Notice, processing claims and the costs of publishing newspaper notice and any taxes (the "Net Settlement Fund").

8. How Much Will My Payment Be?

Your share of the fund will depend on the total number of shares represented by valid Proof of Claim forms that Class Members send in and how many shares of PETCO common stock you held as of July 13, 2006 and that you continued to hold through October 26, 2006, the date of the consummation of the Acquisition. For each share of PETCO common stock you held as of July 13, 2006 and continued to hold through October 26, 2006, you will receive a pro rata share of the Net Settlement Fund based on the total number of shares represented by Class Members who submit valid claim forms.

HOW YOU CAN GET A PAYMENT – SUBMITTING A CLAIM FORM

9. How Can I Get a Payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form is enclosed with this Notice. You may also get a Proof of Claim form on the Internet at www.gilardi.com. Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than April 28, 2010, to the address listed on the claim form.

10. When Would I Get My Payment?

The Court will hold a hearing on March 26, 2010 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 for all the Proof of Claim forms to be processed. Please be patient.

THE LAWYERS REPRESENTING YOU

11. Do I Have a Lawyer in This Case?

The law firms of Coughlin Stoia Geller Rudman & Robbins LLP and Robbins Umeda LLP were appointed to represent Class Members. These lawyers are called Class Plaintiff's Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. How Will the Lawyers Be Paid?

Class Plaintiff's Counsel will ask the Court for an award of attorneys' fees of 30% of the Settlement Fund and expenses of up to \$1,200,000 incurred in connection with prosecuting the Litigation, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. In addition, Class Plaintiff' Counsel will ask for a service award of up to \$10,000 for the Class Plaintiff for his time and effort in representing the Class in this Litigation. Any such award of attorneys' fees and expenses will be paid out of the Settlement Fund. Class Members are not personally liable for any such fees or expenses. To date, Plaintiffs' Counsel have not been paid for their services for conducting this Litigation on behalf of Class Plaintiff and the Class nor for their substantial expenses. The fee requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement Fund. The Court may award less than this amount.

OBJECTING TO THE SETTLEMENT

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

13. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Class Member, you can object to the settlement if you do not like any part of it including the proposed distribution of the Net Settlement Fund to Class Members (see question 8), and/or you can also object to Class Plaintiff's Counsel's request for an award of attorneys' fees and expenses and the service award to Class Plaintiff. You can give reasons why you think the Court should not approve the settlement or counsel's request for attorneys' fees and expenses or the service award to Class Plaintiff. The Court will consider your views. To object, you must send a letter saying that you object and the reasons why you object. Be sure to include your name, address, telephone number, your signature, the number of shares of PETCO common stock that you held on July 13, 2006 and continued to hold through October 26, 2006, the date of the closing of the Acquisition. Mail the objection to the following places such that it is received no later than March 11, 2010, by each of the following:

Court

Clerk of the Court
SAN DIEGO SUPERIOR COURT
HALL OF JUSTICE
330 West Broadway
San Diego, CA 92101

Counsel for Class Plaintiff

Jeffrey D. Light
COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Attorneys for Defendants

Richard M. Segal
PILLSBURY WINTHROP SHAW PITTMAN LLP
501 West Broadway, Suite 1100
San Diego, CA 92101

Michael J. Weaver
LATHAM & WATKINS LLP
600 West Broadway, Suite 1800
San Diego, CA 92101

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

14. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a settlement hearing at 2:00 p.m., on March 26, 2010, before the Honorable John S. Meyer at the San Diego County Superior Court, Hall of Justice, 330 West Broadway, San Diego, California 92101, in Courtroom 61. At this hearing, the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay Class Plaintiff's Counsel and whether to approve a service award to Class Plaintiff. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the hearing. Thus, if you want to come to the hearing, you should check with the Court or Class Plaintiff's Counsel before coming to be sure that the date and/or time has not changed.

15. Do I Have to Come to the Hearing?

No. Class Plaintiff's Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

16. May I Speak at the Hearing?

You may ask the Court for permission to speak at the settlement hearing. To do so, you must send a letter saying that it is your intention to appear in *In re PETCO Animal Supplies, Inc. Shareholder Litigation*, Lead Case No. GIC 869399. Be sure to include your name, address, telephone number, and your signature. Your notice of intention to appear must be received no later than March 11, 2010, by the Clerk of the Court, Class Plaintiff's Counsel, and Defendants' counsel, at the addresses listed in question 13.

GETTING MORE INFORMATION

17. Are There More Details About the Settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement dated as of January 7, 2010 ("Stipulation"). You can get a copy of the Stipulation of Settlement during business hours at the Clerk of the Court, San Diego County Superior Court, Hall of Justice, 330 West Broadway, San Diego, California 92101, or by calling or writing to Rick Nelson, c/o Shareholder Relations, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, telephone 1-800-449-4900. The Stipulation may also be downloaded at www.gilardi.com.

18. How Do I Get More Information?

You can call 1-800-449-4900 or write to Rick Nelson, c/o Shareholder Relations, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101.

SPECIAL NOTICE TO NOMINEES

If you held any PETCO common stock as of July 13, 2006, and held such shares through October 26, 2006 for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such persons or entities; or (2) provide a list of the names and addresses of such persons or entities to the Claims Administrator:

PETCO Shareholder Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

If you choose to mail the Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: January 14, 2010

BY ORDER OF THE SUPERIOR COURT
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO