

EXHIBIT 12

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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In re PAYMENT CARD INTERCHANGE	:	MDL No. 1720(JG)(JO)
FEE AND MERCHANT DISCOUNT	:	
ANTITRUST LITIGATION	:	Civil No. 05-5075(JG)(JO)
_____	:	
This Document Relates To:	:	DECLARATION OF MIGUEL R. RIVERA,
	:	ESQ. AND JAY ANDREWS, ESQ.
ALL ACTIONS.	:	
_____	X	

We, Miguel R. Rivera and Jay Andrews, pursuant to 28 U.S.C. §1746, jointly hereby declare as follows:

1. I, Miguel R. Rivera, am an attorney who was duly admitted to the practice of law in the state of Indiana in 1990. I also possess a restricted, corporate license to practice law in Kansas as of December 2012. I am Division Senior Vice President and General Counsel at Payless ShoeSource, Inc. ("Payless"). I work in the Payless corporate headquarters in Topeka, Kansas, and have been employed by the company for approximately 1.5 years. I have personal knowledge of the matters in the declaration since joining the company in 2011, and I rely on information from others in the company, documents that I have reviewed, and information from outside counsel, Michael M. Buchman ("Counsel"), to support the factual declarations that occurred prior to my joining the company. I respectfully submit this declaration in further support of final approval of the settlement and an incentive award for Payless. If called as a witness, I could and would testify competently to the information provided herein.

2. I, Jay Andrews, am an attorney who was duly admitted to the practice of law in the states of Iowa and Kansas in 1992 and 2000 respectively. I am Group Counsel – Litigation/Employment at Payless. I work in the Payless corporate headquarters in Topeka, Kansas, and have been employed by the company for 13 years. I have been directly involved with this matter since its inception, and have personal knowledge of the facts stated in this declaration which was prepared with the assistance of Counsel. I respectfully submit this declaration in further support of final approval of the settlement and an incentive award for Payless. If called as a witness, I could and would testify competently to the information provided herein.

3. Payless is one of the largest class representatives in this action, and is the largest retailer of any of the class representatives. Payless previously served as one of the largest class representatives in *In re VisaCheck/MasterMoney Antitrust Litig.*, 96 CV 5238 (JG)(JO)(E.D.N.Y.).¹ Notably, Payless is also the *only* class representative plaintiff that has served in such capacity in *both* the *VisaCheck/MasterMoney* litigation and this action. Payless's litigation history concerning payment card issues makes Payless uniquely suited to opine on the fairness, reasonableness and adequacy of the proposed settlement.

4. At all times relevant herein, we have maintained close contact with Counsel in order to: (i) fully and completely comply with Payless's discovery obligations; (ii) provide input concerning strategy decisions; (iii) monitor the progress of the case; and (iv) fulfill other duties and responsibilities on behalf of the class.

5. We are familiar with the terms of the proposed settlement agreement in this case. Payless and I are of the opinion that the settlement constitutes more than a fair, reasonable and adequate recovery for the class. Indeed, we believe this historic recovery is an extraordinary result for the class warranting final approval of the proposed settlement by this Court.

A. Payless ShoeSource, Inc.

6. Payless was founded in Topeka, Kansas in 1956 with a strategy of selling low-cost, high-quality family footwear on a self-service basis. In 1962, Payless became a public company.

7. In 1979, Payless was acquired by The May Department Stores Company ("May Company").

¹ This litigation is referred to herein as "*VisaCheck/MasterMoney*."

8. On May 4, 1996, Payless became an independent public company again as a result of a spin-off from May Company.

9. In 1998, Payless reorganized forming a new Delaware corporation, Payless ShoeSource Inc., which changed its name to Collective Brands, Inc., in August 2007.

10. In March 2007, Payless acquired Collective Licensing, a Denver-based brand development, management and licensing company.

11. In August 2007, Payless completed its acquisition of The Stride Rite Corporation.

12. On October 9, 2012, Collective Brands was acquired by Golden Gate Capital and Blum Capital. As a result of this transaction, Payless, is now a private standalone entity.

13. Today, Payless is the largest specialty family footwear retailer in the Western Hemisphere.

14. Payless serves millions of consumers through its powerful global network of stores in all 50 states, as well as Puerto Rico, Guam, Saipan, the U.S. Virgin Islands, Canada, Central America, the Caribbean and South America.

15. At of the end of second quarter 2012, Payless operated 4,107 stores throughout the Americas and an online store (www.Payless.com).

16. Payless and Payless.com have, at all times relevant herein, accepted Visa, MasterCard and other payment forms.

B. Commencement of This Action and the Appointment of Counsel

17. In 2005, Payless, working with its counsel, Michael M. Buchman and J. Douglas Richards - who were at the time with the firm of Milberg Weiss Bershad & Schulman LLP ("Milberg Weiss"), began investigating claims in connection with this action.

18. On October 31, 2005, Payless, through Counsel, filed a Class Action Complaint against *Visa U.S.A., Inc., and MasterCard International, Inc.*, No. 05 Civ. 9245 in the Southern District of New York.

19. This action was transferred to this Court for all pretrial purposes pursuant to a Transfer Order dated April 12, 2006 by the Judicial Panel on Multidistrict Litigation in MDL No. 1720 (Dkt. No. 314).

C. Payless's Direct Involvement in All Phases of This Litigation

1. The Initial Stage of the Litigation With Milberg Weiss

20. In or around February of 2006, Payless and its counsel prepared a draft Protective Order and continued to work on the Protective Order until a final version was filed on February 17, 2006 (Dkt. Nos. 262, 269).

21. In or around March and April 2006, Payless, working with its counsel, participated in the preparation of the Consolidated Class Action Complaint. Payless, and its counsel, also worked closely with co-lead counsel in the preparation of a later filed Class Action Complaint.

22. In or around April 2006, Payless received Defendants Visa U.S.A., Inc.'s, Visa International Service Association's, MasterCard International Incorporated's and MasterCard Incorporated's First Set of Interrogatories ("First Set of Interrogatories").

23. Payless prepared Objections and Answers to the First Set of Interrogatories which I, Jay Andrews, verified and served with the assistance of Counsel on June 13, 2006.

24. In early May of 2006, the Visa and MasterCard Defendants served their First Request For Production of Documents on plaintiffs.

25. Payless prepared Objections and Responses to Defendants' First Request For Production of Documents and served them on Defendants on June 13, 2006.

26. In the late Spring of 2006, Payless, with the assistance of Counsel, obtained approximately 30,000 pages of deposition transcripts and other relevant documents from the *VisaCheck/Mastermoney* litigation for production in this case.

27. In or around June of 2006, Payless, through Counsel, participated in discovery meetings, including a meeting in Minneapolis, Minnesota on June 13, 2006.

28. In or around July of 2006, Payless, through Counsel, participated in additional discovery meetings, including a meeting in Minneapolis, Minnesota on July 10 and 11, 2006.

29. Also in mid-2006, Payless received a Fed. R. Civ. P. 30(b)(6) notice requiring Payless to designate a corporate employee capable of discussing Payless's organizational charts produced to Defendants which identified the corporate structure and departments within the company, as well as the names and titles of individuals within those departments. This deposition was taken by Defendants in order to identify potential document custodians and facilitate discussions regarding the establishment of a list of Payless document custodians for this case.

30. In order to prepare for document and deposition discovery, Payless held in person meetings with its counsel, Michael M. Buchman and/or J. Douglas Richards, in its Topeka headquarters in late July 2006.

31. On August 9, 2006, Payless, with the assistance of Counsel, prepared James Feeney as the corporate designee on behalf of Payless in response to Defendants' Fed. R. Civ. P. 30(b)(6) deposition notice.

32. On August 10, 2006, Payless presented James Feeney as the corporate designee in response to Defendants' Fed. R. Civ. P. 30(b)(6) deposition notice. Pursuant to Fed. R. Civ. P. 30(e), Mr. Feeney, on behalf of Payless, reviewed the deposition transcript for accuracy and prepared an errata sheet which was transmitted to opposing counsel.

33. After the conclusion of this deposition, Payless, through Counsel, began discussions with Defendants' counsel concerning the Payless document custodians for this case. Defendants created an over-inclusive document custodian list and threatened to make a motion if Payless would not agree to their approximately 45 person document custodian list.

34. Shortly after receiving Defendants' document requests in this case, Payless and Counsel prepared a memorandum enclosing and summarizing Defendants' requests for distribution to all employees it reasonably believed might possess responsive documents, data or information, including the 45 individuals identified as document custodians in this litigation.

35. In mid-August 2006, a team of lawyers and a paralegal, led by Counsel, visited Payless's corporate headquarters to conduct a thorough and detailed search of Payless hardcopy and electronic files for documents and data responsive to Defendants' document requests in this litigation.

36. As part of this process, the lawyers individually met with each document custodian to discuss, *inter alia*, the Defendants' document requests as well as the hardcopy and electronic documents responsive to these requests that were directly or indirectly in each custodian's possession.

37. The lawyers also met with Payless's Management Information Systems ("MIS") department to secure all e-mails from document custodians, including electronic folders created by a custodian as part of their personalized email.

38. The initial search for responsive documents and data during this phase of the proceeding was extremely time consuming. While Counsel endeavored to conduct their search in a highly effective and efficient manner, the search undoubtedly caused the document custodians to divert significant time and energies away from their normal business duties. The initial search was thorough and complete as both active and storage files were diligently searched.

39. All of the documents and data identified by Counsel and his team were, thereafter, shipped to Counsel. Counsel electronically scanned, uploaded, reviewed the documents for privilege and later produced all responsive, non-privileged documents to the Defendants in this action. Throughout this process, Counsel was in contact with our MIS department as well as Mr. Arlen Zentner, Manager of Treasury Operations, who was and remains today the key Payless employee who manages payment form acceptance and other related treasury issues at Payless.

40. The initial document search, privilege review and production process commenced in the fall of 2006 and continued until the end of 2007. After this initial wave of the document production, Payless provided additional documents, from time to time, to opposing counsel pursuant to supplemental requests by Defendants. The procedures outlined above were utilized to identify, collect, review and produce responsive, non-privileged documents to Defendants.

2. Payless Retains Pomerantz And Addresses E-Discovery Issues

41. In light of the May 18, 2006 indictment of the Milberg Weiss law firm and the subsequent departure of partners Michael M. Buchman and J. Douglas Richards in order to join Pomerantz Haudek Grossman & Gross LLP ("Pomerantz"), in March 2007 Payless terminated its relationship with the Milberg Weiss firm.

42. Payless, immediately thereafter, retained Messrs. Buchman and Richards at Pomerantz.

43. During the first three months of 2007, Defendants presented Payless and Counsel with a lengthy search term list that was approximately nine pages.

44. Payless, with the assistance of Counsel, engaged in extensive good faith discussions with the Defendants in an effort to reduce the number of search terms, especially those that were likely to generate a large number of false positive results.

45. When negotiations reached an impasse, Defendants moved to compel the production of electronic documents using their search term list on April 24, 2007.

46. In March of 2007, Payless met with Counsel at the Payless Topeka headquarters in order to discuss on-going discovery issues.

47. Payless, through Counsel, prepared an opposition to the motion to compel which was filed on April 27, 2007. After the search term issue was raised and argued at the Status Conference in May of 2007, and additional filings were submitted, this Court granted Defendants' motion. The Court adopted Defendants' search term list requiring Payless to prepare approximately 7.2 million pages of emails for production to Defendants.

48. Before Payless could search, review and produce this massive amount of electronic data, Defendants moved, *three months later*, on August 28, 2007 to compel the immediate production of the 7.2 million pages of emails.

49. Payless, through Counsel, prepared an opposition to this motion to compel which was filed on September 7, 2007.

50. A hearing on the motion was held on or about September 25, 2007. This Court granted Defendants' motion to compel, that same day, requiring Payless to produce approximately 7.2 million pages emails by October 24, 2007.

51. The Order required Payless, its Counsel and co-lead counsel to conduct a privilege review and produce approximately 7.2 million pages of e-mails in less than 30 days – a monumental undertaking.

52. With the invaluable assistance of plaintiffs' co-lead counsel and Payless's counsel, Payless timely complied with this Court's Order producing *all* responsive, non-privileged e-mails to Defendants.

53. In addition, Payless, prepared an extensive privilege log concerning this email production which it continued to update after it was served on Defendants.

3. Supplemental Discovery and Depositions

54. Defendants served a supplemental document request on January 17, 2008 to which Payless served objections and responses on February 22, 2008.

55. In March of 2008, Payless, and its document custodians, met with Counsel to address Defendants' supplemental document requests. Counsel, yet again, traveled to our headquarters to meet with each document custodian to discuss the document requests and gather all responsive documents.

56. Payless also met with Counsel to discuss and plan for the upcoming depositions of Payless employees, including Arlen Zentner, Brent Cooke, Bradley "Woody" Bendle, and Harold Pearson.

57. In July of 2008, Payless, along with Counsel, took two days to prepare Arlen Zentner for a two day deposition. The deposition took place on July 23 & 24, 2008 in Topeka, Kansas. Pursuant to Fed. R. Civ. P. 30(e), Mr. Zentner reviewed the deposition transcript for accuracy and prepared an errata sheet which was transmitted to opposing counsel.

58. Approximately a week later, Payless, along with Counsel, prepared and later presented Brent Cooke for a full day deposition which took place in Topeka, Kansas on July 31, 2008. Pursuant to Fed. R. Civ. P. 30(e), Mr. Cooke reviewed the deposition transcript for accuracy and prepared an errata sheet which was transmitted to opposing counsel.

59. On September 15, 2008, Payless received Defendants' First Set of Requests For Admission to which it responded with the assistance of its Counsel on December 19, 2008.

60. On September 8, 2008, Payless received Defendants' Second Set of Interrogatories to which it responded with the assistance of Counsel on October 24, 2008.

61. On September 30, 2008, Payless received Defendant Barclays Bank PLC's First Set of Document Requests to which it responded with the assistance of Counsel on October 31, 2008.

62. In October 2008, Payless, along with Counsel, prepared and later presented Harold Pearson for a full day deposition which took place in Topeka, Kansas on October 30, 2008. Pursuant to Fed. R. Civ. P. 30(e), Mr. Pearson reviewed the deposition transcript for accuracy and prepared an errata sheet which was transmitted to opposing counsel.

63. In November 2008, Payless, along with Counsel, prepared and later presented Woody Bendle for a full day deposition which took place in Topeka, Kansas on November 14, 2008. Pursuant to Fed. R. Civ. P. 30(e), Mr. Bendle reviewed the deposition transcript for accuracy and prepared an errata sheet which was transmitted to opposing counsel.

64. During class certification briefing, Defendants raised issues concerning class member plaintiffs who participated in co-branded card programs. Payless, through Counsel, worked with the co-leads to demonstrate that it did not substantially benefit from its co-branded card arrangement with Barclay's Bank as argued by Defendants.

65. In the Spring of 2009, Defendants requested supplemental discovery from Payless which we addressed through Counsel.

66. In late 2010, Defendants requested that Payless conduct another search using the extensive search term list used in the initial document production. Discussions with Defendants continued over a period of a few months. Counsel endeavored to narrow the list based upon the massive number of false positives generated in the approximately 7.2 million pages of emails. Defendants eventually withdrew this request.

4. Payless's Close Working Relationship With Co-Lead Counsel

67. Throughout the entire litigation we worked seamlessly with Counsel and co-lead counsel on issues that were specific to both large and small retailers, including settlement issues. For example, in the spring of 2010, co-lead counsel requested meetings with Curtis Sneden, Esq., Director of Government Affairs at Payless, in order to provide information and assistance concerning the Durbin Amendment. Mr. Sneden engaged in communications directly with Mr. Wildfang on a number of occasions to provide assistance.

68. Throughout this litigation we remained in close contact with Counsel concerning mediation efforts and were kept fully apprised of all significant events leading up to this historic settlement.

69. We have continued to maintain close contact with Counsel concerning this settlement.

70. In addition to our communications with Counsel regarding settlement issues, we have also been in direct communication with Bonny E. Sweeney, Esq., of Robbins Geller Rudman & Dowd LLP since last year.

71. Payless was represented in this matter on a contingency fee basis. It did not incur any out-of-pocket expenses.

72. Payless and its employees did not incur any travel-related expenses in connection with this matter as meetings with counsel and depositions were conducted in Topeka, Kansas.

D. Conclusion

73. It is our opinion and belief that this unprecedented settlement is an excellent result for the class members in this case. Our opinion is based, in part, upon Jay Andrews prior involvement in the *VisaCheck/Mastermoney* litigation, the rule changes achieved in this case as outlined in the Declaration of Alan S. Frankel, Ph.D. Relating to The Proposed Class Settlement, as well the antitrust class action record setting \$7.25 billion dollar cash settlement.

74. In addition, Payless retained independent counsel, unaffiliated with the litigation, to evaluate the settlement and our opinion is based, in part, upon that evaluation of independent counsel.

75. On behalf of Payless, and individually, we believe the proposed settlement should be approved by this Court. The proposed settlement provides class members with an immediate, substantial cash recovery, plus substantial injunctive relief, while avoiding years of additional litigation and significant attendant risks.

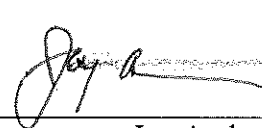
76. Accordingly, we and Payless, believe that the proposed settlement is fair, reasonable and adequate and in the best interest of all members of the settlement class.

77. On behalf of Payless, we respectfully request that this Court grant final approval of the settlement agreement and plan of allocation, and enter judgment accordingly.

We declare under penalty of perjury, under the laws of the United States of America, that the foregoing is true and correct to the best of our knowledge. Executed this 8th day of April, 2013, at Topeka, Kansas.



Miguel R. Rivera, Esq.
Division Senior Vice President – General Counsel
Payless ShoeSource, Inc.



Jay Andrews, Esq.
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Payless ShoeSource, Inc.