

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re ZALE CORPORATION SECURITIES LITIGATION

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Master File No. 3:06-cv-01470-N

ECF

CLASS ACTION

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the action entitled *In re Zale Corporation Securities Litigation*, Master File No. 3:06-cv-01470-N (the "Litigation"), you must complete and, on page 6 hereof, sign this Proof of Claim and Release. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Litigation.
2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of the Settlement of the Litigation.
3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE JULY 2, 2008, ADDRESSED AS FOLLOWS:

Zale Corporation Securities Litigation
Claims Administrator
c/o Complete Claim Solutions, LLC
P.O. Box 24614
West Palm Beach, FL 33416

If you are NOT a member of the Class (as defined in the Notice of Pendency and Proposed Settlement of Class Action ("Notice")) DO NOT submit a Proof of Claim and Release form.

4. If you are a member of the Class and you did not timely request exclusion in connection with the proposed Settlement, you are bound by the terms of any judgment entered in the Litigation, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

II. CLAIMANT IDENTIFICATION

If you purchased or acquired Zale common stock and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or acquired Zale common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

Use Part I of this form entitled "Claimant Identification" to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of Zale common stock which forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S), OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S), OF THE ZALE COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. CLAIM FORM

Use Part II of this form entitled "Schedule of Transactions in Zale Common Stock" to supply all required details of your transaction(s) in Zale common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to **all** of your purchases or acquisitions and **all** of your sales of Zale common stock which took place at any time between February 18, 2005 and May 5, 2006, inclusive (the "Class Period"), whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to **all** of the Zale common stock you held at the beginning of trading on February 18, 2005, and at the close of trading on May 5, 2006. Failure to report all such transactions may result in the rejection of your claim.

List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

The date of covering a "short sale" is deemed to be the date of purchase or acquisition of Zale common stock. The date of a "short sale" is deemed to be the date of sale of Zale common stock.

Copies of broker confirmations or other documentation of your transactions in Zale common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
In re Zale Corporation Securities Litigation
Master File No. 3:06-cv-01470-N
PROOF OF CLAIM AND RELEASE
Please Type or Print

**DEADLINE FOR
SUBMISSION:
POSTMARKED ON OR
BEFORE JULY 2, 2008**

PART I: CLAIMANT IDENTIFICATION - Complete either Section A or B

A. Complete this Section ONLY if the Beneficial Owner is an individual, joint, or IRA account. Proceed to Section C.

Last Name (Beneficial Owner)	First Name (Beneficial Owner)
<input type="text"/>	<input type="text"/>
Last Name (Joint Owner, if applicable)	First Name (Joint Owner, if applicable)
<input type="text"/>	<input type="text"/>
Name of IRA Custodian, if applicable	
<input type="text"/>	

If this account is an IRA, and if you would like any check that you MAY be eligible to receive made payable to the IRA account, please include "IRA" in the "Last Name" box above (e.g. Jones IRA).

B. Complete this Section ONLY if the Beneficial Owner is an Entity, such as a corporation, trust, estate, etc. Proceed to Section C.

Entity Name
<input type="text"/>
Name of Representative, if applicable (Executor, administrator, trustee, c/o, etc.)
<input type="text"/>

C. Mailing Information:

Number and Street or P.O. Box		
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Foreign Province and Postal Code	Foreign Country	
<input type="text"/>	<input type="text"/>	
Telephone Number (Day)	Telephone Number (Evening)	
<input type="text"/>	<input type="text"/>	
Email		
<input type="text"/>		

Enter Taxpayer Identification Number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. If you fail to provide this information, your claim may be rejected.

Social Security No. (for individuals)	or	Taxpayer Identification No. (for estates, trusts, corporations, etc.)
<input type="text"/>		<input type="text"/>





PART II: SCHEDULE OF TRANSACTIONS IN ZALE COMMON STOCK

A. Number of shares of Zale common stock held at the beginning of trading on February 18, 2005:

Number of shares

PURCHASES

B. Purchases or Acquisitions (February 18, 2005 - May 5, 2006, inclusive) of Zale common stock: (Check the box next to the trade date if the purchase covered a "Short Sale.")

Short Sale	Trade Date Month/Day/Year	Number of Shares Purchased or Acquired	Purchase Price Per Share	Total Purchase or Acquisition Price (net of commissions, taxes, and fees)
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

SALES

C. Sales (February 18, 2005 - May 5, 2006, inclusive) of Zale common stock:

Trade Date Month/Day/Year	Number of Shares Sold	Sale Price Per Share	Total Sales Price (net of commissions, taxes, and fees)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

D. Number of shares of Zale common stock held at close of trading on May 5, 2006:

Number of shares

If you require additional space, attach extra schedules in the same format as above.
Sign and print your name on each additional page.

YOU MUST READ THE RELEASE AND YOUR SIGNATURE ON PAGE 6 WILL CONSTITUTE YOUR
ACKNOWLEDGEMENT OF THE RELEASE.



IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I submit this Proof of Claim and Release under the terms of the Stipulation of Settlement described in the Notice. I also submit to the jurisdiction of the United States District Court for the Northern District of Texas with respect to my claim as a Class Member and for purposes of enforcing the release set forth herein. I further acknowledge that I am bound by and subject to the terms of any judgment that may be entered in the Litigation. I agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other Zale securities, such as options) if requested to do so. I have not submitted any other claim covering the same purchases, acquisitions or sales of Zale common stock during the Class Period and know of no other person having done so on my behalf.

V. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge from the Released Claims each and all of the "Released Parties," defined as each and all of the Defendants (Zale Corporation, Mary L. Forté, Sue E. Gove, Cynthia T. Gordon and Mark R. Lenz) and their past or present advisors, affiliates, agents, assigns, attorneys, banks or investment banks, co-insurers, consultants, directors, divisions, present or former employees, heirs, insurers, investment advisors, members, officers, parents, predecessors, principals, reinsurers, representatives, stockholders, spouses, subsidiaries, successors, related or affiliated entities, any entity in which any Defendant has a controlling interest, any member of an individual Defendant's immediate family, or any trust of which any Defendant is the settlor or which is for the benefit of any individual Defendant and/or member(s) of his or her family.
2. "Released Claims" means any and all claims, debts, demands, rights or causes of action or liabilities of any nature or description whatsoever (including, but not limited to, claims for damages, interest, attorney fees, expert or consulting fees, and any other costs, expenses, or liability 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, whether class or individual in nature, including both known claims and Unknown Claims (as defined below), (i) that have been asserted in this Litigation by Lead Plaintiffs or the Class Members or any of them, against any of the Released Parties, or (ii) that could have been asserted in any forum by Lead Plaintiffs or the Class Members or any of them or the successors and assigns of any of them, against any of the Released Parties, which arise out of, are based on, or relate in any way, directly or indirectly, to any of the allegations, acts, transactions, facts, events, matters or occurrences, representations or omissions involved, asserted, set forth, referred to or that could have been asserted in the complaint and based upon or related in any way to the purchase of or other acquisition of any Zale common stock by Lead Plaintiffs or any Class Member during the Class Period, as well as the facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failure(s) to act alleged or that could have been alleged in the Litigation by Lead Plaintiffs or any Class Member.
3. "Unknown Claims" means any and all Released Claims which the Lead Plaintiffs or any Class Member do not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Released Defendants' Claims which any Defendant does not know or suspect to exist in his, her or its favor, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that upon the Effective Date, the Lead Plaintiffs and Defendants shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs and the Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Lead Plaintiffs shall expressly waive, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Defendants acknowledge, and the Class Members by operation of law shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement.



This release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and the Stipulation becomes effective on the Effective Date (as defined in the Stipulation).

- 4. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.
- 5. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Zale common stock which occurred during the Class Period as well as the number of shares of Zale common stock held by me (us) at the beginning of trading on February 18, 2005 and at the close of trading on May 5, 2006.
- 6. I (We) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

Note: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, in _____, _____.

(Month/Year) (City) (State/Country)

Signature of Claimant

Signature of Joint Claimant (if any)

Type or Print Your Name Here

Type or Print Joint Claimant Name Here

(Capacity of person(s) signing, e.g., Beneficial Purchaser or Acquirer, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

- 1. Please sign the above release and declaration.
- 2. Remember to attach supporting documentation, if available.
- 3. Do not send original stock certificates.
- 4. Keep a copy of your claim form for your records.
- 5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
- 6. If you move, please send us your new address.