



Tassos D. Recachinas
Managing Member

May 29, 2012

VIA FACSIMILE, E-MAIL AND OVERNIGHT COURIER

The Board of Directors
The Pep Boys–Manny, Moe & Jack
3111 West Allegheny Avenue
Philadelphia, PA 19132

Re: Special Meeting of Shareholders Scheduled for May 30, 2012

Ladies and Gentlemen:

Sophis Investments is a beneficial owner of shares of the common stock of The Pep Boys-Manny, Moe & Jack ("Pep Boys", or, the "Company").

Pep Boys entered into a Merger Agreement on January 29, 2012, agreeing to sell itself to affiliates of The Gores Group, LLC ("Gores") for \$15.00 per share. On May 1, the Company filed an amended proxy statement, conveying that Gores is attempting to restructure the terms of the Merger Agreement while simultaneously posturing to litigate over breakup fees if unsuccessful and the deal falls through.

Gores has asserted a material adverse effect at Pep Boys due to the Company's recent financial performance. We've seen nothing that constitutes or even remotely resembles a material adverse effect, and the Company must protect the interests of its shareholders by expeditiously, and without any delay whatsoever, fulfilling all its remaining closing conditions under the Merger Agreement.

SOPHIS INVESTMENTS DEMANDS THAT PEP BOYS NOT PREEMPTIVELY ADJOURN THE SPECIAL MEETING OF SHAREHOLDERS SCHEDULED FOR MAY 30TH, 2012.

The reason you would adjourn the special meeting would be to reserve flexibility to amend the Merger Agreement to provide for a lower deal price without having to repeat the proxy process. Given that the Gores transaction undervalues the Company and leaves substantial shareholder upside on the table to begin with, a lower deal price is, in our view, beyond unacceptable. Furthermore, an adjournment—otherwise known as a voluntary and willing failure by the Company to meet a key closing condition—diverges from shareholder interests and destroys value despite any supposed business judgment justifications.

We view the possibility that Gores renege on its obligations under the Merger Agreement as the best possible outcome for shareholders. Enclosed, please find supplemental information on the issue.

Kindest regards,

Tassos D. Recachinas