

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA**

In re S3 SECURITIES LITIGATION)	Master File No. CV770003
)	
This Document Relates To:)	<u>CLASS ACTION</u>
)	Assigned To: Judge Joseph F. Biafore, Jr.
ALL ACTIONS.)	
)	DEPT: 21
)	DATE ACTION FILED: 11/07/97

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED S3 INCORPORATED ("S3") COMMON STOCK DURING THE PERIOD BEGINNING APRIL 18, 1996 THROUGH NOVEMBER 3, 1997, INCLUSIVE

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM POSTMARKED ON OR BEFORE MAY 21, 2002.

This Notice has been sent to you pursuant to §382 of the California Code of Civil Procedure and an Order of the Superior Court of California for the County of Santa Clara (the "Court"). The purpose of this Notice is to inform you of the pendency of the class action and the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

The proposed settlement provides for issuance of 2,401,501 shares of SONICblue Incorporated ("SONICblue") common stock (the "Settlement Stock") and \$250,000 in cash (collectively, the "Settlement Fund"). The Representative Plaintiffs believe that the proposed settlement is a good recovery under the difficult circumstances of this case and thus, is in the best interests of the Class. Because of the grave risks associated with continuing to trial, there was a danger that plaintiffs would not have prevailed on their claims, in which case the Class would have received nothing.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A settlement hearing will be held on April 9, 2002, at 9:00 a.m., before the Honorable Joseph F. Biafore, Jr., at the Santa Clara County Courthouse, 161 North First Street, San Jose, California (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of 2,401,501 shares of SONICblue stock and \$250,000 in cash should be approved as fair, just, reasonable and adequate to the Settling Parties; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, just, reasonable, and adequate; (3) whether the application by Representative Plaintiffs' Counsel for an award of attorneys' fees and expenses should be approved; and (4) whether the Litigation should be dismissed with prejudice. The Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class.

II. DEFINITIONS USED IN THIS NOTICE

1. "Class" means all Persons who purchased S3 common stock during the period beginning April 18, 1996 through November 3, 1997, inclusive. Excluded from the Class are the S3 Defendants, Deloitte, members of the immediate families of the Individual Defendants, and any entity in which any S3 Defendant or Deloitte has a controlling interest.

2. "Deloitte" means Deloitte & Touche LLP.

3. "Individual Defendants" means Diosdado P. Banatao, Ronald T. Yara, Gary J. Johnson, Neal D. Margulis, Terry N. Holdt, George A. Hervey, Harry L. Dickinson, Dale R. Lindly, Carmelo J. Santoro, John C. Colligan, and Robert P. Lee.

4. "Related Parties" as to the S3 Defendants means each of their past or present directors, officers, employees, insurers, co-insurers, reinsurers, controlling shareholders, auditors, accountants, attorneys, banks or investment banks, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs, related or affiliated entities, any entity in which an S3 Defendant has a controlling interest, any member of an Individual Defendant's immediate family, or any trust of which any S3 Defendant is the settlor or which is for the benefit of any Individual Defendant and/or member(s) of his family.

5. "Related Parties" as to Deloitte means Deloitte & Touche USA LLP (formerly known as Deloitte & Touche LLP, Deloitte & Touche, and Deloitte Haskins & Sells), Deloitte & Touche LLP (formerly known as D&T Partners LLP), Deloitte Consulting Holding LLC, Deloitte Consulting L.P. (successor to Deloitte Consulting LLC (formerly known as Deloitte & Touche Consulting Group LLC)), Deloitte Consulting (US) LLC and Deloitte Consulting (Holding Sub) LLC, and their past, present, and future parent companies, subsidiaries,

divisions, related or affiliated entities, predecessors (including without limitation Touche Ross & Co.) and successors, their respective present and former directors, officers, partners, partnerships, principals, members, stockholders, owners, employees, agents, servants, subrogees, insurers and attorneys, and their respective representatives, heirs, executors, spouses, family members, personal representatives, administrators, successors, joint venturers, joint ventures, transferees and assigns, and any entity in which any of them has a controlling interest or by which any of them is controlled, and any trust of which any of them is the settlor or which is for the benefit of any of them and/or member(s) of their families.

6. "Released Claims" shall collectively mean all claims (including Unknown Claims as defined below), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, contingent or absolute, natural or unnatural, discoverable or undiscoverable, whether or not concealed or hidden, asserted or that might have been asserted in this action, or in any action under state or federal law, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations, by any Representative Plaintiff or Settlement Class Member against the Released Persons or any of them arising out of, based upon or related to the purchase of S3 common stock by any Representative Plaintiff or Settlement Class Member during the Class Period, including any professional services Deloitte or its predecessors provided or were engaged to provide to S3 or its present or former parent companies, subsidiaries, affiliates, predecessors, or successors, irrespective of whom such services are claimed to have been performed for or on behalf of. Released Claims includes any and all claims arising out of, relating to, or in connection with the settlement or resolution of the Litigation; provided, however, that the release shall not in any way impair or restrict the right of the Settling Parties to enforce the terms of the settlement as set forth in the Stipulation.

7. "Released Persons" means, as applicable, each and all of the S3 Defendants and their Related Parties and Deloitte and its Related Parties.

8. "S3" means S3 Incorporated.

9. "S3 Defendants" means S3 and the Individual Defendants.

10. "Settlement Class" or "Settlement Class Member" consist of or mean any Class Member who did not request exclusion from the Class as defined above, pursuant to this Notice.

11. "SONICblue" means SONICblue Incorporated.

12. "Unknown Claims" with respect to releases by the Representative Plaintiffs and Settlement Class Members means any Released Claims which any Representative Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement or not to exclude himself, herself, or itself from the Class. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Representative Plaintiffs shall expressly and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights and benefits of California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The Representative Plaintiffs shall expressly and each of the Settlement Class Members shall be deemed to have, and by operation of the 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 California Civil Code §1542. The Representative Plaintiffs and Settlement 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 each Representative Plaintiff shall expressly and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the 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, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Representative Plaintiffs acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the settlement of which this release is a part.

III. THE LITIGATION

On or after November 7, 1997, class action lawsuits were filed in the Superior Court of the State of California, County of Santa Clara on behalf of purchasers of S3 common stock against defendants S3, Gary J. Johnson, Neal D. Margulis, Diosdado P. Banatao, Terry N. Holdt, George A. Hervey, Ronald T. Yara, Harry L. Dickinson, Dale R. Lindly, Carmelo J. Santoro, John C. Colligan, Robert P. Lee, and Deloitte & Touche LLP. Defendants Dickinson, Santoro, Colligan, Lee, Lindy, and Deloitte were subsequently dismissed as defendants. On or after November 7, 1997 certain actions were filed in the United States District Court for the Northern District of California as class actions on behalf of individuals who purchased S3 common stock. Those actions were subsequently dismissed without prejudice. All of these state and federal class actions are herein referred to collectively as the "Litigation." Plaintiffs asserted in the Litigation that during the Class Period, defendants violated federal and state laws by issuing to the investing public a series of allegedly false statements about the

financial performance and condition of S3 which were allegedly intended to artificially inflate the market price of S3 common stock. Plaintiffs asserted they were harmed by purchasing S3 stock at these allegedly artificially inflated prices.

IV. CLAIMS OF THE REPRESENTATIVE PLAINTIFFS AND BENEFITS OF SETTLEMENT

The Representative Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims. However, counsel for the Representative Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the S3 Defendants and Deloitte through trial and through appeals. Counsel for the Representative Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Counsel for the Representative Plaintiffs also are mindful of the inherent problems of proof under and possible defenses to the violations asserted in the Litigation. Counsel for the Representative Plaintiffs believe that the settlement set forth in the Stipulation confers substantial benefits upon the Settlement Class. Based on their evaluation, counsel for the Representative Plaintiffs have determined that the settlement set forth in the Stipulation is in the best interests of the Representative Plaintiffs and the Settlement Class.

V. S3 DEFENDANTS' AND DELOITTE'S DENIALS OF WRONGDOING AND LIABILITY

The S3 Defendants and Deloitte have denied and continue to deny each and all of the claims and contentions alleged by the Representative Plaintiffs in the Litigation. The S3 Defendants and Deloitte expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The S3 Defendants and Deloitte also have denied and continue to deny, *inter alia*, the allegations that the Representative Plaintiffs or the Class have suffered damage, that the price of S3 common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, or that the Representative Plaintiffs or the Class were harmed by the conduct alleged in the Litigation.

Nonetheless, the S3 Defendants and Deloitte have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. The S3 Defendants and Deloitte also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation. The S3 Defendants and Deloitte have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

Pursuant to the terms of the Stipulation of Settlement dated as of February 15, 2002 (the "Stipulation"), the S3 Defendants will deliver the Settlement Stock (2,401,501 shares of SONICblue common stock) following entry of the Judgment. Plaintiffs' Settlement Counsel will be authorized by the S3 Defendants and the Court to take any steps they deem necessary in their good faith judgment to protect the overall value of the Settlement Fund, including liquidation of any or all of the Settlement Stock. In addition, Deloitte has contributed \$250,000 in cash, which may be only used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Stock may be awarded by the Court to counsel for Representative Plaintiffs as attorneys' fees and for reimbursement of out-of-pocket expenses. The balance of the Settlement Stock (the "Net Settlement Fund") will be distributed according to the Plan of Allocation described below to Settlement Class Members who submit valid and timely Proof of Claim forms.

VII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Proof of Claim forms ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in S3 common stock during the Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Representative Plaintiffs' Counsel have consulted with their damage experts and the Plan of Allocation reflects an assessment of the damages that could have been recovered had plaintiffs prevailed at trial.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

A claim will be calculated as follows:

- (A) For shares of S3 common stock that were *purchased on April 18, 1996 through October 20, 1997*, and;
1. sold prior to October 21, 1997, the claim per share is 7% of the difference between the purchase price and the sales price;
 2. sold from October 21, 1997 through November 3, 1997, the claim per share is the lesser of: (i) \$1.563 per share (October 21, 1997 price decline), or (ii) the purchase price less the sales price;
 3. retained at the end of November 3, 1997, the claim per share is the lesser of: (i) \$2.969 per share (October 21, 1997 and November 4, 1997 price declines), or (ii) the purchase price less \$7.344 (November 4, 1997 closing price).

- (B) For shares of S3 common stock that were ***purchased on October 21, 1997 through November 3, 1997***, and;
1. sold prior to November 4, 1997, the claim per share is 4% of the difference between the purchase price and the sales price;
 2. retained at the end of November 3, 1997, the claim per share is the lesser of: (i) \$1.406 per share (November 4, 1997 price decline), or (ii) the purchase price less \$7.344 (November 4, 1997 closing price).

The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

For Class Members who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in S3 common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of shares which have been matched against shares held at the beginning of the Class Period will not be used in the calculation of such net loss.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds.

VIII. THE RIGHTS OF CLASS MEMBERS

If you are a Class Member, you have the following options:

1. You may file a Proof of Claim as described below. If you choose this option, you will remain a Settlement Class Member, you will share in the proceeds of the proposed settlement if your claim is timely and valid and if the proposed settlement is finally approved by the Court, and you will be bound by the Judgment and release described below.

2. If you do not wish to be included in the Class and you do not wish to participate in the proposed settlement described in this Notice, you may request to be excluded. To do so, you must so state in writing postmarked no later than March 29, 2002. You must set forth: (a) the name of this litigation (*In re S3 Securities Litigation*, Master File No. CV770003); (b) your name, address and telephone number, and the name and address of the record owner if different from your own; (c) the number of shares of S3 common stock purchased and the number of shares sold during the Class Period and the dates and prices of such purchase(s) and/or sale(s); and (d) that you wish to be excluded from the Class. The exclusion request should be addressed as follows:

S3 Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, California 94912-8040

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

If you validly request exclusion from the Class, (a) you will be excluded from the Class, (b) you will not share in the proceeds of the settlement described herein, (c) you will not be bound by any judgment entered in the Litigation, and (d) you will not be precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely, against the S3 Defendants or Deloitte based on the matters complained of in the Litigation.

3. If you do not request in writing to be excluded from the Class as set forth in paragraph 2 above, you will be a Settlement Class Member and will be bound by any and all determinations or judgments in the Litigation in connection with the settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, and you shall be deemed to have, and by operation of the Judgment shall have fully released all of the Released Claims (defined above) against the Released Persons, whether or not you submit a valid Proof of Claim.

4. If you do not request to be excluded from the Class, you may object to the settlement and/or the Plan of Allocation and/or the application of plaintiffs' counsel for an award of attorneys' fees and reimbursement of expenses in the manner set forth below. The filing of a Proof of Claim by a Settlement Class Member does not preclude a Settlement Class Member from objecting to the settlement. However, if your objection is rejected you will be bound by the settlement and the Judgment just as if you had not objected.

5. Any Settlement Class Member who objects to any aspect of the settlement, the Plan of Allocation, or the application for attorneys' fees or reimbursement of expenses, may appear and be heard at the Settlement Hearing. Any such person must submit a written notice of objection, received on or before March 29, 2002, by each of the following:

CLERK OF THE COURT
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA
191 North First Street
San Jose, CA 95113

MILBERG WEISS BERSHAD
HYNES & LERACH LLP
JOY ANN BULL
401 B Street, Suite 1700
San Diego, CA 92101

Counsel for Plaintiffs

SPECTOR, ROSEMAN & KODROFF, P.C.
ROBERT M. ROSEMAN
1818 Market Street, Suite 2500
Philadelphia, PA 19103

PILLSBURY WINTHROP LLP
WALTER J. ROBINSON III
2550 Hanover Street
Palo Alto, CA 94304

Counsel for S3 Defendants

McCUTCHEEN, DOYLE, BROWN &
ENERSEN LLP
KAREN L. KENNARD
Three Embarcadero Center
San Francisco, CA 94111-4066

Counsel for Deloitte & Touche LLP

The notice of objection must demonstrate the objecting person's membership in the Settlement Class, including the number of S3 shares purchased and sold during the Class Period, and contain a statement of the reasons for objection. Only members of the Settlement Class who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

6. You may do nothing at all. If you choose this option, you will not share in the proceeds of the settlement, but you will be bound by any judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have fully released all of the Released Claims (defined above) against the Released Persons.

7. If you are a Settlement Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense. If you do not do so, you will be represented by Plaintiffs' Settlement Counsel: Milberg Weiss Bershad Hynes & Lerach LLP, Patrick J. Coughlin and Randi D. Bandman, 100 Pine Street, Suite 2600, San Francisco, California 94111, and Joy Ann Bull, 401 B Street, Suite 1700, San Diego, California, 92101; and Spector, Roseman & Kodroff, P.C., James A. Caputo, 401 B Street, Suite 1600, San Diego, California 92101, and Robert M. Roseman, 1818 Market Street, Suite 2500, Philadelphia, Pennsylvania 19103.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release must be postmarked on or before May 21, 2002, and delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

IX. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice ("Judgment"). The Judgment will dismiss the Released Claims with prejudice as to all S3 Defendants and Deloitte and their respective Related Parties. The Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent members of the Settlement Class have such claims) against all Released Persons and that the Released Persons shall be deemed to have released and discharged all Settlement Class Members and counsel to the Representative Plaintiffs from all claims arising out of the prosecution and settlement of the Litigation or the Released Claims.

X. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, counsel for the Representative Plaintiffs will request the Court to award attorneys' fees of 30% of the Settlement Fund, plus reimbursement of the expenses of approximately \$1,500,000, which is substantially less than the amount advanced in connection with the Litigation, plus interest thereon. Settlement Class Members are not personally liable for any such fees or expenses.

To date, Representative Plaintiffs' Counsel have not received any payment for their services in conducting this Litigation on behalf of the Representative Plaintiffs and members of the Settlement Class, nor have counsel been reimbursed for their substantial out-of-pocket expenses. The fee requested by Representative Plaintiffs' Counsel will compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Settlement Class, and for their risk in undertaking this representation on a wholly contingent basis since 1997. Plaintiffs' counsel represent that the fee requested is well within the range of fees awarded to plaintiffs' counsel under similar circumstances in other litigation of this type.

XI. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of February 14, 2002.

XII. SPECIAL NOTICE TO NOMINEES

If you held any S3 common stock purchased during the Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim by first class mail to all such persons; or (2) provide a list of the names and addresses of such persons to the Claims Administrator:

S3 Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

If you choose to mail the Notice and Proof of Claim 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 Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

XIII. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, Santa Clara County Courthouse, 191 North First Street, San Jose, California.

If you have any questions about the settlement of the Litigation, you may contact Rick Nelson, Milberg Weiss Bershad Hynes & Lerach LLP, 401 B Street, Suite 1700, San Diego, California, Telephone: 619/231-1058.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: February 19, 2002

BY ORDER OF THE SUPERIOR COURT
STATE OF CALIFORNIA
COUNTY OF SANTA CLARA