

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re EN POINTE TECHNOLOGIES, INC.
SECURITIES LITIGATION

MASTER CASE NO.:
01-CV-0205 BEN (AJB)

NOTICE OF PENDENCY OF A CLASS ACTION, AND A PROPOSED SETTLEMENT

TO ALL THOSE WHO BOUGHT OR OTHERWISE ACQUIRED THE COMMON STOCK OF EN POINTE TECHNOLOGIES, INC. ("EN POINTE"), BETWEEN DECEMBER 7, 1999 AND APRIL 13, 2000, INCLUSIVE, YOU MAY BE A MEMBER OF A CLASS CERTIFIED BY THE COURT AND MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE.

THIS NOTICE EXPLAINS IMPORTANT RIGHTS YOU MAY HAVE AS A RESULT OF A SETTLEMENT OF THIS ACTION FOR \$1,800,000. CLASS COUNSEL INTENDS TO REQUEST ATTORNEYS' FEES THAT TOTAL, IN THE AGGREGATE, NOT MORE THAN THIRTY THREE AND A THIRD PERCENT OF THE SETTLEMENT FUND, PLUS REIMBURSEMENT OF EXPENSES AND COSTS. PLEASE READ THIS NOTICE CAREFULLY!

If the Court awards Class Counsel 33 $\frac{1}{3}$ % in attorneys' fees, plus expenses, the recovery to the class will be \$1,144,250. Assuming the number of claimed shares is 1,528,000, and claim forms for 100% of these shares are timely submitted, the average recovery after attorneys' fees and costs will be \$.80 per share.

Plaintiffs' position is that the maximum recoverable damages under the Exchange Act of 1934 are approximately \$30 million (\$19.60 per share). Defendants' position is that they have no liability for any damages because they did not engage in any wrongful conduct and did not violate any statutory regulations, and further, because none of the facts or circumstances alleged in the complaint caused any investor to suffer any loss.

Statement of Attorneys' Fees and Expenses Sought: Plaintiffs' Counsel intends to apply for attorneys' fees of 33 $\frac{1}{3}$ % of the settlement, plus expenses, which are approximately \$55,750. If 33 $\frac{1}{3}$ % plus expenses is awarded, the amount applied for will be \$655,570. The party making the fee and expense request will be Krause, Kalfayan, Benink & Slavens, LLP and Finkelstein, Thompson & Loughran ("Class Counsel"), who represent the Lead Plaintiffs in the action. Class Counsel investigated the claims underlying the action, wrote the complaint, examined thousands of pages of documents, briefed the motion to be appointed Lead Plaintiffs, motions to dismiss, a motion for class certification, and opposed Defendants' Motion to Compel Production of Documents, and mediated and negotiated the settlement of the action.

Identification of Lawyers' Representatives: Questions concerning this settlement may be directed to Krause, Kalfayan, Benink & Slavens, LLP, 1010 Second Avenue, Suite 1750, San Diego, CA 92101, (619) 232-0331 and Finkelstein Thompson & Loughran, Duvall Foundry, 1050 30th Street, NW, Washington, DC 20007.

Reasons for Settlement: The Lead Plaintiffs are proposing the settlement because of the uncertainties of ultimately prevailing on the merits, which include possible defenses the Defendants have regarding both liability and damage causation, and relatively limited amount of insurance available compared to the size of the investors' losses. The Defendants are proposing the settlement to avoid the inevitable costs, distraction from ongoing business operations, other burdens, and uncertainties from pursuing their defenses in litigation.

This notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and pursuant to an Order of the United States District Court for the Southern District of California (the "Court"). The purpose of this Notice is to inform you of the pendency of and a proposed settlement in the above-captioned Class Action (the "Action"), and that the Court has scheduled a hearing (the "Fairness Hearing") for September 29, 2006, at 9:00 a.m. in Courtroom A, United States Courthouse, 940 Front Street, San Diego, CA 92101-8900 (i) to consider whether the proposed settlement (the "Settlement") is fair, reasonable, and adequate; (ii) to consider whether to approve conditional certification of a plaintiff class conditionally certified for settlement purposes; and (iii) to consider Class Counsel's application for attorneys' fees and reimbursement of expenses in connection with the prosecution of this Action. Your receipt of this Notice does not necessarily mean that you are a member of the Class.

DESCRIPTION OF THE CASE

En Pointe is a business to business ("B2B") e-commerce provider of information technology products and value-added services. Its stock trades on the NASDAQ.

Plaintiffs allege that during the relevant period Hampton-Porter Investment Bankers LLC ("Hampton Porter") and its brokers, management, and control persons, including John Laurienti ("Laurienti"), orchestrated a price manipulation scheme involving En Pointe stock. This scheme allegedly included Hampton-Porter's participation by: (1) parking excessive amounts of investors' portfolios in En Pointe common stock; (2) refusing to execute sell orders; (3) using illegal above-market buy-ins to dissuade potential short sellers from selling En Pointe common stock short; and (4)

disseminating materially false and misleading statements about En Pointe's ownership interest in its subsidiary SupplyAccess, Inc., and its future prospects.

Plaintiffs allege Hampton Porter enlisted the support and cooperation of En Pointe's management in the scheme. The En Pointe Defendants deny this allegation.

Plaintiffs allege that the scheme caused the price of En Pointe's stock to become artificially inflated and allowed En Pointe officers and directors to sell 556,095 shares of En Pointe stock worth approximately \$27.6 million from March 2, 2000 through March 15, 2000. Defendants En Pointe and Din deny that any sale by any officer or director was improper.

CLASS ACTION DETERMINATION

The Court has certified a class consisting of all persons who bought or otherwise acquired En Pointe common stock at any time between December 7, 1999 and April 13, 2000 (both dates inclusive) (referred to herein as the "Class Period") and who suffered changes thereby (the "Class"), and a subclass consisting of all purchasers of En Pointe stock who purchased such stock contemporaneously with the Insider sales on February 28, and March 13, 2000 (the "Subclass"), excluding Defendants, any entity in which Defendants or other excluded parties has or had a controlling interest, and the legal representatives, heirs, successors, or assigns of Defendants or the other extended parties. If you purchased shares of common stock of En Pointe as described above, you are a member of the Class unless you request exclusion therefrom.

SETTLEMENT NEGOTIATIONS AND THE POSITION OF THE PARTIES

Counsel for Plaintiffs and the Defendants have engaged in arm's length negotiations over an extended time period, which resulted in the terms set forth in the Stipulation of Settlement dated as of June 26, 2006 (the "Stipulation"). Before reaching this Settlement, Class Counsel also considered the expense and length of time necessary to prosecute the case through trial, including the costs of further trial preparation and trial and other possible appeals; the uncertainty of the outcome of this complex litigation; and the substantial benefit provided by the proposed settlement to the Class; and the amount of insurance available. Class Counsel also reviewed documents produced in response to formal requests, interviewed numerous witnesses and taken the sworn testimony of Attiazaz Din, co-founder and past Chairman of the Board of Directors, Chief Executive Officer, and President of En Pointe. Based upon these considerations, Lead Plaintiffs and their counsel have concluded that the proposed settlement is fair, reasonable, and adequate, and that it is in the best interests of the Class to settle the Action on the terms described herein.

The Defendants deny all wrongdoing whatsoever alleged. The Defendants seek to settle and compromise this Action and any and all other claims that are based upon or arise from or could be based upon or arise from any of the matters alleged in the complaint in the Action in order to avoid further substantial expense, risk, inconvenience, and the distraction of burdensome litigation and put to rest all controversies raised in this Action.

The Settlement in principle was reached during a full-day mediation in San Francisco on April 21, 2006, conducted by Antonio Piazza, a well-recognized and experienced mediator.

a. Right to Request Exclusion from the Class

If you purchased En Pointe common stock at any time between December 7, 1999 and April 13, 2000, inclusive, and are not excluded as set forth above, you will be deemed a member of the Class unless you request to be excluded. If you wish to be excluded you must send, by first class mail, a request for exclusion, postmarked no later than September 15, 2006, to the address provided below. Your request for exclusion must include your name, address, and telephone number, and the number of shares of En Pointe common stock that you purchased during the Class Period. Your request for exclusion must be addressed to the Claims Administrator as follows:

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

If you request exclusion, you will not be entitled to share in the benefits of the Settlement described herein and you will not be bound by any of the terms of the settlement or judgment. If you request exclusion, you may pursue any legal rights you may have but at your own expense.

You will automatically become a member of the Class, unless you expressly request exclusion, and you will be represented by Class Counsel. You need to submit a Proof of Claim, however, to be eligible to participate in the Settlement described herein, assuming it is approved by the Court. You will be bound by any judgment rendered in this Action, whether favorable or unfavorable to Lead Plaintiffs and the Class. You may, if you so desire, enter an appearance through legal counsel of your choice at your expense.

1. SUMMARY OF THE PROPOSED SETTLEMENT

The Settlement, if approved by the Court, will result in payment of a Settlement Fund of cash for the benefit of the Class and in accordance with the Plan of Distribution described below of \$1.8 million. The Settlement Fund shall be reduced by litigation expenses including, but not limited to, any grant by the Court of Class Counsel's attorneys' fees, reimbursement of expenses incurred in the prosecution of this Action, costs of notice, and the expenses of administration and distribution of the Settlement Fund. The resulting amount is referred to herein as the "Net Settlement Fund."

If the Settlement is approved by the Court, the Class and each Class Member will be barred from asserting and will release the Defendants and related persons and entities from all claims that were asserted or could have been asserted in the Action based upon the facts alleged in the Action.

2. THE FAIRNESS HEARING

The Court has ordered that a hearing be held before the United States District Court for the Southern District of California, in the Courtroom of the Honorable Magistrate Judge Anthony J. Battaglia, Edward J. Schwartz United States Courthouse, 940 Front Street, San Diego, CA 92101-8900 to (1) consider and determine the fairness, reasonableness, and adequacy of the Settlement described above; (2) consider whether to approve certification of a plaintiff class for settlement purposes; and (3) approve the Plan of Distribution set forth below at Section III. Also at the Fairness Hearing, Class Counsel will request attorneys' fees that total, in the aggregate, not more than thirty three and a third percent of the Settlement Fund, plus reimbursement of expenses and costs incurred in connection with this Action. The Court may adjourn or continue the Fairness Hearing from time to time without further notice.

The parties have consented to, and the Court has ordered under 28 U.S.C. § 636(c) that Magistrate Judge Battaglia be the judge assigned to this matter for all purposes, including for the fairness hearing.

If you are a Class Member, you may appear personally or by counsel at the Fairness Hearing and may object to or express your views regarding the fairness of the Settlement, the Plan of Distribution, and the application for Class Counsel's fees and request for reimbursement of costs and expenses. A Class Member desiring to be heard or entitled in any way to contest any of the foregoing is requested to, on or before September 15, 2006, file with the Clerk of the Court, United States District Court, Southern District of California, Edward J. Schwartz United States Courthouse, 940 Front Street, San Diego, CA 92101-8900, a notice of his intention to appear, a written statement of the basis for his objection, and proof of membership in the Class, along with any papers or briefs he wishes the Court to consider, and is requested on or before that date to serve copies of all such papers filed with the Court, by hand or by mail, on Jim Krause, Esq., Krause, Kalfayan, Benink & Slavens, LLP, 1010 Second Avenue, Suite 1750, San Diego, CA 92101, counsel for Plaintiffs and the Class, and upon John F. Cannon, Esq., Stradling, Yocca, Carlson & Rauth, 660 Newport Center Drive, Suite 1600, Newport Beach, CA 92660, counsel for the En Pointe Defendants.

3. PLAN OF DISTRIBUTION

The Net Settlement Fund will be distributed pro rata based upon the number of shares purchased during the Class Period by each Class Member who submits a valid and timely Proof of Claim.

Each Class Member who submits a valid and timely Proof of Claim showing a recognized claim as described below ("Authorized Claimants") shall receive a distribution from the Net Settlement Fund calculated, except as otherwise ordered by the Court as follows: each Authorized Claimant shall receive the proportionate share of the Net Settlement Fund that his recognized claim bears to the total Recognized Claims of all Authorized Claimants.

4. PROCEDURE TO FILE CLAIMS

Each Class Member who wishes to assert a claim for distribution from the Net Settlement Fund must submit a completed and signed Proof of Claim and Release ("Proof of Claim"), a copy of which is enclosed with this Notice, supported by the documents described in the Proof of Claim. The procedure for completing and filing is set forth on the Proof of Claim. The Proof of Claim must be submitted as described below to:

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

ALL PROOFS OF CLAIM MUST BE POSTMARKED OR OTHERWISE RECEIVED BY OCTOBER 30, 2006. Any Class Member who fails to submit a valid and timely Proof of Claim shall not receive any portion of the Net Settlement Fund but shall be bound by all of the terms of the Settlement and of any final judgment or other order entered in this Action if the Settlement is approved by the Court (unless such person previously has properly requested exclusion from the Class.) Submission of a Proof of Claim is not a waiver of any rights with respect to the Settlement, including the right to object to the Settlement, the distribution of the Net Settlement Fund, and Plaintiffs' Counsel's request for attorneys' fees and reimbursement of expenses.

A Proof of Claim sent by mail shall be deemed to have been filed when postmarked if mailed by first class mail, or registered or certified mail, postage prepaid addressed in accordance with the instructions given on the Proof of Claim. Proofs of Claim and Releases delivered by any other method shall be deemed to have been filed when they are actually received at the address set forth in the Proofs of Claim. Neither Class Counsel nor the Claims Administrator is responsible for Proofs of Claims sent but not actually received.

If you submit a Proof of Claim, the Claims Administrator will be entitled to make inquiry of you to ensure that you are a Class Member or are entitled to a portion of the Net Settlement Fund and to confirm the amount of your claim. By submitting a Proof of Claim, you are agreeing that the United States District Court for the Southern District of California has jurisdiction with respect to your claim.

If a class member's share of the net settlement fund is \$5.00 or less, that member will receive no payment.

5. NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

All brokerage firms and other nominees for a beneficial owner who purchased En Pointe common stock for any member of the Class during the Class Period are requested if they have not previously done so within fifteen days of their receipt of this Notice:

(a) to provide to the Claims Administrator, En Pointe Securities Litigation, the name and last known address of each member of the Class on whose behalf they purchased En Pointe common stock during the Class Period, or

(b) to request from the Claims Administrator additional copies of this Notice, to be supplied as soon as practicable after receipt of such request, and within seven days of the receipt thereof shall mail the Notice directly to each member of the Class on whose behalf they purchased common stock and/or warrants during the Class Period. They will be reimbursed for their reasonable expenses incurred in providing such notice.

IMPORTANT

If you did not receive a Proof of Claim in the mail with this Class Notice you may obtain a Proof of Claim by written request addressed to Claims Administrator, *In re En Pointe Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040. In your written request, you must include your name and your current address.

YOU MAY READ OR RECEIVE MORE THAN ONE COPY OF THIS NOTICE. REGARDLESS OF HOW MANY COPIES OF THIS CLASS NOTICE YOU READ OR RECEIVE, YOU SHOULD SUBMIT ONLY ONE PROOF OF CLAIM ON WHICH ALL OF YOUR EN POINTE COMMON STOCK TRANSACTIONS INQUIRED ABOUT SHOULD BE LISTED.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, THE PROOF OF CLAIM, OR ANY OTHER MATTERS THAT WILL BE CONSIDERED AT THE FAIRNESS HEARING, PLEASE WRITE TO: JIM KRAUSE, ESQ., KRAUSE, KALFAYAN, BENINK & SLAVENS, LLP, 1010 SECOND AVENUE, SUITE 1750, SAN DIEGO, CALIFORNIA 92101, or call him at (619) 232-0331.

6. EXAMINATION OF PAPERS

This notice is only a general description of the Settlement, the proposed Plan of Distribution of the Settlement Fund, and Class Counsel's application for an award of attorneys' fees and reimbursement of expenses. For the full details of the matters described in this Notice, and for further information concerning the Action, the case files (including the complete Stipulation) may be inspected at the office of the Clerk of the Court, United States District Court, Edward J. Schwartz United States Courthouse, 940 Front Street, San Diego, CA 92101-8900, during normal business hours. The Stipulation and accompanying exhibits including the Proof of Claims are also available at www.gilardi.com.

INQUIRIES SHOULD NOT BE DIRECTED TO
THE CLERK OF THE COURT OR TO THE COURT.

Dated: JULY 5, 2006

Clerk of the Court
United States District Court
Southern District of California