IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MAKOR ISSUES & RIGHTS, LTD., et al.,

Plaintiffs,

vs.

TELLABS, INCORPORATED, MICHAEL J.
BIRCK, RICHARD C. NOTEBAERT, et al.,

Defendants.

Case No. 02-C-4356

Honorable Amy J. St. Eve

JOINT MOTION FOR PRELIMINARY APPROVAL OF
SETTLEMENT AND SETTING OF FAIRNESS HEARING

Plaintiffs and Defendants hereby move pursuant to Fed. R. Civ. P. 23(e) for an order
granting preliminary approval of the proposed class action settlement in this case, and for an
Order scheduling a final fairness hearing and for related relief (proposed "Preliminary Order For
Notice And Hearing In Connection With Settlement Proceedings."). This matter is set for
hearing before the Court on April 11, 2011 at 8:30 a.m. In support of this motion the Parties
attach the following exhibits:

Stipulation and Agreement of Settlement and Exhibits

(a) Exhibit A – Preliminary Order For Notice And Hearing In Connection
With Settlement Proceedings

   (i) Exhibit 1 - Notice of Proposed Settlement of Class Action, Motion
for Attorneys Fees And Settlement Fairness Hearing
   (ii) Exhibit 2 – Proof of Claim And Release
   (iii) Exhibit 3 – Summary Notice of Proposed Class Action Settlement

(b) Exhibit B – Order and Final Judgment
Below are the suggested dates for the Preliminary Order For Notice And Hearing In Connection With Settlement Proceedings (if the Order is entered by April 15, 2011):

- Mailing of Notice and Proof of Claim Forms (Order paragraph 9) - (at least three weeks after Order is entered) Friday, May 6, 2011
- Papers in support of Settlement and fees etc. (Order paragraph 17) - (30 days after mailing of Notice) Monday, June 6, 2011
- Class Member Objections to Settlement and fees etc. (Order paragraph 18) - (30 days after supporting papers filed) Thursday, July 7, 2011
- Plaintiffs’ Lead Counsel shall submit their papers in response to any objections (Order paragraph 19) - (two weeks after Objections due) Thursday, July 21, 2011
- Settlement Fairness Hearing (Order paragraph 2) - (at least 5 days after response to Objections) at the Court’s convenience on or after July 26, 2011
- Deadline for Proofs of Claim to be submitted (Order paragraph 13 (a)) - (at least 30 days after Settlement Fairness Hearing) Friday, September 2, 2011.

WHEREFORE, the Parties respectfully request that the Court enter an Order granting preliminary approval of the proposed class action settlement in this case.

DATED: April 5, 2011

By: /s/ Lori A. Fanning
Marvin A. Miller
Lori A. Fanning
MILLER LAW LLC
115 South LaSalle Street
Suite 2910
Chicago, Illinois 60603
(312) 332-3400

Plaintiffs’ Liaison Counsel

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1 The proposed schedule is triggered by the entry of the Preliminary Order For Notice And Hearing In Connection With Settlement Proceedings. The first date, the Mailing of Notice and Proof of Claim Forms on Friday, May 6, 2011, is at least three weeks after entry of the Order and all other dates flow from that date.
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*Counsel for Defendants*
CERTIFICATE OF SERVICE BY ELECTRONIC MEANS

I, Lori A. Fanning, one of the attorneys for plaintiffs, hereby certify that on April 5, 2011, service of the foregoing Joint Motion For Preliminary Approval of Settlement And Setting Of Fairness Hearing was accomplished pursuant to ECF as to Filing Users and I shall comply with LR 5.5 as to any party who is not a Filing User or represented by a Filing User.

/s/ Lori A. Fanning

Lori A. Fanning
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
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MAKOR ISSUES & RIGHTS, LTD., et al.,
Plaintiffs,

vs.

TELLABS, INCORPORATED, MICHAEL J.
BIRCK, RICHARD C. NOTEBAERT, et al.,
Defendants.

Case No. 02-C-4356

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Stipulation”) is entered into, subject
to the approval of the Court, by (i) Lead Plaintiff and Class Representative Makor Issues &
Rights, Ltd., and Class Representatives Nolan Howell and Richard LeBrun ( “Class
Representatives”), on behalf of themselves and the Class certified herein (as defined below,
including additional named plaintiffs Chris Broholm and David Leehey, which additional named
plaintiffs are referred to herein collectively with the Class Representatives as “Plaintiffs”), by
and through their counsel, and (ii) Defendants Tellabs, Inc. (“Tellabs”), Michael J. Birck,
Richard C. Notebaert, Joan E. Ryan, and Brian Jackman (the “Individual Defendants”) (Tellabs
and the Individual Defendants are collectively referred to hereinafter as the “Defendants”), by
and through their counsel.

WHEREAS:

A. On or after June 18, 2002, several putative securities fraud class actions were filed
against Tellabs, Inc. (“Tellabs”) and certain of its officers and directors. By Minute Order dated
September 17, 2002, the Court consolidated these actions under the above caption, which is hereinafter referred to as the “Action” (and which includes any and all actions that were consolidated therein). Makor Issues & Rights, Ltd. was designated Lead Plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”) by Memorandum Opinion and Order of the Court on September 26, 2002. The Court approved Lead Plaintiff’s selection of the law firm now known as Milberg LLP as Lead Counsel for the Class;

B. On December 3, 2002, Plaintiffs filed their Consolidated Amended Class Action Complaint naming as defendants Tellabs, Michael J. Birck, J. Thomas Gruenwald, Brian J. Jackman, John Kohler, Catherine Kozik, Richard C. Notebaert, Robert Pullen, Joan E. Ryan, William F. Sounders, and John Vaughn and alleging violations of Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5. All defendants moved to dismiss. On March 19, 2003, the Court granted Plaintiffs’ motion to voluntarily dismiss John Vaughn. By Memorandum Opinion and Order dated May 19, 2003, the Court dismissed the Consolidated Amended Class Action Complaint in its entirety, but without prejudice.

C. On July 11, 2003, Plaintiffs filed their Second Consolidated Amended Class Action Complaint (the “Complaint”), naming as defendants Tellabs, Michael J. Birck, Brian Jackman, John Kohler, Richard C. Notebaert, Robert Pullen, and Joan E. Ryan. All defendants moved to dismiss. On February 19, 2004, the Court dismissed the Complaint in its entirety with prejudice.

D. Plaintiffs did not appeal the dismissal of the claims against John Kohler and Robert Pullen but appealed the dismissals as to other defendants. After extensive appellate proceedings in the United States Court of Appeals for the Seventh Circuit and the United States
Supreme Court, there remained pending certain Section 10(b) claims against Defendants Tellabs and Notebaert and certain Section 20(a) claims against Birck, Jackman, Notebaert, and Ryan, with the adequacy of the remaining Section 20A claims remanded to the Court for further consideration. On May 22, 2008, the Court issued an order granting dismissal of the Section 20A claims.

E. As a result of these proceedings, certain specific statements made during the period from December 11, 2000 through June 19, 2001, and alleged to have been false or misleading, remained at issue. These statements were identified in a Joint Status Report submitted by the parties on February 25, 2008, and fell into four categories: (1) certain statements announcing Tellabs’ financial results for the fourth quarter of 2000 and for the full year 2000; (2) certain projections issued by Tellabs during the period; (3) certain statements regarding Tellabs’ TITAN 6500 product; and (4) certain statements regarding Tellabs’ TITAN 5500 product.

F. By Memorandum Opinion and Order dated February 23, 2009, the Court granted Plaintiffs’ motion for class certification, and appointed Makor Issues & Rights, Ltd., Nolan Howell and Richard LeBrun as Class Representatives. The Class was defined as follows:

All persons who purchased the common stock of Tellabs, Inc. during the period from December 11, 2000 through June 19, 2001, inclusive (the “Class”). Excluded from the Class are: Defendants; the subsidiaries and affiliates of Tellabs; the officers and directors of Tellabs or its subsidiaries and affiliates, at all relevant times; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person; and any entity in which any excluded person has or had a controlling interest.

G. As described in the July 28, 2010 Affidavit of Richard W. Simmons Re: (A) Mailing of Notice of Pendency, and (B) Report on Exclusion Requests Received (Docket No.
Notice of the Pendency of this Action as a Class Action ("Notice of Pendency") was provided to the Class, and 93 requests for exclusion were received.

H. During the pendency of the Action, a lawsuit captioned *Don Brieger, et al. v. Tellabs, Inc., et al.*, No. 06 C 1882 (N.D. Ill.) (the "Brieger Action"), also proceeded. The *Brieger* Action involved some of the same factual allegations as this Action but was brought under the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §§1109 and 1132, on behalf of a class defined as "[a]ll persons who were participants or beneficiaries of the Tellabs, Inc. Profit Sharing and Savings Plan at any time between December 11, 2000 and July 1, 2003 and whose accounts included investments in Tellabs stock." After completion of extensive discovery in the *Brieger* Action, and following denial of defendants’ motion for summary judgment, a bench trial of the claims in that case was held. On June 1, 2009, the court presiding over the *Brieger* Action issued an opinion and judgment finding in favor of all defendants on all claims that had been advanced in the *Brieger* Action, including all claims of misrepresentations.

I. Extensive discovery in this Action occurred and was completed, including numerous depositions. In addition, the parties submitted conflicting expert reports on issues of both liability and damages.

J. Plaintiffs’ damages expert estimated per share damages in the amount of $10.02 per share for those members of the class who made purchases of Tellabs’ stock from December 11, 2000 through April 5, 2001; $5.07 per share for those class members who made purchases of Tellabs’ stock from April 6 through June 19, 2001; with an average of $8.09 in daily per share damages during the class period. Plaintiffs’ damages expert also stated that, with respect to the transactions made during the entire December 11, 2000 through June 19, 2001 Class Period, her "conservative estimate of total damages in this matter is $1,262,669,239." As indicated below,
the Court subsequently entered Summary Judgment eliminating all claims on transactions made prior to March 8, 2001, and dismissed many of the claims on transactions made during the rest of the Class Period. Defendants’ damages expert criticized the methodologies utilized by Plaintiffs’ damages expert, and opined as to a lack of any adequately demonstrated loss causation, but did not offer any specific alternative damages estimates.

K. Following the close of discovery in the Action, Defendants moved for summary judgment on all claims and also moved to strike the opinions of Plaintiffs’ liability expert.

L. On June 23, 2010, after briefing and a hearing, the Court issued a Memorandum Opinion and Order granting, in significant part, Defendants’ motion to strike the opinions of Plaintiffs’ liability expert.

M. On August 13, 2010, the Court issued a Memorandum Opinion and Order which granted in large part and denied in part Defendants’ motion for summary judgment. As a result of this ruling, three of the categories of alleged misstatements which had remained in the case were disposed of by the Court in favor of Defendants, including the remaining claims of alleged misstatements regarding (1) Tellabs’ fourth quarter 2000 and full year 2000 financial results, (2) projections made by Tellabs at various times during the Class Period (including on December 11, 2000, January 25, 2001, March 7, 2001, and April 18, 2001), and (3) the TITAN 6500 product. In addition, the Court, among other things, granted summary judgment with respect to Plaintiffs’ claim of an alleged misstatement on April 6, 2001. The Court found factual issues remained only with respect to two statements relating to Tellabs’ TITAN 5500 product: (1) a March 7, 2001 statement made during an analysts’ conference call, and (2) a statement contained in Tellabs’ March 14, 2001 Annual Report.
On November 3, 2010, as a result of the Court’s Order on Defendants’ Motion for Summary Judgment, the Court issued an Order that modified the Class Period, for the purposes of trial only, to be “during the period from March 8, 2001 through June 19, 2001 inclusive” (the “Modified Class Period”). In a Clarifying Order dated November 23, 2010, the Court stated that:

The Court’s November 3, 2010 Order was not intended to and does not de-certify the portion of the Class pre-dating March 8, 2001 that was originally certified in the Court’s February 23, 2009 order. Rather as a result of the Court’s August 13, 2010 Memorandum Opinion and Order granting in large part Defendants’ Motion for Summary Judgment (R. 379) summary judgment is entered against the following members of the Class: All members of the Class whose claims are based on purchases of the common stock of Defendant Tellabs, Inc. from December 11, 2000 through March 7, 2001. The Modified Class Period is only intended to define the period that remains at issue for trial.

The Clarifying Order further noted that:

all members of the Class who were also members of the class certified in Brieger v. Tellabs, Inc., Case No. 06-cv-1882 (N.D.I11.) are collaterally estopped with respect to claims relating to the two statements that remain at issue in this case

The Court also set a date for trial of the Action in September 2011.

In light of the Court’s summary judgment rulings, a supplemental damages report was submitted on December 20, 2010 by Plaintiffs’ damages expert. The supplemental damages report stated that daily per share damages were $10.26 per share for those persons purchasing Tellabs stock for the period of March 8 through April 5, 2001, and were $5.02 per share for persons purchasing thereafter up through June 19, 2001. At a hearing in the Action, Defendants informed the Court and Plaintiffs that they intended to move to strike the opinions of Plaintiffs’ damages expert, and the Court established a schedule with respect to the filing of such an anticipated motion by Defendants.
P. On various occasions during the course of the litigation of the Action, the parties unsuccessfully conducted discussions regarding the possibility of a settlement. In early 2009, the parties agreed to retain Edward A. Infante, (retired) Chief Magistrate Judge of the U.S. District Court, Northern District of California, to act as a mediator for purposes of conducting settlement discussions and arm’s length negotiations. A mediation session was held in San Francisco with Judge Infante on March 18, 2009, together with subsequent conversations. These efforts did not prove successful.

Q. Following the Court’s issuance of its summary judgment rulings in the Action, the parties agreed to recommence the mediation with Judge Infante. An in-person mediation conference was held in San Francisco on November 8, 2010, and Judge Infante subsequently conducted telephonic conversations with each side. On December 21, 2010, Judge Infante made a “mediator’s proposal” to both sides, the terms of which are reflected in and consistent with this Settlement Agreement. On December 22, 2010, counsel for Plaintiffs and counsel for Defendants each separately informed Judge Infante of his side’s acceptance of the proposal (subject to agreed documentation and court approval), and Judge Infante, in turn, informed all the parties of their respective acceptances.

R. The Defendants vigorously deny and disclaim any wrongdoing or liability whatsoever, including denying any and all claims of liability or wrongdoing and all charges and allegations that have been asserted against them, but have determined to enter into this settlement on the terms and conditions set forth herein to halt the substantial expense that continues to be attendant to the litigation, as well as to eliminate uncertainty and risks from continued litigation.

S. The Class Representatives have agreed to settle their claims and the claims of the Class, upon the terms and conditions set forth herein after and as a result of extensive
investigation, pretrial discovery and litigation, and research by Plaintiffs' Lead Counsel of the facts and law applicable to the claims underlying the Action and potential defenses thereto.

Based upon their investigation and pretrial discovery as set forth above, the Class Representatives and Plaintiffs' Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to Plaintiffs and the Class, and are in their best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of this Stipulation, after considering, among other things: (a) the benefits that Plaintiffs and the members of the Class will receive from settlement of the Action, (b) the attendant risks and delays of litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

T. The Class Representatives and Defendants (collectively, the “Parties” and each a “Party”) and their respective counsel acknowledge that this Stipulation is a result of intensive and prolonged arm’s-length negotiations between the Settling Parties.

NOW THEREFORE, in consideration of the promises and agreements, covenants, representations, and warranties set forth herein, intending to be legally bound, it is hereby STIPULATED AND AGREED, by and among the Parties to this Stipulation, through their respective attorneys, that this Action and all Released Claims (as defined below) as against the Released Parties (as defined below) and all Settled Defendants’ Claims (as defined below) are to be finally and fully settled and compromised and that this Action shall be dismissed with prejudice and without costs, subject to approval of the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure, upon and subject to the following terms and conditions:
CERTAIN DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings:

   (a) "Authorized Claimant" means a Class Member who submits a timely and valid Proof of Claim form to the Claims Administrator.

   (b) "Cash Settlement Amount" means the amount specified in ¶ 4 hereof.

   (c) "Claims Administrator" means the firm of Analytics Incorporated, or whatever other person or entity is approved by the Court to serve as Claims Administrator and perform the administrative functions assigned to the Claims Administrator under this Stipulation.

   (d) "Class" means: All persons who purchased the common stock of Tellabs, Inc. during the period from December 11, 2000 through June 19, 2001, inclusive (the "Class"). Excluded from the Class are: Defendants; the subsidiaries and affiliates of Tellabs; the officers and directors of Tellabs or its subsidiaries and affiliates, at all relevant times; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person; and any entity in which any excluded person has or had a controlling interest. Also excluded from the Class are the persons and entities who requested exclusion in response to the Notice of Pendency as shown in Exhibit D to the July 28, 2010 Affidavit of Richard W. Simmons (Docket No. 375). "Class Member" means a member of the Class.

   (e) "Class Period" means the period from December 11, 2000 through June 19, 2001, inclusive.
(f) "Court" means the United States District Court for the Northern District of Illinois, and the judge thereof presiding over the Action.

(g) "Defendants" means Tellabs and the Individual Defendants.

(h) "Defendants’ Counsel" means the law firm of Sidley Austin LLP.

(i) "Escrow Agent" means US Bank, or whatever other person or entity is approved by the Court to act as escrow agent for any portion of the Settlement Fund deposited in, remaining or accruing in an escrow account pursuant to this Stipulation. Any fees or expenses charged by the Escrow Agent shall be payable from the Settlement Fund.

(j) "Effective Date" means the date upon which the Order and Final Judgment becomes Final. Any proceeding or order, or any appeal or petition for a writ of certiorari or other form of review pertaining solely to any plan of allocation, Proof of Claim determination, and/or application for attorneys’ fees, costs or expenses or payment to Lead Plaintiff or other Class Representatives, and not challenging the merits of this Settlement or any of the relief to be granted to Defendants or the Released Parties hereunder, shall not in any way delay or preclude the Order and Final Judgment from becoming Final and achieving its Effective Date.

(k) "Final" means the date when an order is no longer subject to appeal or review (or to further appeal or review, including but not limited to petitions for rehearing or a writ of certiorari), whether by exhaustion of any possible appeal, affirmance, lapse of time or otherwise.

(l) "Gross Settlement Fund" means the Cash Settlement Amount to be deposited in the Escrow Account plus any income or interest earned thereon in the Escrow Account.
(m) "Individual Defendants" means Michael J. Birck, Richard C. Notebaert, Joan E. Ryan, and Brian Jackman.

(n) "Net Settlement Fund" means the balance of the Gross Settlement Fund after payments of all Notice and Administration Costs, Tax Expenses, and any payment of reasonable costs and expenses to Class Representatives or Court award of attorneys' fees and reimbursement of expenses made pursuant to the applications referred to in paragraph 14 hereof.

(o) "Notice and Administration Costs" means costs and expenses reasonably and actually incurred in connection with locating Class Members; mailing and distributing the Notice to Class Members; arranging for publication of the summary notice; reimbursing nominal holders for reasonable expenses in locating Class Members and distributing the Notice; receiving, evaluating and calculating Proofs of Claim and supporting documents; communicating with Class Members regarding their claims; and paying escrow fees and costs of the Escrow Account. Notice and Administration Costs include fees to be paid to the Claims Administrator but expressly excludes any attorneys' or consultant fees of any person or entity, with the sole exception of any such fees that constitute Tax Expenses as defined in paragraph 12 below.

(p) "Order and Final Judgment" means (i) an order to be entered by the Court identical in all material respects to that provided in the form attached hereto as Exhibit B, or (ii) an alternative judgment order ("Alternative Judgment Order") entered by the Court which modifies Exhibit B in a material respect, provided that none of the Parties elects to terminate the Settlement in accordance with the procedures set forth in this Stipulation following the entry of such Alternative Judgment Order.
(q) "Order for Notice and Hearing" means an order to be entered by the Court identical in all material respects to that provided in the form attached hereto as Exhibit A.

(r) "Plaintiffs' Counsel" means Plaintiffs' Lead Counsel and all other counsel representing Plaintiffs in the Action.

(s) "Plaintiffs' Lead Counsel" means the law firm of Milberg LLP.

(t) "Publication Notice" means the summary notice of proposed Settlement and hearing for publication substantially in the form attached as Exhibit 3 to Exhibit A.

(u) "Released Parties" means any and all of the Defendants and other persons that were previously named as a defendant in the Action, their respective past, or present subsidiaries, parents, affiliates, successors and predecessors, and each and all of their respective officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, legal representatives, heirs, successors in interest or assigns. The Released Parties other than Defendants are intended as third party beneficiaries of this Settlement with respect to the release of Released Claims.

(v) "Released Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for compensatory, punitive, or statutory damages, interest, attorneys' fees, and any other costs, expenses or liability whatsoever), whether known or unknown (including Unknown Claims as defined herein), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether legal, equitable, statutory or of any other type or form, whether brought in an individual, representative, class, derivative or any other capacity, whether fixed or contingent, liquidated or un-liquidated, that in any way relate to or arise out of or are in connection with the purchase or sale of any common stock of Tellabs during the Class Period,
including, but not limited to, any event, act, failure to act, conduct, transaction, occurrence, statement, representation, disclosure, nondisclosure or omission occurring during the Class Period which was alleged, asserted or referred to in any of the complaints, other pleadings or other legal filings in the Action, or which could have been alleged or asserted in the Action in connection with the purchase or sale of any common stock of Tellabs during the Class Period.

(w) "Settled Defendants’ Claims" means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Action or any forum by the Defendants or by the other persons that were previously named as a defendant in the Action, or any of them or the successors and assigns of any of them against any of the Plaintiffs, other Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement).

(x) "Settlement" means the settlement contemplated by this Stipulation.

(y) "Settlement Fund" includes the Gross Settlement Fund, the Net Settlement Fund and any amounts in the Escrow Account.

(z) "Settlement Notice" means the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing, which is to be sent to members of the Class substantially in the form attached hereto as Exhibit 1 to Exhibit A.

(aa) "Stipulation" means this Stipulation and Agreement of Settlement.

(bb) "Unknown Claims" means any and all Released Claims against any Released Parties that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date, and any and all Settled Defendants’ Claims that any
Defendant does not know or suspect to exist in his, her or its favor as of the Effective Date, 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 Settled Defendants’ Claims, the parties stipulate and agree that upon the Effective Date, the Plaintiffs and the Defendants shall expressly waive, and each Class Member shall be deemed to have waived, 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 or otherwise, which is similar, comparable, or equivalent to 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 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.

Plaintiffs, each Class Member and Defendants respectively acknowledge that each may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Released Claims or Settled Defendants’ Claims, but the Plaintiffs, Class Members and Defendants shall each, upon the occurrence of the Effective Date and by operation of the Order and Final Judgment, be deemed to have fully, finally, and forever settled and released any and all Released Claims and Settled Defendants’ Claims, including Unknown Claims. Plaintiffs and Defendants acknowledge, and all other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Settled Defendants’ Claims was separately bargained for and was a key element of the Settlement.
DISMISSAL AND RELEASES

2. The Parties shall seek the entry of the Order and Final Judgment dismissing the Action and all claims therein with prejudice against all Defendants.

3. (a) Upon the Effective Date of this Settlement, Plaintiffs and all the other members of the Class on behalf of themselves, their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall, with respect to each and every Released Claim, be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally and forever released, relinquished and discharged, and shall forever be enjoined from prosecuting, any Released Claim against any of the Released Parties.

(b) Upon the Effective Date of this Settlement, each of the Defendants and all persons previously named as a defendant in the Action, on behalf of themselves, their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall fully, finally and forever release, relinquish and discharge, and shall forever be enjoined from prosecuting any Settled Defendants' Claims against Plaintiffs, all other Class Members and their counsel.

(c) It is understood and agreed that as part of the releases provided hereunder, the Parties shall not initiate and file against one another any motion for sanctions for violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution or defense of the Action.

THE SETTLEMENT PAYMENT

4. (a) No later than seven (7) business days following the entry by the Court of the Order for Notice and Hearing, Defendants shall deposit, or caused to be deposited, into an escrow fund ("the Escrow Account") the sum of $7,375,000 (the "Cash Settlement Amount"). In
no event shall Defendants be required to pay more than the Cash Settlement Amount in connection with this Settlement.

(b) Upon deposit of the Cash Settlement Amount into escrow, the Cash Settlement Amount and any income or interest earned thereon shall be the “Gross Settlement Fund.”

5. Subject to Court approval and oversight, the Escrow Account will be controlled by the Escrow Agent appointed by the Court. Defendants shall have no liability or responsibility whatsoever for the acts or omissions of the Escrow Agent. The Escrow Agent shall not disburse the Settlement Fund or any portion thereof except as provided for in the Stipulation, by an order of the Court, or with prior written agreement of counsel for Defendants and Plaintiffs’ Lead Counsel.

6. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned to the persons paying the same pursuant to this Stipulation and/or further order of the Court.

7. Disbursements may be made from the Escrow Account prior to the Effective Date (“Early Disbursements”) only for payment or reimbursement of (i) Notice and Administration Costs, (ii) Tax Expenses (as defined in paragraph 12 below), and/or (iii) in the event of the delivery of a Standby Letter of Credit pursuant to and complying with paragraph 15 below, such amounts as are awarded by the Court to Plaintiffs’ Counsel for attorneys’ fees and reimbursement of expenses (“Fee and Expense Award”), provided that the Early Disbursement of any Fee and Expense Award is not contrary to any Court order. Early Disbursements for items (i) and/or (ii) may be made at the direction of Plaintiffs’ Lead Counsel, and without any

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prior order or approval from the Court (except as required by the Court), provided that written
advance notice of any intended expenditures for Notice and Administration Costs items in excess
of $25,000 shall be provided to Defendants’ Counsel no later than three business days in
advance, and, if any objection is raised by Defendants’ Counsel, shall be subject to Court review.
Any expenditures for Notice and Administration Costs or Tax Expenses shall be documented and
tracked by or under the supervision of Plaintiffs’ Lead Counsel and periodically reported to the
Court as the Court may require.

8. Plaintiffs’ Lead Counsel hereby promises, agrees and covenants that in the event
(a) any Early Disbursement is made pursuant to item (iii) of paragraph 7 hereof for payment of a
Fee and Expense Award, and (b) as a result of any appeal or other proceedings the Settlement is
subsequently terminated or the Fee and Expense Award is reduced, vacated or reversed,
Plaintiffs’ Lead Counsel shall no later than five (5) business days after receiving notice of such
event, re-pay to the Escrow Agent for deposit in the Escrow Account either (i) the entirety of the
Fee and Expense Award, in the event the Settlement is terminated or any Fee and Expense
vacated or reversed, or (ii) the amount of any reduction in the Fee and Expense Award that may
be ordered on appeal or otherwise, together with interest on the amounts re-paid pursuant to
either (i) or (ii) at the same rate(s) earned by the Settlement Fund during the period from Early
Disbursement of the Fee and Expense Award to the date of such repayment..

9. Plaintiffs and Class Members shall look solely to the Net Settlement Fund for any
payments to be received in connection with this Settlement.

10. The Escrow Agent shall, to the extent practicable, invest the Settlement Fund in
short-term United States Treasury Securities (or other instruments backed by the full faith and
credit of the United States) or in a fully United States Government-insured account, and shall
collect and reinvest any and all interest accrued thereon in an identical manner. The Escrow Agent shall maintain records identifying in detail and with specificity each instrument or account in which the Settlement Fund or any portion thereof has been invested, and shall make such records or copies thereof promptly available at the request of the Defendants. Neither the Settlement Fund nor any portion thereof shall be commingled with, or invested together with, any other monies or funds in any instruments or accounts.

11. The parties hereto agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Milberg LLP as administrator of the Settlement Fund within the meaning of Treasury Regulation §1.468B-2(k)(3), shall be responsible for filing any required tax returns for or in respect of the Settlement Fund and paying from the Settlement Fund any taxes owed with respect to the Settlement Fund. The Parties hereto agree that the Settlement Fund shall be treated as a Qualified Settlement Fund from the earliest date possible, and agree to any relation-back election required to treat the Settlement Fund as a Qualified Settlement Fund from the earliest date possible. Tellabs agrees to provide promptly to the Escrow Agent the statement described in Treasury Regulation § 1.468B-3(e). Neither the Defendants nor their counsel shall have any liability or responsibility of any sort for filing any tax returns of the Settlement Fund or paying any taxes for or in respect of the income of the Settlement Fund or any portion thereof. The Escrow Agent shall be required to use the Settlement Fund to indemnify and hold harmless Defendants for any taxes any of them may be required to pay with respect to the income of the Settlement Fund (including, without limitation, taxes payable by reason of any such indemnification payments).

12. All (i) taxes on the income of the Settlement Fund, and (ii) expenses and costs incurred in connection with the taxation of the Escrow Account (including, without limitation,
expenses of tax attorneys and accountants) (collectively “Tax Expenses”) shall be paid out of the Settlement Fund and shall be timely paid by the Escrow Agent without prior Order of the Court.

**NO RESPONSIBILITY OF DEFENDANTS FOR ADMINISTRATION**

13. Neither Defendants, the Released Parties nor their respective counsel shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission or determination of Plaintiffs’ Counsel, the Escrow Agent or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (iv) any losses suffered by, or fluctuations in the value of, the Settlement Fund; or (v) the payment or withholding of any taxes, expenses and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

**ATTORNEYS’ FEES AND EXPENSES**

14. Plaintiffs’ Lead Counsel may apply to the Court for an award from the Gross Settlement Fund of attorneys’ fees and reimbursement of expenses for itself and any other Plaintiffs’ Counsel, and for payment of reasonable costs and expenses to the Class Representatives. Other than paying the Cash Settlement Amount, Defendants shall have no liability or obligation to Plaintiffs, the other members of the Class, Lead Plaintiffs’ Counsel or any other Plaintiffs’ Counsel, with respect to any attorneys’ fees, costs or expenses or payments to Class Representatives. It is not a condition of this Stipulation that any particular attorneys’ fees, costs or expenses or payments to Class Representatives be awarded by the Court. Any Fee and Expense Award approved by the Court shall not be paid to any Plaintiffs’ Counsel prior to the Effective Date except in the event of compliance with paragraph 8 hereof.
15. For any Fee and Expense Award to be paid prior to the Effective Date, Lead Plaintiffs’ Counsel must first provide to Defendants’ Counsel an irrevocable Standby Letter of Credit, payable to the Escrow Account, from a major New York money center bank approved by Defendants’ Counsel (which approval shall not be unreasonably withheld) securing the repayment obligations of Lead Plaintiffs’ Counsel set forth in paragraph 8 hereof. Such Standby Letter of Credit shall be in the face amount of 104 percent of the amount of the amount of any Fee and Expense Award to be paid prior to the Effective Date, and shall be subject to the prior approval, both in form and substance, of Defendants’ Counsel (which approval shall not unreasonably be withheld). Within five (5) business days following the Effective Date, Defendants’ Counsel shall deliver the original Standby Letter of Credit to Plaintiffs’ Lead Counsel.

ADMINISTRATION OF THE SETTLEMENT -- THE CLAIMS PROCESS AND DISTRIBUTION TO AUTHORIZED CLAIMANTS

16. The Claims Administrator shall, subject to the supervision of Plaintiffs’ Lead Counsel and the Court, and in accordance with all Court orders and the terms of this Stipulation, administer the processes of locating and providing notice to Class Members, communicating with Class Members regarding their claims, receiving, evaluating and calculating Proofs of Claims in accordance with a plan of allocation approved by the Court, and periodically reporting to the Court regarding such matters when directed to do so by the Court or Plaintiffs’ Lead Counsel.

17. The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon each Authorized Claimant’s Recognized Claim (as defined in the Plan of Allocation described in the Settlement Notice annexed hereto as Exhibit 1 to Exhibit A, or in such other Plan of Allocation as the Court approves). The Plan of Allocation
proposed in the Settlement Notice is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular Plan of Allocation be approved.

18. Each Authorized Claimant shall be allocated a share of the Net Settlement Fund in accordance with the Plan of Allocation approved by the Court. The entire Net Settlement Fund shall be distributed to the Authorized Claimants. The Defendants shall not be entitled to get back any of the settlement monies once the Effective Date occurs. The Defendants shall have no involvement in reviewing or challenging claims.

19. Plaintiffs' Counsel will apply to the Court, on notice to Defendants' Counsel, for an order (the "Class Distribution Order") approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Proof of Claims submitted herein, and approving any costs and expenses not previously applied for, including the fees and expenses of the Claims Administrator, and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

20. Any member of the Class who does not submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Released Claims.

21. The Claims Administrator shall process the Proofs of Claim and, after the Effective Date and after entry of the Class Distribution Order, distribute the Net Settlement Fund to the Authorized Claimants in accordance with the Court's orders. Except for their obligation to pay the Settlement Amount, Defendants shall have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund.
22. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an “Authorized Claimant”, the following conditions shall apply, subject to approval by the Court. With the exception of the second sentence of subparagraph (b) below, any Court ordered alterations to these conditions shall not be deemed material alterations to this Settlement.

(a) Each Class Member shall be required to submit a Proof of Claim (see attached Exhibit 2 to Exhibit A), supported by such documents as are designated therein, including proof of the transactions claimed and the losses incurred thereon, or such other documents or proof as the Claims Administrator, in its discretion may deem acceptable. The form and requirements of the Proof of Claim shall be as required by the Court, and any Court ordered alterations to the Proof of Claim attached as Exhibit 2 to Exhibit A hereof shall not be deemed material alterations to this Settlement.

(b) All Proofs of Claim must be submitted by the date specified in the Settlement Notice, unless such period is extended by Order of the Court. Any Class Member who fails to submit a Proof of Claim by such date shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by Order of the Court, a later submitted Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Released Claims. Provided that it is received before the motion for the Class Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the
instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, who shall determine in accordance with this Stipulation and the approved Plan of Allocation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below. Plaintiffs’ Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Plaintiffs’ Lead Counsel deem to be formal or technical defects in any Proofs of Claim submitted in the interests of achieving substantial justice.

(d) Proofs of Claim that do not meet the substantive submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the claimant in order to attempt to remedy potentially curable deficiencies in the Proof of Claim submitted. The Claims Administrator shall notify, in a timely fashion and in writing, each claimant whose Proof of Claim it proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below.

(e) If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant’s grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by Plaintiffs’ Lead Counsel. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs’ Lead
Counsel shall thereafter present the request for review to the Court on notice to the claimant; and

(f) The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court, on notice to Defendants’ Counsel, for approval by the Court in the Class Distribution Order.

23. All proceedings with respect to the administration, processing and determination of Proof of Claims described by this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Proof of Claims, shall be subject to the jurisdiction of the Court. Each person submitting a Proof of Claim shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s claim, and the Proof of Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant’s status as a Class Member and the validity and amount of the claimant’s Proof of Claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim.

24. Payment pursuant to this Settlement shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Released Claims.

25. The Net Settlement Fund shall be released from the Escrow Account and provided to the Claims Administrator for distribution to the Authorized Claimants, in accordance with the
Court’s orders, only after each and all of the following have occurred: (i) the Class Distribution Order has been entered; (ii) the Effective Date has occurred; (iii) all timely Claims have been processed, and all claimants whose Claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (iv) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired, or a reserve has been made to cover the potential payment to such claimants; (v) all matters with respect to attorneys’ fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired, or a reserve has been made to cover the potential payment with respect to such attorneys’ fees, costs, and disbursements; and (vi) all Notice and Administration Costs and Tax Expenses have been paid or provided for.

APPLICATIONS FOR ORDERS

26. As soon as practicable after this Stipulation has been fully executed, Plaintiffs’ Lead Counsel and Defendants’ Counsel jointly shall apply to the Court for entry of an Order for Notice and Hearing in the form annexed hereto as Exhibit A.

27. Plaintiffs’ Lead Counsel and Defendants’ Counsel jointly shall apply to the Court for approval of the Settlement embodied in this Stipulation and entry of an Order and Final Judgment in the form annexed hereto as Exhibit B.

TERMINATION RIGHTS

28. This Stipulation and the Settlement set forth herein shall terminate and be cancelled if within ten (10) business days after any of the following events set forth below in this paragraph, Defendants’ Counsel or Plaintiffs’ Lead Counsel provides written notification to each
other, the Escrow Agent and the Court of their election to terminate the Settlement. For purposes of this Stipulation and this paragraph, no order of the Court, or modification or reversal on appeal of any order of the Court, pertaining solely to any plan of allocation, Proof of Claim determination, and/or application for attorneys’ fees, costs or expenses, shall constitute grounds for cancellation or termination of the Stipulation. This Stipulation may be terminated as provided above if:

(a) the Court declines to enter the Order for Notice and Hearing in any material respect;

(b) the Cash Settlement Amount is not timely paid\(^1\) and remains unpaid for an additional five (5) business days after Plaintiffs’ Lead Counsel has provided written notice of such nonpayment to Defendants’ Counsel (in which event, however, only Plaintiffs’ Lead Counsel shall have the right to elect to terminate the Settlement);

(c) the Court declines to approve this Settlement as set forth in this Stipulation or any material part of it;

(d) the Court’s declines to enter the Order and Final Judgment in a form identical in all material respects to that attached hereto as Exhibit B;

(e) the Order and Final Judgment is vacated, reversed or modified in any material respect on any appeal or other review, or in a collateral proceeding occurring prior to the Effective Date;

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\(^1\) If the Defendants fail to timely pay the Cash Settlement Amount, Plaintiffs’ Lead Counsel, on behalf of Plaintiffs and the Class, may pursue any appropriate remedy against Defendants and shall not be limited to electing a remedy of termination as provided herein.
(f) a "Bankruptcy Refund Termination" (as defined in paragraph 33 below) occurs (in which event, however, only Plaintiffs' Lead Counsel shall have the right to elect to terminate the Settlement);

(g) a "Collateral Order Termination" (as defined in paragraph 34 below) occurs (in which event, however, only Defendants shall have the right to elect to terminate the Settlement); or

(h) the Effective Date is precluded from occurring for some other reason.

29. If the Settlement set forth in this Stipulation is terminated, then in such event:

(a) No sooner than seven (7) business days, and no longer than twelve (12) business days, after written notification of the termination is sent to the Escrow Agent, the Escrow Agent shall, unless otherwise ordered by the Court, disburse to Defendants (in accordance with written instructions for disbursement received from Defendants' Counsel) the Settlement Fund net of any estimated Tax Expenses paid, due or accrued, and net of all Notice and Administration Costs paid, due or accrued. No later than six (6) business days after Plaintiffs' Lead Counsel's issuance or receipt of a written notification of the termination, Plaintiffs' Lead Counsel shall send to the Escrow Agent, with a copy to Defendants' Counsel, a statement of the estimated amount of any unpaid Tax Expenses and Notice and Administration Costs remaining due or accrued. Any Tax Expenses and Notice and Administration Costs due or accrued, but not paid, as of the date of termination, may be paid by the Escrow Agent, unless otherwise ordered by the Court, from the Settlement Fund no sooner than seven (7) business days, and no later than twelve (12) business days, after written notification of the details of such estimated unpaid Tax Expenses and Notice and Administration Costs has been provided to the Escrow Agent and Defendants' Counsel. To the extent that the final amount of the Tax Expenses
and Notice and Administration Costs is other than as estimated, any excess shall be returned to
Defendants and any underpayment shall be refunded by Defendants.

   (b) Except as otherwise provided herein, the parties to this Stipulation shall be
deemed to have reverted to their respective status in the Action as of December 22, 2010, and,
except as otherwise expressly provided, the parties shall proceed in all respects as if this
Stipulation and any related orders had not been entered.

   (c) In addition to this paragraph 29 and its provisions, paragraphs 8, 10 through
13, 30, 36, 39 through 43, 45 and 46 shall survive any termination of this Stipulation.

**NO ADMISSION OF WRONGDOING**

30. This Stipulation, whether or not consummated, and any proceedings taken
pursuant to it or in connection with it:

   (a) shall not be construed as an admission, presumption or concession by
any of the Defendants or other Released Parties of, or otherwise be permitted as or deemed to
be evidence of, any fault, wrongdoing, or liability whatsoever by any of them or of the truth of
any fact alleged by any of the Plaintiffs or the validity of any claim that has been or could have
been asserted in the Action;

   (b) shall not be offered or received against any of the Defendants or other
Released Parties in evidence in any civil, criminal, administrative, or other proceeding, or
utilized in any manner whatsoever, including but not limited to as evidence of an admission,
presumption or concession by any of the Defendants or other Released Parties or as evidence of
any fault, wrongdoing, or liability whatsoever by any of them; provided, however, that if this
Stipulation is approved by the Court, the Released Parties may refer to it to effectuate the
liability protection granted them hereunder;
(c) shall not be construed as or received in evidence as an admission, concession or presumption against Plaintiffs or any of the other Class Members that any of their claims are without merit, or that any defenses asserted by any of the Defendants have any merit, or that damages recoverable under the Complaint would not have exceeded the Gross Settlement Fund; and

(d) nothing contained in this paragraph 30 shall prevent this Stipulation (or any agreement or order relating thereto) from being used, offered, or received in evidence in any proceeding to approve, enforce, or otherwise effectuate this Stipulation and the Settlement, or any orders entered by the Court relating thereto (including but not limited the Order and Final Judgment), including but not limited to the Defendants or other Released Persons filing the Stipulation and/or the Order and Final Judgment in any other action that may be brought against any of them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release or any other theory of claim preclusion or issue preclusion.

MISCELLANEOUS PROVISIONS

31. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

32. Each Defendant contributing to the Settlement Amount warrants as to himself, herself or itself that, as to the payments made by or on behalf of him, her or it, at the time of such payment that the Defendant made or caused to be made pursuant to ¶ 4 above, he, she or it was not insolvent, nor did nor will the payment required to be made by or on behalf of him, her or it render such Defendant insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This warranty is made by each such Defendant and not by such Defendant’s Counsel.
33. If a case is commenced in respect of any Defendant contributing to the Settlement Amount (or any insurer contributing funds to the Cash Settlement Amount on behalf of any Defendant) under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver, conservator, or other fiduciary is appointed under any similar law, and in the event that after the Effective Date but prior to the initial distribution of all or part of the Net Settlement Fund to Class Members made pursuant to a Class Distribution Order, a final order of a court of competent jurisdiction is entered determining the transfer of money to the Gross Settlement Fund or any portion thereof by or on behalf of such Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned (a "Bankruptcy Refund Order"), and such amount is not promptly deposited to the Gross Settlement Fund by others, then, Plaintiffs’ Lead Counsel shall have the right, at its prompt election, to declare and provide written notice of a termination of the Settlement ("Bankruptcy Refund Termination"), in which event the provisions of paragraph 29 will apply.

34. If at any time prior to the initial distribution of all or part of the Net Settlement Fund to Class Members an order is entered in some legal proceeding other than the Action which declares or has the effect of rendering any material portion of the Settlement unenforceable as to any of the Plaintiffs or any other Class Member, Defendants shall have the right, at their prompt election, to declare and provide written notice of a termination of the Settlement ("Collateral Order Termination"), in which event the provisions of paragraph 29 will apply.

35. The parties agree that the amount paid and the other terms of the Settlement were negotiated at arm’s length in good faith by the parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.
36. This Stipulation may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by or on behalf of all parties hereto or by or on behalf of their successors-in-interest.

37. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

38. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain jurisdiction for the purpose of entering any orders providing for awards of attorneys’ fees and expenses to Plaintiffs’ Lead Counsel, or award of costs and expenses to Class Representatives, and enforcing the terms of this Stipulation.

39. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

40. This Stipulation and its exhibits constitute the entire agreement among the parties hereto concerning the Settlement of the Action, and no representations, warranties, or inducements have been made by any party hereto concerning this Stipulation and its exhibits other than those contained and memorialized in such documents.

41. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. This Stipulation shall be deemed to become effective when all such counterparts have been signed and delivered both to Plaintiffs’ Lead Counsel and Defendants’ Counsel (with delivery by email attachment or by facsimile being permissible).

42. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.
43. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of Illinois without regard to conflicts of laws, except to the extent that federal law requires that federal law governs.

44. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Class Members is being given or will be given by Plaintiffs’ Lead Counsel or counsel for the Defendants; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Class Member’s tax obligations, and the determination thereof, are the sole responsibility of the Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

45. This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the parties, it being recognized that it is the result of arm’s-length negotiations between the parties and all parties have contributed substantially and materially to the preparation of this Stipulation.

46. All persons executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so. Any written notice required under, pursuant to or in connection with this Stipulation shall be addressed to the parties’ counsel, by overnight express delivery, and by e-mail, as follows:

For Plaintiffs and the Class Members:

Richard H. Weiss
Milberg LLP
One Penn Plaza, New York, NY 10119
rweiss@milberg.com
For Defendants:

David F. Graham,
Sidley Austin LLP
One South Dearborn
Chicago, IL 60603
dgraham@Sidley.com

47. Plaintiffs’ Lead Counsel and Defendants’ Counsel agree to cooperate fully with one another in seeking Court approval of the Order for Notice and Hearing, the Stipulation and the Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

DATED: April __, 2011

MILBERG LLP

By: Richard H. Weiss

One Penn Plaza
New York, NY 10119
(212) 594-5300

On its own behalf and also, as Plaintiffs’ Lead Counsel, on behalf of Plaintiffs and the Class

DATED: April __, 2011

SIDLEY AUSTIN LLP

By: David F. Graham

One South Dearborn
Chicago, IL 60603
(312) 853-7596

On behalf of Defendants
WHEREAS, on April 1, 2011, the parties to the above-entitled certified class action (the “Action”) entered into a Stipulation and Agreement of Settlement (the “Stipulation”) which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement of the claims alleged in the Action; and the Court having reviewed and considered the Stipulation and the accompanying documents; and the parties to the Stipulation having consented to the entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED, this ______ day of ____________, 2011 as follows:
1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Fairness Hearing described below. All capitalized terms used herein having the meanings defined in the Stipulation.

2. A hearing (the “Settlement Fairness Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on ________________, 2011, at ___:____ ___m. for the following purposes:

   (a) to determine whether the proposed Settlement is fair, reasonable, and adequate, and should be approved by the Court;

   (b) to determine whether the Order and Final Judgment attached as Exhibit B to the Stipulation should be entered;

   (c) to determine whether the Plan of Allocation proposed by the Class Representative and Lead Plaintiffs’ Counsel with respect to the Net Settlement Fund provided by the Settlement is fair and reasonable, and should be approved by the Court;

   (d) to consider any application by Plaintiffs’ Lead Counsel, on behalf of itself and any other Plaintiffs’ Counsel, for an award of attorneys’ fees and expenses, and to consider any application for reimbursements to the Class Representatives for their reasonable costs and expenses (including lost wages) directly relating to their representation of the Class as provided under the PSLRA; and

   (e) to rule upon such other matters as the Court may deem appropriate.
3. The Settlement Fairness Hearing may be adjourned by the Court without notice to the Class other than by an announcement of the adjournment at or prior to the scheduled time of the Settlement Fairness Hearing or at or prior to the scheduled time of any adjournment of the Settlement Fairness Hearing. The Court may consider any modifications of the Settlement agreed to by the Class Representatives and the Defendants without further notice to the Class.

4. The Court further reserves the right to enter its Order and Final Judgment approving the Stipulation and dismissing the Complaint on the merits and with prejudice, and with a release of all Released Parties as to all Released Claims, regardless of whether it has approved the proposed Plan of Allocation, awarded requested attorneys’ fees and expenses or awarded requested reimbursements to the Class Representatives.

5. The Court approves the form, substance and requirements of the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing (the “Settlement Notice”) and the Proof of Claim form, annexed hereto as Exhibits 1 and 2 respectively.

6. The Court hereby appoints [US Bank] as Escrow Agent with respect to any portion of the Settlement Fund deposited in, remaining or accruing in an escrow account pursuant to the Stipulation. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned to the persons paying the same pursuant to the Stipulation and/or further order of the Court.

7. The Escrow Agent shall, to the extent practicable, invest the Settlement Fund in short-term United States Treasury Securities (or other instruments backed by the full faith and
credit of the United States) or in a fully US Government-insured account, and shall collect and reinvest any and all interest accrued thereon in an identical manner. The Escrow Agent shall maintain records identifying in detail and with specificity each instrument or account in which the Settlement Fund or any portion thereof has been invested, and shall make such records or copies thereof promptly available at the request of the Defendants. Neither the Settlement Fund nor any portion thereof shall be commingled with, or invested together with, any other monies or funds in any instruments or accounts.

8. The Escrow Agent shall be permitted to make disbursements from the Settlement Fund only as provided in, and subject to the terms and conditions of, the Stipulation and this Court’s orders. The Escrow Agent shall not disburse the Settlement Fund or any portion thereof except as provided for in the Stipulation, by an order of this Court, or with prior written agreement of counsel for Defendants and Plaintiffs’ Lead Counsel. Defendants shall have no liability or responsibility whatsoever for the acts or omissions of the Escrow Agent.

(i) The Court approves the request of the Class Representatives and Plaintiffs’ Lead Counsel for the appointment of Analytics Incorporated as the Claims Administrator, to act in accordance with the terms of the Stipulation and this Court’s orders. The Claims Administrator shall, subject to the supervision of Plaintiffs’ Lead Counsel and the Court, and in accordance with all Court orders and the terms of the Stipulation, administer the processes of locating and providing notice to Class Members, communicating with Class Members regarding their claims, receiving, evaluating and calculating Proofs of Claims in accordance with any plan of allocation approved by the Court, and periodically reporting to the Court regarding such matters when directed to do so by the Court or Plaintiffs’ Lead Counsel.
9. The Claims Administrator shall cause the Settlement Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first class mail, postage prepaid, on or before __________, 2011, to all Class Members who can be identified with reasonable effort, including all those persons and entities who were sent copies of the Notice of Pendency, except those persons and entities who have previously requested exclusion from the Class, as described in the July 28, 2010 Affidavit of Richard W. Simmons Re: (A) Mailing of Notice of Pendency, and (B) Report on Exclusion Requests Received (Docket No. 375).

10. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased Tellabs' common stock during the Class Period as record owners but not as beneficial owners. To the extent that they have not already done so in connection with the prior Notice of Pendency, such nominee purchasers are directed, within seven (7) days of their receipt of the Settlement Notice, (a) to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Settlement Notice and Proof of Claim promptly to such identified beneficial owners; or (b) to request additional copies of the Settlement Notice and Proof of Claim from the Claims Administrator and within seven (7) days of receipt of the copies of the Settlement Notices and Proof of Claim forms from the Claims Administrator to mail the Settlement Notice and Proof of Claim to the beneficial owners. Nominee purchasers who elect to send the Settlement Notice and Proof of Claim to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Settlement Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Gross Settlement Fund, upon receipt by the Claims
Administrator of proper documentation, for the reasonable expense of sending the Notices and Proofs of Claim to beneficial owners. Plaintiffs’ Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of mailing of the Settlement Notice and Proof of Claim.

11. The Court approves the form of Publication Notice of the proposed Settlement of this class action substantially in the form and content annexed hereto as Exhibit 3 and directs that Plaintiffs’ Lead Counsel shall cause the Publication Notice to be published in the national edition of The Wall Street Journal, and to be transmitted over Business Wire within ten days of the mailing of the Settlement Notice. Plaintiffs’ Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of publication of the Published Notice.


13. In order to be entitled to participate in the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim, substantially in the form attached hereto as Exhibit 2, must be submitted to the Claims Administrator, at the Post Office Box
indicated in the Settlement Notice, postmarked not later than ______________, 2011. Such deadline may be further extended by Court order. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first class mail, postage prepaid) provided such Proof of Claim is actually received prior to any motion for entry of a Class Distribution Order approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice.

(b) The Proof of Claim submitted by each Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Plaintiffs’ Lead Counsel or the Court; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his current authority to act on behalf of the Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) All proceedings with respect to the administration, processing and determination of Proof of Claims described by the Stipulation, the Settlement Notice or this Order, and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Proof of Claims, shall be subject to the jurisdiction of the Court. Each person submitting a Proof of Claim shall be deemed to have submitted to the jurisdiction of the Court.
jurisdiction of the Court with respect to the claimant’s claim, and the Proof of Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant’s status as a Class Member and the validity and amount of the claimant’s Proof of Claim.

14. Any member of the Class who does not submit a Proof of Claim form in the manner stated in this Order and the Settlement Notice shall be deemed to have waived his, her or its right to share in the Net Settlement Fund, and shall forever be barred from sharing in the Net Settlement Fund. Any such member of the Class, however, in all other respects shall be subject to and bound by all of the terms of the Settlement, if approved by the Court, including the terms of the Stipulation, the Order and Final Judgment to be entered if approval is granted, and the releases provided for by the Stipulation and the Order and Final Judgment that will bar any Class Member from bringing any action against the Released Parties concerning the Released Claims.

15. Exclusion Provisions:

(a) Those persons and entities who previously requested exclusion from the Class, as reported on Exhibit D to the in the July 28, 2010 Affidavit of Richard W. Simmons Re: (A) Mailing of Notice of Pendency, and (B) Report on Exclusion Requests Received (Docket No. 375), are not members of the Class and no Proof of Claim shall be accepted from any of them.

(b) In view of the prior certification of the Class, and the extensive proceedings that have occurred since members of the Class were afforded an earlier opportunity to request exclusion, including the Court’s August 13, 2010 Memorandum Opinion and Order
granting in large part Defendants’ Motion for Summary Judgment (R. 379), the Court finds that it would be inappropriate to afford Class Members a further opportunity to request exclusion.

16. Neither Defendants, the Released Parties nor their respective counsel shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission or determination of Plaintiffs’ Lead Counsel, the Escrow Agent or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (iv) any losses suffered by, or fluctuations in the value of, the Settlement Fund; or (v) the payment or withholding of any taxes, expenses and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

17. The Parties and Plaintiffs’ Lead Counsel shall submit their papers in support of final approval of the Settlement, the proposed Plan of Allocation and their application for attorneys’ fees and reimbursement of expenses by no later than ____________, 2011.

18. Any Class Member may be heard and/or appear at the Settlement Fairness Hearing to show cause why the proposed Settlement should not be approved as fair, reasonable and adequate and why the Order and Final Judgment attached as Exhibit B to the Stipulation should not be entered; why the proposed plan of allocation should not be approved as fair, reasonable and adequate; why Plaintiffs’ Counsel should not be awarded attorneys’ fees and payments of expenses in the amounts sought by Plaintiffs’ Lead Counsel; or why the Class Representatives should not be awarded reimbursements in the amounts sought by them; provided, however, that no Class Member shall be heard or be entitled to contest the approval of
the terms and conditions of the proposed Settlement, the Order and Final Judgment to be entered, the proposed plan of allocation, or Plaintiffs’ Lead Counsel’s application for an award of attorneys’ fees and payment of expenses or the application for the Class Representatives to receive reimbursements, unless on or before ______________, 2011, the Class Member has served by hand or by first-class mail written objections and copies of any supporting papers and briefs (which must contain proof of purchase of Tellabs common shares during the Class Period) upon Richard H. Weiss, Esq., Milberg LLP, One Penn Plaza, New York, New York 10119-0165, on behalf of Plaintiffs and the Class; and David F. Graham, Esq., Sidley Austin LLP, One South Dearborn, Chicago, IL 60603, on behalf of the Defendants; and has filed the objections, papers and briefs showing due proof of service upon all counsel identified above with the Clerk of the Court, United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen Building, Room 2044, 219 South Dearborn Street, Chicago, Illinois 60604. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, the request for attorneys’ fees and/or the Class Representatives’ application for reimbursements are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, counsel’s application for an award of attorneys’ fees and expenses, and/or the Class Representatives’ application for reimbursements and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.
19. Plaintiffs' Lead Counsel shall submit their papers in response to any objections by no later than ______________, 2011.

20. Any Class Member who does not object to the Settlement and/or the Plan of Allocation and/or Plaintiffs’ Lead Counsel’s application for an award of attorneys’ fees and reimbursement of litigation expenses and/or the Class Representatives’ application for reimbursements in the manner prescribed in the Notice shall be deemed forever to have waived such objection and shall forever be barred from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, the Order and Final Judgment to be entered approving the Settlement, the Plan of Allocation, the application by Plaintiffs’ Lead Counsel for an award of attorneys’ fees and reimbursement of expenses or the Class Representatives’ application for reimbursements or from otherwise being heard concerning these subjects in this or any other proceeding.

21. Pending final determination of whether the Settlement should be approved, the Plaintiffs, all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Released Claims against any of the Released Parties. Pending the Settlement Fairness Hearing, the Court stays all proceedings in the Action, other than those proceedings necessary to carry out or enforce the terms and conditions of the Stipulation.

22. Regardless whether or not the Settlement is approved and the Effective Date occurs, this Order, the Settlement, and any of their terms, and all negotiations, discussions and proceedings in connection with the Settlement (a) shall not be construed as an admission, presumption or concession by any of the Defendants or other Released Parties of, or otherwise be
permitted as or deemed to be evidence of, any fault, wrongdoing, or liability whatsoever by any of them or of the truth of any fact alleged by any of the Plaintiffs or the validity of any claim that has been or could have been asserted in the Action; and (b) shall not be offered or received against any of the Defendants or other Released Parties in evidence in any civil, criminal, administrative, or other proceeding, or utilized in any manner whatsoever (except as necessary to enforce the terms of this Order and/or the Settlement, if approved), including but not limited to as evidence of an admission, presumption or concession by any of the Defendants or other Released Parties or as evidence of any fault, wrongdoing, or liability whatsoever by any of them.

Dated: ______________________, 2011

ENTERED

Amy J. St. Eve
UNITED STATES DISTRICT COURT
JUDGE
NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR ATTORNEYS’ FEES AND SETTLEMENT FAIRNESS HEARING


A federal court authorized this notice. This is not a solicitation from a lawyer.

- The proposed Settlement of this Action will provide a $7,375,000 settlement fund for the benefit of certain Class Members.

- The certification of this Action as a class action was previously described in a Notice of Pendency of Class Action, dated February 9, 2009 which you should have received.

- The Settlement resolves a lawsuit over whether Tellabs, Inc. made certain public misstatements during the period from December 11, 2000 through June 19, 2001.

<table>
<thead>
<tr>
<th>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</th>
</tr>
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<tbody>
<tr>
<td><strong>SUBMIT A CLAIM FORM BY</strong> <strong>_________</strong>, 2011</td>
</tr>
<tr>
<td><strong>OBJECT BY</strong> <strong>_________</strong>, 2011</td>
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<tr>
<td><strong>GO TO A HEARING ON</strong> <strong>_________</strong>, 2011</td>
</tr>
<tr>
<td><strong>DO NOTHING</strong></td>
</tr>
</tbody>
</table>
• These rights and options - and the deadlines to exercise them - are explained in this Settlement Notice.

• The Court in charge of this case still has to decide whether to finally approve the Settlement. Payments will be made if the Court approves the Settlement and after any possible appeals are resolved. Please be patient.

SUMMARY OF SETTLEMENT NOTICE

Statement of Plaintiff Recovery

Pursuant to the Settlement described herein, a Settlement Fund consisting of $7,375,000 in cash, has been established. Plaintiffs estimate that there were approximately 35.7 million shares of Tellabs Inc. common stock traded during the period March 8, 2001 through June 19, 20011 which may have been damaged. Plaintiffs estimate that the average recovery per damaged share of Tellabs common stock under the Settlement is 19.6¢ per damaged share2 before deduction of Court-awarded attorneys’ fees and expenses. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by that claimant’s Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member may receive more or less than this average amount. See the Plan of Allocation beginning on page [18] for more information on your Recognized Claim.

Statement of Potential Outcome of Case

The parties vigorously disagree about both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The Action has been actively litigated over eight years and was subjected to motions to dismiss that were appealed to the U.S. Court of Appeals and to the U.S. Supreme Court. The Claims remaining in the case were the subject of Defendants’ Motion for Summary Judgment. The District Court granted Defendants’ Motion for Summary Judgment on most claims that were not previously dismissed but denied the motion as to two alleged misstatements concerning the demand for Tellabs TITAN 5500 product.

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1 The Court granted Summary Judgment against all claims for purchases made from December 11, 2000 through March 7, 2001. The Court’s judgment was potentially appealable at the time the Settlement was reached. An allocation of up to 5% of the Net Settlement Fund will be made available to Class Members for damaged shares purchased in this period. Plaintiffs estimate that there were approximately 23.4 million shares of Tellabs Inc. common stock traded during the period December 11, 2000 through March 7, 2001 which may have been damaged. Plaintiffs estimate that the average recovery per damaged share for these shares is 1.6¢ per damaged share.

2 An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.
The issues on which the parties disagree include, but are not limited to: (a) the truth or falsity of certain statements about 1) Tellabs's financial results for the fourth quarter of 2000 and the full year 2000; 2) demand for Tellabs's TITAN 5500 product; 3) Tellabs's projections of earnings and revenues for 2001; and 4) the availability and shipping of the TITAN 6500 system; (b) the materiality of those statements; (c) the effect, if any, of those statements on Tellabs' common stock price; and (d) Defendants' state of mind (scienter) when the statements were made.

The Defendants continue to deny that they are liable to the Plaintiffs or the Class and deny that Plaintiffs or the Class have suffered any damages, and the Settlement is not any admission of wrongdoing or liability.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Counsel, in addition to having invested more of their time than the amount of the Settlement, have already incurred approximately $1.45 million of expenses in the pursuit of this litigation over the last eight years. In view of the amount of expenses they have incurred they are limiting their fee request so that the total of the fees AND the litigation expenses do not exceed 40% of the Settlement Amount. Accordingly, Plaintiffs' Counsel are moving the Court to award attorneys' fees and litigation expenses in the total amount of forty percent (40%) of the Gross Settlement Fund from this Settlement, which would limit their fees to approximately 20.3% of the Settlement Amount. The requested fees and expenses would amount to an average of 7.8¢ per damaged share in total for fees and expenses. The Action was commenced in 2002, and over the past eight years Plaintiffs' Counsel have expended very substantial amounts of time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. Plaintiffs' Lead Counsel are also moving the Court to award reimbursement of up to $10,000, in total, to one or more of the Class Representatives for their reasonable costs and expenses (including lost wages) directly relating to their representation of the Class.

Further Information

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Lead Counsel: Richard H. Weiss, Esq., Milberg LLP, One Penn Plaza, New York, New York 10119-0165, Telephone (212) 594-5300.

Reasons for the Settlement

For the plaintiffs, the principal reason for the Settlement is the benefit offered to be provided to the Class now, in view of the remaining risks and recent legal rulings, including the District Court's summary judgment rulings and its order striking in large part the opinions of plaintiffs' liability expert. This benefit must be compared to the risk that no recovery at all might be achieved after a trial. Even if Plaintiffs were successful at trial, any Plaintiffs' verdict would be subjected to further appeals. And there was no assurance that at trial Plaintiffs would win, or if they did, that any recovery would be larger than the amount obtained in the proposed Settlement. The Settlement was entered after mediation proceedings.
For the Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the Action.

[END OF COVER PAGE]

WHAT THIS NOTICE CONTAINS

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PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES
1. Why did I get this notice package?

You or someone in your family may have purchased shares of Tellabs, Inc. common stock during the period from December 11, 2000 through June 19, 2001, inclusive (the “Class Period”). You may recall that a Notice of Pendency of Class Action (the “Notice of Pendency”) dated February 9, 2010 was previously distributed, which alerted Class Members to the fact that this Action was proceeding on behalf of people and entities who purchased Tellabs common stock during the Class Period. The Notice of Pendency described the Action and provided Class Members with an opportunity to exclude themselves from the Class by May 10, 2010. If you excluded yourself from the Class, you are not a Class Member, you will not be affected by the Action and you may not participate in the Settlement.

The Court directed that this Settlement Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about their right to object to the Settlement or any of its terms, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections and appeals, if any, are resolved, an administrator appointed by the Court will make the payments that the Settlement allows to Class Members who submit acceptable Proofs of Claim by __________, 2011.

This package explains the Action, the Settlement, Class Members’ legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of Illinois, Eastern Division, and the case is known as Makor Issue & Rights, LTD., et al, v. Tellabs, Incorporated, et al. Case No. 02-C-4356. This case was assigned to United States District Judge Amy J. St. Eve. The people who are suing are called the “Plaintiffs.” The company and the persons being sued -- Tellabs, Inc. (“Tellabs”) and its officers and directors at the relevant time, Michael J. Birck, Richard C. Notebaert, Joan E. Ryan, and Brian Jackman -- are called the “Defendants.”

2. What is this lawsuit about?

This Action alleges that Tellabs made misleading statements during the Class Period which artificially inflated the price of its common stock. The Action further alleges that investors who purchased Tellabs common stock at inflated prices were harmed if they held those shares after the truth became known and the artificial inflation was wholly or partially eliminated. The Complaint alleges that misleading statements were made in violation of section 10(b) of the Exchange Act and Rule 10b-5. The Action also alleges that the Individual Defendants are liable as controlling persons of Tellabs under Section 20(a) of the Exchange Act.
Tellabs is a global supplier of optical networking, broadband access, and voice-quality enhancement solutions to telecommunications carriers and internet service providers. Throughout the Class Period, Tellabs's common shares were actively traded on the NASDAQ National Market under the symbol “TLAB.” Plaintiffs allege that from December 11, 2000 until June 19, 2001, Defendants made various false and misleading public statements falling into four categories. First, Plaintiffs allege that Tellabs made revenue and earnings projections for 2001 that were misleadingly optimistic and overstated. Second, Plaintiffs allege that Tellabs misrepresented its financial results for the fourth quarter of 2000 and full year 2000 by including revenues allegedly derived from “channel stuffing” and the shipment of unordered products. Third, Plaintiffs allege that Defendants made certain statements regarding continued demand for the TITAN 5500, Tellabs’ most significant product, that were misleading. Fourth, Plaintiffs allege that Tellabs made certain statements regarding the TITAN 6500, a new product offering, that misrepresented its availability and demand for that product.

Plaintiffs have alleged that Tellabs’ stock price was artificially inflated as a result of these alleged misstatements. Plaintiffs’ damages expert has opined that a partially corrective disclosure occurred on April 6, 2001, when Tellabs’ announced a downwards revision in its first quarter guidance, which Plaintiffs allege caused a decline in the alleged artificial inflation in Tellabs’ stock price. Plaintiffs’ damages expert has further opined that the full truth was revealed on June 19, 2001, when Tellabs announced a downwards revision to its second quarter guidance (which had already been downwardly revised once in April 2001), and which Plaintiffs allege caused the elimination of the alleged artificial inflation in Tellabs’ stock price the next day.

The Defendants have denied all allegations of misconduct alleged by Plaintiffs, and deny having engaged in any wrongdoing whatsoever. They have further denied that the price of Tellabs’ stock was ever artificially inflated.

Although Plaintiffs alleged that the four categories of statements described above were false and misleading, the District Court has entered a summary judgment in Defendants’ favor on most of Plaintiffs’ claims, including all claims relating to projections, financial results and the TITAN 6500. The District Court also granted summary judgment in favor of Defendants with respect to an alleged misstatement made on April 6, 2001 regarding demand. The District Court did not, however, grant Defendants’ motion for summary judgment with respect to two statements relating to demand for the TITAN 5500, one made by a Tellabs’ officer during an analyst teleconference after the close of trading on March 7, 2001 and the other made in Tellabs’ 2000 Annual Report (issued on March 14, 2001). Instead, the District Court set these remaining claims for a trial to be held in September 2011. In a clarifying order, the District Court also ruled that summary judgment on all claims was entered against all Class Members who had purchased Tellabs stock prior to March 8, 2001, or who had also been members of the class certified in another lawsuit which had resulted in a verdict in favor of Tellabs (Brieger v. Tellabs, Inc.).
3. Why is this a class action?

In a class action, one or more people called class representatives (in this case Lead Plaintiff Makor Issues & Rights, Ltd. and Plaintiffs Nolan Howell and Richard LeBrun), sue on behalf of people who have similar claims. All these people are a class or class members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring in individual actions. One court resolves the issues for all class members, except for those who exclude themselves from the class.

The Court has found that the elements necessary for a class action are satisfied here. The Court certified this Action to proceed as a class action by Memorandum Opinion and Order dated February 23, 2009. Notice of the Pendency of this Action as a Class Action (the “Notice of Pendency”) was mailed to Class Period purchasers of Tellabs common stock and was published. The Court set a deadline of May 10, 2010 for any Class Member to request exclusion from the Class. No further exclusion requests are allowed.

4. Why is there a settlement?

This litigation has been vigorously prosecuted and defended over the course of eight years. The history of this litigation, summarized below, has provided the parties with a clear picture of the merits and risks of Plaintiffs’ claims. The parties agreed to a mediation and after that mediation reached the proposed Settlement. The Class Representatives and Plaintiffs’ Lead Counsel believe the proposed Settlement is fair, reasonable and adequate for the settlement of the Class’s claims.

Beginning on June 18, 2002, several securities fraud class actions were filed against Tellabs, Inc. (“Tellabs”) and certain of its officers and directors. By Minute Order dated September 17, 2002, the Court consolidated these actions under the caption above. Plaintiff Makor Issues & Rights, Ltd. was designated Lead Plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”) by Memorandum Opinion and Order of the Court on September 26, 2002. The Court approved Lead Plaintiff’s selection of Milberg LLP as Lead Counsel for the Class.

On December 3, 2002, Plaintiffs filed their Consolidated Amended Class Action Complaint alleging violations of sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5. The Consolidated Amended Class Action Complaint alleged, among other things, that Tellabs and certain individual defendants, who were allegedly controlling officers and/or directors of Tellabs, made materially false and misleading statements and omissions about Tellabs to the investing public, thereby artificially inflating the price of the Tellabs common stock and damaging members of the Class.

In addition to Tellabs, the Consolidated Amended Class Action Complaint named Michael J. Birck, J. Thomas Gruenwald, Brian J. Jackman, John C. Kohler, Catherin Kozik, Richard C. Notebaert, Robert W. Pullen, Joan E. Ryan, William F. Souders, and John Vaughn as defendants.

On July 11, 2003, Plaintiffs filed their Second Consolidated Amended Class Action Complaint (the “Complaint”). The Complaint did not assert any claims against Gruenwald, Kozik, and Souders, leaving Tellabs and Birck, Jackman, Kohler, Notebaert, Pullen, and Ryan as the remaining defendants. The remaining defendants moved to dismiss the Complaint on August 27, 2003, Plaintiffs filed their opposition papers on October 3, 2003, and the defendants replied on November 5, 2003. By Memorandum Opinion and Order dated February 19, 2004, after determining that the Complaint failed to properly plead an underlying Rule 10b-5 violation, and reasoning that the remaining allegations were dependent on an underlying Rule 10b-5 violation, the Court granted defendants’ motion to dismiss each count of the Complaint, with prejudice. *Johnson v. Tellabs, Inc.*, 303 F. Supp. 2d 941, 971 (N.D. Ill. 2004). By Order dated March 9, 2004, the Court clarified that its February 19, 2004 Memorandum Opinion and Order also dismissed the Complaint against Tellabs with prejudice.

On March 18, 2004, Plaintiffs appealed the dismissal of the Complaint. On July 19, 2006, the Seventh Circuit affirmed in part and reversed in part, holding that Plaintiffs sufficiently plead certain claims under Section 10(b) against Defendants Tellabs and Notebaert and properly plead control person liability claims under Section 20(a) against Birck, Jackman, Notebaert, and Ryan. *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 437 F. 3d 588, 603-05 (7th Cir. 2006). The Court of Appeals took no position on Plaintiffs’ Section 20A insider trading claims. *Id.* at 605. The Court of Appeals affirmed the dismissal of certain other claims.

On October 3, 2006, Defendants filed a petition with the United States Supreme Court to appeal the Seventh Circuit’s decision, which was granted. On June 21, 2007, the United States Supreme Court reversed the Seventh Circuit’s interpretation of what a plaintiff must allege with respect to the scienter (state of mind) requirement of a Section 10(b) claim and remanded the case for further review consistent with the Supreme Court’s ruling. *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308 (2007). On February 8, 2008, on remand from the Supreme Court, the Seventh Circuit adhered to its July 19, 2006 decision reversing in part the District Court’s dismissal of the Complaint and remanded the case to the District Court. *Makor Issues & Rights, Ltd. v. Tellabs Inc.*, 513 F.3d 702, 705 (7th Cir. 2008).

On March 17, 2008, Tellabs and Individual Defendants Birck, Jackman, Notebaert, and Ryan moved again to dismiss certain claims in the Complaint. Plaintiffs filed their response on April 14, 2008 and Defendants replied on April 29, 2008. On May 22, 2008, the Court granted in part and denied in part Defendants’ further motion to dismiss the Complaint. As a result of the May 22, 2008 opinion, the Section 20A insider trading claims were dismissed.
On June 17, 2008, Defendants answered the Complaint. The Defendants denied Plaintiffs’ claims and asserted certain defenses. In doing so, Defendants contend that they are not liable to Plaintiffs.

On August 11, 2008, Defendants moved for partial judgment on the pleadings as to certain aspects of the Complaint. Plaintiffs filed their opposition on September 9, 2008 and Defendants filed their reply on September 30, 2008. On January 12, 2009, the Court denied the motion as premature.

By Memorandum Opinion and Order dated February 23, 2009, the Court granted Plaintiffs’ motion for class certification. The Court’s Order also certified Nolan Howell, Richard LeBrun and Lead Plaintiff Makor Issues & Rights, Ltd. as Class Representatives and appointed Milberg LLP and Lead Class Counsel and Miller Law LLC as Liaison Counsel.

During the pendency of this Action, a lawsuit captioned Don Brieger, et al. v. Tellabs, Inc., et al., No. 06 C 1882 (N.D. Ill.) (the “Brieger Action”), also proceeded. The Brieger Action involved some of the same factual allegations as this Action but was brought under the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C. §§1109 and 1132, on behalf of a class defined as “[a]ll persons who were participants or beneficiaries of the Tellabs, Inc. Profit Sharing and Savings Plan at any time between December 11, 2000 and July 1, 2003 and whose accounts included investments in Tellabs stock.” After completion of extensive discovery in the Brieger Action, and following denial of defendants’ motion for summary judgment, a bench trial of the claims in that case was held. On June 1, 2009, the court presiding over the Brieger Action issued an opinion and judgment finding in favor of all defendants on all claims that had been advanced in the Brieger Action, including all claims of misrepresentations.

Extensive discovery in this Action occurred and was completed, including numerous depositions. In addition, the parties submitted conflicting expert reports on issues of both liability and damages. Plaintiffs’ damages expert estimated per share damages in the amount of $10.02 per share for those members of the class who made purchases of Tellabs’ stock from December 11, 2000 through April 5, 2001, and $5.07 per share for those class members who made purchases of Tellabs’ stock from April 6 through June 19, 2001; with an average of $8.09 in daily per share damages during the class period. Plaintiffs’ damages expert also stated that, with respect to the transactions made during the entire December 11, 2000 through June 19, 2001 Class Period, her “conservative estimate of total damages in this matter is $1,262,669,239.” As indicated below, the Court subsequently entered Summary Judgment eliminating all claims on transactions made prior to March 8, 2001, and dismissed many of the claims on transactions made during the rest of the Class Period. Defendants’ damages expert criticized the methodologies utilized by Plaintiffs’ damages expert, and opined as to a lack of any adequately demonstrated loss causation, but did not offer any specific alternative damages calculations.

In light of certain conclusions reached by their damages expert, on October 16, 2010, Plaintiffs’ filed a notice of intent not to pursue further their claims based on statements concerning the TITAN 6500.
On November 25, 2009, Defendants moved to strike the opinions of plaintiffs' liability expert. The Court held an evidentiary hearing on May 20, 2010. On June 23, 2010, the Court issued a Memorandum Opinion and Order granting Defendants' motion in significant part.

On November 3, 2010 the Court ruled on Defendants' Motion for Summary Judgment. As described earlier, the Court in large part granted summary judgment in Defendants' favor but denied the motion with respect to two alleged misstatements which it set for trial. The Court also entered judgment against Plaintiffs and the Class with respect to claims based on purchases of the common stock of Tellabs from December 11, 2000 through March 7, 2001, and with respect to those Class Members who were also members of the class in the Brieger Action.

In light of the Court's summary judgment rulings, a supplemental damages report was submitted on December 20, 2010 by Plaintiffs' damages expert. The supplemental damages report stated that daily per share damages were $10.26 per share for those persons purchasing Tellabs stock for the period of March 8 through April 5, 2001, and were $5.02 per share for persons purchasing thereafter up through June 19, 2001. At a hearing in the Action, Defendants informed the Court and Plaintiffs that they intended to move to strike the opinions of Plaintiffs' damages expert, and the Court established a schedule with respect to the filing of such an anticipated motion by Defendants.

Although the Court has dismissed many of the Plaintiffs' claims, and has granted summary judgment on most of the remaining claims, the Court did not finally decide in favor of Plaintiffs or Defendants on all of Plaintiffs' claims. Instead, both sides, with the assistance of former Chief Magistrate Judge of the U.S. District Court, Northern District of California, Edward A. Infante of JAMS, acting as a mediator, agreed to a settlement. The Lead Plaintiff, Class Representatives and their attorneys think the Settlement is best for the Class. That way, they avoid the risks, costs and delays of a trial, and possible appeals, and the people affected will get compensation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the settlement?

The Court decided in February 2009 that everyone who fits the following description, except for certain exclusions, discussed in Question 6 below, is a Class Member:

All persons who purchased the common stock of Tellabs, Inc. during the period from December 11, 2000 through June 19, 2001, inclusive (the "Class").

NOTE: After the Class was certified, and following its ruling on Defendants' Motion for Summary Judgment, the Court, on November 23, 2010, ordered that summary judgment was entered against Plaintiffs and Class Members with respect to claims "based on purchases of the
common stock of Defendant Tellabs, Inc. from December 11, 2000 through March 7, 2001,” and that those claims would not be part of any trial. This did not exclude anyone from the Class, but restricted or eliminated some Class Members’ claims. The November 23, 2010 Order is not a “final” order and Plaintiffs retain the right to appeal such Order. Accordingly, while the Settlement covers the entire Class, those claims based on purchases from December 11, 2000 through March 7, 2001 are severely discounted in the Settlement’s Plan of Allocation.

NOTE FURTHER: Following its ruling on Defendants’ Motion for Summary Judgment, the Court, on November 23, 2010, also ordered that summary judgment was entered against those Class Members who were also members of the class certified in the Brieger Action, and that their claims would not be part of any trial. The class certified in Brieger v. Tellabs, Inc. was defined as “All persons who were participants or beneficiaries of the Tellabs, Inc. Profit Sharing and Savings Plan at any time between December 11, 2000 and July 1, 2003 and whose accounts included investments in Tellabs stock.” The November 23, 2010 Order is not a “final” order and Plaintiffs retain the right to appeal such Order. Accordingly, while the Settlement covers the entire Class, those claims based on purchases by Class Members who also member of the class in the Brieger Action are severely discounted in the Settlement’s Plan of Allocation.

6. Are there exceptions to being included?

Yes, excluded from the Class are:

Defendants; the subsidiaries and affiliates of Tellabs; the officers and directors of Tellabs or its subsidiaries and affiliates, at all relevant times; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person; and any entity in which any excluded person has or had a controlling interest. Also excluded from the Class are those persons and entities who requested exclusion pursuant to the Notice of Pendency.

If one of your mutual funds purchased shares of Tellabs common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you directly purchased shares of Tellabs common stock during the Class Period. Check your investment records or contact your broker to see if you purchased Tellabs common stock during the Class Period.

If you sold Tellabs common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you purchased your shares of Tellabs common during the Class Period.

NOTE: As discussed in the February 9, 2010 Notice of Pendency, the Court previously Ordered that any putative Class Member who wanted to exclude from the Class could request to be excluded on or before May 10, 2010. No further exclusion requests are being allowed.
7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-866-535-1626 or visit www.tellabssecuritieslitigation.com for more information. Or you can fill out and return the Proof of Claim form described on page [___], in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

In exchange for the Settlement and dismissal of the Action, the Defendants have agreed to create a $7,375,000 fund to be divided, after fees and expenses, among Class Members who send in valid Proof of Claim forms.

9. How much will my payment be?

Your share of the fund will depend on the total "Recognized Claims" represented by the valid Proof of Claim forms that Class Members send in, how many shares of Tellabs common stock you bought, when you purchased them, how much you paid for them, and whether you held them through the disclosures on April 6, 2001 and / or June 19, 2001, and if you sold them, when and for how much you sold them.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for all of your Recognized Claim. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a portion of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone’s Recognized Claims. See the Plan of Allocation beginning on page [___] for more information on your Recognized Claim.

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at www.tellabssecuritieslitigation.com. Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than ______________, 2011.
11. When would I get my payment?

The Court will hold a hearing on ____________ , 2011, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up to get a payment?

If the Settlement is approved by the Court, then upon the “Effective Date,” you will release all “Released Claims” (as defined below) against the “Released Parties” (as defined below). The litigation will be dismissed with prejudice and you will also lose the right to appeal all adverse rulings by the District Court.

“Released Claims” means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for compensatory, punitive, or statutory damages, interest, attorneys’ fees, and any other costs, expenses or liability whatsoever), whether known or unknown (including Unknown Claims as defined herein), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether legal, equitable, statutory or of any other type or form, whether brought in an individual, representative, class, derivative or any other capacity, whether fixed or contingent, liquidated or un-liquidated, that in any way relate to or arise out of or are in connection with the purchase or sale of any common stock of Tellabs during the Class Period, including, but not limited to, any event, act, failure to act, conduct, transaction, occurrence, statement, representation, disclosure, nondisclosure or omission occurring during the Class Period which was alleged, asserted or referred to in any of the complaints, other pleadings or other legal filings in the Action, or which could have been alleged or asserted in the Action in connection with the purchase or sale of any common stock of Tellabs during the Class Period.

“Released Parties” means any and all of the Defendants and other persons that were previously named as a defendant in the Action, their respective past or present subsidiaries, parents, affiliates, successors and predecessors, and each and all of their respective officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, legal representatives, heirs, successors in interest or assigns.

“Unknown Claims” means any and all Released Claims against any Released Parties that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date, 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, the parties stipulate and agree that upon the Effective Date, the Plaintiffs and each Class Member shall be deemed to have waived, 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 or otherwise, which is similar, comparable, or equivalent to 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 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.

Under the Settlement, Plaintiffs and each Class Member acknowledge that each may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Released Claims but the Plaintiffs and Class Members shall each, upon the occurrence of the Effective Date and by operation of the Order and Final Judgment, be deemed to have fully, finally, and forever settled and released any and all Released Claims, including Unknown Claims. Plaintiffs acknowledge, and all other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a key element of the Settlement.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal.

THE LAWYERS REPRESENTING THE CLASS

13. Do I have a lawyer in this case?

The Court ordered that the law firm of Milberg LLP in New York, NY will represent the Class as Lead Plaintiffs’ Counsel, and has appointed the firm of Miller Law LLC, in Chicago Illinois, as Plaintiffs’ Liaison Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs’ Counsel’s fees and expenses, which will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers and Class Representatives be compensated for their time and expenses?

Over the eight years that this litigation has been pending, Plaintiffs’ Counsel have incurred approximately $1,450,000 in litigation expenses, and have, on a contingent fee retention, invested over $14.7 million worth of their billable time in the prosecution of this Action.

Plaintiffs’ Lead Counsel are moving the Court to award them an amount for both attorneys’ fees and litigation expenses incurred in connection with the prosecution of this Action, limited to a total of forty percent (40%) of the Gross Settlement Fund (i.e. $2,950,000). The expenses incurred by Plaintiffs’ Counsel are estimated at $1.45 million or approximately Nineteen Point Seven Percent (19.7%) of the Gross Settlement Fund. The remaining amount of the requested
award would provide Plaintiffs’ Counsel with attorneys’ fees of approximately $1.5 million or about Twenty Point Three percent (20.3%) of the Gross Settlement Fund. The requested attorneys’ fees represent far less than the amount Plaintiffs’ Counsel’s billable hourly fees, had the case not been pursued on a contingent-fee basis.

The motion for attorneys’ fees will be submitted on behalf of Plaintiffs’ Lead Counsel and the following additional Plaintiffs’ Counsel: Miller Law LLC, 115 S. LaSalle Street, Suite 2910, Chicago, IL 60603 who is liaison counsel; and additional Plaintiffs’ Counsel Faruqi & Faruqi, LLP; 369 Lexington Ave., 10th Floor, New York, NY 10017, and Ademi & O’Reilly, LLP, 3620 East Layton Avenue, Cudahy, Wisconsin 53110. Milberg LLP has an agreement to share its fees with referring law firms Faruqi & Faruqi, LLP; and Ademi & O’Reilly, LLP, relating to the prosecution of the Action.

Plaintiffs’ Lead Counsel are also moving the Court to award reimbursement of up to $10,000, in total to one or more of the Class Representatives for their reasonable costs and expenses (including lost wages) directly relating to their representation of the Class.

Plaintiffs’ Lead Counsel, without further notice to the Class, will subsequently apply to the Court for payment of the Claims Administrator’s fees and expenses incurred in connection with giving notice, administering the settlement and distributing the settlement proceeds to the members of the Class.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the settlement or some part of it.

15. How do I tell the Court that I do not like the proposed settlement?

If you are a Class Member you can object to the Settlement or any of its terms, the proposed Plan of Allocation, the application for reimbursements to the Lead Plaintiff and Class Representatives and/or the application by Plaintiffs’ Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the Settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed settlement in the *Makor Issues & Rights, Ltd, et al., v. Tellabs, Inc. et al.*, Securities Litigation, Case No. 02-C-4356. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases and sales of Tellabs common stock you made during the Class Period, and state the reasons why you object to the Settlement. Your objection must be filed with the Court and served on all the following counsel on or before

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You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question 15 and question 18 below for filing with the Court and providing to the counsel for Plaintiffs and Defendants a statement of an intention to appear at the Settlement Fairness Hearing may also appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation, Plaintiffs’ Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of expenses or the application for reimbursements to the Lead Plaintiff and Class Representatives. Any such objector may appear in person or arrange, at that objector’s expense, for a lawyer to represent the objector at the Hearing.

THE COURT’S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend and you may ask to speak, but you do not have to.

16. When and where will the Court decide whether to approve the proposed settlement?

The Court will hold a Settlement Fairness Hearing at ___:___ .m. on ___ day, __________, 2011, at the United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen Building, Room 2044, 219 South Dearborn Street Chicago, Illinois 60604. At this hearing the Court will consider whether the Settlement is fair, reasonable and adequate. At the Settlement Fairness Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement, the application of Plaintiffs’ Lead Counsel for attorneys’ fees and reimbursement of expenses and the application for reimbursements to the Lead Plaintiff and Class Representatives. The Court will take into consideration any written objections filed in accordance with the instructions at question 15. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. See question 18 for more information about speaking at the hearing. The Court may also decide how much to pay to Plaintiffs’ Counsel. After the hearing, the Court
will decide whether to approve the settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs’ Lead Counsel before coming to be sure that the date and/or time has not changed.

17. Do I have to come to the hearing?

No. Plaintiffs’ Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

18. May I speak at the hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see question 15 above) a statement stating that it is your “Notice of Intention to Appear in the Makor Issues & Rights, Ltd, et al., v. Tellabs, Inc. et al., Securities Litigation, Case No. 02-C-4356.” Persons who intend to object to the Settlement, the Plan of Allocation, counsel’s application for an award of attorneys’ fees and expenses and/or the application for reimbursements to the Lead Plaintiff and Class Representatives and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Unless otherwise ordered by the Court, you cannot speak at the hearing if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing by the deadline identified, and in accordance with the procedures described in question 15 above.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Parties about the Released Claims in this case, ever again. To share in the Net Settlement Fund you must submit a Proof of Claim form (see question 10).
GETTING MORE INFORMATION

20. Are there more details about the proposed settlement?

This notice summarizes the proposed Settlement. More details are in a Stipulation and Agreement of Settlement dated April 1, 2011 (the “Stipulation”). You can get a copy of the Stipulation by writing to Richard H. Weiss, Esq., Milberg LLP, One Penn Plaza, New York, NY 10119-0165, or by visiting www.tellabssecuritieslitigation.com.

You also can call the Claims Administrator at 1-866-535-1626 toll free; write to c/o Analytics Incorporated, Settlement Administrator, P.O. Box 2004, Chanhassen, MN 55317-2004; or visit the website www.tellabssecuritieslitigation.com, where you will find answers to common questions about the settlement, a Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment. Plaintiffs’ Counsel anticipate filing their papers in support of the Settlement, Plan of Allocation, their applications for an award of attorneys’ fees and expenses and reimbursements to the Lead Plaintiff and Class Representatives with the court and on the website by ____________, 2011.

21. How do I get more information?

For even more detailed information concerning the matters involved in this Action, you may refer to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the Court, United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen Building, Room 2044, 219 South Dearborn Street Chicago, Illinois 60604, during regular business hours.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The $7,375,000 Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the “Net Settlement Fund”) shall be distributed to members of the Class who submit acceptable Proofs of Claim (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s pro rata share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the fact that the District Court granted Summary Judgment against all claims based on purchases of Tellabs common stock made prior
to the close of trading on March 7, 2001. This judgment is not “final” insofar as it could still be made the subject of an appeal. It is a condition of the proposed Settlement that all Class Period claims be released. In consideration of the extinguishment of any right to appeal the Court’s grant of Summary Judgment, the proposed Plan of Allocation therefore allocates a small amount to Class Members with respect to any Class Period purchases of Tellabs common stock during the Class Period but prior to the close of trading on March 7, 2001.

The proposed Plan of Allocation also reflects a discounting of the Recognized Claim for any Class Members here who were also members of the ERISA class certified in a separate action known as *Brieger v. Tellabs, Inc.*, Case No. 06-cv-1882 (N.D.Ill.). After trial, those persons’ claims were finally determined and were dismissed with prejudice. The Court herein found that certain of the claims present in this Action were “collaterally estopped” (legally barred) with respect to persons who were also members of the *Brieger* class. That decision finding collateral estoppel is not “final” either, and could be made the subject of an appeal. In light of the Court’s collateral estoppel and Summary Judgment decisions with respect to Class Members here who were also members of the *Brieger* class, Class Period transactions in the Tellabs, Inc. Profit Sharing and Savings Plan during the Class Period by persons or entities who were members of the ERISA class are being allowed, but at a severely discounted rate.

The Court did not dismiss Plaintiffs’ claims based on (1) a statement made by one of Tellabs’ officers in an analyst teleconference after the close of trading, on March 7, 2001, and (2) a statement made in Tellabs’ 2000 Annual Report (issued on March 14, 2001).

The following proposed Plan of Allocation generally reflects Plaintiffs’ Damage Expert’s original analysis that the price of Tellabs common stock during the period December 11, 2000 through at least March 7, 2001, included $10.02 per share of artificial inflation resulting from the Defendants’ alleged misrepresentations. Plaintiffs’ Damage Expert’s revised analysis, made following the Court’s judgment dismissing claims based on purchases prior to March 8, 2001, contended that from March 8, 2001 through April 6, 2001 there was some $10.26 per share of artificial inflation reflected in the price of Tellabs common stock. It is Plaintiffs’ contention that this artificial inflation was partially eliminated when, on April 6, 2001 Tellabs announced disappointing first quarter results, and the price of Tellabs common stock dropped significantly. It is Plaintiffs’ contention that $5.24 of this drop was attributable to the elimination of artificial inflation. Plaintiffs contend that a remaining $5.02 of artificial inflation per share was eliminated on June 19, 2001, when Tellabs announced substantially lowered second quarter guidance. The price of Tellabs common stock dropped significantly in response to the June 19, 2001 disclosures. That June 19, 2001 disclosure ended the Class Period.

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3 The class certified in *Brieger v. Tellabs, Inc.* was defined as “All persons who were participants or beneficiaries of the Tellabs, Inc. Profit Sharing and Savings Plan at any time between December 11, 2000 and July 1, 2003 and whose accounts included investments in Tellabs stock.”

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"Recognized Claims" will be calculated for purposes of the Settlement as follows:

1. For shares of Tellabs common stock purchased during the period December 11, 2000 through the Close of trading on March 7, 2001, inclusive, (the Court has granted Summary Judgment against recovery on these purchases) and

   A. Sold on or before the close of trading on April 6, 2001, an Authorized Claimant shall have no ($0.00) "Recognized Claim";

   B. Sold at a loss\(^4\) during the period April 7, 2001 through and including June 19, 2001, an Authorized Claimant's "Recognized Claim" shall mean five percent (5%) of the lesser of:

      \(a\) \$4.95 per share, or \(b\) the purchase price paid (including commissions, etc.) less the sales proceeds received (net of commissions, etc.);

   C. Held for a loss as of the close of trading on June 19, 2001, an Authorized Claimant's "Recognized Claim" shall mean five percent (5%) of the lesser of:

      \(a\) \$10.02 per share, or \(b\) the purchase price paid (including commissions, etc.) less \(\$16.04\) per share.\(^5\)

2. For shares\(^6\) of Tellabs common stock purchased during the period March 8, 2001 through the Close of trading on April 6, 2001, inclusive, and

   A. Sold on or before the close of trading on April 6, 2001, an Authorized Claimant shall have no ($0.00) "Recognized Claim";

   B. Sold at a loss during the period April 7, 2001 through and including June 19, 2001, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: \(a\) \$5.24 per share, or \(b\) the purchase price paid (including commissions, etc.) less the sales proceeds received (net of commissions, etc.);

   C. Held for a loss as of the close of trading on June 19, 2001, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: \(a\) \$10.26 per share, or \(b\) the purchase price paid (including commissions, etc.) less \$16.04 per share.

3. For shares\(^7\) of Tellabs common stock purchased during the period April 7, 2001 through the Close of trading on June 19, 2001, inclusive, and

\[^4\] Shares sold for more than their cost shall have no (zero) Recognized Claim.

\[^5\] \$16.04 per share was the value of the shares at the end of the Class Period.

\[^6\] Except for shares purchased by persons who were also members of the Brieger class. The Recognized Claim for shares purchased in the Tellabs, Inc. Profit Sharing and Savings Plan during the Class Period by persons who were also members of the Brieger class shall be only five percent (5%) of the amount otherwise calculated in this subsection 2.

\[^7\] Except for shares purchased by persons who were also members of the Brieger class. The Recognized Claim for shares purchased in the Tellabs, Inc. Profit Sharing and Savings Plan
A. Sold on or before the close of trading on June 19, 2001, an Authorized Claimant shall have no ($0.00) "Recognized Claim";

B. Held for a loss as of the close of trading on June 19, 2001, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) $5.02 per share, or (b) the purchase price paid (including commissions, etc.) less $16.04 per share.

NOTE: Except in the very unlikely event that Class Members submit so few Proofs of Claim that Class Members would be paid 100% of their Recognized Claims with respect to purchases of Tellabs common stock made after March 8, 2001, in no event will more than 5% of the Net Settlement Fund be allocated to Class Members with respect to Recognized Claims resulting from purchases of Tellabs common stock made before March 8, 2001.

In the event a Class Member has more than one purchase or sale of Tellabs common stock during the Class Period, all Class Period purchases and Class Period sales shall be matched on a Last In First Out ("LIFO") basis. A purchase or sale of Tellabs common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The grant by gift, devise or operation of law of Tellabs common stock during the Class Period shall not be deemed a purchase or sale of Tellabs common stock for the calculation of an Authorized Claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Tellabs common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Tellabs common stock.

Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. A payment to an Authorized Claimant of less than $10 in total will not be included in the calculation and will not be distributed to the Authorized Claimant.

Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds, but will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least $10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If six months after such re-distribution, funds in
excess of $50,000 remain in the Cash Settlement Accounts, then such funds shall be further re-distributed to Authorized Claimants who have cashed their most recent re-distribution and who would receive at least $10.00 from such further re-distribution, after payment of any unpaid costs or fees incurred in administering the Cash Settlement Accounts for such re-distribution. The redistributions shall continue until less than $50,000 remains, after which such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) to be mutually agreed and designated by Plaintiffs’ Lead Counsel and Tellabs, Incorporated.

Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the determination, administration, calculation, or payment of any Proof of Claim, the performance or non-performance of the Claims Administrator, or the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection with any of the foregoing.

The Court has reserved jurisdiction to modify, amend, or alter the Plan of Allocation, without further notice, or to allow, disallow or adjust the claim of any Class Member on equitable grounds, to ensure a fair and equitable distribution of funds. No person shall have any claim against the Lead Plaintiffs or their counsel or any claims administrator or other agent designated by Lead Plaintiffs or their counsel, or against Defendants or their counsel, based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased common stock of Tellabs Inc. during the period from December 11, 2000 through June 19, 2001, inclusive for the beneficial interest of a person or organization other than yourself, the Court has directed that, if you have not already provided to the Notice Administrator the lists of your Tellabs beneficiaries in connection with the February 9, 200 Notice of Pendency, then, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased Tellabs common stock during such time period or (b) request additional copies of this Settlement Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail copies of the Settlement Notice and Proof of Claim forms directly to the beneficial owners of that Tellabs common stock. If you choose to follow alternative procedure (b), the Court has directed that,
upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Tellabs Securities Litigation  
c/o Analytics Incorporated  
Claims Administrator  
P.O. Box 2004  
Chanhassen, MN 55317-2004  
(866) 535-1626  
www.tellabssecuritieslitigation.com

:Dated: Chicago, Ill  
_______________, 2011

By Order of the Court  
CLERK OF THE COURT
EXHIBIT 2 to EXHIBIT A
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MAKOR ISSUES & RIGHTS, LTD., et al.,
Plaintiffs,

vs.

TELLABS, INCORPORATED, MICHAEL J. BIRCK, RICHARD C. NOTEBAERT, et al.,
Defendants.

PROOF OF CLAIM AND RELEASE

DEADLINE FOR SUBMISSION: ____________, 2011.


Excluded from the Class are: Defendants; the subsidiaries and affiliates of Tellabs; the officers and directors of Tellabs or its subsidiaries and affiliates, at all relevant times; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person; and any entity in which any excluded person has or had a controlling interest. Also excluded from the Class are those persons and entities who requested exclusion pursuant to the Notice of Pendency.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN ____________, 2011 TO THE FOLLOWING ADDRESS:

Tellabs Securities Litigation
c/o Analytics Incorporated
Claims Administrator
P.O. Box 2004
Chanhassen, MN  55317-2004
YOUR FAILURE TO SUBMIT YOUR CLAIM BY ____________, 2011 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT’S STATEMENT

1. I affirm that I purchased the common stock of Tellabs, Inc. ("Tellabs") during the time from December 11, 2000 through June 19, 2001, inclusive. (Do not submit this Proof of Claim if you did not purchase Tellabs common stock during this period.)

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a Class Member as defined above and in the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing (the “Settlement Notice”), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Class; that I have read and understand the Settlement Notice; that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Settlement Notice; and that I have not previously filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member (for example, as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I understand and agree that my claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my status as a Class Member and the validity and
amount of my claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim.

4. I have set forth where requested below all relevant information with respect to each purchase of Tellabs common stock during the Class Period by me or on my behalf, and each sale, if any, of such common stock. I agree to furnish additional information (including transactions in other Tellabs securities) to the Claims Administrator to support this claim if requested to do so.

5. I have enclosed photocopies of the stockbroker’s confirmation slips, stockbroker’s statements, or other documents evidencing each purchase, sale or retention of Tellabs common stock listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

6. I understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Claim. In some cases the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities such as options.)
7. I hereby acknowledge that, upon the occurrence of the “Effective Date,” as defined in the Settlement Notice, by operation of law, I on behalf of myself and on behalf of my heirs, executors, administrators, predecessors, successors, and assigns (or, if I am submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, I on behalf of it, him, her or them and on behalf of its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) shall fully and completely release, remise and discharge each of the “Released Parties” of all “Released Claims,” as defined in the Settlement Notice.

8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-(866) 535-1626, or visit their website at www.tellabssecuritieslitigation.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

9. Statement of Claim

CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last) / Joint Owner's Name

Street Address
City	 State	 Zip Code

Foreign Province	 Foreign Country

__________________________________________
Area Code	 ____________________________________ (Daytime)
Telephone Number

__________________________________________
Area Code	 ____________________________________ (Evening)
Telephone Number

Check appropriate box (check only one box):

☐ Individual/Sole Proprietor ☐ Joint Owners ☐ Pension Plan
☐ Corporation ☐ Partnership ☐ Trust
☐ IRA ☐ Other (describe: ____________________________)

NOTE: Separate Proofs of Claim should be submitted for each separate legal entity (for example, a claim from Joint Owners should not include separate transactions of just one of the Joint Owners, an Individual should not combine his or her IRA transactions with transactions made solely in the Individual’s name). Conversely, a single Proof of Claim should be submitted on behalf of one legal entity including all transactions made by that entity no matter how many separate accounts that entity has (for example, a Corporation with multiple brokerage accounts should include all transactions made in Tellabs common stock during the Class Period on one Proof of Claim, no matter how many accounts the transactions were made in).

Social Security Number	 or	 Taxpayer Identification Number

Record Owner's Name (if different from beneficial owner listed above)

10. At the close of business on December 10, 2000, I owned __________ shares of Tellabs common stock (If none, write “zero” or “0”) (If other than zero, must be documented).*

11. I made the following purchases of Tellabs common stock during the period from December 11, 2000 through June 19, 2001, inclusive. (Persons who received Tellabs common

* Documentation to show holding would commonly include the monthly brokerage statement for the account in which the stock was held.
stock during the Class Period other than by purchase are not eligible to submit claims for those
transactions) (must be documented)

<table>
<thead>
<tr>
<th>Date(s) of Purchase</th>
<th>Number of Shares of Common Stock Purchased</th>
<th>Purchase Price Per Share of Common Stock</th>
<th>Aggregate Cost (including commissions, taxes, and fees)</th>
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</table>

12. I made the following sales of Tellabs common stock during the period from December 11, 2000 through June 19, 2001, inclusive. (If none, write “zero” or “0”) (If other than zero, must be documented):

<table>
<thead>
<tr>
<th>Date(s) of Sale</th>
<th>Number of Shares of Common Stock Sold</th>
<th>Sale Price Per Share of Common Stock</th>
<th>Amount Received (net of commissions, taxes, and fees)</th>
</tr>
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</table>

13. At the close of trading on June 19, 2001, I owned ________ shares of Tellabs common stock (If none, write 0). (If other than zero, must be documented.)

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PHOTOCOPY THIS PAGE

† Documentation to show a purchase or sale should normally include a trade confirmation slip or a monthly statement showing the trade.
14. Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service (“I.R.S.”) requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals) or

Taxpayer Identification Number
(for estates, trusts, corporations, etc.)

15. Certification

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 because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Date: _____________
THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN
___________, 2011, AND MUST BE MAILED TO:

Tellabs Securities Litigation
c/o Analytics Incorporated
Claims Administrator
P.O. Box 2004
Chanhassen, MN 55317-2004

A Proof of Claim received by the Claims Administrator shall be deemed to have been
submitted when posted, if mailed by ____________, 2011, and if a postmark is indicated on
the envelope and it is mailed first class, and addressed in accordance with the above instructions.
In all other cases, a Proof of Claim shall be deemed to have been submitted when actually
received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of
the Proofs of Claim and to administer the Settlement. This work will be completed as promptly
as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the
Claims Administrator of any change of address.

REMEMBER CHECKLIST

1. ☐ Please be sure to sign this Proof of Claim on page [__]. If this Proof of Claim is
submitted on behalf of joint claimants, then both claimants must sign.

2. ☐ Please remember to attach supporting documents. Do NOT send any stock
certificates. Keep copies of everything you submit.

3. ☐ Do NOT use highlighter on the Proof of Claim or any supporting documents.

4. ☐ If you move after submitting this Proof of Claim, please notify the Claims
Administrator of the change in your address.

NOTE: RECEIPT ACKNOWLEDGMENT NEEDED

The Claims Administrator will send a written confirmation of its receipt of your Proof of
Claim. Do not assume your claim is submitted until you receive written confirmation of its
receipt. Your claim is not deemed fully filed until the Claims Administrator sends you written
confirmation of its receipt of your Proof of Claim. If you do not receive an acknowledgement
postcard within thirty (30) days of your mailing the Proof of Claim, then please call the Claims
Administrator toll free at ____________.
EXHIBIT 3 to EXHIBIT A
SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT


YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that a settlement of the above-captioned certified class action has been proposed. A hearing will be held at the Court before the Honorable Amy J. St. Eve, at __:___ __m., on _____________, 2011 to determine whether the proposed settlement should be approved by the Court as fair, reasonable, and adequate, whether a proposed plan of allocation should be approved, and to consider the application of Plaintiffs’ Counsel for attorneys’ fees and reimbursement of expenses and for the reimbursement of cost and expenses (including lost wages) to Class Representatives.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you have not yet received the full printed Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing and a Proof of Claim form, you may obtain copies of these documents by contacting the Claims Administrator:

Tellabs Securities Litigation
c/o Analytics Incorporated
Claims Administrator
P.O. Box 2004
Inquiries, other than requests for the forms of Notice and Proof of Claim, may be made to Plaintiffs’ Lead Counsel:

Richard H. Weiss, Esq.
MILBERG LLP
One Penn Plaza
New York, NY 10119-0165
Telephone: (212) 594-5300

To participate in the Settlement, you must submit a Proof of Claim no later than ____________, 2011. Any objections to the Settlement or to the other matters being considered by the Court must be filed by ____________, 2011. If you are a Class Member and do not submit a proper Proof of Claim, you will not share in the Settlement but you nevertheless will be bound by the Order and Final Judgment of the Court.

Further information may be obtained by contacting the Claims Administrator.

By Order of The Court
EXHIBIT B
ORDER AND FINAL JUDGMENT

On the _____ day of ________________ , 2011, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated April 1, 2011 (the “Stipulation”) are fair, reasonable, and adequate for the settlement of all claims asserted by the Class against the Defendants in the Complaint now pending in this Court under the above caption, including the release of the Defendants and the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Complaint on the merits and with prejudice in favor of the Defendants and as against all persons or entities who are members of the Class herein who have not requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Class; (4) whether and in what amount to award Plaintiffs’ Counsel fees and reimbursement of expenses; and (5) whether and in what amount to award Lead Plaintiff and the other Class Representatives payments for their costs.
and expenses. The Court having considered all matters submitted to it at the hearing and otherwise;.

NOW, THEREFORE, THE COURT HEREBY FINDS AND ORDERS AS FOLLOWS:

1. The Court has jurisdiction over the subject matter of the Action, the Lead Plaintiff and Class Representatives, all Class Members, and the Defendants. All capitalized terms used in this Order and Final Judgment have the meanings as set forth and defined in the Stipulation.

2. This Action has previously been certified by the Court as a class action, pursuant to Fed.R.Civ.P. Rule 23(b)(3). The Class consists of all persons who purchased the common stock of Tellabs, Inc. during the period from December 11, 2000 through June 19, 2001, inclusive (the “Class”). Excluded from the Class are: Defendants; the subsidiaries and affiliates of Tellabs; the officers and directors of Tellabs or its subsidiaries and affiliates, at all relevant times; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person; and any entity in which any excluded person has or had a controlling interest. Also excluded from the Class are the persons and/or entities who requested exclusion from the Class as reported on Exhibit D to the in the July 28, 2010 Affidavit of Richard W. Simmons Re: (A) Mailing of Notice of Pendency, and (B) Report on Exclusion Requests Received (Docket No. 375).

3. This Court has previously appointed Lead Plaintiff Makor Issues & Rights, Ltd., and Plaintiffs Nolan Howell and Richard LeBrun, as Class Representatives.

4. Notice of the Pendency of this Action as a class action was previously given to all Class Members who could be identified with reasonable effort. Class members were given an opportunity to request exclusion until May 10, 2010. The form and method of notifying the

5. By order dated _____, 2011, a form of Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing ("Notice") was previously approved by the Court, as was a Proof of Claim form and a form of Publication Notice. Plaintiffs' Lead Counsel has filed with the Court proof of mailing of the Notice and Proof of Claim and proof of publication of the Publication Notice. Based on those submissions, the Court finds that the Notice substantially in the form approved by the Court was mailed to all persons or entities reasonably identifiable, who purchased the common stock of Tellabs, Inc. ("Tellabs") during the period from December 11, 2000 through June 19, 2001, inclusive (the "Class Period"), except those persons or entities excluded from the definition of the Class, and that a summary notice of the hearing substantially in the form approved by the Court was published in the national edition of The Wall Street Journal and transmitted over Business Wire in accordance with this Court's orders. The Court finds that the form and method of notifying the Class of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.
6. The Court finds that the Settlement is fair, reasonable, and adequate with respect to the Class and the Class Members, and that the Class Representatives and their counsel have fairly and adequately represented all of the Class Members with respect to the Settlement. The Court therefore approves the Settlement, pursuant to Fed.R.Civ.P. Rule 23(g). The Parties and the Class are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

7. The Second Consolidated Amended Class Action Complaint dated July 11, 2003 (the “Complaint”), together with all claims therein, is hereby dismissed with prejudice and without costs.

8. In accordance with the Stipulation, upon the Effective Date Plaintiffs and all the other members of the Class on behalf of themselves, their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall, with respect to each and every Released Claim, be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally and forever released, relinquished and discharged any Released Claim against any of the Released Parties. Plaintiffs and all the other members of the Class, together with their heirs, executors, administrators, trustees, predecessors, successors and assigns, are hereby permanently barred and enjoined from instituting, commencing or prosecuting against Defendants and all other Released Parties any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for compensatory, punitive, or statutory damages, interest, attorneys’ fees, and any other costs, expenses or liability whatsoever), whether known or unknown (including Unknown Claims as defined herein), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether legal, equitable, statutory or of any other type or form,
whether brought in an individual, representative, class, derivative or any other capacity, whether fixed or contingent, liquidated or un-liquidated, that in any way relate to or arise out of or are in connection with the purchase or sale of any common stock of Tellabs during the Class Period, including, but not limited to, any event, act, failure to act, conduct, transaction, occurrence, statement, representation, disclosure, nondisclosure or omission occurring during the Class Period which was alleged, asserted or referred to in any of the complaints, other pleadings or other legal filings in the Action, or which could have been alleged or asserted in the Action in connection with the purchase or sale of any common stock of Tellabs during the Class Period (all of the foregoing constituting the “Released Claims”). The Released Parties consist of the Defendants and other persons that were previously named as a defendant in the Action, their respective past, or present subsidiaries, parents, affiliates, successors and predecessors, and each and all of their respective officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, legal representatives, heirs, successors in interest or assigns (the “Released Parties”).

9. In accordance with the Stipulation, upon the Effective Date each of the Defendants and all persons previously named as a defendant in the Action, on behalf of themselves, their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall, with respect to each and every Settled Defendants’ Claims, be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally and forever released, relinquished and discharged any Settled Defendants’ Claim against Plaintiffs, all other Class Members and their counsel. The Defendants and all other persons previously named as a defendant in the Action, together with their heirs, executors, administrators, trustees, predecessors, successors and assigns, are hereby permanently barred and
enjoined from instituting, commencing or prosecuting any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in this Action or any forum by the Defendants or by the other persons that were previously named as a defendant in the Action, or any of them or the successors and assigns of any of them against any of the Plaintiffs, other Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement) (all of the forgoing constituting the "Settled Defendants' Claims").

10. For purposes of this Order and Final Judgment, including paragraphs 8 and 9 hereof, and in accordance with the Stipulation, "Unknown Claims" means any and all Released Claims against any Released Parties that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date, and any and all Settled Defendants' Claims that any Defendant does not know or suspect to exist in his, her or its favor as of the Effective Date, 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 Settled Defendants' Claims, upon the Effective Date, the Plaintiffs and the Defendants have expressly waived, and each Class Member shall be deemed to have waived, 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 or otherwise, which is similar, comparable, or equivalent to 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 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.” Plaintiffs, each Class Member and Defendants have respectively acknowledged that each may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Released Claims or Settled Defendants’ Claims, but the Plaintiffs, Class Members and Defendants shall each, upon the occurrence of the Effective Date and by operation of the Order and Final Judgment, be deemed to have fully, finally, and forever settled and released any and all Released Claims and Settled Defendants’ Claims, including Unknown Claims. Plaintiffs and Defendants have acknowledged, and all other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Settled Defendants’ Claims was separately bargained for and was a key element of the Settlement.

11. Neither this Order and Final Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein shall be:

(1) construed as an admission, presumption or concession by any of the Defendants or other Released Parties of, or otherwise be permitted as or deemed to be evidence of, any fault, wrongdoing, or liability whatsoever by any of them or of the truth of any fact alleged by any of the Plaintiffs or the validity of any claim that has been or could have been asserted in the Action;

(2) offered or received against any of the Defendants or other Released Parties in evidence in any civil, criminal, administrative, or other proceeding, or utilized in any manner whatsoever, including but not limited to as evidence of an admission, presumption or concession by any of the Defendants or other Released Parties or as evidence of any fault,
wrongdoing, or liability whatsoever by any of them; provided, however, the Released Parties may refer to these proceedings and documents to effectuate the liability protection, including releases and injunctions, granted them hereunder;

(3) construed as or received in evidence as an admission, concession or presumption against Plaintiffs or any of the other Class Members that any of their claims are without merit; and

(4) nothing contained herein shall prevent this Order and Final Judgment or the Stipulation (or any agreement or order relating thereto) from being used, offered, or received in evidence in any proceeding to approve, enforce, or otherwise effectuate the Stipulation and the Settlement, or any orders entered by the Court relating thereto (including but not limited to the Order and Final Judgment), including but not limited to the Defendants or other Released Persons filing the Stipulation and/or the Order and Final Judgment in any other action that may be brought against any of them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release or any other theory of claim preclusion or issue preclusion.

12. The Plan of Allocation is approved as fair and reasonable, and Plaintiffs’ Counsel and the Claims Administrator are directed to administer the Stipulation in accordance with its terms and provisions.

13. Plaintiffs’ Counsel are hereby awarded $_______ as and for both their attorneys’ fees and reimbursement of their litigation expenses, which sum the Court finds to be fair and reasonable, and which amount shall be paid to Plaintiffs’ Lead Counsel from the Settlement Fund with interest from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earns. Payment of such fees and expenses prior to the
Effective Date shall be subject to the requirements of the Stipulation and in particular paragraph 15 thereof.

14. [Lead Plaintiff and Class Representative Makor Issues & Rights, Ltd. is hereby awarded [$__________]. Plaintiff and Class Representative Nolan Howell is hereby awarded [$__________]. Such awards are for reimbursement of these Plaintiffs reasonable costs and expenses (including lost wages) directly related to their representation of the Class.]

15. Neither Defendants, the Released Parties nor their respective counsel shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission or determination of Plaintiffs' Lead Counsel, the Escrow Agent or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (iv) any losses suffered by, or fluctuations in the value of, the Settlement Fund; or (v) the payment or withholding of any taxes, expenses and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

16. Exclusive jurisdiction is hereby retained over the Parties and the Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class. All funds held by the Escrow Agent or its successor shall continue to be deemed to be in the custody of the Court and shall remain subject to the
jurisdiction of the Court until such time as the funds shall be distributed or returned to the persons paying the same pursuant to the Stipulation and/or further order of the Court.

17. All proceedings with respect to the administration, processing and determination of Proof of Claims described in the Stipulation and this Court’s orders, and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Proof of Claims, shall be subject to the jurisdiction of the Court.

18. Plaintiffs’ Counsel will apply to the Court, on notice to Defendants’ Counsel, for an order (the “Class Distribution Order”) approving the Claims Administrator’s administrative determinations concerning the acceptance and rejection of the Proof of Claims submitted herein, and approving any costs and expenses not previously applied for, including the fees and expenses of the Claims Administrator, and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

19. Proofs of Claim that do not meet the substantive submission requirements of the Stipulation and this Court’s orders may be rejected by the Claims Administrator. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the claimant in order to attempt to remedy potentially curable deficiencies in the Proof of Claim submitted. The Claims Administrator shall notify, in a timely fashion and in writing, each claimant whose Proof of Claim it proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of paragraph 20 below.

20. If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) days after the date of mailing of the
notice required in paragraph 19 above, serve upon the Claims Administrator a notice and
statement of reasons indicating the claimant’s grounds for contesting the rejection along with any
supporting documentation, and requesting a review thereof by Plaintiffs’ Lead Counsel. If a
dispute concerning a claim cannot be otherwise resolved, Plaintiffs’ Lead Counsel shall
thereafter present the request for review to the Court on notice to the claimant.

21. The administrative determinations of the Claims Administrator accepting and
rejecting claims shall be presented to the Court, on notice to Defendants’ Counsel, for approval
by the Court in the Class Distribution Order.

22. Payment pursuant to the Settlement shall be deemed final and conclusive against
all Class Members. All Class Members whose claims are not approved by the Court shall be
barred from participating in distributions from the Net Settlement Fund, but otherwise shall be
bound by all of the terms of the Settlement and Stipulation and this Order and Final Judgment,
including the releases provided for herein, and are barred from bringing any action against the
Released Parties concerning the Released Claims.

23. The Net Settlement Fund shall be released from the Escrow Account and provided
to the Claims Administrator for distribution to the Authorized Claimants, in accordance with the
Court’s orders, only after each and all of the following have occurred: (i) the Class Distribution
Order has been entered; (ii) the Effective Date has occurred; (iii) all timely Claims have been
processed, and all claimants whose Claims have been rejected or disallowed, in whole or in part,
have been notified and provided the opportunity to be heard concerning such rejection or
disallowance; (iv) all objections with respect to all rejected or disallowed claims have been
resolved by the Court, and all appeals therefrom have been resolved or the time therefor has
expired, or a reserve has been made to cover the potential payment to such claimants; (v) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired, or a reserve has been made to cover the potential payment with respect to such attorneys' fees, costs, and disbursements; and (vi) all Notice and Administration Costs and Tax Expenses have been paid or provided for.

24. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

25. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54 (b) of the Federal Rules of Civil Procedure.

Dated: Chicago, Ill
________________________, 2011

Honorable Amy J. St. Eve
UNITED STATES DISTRICT JUDGE