

OFFICIAL NOTICE FROM THE
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

**If you were a customer of PowerNet Global
Communications (“PNG”) between April 2003 and July
2006, you could receive compensation via a class
action settlement.**

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

- A settlement will provide \$3,180,000 in cash, calling cards, bill credits, and other benefits to pay claims from PNG customers who paid a Network Access Charge to PNG between April 2003 and July 2006.
- The settlement resolves a lawsuit over whether PNG properly charged the Network Access Charge as a tax. It avoids costs and risks to you from continuing the lawsuit, provides compensation to customers like you, and releases PNG from liability.
- Court-appointed lawyers for customers will ask the Court for up to \$318,000.00 (10% of the settlement), to be paid separately by PNG, as fees and expenses for investigating the facts, litigating the case, and negotiating the settlement.
- The two sides disagree on how much money could have been won if customers won a trial.
- Your legal rights are affected whether you act, or don't act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against PNG about the legal claims in this case.
OBJECT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

QUESTIONS? CALL 1-800-831-7159 TOLL FREE, OR VISIT WWW.POWERNETSETTLEMENT.COM

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have been a PNG customer between April 2003 and July 2006.

The Court sent you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, PNG or an administrator appointed by the Court will make payments as indicated in the settlement will be made. You will be informed of the progress of the settlement.

This package explains the lawsuit, the settlement, your 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 Southern District of California, and the case is known as *Maycumber and UCAN, et al., v. PowerNet Global Communications, Inc., et al.*, Case No. 06-CV-1773-H (RBB). The people who sued are called Plaintiffs, and the company they sued, PNG, is called the Defendant.

2. What is this lawsuit about?

The lawsuit claimed that PNG mislabeled certain charges on its bills to consumers beginning in April 2003 by charging a Network Access Charge and placing it under the taxes section of the bill. PNG denies they did anything wrong.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case UCAN and the Maycumbers), sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. U.S. District Judge Marilyn L. Huff is in charge of this class action.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. The Plaintiffs think they could have won reimbursement of some or all of the Network Access Charge paid by Class Members if they won a trial. The Defendant thinks the Plaintiffs would not have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get compensation. The Class Representatives and the attorneys think the settlement is best for all Class Members.

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?

As part of this settlement the parties agree that everyone who fits this description is a Class Member: *All people who were PNG customers between April 1, 2003 and July 31, 2006 and who paid the Network Access Charge.*

6. Are there exceptions to being included?

You are not a Class Member if you are an officer or director of PNG. Also, immediate family members of PNG officers and directors and the Court and its staff members are not in the Class.

7. I'm 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 1-800-831-7159 or visit www.powernetsettlement.com for more information. Or you can fill out and return the claim form described in question 10

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to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

PNG has agreed to pay \$3,180,000 in compensation in the form of cash, calling cards, bill credits, and other benefits, to be divided among Class Members who send in a valid claim form, as set forth below.

9. How much will my payment be?

The amount you receive will depend on the number of valid claim forms that Class Members send in, and when you were a PNG customer. Here's how it works:

Following the instructions on the claim form described below, after supplying your current address information, you will be asked to state if you are a present or former PNG customer, and which one of the following six categories you fall into:

- Group A - average PNG monthly bill under \$10 between April 1, 2003 and July 31, 2006, and charged the Network Access Charge for less than 12 months.
- Group B - average PNG monthly bill over \$10 between April 1, 2003 and July 31, 2006, and charged the Network Access Charge for less than 12 months.
- Group C - average PNG monthly bill under \$10 between April 1, 2003 and July 31, 2006, and charged the Network Access Charge for between 13 and 24 months.
- Group D - average PNG monthly bill over \$10 between April 1, 2003 and July 31, 2006, and charged the Network Access Charge for between 13 and 24 months.
- Group E - average PNG monthly bill under \$10 between April 1, 2003 and July 31, 2006, and charged the Network Access Charge for over 24 months.
- Group F - average PNG monthly bill over \$10 between April 1, 2003 and July 31, 2006, and charged the Network Access Charge for over 24 months.

If you are a present PNG customer and submit a valid claim form, you will receive a 10% bill credit for the following number of months in which you remain a PNG customer, depending on what group you fall into:

Groups A and B - 4 months

Groups C and D - 8 months

Groups E and F - 12 months

These bill credits are capped at a total of \$725,000, and will start no later than two billing cycles after the settlement is final (approximately January 2008).

If you are a former PNG customer from the April 2003 to July 2006 time period and submit a valid claim form, you can choose one of two options:

(a) you can request a calling card for the following number of minutes, depending on what group you fall into:

Group A - 90 minutes

Group B - 180 minutes

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- Group C - 180 minutes
- Group D - 360 minutes
- Group E - 270 minutes
- Group F - 540 minutes

This card has no expiration date, and is good for domestic long distance calls at a rate of 9.7 cents per minute. The number of cards that will be issued under this option will be capped at a total dollar value of \$2.25 million.

(b) you can request a cash payment for the following amounts, depending on what group you fall into:

- Groups A and B - \$6.00
- Groups C and D - \$9.00
- Groups E and F - \$15.00

The total amount that may be paid under this option will be capped at \$200,000.

The amounts you receive may be reduced depending on the number of claims received. If the total dollar amount in each of the above categories is not claimed, the difference will be donated to third party charitable or other organizations.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

10. How can I get a payment?

To qualify for payment, you must submit a claim form. To submit a claim you can go to www.powernetsettlement.com and electronically submit a claim form, filling out the information requested. You can also submit your claim form in writing by mailing it to the address on the claim form. To request a claim form, call 1-800-831-7159, or download the claim form from the website. **Read the instructions carefully, complete the form, and submit it no later than December 17, 2007.**

11. When would I get my payment?

The Court will hold a hearing on November 19, 2007 at 10:30 a.m., to decide whether to approve the settlement. If Judge Huff approves the settlement after that, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Everyone who sends in a claim form will be informed of the progress of the settlement and can check the website for updates. Please be patient.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means you can't sue, continue to sue, or be part of any other lawsuit against PNG about the legal issues in *this* case. It also means that all of the Court's orders will apply to you and legally bind you. If you submit the claim form, you will agree to a "Release of Claim" included on the claim form, which describes exactly the legal claims that you give up if you get settlement benefits.

Excluding Yourself From the Settlement

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue PNG on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself—or is sometimes referred to as opting out of the Class.

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13. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from *Maycumber, et al. v. PowerNet, et al.* Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **November 5, 2007** to:

PNG Exclusion Request
c/o Gilardi & Co. LLC
PO Box 8060
San Rafael, CA 94912-8060

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue PNG in the future over these claims.

14. If I don't exclude myself, can I sue PNG for the same thing later?

No. Unless you exclude yourself, you give up any right to sue PNG for the claims that this settlement resolves. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **November 5, 2007**.

15. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. But, you may sue, continue to sue, or be part of a different lawsuit against PNG.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firm of Rosner & Mansfield, LLP in San Diego, CA, to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class counsel will ask the Court to approve payment of not more than \$318,000.00 (10% of the settlement) to them for attorneys' fees and expenses and payment of \$2,000 each to the Maycumbers for their services as Class Representatives. The fees would pay Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. PNG will separately pay the fees, expenses and payments that the Court awards. These amounts will *not* reduce the \$3,180,000 in class compensation. PNG has agreed not to oppose certain of these fees and expenses. PNG will also pay the costs to administer the settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

18. How do I tell the Court that I don't like the settlement?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to *Maycumber, et al. v. PowerNet, et al.*, Case No. 06-CV-773-H (RBB). Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. Mail the objection to these three different places postmarked no later than **November 5, 2007**:

QUESTIONS? CALL 1-800-831-7159 TOLL FREE, OR VISIT WWW.POWERNETSETTLEMENT.COM

Court	Class Counsel	Defense Counsel
Clerk of the Court U. S. District Court, Southern District of California 880 Front Street, Suite 4290 San Diego, CA 92101-8900	ROSNER & MANSFIELD, LLP 10085 Carroll Canyon Rd., Suite 100 San Diego, CA 92131	EAGAN O'MALLEY & AVENATTI LLP 450 Newport Center Dr., Suite 200 Newport Beach, CA 92660

19. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

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

The Court will hold a Fairness Hearing at 10:30 a.m. on November 19, 2007, at the United States District Court for the Southern District of California, 940 Front Street, San Diego, CA, in Courtroom 13, Fifth Floor. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Huff may listen to people who have asked to speak at the hearing. The Court may also decide to approve the payment to Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge Huff may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Maycumber, et al. v. PowerNet, et al.*," Case No. 06-CV-1773-H (RBB). Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than **November 5, 2007**, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the three addresses in question 18. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you'll get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against PNG about the legal issues in this case, ever again.

QUESTIONS? CALL 1-800-831-7159 TOLL FREE, OR VISIT WWW.POWERNETSETTLEMENT.COM

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation of Settlement. You can get a copy of the Stipulation by writing to Rosner & Mansfield, LLP at the above address, or by visiting www.powernetsettlement.com. You may also contact Class Counsel by calling them at 1-800-466-5366.

25. How do I get more information?

You can call 1-800-831-7159 toll free; write to PowerNet Global Communications Litigation Claims Administrator, c/o Gilardi & Co., P.O. Box 8060, San Rafael, CA 94912-8060; or visit the website at www.powernetsettlement.com, where you will find answers to common questions about the settlement, the claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

DATE: SEPTEMBER 7, 2007

HON. MARILYN HUFF
U.S. DISTRICT COURT JUDGE