

share of the total settlement will be determined based on the settlement terms set forth in Section V below and upon the definitions in Section IV.

An internet web site has been created to give you additional information regarding the settlement and assist you in determining whether you are a class member. The website describes the Musical Compositions and Sound Recordings to which this settlement applies. To access that website, go to www.SantaBarbaraClassSettlement.com.

You may have received a personalized list of musical compositions and/or sound recordings with this Notice. If so, you have been preliminarily determined to be a class member based on your rights in the listed musical compositions or sound recordings. However, this determination is not final, and you must submit a Proof of Claim Form to be eligible to participate in the settlement. No assurance can be given that your personalized list is a complete statement of all the musical compositions and sound recordings for which you may assert a valid claim for a share of the settlement, and you should consult the website above for more information.

The proposed settlement would resolve the class action litigation concerning Defendants that is pending in the Court, as more fully described in Section I below. In particular, the proposed settlement contemplates payments to music owners whose music is alleged to have been embodied in the soap opera *Santa Barbara* without permission. The proposed settlement does not entitle musicians who created musical works specially for *Santa Barbara* under work-for-hire arrangements or who gave permission for their music to be embodied in *Santa Barbara* to receive such settlement payments. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Class Action or the merits of the claims or defenses asserted.

This Notice is given pursuant to an order of the District Court of the Central District of California granting preliminary approval of the settlement on the terms set forth herein.

I. THE ACTION

Named Plaintiffs Nathan East (individually and dba New East Music), Stanley M. Clarke (individually and dba Clarke Music), and The Music Force LLC (individually and dba Full Force Music) commenced this action on July 6, 2004 alleging that they own certain musical compositions or sound recordings that were embodied without authorization in the television series *Santa Barbara* and thereafter reproduced and distributed in episodes internationally. The Class Complaint named Twentieth Century Fox Film Corporation, Twentieth Century Fox Film International Television, Inc., New World Television Productions, Inc. and New World Entertainment, Ltd. as defendants. Named Plaintiffs asserted claims for copyright infringement for themselves individually and on behalf of classes of owners of musical compositions and sound recordings, or portions thereof, that were embodied in *Santa Barbara*.

On September 20, 2004, Defendants answered the Class Complaint, denying liability and asserting affirmative defenses. Several months later, certain major music companies (referred to hereinafter as "the Majors") expressed their intent to intervene in the litigation. On August 5, 2005, Named Plaintiffs and Fox stipulated to permit the Majors to intervene in the litigation as individual plaintiffs. The Majors filed their Complaint In Intervention a few days later, on August 12, 2005. At all times since filing their Complaint In Intervention, the Majors have been represented by separate and independent counsel.

In the spring of 2005, while engaged in discovery, Named Plaintiffs and Defendants began settlement discussions. Over the course of more than 16 months, Named Plaintiffs and Defendants have exchanged information, investigated facts, and engaged in arm's-length negotiations regarding the terms and conditions of a class settlement. In November 2006, Named Plaintiffs and Defendants participated in a mediation before independent mediator former Justice John Zebrowski. Named Plaintiffs and Defendants' negotiations continued following that mediation and have culminated in the execution of a Stipulation of Settlement (the "Stipulation") providing for a class settlement of all claims that have been or could be asserted by Named Plaintiffs, for themselves or on behalf of the Classes, with respect to the use of musical compositions and sound recordings in episodes of *Santa Barbara*.

II. CLAIMS OF THE NAMED PLAINTIFFS AND BENEFITS OF SETTLEMENT

Named Plaintiffs have pursued the Class Action for over two years, during which time they have discovered the factual and legal issues involved. Named Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Class Action against Defendants through trial and appeals, which could substantially delay any recovery that might be obtained. Named Plaintiffs have also taken into account the potentially meritorious defenses asserted by Defendants and the problems of proof in the Class Action, including the risk that protracted and costly proceedings would lead to no recovery at all for Class Members. Based on their evaluation, Named Plaintiffs and Named Plaintiffs' Counsel believe that the settlement set forth in the Stipulation is just and proper and is in the best interests of Named Plaintiffs and the Classes.

III. DEFENDANTS' DENIALS OF LIABILITY

There has been no adverse determination by any court against any Defendant on the merits of the claims asserted by Named Plaintiffs, and Defendants have denied any liability against them arising out of any of the conduct, statements, acts, or omissions alleged in the Class Action. Nonetheless, Defendants have concluded that further litigation of the Class Action would be protracted, expensive and disruptive, and that it is desirable that the Class Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.

IV. DEFINITIONS

1. Preface

The following words or phrases, whenever they appear in this Notice, shall have the following meanings:

- 1.1 "Classes" or "Class Members" refers to the Musical Composition Class and the Sound Recording Class together.

- (a.) "Musical Composition Class" or "Musical Composition Class Members" means all Persons who are Legal Owners of a musical composition or portion thereof that, without license or authorization, was broadcast, cablecast, copied, displayed, disseminated, distributed, embodied, exhibited, performed, recorded, reproduced, synchronized, syndicated, telecast, transmitted or otherwise used in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere. Musical Composition Class Members do not include Excluded Persons, as defined in subparagraph (d) below.
 - (b.) "Sound Recording Class" or "Sound Recording Class Members" means all Persons who are Legal Owners of a sound recording or portion thereof that, without license or authorization, was broadcast, cablecast, copied, displayed, disseminated, distributed, embodied, exhibited, performed, recorded, reproduced, synchronized, syndicated, telecast, transmitted or otherwise used in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere. Sound Recording Class Members do not include Excluded Persons, as defined in subparagraph (d) below.
 - (c.) The Musical Composition and Sound Recording Classes shall also include Persons who currently hold any monetary or royalty interest in a Musical Composition or Sound Recording that derives from the interest of an Excluded Person within the definition of subparagraph (d)(1) or (d)(3) only, as Legal Owner of the Musical Composition or Sound Recording, or portion thereof.
 - (d.) "Excluded Persons" are the following Persons, which are the sole Persons excluded from the Musical Composition and Sound Recording Classes:
 - (1) any Persons to the extent their claims as alleged in the Class Action have already been released and discharged;
 - (2) any Persons to the extent they submit a timely and valid request to be excluded from the Classes ("Request for Exclusion");
 - (3) Defendants and any affiliated or related company or entity of Defendants, and any entity in which a Defendant or any affiliated or related entity has a controlling interest; and
 - (4) each of the Intervening Plaintiffs (defined as "Music Companies" in the Complaint In Intervention For Copyright Infringement And Conversion, filed on August 12, 2005) and any Person who claims any monetary or royalty interest that derives from the interest of any Intervening Plaintiff.
- 1.2 "Class Complaint" refers to the Class Action Complaint for Copyright Infringement filed by Nathan East, Stanley M. Clarke, and The Music Force LLC on July 6, 2004.
- 1.3 "Class Counsel" or "Named Plaintiffs' Counsel" refers to Jeffrey L. Graubart, the Law Offices of Jeffrey L. Graubart, 350 West Colorado Boulevard, Suite 200, Pasadena, California 91105, Telephone: (626) 304-2800, Facsimile: (626) 304-2807; and Maxwell M. Blecher, David W. Kesselman, and Courtney A. Palko, Blecher & Collins, P.C., 515 South Figueroa Street, Suite 1700, Los Angeles, California 90071, Telephone: (213) 622-4222, Facsimile: (213) 622-1656.
- 1.4 "Court" means the United States District Court for the Central District of California, Western Division.
- 1.5 "Defendants" are the defendants named in the Class Action Complaint, unless otherwise indicated.
- 1.6 "Defendants' Counsel" refers to Rick Richmond and Xanath Owens, Kirkland & Ellis LLP, 777 South Figueroa St., Los Angeles, California 90017, Telephone: (213) 680-8400, Facsimile: (213) 680-8500.
- 1.7 "Effective Date" means the date that this Stipulation becomes effective, which shall be the first date by which all of the events and conditions specified in paragraph 7.1 of the Stipulation of Settlement have been met and have occurred.
- 1.8 "Final" means the first date by which all of the following have occurred: (a) all appellate rights with respect to the Judgment in this Class Action have expired or been exhausted in such a manner as to affirm the Judgment, and (b) the Class Action has been dismissed with prejudice.
- 1.9 "Funding Date" means the date on which the Court enters on order preliminarily approving the terms of this Stipulation of Settlement.
- 1.10 "Judgment" means the judgment to be rendered by the Court.
- 1.11 "Legal Owner," as used herein in reference to a musical composition or sound recording means:
- (a.) the legal owner of a copyright in the musical composition or sound recording, or portion thereof;
 - (b.) any exclusive licensee(s) of any right pursuant to such copyright to (and/or to authorize others to) broadcast, cablecast, copy, display, disseminate, distribute, embody, exhibit, perform, record, reproduce, synchronize, syndicate, telecast, transmit or otherwise use the musical composition or sound recording, or portion thereof, as part of a television series, episode, program, performance, advertisement, promotion, commercial, or other exploitation in any manner or in any medium, whether now known or hereafter devised, anywhere, provided that such exclusive licensee obtained the power to sue, or to have a suit initiated, for the infringement of its rights under the license; or
 - (c.) any other holder of a past or present cause of action that may exist for the infringement of the

- copyright, or the rights therein, described in subparagraphs (a) and (b) directly above.
- 1.12 "Musical Composition" means any composition of music or portion thereof that, without license or authorization, was broadcast, cablecast, copied, displayed, disseminated, distributed, embodied, exhibited, performed, recorded, reproduced, synchronized, syndicated, telecast, transmitted or otherwise used in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere.
- 1.13 "Named Plaintiffs" are plaintiffs named in the Class Complaint, unless otherwise indicated.
- 1.14 "Parties" refers individually and collectively to Named Plaintiffs, for themselves and on behalf of the Class Members, and Defendants. "Parties" specifically excludes Intervening Plaintiffs.
- 1.15 "Parties' Counsel" refers to Named Plaintiffs' Counsel and Defendants' Counsel. "Parties' Counsel" specifically excludes counsel to Intervening Plaintiffs.
- 1.16 "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, retirement plan, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity and their spouses, heirs, predecessors, successors, representatives or assignees.
- 1.17 "Released Claims" refers to all current or past claims, causes of action, or liabilities, including, but not limited to, claims for infringement, conversion, misappropriation, breach of contract, unfair business practices, or violations of any state or federal statutes, rules, or regulations, and any Unknown Claims (as defined in paragraph 1.23 below) that have been, could have been, or could be asserted against Defendants and the other Released Persons, arising from or with respect to the broadcast, cablecast, copying, display, dissemination, distribution, embodiment, exhibition, performance, recording, reproduction, synchronization, syndication, telecast, transmission or other use, in any medium anywhere and at any time through the date of entry of an order preliminarily approving this Stipulation of Settlement, of any musical composition or sound recording, or portion thereof, in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere.
- 1.18 "Released Persons" includes, without limitation, Defendants and their past or present directors, officers, employees, licensees, distributors, controlling shareholders, members, principals, agents, representatives, attorneys, accountants, auditors, insurers, predecessors, successors, assigns, parents, subsidiaries, affiliates and related entities (and the representatives of such affiliates or related entities), and any other Persons and entities involved in any way in the broadcast, cablecast, copying, display, dissemination, distribution, exhibition, performance, recording, reproduction, synchronization, syndication, telecast, transmission or other use, in any medium anywhere and at any time through the date of entry of an order preliminarily approving this Stipulation of Settlement, of any musical composition or sound recording, or portion thereof, in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere.
- 1.19 "Settlement Administrator" refers to the entity selected by mutual agreement of the Parties and approved by the Court that will be responsible for administering the class notice and for the review and processing of claims. The Settlement Administrator shall be The Garden City Group, Inc.
- 1.20 "Settlement Costs" refer to:
- (a) the fees, expenses and costs of Named Plaintiffs' Counsel (the "Class Counsel Fee and Expense Award"),
 - (b) any incentive payments awarded to the Named Plaintiffs who brought this Class Action ("Plaintiff Incentive Award"), and
 - (c) the fees and costs of the Settlement Administrator and of any other third party retained by mutual agreement of the Parties to assist in administering and implementing the settlement ("Administrative Expenses").
- 1.21 "Settlement Fund" means a fund consisting of Defendants' payment of \$1,164,000 on the Funding Date. After the Funding Date, the amount of the Settlement Fund will fluctuate due to the accrual of interest after the Funding Date, less disbursements paid out pursuant to the provisions of this Stipulation. The Settlement Fund shall be placed in an account or separate accounts with a national bank or financial institution acceptable to the Parties.
- 1.22 "Sound Recording" means any sound recording or portion thereof that, without license or authorization, was broadcast, cablecast, copied, displayed, disseminated, distributed, embodied, exhibited, performed, recorded, reproduced, synchronized, syndicated, telecast, transmitted or otherwise used in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere.
- 1.23 "Unknown Claims" means any Released Claims that any Named Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release that, if known by him, her or it, might have affected his, her or its decision whether to object to this settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, each of the Named Plaintiffs and Class Members shall be deemed to have, and by operation of the Judgment shall have, waived and

relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California Civil Code, 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.

Each of the Named Plaintiffs and Class Members, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, federal law, or principle of common law, that is similar, comparable or equivalent to section 1542 of the California Civil Code. Each of the Named Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but each of the Named Plaintiffs and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is infringing, misappropriating, fraudulent, negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Parties acknowledge that the foregoing waiver was bargained for and is a key element of the settlement of which this release is a part.

1.24 The plural of any defined term or any other term in this Stipulation includes the singular, and the singular of any defined term includes the plural, as the case may be.

V. TERMS OF THE PROPOSED SETTLEMENT

1. Preface

Named Plaintiffs, for themselves and on behalf of the Class Members, have agreed to settle this action with Defendants on the following main principal and conditions:

2. Settlement Fund

Defendants agree to pay \$1,164,000 into the Settlement Fund on the Funding Date.

3. Deduction of Settlement Costs From the Settlement Fund

Within five business days after the Judgment in this Class Action becomes Final, the Class Counsel Fee and Expense Award approved by the Court shall be paid from the Settlement Fund to Class Counsel, and any Plaintiff Incentive Award approved by the Court shall be paid from the Settlement Fund to Class Counsel on behalf of the benefiting Persons. Class Counsel may submit an application for a Class Counsel Fee and Expense Award consisting of up to 25% of the Settlement Fund (net of the amount of the Settlement Fund represented by Musical Compositions and Sound Recordings that are the subject of a timely and valid Request for Exclusion). Named Plaintiffs shall seek a Plaintiff Incentive Award of \$15,000 per Named Plaintiff. Such awards for Class Counsel and Named Plaintiffs shall include interest earned on said sums at the same rate and for the same periods as earned by the Settlement Fund. Defendants shall express no opinion as to the amount of the requested awards, except Defendants may respond to any characterization of Defendants that is contained in the application therefor.

Once the Class Counsel Fee and Expense Award is paid, the remainder of the Settlement Fund shall be allocated pro rata to the "Musical Composition Class Settlement Fund" and the "Sound Recording Class Settlement Fund" based on the total allowed Musical Composition claims and the total allowed Sound Recording claims. For example, if the total allowed Musical Composition claims represent 500 Musical Compositions and the total allowed Sound Recording claims represent 200 Sound Recordings, the Settlement Fund shall be allocated 5/7 to the Musical Composition Class Settlement Fund and 2/7 to the Sound Recording Class Settlement Fund.

For purposes of computing the number of Sound Recordings to be used in making this calculation, the following principles will be applied. Where multiple sound recordings exist of a single Musical Composition, and two or more cues of the Musical Composition appear in *Santa Barbara* but the actual sound recordings used have not been specifically identified, all possible sound recordings for those cues shall count only as a single Sound Recording. Where, however, the actual sound recordings used in *Santa Barbara* have been identified, no account shall be made for any additional sound recording.

All Administrative Expenses shall be identified by the Settlement Administrator as allocable to the Musical Composition Class only, the Sound Recording Class only, or to both Classes. Administrative Expenses allocable to a particular Class will be offset against that Class's Settlement Fund. Administrative Expenses allocable to both Classes will be divided pro rata based on the total allowed Musical Composition claims and the total allowed Sound Recording claims, unless the Parties agree on a more equitable allocation plan. Any Plaintiff Incentive Award shall be allocated between the Classes as directed by the Court.

4. Allocation of Net Settlement Fund

Once Settlement Costs allocable to the Musical Composition Class Settlement Fund have been fully deducted and any reversion paid to Defendants, the Settlement Administrator shall determine the settlement payment allocable to each Musical Composition by dividing the amount of the Musical Composition Class Settlement Fund by the total number of Musical Compositions or by such other plan of allocation as the Court may approve (the "Net Musical Composition Settlement Payment"). The Settlement Administrator shall distribute the Net Musical Composition Settlement Payment for each Musical Composition among those Persons with allowed claims with respect to the Musical Composition.

Once Settlement Costs allocable to the Sound Recording Class Settlement Fund have been fully deducted and any reversion paid to Defendants, the Settlement Administrator shall determine the settlement payment allocable to each Sound Recording by dividing the amount of the Sound Recording Class Settlement Fund by the total number of Sound Recordings or by such other plan of allocation as the Court may approve (the "Net Sound Recording Settlement Payment"). The Settlement Administrator shall distribute the Net Sound Recording Settlement Payment for each Sound Recording among those Persons with allowed claims with respect to the Sound Recording, according to their respective shares of the Sound Recording.

5. Distribution of Unclaimed Portion of Settlement Fund

For each Musical Composition or Sound Recording that is the subject of a Request for Exclusion by a Person purporting to have a 100% interest in the Musical Composition or Sound Recording, Defendants may elect reversion to themselves of the entire net settlement payment otherwise attributable to such Musical Composition or Sound Recording as if it were an allowed claim. If a Musical Composition or Sound Recording is the subject of a Request for Exclusion by a Person purporting to have a partial interest in the Musical Composition or Sound Recording, Defendants may elect reversion of the share of the net settlement payment that is represented by that Person's partial interest.

If a Person submits a Request for Exclusion with respect to some, but not all, Musical Compositions in which that Person has an interest, Defendants may deem any other Musical Composition, or any share thereof, in which that Person has, or is reasonably likely to have, an interest to be the subject of a Request for Exclusion and elect reversion with respect to such additional Musical Compositions or shares thereof.

If a Person submits a Request for Exclusion with respect to some, but not all, Sound Recordings in which that Person has an interest, Defendants may deem any other Sound Recording, or any share thereof, in which that Person has, or is reasonably likely to have, an interest to be the subject of a Request for Exclusion and elect reversion with respect to such additional Sound Recordings or shares thereof.

In the event that Defendants elect reversion of the entire net settlement payment attributable to a Musical Composition or Sound Recording, or of a share thereof, the release and dismissal of claims under the Stipulation shall not apply to the specific Musical Composition or Sound Recording, or share thereof, to which such election applies.

6. Claims Review and Payment

In order for a claim to be allowed, the Settlement Administrator must determine from the information made available that: (a) the claimant did not timely submit a valid Request for Exclusion; (b) the claimant timely submitted a properly completed Proof of Claim Form; and (c) the claim is valid. The Settlement Administrator's determinations regarding the allowance of claims shall be made in a just, speedy, and efficient manner. Claims shall be disallowed upon a finding that there is no reasonable likelihood that the claim is valid. The Settlement Administrator's determinations shall be final and binding.

If two or more Persons submit competing and inconsistent claims to the settlement recovery and the Settlement Administrator cannot reasonably determine which claim should prevail over the other, Class Counsel and Defendants' Counsel shall attempt to resolve such differences with the competing claimants informally. Absent a resolution through such means, Class Counsel and Defendants' Counsel shall have the dispute submitted to final and binding arbitration before an arbitrator to be appointed by the Court. The arbitration shall be conducted in such a manner as to afford all claimants involved a reasonable opportunity to be heard and as to reach a decision swiftly and inexpensively under expedited procedures. Claimants will promptly receive written notice of the arbitrator's decision, which will have no preclusive or *res judicata* effect in any other proceeding. The arbitrator's fees and costs shall be borne by the claimants on such terms as the Court shall prescribe.

The settlement payment to each Person whose claim has been allowed shall be made by check drawn on the Settlement Fund. Endorsing the settlement check and depositing it for payment shall constitute an attestation under penalty of perjury under U.S. law to comply with any contractual or other legal obligations to pay royalties owing as a result of the settlement recovery. Payment of claims shall commence as soon as reasonably practicable after the Judgment in this Class Action becomes Final.

VI. CONDITIONS FOR SETTLEMENT

The settlement is conditioned on the occurrence of certain events described in the Stipulation of Settlement. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation of Settlement; and (2) expiration of the time to appeal from the Judgment. If, for any reason, any one of the conditions described in the Stipulation of Settlement is not met, the Stipulation of Settlement might be terminated and, if terminated, would become null and void, and the Parties would be restored to their respective positions in the Class Action as of the day and time immediately before execution of the Stipulation of Settlement, including the return to Defendants within five days of the cancellation or termination of the Stipulation of Defendants' payment of \$1,164,000 plus such interest as may have accrued after the Funding Date.

VII. RELEASE AND DISMISSAL

Upon the Effective Date, each of the Named Plaintiffs shall have, and each of the Musical Composition Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims against all Defendants and the other Released Persons and retroactively authorized, licensed, and consented to any conduct of Defendants and the other Released Persons relating to the Released Claims to the extent such conduct arises from or with respect to the use of any musical composition or portion thereof in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere.

Upon the Effective Date, each of the Named Plaintiffs shall have, and each of the Sound Recording Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims against all Defendants and the other released Persons and retroactively authorized, licensed, and consented to any

conduct of Defendants and the other Released Persons relating to the Released Claims to the extent such conduct arises from or with respect to the use of any sound recording or portion thereof in connection with, or as part of, *Santa Barbara* in any manner or in any medium, whether now known or hereafter devised, anywhere.

If, after the Final Settlement and Class Certification Hearing, the Court approves the settlement, the Parties anticipate that the Court will enter a final judgment that:

1. Certifies the Classes solely for purposes of the settlement;
2. Approves the settlement, adjudging the terms thereof to be fair, reasonable, adequate, and in the best interests of the Musical Composition Class and the Sound Recording Class, pursuant to Federal Rule of Civil Procedure 23(e);
3. Authorizes and directs further performance of the Stipulation of Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the settlement provided therein;
4. Settles, discharges, and dismisses the Class Action on the merits with respect to all Released Persons, and each of them, including without limitation all Released Claims, and with prejudice against Named Plaintiffs and all Class Members who have not submitted a timely and valid Request for Exclusion, subject only to compliance by the Parties with the terms and conditions of the Stipulation of Settlement and any order of the Court with reference to the settlement; and
5. Permanently bars and enjoins Named Plaintiffs and all Class Members from asserting, commencing, prosecuting, or continuing, either directly or indirectly, derivatively, individually, representatively, or in any other capacity, any of the Released Claims as against any and all Released Persons.

VIII. APPLICATION FOR FEES AND EXPENSES

At the Final Settlement and Class Certification Hearing, Class Counsel shall request the Court to award attorneys' fees of up to 25% of the Settlement Fund (net of the amount of the Settlement Fund represented by Musical Compositions and Sound Recordings that are the subject of a timely and valid Request for Exclusion). Named Plaintiffs shall seek a Plaintiff Incentive Award of \$15,000 per Named Plaintiff. Such awards for Class Counsel and Named Plaintiffs shall include interest earned on said sums at the same rate and for the same periods as earned by the Settlement Fund. Defendants shall express no opinion as to the amount of the requested awards, except Defendants may respond to any characterization of Defendants that is contained in the application therefor. At the same hearing, Defendants may request that the Court reimburse expenses they have advanced, with the approval of Class Counsel, in connection with the giving of class notice and the administration of claims. Class Members are not personally liable for any such fees and costs.

To date, Class Counsel have not received any payment for their services in conducting this Class Action on behalf of the Named Plaintiffs and Class Members, nor have Counsel been reimbursed for their out-of-pocket expenses. In addition, Named Plaintiffs have received no payment in connection with bringing this Class Action.

IX. EXCLUDING YOURSELF FROM THE CLASS

You may request to be excluded from the Classes. To do so, you must complete, sign, and return a Request for Exclusion to:

Santa Barbara Class Settlement
Settlement Administrator
c/o The Garden City Group, Inc.
P.O. Box 9149
Dublin, OH 43017-4149

The Request for Exclusion must state: (1) your name, address, and telephone number; (2) the specific Musical Compositions and/or Sound Recordings with respect to which you request to be excluded from the Classes, including the title and composers of the Musical Composition, and the title, main performing artists, soundtrack (if any), and date of first commercial release of the Sound Recording; (3) that you wish to be excluded from the Classes. **TO BE VALID, A REQUEST FOR EXCLUSION MUST STATE ALL OF THE FOREGOING INFORMATION. YOUR REQUEST FOR EXCLUSION MUST BE RECEIVED ON OR BEFORE NOVEMBER 27, 2007.** A Request for Exclusion shall be deemed invalid by the Court if it is not submitted in a timely manner and does not contain the required information. If you submit a valid and timely request for exclusion, you shall have no rights under the settlement, shall not share in the distribution of the Settlement Fund, and shall not be bound by the Stipulation of Settlement or the Judgment.

Any Class Member who does not properly and timely request exclusion from the Classes shall be bound by all settlements or judgments approved or entered by the Court, whether favorable or unfavorable to the Classes.

X. NOTICE OF HEARING ON PROPOSED SETTLEMENT

By Order of the Court, a hearing (the "Final Settlement and Class Certification Hearing") shall be held before the Honorable Gary A. Feess on January 23, 2008 at 9:30 a.m., at the United States Courthouse, 255 East Temple Street, Los Angeles, California 90012, to determine: (a) whether the proposed settlement consisting of \$1,164,000 in cash, plus accrued interest, should be approved as fair, reasonable and adequate; (b) whether the Judgment dismissing the Class Action with prejudice should be entered; and (c) whether the application for an award of attorneys' fees and expenses to Class Counsel and for an incentive award to Named Plaintiffs should be approved. The Court may adjourn or continue the Settlement Fairness and Class Certification hearing without further notice to the Classes. You should check the Internet web site for this settlement for any notice of change in the hearing date and time.

XI. PARTICIPATION IN THE CLASSES

If you fall within the definition of the Classes, you will be bound by any judgment entered with respect to the settlement in this Class Action, unless you properly and timely request exclusion from the Classes. If you choose, you may enter an appearance individually or through your own counsel at your expense.

TO PARTICIPATE IN THE DISTRIBUTION OF THE SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim Form must be received on or before December 14, 2007, and delivered to the Settlement Administrator at the address in Section IX above. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Settlement Fund, and in all other respects will be bound by the provisions of the Stipulation and Judgment.

XII. OBJECTIONS TO SETTLEMENT AND RIGHT TO APPEAR

Any Class Member who wishes to object to the fairness of the proposed settlement or to entry of the Judgment must submit an Objection, including copies of any papers and briefs in support thereof, in writing by filing it with the Clerk of the United States Court, 255 East Temple Street, Los Angeles, CA 90012, on or before November 16, 2007, and by sending copies of the Objection by hand delivery or first class mail to the Settlement Administrator at the address given in Section IX above and to the Parties' Counsel as follows:

Class Counsel

Jeffrey L. Graubart
Law Offices of Jeffrey L. Graubart
350 West Colorado Boulevard
Suite 200
Pasadena, California 91105

Maxwell M. Blecher
David W. Kesselman
Courtney A. Palko
Blecher & Collins, P.C.
515 South Figueroa Street
Suite 1700
Los Angeles, California 90071

Defendants' Counsel

Rick Richmond
Xanath Owens
Kirkland & Ellis LLP
777 South Figueroa St.
Los Angeles, California 90017

Any Class Member who does not request exclusion from the Classes may enter an appearance in the Class Action at his, her or its own expense individually or through counsel of the Person's choice. All notices to appear at the Final Settlement and Class Certification Hearing must be filed with the Clerk of the Court and served on the Settlement Administrator and the Parties' Counsel by the deadline and in the manner specified in the previous paragraph. Any Class Member who does not timely submit a notice to appear and an Objection shall be barred from speaking or presenting any views at the Final Settlement and Class Certification Hearing. Class Members who do not enter an appearance shall be represented by Class Counsel.

Any memoranda or other materials replying to an Objection to the settlement shall be filed with the Clerk of the Court and served on all the Parties' counsel seven calendar days before the Final Settlement and Class Certification Hearing. Such memoranda and other briefing shall be served on all Parties, all non-Parties who made a proper request for appearance, and any Class Member to whose Objection the memoranda or other briefing responds.

XIII. INTERIM INJUNCTION

Pending final determination of whether the class and the settlement contained in the Stipulation of Settlement shall be certified and approved, Named Plaintiffs and all Class Members are barred and enjoined from asserting, commencing, prosecuting, or continuing, either directly or indirectly, derivatively, individually, representatively, or in any other capacity, in any action in any court or tribunal, against any of the Defendants or Released Persons, any claims that have been or could have been asserted in the Class Action, including, without limitation, the Released Claims.

XIV. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation of Settlement. For full details of the matters discussed in this Notice, you are directed to review the settlement agreement filed with the Court. A copy of the settlement agreement may be obtained by making a written request to the Settlement Administrator at the address given in Section IX above.

If you have any questions about the settlement of the Class Action or want a Proof of Claim Form, you should consult the internet web site for this class settlement. That website address is identified on the first page of this notice. If you continue to have questions after consulting the website, you may write to Class Counsel at the address given in Section XII above.

PLEASE DO NOT CONTACT THIS COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: SEPTEMBER 24, 2007

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION