

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

IN RE NETOPIA, INC. SECURITIES LITIGATION

CASE NO.: C 04-3364 RMW (PVT) And Related Cases

This Document Relates to: All Actions

CLASS ACTION

**NOTICE OF PENDENCY OF PROPOSED SETTLEMENT  
OF CLASS ACTION AND SETTLEMENT HEARING**

**TO: ALL PERSONS WHO PURCHASED THE PUBLICLY TRADED COMMON STOCK (THE "SHARES") OF NETOPIA, INC. FROM NOVEMBER 6, 2003, THROUGH AND INCLUDING AUGUST 16, 2004 (THE "CLASS")**

**IMPORTANT**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.**

**Purpose of Notice and Description of Litigation**

The purpose of this Notice is to inform you of a proposed settlement of the Litigation as described below. This Notice describes rights you may have under the proposed settlement and what steps you may take in relation to this Litigation. This Notice is not an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by any party in this Litigation, or the fairness or adequacy of the proposed settlement.

**Notice of Settlement Hearing**

Pursuant to Federal Rule of Civil Procedure 23, and the March 20, 2007 Order of the United States District Court, Northern District of California, a hearing will be held on June 8, 2007, at 9:00 a.m., before the Honorable Ronald M. Whyte, United States District Court Judge, Courtroom #6, Fourth Floor, 280 South 1<sup>st</sup> Street, San Jose, CA 95113 (the "Settlement Hearing") to determine: (1) whether the settlement of the Litigation in the amount of \$11,250,000, plus any accrued interest thereon (the "Settlement") should be approved as fair, reasonable, and adequate to the Class; (2) whether the proposed Plan of Allocation is fair, reasonable, and adequate; (3) whether the application of Lead Counsel for the Class ("Lead Counsel") for an award of attorneys' fees, costs and expenses (the "Fee and Expense Award") and for an award to the Lead Plaintiffs of the reasonable costs and expenses (including lost wages) incurred by Lead Plaintiffs relating to their representation of the Class (the "Lead Plaintiffs' Expense Award") should be approved; and (4) whether claims of the Class Members against the Defendants should be dismissed on the merits and with prejudice as set forth in the Stipulation of Settlement (the "Settlement Stipulation"), filed with the Court. To share in the distribution of the Settlement Fund, Class Members must establish their rights and submit the Proof of Claim and Release form accompanying this Notice on or before October 6, 2007. If you desire to be excluded from the Class or to object to the Settlement or the Fee and Expense Award and/or Lead Plaintiffs' Expense Award, you must submit a request for exclusion or file your objection by May 25, 2007.

**Summary of the Settlement**

**Recovery to the Class:** The aggregate amount of the Settlement Fund proposed to be distributed to the Class is \$11,250,000 plus interest earned thereon and less the costs of notice to the Class, costs of administration of the Settlement, taxes and tax expenses associated with the Settlement Fund, and any amounts awarded by the Court to Lead Counsel for attorneys' fees, costs and expenses, and any amounts awarded by the Court to Lead Plaintiffs. Lead Counsel estimates that the average recovery per allegedly damaged share of Netopia common stock under the Settlement is \$0.75 per share before deduction of Court-awarded fees and expenses. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by the authorized claimant's claim as compared to the total recognized claims of all Class Members who submit acceptable Proofs of Claim and Release. Individual Class Members' actual recoveries under the Settlement will vary, depending upon when the Shares were purchased, the amount they paid for their Shares, the amount of proceeds they received, if any, if the Shares purchased during the Class Period were sold, when the Shares were sold, and the number of claimants who actually file Proofs of Claim and Releases.

**Potential Outcome of the Case:** The Parties do not agree on the amount of damages that would be recoverable if the Plaintiffs were to prevail on each claim asserted in the Litigation. Among other things, the Parties do not agree on the following factors, which are typically considered in the determination of damages: (i) whether any of the alleged misrepresentations caused the price of the Shares to be artificially inflated during the Class Period; (ii) whether any drops in the price of Shares during or after the Class Period were caused by the alleged misrepresentations; (iii) the appropriate economic model for determining the amount of artificial inflation (if any) during the Class Period; (iv) the effect of various market forces influencing the trading price of the Shares at various times during the Class Period; and (v) the extent to which external factors (such as industry conditions) influenced the trading price of the Shares during the Class Period.

**Attorneys' Fees, Costs and Expenses Sought:** As compensation for their time and risk in prosecuting the Litigation on a contingent fee basis, Lead Counsel intend to apply to the Court for an award of attorneys' fees in an amount not to exceed thirty percent (30%) of the Settlement Fund (including interest accruing on the Settlement Fund). Lead Counsel also intend to seek reimbursement of costs and expenses incurred on behalf of the Class not to exceed \$325,000. Lead Counsel also intend to apply for reimbursement of reasonable expenses (including lost wages) directly relating to the Lead Plaintiffs' representation of the Class.

**Identification of Lawyers' Representatives:** The following representative of Lead Counsel is available to answer questions from Class Members about any matter contained in this Notice: Jeffrey S. Nobel of Schatz Nobel Izard, P.C., 20 Church Street, Suite 1700, Hartford, CT 06103, Tel. (860) 493-6292.

**Reasons for Settlement:** Based on their extensive investigation of Defendants' alleged wrongdoing, Lead Plaintiffs believe that the claims asserted in the Litigation have merit. However, Lead Plaintiffs, aided by Lead Counsel, have considered carefully the likelihood of success against Defendants, and the likely total damages that could be recovered in the event of a favorable outcome at trial, as well as the significant risks, uncertainty, and expense in proceeding with the Litigation through trial and through any appeals. Lead Counsel are also mindful of the inherent problems of proof under, and possible defenses to, the federal securities law claims. Based upon their evaluation, Lead Plaintiffs and Lead Counsel have determined that a recovery now will provide an immediate benefit to Class Members, which is superior to the risk of proceeding with the Litigation. As a result of these considerations, and based upon extensive arms-length settlement negotiations with Defendants' Counsel, Lead Plaintiffs and Lead Counsel have determined that the Settlement is in the best interests of the Lead Plaintiffs and the Class and each Class Member.

The Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Litigation, as well as all charges of wrongdoing and liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Defendants further deny Lead Plaintiffs' allegations that Lead Plaintiffs or other plaintiffs sustained (or are entitled to recover) damages in any amount. The Parties agree that the Settlement shall not be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants or Plaintiffs with respect to any claims, potential claims or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have asserted or intended to assert in the Litigation. Although the Defendants deny any liability or wrongdoing, the Defendants have chosen to settle and compromise the Litigation to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation. The Defendants have, therefore, determined that it is desirable and beneficial that the Litigation be settled in the manner and upon the terms and conditions set forth in the Settlement Stipulation, without conceding any infirmity in the defenses that they could have asserted in this Litigation.

### **The Litigation**

This is a securities class action (the "Litigation") that is being settled on behalf of all Persons who purchased the common stock of Netopia, Inc. ("Netopia") from November 6, 2003, through and including August 16, 2004 (the "Class" and "Class Period"). Excluded from the Class are the Defendants, members of the Defendants' immediate families, any entity in which any Defendant has a controlling interest, and the legal representatives, heirs, successors or assigns of any such excluded Person.

The Litigation was initiated on August 17, 2004, with the filing of a putative class action complaint in the United States District Court, Northern District of California. The complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder by the SEC against Netopia, Inc. ("Netopia"), Alan B. Lefkof ("Lefkof"), and William D. Baker ("Baker"). Three other putative class actions were filed in the same Court over the ensuing three weeks.

On December 3, 2004, the Court consolidated these actions pursuant to Fed. R. Civ. P. 42(a), and appointed James P. Levy and David M. Simon as Lead Plaintiffs pursuant to Section 21D(a)(3)(B) of the Exchange Act, as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. 78u-4(a)(3)(B), and approved Lead Plaintiffs' selection of Schatz Nobel IZard, P.C. (then known as Schatz & Nobel, P.C.) as Lead Counsel and the Braun Law Group, P.C. as Liaison Counsel.

On June 29, 2005, Lead Plaintiffs filed an amended class action complaint. The amended class action complaint alleged violations of 10(b) and 20(a) of the Exchange Act against David A. Kadish ("Kadish") and Thomas A. Skoulis ("Skoulis"), in addition to the claims against Netopia, Lefkof and Baker.

On August 29, 2005, Netopia, Lefkof, Baker, Kadish and Skoulis (collectively, the "Defendants") filed motions to dismiss the amended class action complaint. On October 13, 2006, Lead Plaintiffs filed a memorandum of law in opposition to Defendants' motions to dismiss. Defendants filed reply briefs on November 18, 2005, and the Court held oral argument on December 9, 2005. On December 15, 2005, the Court denied Defendants' motions to dismiss, except that the Court dismissed Lead Plaintiffs' claims under 10(b) as against Defendant Kadish only. On December 27, 2005, Defendants Netopia, Lefkof and Kadish filed a Motion for Reconsideration, which the Court denied on January 11, 2006.

On January 3, 2006, Lead Plaintiffs filed a second amended complaint (the "Complaint") alleging violations of 10(b) of the Exchange Act against Defendants Netopia, Lefkof, Baker and Skoulis, and violations of 20(a) of the Exchange Act against Defendants Lefkof, Baker, Kadish and Skoulis. The Complaint alleges, *inter alia*, that Defendants overstated Netopia's revenue, earnings and accounts receivable throughout the Class Period by overstating revenue, earnings and receivables in Netopia's reported financial statements. The Complaint also alleges that beginning on January 20, 2004, Netopia's stock price was further inflated by additional material misrepresentations concerning Netopia's business with Swisscom, one of Netopia's customers. Between February 3, 2006 and March 10, 2006, each of the Defendants filed Answers to the Complaint, in which they generally denied any violations of the federal securities laws and asserted various affirmative defenses to the claims asserted in the Complaint.

On March 14, 2006, Lead Plaintiffs filed a motion for class certification seeking certification of the Litigation as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, on behalf of a class of all persons who purchased Netopia Shares during the Class Period. Defendants conducted oral and written discovery of Lead Plaintiffs, and filed opposition memoranda to Lead Plaintiffs' motion for class certification on April 28, 2006. Lead Plaintiffs filed their reply memorandum on May 26, 2006, and the Court held oral argument on June 9, 2006. On June 21, 2006, the Court granted Lead Plaintiffs' motion for class certification in its entirety.

Prior to entering into the Settlement, Lead Counsel conducted extensive investigation of, and discovery into, Plaintiffs' claims, including the review and analysis of approximately 200,000 pages of documents obtained from Defendants, Netopia's outside auditors, Netopia's customers and former Netopia employees. In addition, Lead Counsel interviewed several key witnesses, including former Netopia employees and customers, and conducted formal depositions, including depositions of Defendant Lefkof (Netopia's President and CEO), Netopia's Vice President of Operations, Netopia's former auditor, two of Netopia's former Controllers, and Netopia's Credit and Collections Manager. Lead Counsel also retained accounting and damages experts to conduct accounting and damages analyses to assist Lead Counsel in connection with the prosecution of the Litigation and the alleged damages sustained by the Class; inspected and analyzed analyst reports, newspaper articles, public filings, press releases, and other public statements by and about Netopia; and researched the applicable law with respect to the claims asserted in the Litigation and the potential defenses thereto.

Lead Counsel conducted extensive settlement negotiations with counsel for Defendants throughout the pendency of this Litigation, including a mediation before Judge Layn R. Phillips (Retired). Lead Plaintiffs rejected several settlement offers from Defendants prior to reaching the Settlement, including an August 17, 2006 formal Offer of Judgment for \$5,200,000. On December 1, 2006, the parties agreed in principle to settle the Litigation on the terms set forth in the Settlement Stipulation.

### **The Proposed Settlement**

The following summarizes the terms of the Settlement Stipulation; for the full details of the proposed settlement, you may desire to refer to the Settlement Stipulation, which is on file with the Court and available from Lead Counsel.

Under the terms of the Settlement Stipulation, Netopia will cause payment of \$11,250,000 in cash to create a Settlement Fund. Under the Settlement Stipulation, the claims against all the Defendants would be released and dismissed with prejudice and on the merits by the Court.

As used herein, "Released Claims" means all claims, known or unknown, actions and causes of action in law or equity, whether arising under the laws, regulations, or common law of the United States of America, any state or political subdivision thereof, or any foreign country or jurisdiction, foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued, suspected or unsuspected, fixed or contingent, raised or not raised (regardless of whether such claim could be raised) and whether or not concealed or hidden, relating to the purchase, acquisition, sale or retention of Netopia common stock during the Class Period, the subject matter of the Litigation, or the facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act which were or could have been alleged in the Litigation.

Lead Plaintiffs and the Class Members will be deemed to have expressly waived any and all rights or benefits they may now have, or in the future may have, under any law relating to the releases of unknown claims, including, without limitation, Section 1542 of the California Civil Code, which provides:

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

Lead Plaintiffs and each Class Member will also be deemed to have waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or any foreign country or jurisdiction, or any principle of common law, which are similar, comparable or equivalent in substance or intent to Section 1542 of the California Civil Code.

After payment of (i) the costs of notice, and the costs of administering and distributing the Settlement Fund, including any taxes payable or tax expenses and (ii) the attorneys' fees and reimbursement of expenses awarded by the Court, and any expenses awarded by the Court to Lead Plaintiffs, the balance of the Settlement Fund, together with any interest earned thereon (the "Net Settlement Fund"), shall be distributed as set forth herein.

**Participation in the Class**

If you are one of the Persons falling within the definition of the Class (a "Class Member"), you will remain a Class Member unless you elect to be excluded from the Class by the procedure described below. All Class Members who do not request to be excluded from the settlement will be bound by any judgment entered in the Litigation pursuant to the Settlement Stipulation, whether or not that Person files a Proof of Claim and Release and whether or not that Person receives a distribution from the Net Settlement Fund. If you wish to remain a Class Member, you need do nothing (other than timely file a Proof of Claim and Release in order to participate in the distribution of the Net Settlement Fund) and your rights will be represented by Lead Counsel. If you wish, you may enter a legal appearance individually or through your own counsel at your own expense.

TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY AND VALIDLY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release ("Proof of Claim and Release") must be postmarked and delivered to the Claims Administrator at the address below on or before October 6, 2007. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release, you will be forever barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the Settlement and the Judgment. If you do submit a valid and timely Proof of Claim and Release, and you are a Class Member, you will be eligible to share in the Net Settlement Fund.

**Exclusion from the Class**

You may, if you so desire, request to be excluded from the Class. To do so, you must mail a written request to:

In re Netopia, Inc. Securities Litigation  
c/o FRG Information Systems Corp.  
P.O. Box 460, Peck Slip Station  
New York, NY 10272

The request for exclusion must state: (1) your name, address, and telephone number; (2) the name and address of the Person (or nominee) in whose name the Netopia Shares were registered; (3) your purchases and sales of Netopia Shares made during the Class Period, including the dates, amounts of securities and price for each such purchase or sale; and (4) that you wish to be excluded from the Class. Your exclusion request must be postmarked on or before May 25, 2007. All Persons who submit valid and timely requests for exclusion in the manner set forth in this paragraph shall have no rights under the Settlement Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Settlement Stipulation or the Judgment. All Persons falling within the definition of the Class who do not request exclusion in the manner set forth in this paragraph shall be members of the Class and shall be bound by the Settlement Stipulation and Judgment, whether or not they submit valid Proofs of Claim and Release or receive any distribution from the Net Settlement Fund.

**Plan of Allocation**

The Net Settlement Fund shall be distributed pursuant to the calculation of Recognized Loss set forth in the Plan of Allocation described below. Only Class Members who submit a valid, timely Proof of Claim and Release ("Authorized Claimants") and who have a Recognized Loss under the Plan of Allocation will receive a distribution from the Net Settlement Fund. The Plan of Allocation is designed to permit Authorized Claimants to recover for the declines in the price of Netopia stock on January 21, July 7, July 23, and August 17, 2004 following disclosures related to the accounting fraud alleged to have extended throughout the Class Period and the price decline on April 20, 2004, following disclosure related to the alleged Swisscom misrepresentation on January 20, 2004.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's entire Recognized Loss. However, if the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage that each Authorized Claimant's Claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The amount of an Authorized Claimant's Recognized Loss shall be determined as follows:

- (a) For shares of Netopia common stock ***purchased between November 6, 2003, and January 20, 2004, inclusive*** and:
  - (i) sold on or before January 20, 2004, the Recognized Loss per share is \$0.
  - (ii) sold between January 21, 2004, and July 6, 2004, inclusive, the Recognized Loss per share is \$3.15.
  - (iii) sold between July 7, 2004, and July 22, 2004, inclusive, the Recognized Loss per share is \$4.03.
  - (iv) sold between July 23, 2004, and August 16, 2004, inclusive, the Recognized Loss per share is \$4.74.
  - (v) not sold as of the close of trading on August 16, 2004, the Recognized Loss per share is \$5.33.
- (b) For shares of Netopia common stock ***purchased between January 21, 2004, and April 19, 2004, inclusive***, and:
  - (i) sold on or before April 19, 2004, the Recognized Loss per share is \$0.
  - (ii) sold between April 20, 2004, and July 6, 2004, inclusive, the Recognized Loss per share is \$4.18.
  - (iii) sold between July 7, 2004, and July 22, 2004, inclusive, the Recognized Loss per share is \$5.06.
  - (iv) sold between July 23, 2004, and August 16, 2004, inclusive, the Recognized Loss per share is \$5.77.
  - (v) not sold as of the close of trading on August 16, 2004, the Recognized Loss per share is \$6.36.
- (c) For shares of Netopia common stock ***purchased between April 20, 2004, and July 6, 2004, inclusive***, and:
  - (i) sold on or before July 6, 2004, the Recognized Loss per share is \$0.

- (ii) sold between July 7, 2004, and July 22, 2004, inclusive, the Recognized Loss per share is \$0.88.
- (iii) sold between July 23, 2004, and August 16, 2004, inclusive, the Recognized Loss per share is \$1.59.
- (iv) not sold as of the close of trading on August 16, 2004, the Recognized Loss per share is \$2.18.

- (d) For shares of Netopia common stock *purchased between July 7, 2004, and July 22, 2004, inclusive*, and
  - (i) sold on or before July 22, 2004, the Recognized Loss per share is \$0.
  - (ii) sold between July 23, 2004, and August 16, 2004, inclusive, the Recognized Loss per share is \$0.71.
  - (iii) not sold as of the close of trading on August 16, 2004, the Recognized Loss per share is \$1.30.
- (e) For shares of Netopia common stock *purchased between July 23, 2004, and August 16, 2004, inclusive*, and
  - (i) sold on or before August 16, 2004, the Recognized Loss per share is \$0.
  - (ii) not sold as of the close of trading on August 16, 2004, the Recognized Loss per share is \$0.59.

For purposes of calculating and Authorized Claimant's Recognized Loss, Class Period sales of Netopia common stock will be matched against and offset the most recent prior Class Period purchases of Netopia common stock on a last-in, first-out ("LIFO") basis. Class period sales of Netopia common stock will be matched against shares of Netopia common stock held at the beginning of the Class Period only if all prior Class Period purchases have been offset.

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

#### **Dismissal and Releases**

If the proposed Settlement is approved, the Court will enter a Judgment (the "Judgment"), dismissing all Released Claims against the Released Persons (as defined in the Proof of Claim and Release which accompanies this Notice), and Class Members may not thereafter assert any such Released Claims against the Released Persons. The Judgment will provide that the fact of the Settlement or the terms thereof may not be used against Released Persons in any action or proceeding, except to enforce the Judgment.

The Judgment will also provide that all Class Members who do not validly and timely request to be excluded from the Class shall be deemed to have released and forever discharged all Released Claims against all Released Persons.

#### **Conditions for Settlement**

The Settlement is conditioned upon, among other things: (1) entry of the Judgment by the Court as provided for in the Settlement Stipulation, and (2) expiration of the time to appeal from the Judgment. If any one of the conditions described in the Settlement Stipulation is not met, the Settlement Stipulation might be terminated and, if terminated, will become null and void, and shall not prejudice the rights, claims, defenses or positions of any Party thereto.

#### **The Right to Be Heard at the Hearing**

Any Class Member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the settlement of the Litigation, the Plan of Allocation, the applications for attorneys' fees, costs, and expenses, or the application for Lead Plaintiffs' costs and expenses, may appear and be heard at the Settlement Hearing. No later than May 25, 2007, any such Person must both file with the Court a written notice of objection, and any brief opposing the Settlement, Plan of Allocation, or application for attorneys' fees and expenses, and mail such papers to each of the following addresses:

Jeffrey S. Nobel  
Schatz Nobel Izard, P.C.  
20 Church Street, Suite 1700  
Hartford, CT 06103  
Attention: Netopia Settlement

-and-

Sara B. Brody  
Heller Ehrman LLP  
333 Bush Street  
San Francisco, CA 94014  
Attention: Netopia Settlement

The notice of objection must demonstrate the objecting Person's membership in the Class, and contain a statement of the reasons for objection. Only members of the Class who have properly submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

#### **Examination of Papers**

This Notice is a summary notice and does not describe all of the details of the Settlement Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Settlement Stipulation filed with the Court, which may be inspected at the office of the Clerk of the United States District Court, Northern District California, 280 South 1<sup>st</sup> Street, San Jose, CA 95113, during business hours, or upon request from Lead Counsel. If you have any questions about the settlement of the Litigation, you may contact Lead Counsel or your own personal attorney.

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

#### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES:**

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

In re Netopia, Inc. Securities Litigation  
c/o FRG Information Systems Corp.  
P.O. Box 460, Peck Slip Station  
New York, NY 10272

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain (without cost to you) as many additional copies of these documents as you will need to complete the mailing from the Claims Administrator.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim and Release, and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release.

Dated: April 9, 2007

By Order of the United States District Court,  
Northern District of California