

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

CALIFORNIA SUPERIOR COURT FOR THE COUNTY OF LOS ANGELES

If you purchased an Apple 17-inch LCD Studio Display monitor, you could be entitled to benefits under a class action settlement.

The California Superior Court for the County of Los Angeles authorized this notice. This is not a solicitation from a lawyer.

- The settlement will provide a cash refund if you paid for a repair covered by the settlement. Refunds will vary; see the chart on page 4 for refund amounts.
- To qualify, you must be a United States resident who purchased in the United States a new Apple 17-inch LCD Studio Display monitor and have already paid or will pay in the future for a repair covered by the settlement as described below. The Apple 17-inch LCD Studio Display monitor was sold beginning in May 2001. For convenience, the Apple 17-inch LCD Studio Display monitor will be referred to as the “Display.”
- To be covered by the settlement, the repair must have been required because your Display contained an inverter board that failed, causing the top or bottom half of the screen to dim and a power light to constantly blink on and off in a short-short-long pattern to signal a problem. The repair also must have occurred during the second or third year after you purchased the Display.
- Your legal rights are affected whether you act or don’t act. Please 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 Apple 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.

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BASIC INFORMATION

1. Why did I get this notice package?

You may be a United States resident who purchased in the United States a new Apple 17-inch LCD Studio Display monitor for your own use and not for resale. The Apple 17-inch LCD Studio Display monitor was sold beginning in May 2001.

The Court ordered this notice to be sent to you because you have a right to know about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, an administrator will make the payments that the settlement allows.

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 California Superior Court for the County of Los Angeles, and the case is known as *Allen et al. v. Apple Computer, Inc.*, Case No. BC 328000. The people who sued are called Plaintiffs, and the company they sued, Apple, is called the Defendant.

2. What is this lawsuit about?

The lawsuit claimed that the inverter board of the Display was faulty, causing the gradient dimming of the top or bottom half of the screen of the Display and a power light to constantly blink on and off in a short-short-long pattern to signal a problem. Apple denies all allegations and has asserted many defenses. The settlement is not an admission of wrongdoing or an indication that any law was violated.

3. Why is this a class action?

In a class action, one or more people, called Class Representatives (in this case Michael Allen and David Stamm), sue on behalf of people who have alleged 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. California Superior Court Judge Carl J. West is in charge of this class action.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and settlement benefits go to the Class Members. The Class Representatives and the attorneys think the settlement is best for the Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to determine whether you are a Class Member.

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

Judge West has decided that everyone who fits this description is a Class Member: *All United States residents who purchased in the United States a new Apple 17-inch LCD Studio Display monitor for their own use and not for resale.* These Displays were sold beginning in May 2001.

6. Are there exceptions to being included?

The Class does *not* include Apple; any entity in which Apple has a controlling interest; Apple's directors, officers, and employees; Apple's legal representatives, successors, and assigns; and all persons who validly request exclusion from the Settlement Class.

7. If I purchased a Display but did not pay for the type of repair described, am I included in the Class?

Yes, because you may be entitled to make a claim if you pay in the future for the type of repair covered by the settlement.

8. I'm still not sure if I am included.

If you are still not sure whether you are included, you can visit the website, www.Apple17inchLCDdisplay.com, for more information.

THE SETTLEMENT BENEFITS—WHAT YOU GET

9. What does the settlement provide?

Apple has agreed to provide a cash refund to Class Members who paid for the type of repair covered by the settlement and who send in a valid claim form. The amount of the cash refund will vary depending on who performed the repair, how much you paid for the repair, and how old your Display was when the repair was performed.

The settlement covers repairs required because the inverter board of the Display failed, causing the gradient dimming of the top or bottom half of the screen of the Display and a power light to constantly blink on and off in a short-short-long pattern to signal a problem (“Covered Repair”). The Covered Repair must occur during the second or third year following your purchase of the Display, and before August 31, 2007.

10. What can I get from the settlement?

The settlement provides for different refund payments depending on whether your Covered Repair was performed by Apple or by an independent service provider (“Third-Party Provider”). Apple Authorized Service Providers are considered Third-Party Providers under the settlement. The amount of your refund payment will also vary depending on whether the Covered Repair was performed during the second or third year after you purchased your Display.

| Repair Provider | Year Repair Performed | Refund Amount |
|----------------------|--|---|
| Apple | During the Second Year After You Purchased the Display | \$400 |
| Apple | During the Third Year After You Purchased the Display | \$350 |
| Third-Party Provider | During the Second Year After You Purchased the Display | The actual amount you paid (excluding tax) up to a maximum of \$150 |
| Third-Party Provider | During the Third Year After You Purchased the Display | The actual amount you paid (excluding tax) up to a maximum of \$75 |

You are limited to one refund per Display.

11. What if I pay for a Covered Repair in the future?

If you pay for a Covered Repair that occurs on or before August 31, 2007, and within three years from the date when you purchased the Display, you may claim the refund amounts above so long as you send in a claim form by the deadlines described in the next section.

HOW YOU GET A REFUND—SUBMITTING A CLAIM FORM

12. How can I get a refund?

To qualify for a refund, you must send in a claim form. A claim form, including instructions on how to make a claim, is enclosed with this notice. You can also get a claim form on the Internet at www.Apple17inchLCDdisplay.com or by calling 1-888-826-3082.

You must read the instructions carefully, fill out the form, include all the documents the form asks for, and sign the claim form under penalty of perjury. If your Covered Repair occurred on or before November 13, 2006, you must mail the claim form postmarked on or before **February 12, 2007**. If your Covered Repair occurred after November 13, 2006, you must mail the claim form postmarked on or before the *earlier* of **90 days after the date the Covered Repair occurred, or by August 31, 2007**. **If you fail to return your claim form by the required date, your claim will be rejected, and you will be deemed to have waived all rights to receive any benefits under this settlement.**

If your Covered Repair was performed by a Third-Party Provider, you will be required to provide proof of the Covered Repair. Proof of Repair means an invoice, receipt, or other document showing the nature of the Covered Repair (i.e., that it was a Covered Repair), the name and address of the entity that performed the Covered Repair, the date of the Covered Repair, and the amount of the Covered Repair (excluding tax). You may be asked for additional documentation. Follow all the instructions on the claim form.

13. When would I get my refund?

The Court will hold a hearing on February 15, 2007, at 1:30 p.m., to decide whether to approve the settlement. If Judge West approves the settlement, there may be appeals. The appeal process can take time, perhaps more than a year. Please be patient.

14. What am I giving up to get a refund or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you can’t sue, continue to sue, or be part of any other lawsuit against Apple 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 sign the claim form, you will agree to a “Release of Claims,” included with the claim form, which describes exactly the legal claims that you are giving up.

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 Apple, 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 Settlement Class.

15. 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 *Allen v. Apple*, Case No. BC 328000. Be sure to include your name, address, telephone number, the serial number of your Display, and your signature. You must mail your exclusion request postmarked no later than **January 19, 2007**, to:

Scott R. Shepherd
Shepherd, Finkelman, Miller & Shah, LLC
35 East State Street
Media, PA 19063

You can't exclude yourself on the phone or by fax or e-mail. 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 (or continue to sue) Apple in the future about the legal issues in this case.

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

No. Unless you exclude yourself, you give up the right to sue Apple for the claims that this settlement resolves. You must exclude yourself from *this* Class to pursue your own lawsuit. Remember, your exclusion must be postmarked on or before **January 19, 2007**.

17. 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 Apple about the legal issues in this case.

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

The Class is represented in this case by Henry H. Rossbacher and James S. Cahill of The Rossbacher Firm in Los Angeles, California; Kevin P. Roddy of Wilentz, Goldman & Spitzer, P.A. in Woodbridge, New Jersey; Scott R. Shepherd of Shepherd, Finkelman, Miller & Shah, LLC in Media, Pennsylvania; and Edward A. Wallace of The Wexler Firm LLP in Chicago, Illinois. Together, 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.

19. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and expenses up to \$884,288.94, and payments of \$5,000 for the Class Representatives and one other Plaintiff who has been active in the case. The Court may award less than these amounts. Apple will separately pay the fees and expenses that the Court awards. These amounts will not come out of any funds for payments to Class Members. Apple has agreed not to oppose these fees and expenses. Apple will also separately 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.

20. 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 *Allen v. Apple*, Case No. BC 328000. Be sure to include your name, address, telephone number, the serial number of your Display, your signature, and the reasons you object to the settlement. The objection and any supporting papers must be mailed to and actually received by the following three addressees no later than **January 19, 2007**:

| <u>COURT</u> | <u>CLASS COUNSEL</u> | <u>DEFENSE COUNSEL</u> |
|---|--|---|
| Clerk of the Court Superior Court for the County of Los Angeles Central Civil West 600 South Commonwealth Avenue Los Angeles, CA 90005 | Scott R. Shepherd Shepherd, Finkelman, Miller & Shah, LLC 35 E. State Street Media, PA 19063-2917 | Penelope A. Preovolos Morrison & Foerster LLP 425 Market Street San Francisco, CA 94105-2482 |

21. 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.

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

The Court will hold a Fairness Hearing at 1:30 p.m. on Thursday, February 15, 2007, at the Superior Court of California for the County of Los Angeles, located at the Central Civil West Courthouse, Courtroom 311, 600 South Commonwealth Avenue, Los Angeles, California 90005. 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 West will listen to people who have asked to speak at the hearing. The Court may also consider how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

23. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge West 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 your written objection was received on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary. Finally, you may seek to intervene in the action, but you need not do so.

24. 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 "*Allen v. Apple*, Case No. BC 328000." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be received by the Clerk of the Court, Class Counsel, and Defense Counsel, at the three addresses in question 20, no later than **January 19, 2007**. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

25. 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 Apple about the legal issues in this case, ever again.

GETTING MORE INFORMATION

26. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. Copies of the Settlement Agreement and the pleadings and other documents relating to the case are on file at the Los Angeles Superior Court, and may be examined and copied at any time during regular office hours at the Office of the Clerk, Los Angeles Superior Court, Central Civil West Courthouse, 600 South Commonwealth Avenue, Los Angeles, California 90005.

27. How do I get more information?

You can visit the settlement website at www.Apple17inchLCDdisplay.com, where you will find answers to common questions about the settlement, a claim form, plus other information. You may also write to Scott R. Shepherd, Shepherd, Finkelman, Miller & Shah, LLC, 35 East State Street, Media, PA 19063. **Questions may not be directed to the Court.**

Date: September 20, 2006.