

Superior Court of the State of New Jersey
County of Middlesex

Risha Enterprise, Engineering and
Planning Inc., et al., Plaintiffs

v.

Case No. MID-L-8946-02
Hon. Alexander P. Waugh

Verizon New Jersey Inc., Defendant

**NOTICE OF PENDENCY OF ACTION, PROPOSED SETTLEMENT AND APPROVAL
HEARING (IDENTIFIED SETTLEMENT CLASS MEMBERS)**

TO: ALL PERSONS WITHIN THE FOLLOWING SETTLEMENT CLASS:

All present and former business customers of Verizon New Jersey Inc., formerly known as Bell Atlantic-New Jersey, Inc., who satisfy both of the following conditions: (a) they had one or more business auxiliary lines billed to a business account with fewer than five total lines during the period between September 27, 1996 and August 15, 2003, and (b) they were charged \$1.01 more than the rate set forth in Bell Atlantic-New Jersey, Inc., Tariff B.P.U. -N.J. -NO.2, Exchange & Network Services, for one or more such auxiliary lines, during one or more months within that period. Persons designated as Enterprise customers or Resale Competitive Local Exchange Carriers in VNJ records shall be excluded from the Settlement Class.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

A proposed settlement has been reached in the above-captioned class action lawsuit (the "Action"). If the settlement is approved by the New Jersey Superior Court, persons who fall within the definition of the Settlement Class, and who do not request to be excluded from the Settlement Class, will be eligible to receive benefits under this settlement and will be barred from asserting certain legal claims against Verizon New Jersey Inc. ("VNJ"). This Notice is being sent to you because VNJ records indicate that you fall within the definition of the Settlement Class set forth above.

Description Of The Action: Plaintiffs claim that VNJ improperly charged for auxiliary lines billed to business accounts with fewer than five total lines, and that, as a result, certain of its business customers were charged \$1.01 more than the tariff rate for such auxiliary lines. VNJ denies Plaintiffs' claims and maintains that it is entering into the proposed settlement to avoid the expense of continued litigation. The Court has made no ruling on the validity of Plaintiffs' claims, and the proposed settlement does not constitute an admission of any wrongdoing whatsoever by VNJ.

The Proposed Settlement: Under the proposed settlement ("Settlement"), persons within the Settlement Class who have not requested to be excluded from the Settlement Class ("Settlement Class Members") will be entitled to receive credits or payments. Settlement Class Members who can be identified from VNJ records ("Identified Settlement Class Members") will receive credits or payments in an amount to be calculated as follows: For each auxiliary line billed to a business account with fewer than five total lines for which VNJ's records show that the Identified Settlement Class Member was charged \$1.01 more than the tariff rate for one or more months during the period from August 1, 2000 to August 15, 2003, the Identified Settlement Class Member will be entitled to receive \$1.65 for each such month. Identified Settlement Class Members do not need to take any action in order to receive such settlement benefits. The settlement contains additional provisions applicable to Settlement Class Members who have not been individually identified, but those provisions do not apply to Identified Settlement Class Members.

The New Jersey Superior Court has preliminarily certified the Settlement Class to consider the Settlement and has preliminarily approved the proposed Settlement as fair, reasonable and adequate to the Settlement Class. If the Court gives final approval to the proposed Settlement, the Court will enter an Order and Judgment which will be binding upon all persons within the Settlement Class who do not submit a valid request for exclusion.

Release Of Claims By Settlement Class Members: If the settlement is granted final approval by the Court, all persons within the Settlement Class who have not requested to be excluded will release, and be forever barred from suing VNJ and other Released Persons (as defined in the Stipulation of Settlement) for any and all actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions, proceedings and/or rights of any nature and description whatsoever, liquidated or unliquidated, known or unknown, in law or in equity, whether or not concealed or hidden, that have been or might have been asserted in the Action by Plaintiffs or any Settlement Class Member, including violations of any state or federal statutes, rules or regulations, or principles of common law, based upon said person being charged \$1.01 more than the rate set forth in Bell Atlantic-New Jersey, Inc., Tariff B.P.U. -N.J. -NO.2, Exchange & Network Services, for one or more business auxiliary lines billed to a business account with fewer than five total lines during the period from September 27, 1996 to August 15, 2003.

Attorneys' Fees, Expenses And Other Payments: Counsel for the Settlement Class ("Settlement Class Counsel") will apply to the Court for an order requiring VNJ to pay \$520,000 in attorneys' fees, costs, and expenses incurred by Settlement Class Counsel for their work in connection with this Action. Settlement Class Counsel will also apply to the Court for an order awarding incentive payments to the Plaintiffs ("Settlement Class Representatives") in the amount of \$5,000 each for their services in bringing the Action and/or carrying out their responsibilities as Settlement Class Representatives. The Court's determination of the amount of any attorneys' fees, costs, expenses and incentive awards, and the payment of such amounts by VNJ, will not affect the amount of the credits or payments which will be made to Settlement Class Members.

The Settlement Approval Hearing: A hearing will be held on July 12, 2004, at 1:30 p.m. in Courtroom No. 302 of the Middlesex Courthouse of the Superior Court of New Jersey located at One Kennedy Square, New Brunswick, New Jersey 08901, to determine whether the proposed settlement should be finally approved by the Court as fair, adequate and reasonable and whether and to what extent the Court should award attorneys' fees, costs, expenses, and incentive payments. The settlement approval hearing may be rescheduled or continued to a later date without further notice. You are not required to attend the hearing, but you may do so on your own or through an attorney retained by you at your own expense.

Your Options If You Fall Within The Definition Of The Settlement Class: You may exercise any of the following options on your own or through an attorney retained by you at your own expense:

1. If you wish to participate in the Settlement benefits, you do not need to take any action.
2. If you wish to exclude yourself from the Settlement Class, you may do so by exercising your right to be excluded from the Settlement Class as follows:

All requests for exclusion must be made in writing and must be mailed to the address of the Settlement Administrator set forth below. Such requests for exclusion must be postmarked NO LATER THAN JUNE 21, 2004, and must include your name, address, telephone number and signature. Any request for exclusion made on behalf of a person within the definition of the Settlement Class by a representative of that person must state the capacity in which the representative is acting.

If you request exclusion, then: (a) you will not be entitled to receive any of the benefits available under the Settlement if it is approved by the Court; (b) you will not be bound by the final judgment entered in this Action upon approval of the Settlement; and (c) you will be free to pursue or not pursue any legal rights which you may have against VNJ.

If you do not request exclusion, then: (a) you will be entitled to receive benefits under the terms of the Settlement if it is approved by the Court; (b) you will be bound by the final judgment entered in this action under the legal doctrines of *res judicata* and/or collateral estoppel; and (c) you may, if you so elect, object to the proposed settlement.

3. If you wish to remain in the Settlement Class and object to the Settlement, the application for attorneys' fees, costs, and expenses and/or the application for incentive payments to Settlement Class Representatives, you may do so as follows:

All objections must be in writing and must: (a) include your name, address and telephone number; (b) provide a detailed explanation of your objection and include any documents upon which you rely to support your objection; (c) include the caption and case number appearing at the head of this Notice; (d) include a statement of whether you intend to appear, either in person or through your own counsel, at the settlement approval hearing; (e) be filed with the Clerk of the Middlesex Courthouse of the New Jersey Superior Court at the address identified below, and be served via first class United States Mail on Settlement Class Counsel and Defense Counsel at the addresses set forth below, **NO LATER THAN JUNE 21, 2004**. Settlement Class Members who fail to comply with these requirements will not be heard, either in person or through counsel, at the time of the settlement approval hearing unless specifically permitted by the Court.

4. If you have any questions or wish to review a copy of the proposed Settlement write or call Settlement Class Counsel at the address and number below.

Mailing Addresses For All Communications:

For the purpose of submitting a request for exclusion, the mailing address for the Settlement Administrator is:

VNJ Settlement
c/o Rust Consulting, Inc.
P.O. Box 362
Minneapolis, MN 55440-0362

If you have any questions regarding the settlement, and for the purpose of serving an objection, the mailing address of Settlement Class Counsel is:

Steven A. Skalet, Esq.
Mehri & Skalet, PLLC
1300 19th Street NW, Suite 400
Washington, D.C. 20036
info@findjustice.com

For the purpose of serving an objection, the mailing address of Defense Counsel is:

Henry Weissmann
Munger, Tolles & Olson LLP
355 South Grand Avenue
Los Angeles, CA 90071-1560

For the purpose of filing an objection, the address of the Clerk of the Court is:

Superior Court of New Jersey
Middlesex County Courthouse
One JFK Square
P.O. Box 2633
New Brunswick, NJ 08903

PLEASE DIRECT ALL QUESTIONS TO SETTLEMENT CLASS COUNSEL. PLEASE DO NOT CONTACT THE COURT, THE SETTLEMENT ADMINISTRATOR, DEFENSE COUNSEL OR YOUR VNJ SALES REPRESENTATIVE WITH YOUR QUESTIONS, AS THE COURT HAS ORDERED THAT ALL QUESTIONS BE DIRECTED TO SETTLEMENT CLASS COUNSEL.

Dated: April 2, 2004

Honorable Alexander P. Waugh