

Superior Court of the State of New Jersey
County of Middlesex

Junto Investments, et al., Plaintiffs

v.

Case No. MID-L-000297-03
Hon. Alexander P. Waugh

Verizon New Jersey Inc., Defendant

**NOTICE OF PENDENCY OF ACTION, PROPOSED SETTLEMENT AND HEARING
ON PROPOSED SETTLEMENT**

TO: ALL PERSONS WITHIN THE FOLLOWING SETTLEMENT CLASS:

All residential and business customers of Verizon New Jersey Inc., formerly known as Bell Atlantic-New Jersey, Inc., being charged for one or more Non-Switched Analog Circuits that are not in use as of the Settlement Announcement Date. The following Persons are excluded from the Settlement Class: (1) persons designated as Resale Competitive Local Exchange Carriers in VNJ records; (2) VNJ, any parent, subsidiary, affiliate, or controlled Person of VNJ; and (3) any judicial officer to whom the Action is assigned.

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

This Notice is being sent to you because records maintained by Verizon New Jersey Inc. ("VNJ") show that you may be a member of the above Settlement Class. The purpose of this Notice is to inform you that the Settlement Class defined above has been preliminarily certified for settlement purposes only in the above-captioned lawsuit (the "Action"), that a proposed settlement has been reached in the Action (the "Settlement"), that a hearing has been scheduled to determine whether the Settlement should be given final approval by the New Jersey Superior Court (the "Final Approval Hearing"), and to inform you of your options if you are a member of the Settlement Class. Persons within the definition of the above Settlement Class and related persons (the "Releasing Persons" as defined in the Settlement Agreement) are preliminarily barred and enjoined from commencing or continuing to prosecute any action or proceeding in any court or tribunal asserting any of the Released Claims (as defined in the Settlement Agreement), either directly, representatively, derivatively or in any other capacity, against VNJ and related persons (the "Released Persons" as defined in the Settlement Agreement).

As set forth below, if the Settlement is approved by the New Jersey Superior Court, members of the Settlement Class who do not request to be excluded from the Settlement Class will be bound by the Settlement, pursuant to which they will be eligible to receive certain benefits and will release certain claims against VNJ and related entities. If the Court does not give final approval to the proposed settlement, the conditional class certification is void and the Action will return to its original posture.

This Notice is being sent to you in a form and manner approved by the New Jersey Superior Court. It is not an expression of any opinion by the New Jersey Superior Court as to the merits of the claims or defenses of any of the parties to this Action.

DESCRIPTION OF THE ACTION

The Plaintiffs commenced this Action against VNJ on behalf of themselves and all other VNJ customers who, at any time on or after January 6, 1997, were charged for one or more Analog Circuits that became "non-existent" because the circuits were removed, destroyed, or otherwise ceased to be used at one or more circuit locations. Plaintiffs further allege that VNJ has violated the New Jersey Consumer Fraud Act and has been unjustly enriched by charging customers for such "non-existent" Analog Circuits. VNJ denies Plaintiffs' claims, denies any liability to Plaintiffs and/or the Settlement Class, and is entering into the proposed settlement to avoid the burden, delay and 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

The proposed settlement covers Non-Switched Analog Circuits (as defined in the Settlement Agreement). For purposes of this Notice, and without limiting the definition set forth in the Settlement Agreement, Non-Switched Analog Circuits provide a dedicated path for low-speed transmission of signals, voice or data between two or more customer locations and are represented by the following service codes: AA, AF, AU, BA, BL, BS, CI, CS, EF, ES, FD, LA, MT, ND, OI, OP, PA, PG, PL, PM, PR, PS, RT, SC, SG, SL, SS, TC, TT, VM. Depending on how they are provisioned, Non-Switched Analog Circuits support a number of applications, including, but not limited to, remote alarm control (e.g., to activate and/or signal a burglar alarm or fire alarm device from a distant location), remote metering (e.g., to monitor and record information from a distant location), private line service, and secretarial service.

Under the proposed settlement, VNJ will mail an announcement to all VNJ residential and business customers being charged for one or more Non-Switched Analog Circuits that: (1) notifies them of the charges, and (2) instructs them to contact VNJ using a dedicated toll-free number to determine whether any Non-Switched Analog Circuit for which they are being charged is no longer in use. Customers who contact VNJ using a dedicated toll-free number and determine that they are being charged for a Non-Switched Analog Circuit that is not in use, and therefore qualify as a Settlement Class Member, will be eligible to make one of two types of claims for each such circuit: (1) a Disconnect Request, or (2) a Circuit Claim.

VNJ will disconnect and discontinue billing for all Non-Switched Analog Circuits for which a valid and timely Disconnect Request or Circuit Claim is made. Settlement Class Members who can affirm to the best of their knowledge and belief that a circuit has not been rendered Unusable (as defined in the Settlement Agreement) for any reason not caused by VNJ, will also be entitled to a free physical inspection of the circuit and, if the physical inspection shows that the circuit has been rendered Unusable for reasons caused by VNJ, the Settlement Class Member will receive a credit to their VNJ account in the amount of two years of charges, including taxes, associated with the Unusable Circuit. Settlement Class Members whose VNJ accounts have a positive balance following application of the above credit shall be entitled to request and receive a check from VNJ in the amount of the positive account balance as of the date the check request is made.

Settlement Class Members who do not contact VNJ **ON OR BEFORE THE DATE PRINTED ON THE SETTLEMENT ANNOUNCEMENT** will continue to be charged for all Non-Switched Analog Circuits appearing on their VNJ billing records and will not be eligible for the two-year credit applicable to Unusable Circuits.

RELEASE OF CLAIMS BY SETTLEMENT CLASS MEMBERS

If the Settlement is granted final approval by the Court, all Settlement Class Members and certain related persons (the "Releasing Persons" as defined in the Settlement Agreement) will release, and be permanently barred and enjoined from commencing or continuing to prosecute any of the Released Claims (as defined in the Settlement Agreement), either directly, representatively, derivatively or in any other capacity, against VNJ and related persons (the "Released Persons" as defined in the Settlement Agreement).

ATTORNEYS' FEES AND OTHER PAYMENTS

Counsel for the Settlement Class ("Settlement Class Counsel") will apply to the Court for an award of attorneys' fees, costs and expenses in an amount not to exceed \$622,000. 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 relief available to Settlement Class Members pursuant to the Settlement Agreement.

THE SETTLEMENT APPROVAL HEARING

A hearing will be held on July 20, 2006, at 2:00 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, reasonable and in the best interests of the Settlement Class 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 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 at this time. Within thirty (30) days of the Effective Date of Settlement (as defined in the Settlement Agreement), which will not occur until at least forty-five (45) days after the Settlement receives final approval from the New Jersey Superior Court, VNJ will cause the Settlement Announcement to be mailed to all VNJ residential and business customers being billed for one or more Non-Switched Analog Circuits, except for customers who have excluded themselves from the Settlement Class. In order to receive other benefits under the Settlement, **YOU MUST CONTACT VNJ BY THE DATE APPEARING ON THE SETTLEMENT ANNOUNCEMENT.**

(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 Settlement Administrator at the address set forth below. Such requests for exclusion must be postmarked by June 30, 2006, 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 authorized to act on the person's behalf must be signed by that person and 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 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) include a detailed statement of the objections to be made and the legal and factual grounds for those objections; (c) include copies of all supporting briefs and papers; (d) include the caption and case number appearing at the head of this Notice; and (e) a written notice of whether you intend to appear at the Final Approval Hearing, either personally or through an attorney retained at your own expense. All objections must 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 30, 2006. Objections not filed and served in accordance with these requirements shall not be received or considered by the Court. If you fail to comply with these requirements, you 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.

INSPECTING AND OBTAINING DOCUMENTS RELATED TO SETTLEMENT

This Notice is designed to provide only a summary of the Action and the proposed settlement. The complete Settlement Agreement and all papers and pleadings filed in connection with the Action are available for inspection during regular business hours at the office of the Clerk of the Superior Court of New Jersey, Middlesex County Courthouse, One JFK Square, New Brunswick, New Jersey 08903.

MAILING ADDRESSES FOR ALL COMMUNICATIONS

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

Settlement Administrator
c/o Rust Consulting, Inc.
PO Box 362
Minneapolis, MN 55440-0362

For the purpose of serving an objection, or if you have any questions regarding the Settlement, contact information for Settlement Class Counsel is as follows:

Steven A. Skalet, Esq.
Mehri & Skalet, PLLC
1300 19th Street NW, Suite 400
Washington, D.C. 20036
(202) 822-5100
circuits@findjustice.com

For the purpose of serving an objection, the mailing address of VNJ's 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:

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

PLEASE DIRECT ALL QUESTIONS REGARDING THE SETTLEMENT TO CLASS COUNSEL. PLEASE DO NOT CONTACT THE COURT, THE SETTLEMENT ADMINISTRATOR, DEFENSE COUNSEL OR YOUR REGULAR VNJ SALES REPRESENTATIVE WITH QUESTIONS REGARDING THIS SETTLEMENT.

Dated: May 12, 2006

Honorable Alexander P. Waugh

SETTLEMENT ADMINISTRATOR
C/O RUST CONSULTING, INC.
PO BOX 362
MINNEAPOLIS, MN 55440-0362

IMPORTANT LEGAL NOTICE