

NOTICE OF CLASS ACTION SETTLEMENT

You are a member of the Plaintiff Class in a class action lawsuit pending in King County, Washington. This Notice is to inform you of a Proposed Settlement of your claims. If the Settlement is approved by the Court, you will receive benefits from the Settlement. This notice is to explain the terms of the Proposed Settlement and explain how and when you may object, make a claim, and receive payment under the Settlement.

Background of the Case

The case is entitled Baxter Air Inc. v. NOS Communications Inc., et al., and it is pending in the King County Superior Court in Seattle, No. 05-2-37411-0 SEA. The Complaint was filed by Baxter Air, Inc., in 2005, alleging that NOS Communications and its affiliates (referred to here as “NOS”) engaged in deceptive marketing practices by selling long distance telephone services billed in “total call units” or “TCUs” but leading consumers to believe the services were billed in standard “cents per minute.” Baxter Air and the Class are represented by Class Counsel, identified at the end of this notice.

The Court certified the Class in two orders in December 2006 and July 2007. **You are a member of the Class certified by the Court.** According to NOS’s records, you purchased long distance phone services from NOS between November 2001 and the present, and you were billed for those services in TCUs. “NOS” sold such services under the following names:

NOS Communications, Inc.	Internet Business Association
Affinity Network, Inc.	(INETBA)
NOSVA Limited Partnership	International Plus
Quantum Link Communications	VoiP Communications
HorizonOne Communications	Optic Communications
CierraCom Systems	Ivantage Network Solutions

Proposed Settlement

The Court has granted Preliminary Approval of the Proposed Settlement. **A Final Approval Hearing is scheduled for June 25, 2008, at 9:00 a.m.** If Final Approval is granted, the Settlement will provide the following benefits:

1. **If you purchased service from NOS for six months or less**, you will receive a refund of 88% of the amounts you paid to Defendants for long distance services, based on Defendants’ records. If the settlement is approved and there are no appeals, you will receive this money between September 2008 and March 2009.

2. **If you purchased service from NOS for more than six months** and you paid money to NOS, but you are no longer an NOS customer, you will have two options:

(a) You may choose to receive long distance phone service from NOS for up to two years at 50% off your current per-minute rates; or

(b) You may receive a one-time cash payment of \$750.

If the settlement is approved and there are no appeals, you will receive a postcard claim form in about September 2008 with which to make your choice between these two options. If you elect discount phone service, you will promptly receive information with which to transfer your long distance service to NOS. If you elect to receive the cash payment, you will be paid out of a fund based upon when your claim form is received. Depending on how many people choose this option, payments could be made anytime in 2008 or 2009.

3. **If you are a current customer of NOS** (under any trade name or affiliate listed above), you will receive a \$100 credit on your phone bill every month for 12 months. If the settlement is approved and there are no appeals, your credits will begin in September 2008.

4. Defendants will pay a total of \$600,000 to Plaintiffs' counsel for attorney fees and litigation costs. If the settlement is approved and there are no appeals, these payments will be made in monthly installments throughout 2008 and 2009.

6. Defendants will pay a \$20,000 incentive payment to the class representative and a \$1,000 incentive payment to each of the five class members who have testified as witnesses and produced documents in the case.

7. NOS has also agreed that if it ever markets telephone services in Washington which would be billed in "TCUs," then in any written representation of a rate in TCUs to Washington State prospective customers, they will state clearly and conspicuously: "We bill this rate in call units rather than minutes, which may result in a higher per-minute rate," and will provide basic information necessary to compare TCUs to minutes.

Bases for the Settlement

This case has been fought vigorously for two and a half years and has consumed thousands of hours of attorney time. There have been dozens of legal motions and many court hearings, and the case has been appealed twice. The class representative and several class members have had their depositions taken and have provided

documents from their files. Depositions took place in Massachusetts, Nevada, and all over Washington. Trial was set for early May.

The settlement was reached after a series of negotiations between the parties. The parties held an all-day mediation with a retired Supreme Court Justice in January, and exchanged over a dozen offers and counter-offers between February and April.

Class Counsel believes the Proposed Settlement should be approved because (1) it would avoid further delay in obtaining relief for the Class; (2) it will avoid the risk of not prevailing at trial or of partial or complete reversal on appeal; and (3) it will avoid the risk of not being able to collect all or part of any judgment from NOS because of insolvency.

NOS ceased selling long distance in TCUs nearly three years ago, and their revenues have dropped significantly since then. They have represented in sworn statements to the Court that if the class prevailed in full at trial they would likely be unable to pay the judgment and would go bankrupt. They have also represented in sworn statements to the Court that they do not have sufficient cash to pay the settlement benefits to the class any sooner or more rapidly than set forth in the Proposed Settlement.

Based on the facts and law and their evaluation of the immediate benefits the Proposed Settlement makes available to the class members, Class Counsel believe that the terms of the Proposed Settlement are fair and reasonable, and that the Proposed Settlement is in the best interest of the Class.

Your Options with Respect to the Proposed Settlement

You do not have to do anything at this time to preserve your right to benefits under the Proposed Settlement. If the Settlement is given Final Approval, and there are no appeals, the benefits and/or claim forms will be distributed to you as set forth above. In exchange for these benefits, you will release any claim against NOS based on the allegations in this lawsuit.

If you wish to object to the Proposed Settlement, you must promptly give the Court and counsel written notice of your intent to do so. The written notice of intent to object must be (a) filed with the Clerk of the Court by June 9, 2008, at 516 3rd Avenue, Seattle WA 98104, and (b) sent by First Class Mail, postmarked no later than June 9, 2008, to Class Counsel (identified below) and to counsel for NOS, Joseph A. Boyle, Kelley Drye & Warren, 200 Kimball Drive, Parsippany, NJ 07054. Any Class Member who does not send notice of intent to object waives the right to do so in the future, and shall be barred from making any objection to the Proposed Settlement. Any Notice of the Intent to Object must contain: (a) the name of this case and the case number, (b) a statement of whether the objector intends to appear at the Final

Settlement Hearing, either in person or through its own counsel, (c) a statement of the specific legal and/or factual bases for each and every objection, and (d) a list of any witnesses and their expected testimony, and photocopies of any exhibits, which the objector intends to offer at the Final Settlement Hearing.

The Final Approval Hearing will take place on June 25, 2008 at 9:00 a.m. at 516 3rd Avenue, Courtroom W-864, Seattle, Washington 98104.

If you wish to retain your own attorney in this matter you may do so, but no attorney may participate in the Final Approval Hearing unless he or she files and serves an appearance by June 9, 2008.

For Further Information

The complete text of the Proposed Settlement and other relevant documents are on file with the Clerk of the Court, where they are available for inspection and copying during regular business hours.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT TO ASK ANY QUESTIONS ABOUT THIS LITIGATION.

If you have any questions, you may contact Class Counsel at the address below, or visit their website: www.bjtlegal.com/classactions/NOSCommunications.

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By Order of the King County Superior Court of the State of Washington.

DATED 24 day of April, 2008.



Honorable Laura Inveen