

If You Purchased a Prepaid or Rechargeable Calling Card Before July 13, 2010

You May Get Benefits from a Class Action Settlement

A Court authorized this notice. This is not a solicitation from a lawyer.

- A class action Settlement of a lawsuit captioned *Torres-Hernandez and Ramirez v. STi Prepaid, LLC, et al.*, Civil Action No. 08-1089 (“Lawsuit”) could affect you if you purchased telephone calling cards sold or distributed by STI Phonecard, Inc., Telco Group, Inc., VOIP Enterprises, Inc., and STi Prepaid, LLC (“Defendants”). The Lawsuit claims the Defendants failed to properly disclose charges and fees associated with using the telephone calling cards.
- The Settlement will provide refunds up to \$7.4 million. The refunds will be given through the use of calling card Refund Personal Identification Numbers (“Refund PINs”). These Refund PINs can be used to make domestic calls and international calls to certain locations. Defendants will provide up to \$1,000,000 in future free or reduced-rate minutes.
- The Defendants deny any wrongdoing and are settling the Lawsuit to avoid the costs and burdens of continuing the case.

Read this notice carefully because your legal rights will be affected whether you act or do not act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT:	
DO NOTHING	Stay in the Lawsuit. Give up certain rights. By doing nothing you remain in the Settlement, but you must submit a Claim Form to receive any refund. You are bound by the results of this lawsuit and you give up any rights to sue the Defendants on your own about the same legal claims in this lawsuit.
OBJECT TO THE SETTLEMENT	Stay in the Lawsuit. Share in the benefits. Give up certain rights. Represent yourself or be represented by your own lawyer. If you object to the Settlement you must write to the Court and to counsel for both Plaintiffs and Defendants so that it is received by October 15, 2010 (see Question 17 for details.) You have the right to appear and speak in the Lawsuit yourself or through a lawyer you hire at your own expense. You or your lawyer must file a Notice of Appearance with the Court (see Question 20 for details.)
ASK TO BE EXCLUDED	Get out of the Lawsuit. Get no benefits. Keep rights. If you ask to be excluded, you will not receive any benefit as a result of this Settlement. But, you keep any rights to sue the Defendants on your own about the same legal claims in this lawsuit. To ask to be excluded, your request must be postmarked no later than October 15, 2010 .

These rights and options **and the deadlines by which you need to act** are explained in this Notice.

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QUESTIONS? CALL TOLL FREE (877) 342-5784 TOLL FREE, OR VISIT www.stisettlement.com,
WWW.FREEDWEISS.COM, WWW.CARELLABYRNE.COM, OR WWW.NAGELRICE.COM

BASIC INFORMATION

1. Why was this Notice issued?

The Court in charge of this case issued this Notice because you have a right to know about a proposed Settlement of a class action lawsuit. You also are entitled to know how you can make a claim for certain benefits of the Settlement and about all of your options.

2. What is this lawsuit about?

The people who filed this lawsuit are called the “Plaintiffs.” The Lawsuit claims that the Defendants did not inform consumers sufficiently about certain rates and charges for their prepaid calling cards, and therefore violated various state consumer protection acts and other laws. This lawsuit was filed in federal court in New Jersey and is called *Torres-Hernandez and Ramirez v. STI Prepaid LLC, et al.*, Civil Action No. 08-1089.

The Defendants deny the claims in the Lawsuit. They also deny having done anything wrong related to the sale, distribution or marketing of their pre-paid calling cards. However, the Defendants have agreed to settle the Lawsuit to avoid the burdens and cost of continuing the case.

3. Why is this a Class Action?

In a class action, one or more people called “Class Representatives” sue on behalf of people with similar claims. All of these people together are called a “Class” and individually, are called “Class Members,” except for those who exclude themselves from the Class.

4. Why is there a Settlement?

The Court did not decide in favor of either Plaintiffs or Defendants. Instead, both sides agreed to a Settlement. That way, they avoid the uncertainty and cost of a trial and those included in the Class and others will get an opportunity to receive the benefits being made available under the Settlement. The Class Representatives and the attorneys appointed by the Court to represent the Class believe that the Settlement is in the best interests of all Class Members.

WHO IS IN THE SETTLEMENT

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

You are a member of the Class if you purchased an eligible calling card issued by any of these companies on or before July 13, 2010:

- STI Phonocard, Inc.
- Telco Group, Inc.
- VOIP Enterprises, Inc.
- STi Prepaid, LLC

In this Notice, these cards are collectively referred to as “STI calling cards.”

Unless you opt out (see Question 15), you will be included in the Settlement. However, you must file a claim in order to receive a Refund PIN.

6. What STI calling cards are included?

Included are STI calling cards purchased in the United States before July 13, 2010. This includes prepaid calling cards sold at retail outlets (except cards used in conjunction with STI’s mobile phones) that were sold or distributed by the Defendants.

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Many of the included STI calling cards do not have the STI name on them, so please check the list of eligible cards carefully. The list of eligible calling cards is available at www.stisettlement.com, www.freedweiss.com, www.carellabyrne.com, or www.nagelrice.com, or by calling toll free 877-342-5784.

7. Are there exceptions to being included in the Settlement?

Defendants and their officers, directors, employees, and attorneys are not included in the Class. Federal judges and their families are also excluded. Additionally, the Settlement does not include calling cards formerly sold or distributed by CVT Prepaid Solutions, Inc. (“CVT”) prior to the acquisition of the assets of CVT by STi Prepaid; and calling cards sold or distributed as a result of STi’s acquisition of Sprint’s prepaid calling card business in October, 2008.

8. What if I am not sure whether I am included in the Settlement?

If you are not sure whether you are included, you may call the toll-free number 877-342-5784.

WHAT DOES THE SETTLEMENT PROVIDE

9. What does the Settlement provide?

The Settlement includes a number of benefits, including:

- (a) Refund PINs of up to \$7,400,000 for Class Members (the “PIN Fund”), who purchased one or more STI calling cards before July 13, 2010; and
- (b) Up to \$1,000,000 in free or reduced-rate minutes to prospective customers.

These benefits will be distributed to those who submit valid claim(s) during the claims period (November 23, 2010 to May 22, 2011), if the Court grants final approval and after any appeals are resolved. If you submit a claim, please be patient. It will take some time for you to receive your Refund PIN.

10. How can I get a Refund PIN?

Each STI calling card has a PIN number on the back. How you can get a Refund PIN depends on whether you still have your STI calling card and its PIN.

If you have your STI PIN(s):

- Call 877-342-5784, or use the link at www.stisettlement.com to request a Refund Form.
- Provide on the Refund Form a PIN from an eligible calling card, together with a proof of purchase for the PIN,
- Provide on the Refund Form your name and address, telephone number, birth date, and the name of the calling card associated with the PIN.

After you submit a Refund Form, Defendants will provide you with payment of your claim in the form of a Refund PIN, based on confirmation of an eligible PIN and as long as funds remain available. If you submit a claim in the manner described in this section, you may not submit or receive a Refund PIN for more than 25 PINs.

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If you don't have your STI PIN(s):

Mail a sworn, written statement to "Claims Administrator: c/o STi Prepaid," 1250 Broadway, 26th Floor, New York, NY 10001 with the following information:

- The type or name of STi Calling Card purchased;
- The location at which it was purchased;
- The month and year in which it was purchased;
- The month and year in which it was used;
- At least one phone number that you called when you used the card;
- A valid address to which STI will mail the Refund PIN; and
- The following statement: Under penalty of perjury, I hereby affirm and certify that the information provided on this form is true and accurate. The information provided on this form is subject to audit and review, and willfully false statements will be reported to the court.

Subject to review by a neutral third party, the Defendants will determine if you are eligible for a refund based on confirmation of an eligible PIN as long as funds remain available.

For anyone making a claim:

If you are eligible, the Defendants will provide you with a Refund PIN. All claims must be made during the six-month claims period. Because the date by which a claim may be submitted will be determined based upon the Court's orders, you may call 877-342-5784 or visit www.stisettlement.com to find out when the claims period has begun.

11. How and when can I use the Refund PINs?

You can use your Refund PIN the same way you used your STi calling card, except that Refund PINs may not be used from payphones or to call international cellular phones and they may be used to call only certain foreign countries.

You must dial the new access number you receive and use the Refund PIN the same way you used the PIN on the back of your original card. You may begin to use your Refund PINs as of the activation date for your Refund PIN. Refund PINs are valid for six months after the activation date.

12. Am I giving up any rights?

If you are a Class Member and you do not opt out of the Settlement, yes. When the Settlement becomes final — even if you don't claim a Refund PIN — you will be releasing Defendants from any liability for all claims associated with this case, and you will be bound by the release included in the Settlement agreement. You will not be able to sue the Defendants related to the legal issues in this case.

Copies of the Settlement agreement containing the release are available at www.stisettlement.com, www.freedweiss.com, www.CarellaByrne.com, www.NagelRice.com, or by calling 877-342-5784. The release is on pages 26 - 29 of the Settlement Agreement.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

Yes. The Court has appointed three law firms as Class Counsel to represent Class Members in this case. The law firms are: Carella, Byrne, Cecchi, Olstein, Brody & Agnello; Freed & Weiss LLC; and Nagel Rice LLC. If you want to be represented by your own lawyer, you may hire one at your own expense.

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14. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys’ fees and expenses of no more than \$2,050,000. The Court may award less than that amount, and Defendants will separately pay the fees and expenses that the Court awards. These amounts will not come out of the funds for benefits to Class Members. No Class Member will pay anything. Defendants have agreed not to oppose Plaintiffs’ counsel’s request for these fees and expenses. Defendants also will separately pay the costs to provide notice to the Class and to administer the Settlement.

EXCLUDE YOURSELF FROM THE SETTLEMENT

15. What do I do if I do not want to be included in the Settlement?

If you are a Class Member and do not wish to be included in the Settlement, you have the right to exclude yourself or “opt out” of the Settlement. To exclude yourself, you must submit a written request for exclusion by mail, postmarked by **October 15, 2010**, to the counsel listed below. The following information must be included:

- Your name, address, and, if available, telephone number;
- A list of all available PINs and names of STI Calling Cards that you purchased;
- The date(s) or approximate date(s) that you purchased the STI Calling Card(s);
- The name (s) and address(es) of the retailer(s) from which you purchased such card(s);
- The approximate total dollar amount of your purchase(s) of such STI Calling Cards;
- If you have your own attorney, include your attorney’s name, address and telephone number; and
- You must sign the request to be excluded.

Class Members may only opt out on their own behalf, except for minors.

Any request for exclusion that does not include the required information and is not postmarked by **October 15, 2010** may be rejected. If your request for exclusion is rejected, you are automatically included in the Class. Class Members who opt out will not be eligible for a Refund PIN and they cannot object to the terms of the Settlement.

LEAD COUNSEL FOR THE CLASS:	COUNSEL FOR DEFENDANTS:
James E. Cecchi, Esq. Carella, Byrne, Cecchi, Olstein, Brody & Agnello 5 Becker Farm Road Roseland, New Jersey 07068	Edward T. Kole Wilentz Goldman & Spitzer, P.A. 90 Woodbridge Center Drive Woodbridge, New Jersey 07095
Paul M. Weiss Freed & Weiss LLC West Washington Street, Suite 1331 Chicago, Illinois 60602	John R. Goldman Herrick Feinstein LLP One Gateway Center Newark, New Jersey 07102
Bruce H. Nagel, Esq. Nagel Rice, LLP 103 Eisenhower Parkway Roseland, New Jersey 07068	

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16. What happens if I do not opt out?

If you do not opt out before **October 15, 2010** and the Settlement is approved, you are automatically included in the Class and all claims that you may have against Defendants will be *waived and released*, and *you will be prohibited from bringing any similar claims in the future on your own behalf*.

OBJECT TO THE SETTLEMENT

17. How do I tell the Court that I like or do not like the Settlement?

If you are a Class Member, you have the right to tell the judge what you think about the Settlement. You can express support or give reasons why you think the Court should not approve it. The Court will consider your views.

To object, you must file a written objection, no later than **October 15, 2010**, with the Clerk of the Court at the following address: Clerk of the Court, District Court for the District of New Jersey, Martin Luther King Federal Building and U.S. Courthouse 50 Walnut Street, Room 4015, Newark, New Jersey 07102. In addition, you must send a copy of your objection to the attorneys listed in Question 15 so that it is received no later than **October 15, 2010**. The following information must be included:

- Your name, address and, if available, telephone number;
- State the reason for your objection;
- A list of all available PINs and names of STI Calling Cards that you purchased;
- The approximate total dollar amount of your purchase(s) of such STI Calling Card(s);
- Copies of any materials that you will submit to the Court or present at the Fairness Hearing;
- If you have your own attorney, include your attorney's name, address and telephone number; and
- You must sign the objection.

Any objection that does not include the required information and is not received by **October 15, 2010** may be rejected and disregarded by the Court. If your objection is rejected, you are bound by all Court orders.

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 11:00 a.m. on **November 16, 2010** in Judge Madeline Cox Arleo's courtroom in the Martin Luther King Jr. Federal Building and U.S. Courthouse, Newark, New Jersey. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court also may decide how much to pay Class Counsel. After the hearing, the Court will decide whether to grant final approval of the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the Hearing?

No. Class Counsel will answer any questions that the judge may have. However, you are welcome to attend the hearing at your own expense. You also may pay your own lawyer to attend the Fairness Hearing on your behalf. If you send an objection, you don't have to come to Court to discuss it. As long as your written objection is received before the deadline, and you have followed the directions in Question 17 above, the Court will consider everything that you have to say.

20. May I speak at the Hearing?

That will be up to the judge. You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a written request to the Court, at the address in Question 17, and a copy must be sent

to both Plaintiffs' counsel and Defendants' counsel, at the address listed in Question 15 so that they are received no later than **October 15, 2010** stating that this is your "Notice of Intention to Appear in *Torres-Hernandez and Ramirez v. STI Prepaid LLC*."

The following information must be included in your request:

- Your name, address, and, if available, telephone number;
- The name, address, and telephone number of the person who will appear on your behalf, if anyone;
- State the reason for your objection that you intend to raise at the Fairness Hearing;
- List all available PINs and names of STi Calling Cards that you purchased;
- The date(s) or approximate date(s) of your purchase(s) of STi Calling Card(s);
- The name(s) and address(es) of the retailer(s) from which you purchased such card(s); and
- You must sign the request.

Any request that does not include the required information and is not received by **October 15, 2010** will not be considered by the Court.

WHAT IF I DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will not receive any Refund PINs and you will waive any related claims you may have against the Defendants.

22. How do I get more information?

This notice summarizes the proposed Settlement. More details are available in the Settlement agreements and other documents filed with the Court. You can obtain these documents and more details at www.stisettlement.com or www.freedweiss.com, or from the Clerk of the Court at the address in Question 17.

Additional information is also available by calling 877-342-5784 toll free, or visiting www.stisettlement.com, www.freedweiss.com, www.carellabyrne.com, or www.nagelrice.com.

Please **do not** contact the Court with questions about the Settlement.