

Nora Monday and Daniel Nkemakolam v. Locus Telecommunications, Inc.

Docket No. 2:07-cv-02659-PGS-ES

**Consumers of Locus Telecommunications, Inc. Calling Cards
May Claim Settlement Benefits.**

This Class Action Settlement May Affect Your Rights

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

- The settlement will provide up to \$3.6 million of Refund Personal Identification Numbers (“Refund PINs”) that consumers can use to make free domestic phone calls and free calls to certain international locations.
- This settlement resolves a lawsuit over whether Locus Telecommunications, Inc., (“Locus”) adequately informed consumers about the applicable rates and charges for its prepaid and rechargeable calling cards. The two sides disagree on whether Locus did anything wrong.
- If you purchased an eligible Locus Calling Card in the United States, including certain calling cards that do not have the Locus name on them, that was sold, serviced, or distributed by Locus at any time between January 1, 1997 and November 13, 2008, you are a Class Member and are eligible to make a claim and obtain a Refund PIN(s). Please check the list of eligible cards carefully. A copy of the list may be obtained at www.locustelecom.com, www.freedweiss.com, or by calling the toll free number 1 (888) 292-1832.
- All claims must be made during a six-month claims submission period which may begin as early as April 18, 2009. If the case is appealed, the claims submission period may be delayed. Because the date by which a claim may be submitted is to be determined based upon the Court's orders, you may call 1 (888) 292-1832 or visit www.locustelecom.com to find out when the Claim Submission Period has begun. Read this notice carefully because your legal rights will be affected whether you act or don't act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

Request a Refund PIN by calling toll free 1 (888) 292-1832, or any Locus Calling Card access number or customer service number, or by accessing a link on www.locustelecom.com or www.freedweiss.com. This is a way to get direct settlement benefits - *i.e.*, Refund PINs that can be used to make free domestic phone calls.

Object – Write to the Court and to counsel for Plaintiffs and Locus if you do not like the settlement. As set forth in paragraphs 19-20 below, you may attend the hearing upon appropriate notice. You have a right to object to the settlement only if you purchased a Locus Calling Card between January 1, 1997 and November 13, 2008.

Opt Out – Write to counsel for Plaintiffs and Locus if you do not want to be included in the settlement. You have a right to opt out of the settlement only if you purchased a Locus Calling Card between January 1, 1997 and November 13, 2008.

Do Nothing – Get no Refund PINS. Give up rights.

These rights and options -- **and the deadlines by which to exercise them** -- are explained in this Notice.

The Court that is supervising this case granted preliminary approval of the settlement on November 13, 2008, but still has to decide whether to grant final approval. The final approval hearing is on March 12, 2009 at 10:00 a.m. Refund PIN's will be distributed only if and after the Court grants final approval of the settlement and any appeals are resolved.

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1. Why was this Notice issued?

The Court issued this notice because you have a right to know about a proposed settlement of a class action lawsuit that the Court has preliminarily approved. You also are entitled to know how you may make a claim for certain benefits of the settlement and about all of your options. If the Court grants final approval and any appeals are resolved, valuable benefits will be distributed to those who call Locus's interactive voice response ("IVR") system or who access designated websites and make a claim within six months from the date upon which all appeals, if any, from the Court's Final Order and Judgment shall be finally concluded, or the date upon which the time to seek any appellate remedy from the Final Order and Judgment has expired (this date will be referred to as "the Settlement Effective Date").

QUESTIONS? CALL TOLL FREE 1 (888) 292-1832 OR VISIT WWW.LTISETTLEMENT.COM
OR VISIT WWW.LOCUSTELECOM.COM OR VISIT WWW.FREEDWEISS.COM

2. What is this lawsuit about?

The people who filed the class action are called the “Plaintiffs,” and Locus is the “Defendant.” Two lawsuits filed in federal court in New Jersey claim that Locus failed to inform consumers sufficiently about the applicable rates and charges for its prepaid and rechargeable calling cards, and thereby violated various state consumer protection acts and other laws. These lawsuits were combined by the Court under the caption, *Monday v. Locus Telecommunications, Inc.*, Docket No. 07-cv-2659 (PGS-ES) (the “Lawsuit”). Plaintiffs assert legal claims on behalf of themselves and all members of the “Settlement Class,” defined below. Those claims include alleged violations of the New Jersey Consumer Fraud Act, other state consumer fraud acts, common law fraud, and breach of contract. Plaintiffs seek compensatory damages, treble damages, punitive damages, and attorneys’ fees and costs. Locus denies these claims and charges, as well as any wrongdoing in its sale, distribution or marketing of its pre-paid calling cards. In settling this action, Locus agreed to provide Refund PINs worth up to \$3,663,520 to eligible customers of Locus Calling Cards. Locus also has agreed to make \$300,000 in charitable contributions, and to provide prospective discounts on future sales of Locus Calling Cards totaling \$200,000. More information can be found at www.locustelecom.com, www.freedweiss.com, by writing to Plaintiffs’ counsel, Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein or Freed & Weiss, LLC, or by calling the toll free number 1 (888) 292-1832.

A copy of the settlement agreement is available at www.locustelecom.com, www.freedweiss.com, or by calling the toll free number 1 (888) 292-1832, and is also on file with the Court.

3. Why is this a class action?

In a class action, one or more person(s) called “Class Representatives” sue on behalf of those with similar claims. All of these people together are called a “Class,” and individually, are called “Class Members.” The Court appointed Plaintiffs as Class Representatives for purposes of this settlement. One court resolves all of the factual and legal issues for all of the Class Members, except for those who specifically and previously ask to be excluded from the Class. The “Settlement Class Members” are all people who purchased an eligible Locus Calling Card between January 1, 1997 and November 13, 2008, and who did not properly or timely exercise their rights to opt out of the settlement.

4. Why is there a settlement?

The Court did not decide in favor of either Plaintiffs or Locus. Instead, both sides agreed to a settlement. That way, they avoid the uncertainty and cost of a trial and those included in the Settlement Class and others will get an opportunity to receive Refund PINs. 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 Settlement Class Members.

WHO IS IN THE SETTLEMENT?

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

You are entitled to settlement benefits if you are within one of the following groups:

a. A Settlement Class Member who provides proof (**by providing an eligible PIN**) that he or she purchased a Locus Calling Card in the United States between January 1, 1997 and November 13, 2008 will receive a Refund PIN with a value of \$0.50 for domestic calls at \$0.10 per minute and international calls to certain countries at \$0.25 per minute for each eligible PIN submitted. For current or prior Locus rechargeable

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calling card customers, the Refund PIN will have a value of \$0.50 for domestic calls at \$0.10 per minute and international calls to certain countries at \$0.25 per minute for every \$5.00 worth of calling time that was loaded by the purchaser onto the rechargeable calling card when it was first purchased and charged. A Refund PIN cannot be used for calls placed from a payphone. Refund PINs are valid for a period of 18 months from the date of issuance. If you submit more than 25 PINs, you must also submit a written declaration to Locus declaring that you were the purchaser of the PINs and listing the PINs. You may not submit more than 250 PINs. A form declaration is available at www.locustelecom.com or www.freedweiss.com, or by calling toll free 1 (888) 292-1832.

b. A Settlement Class Member who provides proof (**by providing a notarized statement**) that he or she purchased a Locus Calling Card in the United States between January 1, 1997 and November 13, 2008 will receive a Refund PIN with a value of \$0.50 for domestic calls at \$0.10 per minute and international calls to certain countries at \$0.25 per minute for each eligible PIN submitted. For current or prior Locus rechargeable calling card customers, the Refund PIN will have a value of \$0.50 for domestic calls at \$0.10 per minute and international calls to certain countries at \$0.25 per minute for every \$5.00 worth of calling time that was loaded by the purchaser onto the rechargeable calling card when it was first purchased and charged. A Refund PIN cannot be used for calls placed from a payphone. Refund PINs are valid for a period of 18 months from the date of issuance. Claimants who do not have an eligible PIN number may not submit notarized statements seeking more than 25 Refund PINs. A form statement, which the claimant must have notarized, is available at www.locustelecom.com or www.freedweiss.com, or by calling toll free 1 (888) 292-1832.

6. What Locus Calling Cards are included?

Any Locus calling card that you purchased in the United States between January 1, 1997 and November 13, 2008, including, but not limited to, retail, prepaid, non-rechargeable, and rechargeable calling cards, that were sold, serviced, distributed or in any way placed in the stream of commerce by Locus and all of Locus's predecessors and successors-in-interest, including all of its respective past and present parents, subsidiaries, joint venturers, partnerships, related companies, affiliates, controlled entities, assignees, distributors, retailers, customers (except Settlement Class members), unincorporated entities, divisions, groups, present or former directors, officers, members, agents, employees, representatives, administrators, insurers, indemnitees, and attorneys, and each of them. Many of the included Locus Calling Cards do not have the Locus name on them, so please check the list of eligible cards carefully. The list of eligible Calling Cards is available at www.locustelecom.com, www.freedweiss.com or by calling toll free 1 (888) 292-1832.

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

Locus and its officers, directors, employees, and attorneys are not included in the Settlement Class. Federal judges and their families are also excluded.

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

If you are not sure whether you are included in the Settlement Class, you may call the toll-free number 1 (888) 292-1832 and ask for assistance.

**THE SETTLEMENT BENEFITS:
WHAT YOU GET AND HOW YOU GET IT**

9. What does the settlement provide?

The settlement provides up to \$3.6 million in Refund PINs to Settlement Class Members and others, which can be used to make free domestic telephone calls and free calls to certain international locations. The settlement also provides for Locus to make \$300,000 of charitable contributions and requires Locus to provide \$200,000 in prospective discounts to future purchasers of Locus Calling Cards.

10. How can I get a Refund PIN?

To get a Refund PIN, anyone who fits the description in the answer to question 5 above must access Locus's IVR telephone system by either calling the toll-free number, calling any Locus Calling Card access number or customer service number, or accessing a link on Locus's website. You must then enter a PIN from an eligible Calling Card that was purchased between January 1, 1997 and November 13, 2008. You may be required to provide your name and address, telephone number, birth date, and the name of the calling card associated with the PIN. Locus, subject to Court review, will then determine if you are eligible for a refund based on confirmation of an eligible PIN and remaining funds in the pool. If you are eligible, Locus will provide you with a Refund PIN. All claims must be made during the six-month claims submission period. If the case is appealed, the start of the claims submission period may be delayed. Because the date by which a claim may be submitted is to be determined based upon the Court's orders, you may call 1 (888) 292 - 1832 or visit www.locustelecom.com to find out when the Claim Submission 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 Locus Calling Card. 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. The Refund PIN cannot be used from a payphone. You may begin to use your Refund PINs 10 days after the date the Court has entered an order finally approving of the settlement *and* after all appeals, if any, from the Final Order and Judgment have been finally concluded and exhausted or the deadline to file an appeal has expired. We do not know how long it will take for the Court to decide whether or not to finally approve the settlement. Thus, you may call 1 (888) 292 - 1832 or visit www.locustelecom.com or www.freedweiss.com to find out the status of the final approval of the settlement. Refund PINs are valid for a period of 18 months from the date of issuance.

12. What claims against Locus am I releasing?

If you are a Class Member, when the settlement becomes final -- even if you don't claim a Refund PIN - you will be releasing Locus from any liability for all claims associated with this case, and you will be bound by the release included in the settlement agreement. Copies of the settlement agreement containing the release are available at www.locustelecom.com, www.freedweiss.com, or by calling 1 (888) 292-1832. The release is on pages 25 and 26 of the settlement agreement.

THE LAWYERS REPRESENTING PLAINTIFFS

13. Do I have a lawyer in this case?

Yes. The law firms of Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein and Freed & Weiss LLC, and other class counsel represent you and the other Settlement Class Members. The Court has appointed Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein and Freed & Weiss LLC as Interim Class Counsel for the Lawsuit. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Plaintiffs' counsel will ask the Court for attorneys' fees and expenses up to \$750,000. The Court may award less than that amount, and Locus will separately pay the fees and expenses that the Court awards. These amounts will not come out of the funds for benefits to Settlement Class Members and others. No Class Member will pay anything. Locus has agreed not to oppose Plaintiffs' counsel's request for these fees and expenses. Locus also will separately pay the costs to provide notice to the Settlement Class and to administer the settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

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

You have a right to exclude yourself or "opt out" of the settlement. To opt out, you must personally sign and mail a request for exclusion to counsel for Plaintiffs and Locus, at the following addresses:

LEAD COUNSEL FOR THE CLASS:

James E. Cecchi
Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein
5 Becker Farm Road
Roseland, New Jersey 07068

Paul M. Weiss
Freed & Weiss LLC
111 West Washington Street, Suite 1331
Chicago, Illinois 60602

COUNSEL FOR DEFENDANT:

Philip R. Sellinger
Greenberg Traurig, LLP
200 Park Avenue
Florham Park, New Jersey 07932

You must personally sign the exclusion request and clearly express your desire to be excluded from the Settlement Class, and if available, include a list of all available PINs of Locus Calling Cards that you purchased, state the date(s) or approximate date(s) of your purchase(s) of Locus Calling Card(s) and the state(s) of purchase(s), and the approximate total dollar amount of such purchase(s). Your request must also include your name, address, and telephone number; and, if you are represented by your own separate counsel, that attorney's name, address and telephone number. **Your exclusion request must be mailed to counsel for**

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Plaintiffs and Locus and must be postmarked no later than February 12, 2009 or it may not be accepted. If you do not specifically request to be excluded by following these directions, you will automatically be a member of the Settlement Class. Class Members who opt out of the class will not be eligible for a Refund PIN or to object to the terms of the settlement.

16. What happens if I don't opt out before February 12, 2009?

If the proposed settlement is approved and you are a Settlement Class Member who does not properly and timely exclude yourself from the class, all claims that you may have now or in the future against Locus will be **WAIVED AND RELEASED**, and **you will be prohibited from bringing any such claims in the future on your own behalf, as provided in the settlement agreement.**

OBJECTING TO THE SETTLEMENT

17. How do I tell the Court that I like or don't like the settlement?

If you are a Settlement Class Member, you can express approval of or objection to the settlement. You also 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 to the Court saying that you object to the terms of the settlement in *Monday v. Locus Telecommunications, Inc.* You must include your name, address, and telephone number, your signature, the reasons you object to the settlement; and if you are represented by your own separate counsel, you must also provide that attorney's name, address and telephone number. Your objection must also include a list of all available PINs of Locus calling cards that you purchased, the date(s) or approximate date(s) of your purchase(s) of Locus Calling Card(s), the state(s) of purchase(s), the approximate total dollar amount of such purchase(s), and must enclose copies of any materials that you plan to submit to the Court. The objection also must clearly state in detail the legal and factual ground(s) for your objection. In order to object, you must file the objection with the Clerk of the Court at CLERK OF THE COURT, District Court for the District of New Jersey, Martin Luther King Federal Building & U.S. Courthouse, 50 Walnut Street, Room 4015, Newark, New Jersey 07101, no later than February 12, 2009 and deliver the objection to Plaintiffs and Locus's counsel, whose addresses are listed in the answer to question 15 above, so that it is received by no later than February 12, 2009.

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

The Court will hold a Fairness Hearing at 10:00 a.m. on March 12, 2009 in Judge Peter G. Sheridan's courtroom in the Martin Luther King Federal Building and U.S. Courthouse, 50 Walnut Street, Room 2037, 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 Plaintiffs' 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. Plaintiffs' counsel will answer any questions that Judge Sheridan may have. However, you are welcome to come 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 contained in the answer to question 17 above, the Court will consider everything that you have to say.

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20. May I speak at the hearing?

That will be up to Judge Sheridan. 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 *Monday v. Locus Telecommunications, Inc.*" You must include your name, address, and telephone number, as well as the name, address and telephone number of any attorney who will appear at the Fairness Hearing on your behalf. Your request must also list all available PINs of Locus Calling Cards that you purchased, the date(s) or approximate date(s) of your purchase(s), the state(s) or purchase(s), and the a[approximate total dollar value of your purchase. You must also include your signature and the specific reasons why you wish to speak at the Fairness Hearing, as well as any ground(s) for your objection. Your Notice of Intention to Appear must be filed with the Clerk of the Court at the address listed in the answer to question 17 above no later than February 12, 2009 and must be received by Plaintiffs' counsel and Locus's counsel at the addresses listed in the answer to question 15 above no later than February 12, 2009.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will get no award (Refund PINs) from this settlement and any and all claims you have will be released.

22. How do I get more information?

If you think you may be a Class Member or may have purchased an eligible Locus Calling Card and would like more information about the Lawsuit or the terms of the proposed settlement, you may review the pleadings, records and other papers on file in the Lawsuit, including the Court's Order regarding the Preliminary Approval of Class Settlement and the proposed settlement agreement, which may be inspected on weekdays, during normal business hours, at the Clerk's Office, Martin Luther King Federal Building and U.S. Courthouse, 50 Walnut Street, Room 2037, Newark, New Jersey. The Preliminary Approval Order and settlement agreement will also be available at www.freedweiss.com. For information on any matters contained in this Notice, you may contact 1 (888) 292-1832, or you may write to or e-mail Plaintiffs' counsel, Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein and/or Freed & Weiss LLC at info@freedweiss.com.

PLEASE DO NOT CONTACT THE COURT DIRECTLY WITH QUESTIONS ABOUT THE SETTLEMENT.

Dated: November 13, 2008