

**UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ILLINOIS**

**If AT&T billed you for a \$3.95 monthly recurring charge at any time since January 2004, and you have not used AT&T for residential long-distance telephone service since August 2001, you could get a payment from a class action settlement.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- The lawsuit being settled concerns people who were billed for a \$3.95 monthly recurring charge for pre-subscribed residential long-distance service under AT&T's Basic Rate Plan by AT&T at some point since January 2004, even though they had not used AT&T for residential long-distance telephone service since August 2001. The lawsuit alleges that AT&T had no right to bill these people for the charge. Under the settlement, AT&T must pay all valid claims from class members; notice and administrative costs; and attorneys' fees and expenses.
- Your legal rights are affected whether or not you act. Please read this notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED OR COMPLETED ONLINE BY JANUARY 31, 2009</b>	The only way to receive a payment.
<b>EXCLUDE YOURSELF FROM THE CLASS BY AUGUST 22, 2008</b>	Receive no payment. This is the only option that lets you participate in another lawsuit against AT&T concerning the legal claims asserted in this case.
<b>COMMENT BY AUGUST 22, 2008</b>	Write to the Court about why you do, or do not, like the settlement. You must remain in the class to comment in support of or in opposition to the settlement.
<b>ATTEND A HEARING ON SEPTEMBER 4, 2008, AT 9:30 A.M.</b>	Ask to speak to the Court about the fairness of the settlement.
<b>DO NOTHING</b>	Receive no payment, and give up rights to sue.

- These rights and options, and the deadlines to exercise them, are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

## 1. Why did I receive this notice?

According to AT&T's records, you were listed as an AT&T residential long-distance customer and did not use AT&T for residential long-distance telephone service at any time since August 2001. Nevertheless, AT&T's records indicate that you were billed by AT&T for at least one \$3.95 monthly recurring charge for pre-subscribed residential long-distance service under AT&T's Basic Rate Plan for some period of time after January 2004. The Court ordered that this notice be sent to you, because you have a right to know about a proposed class action settlement concerning the matter. This notice explains the lawsuit, the settlement, who is covered by the settlement, your rights and options, the benefits available under the settlement, and how to obtain a payment.

## 2. What is this lawsuit about?

This class action alleges that, in January 2004 or thereafter, AT&T billed the \$3.95 monthly recurring charge for pre-subscribed residential long-distance service under AT&T's Basic Rate Plan plus related charges, fees, and taxes (referred together as the "\$3.95 MRC"), to hundreds of thousands of people who were listed in AT&T's database as residential long-distance customers but who Plaintiffs contend were not AT&T's customers.

The complaint alleges AT&T's actions violated the Federal Communications Act, 47 U.S.C. §§ 201-202, the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS 510/1 et seq., and the Illinois Consumer Fraud Act, 815 ILCS 505/1 et seq.; and gave rise to claims for unjust enrichment, and for money had and received.

## 3. Why is there a settlement?

The Court has not decided in favor of either side in the case. AT&T denies all allegations of wrongdoing or liability against it. AT&T says it is settling to avoid the burden and expense of continued litigation. Plaintiffs and their attorneys assert the settlement is in the best interests of the class because it provides a substantial recovery now while avoiding the risk, expense, and delay of pursuing the case through trial and any appeals.

## 4. Who is included in the settlement?

The class covered by the settlement is defined as follows: **All persons who were charged the \$3.95 MRC beginning in January 2004, paid such charges, were not credited or refunded such charges, and did not use AT&T long-distance telecommunication services at any time on or after August 1, 2001.**

Excluded from the class are (a) AT&T and its parent companies, affiliates, subsidiaries, divisions, successors-in-interest, successors, predecessors-in-interest, predecessors, assigns, agents, employees, affiliated independent contractors, managers, officers, directors, attorneys, and other persons representing them or acting on their behalf; (b) people for whom AT&T has evidence of authorization to submit a preferred carrier change order, so as to become an AT&T subscriber, at any time on or after August 1, 2001; (c) any judge to whom the lawsuit is assigned and his or her immediate family; and (d) all persons who submit valid requests for exclusion from the class.

**5. Who are the lawyers representing the class in this case?**

For purposes of the settlement, the Court has appointed the Plaintiffs named in the lawsuit to serve as the class representatives. The Court has also appointed the following attorneys and law firm to represent the class as legal counsel: Daniel C. Girard, A. J. De Bartolomeo, and Aaron M. Sheanin, Girard Gibbs LLP, 601 California Street, 14th Floor, San Francisco, California 94108.

Plaintiffs' Counsel will request an award of attorneys' fees and expenses of \$2,420,000 for the work they did over the past four years pursuing the case and obtaining the settlement on behalf of the class, plus reimbursement of expenses incurred in the case. Plaintiffs' Counsel also will request an incentive award of \$5,000 for each of the two class representatives, for their time, effort and expenses in pursuing the case on behalf of the class. If the Court approves these awards, they will be paid separately by AT&T. You will not have to pay anything toward the fees or expenses of Plaintiffs' Counsel or toward the incentive awards for the two class representatives. Plaintiffs' Counsel will seek final approval of the settlement on behalf of all class members. You may hire your own lawyer to represent you in this case if you wish, but it will be at your own expense.

**6. What does the settlement provide?**

The following description of the settlement benefits is qualified in its entirety by reference to the Stipulation of Settlement, a copy of which has been filed with the Court.

**If The Settlement Is Approved Then:**

- **You Will Receive A Cash Payment**, as described under question 7.
- **You Will Not Have To Pay AT&T For The \$3.95 MRC.**
- **AT&T Will Pay Additional Litigation Costs**, including costs of giving notice to the class and settlement administration; any Court-approved incentive awards to the named plaintiffs; and any Court-approved award of attorneys' fees and expenses to Plaintiffs' Counsel. The settlement requires AT&T to pay out a minimum of \$1,500,000 for class members' claims, notice costs and administrative expenses. If the sum of class member payments, notice costs and administrative expenses is less than \$1,500,000, the remainder will be donated to charity or paid as determined by the Court. There is no maximum limit on the total amount AT&T may have to pay on class members' claims.

**If The Settlement Is NOT Approved Then:**

- **You will not receive a cash payment.**
- **AT&T may collect monies from you for the \$3.95 MRC.**

## **7. How can I obtain a payment under the settlement?**

To request a payment, you must complete and send in the accompanying claim form. Please provide all requested information; sign and date the form; and mail it to the claims submission address provided on the form, **postmarked no later than January 31, 2009**. You may also fill out a claim form online at [www.MRCSettlement.com](http://www.MRCSettlement.com), so that it is submitted **no later than January 31, 2009**.

To receive a payment, you must certify that you were billed the \$3.95 MRC, paid the charges, and did not receive a refund or a credit.

**If the charges for the \$3.95 MRC appeared in the bill you received from your local telephone company, please read the following:**

If you were billed the \$3.95 MRC from your local telephone company, you may choose to provide a good faith estimate of the number of months that you believe you were billed and paid the \$3.95 MRC, and did not receive a refund or a credit. The amount of money you receive in the settlement will depend upon whether you provide this estimate.

- If you estimate that you were billed and paid the \$3.95 MRC for 3 months or less, or you do not give an estimate of the number of months you were billed, AT&T will pay you \$25.
- If you estimate that you were billed and paid the \$3.95 MRC for more than 3 months, and you do not submit any other documentation, AT&T will pay you \$50.
- If you estimate that you were billed and paid the \$3.95 MRC for more than 6 months, and you submit any bill showing at least one payment of the \$3.95 MRC, AT&T will pay you the greater of \$50 or \$8 for each month you believe you were billed, up to a total of \$100.
- If you estimate that you were billed and paid the \$3.95 MRC for more than 6 months, and you submit any document showing that you tried to dispute being classified as an AT&T customer (such as a copy of a letter, e-mail message, or notes of a telephone conversation), AT&T will pay you the greater of \$50 or \$8 for each month you believe you were billed, up to a total of \$150.

**If the charges for the \$3.95 MRC appeared in the bill you received directly from AT&T, please read the following:**

- AT&T will pay you \$10. Under the settlement, persons billed the \$3.95 MRC directly from AT&T are entitled less money than persons billed the \$3.95 MRC from their local telephone company because AT&T was more likely to prevail on claims brought on behalf of persons it billed directly. Had AT&T prevailed on those claims, persons billed the \$3.95 MRC directly from AT&T would have received nothing.

## **8. What am I giving up to obtain a payment or stay in the class?**

You must stay in the class to obtain a settlement payment. By staying in the class, you will give up any right you may have to pursue, continue to pursue, or be part of any other lawsuit against AT&T or its affiliates

concerning the billing or collection of the \$3.95 MRC. Also, you will be bound by all of the Court's orders in this case, including the judgment dismissing all claims asserted on behalf of the class.

To keep any right you may have to sue or continue to sue over the \$3.95 MRC, as described above, you must exclude yourself from the class.

**9. How can I exclude myself from the class and settlement?**

To exclude yourself from the class, you must send in a letter saying that you want to be excluded from the class in *Stokes et al. v. AT&T*. Your exclusion request must include your name, address, telephone number, and signature. You must mail your exclusion request to the following address, **postmarked no later than August 22, 2008**:

*Stokes et al. v. AT&T*  
c/o The Garden City Group, Inc.  
P.O. Box 9289  
Dublin, OH 43017-4689

If you exclude yourself, you cannot receive a settlement payment or comment on the settlement. You will not be bound by any of the Court's orders in this case, and will keep any right you may have to sue or continue to sue over the \$3.95 MRC.

**10. How can I tell the Court what I think about the settlement?**

If you do not exclude yourself from the class, you can comment in support of or opposition to the settlement by sending a letter to all three (3) of the following addressees, **postmarked no later than August 22, 2008**:

<b>Clerk of the Court</b>	<b>Plaintiffs' Counsel</b>	<b>AT&amp;T's counsel</b>
Clerk of the Court United States District Court for the Southern District of Illinois 750 Missouri Avenue East St. Louis, IL 62201	A. J. De Bartolomeo Girard Gibbs LLP 601 California St., 14th Floor San Francisco, CA 94108	Max C. Fischer Sidley Austin LLP 555 W. Fifth St., 40th Floor Los Angeles, CA 90013

The letter must say that you are commenting on the settlement in *Stokes et al. v. AT&T*, Case No. 04-433-DRH, and must include your name, address, telephone number and signature. The Court will consider all comments from class members. If you intend to appear at the fairness hearing through counsel, your comment must also state the identity of all attorneys representing you who will appear at the fairness hearing. To appeal from any provision of the order approving the Settlement as fair, reasonable and adequate, the award of incentive payments, or to the award of reasonable attorneys fees and expenses paid by Defendant and awarded to Plaintiffs' Counsel, you must appear in person, or through your counsel, or seek leave of Court excusing such appearance prior to the fairness hearing, or as otherwise may be permitted by the Court at the fairness hearing. In addition, you must take the following steps to show that you are a member of the class: (1) submit any bill showing at least one (1) payment of the \$3.95 MRC; and (2) state in your letter whether you tried to dispute being classified as an AT&T customer.

If you do not submit a written comment on the proposed settlement or the application of Plaintiffs' Counsel for incentive awards, attorneys' fees and expenses in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the fairness hearing and to appeal from any order or judgment of the Court concerning the matter.

**11. When and where will the Court hold a hearing on the fairness of the settlement?**

The Court will hold a hearing on September 4, 2008, at 9:30 a.m., in Courtroom 7, on the third floor, of the United States District Court for the Southern District of Illinois, 750 Missouri Avenue, East St. Louis, Illinois 62201. At the hearing, the Honorable David R. Herndon, Chief Judge of the Court, will consider (a) whether to approve the settlement as fair, reasonable, and adequate for the class; (b) whether to enter a judgment granting approval of the settlement and dismissing the lawsuit with prejudice; and (c) whether to grant the application of Plaintiffs' Counsel for incentive awards, attorneys' fees and expenses. The hearing may be postponed, adjourned, or rescheduled by the Court without further notice to the class.

**12. Do I have to come to the hearing? May I speak at the hearing?**

You do not need to attend the hearing to remain a class member or obtain a settlement payment. You or your own lawyer may attend the hearing if you wish, at your own expense.

If you do not exclude yourself, you may also ask the Court for permission to speak at the hearing concerning the proposed settlement or the application of Plaintiffs' Counsel for attorneys' fees and expenses. To do so, you must send in a letter saying that it is your notice of your intention to appear at the fairness hearing in *Stokes et al. v. AT&T*, Case No. 04-433 DRH. The letter must state the position you intend to present at the hearing, state the identities of all attorneys who will represent you, and must include your name, address, telephone number, and signature. You must mail your notice to the Clerk of the Court, Plaintiffs' Counsel, and AT&T's counsel at the three addresses listed under question 10, **postmarked no later than August 22, 2008**. You may combine this notice and your comment (described under question 10) in a single letter.

**13. What happens if I do nothing at all?**

If you do nothing, you will receive no payment from the settlement. You will still be part of the class, however, and will give up any right you may have to pursue, continue to pursue, or be part of any other lawsuit against AT&T or its affiliates concerning the billing or collection of the \$3.95 MRC.

**14. How do I get more information?**

This notice is a summary and does not describe all details of the settlement. For full details, you may wish to review the Stipulation of Settlement dated May 23, 2008. You can view the Stipulation of Settlement and get more information at [www.MRCSettlement.com](http://www.MRCSettlement.com). You can also get more information by calling toll-free 1 (800) 765-8148. The Stipulation of Settlement and all other pleadings and papers filed in the lawsuit are available for inspection and copying during regular business hours at the Office of the Clerk of the Court, United States District Court for the Southern District of Illinois, 750 Missouri Avenue, East St. Louis, Illinois 62201.

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE.**

QUESTIONS? CALL TOLL-FREE 1 (800) 765-8148 OR VISIT [WWW.MRCSETTLEMENT.COM](http://WWW.MRCSETTLEMENT.COM)