

UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

Dutton v. Harris Stratex Networks, Inc. et al

This Document Relates To:

ALL ACTIONS

Case No. 1:08-cv-00755-LPS

CLASS ACTION

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTION INCLUDING PROPOSED PLAN OF
ALLOCATION

IMPORTANT LEGAL NOTICE

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT WITH ALL
DEFENDANTS, MOTION FOR ATTORNEYS' FEES AND SETTLEMENT HEARING**

If you acquired Harris Stratex Networks, Inc. (“HSTX”) common stock (Trading Symbol NASDAQ: HSTX) from January 29, 2007, through July 30, 2008, inclusive, including if you are a former shareholder of Stratex Networks, Inc. who acquired shares of HSTX pursuant or traceable to HSTX’s Registration Statement and Prospectus (“Registration Statement”) that became effective on January 8, 2007, you could get a payment from this class action settlement.

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

- The settlement resolves a federal class action lawsuit (the “Litigation”) in which Plaintiffs allege that HSTX, certain of its officers and directors, and Harris Corporation (“Harris”) violated the federal securities laws by including materially untrue and/or misleading statements and/or omissions in, among other things, HSTX’s Registration Statement and Prospectus that became effective on January 8, 2007 (collectively, the “Registration Statement”).
- Defendants deny each and every one of Plaintiffs’ allegations of wrongdoing or liability. Defendants also deny that Plaintiffs or any Class Member suffered damages or that they were harmed in any way by the conduct alleged in the Consolidated Class Action Complaint (“Consolidated Complaint”).
- The parties disagree on whether Defendants violated any federal securities laws and whether the alleged violations actually caused any damages to the Class Members, and on the average amount of damages per share that would be recoverable if Named Plaintiffs prevailed on their claims.
- The federal court has certified, for settlement purposes only, a class consisting of all Persons that acquired the common stock of HSTX between January 29, 2007 and July 30, 2008, inclusive, including former shareholders of Stratex Networks, Inc. who acquired shares of HSTX pursuant or traceable to HSTX’s Registration Statement.¹
- The settlement will provide an Eight Million Nine Hundred Thousand Dollar (\$8,900,000) cash Settlement Fund² for the benefit of investors that acquired the common stock of HSTX between January 29, 2007 and July 30, 2008, inclusive, including former shareholders of Stratex Networks, Inc. who acquired shares of HSTX pursuant or traceable to HSTX’s Registration Statement (“Class Members”), and held them until at least after January 30, 2008 or July 30, 2008, depending on the date of purchase. Based on the information currently available to Named Plaintiffs and the analysis performed by their damage consultants, it is estimated that if Class Members submit claims for 100% of the shares eligible for distribution under the Plan of Allocation (described below), the estimated average distribution per share will be approximately \$0.29 before deduction of Court-approved fees and expenses, including the cost of settlement administration. Historically, actual claims rates are less than 100%, which results in higher distributions per share.
- The Named Plaintiffs in this case are the Rudman Investors Group and the Duluth Teachers’ Retirement Fund Association. The defendants are HSTX; former HSTX officers and/or directors Guy M. Campbell, Harald J. Braun, Sarah A. Dudash, Howard L. Lance, and Scott T. Mikuen (“Individual Defendants”); and Harris (collectively, “Defendants”).
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

¹ Excluded from the Class are the Defendants, their officers and directors at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which the Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to the procedures explained below.

² All capitalized terms not otherwise defined in this document shall have the meaning provided in the Stipulation of Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM BY SEPTEMBER 19, 2011	The only way to get a payment in this settlement.
EXCLUDE YOURSELF FROM THE LAWSUIT BY SUBMITTING AN OPT-OUT FORM BY AUGUST 26, 2011	Get no payment pursuant to this settlement. This is the only option that allows you to be a part of any other lawsuit against the Defendants and their affiliates involving the claims released by this settlement.
OBJECT BY AUGUST 26, 2011	Write a letter to the Court objecting to the settlement. You must still file a claim if you want to receive payment from the settlement.
GO TO A HEARING ON SEPTEMBER 16, 2011	Ask to speak in Court about the settlement.
DO NOTHING	Get no payment from this settlement. You will also be giving up your rights regarding all claims released by this settlement and any other lawsuit as to the stock issued pursuant to the Registration Statement or acquired during the Class Period.

- 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 by Class Members are resolved.

Statement of Class Recovery Under the Settlement

Pursuant to the settlement described herein, an Eight Million Nine Hundred Thousand Dollar (\$8,900,000) cash Settlement Fund has been established. If all Class Members elect to participate in the settlement, Named Plaintiffs estimate that the average recovery per damaged share of HSTX common stock under the settlement is \$0.29 before deduction of Court-awarded attorneys' fees and expenses and costs of mailing and administration. Named Plaintiffs intend to seek attorneys' fees of up to twenty-five percent (25%) of the \$8,900,000 Settlement Fund, or up to \$2,225,000.00, plus expenses incurred in connection with prosecution of this Litigation in the approximate amount of \$155,000.00. Such requested attorneys' fees and expenses would amount to an average of approximately \$0.077 per damaged share of HSTX common stock. In addition, the class recovery will be reduced by costs of mailing and administration (*see* Question 10 below). **Please note that these amounts are only estimates.** Depending on the number of claims submitted, when during the Class Period a Class Member acquired his or her HSTX common stock, and whether the HSTX common stock was held at the end of the Class Period or sold during the Class Period, and if sold, when shares were sold, an individual Class Member may receive more or less than this average amount. A Class Member's actual recovery will be a proportion of the Net Settlement Fund (defined below), determined by that Claimant's recognized loss (*i.e.*, a claim proved by timely submission of a valid Proof of Claim and Release form) as compared to the total recognized losses of all Class Members. This proportional allocation is called "proration." *See* the Plan of Allocation beginning on Page 7 for more information.

Under the relevant securities laws, a Claimant's recoverable damages are limited to the losses attributable to the alleged securities law violations. Losses that resulted from factors other than an alleged securities law violation are not recoverable from the Settlement Fund. For purposes of the settlement herein, a Class Member's distribution from the Settlement Fund will be governed by the proposed Plan of Allocation described below at Page 7, or such other Plan of Allocation as may be approved by the Court.

Statement of Claims, Issues, Defenses, and Potential Outcome of Case

Named Plaintiffs allege that the Defendants violated Sections 11 and 15 of the Securities Act of 1933 ("Securities Act") by issuing or participating in the issuance of the Registration Statement. Named Plaintiffs allege that the Registration Statement contained materially untrue or misleading statements or omissions regarding HSTX's total cost of product sales and services, selling and administrative expenses, and assets. Named Plaintiffs also allege that the Defendants violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by issuing allegedly materially false and misleading statements about its financial condition prior to and following its formation in early 2007 through the merger of Stratex Networks, Inc. and the Harris Microwave Communications Division. On July 30, 2008, HSTX announced that it had discovered accounting errors that rendered its previously issued financial statements incorrect which required HSTX to restate reported earnings going back to 2005. As a result of the restatement, HSTX announced that its prior financial statements for the first three quarters of fiscal 2008 and the fiscal years 2005 through 2007 should no longer be relied upon and would need to be restated. Named Plaintiffs allege that HSTX's share price fell in reaction to the announcement from \$11.24 to \$7.35 per share – a 34.61% decline in price.

The Defendants have at all times denied and continue to deny Named Plaintiffs' allegations. The parties reached the settlement described in this notice after the Court granted in part and denied in part Defendants' motions to dismiss the Consolidated Complaint. Additionally, Ernst & Young, as HSTX's auditor, was alleged in the Consolidated Complaint to have violated Section 11 of the Securities Act. The Court granted Ernst & Young's motion to dismiss that claim.

The parties disagree on both liability and damages and do not agree on the average amount of damages per share of HSTX common stock that would be recoverable if Named Plaintiffs were to have prevailed on each claim alleged. At the time the settlement was reached, Named Plaintiffs faced the possibility that the proposed class would not be certified or that some or all of the claims would be dismissed before trial. Had the case gone to trial, Defendants would have asserted that HSTX's Registration Statement fully complied with federal securities laws and did not contain any materially false or misleading statements or omissions. The issues on which the parties disagree include, without limitation: (1) the appropriate economic model for determining the amount by which HSTX common stock was allegedly artificially inflated (if at all) during the Class Period; (2) the amount by which HSTX common stock was allegedly artificially inflated (if at all) during the Class Period; (3) the extent to which the various statements that Named Plaintiffs alleged were materially false or misleading influenced (if at all) the trading prices of HSTX's common stock at various times during the relevant time period; and (4) the extent to which those statements were made with the necessary state of mind to support Plaintiffs' Exchange Act claims. Thus, had this Litigation continued, Named Plaintiffs and the proposed Class faced the possibility that they would not obtain any recovery. This settlement enables the Class to recover a percentage of the alleged damages as calculated by Class Counsel in conjunction with their consultants, without incurring any additional risk. As a result, Named Plaintiffs and Class Counsel believe this settlement is a fair and reasonable recovery.

Statement of Attorneys' Fees and Costs Sought

Class Counsel will move the Court to award attorneys' fees in an amount not greater than twenty-five percent (25%) of the gross Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of this Litigation not to exceed \$155,000. The requested fees and expenses would amount to an average of not more than \$0.077 per damaged share of HSTX common stock in total for fees and expenses. Class Counsel have expended considerable time and effort in the prosecution of this Litigation on a contingent fee basis, and have advanced the expenses of the Litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees. See Questions 8-10 below for more information. Class Members are not personally liable for any such fees or expenses.

Further Information

Further information regarding the Litigation and this Notice of Pendency of Class Action and Proposed Settlement With All Defendants, Motion for Attorneys' Fees and Settlement Hearing (the "Notice") may be obtained by contacting Lead Counsel: Ira M. Press, Esq., Kirby McInerney LLP, 825 Third Avenue, 16th Floor, New York, NY 10022, telephone: 212-371-6600. The Court has appointed a Claims Administrator, who is also reasonably available to answer questions from Class Members regarding matters contained in this Notice, including submission of Proof of Claim and Release, and from whom additional copies of this Notice and the Proof of Claim and Release forms may be obtained.

Harris Stratex Securities Litigation
Claims Administrator, c/o Analytics, Inc.
P.O. Box 2004
Chanhassen, MN 55317-2004

Reasons for the Settlement

Named Plaintiffs believe that the proposed settlement is a good recovery and is in the best interests of the Class. The principal reason for the settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Named Plaintiffs further considered, after conducting a substantial investigation into the facts of this case, the risks to proving liability and damages and if successful in doing so, whether a larger judgment could ultimately be collected. For Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

[END OF COVER PAGE]

NOTICE OF SETTLEMENT FAIRNESS HEARING

NOTICE IS HEREBY GIVEN, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Delaware (the "Court") dated June 21, 2011, that a hearing will be held before the Honorable Leonard P. Stark in the United States Courthouse, J. Caleb Boggs Federal Building, 844 N. King Street, Courtroom 6B, Wilmington, DE 19801-3556, at 1:00 p.m., on September 16, 2011 (the "Final Approval Hearing") to determine whether the proposed settlement of this Litigation as set forth in the Stipulation, is fair, reasonable and adequate and to consider the proposed Plan of Allocation for the Settlement proceeds and the application of Class Counsel for attorneys' fees and reimbursement of expenses.

The Court, by Order dated June 21, 2011, has **conditionally** certified a plaintiff settlement Class consisting of all Persons that acquired the common stock of HSTX between January 29, 2007 and July 30, 2008, inclusive, including former shareholders of Stratex Networks, Inc. who acquired shares of HSTX pursuant or traceable to HSTX's Registration Statement. Excluded from the Class are the Defendants, their officers and directors at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which the Defendants have or had a controlling interest.

HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM FORM

1. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim and Release form ("Claim Form"). A Claim Form is being circulated with this Notice. You may also get a Claim Form on the Internet at www.HarrisStratexSecuritiesLitigation.com. Read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it postmarked no later than September 19, 2011.

2. When would I get my payment?

The Court will hold a hearing on September 16, 2011, to decide whether to approve the settlement. If the Court approves the settlement, after that, there may be appeals by Class Members. Resolving appeals can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed.

3. What am I giving up to get a payment?

Unless you specifically exclude yourself, you will be treated as a member of this class action. This means that upon the Effective Date, you will relinquish all Released Claims against the Released Persons. These terms are defined below:

"Released Claims" shall mean any and all claims, debts, demands, rights, liabilities and causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law, or any other law, rule or regulation, whether fixed or contingent, accrued or un-acrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including, without limitation, claims arising under Sections 11 and 15 of the Securities Act of 1933, or claims arising under Sections 10(b) and 20(a) of the Exchange Act of 1934, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, whether class or individual in nature including both known claims and Unknown Claims, whether or not concealed or hidden: (i) that have been asserted in this Litigation by the Named Plaintiffs or any Class Member against any of the Settling Parties or Related Parties; or (ii) that could have been asserted in any forum by the Named Plaintiffs or any Class Member against any of the Settling Parties or Related Parties and which arose out of the purchase, sale, or any other transaction related to HSTX stock between January 29, 2007 through July 30, 2008, inclusive.

"Released Persons" means each and all of the Defendants and each and all of their Related Parties.

"Related Parties" means each Defendant's past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has or had a controlling interest, and the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns, or any trust of which an Individual Defendant is the settlor or which is for the benefit of an Individual Defendant's family.

The "Effective Date" will occur when an order entered by the Court approving the settlement becomes final and not subject to appeal.

The Settling Parties disagree on the amount of damages, if any, which would have been recoverable had Named Plaintiffs prevailed on all Claims in this litigation. Plaintiffs contend that the misrepresentations and omissions alleged in the Consolidated Complaint were the direct cause of the artificial inflation and eventual decline in HSTX's stock price and caused Named Plaintiffs and the Class to be damaged. Named Plaintiffs further contend that all of the alleged stock declines are fully attributable to the alleged misrepresentations and omissions set forth in the Consolidated Complaint. Defendants contend that the alleged misrepresentations and/or omissions did not cause a decline in HSTX's stock price and, therefore, Plaintiffs and the Class have not been damaged. Defendants would argue that, at most, only a small portion of HSTX's stock price decline could be attributed to the allegedly false and/or misleading statements and/or omissions in HSTX's Registration Statement.

If you remain a Member of the Class, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Related Parties in some other lawsuit as to the Released Claims in this lawsuit, then you must take steps to remove yourself from this lawsuit. This is called excluding yourself from or "opting out" of the Class. If more than a certain percentage of Class Members opt out or exclude themselves from the Class, Defendants may withdraw from and terminate the settlement.

4. How do I exclude myself from the proposed settlement?

To exclude yourself from the Class, you must send a signed letter by mail stating that you “request exclusion from the Class in *Dutton v. Harris Stratex Networks, Inc. et al*, Civil Action No. 1:08-cv-00755-LPS.” Your letter must state the date(s), price(s), and number of shares of all your purchases and sales of HSTX common stock during the Class Period. In addition, be sure to include your name, address, telephone number, and signature. You must mail your exclusion request postmarked no later than August 26, 2011 to:

Harris Stratex Securities Litigation EXCLUSIONS
Claims Administrator, c/o Analytics, Inc.
P.O. Box 2004
Chanhassen, MN 55317-2004

You cannot exclude yourself by telephone or by email. If you ask to be excluded, you will not get any settlement payment and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Related Parties in the future. If you exclude yourself, do not send in a Claim Form to ask for any money.

5. If I do not exclude myself from the settlement, can I sue the Defendants and the other Related Parties later for the same alleged conduct?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Related Parties for any and all Released Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is August 26, 2011.

6. If I exclude myself from the settlement, can I get money from the proposed settlement?

No, but you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Related Parties.

IF YOU DO NOTHING

7. What happens if I do nothing at all?

The judgment of the Court will be binding upon you if you do nothing. You will get no money from this settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Related Parties about the Released Claims in this case, ever again. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 1). To start, continue, or be a part of any other lawsuit against the Defendants and the other Related Parties about the Released Claims in this case, you must exclude yourself from this Class (*see* Question 4).

THE LAWYERS REPRESENTING CLASS MEMBERS

8. Do I have a lawyer in this case?

The Court ordered that the law firm of Kirby McInerney LLP represent all Class Members. Additional plaintiffs’ counsel for the class are the law firms of Kaplan Fox & Kilsheimer LLP and Lockridge Grindal Nauen P.L.L.P. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Class Counsel’s fees and expenses, which will be paid from the gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

9. How will Class Counsel be paid?

Class Counsel will move the Court to award plaintiffs’ counsel’s attorneys’ fees from the gross Settlement Fund in a total amount not greater than twenty-five percent (25%) of the gross Settlement Fund and reimbursement of their expenses in an amount no greater than \$155,000, plus interest on such expenses may be sought.

10. How will the notice costs and expenses be paid?

Class Counsel are authorized by the Stipulation to pay the Claims Administrator’s fees and expenses incurred in connection with giving notice, administering the settlement, and distributing the settlement proceeds to the members of the Class. The Claims Administrator’s fees and expenses will be paid out of the gross Settlement Fund and are estimated not to exceed \$500,000.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

11. How do I object to the settlement?

If you are a Class Member, you can object to the settlement or any of its terms, the proposed Plan of Allocation, and/or the application by Class Counsel for an award of fees and expenses. You may write to the Court setting out your objection(s). You should state reasons why you think the Court should not approve any or all of the settlement terms or arrangements.

You must object in writing by sending a signed letter stating that you object to the proposed settlement in *Dutton v. Harris Stratex Networks, Inc. et al*, Civil Action No. 1:08-cv-00755-LPS. Your objection must include a cover page identifying this case name and number and naming the hearing date of September 16, 2011, at 1:00 p.m. in Courtroom 6B. Be sure to include your name, address, telephone number, and signature. Any such written notice of objection must include (a) a detailed statement of such person's specific objection to any matter before the Court; (b) documents sufficient to show the date(s), price(s), and number(s) of shares of HSTX common stock for all purchases and sales of HSTX common stock by such person during the Class Period; and (c) the grounds for such objections, as well as all documents and writings that such person desires the Court to consider. Your objection must be postmarked on or before August 26, 2011 to the Court; Kirby McInerney LLP on behalf of the Named Plaintiffs; and Bingham McCutchen LLP on behalf of the Defendants at the following addresses:

COURT:

Office of the Clerk
United States District Court for the
District of Delaware
844 N. King Street Unit 18
Wilmington, DE 19801-3570

FOR NAMED PLAINTIFFS:

IRA M. PRESS
KIRBY McINERNEY LLP
825 Third Avenue, 16th Floor
New York, NY 10022

FOR DEFENDANTS:

JOHN D. PERNICK
BINGHAM McCUTCHEEN LLP
Three Embarcadero Center
San Francisco, CA 94111

You do not need to go to the Settlement Hearing to have your written objection considered by the Court.

12. What is the difference between objecting to the settlement and excluding myself from the settlement?

Objecting is simply telling the Court that you do not like something about the proposed settlement. You can object only if you remain in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend and you may ask to speak, but you do not have to.

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

The Court will hold a Settlement Hearing at 1:00 p.m. on September 16, 2011, at the United States Courthouse, J. Caleb Boggs Federal Building, 844 N. King Street, Courtroom 6B, Wilmington, DE 19801-3556. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. At the Settlement Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the settlement and the application of Class Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections mailed in accordance with the instructions in the answer to Question 11. The Court also will listen to people who seek to speak at the hearing, but decisions regarding the conduct of the hearing will be made by the Court. See Question 11 for more information about speaking at the hearing. The Court will also decide how much to pay to Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing. Thus, if you want to come to the hearing, you should check with Class Counsel before coming to be sure that the date and/or time has not changed.

GETTING MORE INFORMATION

14. Are there more details about the proposed settlement?

This Notice summarizes the proposed settlement. For a more detailed statement of the matters involved in this Litigation, reference is made to the pleadings, to the Stipulation of Settlement dated May 31, 2011 (the "Stipulation"), to the Orders entered by the Court and to the other papers filed in the Litigation, which may be inspected at the Office of the Clerk of the United States District Court for the District of Delaware, 844 N. King Street Unit 18, Wilmington, DE 19801, during regular business hours. These documents are also available at the Claims Administrator's website at www.HarrisStratexSecuritiesLitigation.com.

You also can call the Claims Administrator toll free at (855) 517-5425; write to the Claims Administrator at *Harris Stratex Securities Litigation*, Claims Administrator, c/o Analytics, Inc., P.O. Box 2004, Chanhassen, MN 55317-2004; or visit the website at www.HarrisStratexSecuritiesLitigation.com, where you will find a Claim Form.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

This Plan of Allocation has been prepared by Named Plaintiffs and Class Counsel.

The \$8,900,000 cash Settlement Amount and the interest earned thereon shall be the gross Settlement Fund. The gross Settlement Fund, less all taxes and approved costs, fees, and expenses (the "Net Settlement Fund") shall be distributed to Members of the Class who submit acceptable Claim Forms ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's recognized loss. The recognized loss formula is not intended to be an estimate of the amount a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The recognized loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the allegations in the Consolidated Complaint that Defendants made materially untrue and misleading statements and omissions in the Registration Statement, resulting in violations of Sections 11 and 15 of the Securities Act of 1933. The Consolidated Complaint alleges that these misrepresentations resulted in the artificial inflation of the prices of HSTX's publicly traded common stock during the Class Period from January 29, 2007 to July 30, 2008. The Consolidated Complaint further alleges violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder based on allegedly false and misleading statements in HSTX's press releases, SEC filings, conference calls, and presentations for its fiscal years 2007 and 2008. Defendants deny that they did anything wrong.

Each Authorized Claimant shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant's recognized loss bears to the total of the recognized losses of all Authorized Claimants (the "Pro Rata Share").

Shares with recognizable losses are those shares of HSTX common stock acquired from January 29, 2007, through July 30, 2008, inclusive, and held at least until after January 30, 2008 or July 30, 2008, depending on the dates of purchase as set forth immediately below.

Plan of Allocation

I. Purchased and/or Acquired between January 29, 2007 and January 30, 2008, and:

- A. sold before January 31, 2008, recognized damages are \$0.00 (zero);
- B. sold between January 31, 2008 and July 30, 2008, recognized damages shall be \$0.24 per share;
- C. held as of the close of business on July 30, 2008, recognized damages shall be \$1.58 per share.

II. Shares Purchased and/or Acquired between January 31, 2008 and July 30, 2008, and:

- A. sold before July 30, 2008 are \$0.00 (zero);
- B. sold between July 31, 2008 and October 28, 2008, recognized damages are the lesser of: i) the purchase price minus the average price between July 31, 2008 and the date of sale; or ii) \$1.34;
- C. held as of the close of business on October 28, 2008, recognized damages are the lesser of: i) the purchase price minus \$7.81; or ii) \$1.34 per share.

In the event a Class Member has more than one purchase or sale of HSTX common stock, all purchases and sales shall be matched on a first in, first out (FIFO) basis. Class Period sales will be matched first against any HSTX shares held at the beginning of the Class Period and then against purchases in chronological order. A purchase or sale of HSTX common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise, or operation of law of HSTX common stock during the Class Period shall not be deemed a purchase or sale of HSTX common stock for the calculation of an Authorized Claimant's recognized loss, nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment.

To the extent a Claimant had a gain from his, her, or its overall transactions in HSTX common stock during the Class Period, the value of the recognized loss will be zero. To the extent that a Claimant suffered an overall loss on his, her, or its overall transactions in HSTX common stock during the Class Period, but that loss was less than the recognized loss calculated above, then the recognized loss shall be limited to the amount of the actual loss. There shall be no recognized loss on short sales of HSTX common stock during the Class Period, however, any recognized gains with respect to short sales shall be offset against recognized losses on other transactions.

The following defined terms shall be used to describe the process the Claims Administrator shall use to determine whether a Claimant had a gain or suffered a loss in overall transactions in HSTX common stock during the Class Period: the "Total Purchase Amount" is the total amount paid by the Claimant for all HSTX common stock acquired during the Class Period less commissions and fees; the "Sales Proceeds" means the amount received for sales of shares of HSTX common stock sold by the Claimant during the Class Period

less commissions and fees; and “Holding Value” means the monetary value assigned to the shares of HSTX common stock acquired by the Claimant during the Class Period and still held by the Claimant as of the close of trading on October 28, 2008.

The difference between the Total Purchase Amount and the sum of Sales Proceeds and Holding Value will be deemed a Claimant’s gain or loss on his, her, or its overall transactions in HSTX common stock during the Class Period.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its recognized loss as compared to the total recognized losses of all Authorized Claimants.

Class Members who do not submit acceptable Claim Forms will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Claim Form will nevertheless be bound by the settlement and the order and final judgment of the Court dismissing this Litigation.

Distributions will be made to Authorized Claimants after all claims have been processed for those claims with *Pro Rata* Shares of \$10.00 or more after the Court has finally approved the settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. If after six months after such redistribution any funds shall remain in the Net Settlement Fund, then such balance shall be donated to the Second Harvest Food Bank of Santa Clara and San Mateo Counties, unless the Second Harvest Food Bank of Santa Clara and San Mateo Counties is unwilling or unable to accept the donation, in which event such balance shall be donated to a non-sectarian charitable organization designated by the Court.

Named Plaintiffs, Defendants, their respective counsel, and all other Related Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, or the Plan of Allocation; the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator; the payment or withholding of taxes owed by the Settlement Fund; or any losses incurred in connection therewith.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you acquired common stock of HSTX (CUSIP# 41457P106; ticker symbol NASDAQ: HSTX) from January 29, 2007, to July 30, 2008, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that WITHIN TEN DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you acquired HSTX common stock during such time period or (b) request additional copies of this Notice and the Claim Form, which will be provided to you free of charge, and within ten days mail the Notice and Claim Form directly to the beneficial owners of that HSTX common stock. If you choose to follow alternative procedure (b), the Court has directed that upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Harris Stratex Securities Litigation
Claims Administrator, c/o Analytics, Inc.
P.O. Box 2004
Chanhassen, MN 55317-2004
(855) 517-5425

If you choose to mail the Notice and Claim Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Claim Form and which would not have been incurred but for the obligation to forward the Notice and Claim Form, upon submission of appropriate documentation to the Claims Administrator.

DATED: June 21, 2011

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE