

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

LAURI S. BATWIN, On Behalf of Herself and All Others Similarly Situated,)	No. 2:07-cv-02750-CAS(SHx)
)	(Consolidated)
)	
Plaintiff,)	<u>CLASS ACTION</u>
)	
vs.)	
)	
OCCAM NETWORKS, INC., et al.,)	
)	
Defendants.)	
)	
)	

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED OCCAM NETWORKS, INC. ("OCCAM") COMMON STOCK DURING THE PERIOD BETWEEN APRIL 29, 2004 THROUGH AND INCLUDING OCTOBER 15, 2007, INCLUSIVE ("CLASS PERIOD")

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE MARCH 8, 2010.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Central District of California, Western Division (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. The settlement resolves the Class's claims against Occam, Robert Howard-Anderson, Christopher B. Farrell, Howard Bailey, Steven M. Krausz, Robert B. Abbott, Thomas Weisel Partners LLC, USVP 5 Funds and USVP 7 Funds ("USVP"), Norwest Venture Partners, Norwest Venture VIII L.P. and NVP Entrepreneurs Fund VIII L.P. ("NVP"), PricewaterhouseCoopers LLP, and Singer Lewak Greenbaum & Goldstein LLP ("Singer Lewak"). This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

The proposed settlement creates a fund in the amount of \$13,945,000 in cash and will include interest that accrues on the fund prior to distribution. Based on Lead Counsel's estimate of the number of shares entitled to participate in the settlement and the anticipated number of claims to be submitted by Class Members, the average distribution per share to Class Members who purchased or acquired Occam common stock during the Class Period would be approximately \$0.84 before deduction of Court-approved fees and expenses. Your actual recovery from this fund will depend on a number of variables, including the number of claimants, the number of shares they purchased, the number of Occam common shares you purchased, the expense of administering the claims process, and the timing of your purchases and sales, if any (see the Plan of Allocation below for a more detailed description of how the settlement proceeds will be allocated among Class Members).

Lead Plaintiff and Defendants do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff was to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) whether the statements made or facts allegedly omitted were false, material, or otherwise actionable under the federal securities laws; (2) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of Occam common stock at various times during the Class Period; (3) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of Occam common stock at various

times during the Class Period; (4) the extent to which external factors, such as general market conditions, influenced the trading price of Occam common stock at various times during the Class Period; (5) the effect of various market forces influencing the trading price of Occam common stock at various times during the Class Period; (6) the amount by which Occam common stock was allegedly artificially inflated (if at all) during the Class Period; and (7) the appropriate economic model for determining the amount by which Occam common stock was allegedly artificially inflated (if at all) during the Class Period.

Lead Plaintiff believes that the proposed settlement is a good recovery and is in the best interests of the Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that Lead Plaintiff would not have prevailed on any of its claims, in which case the Class would receive nothing. For example, Lead Plaintiff faced the possibility that all or many of the claims remaining in this case could have been dismissed at summary judgment or trial. In addition, the amount of damages recoverable by the Class was and is challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Litigation gone to trial, Defendants intended to assert that all of the losses of Class Members were caused by non-actionable market, industry, or general economic factors. Defendants would also assert that throughout the Class Period the uncertainties and risks associated with Occam's business and financial condition were fully and adequately disclosed.

Plaintiffs' Counsel have not received any payment for their services in conducting this Litigation on behalf of Lead Plaintiff and the members of the Class, nor have they been reimbursed for their out-of-pocket expenditures. If the settlement is approved by the Court, Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the settlement proceeds plus expenses not to exceed \$350,000, both to be paid from the Settlement Fund. If the amount requested by counsel is approved by the Court, the average cost per share would be approximately \$0.23.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Litigation or the fairness or adequacy of the proposed settlement.

For further information regarding this settlement you may contact: Rick Nelson, c/o Shareholder Relations, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, California 92101, Telephone: 800/449-4900. Please do not call any representative of the Defendants or the Court.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A settlement hearing (the "Settlement Hearing") will be held on February 22, 2010, at 10:00 a.m., before the Honorable Christina A. Snyder, United States District Judge, at the Central District of California, Western Division, 312 North Spring Street, Los Angeles, California. The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of \$13,945,000 in cash plus accrued interest should be approved as fair, reasonable, and adequate to each of the Settling Parties; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable, and adequate; (3) whether the application by Lead Counsel for an award of attorneys' fees and expenses should be approved and the expenses of Lead Plaintiff reimbursed; and (4) whether the Litigation should be dismissed with prejudice. The Court may adjourn or continue the Settlement Hearing without further notice to the Class.

II. DEFINITIONS USED IN THIS NOTICE

1. "Authorized Claimant" means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation of Settlement filed with the Court on November 2, 2009 (the "Stipulation").
2. "Claims Administrator" means the firm of Gilardi & Co. LLC.
3. "Class" means all Persons or entities (and their beneficiaries) who (a) purchased or otherwise acquired the common stock of Occam between April 29, 2004 and October 15, 2007, inclusive, and/or (b) purchased during the Class Period the common stock of Occam in or traceable to Occam's November 2006 secondary public offering. Excluded from the Class are the Defendants, members of the immediate families of the Defendants, the former and current directors, officers, subsidiaries and affiliates of the Defendants, as well as any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest and the legal representatives, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to this Notice.

4. "Class Member" or "Class Members" mean any Person who falls within the definition of the Class as set forth above.
5. "Effective Date" means the first date by which all of the events and conditions specified in ¶7.1 of the Stipulation have been met and have occurred.
6. "Escrow Agent" means Coughlin Stoia Geller Rudman & Robbins LLP or its successor(s).
7. "Final" means when the last of the following with respect to the Judgment approving the Stipulation shall occur: (i) the expiration of three (3) business days after the time to file a motion to alter or amend the Judgment under Federal Rule of Civil Procedure 59(e) has passed without any such motion having been filed; (ii) the expiration of three (3) business days after the time in which to appeal the Judgment has passed without any appeal having been taken (which date shall be deemed to be thirty-three (33) days following the entry of the Judgment, unless the date to take such an appeal shall have been extended by Court order or otherwise, or unless the thirty-third (33rd) day falls on a weekend or a Court holiday, in which case the date for purposes of the Stipulation shall be deemed to be the next business day after such thirty-third (33rd) day); and (iii) if such motion to alter or amend is filed or if an appeal is taken, three (3) business days after the determination of that motion or appeal (including any petition for writ of certiorari) in such a manner as to permit the consummation of the settlement substantially in accordance with the terms and conditions of the Stipulation. For purposes of this paragraph, an "appeal" shall not include any appeal that concerns only the issue of attorneys' fees and expenses or the Plan of Allocation of the Settlement Fund. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to any plan of distribution and/or application for attorneys' fees, costs, or expenses, shall not in any way delay or preclude the Judgment from becoming Final.
8. "Judgment" means the judgment to be rendered by the Court, substantially in the form attached to the Stipulation as Exhibit B.
9. "Lead Plaintiff" means NECA-IBEW Pension Fund (The Decatur Plan).
10. "Occam" means Occam Networks, Inc. and its subsidiaries, divisions, affiliates, predecessors, and successors.
11. "Person" means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.
12. "Plaintiffs' Counsel" means any counsel who have appeared for any plaintiff in the Litigation.
13. "Plan of Allocation" means a plan or formula of allocation of the Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the settlement, Taxes and Tax Expenses, and such attorneys' fees, costs, expenses, and interest as may be awarded by the Court. Any Plan of Allocation is not part of the Stipulation, and Defendants and their Related Parties shall have no responsibility therefor or liability with respect thereto.
14. "PWC" means PricewaterhouseCoopers LLP.
15. "Related Parties" means, with respect to each Defendant, the immediate family members, heirs, executors, administrators, successors, assigns, present and former employees, officers, directors, general partners, limited partners, attorneys, assigns, legal representatives, insurers, reinsurers, and agents of each of them, and any person or entity which is or was related to or affiliated with any Defendant or in which any Defendant has or had a controlling interest, or, in the case of USVP and NVP, any and all related venture capital funds and management entities, and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, general partners, limited partners, employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, and agents of each of them.
16. "Released Claims" means any and all rights, demands, claims (including "Unknown Claims" as defined below), and causes of action of every nature and description, in law or equity, whether arising under federal, state, local, statutory, common law, foreign law, or any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or un-matured, whether class and/or individual in nature that a) Lead Plaintiff or any member of the Class asserted, or could have asserted in this Litigation against any of the Released Persons, or b) that could have been asserted in this Litigation, or any other action or forum by Lead Plaintiff and/or the members of the Class or any of them against any of the

Released Persons arising out of, or relating to, directly or indirectly, to the purchase or acquisition of Occam common stock during the Class Period, and the facts, matters, allegations, transactions, events, disclosures, statements, acts, or omissions which were alleged or that could have been alleged in the Complaint.

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

18. "Settlement Fund" means the principal amount of Thirteen Million Nine Hundred and Forty-Five Thousand Dollars (\$13,945,000) in cash, to be paid pursuant to the terms of the Stipulation, plus all interest earned thereon.

19. "Settling Parties" means, collectively, each of the Defendants and the Lead Plaintiff on behalf of itself and each of the Class Members.

20. "Lead Counsel" means Coughlin Stoia Geller Rudman & Robbins LLP or its successor(s).

21. "Unknown Claims" means all claims, demands, rights, liabilities, and causes of action of every nature and description which Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement.

III. THE LITIGATION

On and after April 26, 2007, two securities class actions were filed in the United States District Court for the Central District of California, Western Division on behalf of a class of purchasers of the common stock of Occam during defined periods of time. On July 30, 2007, the Court entered an Order consolidating all of these cases under the caption entitled *Batwin v. Occam Networks, Inc., et al.*, No. 2:07-cv-02750-CAS(SHx) (the "Litigation"), and appointing the NECA-IBEW Pension Fund (The Decatur Plan) as Lead Plaintiff and approving its selection of Coughlin Stoia Geller Rudman & Robbins LLP as Lead Counsel.

On November 16, 2007, Lead Plaintiff filed its consolidated complaint (the "Complaint"). The Complaint alleges violations of §§11 and 15 of the Securities Act of 1933 and §§10(b), 20(a) and 20A of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder on behalf of (a) all persons or entities (and their beneficiaries) who purchased or otherwise acquired the common stock of Occam between April 29, 2004 and October 15, 2007, inclusive; and (b) all persons or entities (and their beneficiaries) who purchased during the Class Period the common stock of Occam in or traceable to Occam's November 2006 secondary public offering, against the Defendants.

Each Defendant moved to dismiss the Complaint, and on July 1, 2008, the Court granted in part and denied in part, the motions to dismiss. On July 16, 2008, Lead Plaintiff filed an amended complaint to conform to the Court's order on the motion to dismiss (the "Amended Complaint"). Defendants answered the Amended Complaint on August 29, 2008. The parties filed their joint case management report on November 10, 2008.

On November 20, 2008, the parties engaged in an all-day mediation, but were unable to resolve the Litigation. Discovery began thereafter.

On June 4, 2009, Lead Plaintiff and Defendants again engaged in mediation, but were unable to reach an agreement to settle the Litigation. Following additional negotiations, Lead Plaintiff and certain defendants reached an agreement-in-principle to resolve their claims, and on September 10, 2009, signed a Memorandum of Understanding setting out their agreement. Lead Plaintiff and Singer Lewak reached an agreement to settle their claims on October 15, 2009, and following further negotiations, Lead Plaintiff and Defendants entered into the Stipulation on November 2, 2009.

IV. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT

Lead Plaintiff believes that the claims asserted in the Litigation have merit and that the evidence developed to date supports those claims. However, Lead Plaintiff recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Litigation against Defendants through trial and through appeals. Lead Plaintiff also has taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Lead Plaintiff is also mindful of the inherent difficulties of proof under and possible defenses to the securities law violations asserted in the Litigation. Lead Plaintiff

believes that the settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, Lead Plaintiff and Lead Counsel have determined that the settlement set forth in the Stipulation is in the best interests of Lead Plaintiff and the Class.

V. THE DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation; continue to believe the claims asserted against them in the Amended Complaint are without merit; and have agreed to enter into the settlement solely to avoid the expense, distraction, time, and uncertainty associated with continuing the Litigation.

Nonetheless, Defendants have concluded that further conduct of the Litigation would be protracted and expensive and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. They also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation and have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

The amount of \$13,945,000 has been transferred to an interest-bearing escrow account under the control of the Escrow Agent. This principal amount of \$13,945,000 in cash, plus any accrued interest, shall constitute the Settlement Fund. A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund, and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Lead Counsel as attorneys' fees and for expenses incurred in reaching the settlement, and to Lead Plaintiff for reimbursement of its expenses. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed according to the Plan of Allocation described below to Class Members who submit valid and timely Proof of Claim and Release forms.

VII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in Occam common stock during the Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Plaintiff's counsel have consulted with their damage consultants. The Plan of Allocation reflects an assessment of the damages that could have been recovered as well as Lead Plaintiff's counsel's assessment of the likelihood of establishing liability for various periods of the Class.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The total of all profits shall be subtracted from the total of all losses from transactions during the Class Period to determine if a Class Member has a claim. Only if a Class Member had a net loss, after all profits from transactions in Occam common stock during the Class Period are subtracted from all losses, will such Class Member be eligible to receive a distribution from the Net Settlement Fund.

A claim shall be calculated as follows.

The allocation below is based on the following price declines as well as the statutory PSLRA 90-day look back amount of \$4.03:

February 2, 2007 Price Decline:	\$3.50
April 3, 2007 Price Decline:	\$2.59
April 18, 2007 Price Decline:	\$0.37
October 16, 2007 Price Decline:	\$2.94

Proposed Allocation

1. For shares of Occam common stock ***purchased or acquired on or between April 29, 2004 through February 1, 2007***, the claim per share shall be as follows:
 - a) If sold prior to February 2, 2007, the claim per share is zero.
 - b) If sold on or between February 2, 2007 through April 2, 2007, the claim per share shall be the lesser of (i) \$3.50 (February 2, 2007 Price Decline), or (ii) the difference between the purchase price and the selling price.
 - c) If sold on or between April 3, 2007 through April 17, 2007, the claim per share shall be the lesser of (i) \$6.09 (February 2, 2007 and April 3, 2007 Price Declines), or (ii) the difference between the purchase price and the selling price.
 - d) If sold on or between April 18, 2007 through October 15, 2007, the claim per share shall be the lesser of (i) \$6.46 (February 2, 2007, April 3, 2007 and April 18, 2007 Price Declines), or (ii) the difference between the purchase price and the selling price.
 - e) If retained at the end of October 15, 2007 and sold before January 11, 2008, the claim per share shall be the lesser of (i) \$9.40 (February 2, 2007, April 3, 2007, April 18, 2007 and October 16, 2007 Price Declines), or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
 - f) If retained, or sold, on or after January 11, 2008, the claim per share shall be the lesser of (i) \$9.40 (February 2, 2007, April 3, 2007, April 18, 2007 and October 16, 2007 Price Declines), or (ii) the difference between the purchase price per share and \$4.03 per share.
2. For shares of Occam common stock ***purchased or acquired on or between February 2, 2007 through April 2, 2007***, the claim per share shall be as follows:
 - a) If sold prior to April 3, 2007, the claim per share is zero.
 - b) If sold on or between April 3, 2007 through April 17, 2007, the claim per share shall be the lesser of (i) \$2.59 (April 3, 2007 Price Decline), or (ii) the difference between the purchase price and the selling price.
 - c) If sold on or between April 18, 2007 through October 15, 2007, the claim per share shall be the lesser of (i) \$2.96 (April 3, 2007 and April 18, 2007 Price Declines), or (ii) the difference between the purchase price and the selling price.
 - d) If retained at the end of October 15, 2007 and sold before January 11, 2008, the claim per share shall be the lesser of (i) \$5.90 (April 3, 2007, April 18, 2007 and October 16, 2007 Price Declines), or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
 - e) If retained, or sold, on or after January 11, 2008, the claim per share shall be the lesser of (i) \$5.90 (April 3, 2007, April 18, 2007 and October 16, 2007 Price Declines), or (ii) the difference between the purchase price per share and \$4.03 per share.
3. For shares of Occam common stock ***purchased or acquired on or between April 3, 2007 through April 17, 2007***, the claim per share shall be as follows:
 - a) If sold prior to April 18, 2007, the claim per share is zero.

- b) If sold on or between April 18, 2007 through October 15, 2007, the claim per share shall be the lesser of (i) \$0.37 (April 18, 2007 Price Decline), or (ii) the difference between the purchase price and the selling price.
- c) If retained at the end of October 15, 2007 and sold before January 11, 2008, the claim per share shall be the lesser of (i) \$3.31 (April 18, 2007 and October 16, 2007 Price Declines), or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
- d) If retained, or sold, on or after January 11, 2008, the claim per share shall be the lesser of (i) \$3.31 (April 18, 2007 and October 16, 2007 Price Declines), or (ii) the difference between the purchase price per share and \$4.03 per share.
4. For shares of Occam common stock ***purchased or acquired on or between April 18, 2007 through October 15, 2007***, the claim per share shall be as follows:
- a) If sold prior to October 16, 2007, the claim per share is zero.
- b) If retained at the end of October 15, 2007 and sold before January 11, 2008, the claim per share shall be the lesser of (i) \$2.94 (October 16, 2007 Price Decline), or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
- c) If retained, or sold, on or after January 11, 2008, the claim per share shall be the lesser of (i) \$2.94 (October 16, 2007 Price Decline), or (ii) the difference between the purchase price per share and \$4.03 per share.

CALL OPTIONS

- A. For call options on Occam common stock ***purchased from April 29, 2004 through October 15, 2007***, and
- a) ***held*** at the end of any of the following days: February 1, 2007, April 2, 2007, April 17, 2007, and/or October 15, 2007, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
- b) ***not held*** at the end of any of the following days: February 1, 2007, April 2, 2007, April 17, 2007, and/or October 15, 2007, the claim per call option is \$0.
- B. For call options on Occam common stock ***written from April 29, 2004 through October 15, 2007***, the claim per call option is \$0.

PUT OPTIONS

- A. For put options on Occam common stock ***written from April 29, 2004 through October 15, 2007***, and
- a) ***held*** at the end of any of the following days: February 1, 2007, April 2, 2007, April 17, 2007, and/or October 15, 2007, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;
- b) ***not held*** at the end of any of the following days: February 1, 2007, April 2, 2007, April 17, 2007, and/or October 15, 2007, the claim per put option is \$0.
- B. For put options on Occam common stock ***purchased from April 29, 2004 through October 15, 2007***, the claim per put option is \$0.

Note: In the case where the option was exercised for Occam common stock, the amount paid, or proceeds received, upon the settlement of the option contract equals the intrinsic value of the option using Occam common stock's closing price on the date the option was exercised.

Note: The combined recovery for the put/call options shall not exceed 3% of the Net Settlement Fund.

Section 11 Claims for the November 2006 Secondary Public Offering

Initial Public Offering Price: \$14.00 per share

Closing Price on the date the lawsuit was filed:¹ \$ 9.91 per share

For shares of Occam acquired ***pursuant to, and traceable to, the Company's offering prospectus dated November 1, 2006***, and

1) sold prior to April 26, 2007, the claim per share is the lesser of (i) the purchase price per share less the sales price per share, or (ii) \$14.00 less the sales price per share.

2) retained at the end of, or sold on or after April 26, 2007, the claim per share is the lesser of (i) the purchase price per share less the sales price per share, or (ii) \$14.00 less \$9.91.

Date	Closing Price	Average Closing Price
16-Oct-07	\$6.29	\$6.29
17-Oct-07	\$5.88	\$6.09
18-Oct-07	\$6.00	\$6.06
19-Oct-07	\$6.00	\$6.04
22-Oct-07	\$6.00	\$6.03
23-Oct-07	\$5.50	\$5.95
24-Oct-07	\$5.31	\$5.85
25-Oct-07	\$5.17	\$5.77
26-Oct-07	\$5.12	\$5.70
29-Oct-07	\$5.46	\$5.67
30-Oct-07	\$5.92	\$5.70
31-Oct-07	\$5.63	\$5.69
1-Nov-07	\$5.13	\$5.65
2-Nov-07	\$5.05	\$5.60
5-Nov-07	\$4.92	\$5.56
6-Nov-07	\$4.50	\$5.49
7-Nov-07	\$4.35	\$5.43
8-Nov-07	\$4.21	\$5.36
9-Nov-07	\$4.33	\$5.30
12-Nov-07	\$3.90	\$5.23
13-Nov-07	\$4.00	\$5.17
14-Nov-07	\$3.29	\$5.09
15-Nov-07	\$3.36	\$5.01
16-Nov-07	\$3.29	\$4.94
19-Nov-07	\$2.98	\$4.86
20-Nov-07	\$2.74	\$4.78
21-Nov-07	\$2.86	\$4.71
23-Nov-07	\$2.72	\$4.64
26-Nov-07	\$3.44	\$4.60
27-Nov-07	\$3.19	\$4.55
28-Nov-07	\$3.50	\$4.52

¹ First Class Action Complaint filed on April 26, 2007.

Date	Closing Price	Average Closing Price
29-Nov-07	\$3.44	\$4.48
30-Nov-07	\$3.87	\$4.47
3-Dec-07	\$3.89	\$4.45
4-Dec-07	\$3.82	\$4.43
5-Dec-07	\$3.50	\$4.40
6-Dec-07	\$3.94	\$4.39
7-Dec-07	\$4.09	\$4.38
10-Dec-07	\$4.06	\$4.38
11-Dec-07	\$4.00	\$4.37
12-Dec-07	\$4.00	\$4.36
13-Dec-07	\$4.02	\$4.35
14-Dec-07	\$3.75	\$4.34
17-Dec-07	\$3.50	\$4.32
18-Dec-07	\$3.30	\$4.29
19-Dec-07	\$3.10	\$4.27
20-Dec-07	\$3.38	\$4.25
21-Dec-07	\$3.35	\$4.23
24-Dec-07	\$3.38	\$4.21
26-Dec-07	\$3.31	\$4.19
27-Dec-07	\$3.20	\$4.18
28-Dec-07	\$3.33	\$4.16
31-Dec-07	\$3.56	\$4.15
2-Jan-08	\$3.80	\$4.14
3-Jan-08	\$3.45	\$4.13
4-Jan-08	\$3.42	\$4.12
7-Jan-08	\$3.14	\$4.10
8-Jan-08	\$3.21	\$4.08
9-Jan-08	\$3.03	\$4.07
10-Jan-08	\$2.95	\$4.05
11-Jan-08	\$2.95	\$4.03

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date. The determination of the price paid per share and the price received per security, shall be exclusive of all commissions, taxes, fees, and charges.

For Class Members who held Occam common stock at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases, and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if such Class Member had a net loss, after all profits from transactions in Occam common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of shares which have been matched against shares held at the beginning of the Class Period will not be used in the calculation of such net loss.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

VIII. ORDER CERTIFYING A CLASS FOR PURPOSES OF SETTLEMENT

On November 12, 2009, the Court certified a class. The Class is defined above.

IX. PARTICIPATION IN THE CLASS

If you fall within the definition of the Class, you are a Class Member unless you elect to be excluded from the Class pursuant to this Notice. If you do not request to be excluded from the Class, you will be bound by any judgment entered with respect to the settlement in the Litigation against Defendants whether or not you file a Proof of Claim and Release form.

If you are a Class Member, you need do nothing (other than timely file a Proof of Claim and Release form if you wish to participate in the distribution of the Net Settlement Fund). Your interests will be represented by Lead Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release must be postmarked on or before March 8, 2010, and delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release form, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

X. EXCLUSION FROM THE CLASS

You may request to be excluded from the Class. To do so, you must mail a written request stating that you wish to be excluded from the Class to:

Occam Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

The request for exclusion must state: (1) your name, address, and telephone number; and (2) all purchases, acquisitions, and sales of Occam common stock made during the Class Period, including the dates of each purchase, acquisition, or sale, and the number of shares purchased, acquired, or sold. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE FEBRUARY 8, 2010. If you submit a valid and timely request for exclusion, you shall have no rights under the settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment.

XI. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the "Judgment"). The Judgment will dismiss the Released Claims with prejudice as to all Defendants.

The Judgment will provide that all Class Members who have not previously validly and timely requested to be excluded from the Class shall be deemed to have released and forever discharged all Released Claims (to the extent members of the Class have such claims) against all Released Persons.

XII. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

At the Settlement Hearing, Lead Counsel will request the Court to award attorneys' fees of 25% of the Settlement Fund, plus expenses, not to exceed \$350,000, which were advanced in connection with the Litigation, plus interest thereon. Lead Plaintiff may also seek reimbursement of its expenses incurred in representing the Class in the Litigation. Class Members are not personally liable for any such fees, expenses, or compensation.

To date, Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of Lead Plaintiff and the members of the Class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested by Lead Counsel would compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the

Class, and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type.

XIII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of September 12, 2009.

XIV. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the settlement, the Plan of Allocation, or the application for attorneys' fees and expenses or reimbursement of Lead Plaintiff's expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit and serve a written notice of objection, to be received on or before February 8, 2010, by each of the following:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION
312 North Spring Street
Los Angeles, CA 90012

Lead Counsel for Plaintiffs:
COUGHLIN STOIA GELLER RUDMAN
& ROBBINS LLP
ELLEN GUSIKOFF STEWART
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Defendants:

WILSON SONSINI
GOODRICH & ROSATI, P.C.
JEROME F. BIRN, JR.
GREGORY L. WATTS
650 Page Mill Road
Palo Alto, CA 94304-1050

GIBSON, DUNN & CRUTCHER LLP
SCOTT A. FINK
555 Mission Street, Suite 3000
San Francisco, CA 94105-2933

COOLEY GODWARD KRONISH LLP
CHRISTOPHER SUNDERMEIER
Five Palo Alto Square, 4th Floor
3000 El Camino Real
Palo Alto, CA 94306-2155

HAYES SCOTT BONINO
ELLINGSON & MCLAY LLP
STEPHEN A. SCOTT
203 Redwood Shores
Parkway, Suite 480
Redwood Shores, CA 94065

MORRISON & FOERSTER, LLP
JORDAN ETH
PHILIP T. BESIROF
TIMOTHY W. BLAKELY
425 Market Street
San Francisco, CA 94105-2482

GARRETT & TULLY
EFREN A. COMPEAN
225 South Lake Avenue, Suite 1400
Pasadena, CA 91101

The notice of objection must demonstrate the objecting Person's membership in the Class, including the number of shares of Occam common stock purchased, acquired, and sold during the Class Period, and contain a statement of the reasons for objection. Only Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

XV. SPECIAL NOTICE TO NOMINEES

If you hold or held any Occam common stock during the Class Period as nominee for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Occam Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

If you choose to mail the Notice and Proof of Claim and Release 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 Proof of Claim and Release and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release, upon submission of appropriate documentation to the Claims Administrator.

XVI. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Central District of California, Western Division, 312 North Spring Street, Los Angeles, California 90012.

If you have any questions about the settlement of the Litigation, you may contact a representative of Lead Counsel: Coughlin Stoia Geller Rudman & Robbins LLP, Rick Nelson, c/o Shareholder Relations, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: November 12, 2009

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION