1 2 3 4 5	RICHARD E. DROOYAN (State Bar No. 06 MUNGER, TOLLES & OLSON LLP 355 South Grand Avenue, 35th Floor Los Angeles, CA 90071-1560 Telephone: (213) 683-9100 Facsimile: (213) 687-3702 Attorneys for Defendants Cellco Partnership business as Verizon Wireless and Verizon W Message Services	doing	
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	FOR THE COU	NTY OF LOS ANGELES	
10			
11	GRANT R. OPPERMAN, et al, as	CASE NO. BC 326764	
12	individuals, and on behalf of all others similarly situated and the general public,	CLASS ACTION – Assigned to Honorable	
13	Plaintiffs,	Robert Hess, Dept. 24 for All Proceedings	
14.	vs.	STIPULATION OF SETTLEMENT	
15	CELLCO PARTNERSHIP d/b/a		
16	VERIZON WIRELESS, a Delaware Partnership, VERIZON WIRELESS		
17	MESSAGING SERVICES, a Delaware Corporation, and DOES 1 through 20,		
18	inclusive,		
19	Defendants.		
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STIPULATION AND SETTLEMENT AGREEMENT

It is hereby stipulated by and among the undersigned Parties, subject to the approval of the Court pursuant to Rule 1859 of the California Rules of Court, that the settlement of this Action shall be effectuated pursuant to the terms and conditions set forth in this Settlement Agreement.

ARTICLE I.

PREAMBLE

- ("Verizon Wireless"), is a partnership organized under the laws of the State of Delaware with its principal place of business in New Jersey, Defendant Verizon Wireless Messaging Services is a corporation organized under the laws of Texas, and Defendant Verizon Wireless Services, LLC, is a limited liability company organized under the laws of Delaware.
- (b) WHEREAS, beginning in or about August 2004, Verizon Wireless offered for sale the Motorola V710 wireless cellular telephone handset manufactured by Motorola Corporation (the "Motorola V710 telephone") throughout the United States.
- (c) WHEREAS, Verizon Wireless' marketing materials represented that the Motorola V710 telephone offered Bluetooth®technology that could be used with Verizon Wireless' cellular telephone services.
- (d) WHEREAS, certain of the Plaintiffs are the named plaintiffs in the Amended Complaint filed on January 20, 2005, in the above-captioned action entitled *Grant R. Opperman, et al. v. Cellco Partnership, et al.*, Los Angeles Superior Court Case No. 237806 (the "Action"), in which they seek to represent an alleged class of all persons who activated Verizon Wireless cellular services for a Motorola V710 telephone in California.
- (e) WHEREAS, certain of the Plaintiffs are the named plaintiffs in the action filed on January 7, 2005, entitled *Howard M. Zhao v. Verizon Wireless, Inc.*, No. 05 551545, pending in the Court of Common Pleas, Cuyahoga County, Ohio (the "Zhao Action") and others are the named plaintiffs in the arbitration filed on January 20, 2005, in the matter entitled in *Joshua A. Kaner, et al.*, v. Cellco Partnership doing business as Verizon Wireless, No. 11 494 00161 05, pending before the American Arbitration Association in New York, New York (the "Kaner

Arbitration"), in which they seek to represent an alleged class of all persons who activated Verizon Wireless cellular services for a Motorola V710 telephone in the United States.

- (f) WHEREAS, Plaintiffs assert various claims concerning Verizon Wireless's disclosures regarding what Bluetooth®technology features were available for customers who activated Verizon Wireless cellular services for the Motorola V710 phone.
- (g) WHEREAS, Verizon Wireless denies all the allegations of the Amended Complaint, the Zhao Action, and the Kaner Arbitration, and all allegations of wrongdoing and liability.
- (h) WHEREAS, Plaintiffs and their counsel have concluded, in light of the costs, risks, and delay of litigation, particularly in this complex putative class action, that this Settlement is fair, reasonable, adequate, and in the best interests of Plaintiffs and the Settlement Class.
- (i) WHEREAS, Verizon Wireless has concluded, in light of the costs and delay of litigation, that settlement of this Action is appropriate on the terms and conditions set forth herein.

NOW THEREFORE, it is hereby stipulated and agreed that, in consideration of the agreements, promises, and covenants set forth in this Stipulation Of Settlement, and subject to approval of the Court, this Action shall be fully and finally settled and dismissed with prejudice and without costs under the following terms and conditions:

ARTICLE II.

DEFINITIONS

As used in this Agreement and the related documents attached hereto as exhibits, the following terms shall have the meanings set forth below:

- (a) "Accessories" means cellular telephone accessories marketed and sold by Verizon Wireless that (i) are compatible only with the Motorola V710 telephone; (ii) listed on Exhibit X to this Agreement, and (iii) are returned to the Settlement Administrator along with a Motorola V710 telephone in accordance with Article V(e)(6) and (7).
- (b) "Action" means the civil action entitled Grant R. Opperman, et al. v. Cellco Partnership doing business as Verizon Wireless., et al., Los Angeles Superior Court Case No. BC 326764.

- (c) "Approved Claim" means a Claim Form determined by the Settlement

 Administrator to be valid in accordance with Article II(d) or as resolved in favor of a claimant pursuant to Article V.
- (d) "Claim Form" means the claim form substantially in the form of Exhibit D to this Settlement Agreement. To be valid, a Claim Form must: (1) be fully completed; (2) be certified under penalty of perjury by the Settlement Class Member; and (3) be timely mailed to the Settlement Administrator. The Certification Under Penalty of Perjury shall be signed by the Settlement Class Member and certify that he or she is the person to whom the Notice was addressed; and that he or she (1) activated Verizon Wireless Service for a Motorola V710 telephone on or before January 31, 2005; (2) purchased a Motorola V710 telephone because he or she believed it would support the object exchange or file transfer features; and (3) owns another Bluetooth® enabled device that supports either the object exchange or file transfer features or had intended to purchase such a device.
- (e) "Class Counsel" means the law firms Kirtland & Packard LLP; Yourman,
 Alexander & Parekh LLP, Climaco, Lefkowitz, Peca, Wilcox & Garofoli Co., L.P.A.; David P.
 Meyer & Associates Co., LPA and Wechsler Harwood LLP..
- (f) "Class Representatives" or "Plaintiffs" means Grant R. Opperman, Timothy A. Davis, Amy Blumenfield, Alan C. Ivar, Michael Nunberg, Howard M. Zhao, Joshua A. Kaner, John Christian Vinci, and Sunil Kamath.
- (g) "Court" means the Superior Court of the State of California for the County of Los Angeles.
- (h) "Credit" means a bill credit towards any cellular telephone service or product offered by Verizon Wireless.
- (i) "Claiming Current Customer(s)" means a Settlement Class Member who (i) is a Customer (as defined in Article II(k) of this Agreement) and (ii) has **not** cancelled his or her Verizon Wireless Cellular Service prior to the date upon which he or she submits a Claim Form to the Settlement Administrator.

- (j) "Claiming Former Customer(s)" means a Settlement Class Member who (i) is a Customer (as defined in Article II(k) of this Agreement and (ii) cancels or has cancelled his or her Verizon Wireless Cellular Service prior to the date upon which he or she submits a Claim Form to the Settlement Administrator.
- (k) "Customer" means a person who, as indicated by Verizon Wireless' records, or by customer records to the satisfaction of the Settlement Administrator, activated Verizon Wireless Cellular Service for a Motorola V710 telephone on or before January 31, 2005.
- (l) "Defendants" means Cellco Partnership, doing business as Verizon Wireless, Verizon Wireless Messaging Services, and Verizon Wireless Services LLC.
 - (m) "Defendants' Counsel" means Munger, Tolles & Olson LLP.
- (n) "Effective Date" means the first day by which all of the following events shall have occurred: (1) the Court has entered the Preliminary Approval Order as set forth in Article VIII(b) of this Agreement; (2) the Court has entered the Order and Judgment as set forth in Article VIII(d) of this Agreement; (3) the Order and Judgment has become Final as defined in Article II(p) of this Agreement; and (4) Dismissals of the Related Litigation have become Final as defined in Article II(p) of this Agreement.
- (o) "Fee and Expense Application" means that written motion or application by which Class Counsel requests that the Court award them fees and/or expenses.
- (p) "Final" with respect to the Order and Judgment (as defined in Article II(s) of this Agreement) means the Order and Judgment as entered on the docket by the Court in this Action, which has not been reversed, stayed, modified, or amended, and as to which (1) the time to appeal under the California Rules of Court has expired and no appeal or further appeal has been timely filed, or (2) any appeal has been resolved by the highest court to which it was appealed upholding or affirming the Order and Judgment.. An appeal pertaining solely to an application for or award of attorneys' fees, costs, and expenses shall not in any way delay or preclude the Order and Judgment from being Final. "Final" with respect to the Related Litigation means that the time to appeal dismissal of the Zhao Action has expired or the dismissal has been upheld or affirmed by

the highest appellate court in Ohio to which the dismissal was appealed and the American Arbitration Association has confirmed that it has closed the Kaner Action.

- (q) "Final Approval Hearing" means the hearing at which the Court shall:
 (1) determine whether to grant final approval to this Settlement Agreement; (2) consider any timely objections to this Settlement and all responses to objections by the Parties; and (3) rule on the Fee and Expense Application.
 - (r) "Notice" means the notice of class action settlement attached hereto as Exhibit C.
- (s) "Order and Judgment" means the order, substantially in the form attached hereto as Exhibit B, in which the Court grants final approval of this Settlement Agreement and authorizes the entry of a Final judgment and dismissal of the Action.
- (t) "Parties" means Verizon Wireless and Plaintiffs in their capacities as Class.

 Representatives.
- (u) "Person" or "Persons" means any natural person, firm, corporation, unincomporated association, partnership or other form of legal entity or government body, including its agents and representatives.
- (v) "Preliminary Approval Order" means the order, substantially in the form of Exhibit A hereto, in which the Court grants its preliminary approval to this Settlement Agreement, approves Plaintiffs as Class Representatives, preliminarily approves certification of the Settlement Class for settlement purposes only, authorizes dissemination of Notice to the Settlement Class, and enjoins and members of the Settlement Class from filing any other actions based upon any of the Released Claims as defined in Article II(z).
- (w) "Refund" means (i) the actual amount paid by a Customer for a Motorola W710 telephone and/or Accessories on presentation of proof of the amount paid for the telephone and/or Accessories or (ii) \$200 if the Customer does not have proof of the amounts paid for the telephone and/or Accessories.
- (x) "Refund Credit" means a Credit that may be used towards the purchase of a Verizon Wireless telephone and accessories on the same terms and conditions available to new

Verizon Wireless customers in the amount of (i) the actual amount paid by a Customer for a Motorola V710 telephone and Accessories on presentation of proof of the amount paid for the telephone and/or Accessories or (ii) \$200 if the Customer does not have proof of the amounts paid for the telephone and/or Accessories.

- (y) "Related Litigation" means the action entitled *Howard M. Zhao v. Verizon Wireless, Inc.*, pending in Cuyahoga County, Ohio (the "Zhao Action") and the arbitration entitled in *Joshua A. Kaner, et al.*, v. Cellco Partnership doing business as Verizon Wireless pending before the American Arbitration Association in New York, New York (the "Kaner Arbitration").
- (z) "Released Claims" means any and all actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions, proceedings and/or rights of any nature and description whatsoever, including violations of any state or federal statutes, rules or regulations, or principles of common law, whether liquidated or unliquidated, known or unknown, in law or in equity, whether or not concealed or hidden, that have been asserted in this Action or the Related Litigation or that might have been asserted in this Action or the Related Litigation by Plaintiffs on behalf of themselves or the Settlement Class concerning, regarding, arising out of, or in any way relating to the Bluetooth® features or Bluetooth® functionality of the Motorola V710 telephone.
- (aa) "Released Parties" means (1) Verizon Wireless, Verizon Wireless Messaging
 Services, and Verizon Wireless Services LLC; (2) their present and former subsidiaries, parents,
 partners, affiliates, successors, and predecessors, (3) all Persons on whose behalf any of the
 foregoing entities acted or purported to act, (4) any agent, retailer, or business authorized by
 Verizon Wireless to provide or activate Verizon Wireless Cellular Service, and (5) for each of the
 foregoing Persons and entities, each of their present, former, or future officers, directors,
 shareholders, employees, representatives, agents, principals, consultants, contractors, insurers,
 accountants, attorneys, partners, members, administrators, legatees, executors, heirs, estates,
 successors in interest or assigns or any other Person with whom any of them is affiliated or
 otherwise for whom any of them is responsible at law or in equity.
 - (bb) "Releasing Parties" means Plaintiffs and each Settlement Class Member.

	(cc)	"Request for Exclusion" means a request for exclusion from the Settlement Class
subm	itted by a	Customer, pursuant to the instructions set forth in the Notice, to the Settlement
Admi	nistrator	no later than sixty (60) days after the date of the Notice. To be valid, a Request for
Exclu	sion mu	st: (1) be signed by the Customer or his or her authorized representative; (2) be
timely	y mailed	to the Settlement Administrator; (3) clearly request exclusion from the Settlement
Class	; and (4)	contain the Customer's name, address, and telephone number.

- (dd) "Settlement Administrator" means Poorman-Douglas Corporation. The Parties shall request that the Court approve the selection of Poorman-Douglas Corporation in the Preliminary Approval Order to perform the functions assigned to the Settlement Administrator by this Settlement Agreement.
- (ee) "Settlement Agreement," "Settlement," or "Agreement" means this Stipulation Of Settlement, including the attached Exhibits.
- (ff) "Settlement Class" means the class certified for settlement purposes only, consisting of Customers who activated Verizon Wireless Cellular Service for a Motorola V710 telephone on or before January 31, 2005.
- (gg) "Settlement Class Member" means any Customer who does not submit a timely and valid Request for Exclusion.
- (hh) "Verizon Wireless" means Cellco Partnership doing business as Verizon Wireless, and its authorized agents.
- (ii) "Verizon Wireless Cellular Service" means cellular telephone service offered byVerizon Wireless for the Motorola V710 cellular telephone.

ARTICLE III.

SETTLEMENT CLASS RELIEF

In consideration of a full, complete, and final settlement of this Action, and in consideration of dismissal of the Action with prejudice, the Dismissals and Release in Article VIII below, and subject to the Court's approval, the Parties agree to the following:

(a) Subject to Article III(c) below, Claiming Current Customers who submit an Approved Claim will be entitled at their election to

- Continue their Verizon Wireless Cellular Service and receive a Credit in the amount of twenty-five dollars (\$25); or
- continue their Verizon Wireless Cellular Service, purchase a new Verizon Wireless telephone, and return their Motorola V710 telephone and any Accessories to the Settlement Administrator for a Refund Credit; or
- cancel their Verizon Wireless Cellular Service without a cancellation fee and return their Motorola V710 telephone and any Accessories to the Settlement Administrator by prepaid mailer for a Refund.
- Subject to Article III(c) below, Claiming Former Customers who submit an
 - An amount equal to any cancellation fees they paid to cancel their Verizon
 - Return their Motorola V710 telephone and any Accessories to the Settlement Administrator by prepaid mailer for a Refund.
- Any Credit or Refund Credit for, or Refund payable to, a Claiming Current Customer, and any Refund payable to a Claiming Former Customer pursuant to this Settlement Agreement shall be subject to offsets for any Credit or monies received from Verizon Wireless in connection with Verizon Wireless Cellular Service, which, in the event of a dispute, shall be determined by the Settlement Administrator from Verizon Wireless' records and any additional materials
- To the extent that it has not already done so, no later than the date of the Final Approval Hearing, Verizon Wireless will revise its advertising and marketing disclosures to reflect the Bluetooth®technology available on the Motorola V710 telephone marketed or sold by Verizon Wireless.
- Plaintiffs recognize Verizon Wireless' absolute right to determine which functions and content will be included, or not included, in the Motorola V710 telephone offered for sale or marketed by Verizon Wireless at any time now or in the future.

ARTICLE IV.

NOTICE OF CLASS ACTION SETTLEMENT

Notice of the Settlement shall be provided by first-class United States mail or electronically to Customers as follows:

- (a) <u>Customer List</u>. Prior to sending the Notice, Verizon Wireless shall identify each Customer to the extent practicable from Verizon Wireless' records and provide a list of the Customers to the Settlement Administrator and to Class Counsel.
- (b) Notice. As soon as practicable after the entry of the Preliminary Approval Order, and in accordance with the timetable established under the Preliminary Approval Order, Verizon Wireless shall send the Notice together with a Claim Form in an envelope with a return address of "Verizon Wireless Motorola Bluetooth® Settlement Administrator" (i) to the billing address of every Customer who is currently a Customer of Verizon Wireless by first class United States mail, postage prepaid and (ii) to the last know address of every Customer who was formerly a Customer of Verizon Wireless by first class United States mail, postage prepaid. The Claim Form shall be returnable to the Settlement Administrator.
- (c) <u>Website.</u> Promptly after entry of the Preliminary Approval Order, and in accordance with the timetable established under the Preliminary Approval Order, the Settlement Administrator shall establish a web site from which Customers may obtain information about this Settlement Agreement and copies of the Notice and Claim Form. The Parties will cooperate and agree on the content and address of the web site. The Court shall resolve any disputes between the Parties over the content and address of the web site.
- (d) <u>Declarations of Compliance</u>. No later than twenty-one (21) days before the date fixed by this Court for the Final Approval Hearing, Verizon Wireless shall provide Class Counsel, and file with the Court, a declaration attesting to compliance with the notice requirements set forth above.
- (e) <u>Best Notice Practicable</u>. Compliance with the procedures described in this Article is the best notice practicable under the circumstances and shall constitute due and sufficient notice to Class Members of the pendency of the Action, certification of the Settlement Class, the

terms of the Settlement Agreement, and the Final Approval Hearing, and shall satisfy the requirements of the California Rules of Court, the California Code of Civil Procedure, the Constitution of the State of California, the United States Constitution, and any other applicable law.

ARTICLE V.

DISTRIBUTION OF SETTLEMENT CLASS RELIEF AND DUTIES OF SETTLEMENT ADMINISTRATOR

- (a) Settlement Administrator. The Parties, Class Counsel, and Defendants' Counsel will cooperate to ensure that the Settlement Administrator shall perform all duties required of it pursuant to this Settlement Agreement, including, but not limited to, approving or rejecting Claim Forms; determining which Customers have filed a valid and timely Request for Exclusion; calculating amounts to be paid for Approved Claims based on data and payment information provided by Verizon Wireless and Customers, and mailing checks, all as described below. Additionally, the Settlement Administrator will be obligated to bring to the Court's attention for resolution any disputes which arise in the course of the settlement administration process and cannot be resolved by agreement between the Settlement Administrator, Class Counsel and Defendants' Counsel.
- (b) Report on Requests for Exclusion. Within twenty (20) days of the last postmark date on which a Customer shall be permitted to submit a Request for Exclusion, the Settlement Administrator shall prepare and file under seal with the Court, and serve on Class Counsel and Defendants' Counsel, a report identifying each Customer who has submitted a timely and valid Request for Exclusion from the Settlement Class. Such Customers will not be entitled to receive any Settlement Class Relief, and neither Verizon Wireless nor the Administrator shall distribute any Settlement Class Relief to any such Customer.
- (c) Report on Settlement Class Members Ineligible To Receive Settlement Class
 Relief. Within thirty (30) days of the last postmark date on which a Settlement Class Member shall be permitted to submit a Claim Form or to resubmit a Claim Form as described herein, the Settlement Administrator shall prepare and deliver to Class Counsel and Defendants' Counsel a

report identifying those Settlement Class Members who are deemed by the Settlement

Administrator ineligible to receive Settlement Class Relief on account of any deficiency in their

Claim Form.

- (d) Other Inquiries By Counsel. Nothing in this Agreement shall preclude Class Counsel or Defendants' Counsel from making reasonable inquiries of the Settlement Administrator, from time to time, regarding the progress of the administration of this Settlement, and the Settlement Administrator shall respond to such reasonable inquiries as it sees fit in accordance with its business discretion and its custom and practice. The Settlement Administrator shall provide weekly reports to Defendants' Counsel and Class Counsel with the pertinent claim statistics.
- (e) <u>Settlement Class Relief to Claiming Current Customers and Claiming Former</u>

 <u>Customers.</u>
 - (1) <u>Claim Form.</u> In order to receive a Credit, Refund Credit or Refund pursuant to Article III of this Agreement, each Claiming Current Customer and Claiming Former Customer will be required to complete and return a Claim Form to the Settlement Administrator. The postmark deadline for submitting the Claim Form will be sixty (60) days from the date of the mailing of the Claim Form.
 - Approval and Rejection of Claim Forms. The Settlement Administrator shall determine whether a Claim Form is valid as set forth in Article II(d) based upon the responses provided to the questions set forth on the Claim Form and the postmarked date that the Claim Form is submitted. If the Settlement Administrator rejects a Claim Form or reduces the amount claimed for any reason, the Settlement Administrator shall as soon as practicable notify the Person submitting the Claim Form or reduction of the rejection and the reasons for rejection or reduction in writing, as well as the procedure for challenging the rejection or reduction.

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Procedures for Challenging Approval or Rejection of Claim Forms. The Parties through their counsel shall have the right to challenge the Settlement Administrator's approval or disapproval of any Claim Form or the amount of any Approved Claim. If any of the Parties through their counsel makes such a challenge, the Settlement Administrator shall have the obligation to meet and confer with Class Counsel and Defendants' Counsel in an attempt consensually to resolve the challenge. Failing such consensual resolution, a Party through counsel may present its challenge to the Court. A person who was notified by the Settlement Administrator that his or her Claim Form was rejected or reduced pursuant to the preceding paragraph shall have an independent right to challenge the rejection or reduction. Such person shall be permitted a period of thirty (30) days from the date of the mailing of the notice of rejection in which either to (a) resubmit the Claim Form to the Settlement Administrator with any missing information necessary for the Claim Form or amount to be approved, or (b) notify the Settlement Administrator of his or her challenge to the rejection or reduction. Upon such notification, the Settlement Administrator promptly shall notify Class Counsel and Defendants' Counsel, who then shall have the obligation to meet and confer with one another and with the Settlement Administrator in an attempt consensually to resolve the challenge. Failing consensual resolution, the Settlement Administrator shall notify the challenging person that he or she may, within ten (10) days of mailing of such notice, present the challenge to the Court.

(4) Notification of Approved Claims. Within thirty (30) days of the resolution of all challenges to approved or rejected Claim Forms, the Settlement Administrator shall notify Verizon Wireless, Defendants' Counsel and Class Counsel of (i) each Claiming Current Customer who has submitted an Approved Claim and the nature of Settlement Class Relief sought (e.g.,

- Credit, Refund Credit, and Refund) and (ii) each Claiming Former Customer who has submitted an Approved Claim
- (5) Payment and Processing of Approved Claims. Within thirty (30) days of the later of (i) the date upon which the Order and Judgment becomes Final or (ii) Verizon Wireless' receipt of the notification provided in Article V(e)(4), and subject to the offset provided in Article III(c), Verizon will (i) provide each Claiming Current Customer who elects to continue his or her Verizon Wireless Cellular Service pursuant to Article III(a)(1) with a \$25 Credit; and (ii) send to each Claiming Former Customer a check in the amount of the cancellation fee paid by the Claiming Former Customer.
- (6) Exchange of Telephones. Within thirty (30) days of the later of (i) the date upon which the Order and Judgment becomes Final or (ii) Verizon Wireless' receipt of the notification provided in Article V(e)(4), Verizon Wireless will send pre-paid mailers to Claiming Current Customers who elect to exchange their Motorola V710 telephones and Accessories pursuant to Article III(a)(2) with instructions to purchase any telephone offered by Verizon Wireless other than a Motorola V710 telephone from a Verizon Wireless website to be established and then return their Motorola V710 telephones and Accessories to the Settlement Administrator within sixty (60) days along with their proof, if any, of the amounts they paid for the Motorola V710 telephone and Accessories for a Refund Credit.
- (7) Return of Telephones. Within thirty (30) days of the later of (i) the date upon which the Order and Judgment becomes Final or (ii) Verizon Wireless' receipt of the notification provided in Article V(e)(4), Verizon Wireless will (a) send pre-paid mailers to Claiming Current Customer who elect to return to their Motorola V710 telephones and Accessories pursuant to Article III(a)(3) with instructions to return their Motorola V710 telephones and Accessories to the Settlement Administrator within sixty

(60) days along with their proof, if any, of the amounts they paid for the telephone and Accessories for a Refund, and notifying them that their service will be cancelled without requiring payment of a cancellation fee within three (3) days of the Settlement Administrator's receipt of the Claiming Current Customer's Motorola V710 telephone; and (b) send prepaid mailers to Claiming Former Customers with instructions to return their Motorola V710 telephones and Accessories to the Settlement Administrator within sixty (60) days along with their proof, if any, of the amounts they paid for the telephones and Accessories for a Refund.

Processing and Payment of Refunds and Refund Credits. Within forty-five

(8) (45) days of the last postmark date upon which a Claiming Current Customer or Claiming Former Customer may return his or her Motorola V710 telephone and Accessories, the Settlement Administrator shall notify Verizon Wireless of the amount of the Refund or Refund Credit owed to each Claiming Current Customer and Claiming Former Customer who timely returned his or her Motorola V710 telephone and Accessories. The Settlement Administrator's determination of the amount of the Refund or Refund Credit shall be final and not subject to challenge by Verizon Wireless or any Claiming Current Customer or Claiming Former Customer, unless the Claiming Current Customer or Claiming Former Customer has complied with the procedures for challenging the Settlement Administrator's determination in Article V(e)(3). Within thirty (30) days of the later of (i) the date upon which the Order and Judgment becomes Final or (ii) Verizon Wireless' receipt of the notification provided in this Article V(f)(6), Verizon Wireless shall as directed by the Settlement Administrator either send a check for a Refund to each Claiming Current Customer or Claiming Former Customer who timely returned his or her Motorola V710 telephone and Accessories or provide a Refund Credit to each Claiming

Current Customer who timely exchanged his or her Motorola V710. The Refund Credit shall be applied to each such Claiming Current Customer's next bill and each succeeding bill until the Refund Credit has been used up.

ARTICLE VI.

PAYMENT OF ATTORNEYS' FEES AND EXPENSES AND SETTLEMENT COSTS

Attorneys' fees and expenses and settlement costs shall be paid as follows:

- (a) <u>Costs of Notice.</u> Verizon Wireless shall bear all reasonable costs of providing notice of the proposed settlement to the Settlement Class as provided herein, including costs of identifying members of the Settlement Class, costs of printing the Notice, and costs of mailing the Notice, and shall be responsible for printing the Notice, Claim Forms, and other necessary documents;. If, for any reason, the Effective Date does not occur, then the costs of providing notice to the Settlement Class that are incurred by Verizon Wireless shall nevertheless be borne by Verizon Wireless.
- (b) <u>Costs of Administering Settlement</u>. Verizon Wireless shall bear all reasonable costs of administering the Settlement and the cost of printing and mailing any checks to be issued as part of the Settlement. If, for any reason, the Effective Date does not occur, then the costs of administering the Settlement which are incurred by Verizon Wireless shall nevertheless be borne by Verizon Wireless.
- (c) <u>Fees of Settlement Administrator</u>. The reasonable fees of the Settlement

 Administrator which are incurred in connection with the Settlement Notice and the administration

 of the Settlement shall be borne by Verizon Wireless. If, for any reason, the Effective Date does

 not occur, then the costs of administering the Settlement which are incurred by Verizon Wireless

 shall nevertheless be borne by Verizon Wireless.
- (d) Attorneys' Fees, Expenses, and Incentive Awards. The Parties have participated in a non-binding mediation in an attempt to agree upon a Fee and Expense Application for Plaintiffs' attorneys fees and expenses that Verizon Wireless will not oppose. In the event that the Parties are unable to agree upon a mediator, they agree that the Court may appoint the

mediator. Following the mediation, Plaintiffs will make a Fee and Expense Application to be heard in connection with the Final Approval Hearing. Unless the Parties agree on a Fee and Expense Application as a result of the mediation or some other process, Defendants shall have the right to oppose the Fee and Expense Application in whole or in part, and the Parties shall have the right to appeal any award of attorneys' fees and expenses granted by the Court. Any attorneys' fees or expenses granted by the Court shall be paid by Verizon Wireless within thirty (30) days of the later of the date on which the Order and Judgment and dismissal of the Related Actions are all Final or the resolution of any appeal of any grant of attorney fees and expenses by the Court. Subject to the approval of the Court, Verizon Wireless shall pay each of the Class Representatives an incentive award of \$500 by separate checks within thirty (30) days of the Effective Date of this Agreement.

(e) Severability of Attorneys Fees and Expenses. The Parties agree that the rulings of the Court regarding the amount of attorneys' fees and expenses, and any claim or dispute relating thereto, will be considered by the Court separately from the remaining matters to be considered at the Final Approval Hearing as provided for in this Settlement Agreement. Any order or proceedings relating to the amount of attorneys' fees or expenses, or incentive awards, and any appeal from any order related thereto, shall not operate to terminate or cancel the Settlement Agreement, affect the Releases provided for in the Settlement Agreement, or affect whether the Final Approval Order and Judgment are Final, as defined in Article II of this Agreement.

ARTICLE VII.

RELEASES AND DISMISSALS

In order to effectuate the Parties' desire to fully, finally and forever settle, compromise, and discharge all disputes arising from or related to the Action by way of compromise rather than by way of further litigation, the Releasing Parties and the Released Parties agree as follows:

(a) <u>Dismissals.</u> Within ten (10) days after execution of this Agreement by all Parties, Defendants' Counsel, and Class Counsel, Class Counsel shall seek dismissals without prejudice of Defendants Verizon Messaging Services and Verizon Services LLC and the Related Litigation

by filing the appropriate motions to dismiss in this Action and in the Zhao Action and requesting the American Arbitration Association to dismiss the Kaner Arbitration Plaintiffs may not reinstitute the Zhao Action and/or the Kaner Arbitration unless the Court rejects the Settlement Agreement and declines to enter the Preliminary Approval Order, in which case Verizon Wireless agrees to toll any and all applicable statutes of limitations from the dates the Zhao Action and Kaner Arbitration are dismissed until 30 days after the Court declines to enter the Preliminary Approval Order. The Parties agree that Verizon Wireless is not waiving its right to seek to compel arbitration in the Zhao Action and to object to class-wide arbitration in both the Zhao Action and the Kaner Arbitration, and that, in the event the Kaner Arbitration is reinstituted, the arbitration shall be pursuant to the terms and conditions of the Parties' customer agreements in force as of January 20, 2005.

- (b) <u>Preclusive Effect</u>. On the Effective Date, Plaintiffs and each and every Settlement Class Member shall be bound by this Settlement Agreement and shall have recourse exclusively to the benefits, rights and remedies provided hereunder. No other action, demand, suit or other claim may be pursued against the Released Parties with respect to the Released Claims by the Releasing Parties.
- (c) <u>Releases</u>. On the Effective Date, the Releasing Parties shall be deemed to have, and by operation of this Agreement shall have, fully, finally and forever released, relinquished and discharged the Released Parties from any and all of the Released Claims.
- (d) Scope of Releases. On the Effective Date, the Releasing Parties shall be deemed to have, and by operation of this Agreement shall have, with respect to the subject matter of the Released Claims, expressly waived the benefits of any statutory provisions or common law rule that provides, in sum or substance, that a general release does not extend to claims which the party does not know or suspect to exist in its favor at the time of executing the release, which if known by it, would have materially affected its settlement with any other party. In particular, but without limitation, the Releasing Parties waive the provisions of California Civil Code. § 1542 (or any like or similar statute or common law doctrine), and do so understanding the significance of that waiver. Section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

- (e) <u>Mistake</u>. In entering into this Settlement Agreement, the Releasing Parties and the Released Parties each assume the risk of any mistake of fact or law. If they, or any of them, should later discover that any fact which they relied upon in entering this Agreement is not true, or that their understanding of the facts or law was incorrect, they shall not be entitled to set aside this Settlement Agreement by reason thereof.
- (f) <u>Covenant Not to Sue</u>. As of the Effective Dates, this Settlement Agreement may be pled as a full and complete defense to any Released Claims that may be instituted, prosecuted or attempted in breach of this Settlement Agreement. The Releasing Parties covenant that they will not institute or prosecute, against the Released Parties, or any of them, any action, suit or other proceeding based in whole or in part upon any of the Released Claims.
- Agreement may be used as a basis for a temporary restraining order, preliminary injunction and permanent injunction against any breach of this Agreement. The Parties judicially admit hereby for all purposes that time is of the essence as to all terms and conditions of the Settlement Agreement and that damages for a breach of this Settlement Agreement would be inadequate.

ARTICLE VIII.

COURT APPROVAL OF THE SETTLEMENT

The Parties shall use their respective best efforts to obtain Court approval of this Settlement Agreement. The process for obtaining Court approval of this Settlement Agreement shall be as follows:

(a) Second Amended Complaint. Within ten (10) days of execution of this Settlement Agreement, Plaintiffs will file a Second Amended Complaint on behalf of all persons who activated Verizon Wireless Cellular Service in the United States before January 31, 2005.

- (b) Preliminary Approval. As soon as practicable after the execution of this

 Settlement Agreement by the Parties and Class Counsel and Defendants' Counsel, but no later than July 11, 2005, Class Counsel and Defendants' Counsel shall jointly apply for entry of the Preliminary Approval Order substantially in the form of Exhibit A hereto. The Preliminary Approval Order shall include provisions: (1) preliminarily certifying the Settlement Class for Settlement purposes only; (2) preliminarily approving Plaintiffs as Class Representatives, (3) preliminarily approving this Settlement and finding this Settlement sufficiently fair, reasonable and adequate to allow Notice to be disseminated to the Settlement Class; (4) approving the form of the Notice; (4) setting a schedule for final approval of the Settlement; (5) providing that, pending entry of the Order and Judgment neither Plaintiffs nor any Class Member (either directly, in a representative capacity, or in any other capacity) shall commence or continue any action against Verizon Wireless asserting any of the Released Claims and that all proceedings in the Action are stayed, other than such proceedings as are related to the Settlement.
- Objections to Settlement. Any Settlement Class Member wishing to object to the approval of this Settlement, and/or to oppose the Fee and Expense Application shall inform the Court and the Parties in writing of his or her intent to so object or oppose by following the procedure set forth in the Notice at least thirty (30) days, or such number of days as the Court shall specify, before the date of the Final Approval Hearing. Any Class Member who fails to file such a written statement of his or her intention to object or oppose shall be foreclosed from making any objection to this Settlement Agreement and/or filing any opposition to the Fee and Expense Application, except as permitted by the Court.
- (d) Final Approval Hearing. On the date set forth in the Preliminary Approval Order, which shall be approximately ninety (90) days after mailing of the Notice, the Court shall conduct a Final Approval Hearing in order to: (1) determine whether to grant final approval to this Settlement Agreement; (2) consider any timely objections to this Settlement and all responses to objections by the Parties; and (3) rule on the Fee and Expense Application. At the Final Approval Hearing, the Parties shall ask the Court to give final approval to this Settlement Agreement. If the Court grants final approval to this Settlement Agreement, then the Court shall enter an Order and

Judgment, substantially in the form of Exhibit B hereto, which approves the Settlement, authorizes entry of a final judgment, and dismisses the Action with prejudice.

ARTICLE IX.

LIMITATIONS ON USE OF SETTLEMENT AGREEMENT

The Parties' use of the settlement agreement shall be limited as follows:

- (a) <u>No Admission</u>. Neither the acceptance by Verizon Wireless of the terms of this Settlement Agreement nor any of the related negotiations or proceedings is or shall be construed as or deemed to be legal evidence of an admission by Verizon Wireless or the Released Parties with respect to the merits of the claims alleged in the Action, the validity of any claims that could have been asserted by any of the Settlement Class Members in the Action, or the liability of Verizon Wireless or any of the Released Parties in the Action. Verizon Wireless specifically denies any liability or wrongdoing of any kind associated with the claims alleged in the Action.
- (b) No Evidentiary Use. This Agreement shall not be used, offered or received into evidence in the Action for any purpose other than to enforce, construe or finalize the terms of the Settlement Agreement and/or to obtain the preliminary and final approval by the Court of the terms of the Settlement Agreement. Neither this Agreement nor any of its terms shall be offered or received into evidence in any other action or proceeding.

ARTICLE X.

MISCELLANEOUS PROVISIONS

- (a) <u>Assignment</u>. Each Party represents, covenants and warrants that he, she or it has not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, cause of action or rights that he or she herein releases.
- (b) <u>Binding on Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, successors and assigns.
- (c) <u>Captions and Interpretations</u>. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or

describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

- (d) <u>Class Member Signatures</u>. It is agreed that, because the Settlement Class Members are so numerous, it is impossible or impractical to have each Settlement Class Member execute this Agreement. The Notice will advise all Class Members of the binding nature of the Releases and, in the absence of a valid and timely Request for Exclusion, the Preliminary Approval Order and the Order and Judgment shall have the same force and effect as if each Settlement Class Member executed this Agreement.
- (e) <u>Confidentiality</u>. The Parties agree that this Agreement shall remain confidential and not be disclosed except as required by law or to the extent necessary to effectuate this Agreement, including all necessary disclosures to the Court, the Settlement Administrator, or Notice to the Settlement Class or to allow Class Counsel to respond to inquiries from Customers by referring them to the Settlement Administrator's information web site.
- (f) <u>Construction</u>. The Parties agree that the terms and conditions of this Settlement Agreement are the result of arms'-length negotiations between the Parties and that this Agreement shall not be construed in favor or against any Party by reason of the extent to which any Party, or his, her or its counsel, participated in the drafting of this Agreement.
- (g) <u>Counterparts</u>. This Agreement, and any amendments hereto, may be executed in any number of counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.
- (h) <u>Governing Law</u>. Construction and interpretation of the Agreement shall be determined in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.
- (i) <u>Integration Clause</u>. This Agreement, including the Exhibits referred to herein, which form an integral part hereof, contains the entire understanding of the Parties in respect of the subject matter contained herein. There are no promises, representations, warranties, covenants or undertakings governing the subject matter of this Agreement other than those expressly set

forth in this Agreement. This Agreement supersedes all prior agreements and understandings among the Parties with respect to the settlement of the Action. This Agreement may not be changed, altered or modified, except in a writing signed by the Parties and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

- (j) <u>Invalidation</u>. The voiding, by Court order or otherwise, of any material portion of this Agreement shall invalidate the Agreement in its entirety unless the Parties agree in writing that the remaining provisions shall remain in full force and effect.
- (k) <u>Jurisdiction</u>. The Court shall retain jurisdiction, after entry of the Final Approval Order, with respect to enforcement of the terms of this Settlement, and all Parties and Settlement Class Members submit to the exclusive jurisdiction of the Court with respect to the enforcement of the Settlement and any dispute with respect thereto.
- (l) <u>Modification</u>. If the Court orders any modification to the Settlement Agreement that has not been previously agreed to by the Parties, as a condition of preliminary approval or final approval of the Settlement Agreement, then the Parties, and each of them, shall have the option to rescind the Settlement Agreement and resume the Action if they are not willing to accept any such modification.
- (m) No Collateral Attack. This Agreement shall not be subject to collateral attack by any Class Member at any time on or after the later of the Effective Date or the date of Verizon's receipt of the notification described in Article 5(e)(4). Such prohibited collateral attacks shall include claims that a Class Member's claim was improperly denied, that the payment to a Class Member was improperly calculated, and/or that a Class Member failed to receive timely notice of the Settlement Agreement.
- (n) <u>Nullification</u>. If, for any reason, the Court fails to grant preliminary approval or final approval as provided herein, the Court fails to grant final approval to this Settlement Agreement or the approval of the Order and Judgment is reversed or rendered void as a result of an appeal, then: (1) this Settlement Agreement shall be considered null and void; (2) neither this Settlement Agreement nor any of the related negotiations shall be of any force or effect; (3) the

certification of the class for settlement purposes shall be vacated and any findings regarding the certification shall not be used or admissible for any purpose in the Action, the Related Litigation, or any other proceedings involving the subject matter of the action; and (4) all Parties to this Settlement Agreement shall stand in the same position, without prejudice, as if the Settlement Agreement had neither been entered into nor filed with the Court.

- (o) <u>Parties' Authority</u>. The signatories hereto hereby represent that they are fully authorized to enter into this Agreement and bind the Parties to the terms and conditions hereof.
- (p) Return of Confidential Documents. Within thirty (30) days of the Effective Date of this Settlement, Class Counsel agrees to return or destroy any documents produced in this Action by Defendants and all copies thereof, and Class Counsel will certify in writing that such documents have been returned or destroyed.
- (q) Receipt of Advice of Counsel. The Parties acknowledge, agree, and specifically warrant to each other that they have read this Settlement Agreement, have received legal advice with respect to the advisability of entering into this Settlement, and fully understanding its legal effect.
- (r) Termination for Unexpected Incidence of Exclusion. Verizon Wireless may elect to terminate this Settlement if more than two percent (2%) of the Settlement Class file valid, timely Requests for Exclusion. Verizon Wireless' election to terminate pursuant to this paragraph must be made in writing and be delivered to Class Counsel within ten (10) business days after the Settlement Administrator files and serves the report on Requests for Exclusion as described in Article V of this Agreement. Upon the exercise by Verizon Wireless of the option to terminate, this Agreement is nullified as set forth above in Article X(n).
- (s) <u>Waiver of Compliance</u>. Any failure of any Party to comply with any obligation, covenant, agreement or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties entitled to the benefit of such obligation, covenant, agreement or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

I	IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS SETTLEMENT		
2	AGREEMENT ON THE DATES SET FO	ORTH BELOW:	
3			
4	Class Representatives:		
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6	Dated: July, 2005	Grant R. Opperman	
7		The second secon	
8	Dated: July, 2005		
9		Timothy A. Davis	
10	Dated: July, 2005		
11	Dated. July, 2003	Amy Blumenfield	
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13	Dated: July, 2005	Alan C. Ivar	
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15	Dated: July, 2005		
	, , , , , , , , , , , , , , , , , , ,	Michael Nunberg	
16	Dated: July, 2005		
17	Dated. 3diy, 2003	Howard Zhao	
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19	Dated: July, 2005	Joshua A. Kaner	
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21	Dated: July, 2005	7 1 (11 1 17 17 17 17 17 17 17 17 17 17 17 17	
22		John Christian Vinci	
23	Dated: July, 2005		
24	Dated. July, 2003	Sunil Kamath	
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	- 24 - STIPULATION AND SETTLEMENT AGREEMENT		
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STIPULATION AND SETTLEMENT AGREEMENT

APPROVED AS TO FORM AND CONTENT

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3	Dated: July, 2005	KIRTLAND & PACKARD LLP
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5		By Michael L. Kelly
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7	Dated: July, 2005	YOURMAN, ALEXANDER & PAREKH LLP
8		
9		ByBehram V. Parekh
10		Denram V. Parekn
11	Dated: July, 2005	CLIMACO, LEFKOWITZ
12		
13		By John R. Climaco
14		John R. Climaco
15	Dated: July, 2005	DAVID P. MEYER & ASSOCIATES CO. LPA
16	Datod. 3419, 2003	Divid I. METER & MOSCONTES CO. EI A
17		By David P. Meyer
18		David P. Meyer
19	Datada Tulu 2005	WECHSLER HARWOOD
20	Dated: July, 2005	WECHSLER HARWOOD
21		Ву
22		Robert I. Harwood
23		Attorneys for Plaintiffs and Class Counsel
24		Audi neys for 1 iainuffs and Class Counsel
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1	Dated: July, 2005	MUNGER, TOLLES & OLSON, LLP
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3		By
4	·	Richard E. Drooyan.
5		Attorneys for Verizon Wireless
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STIPULATION AND SETTLEMENT AGREEMENT