

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: ALL MEMBERS OF THE SETTLEMENT SUBCLASS, AS DEFINED IN THIS NOTICE

A SETTLEMENT HAS BEEN PROPOSED THAT WILL AFFECT YOUR RIGHTS IF YOU ARE A MEMBER OF THE SETTLEMENT SUBCLASS OR SETTLEMENT CLASS DESCRIBED BELOW. PURSUANT TO THIS SETTLEMENT, IN ADDITION TO THE INJUNCTIVE RELIEF BEING OFFERED, YOU MAY BE ENTITLED TO SUBMIT A CLAIM FORM TO RECEIVE BENEFITS UNDER THE SETTLEMENT.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

1. WHY DID I GET THIS SETTLEMENT NOTICE?

The purpose of this Notice is to inform you that a proposed settlement (the “Settlement”) has been reached in the consolidated class action lawsuit entitled *In re Classmates.com Consolidated Litigation*, United States District Court for the Western District of Washington, Case No. 09-cv-0045-RAJ (the “Litigation”). This Notice explains the Litigation, the Settlement, your legal rights, the injunctive relief being offered through the Settlement, what additional benefits are available, who is eligible for them, and how to get benefits if you are eligible.

2. WHAT IS THIS LAWSUIT ABOUT?

In this Litigation, Plaintiffs assert class action claims against Classmates Online, Inc., Classmates Media Corporation, and United Online, Inc. (“Defendants”). Complaints filed in the action allege, among other things, that Defendants sent email messages to subscribers of www.classmates.com that were in violation of the law and engaged in conduct that had the potential to violate www.classmates.com users’ privacy rights. Defendants have denied and continue to deny Plaintiffs’ allegations and maintain that Defendants have not engaged in any wrongful conduct. Defendants also contend that the Litigation is not suitable for class action treatment. Defendants have nevertheless concluded that it is in their best interests that this Litigation be resolved subject to and on the terms and conditions set forth in the Settlement Agreement.

This Settlement is the result of arm’s-length negotiations between Plaintiffs in the Litigation, individually and on behalf of the Settlement Class and Settlement Subclass, and Defendants. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances. Plaintiffs further believe that this Settlement is in the best interests of the Settlement Class and Settlement Subclass. Please be advised that the United States District Court for the Western District of Washington has not ruled on the merits of Plaintiffs’ claims or Defendants’ defenses and, therefore, you should not make any assumptions about the strengths or weaknesses of the claims or defenses in the Litigation.

3. WHO IS COVERED BY THE SETTLEMENT?

For settlement purposes, the parties have stipulated to the certification of a Settlement Class and a Settlement Subclass, as defined below.

“Settlement Class”

All Persons, excluding Settlement Subclass members, residing in the United States who were registered with or subscribed to www.classmates.com at any time between October 30, 2004 and April 19, 2010.

“Settlement Subclass”

All Persons residing in the United States who registered with or subscribed to www.classmates.com between January 1, 2007 and April 19, 2010, and who paid for a Gold Membership subscription to www.classmates.com (and did not previously receive a refund of such payment) as a result of:

1. Upgrading to a Gold Membership through the process on Classmates.com of seeking to see who visited their Guestbook; or
2. Upgrading to a Gold Membership after clicking on a link to Classmates.com in a Guestbook email, or Connections email that included a Guestbook subject line, and upgrading to a Gold Membership within the same session activated by clicking on that link or within the same day of clicking on that link; or
3. Upgrading to a Gold Membership within the same day of receiving a Guestbook email or Connections email that included a Guestbook subject line.

You are receiving this Notice because you have been identified from Defendants’ records as a potential Settlement Subclass member. According to Defendants’ records, you do not appear to be a Settlement Class member. There is no overlap between the membership of the Settlement Subclass and the Settlement Class. If you have any questions regarding your claim, please contact the Settlement Administrator at the address listed in Section 5 below.

4. AS A SETTLEMENT SUBCLASS MEMBER, WHAT AM I ENTITLED TO?

In addition to injunctive relief, as a Settlement Subclass member, if you do not exclude yourself from the Settlement and if you timely submit a Valid Claim Form, you are entitled to receive either a cash payment of \$3.00 or a credit of \$2.00 off of the purchase or renewal of a www.classmates.com Gold Membership. If you are entitled to receive a \$3.00 cash payment, but more than 3,166,666 individuals submit a Valid Claim Form for the \$3.00 cash payment, then the amount of cash payment you will receive shall be proportionally reduced relative to the number of valid claims submitted in excess of 3,166,666 individuals. Under the Settlement Agreement, Settlement Class members are entitled to receive a credit of \$2.00 off of the purchase or renewal of a www.classmates.com Gold Membership.

In addition to its cash and credit components, the Settlement also provides, on a non-opt out basis, for Defendants to provide injunctive relief to all Settlement Class and Settlement Subclass members. A description of the injunctive relief that Defendants are providing is set forth at the following website: www.cmemailsettlement.com.

5. HOW CAN I GET THE CASH PAYMENT OR CREDIT THAT I AM ENTITLED TO?

To receive either a cash payment of \$3.00 or a credit of \$2.00 off of the purchase or renewal of a www.classmates.com Gold Membership as a Settlement Subclass member, you must fit the description of a Settlement Subclass member and timely send a Valid Claim Form to the Settlement Administrator. To download a copy of the Settlement Subclass Claim Form, click the following link: [Link to be provided in individualized Class Member notice forms]

Please read the Settlement Subclass Claim Form's instructions carefully, fill it out in its entirety, elect your form of relief, sign it under penalty of perjury, and either electronically submit your Settlement Subclass Claim Form **not later than August 17, 2010 11:59:59 p.m. PDT** or mail your Settlement Subclass Claim Form via First Class U.S. Mail, postmarked **not later than August 17, 2010** to:

In re Classmates.com Consolidated Litigation
c/o The Garden City Group, Inc.
P.O. Box 9481
Dublin, OH 43017-4581
claimforms@cmemailsettlement.com

If you misplace the Settlement Subclass Claim Form or you are not able to access it through the above link, please contact the Settlement Administrator at the address shown above immediately to obtain a copy of the Settlement Subclass Claim Form.

If you timely submit a Settlement Subclass Claim Form, request the \$3.00 cash payment, are a valid member of the Settlement Subclass, and the form is deemed to be a Valid Claim Form, you will receive a check for that amount after the Settlement is finally approved by the Court and any appeals have been exhausted.

If you timely submit a Settlement Subclass Claim Form, request the \$2.00 credit, are a valid member of the Settlement Subclass, and the form is deemed to be a Valid Claim Form, you will receive an email from the Settlement Administrator after the Settlement is finally approved by the Court and any appeals have been exhausted. That email will contain a code, which will expire if not redeemed within forty-five (45) calendar days of its receipt, and instructions for utilizing the \$2.00 credit. If you are a current Gold member whose membership is not set to expire within the next forty-five (45) days, you can still take advantage of the \$2.00 credit by redeeming it within the forty-five (45) day window. Redeeming the credit will cause an additional membership period to be added to the end of your current membership term.

6. WHEN WOULD I GET MY PAYMENT OR BE ABLE TO USE THE CREDIT?

The Court will hold a hearing on October 27, 2010 at 10:00 a.m. PDT at the United States District Court, Western District of Washington, before the Honorable Richard A. Jones, Courtroom 13128, 700 Stewart Street, Seattle, Washington 98101, to decide whether to order final approval of the Settlement and entry of judgment dismissing the litigation. If the Court approves the Settlement, and you have followed the Claim Form procedures outlined in Section 5, and after any appeals have been exhausted, you will receive the relief for which you submitted a Valid Claim Form. If you elect to receive a \$3.00 cash payment, you will receive a check via U.S. Mail, which will be valid for a period of 90 days.

7. WHAT AM I GIVING UP TO GET A PAYMENT OR CREDIT OR STAY IN THE CLASS?

Unless you exclude yourself, you will remain a member of the Settlement Subclass. Being a member of the Settlement Subclass means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues in this case. It also means that all of the Court's orders in this case will apply to you and legally bind you.

8. HOW DO I OPT OUT OF THE CASH OR CREDIT PART OF THE SETTLEMENT?

If you do not want to receive a cash payment or a credit from this Settlement and want to maintain the right to pursue your own claim against Defendants, then you must take steps to opt out. This is called "excluding yourself" from, or is sometimes referred to as "opting out" of, the Settlement Subclass.

To exclude yourself from the Settlement Subclass, you must submit a written Request for Exclusion. Such request must include your full legal name, mailing address, email address, your signature (or in the case of a person who is deceased or incapacitated, the signature of that person's legally authorized representative), and substantially the following statement, "I want to opt out of the class certified in the In re Classmates.com Consolidated Litigation." You must either electronically submit your exclusion request not later than August 17, 2010 11:59:59 p.m. PDT or mail your exclusion request via First Class U.S. Mail, postmarked not later than August 17, 2010, to:

In re Classmates.com Consolidated Litigation
c/o The Garden City Group, Inc.
P.O. Box 9481
Dublin, OH 43017-4581
www.cmemailsettlement.com/exclusion.php

Failure to comply with any of these requirements may invalidate your attempt to exclude yourself. If you ask to be excluded, you will not be entitled to a \$3.00 cash payment or \$2.00 credit, and you cannot object to those aspects of the Settlement.

The injunctive relief being offered by the Settlement will be provided to all Settlement Class and Settlement Subclass members, whether or not they choose to exclude themselves from the cash payment or credit benefit option.

9. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANTS FOR THE SAME THING LATER?

No. You must exclude yourself from the lawsuit in order to maintain the right to sue Defendants for the claims released through this Settlement. If you have a pending lawsuit against Defendants, speak to your lawyer in that case immediately.

10. IF I EXCLUDE MYSELF, CAN I GET PAYMENT OR CREDIT FROM THIS SETTLEMENT?

No. If you exclude yourself from this Settlement, you are also excluding yourself from obtaining the cash payment or credit offered by the Settlement, and any Claim Form you submit will not be valid.

11. DO I HAVE A LAWYER IN THIS CASE?

The Court has authorized the following lawyers to represent you and other Settlement Class and Settlement Subclass members:

KELLER ROHRBACK L.L.P.
Mark A. Griffin
Amy Williams-Derry
1201 Third Avenue, Suite 3200
Seattle, Washington 98101

KABATECK BROWN KELLNER L.L.P.
Richard L. Kellner
644 South Figueroa Street
Los Angeles, California 90017

These lawyers are called "Class Counsel." You will not be charged for these lawyers' fees. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. HOW WILL CLASS COUNSEL BE PAID?

Class Counsel will ask the Court for attorneys' fees and costs to be paid in conjunction with this Settlement. Defendants have agreed not to oppose Class Counsel's request to the Court for attorneys' fees up to \$1.3 million, plus costs. Costs may include participation awards of up to \$2,500 for each of the two Lead Plaintiffs. Fees and costs that are awarded by the Court will be paid by Defendants separately and will not affect your entitlement to benefits under this Settlement. You will not be obligated to pay any attorneys' fees or costs as a Settlement Subclass member, nor will any award of attorneys' fees, costs, or participation awards by the Court reduce the amount of Settlement benefit available to Settlement Class or Settlement Subclass members.

13. CAN I TELL THE COURT THAT I DON'T LIKE THE SETTLEMENT?

If you are a Settlement Subclass member, and you do not request exclusion from the Settlement Subclass, you may object to the Settlement if you like. The Court will consider your views. To object, you must file with the Court a written notice of intent to object. The written notice of intent to object must contain a caption that includes *In re Classmates.com Consolidated Litigation*, Case No. 09-cv-0045-RAJ. The written notice of intent to object must also include your name, address, telephone number, your signature, and must state whether you intend to appear at the Final Approval Hearing. If you are represented by counsel, your written notice of intent to object must also include the name, address, bar number and telephone number of your counsel, and state whether your counsel intends to appear at the Final Approval Hearing. If you are represented by counsel and your counsel intends to speak at the Final Approval Hearing, the written notice of intent to object must also contain: (a) a detailed statement of the specific legal and factual basis for each and every objection; and (b) a detailed description of any and all evidence you may offer at the Final Approval Hearing, including copies of any and all exhibits that you may introduce.

You must file your written notice of intent to object with the Clerk of the Court not later than August 17, 2010. You must also mail the objection to Class Counsel and to Defense Counsel by First Class U.S. Mail, so that it is received not later than August 17, 2010. The addresses for the Court, Class Counsel, and Defense Counsel are below.

THE COURT

The Honorable Richard A. Jones
U.S. Courthouse
700 Stewart Street, Suite 13128
Seattle, WA 98101

CLASS COUNSEL

KELLER ROHRBACK L.L.P.
Mark. A. Griffin
Amy Williams-Derry
1201 Third Avenue, Suite 3200
Seattle, WA 98101

DEFENSE COUNSEL

DLA PIPER LLP (US)
Stellman Keehnel
Russ Wuehler
701 Fifth Avenue, Suite 7000
Seattle, WA 98104

KABATECK BROWN

KELLNER L.L.P.
Richard L. Kellner
644 South Figueroa Street
Los Angeles, CA 90017

14. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class or Settlement Subclass. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class or Settlement Subclass. If you exclude yourself, you have no basis to object to the cash or credit being offered by the Settlement, because that portion of the relief will no longer affect you.

15. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a hearing to decide whether to approve the Settlement and Class Counsel's request for an award of attorneys' fees and costs. You may attend, and you may ask to speak, but there is no requirement that you do so.

The Court will hold a Final Approval Hearing on October 27, 2010 at 10:00 a.m. PDT at the United States District Court, Western District of Washington, before the Honorable Richard A. Jones, Courtroom 13128, 700 Stewart Street, Seattle, Washington 98101.

At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate to the Settlement Class and Settlement Subclass, as well as Class Counsel's request for an award of attorneys' fees and costs. The Court will consider any objections made according to the procedures described above. You cannot speak at the hearing if you exclude yourself from the Settlement. After the hearing, the Court will decide whether to approve the Settlement and how much to award Class Counsel in attorneys' fees and expenses. It is not known how long those decisions will take.

16. DO I HAVE TO ATTEND THE HEARING?

No. Class Counsel will answer questions that the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you don't have to come to the Final Approval Hearing to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

17. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing, you will not get any cash payment or credit benefit from this Settlement. Furthermore, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants involving the claims released through this Lawsuit.

18. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

Yes. This Notice is only intended to summarize the Settlement. If you would like more information concerning the Litigation or this Settlement, you should inspect the complete settlement documents, papers and pleadings filed in the Litigation. You may also learn more about this Settlement by contacting the Settlement Administrator at the address set forth in Section 5 above. Additionally, information about this Settlement is available at the following website: www.cmemailsettlement.com.

PLEASE DO NOT CALL THE COURT, THE CLERK, CLASSMATES ONLINE, INC., CLASSMATES MEDIA CORPORATION, OR UNITED ONLINE, INC.