

If you purchased a Treo 600 or a Treo 650 smartphone, you could be entitled to benefits under a class action settlement.

The United States District Court for the Northern District of California, San Jose Division, authorized this notice. This is not a solicitation from a lawyer.

- **The settlement will provide: (a) a cash rebate on the purchase of a new Palm smartphone if you experienced two or more repairs or replacements (in lieu of repair) on your Treo 600 or Treo 650 smartphone. Rebate amounts will vary; see the chart on page 7; or (b) a right of repair for hardware defects, beyond the expiration of the warranty on your Treo 600 or Treo 650, even if you did not experience two or more repairs or replacements.**
- To qualify, you must be a United States resident who purchased in the United States a new Treo 600 or Treo 650 smartphone for your own use and not for resale.
- Your legal rights are affected whether you act or don't act. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a cash rebate on the purchase of a new Palm smartphone.
SUBMIT A REPAIR FORM	The only way to obtain repair for a hardware defect on your Treo 600 or Treo 650, beyond the expiration of the warranty period.
EXCLUDE YOURSELF	Get no cash rebate or repair. This is the only option that allows you ever to be part of any other lawsuit against Palm, Inc. about the legal claims in this case.
OBJECT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no rebate or repair. Give up rights.

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

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BASIC INFORMATION

1. Why did I get this notice package?

You may be a United States resident who purchased in the United States a new Palm Treo 600 or Treo 650 smartphone for your own use and not for resale.

The Court ordered this notice to be posted on the Settlement Website (www.palzasettlement.com) and to be sent to those potential class members who request a copy because you have the right to know about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves the settlement, and after objections and appeals are resolved, you may be entitled to obtain the benefits the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *In re: Palm Treo 600 and 650 Litigation*, Master Case No. 05-03774 RMW. Judge Ronald M. Whyte is presiding over the case. The people who sued are called Plaintiffs, and the company they sued, Palm, Inc., is called the Defendant.

2. What is this lawsuit about?

The lawsuit claimed that the Treo 600 and Treo 650 smartphones had certain defects, failed at unacceptable rates, and that Palm made misrepresentations concerning the Treo 600 and Treo 650 smartphones. Palm, Inc. denies all allegations and has asserted many defenses. The settlement is not an admission of wrongdoing or an indication that any law was violated.

3. Why is this a class action?

In a class action, one or more people, called Class Representatives (in this case, Mario Palza, Charles Boulais, Nissa Gay, Paul Berliner, Trevor Loew, Stephanie Daniel, and Norm Sun), sue on behalf of people who have alleged similar claims. All these people are a Class or are Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. United States District Judge Ronald M. Whyte is in charge of this class action.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a settlement. That way they avoid the cost of a trial and settlement benefits go to the Class Members. The Class Representatives and the attorneys for the class think the settlement is best for the Class Members.

WHO IS IN THE SETTLEMENT

To determine if you will obtain the benefits from this settlement, you first must determine whether you are a Class Member.

5. How do I know if I am part of the settlement?

Judge Whyte has decided that everyone who fits this description is a Class Member: *All United States residents who purchased in the United States a new Treo 600 or Treo 650 smartphone for their own use and not for resale.*

6. Are there exceptions to being included?

The Class does *not* include Palm, Inc.; any entity in which Palm, Inc. has a controlling interest; Palm's directors, officers, and employees; Palm's legal representatives, successors, and assigns; any Judge to whom the Litigation is assigned and the members of his or her immediate family; and all persons who validly request exclusion from the Settlement Class.

7. If I purchased a Treo 600 or Treo 650 smartphone but did not experience two or more repairs or replacements, am I included in the Class?

Yes, however, only those class members who experienced two or more repairs or replacements (in lieu of repair) are eligible to receive a cash rebate. Even if you did not experience two or more repairs or replacements, you may be entitled to a right of repair for hardware defects for a certain period even after the expiration of the warranty on your Treo 600 or Treo 650.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What benefits does the settlement provide?

The proposed settlement must be approved by the Court. Even if it is approved by the Court, there can still be appeals. The settlement will become final only if it is approved by the Court and any appeals are resolved in favor of the settlement. The date the settlement becomes final is called the Effective Date. The benefits described below will be provided to Class Members only after the Effective Date.

Under the proposed settlement, Palm, Inc. has agreed to provide a cash rebate on the purchase of a new Palm smartphone to Class Members who experienced two or more repairs or replacements (in lieu of repair) and who submit a valid and timely Claim Form. The amount of the cash rebate will vary depending on whether your device was a Treo 600 or a Treo 650 smartphone.

Under the proposed settlement, Palm, Inc. has also agreed to provide a right of repair for hardware defects to any original purchaser of a Treo 600 or Treo 650 smartphone, who submits a valid and timely Repair Form, even if they did not experience two or more repairs or replacements, and even if the warranty period has expired.

9. What can I get from the settlement?

Smartphone Repaired or Replaced At Least Twice	Timeframe of New Smartphone Purchase	Rebate Amount
Treo 600	Anytime after September 30, 2005 until the end of the Redemption Period, which commences on the Effective Date and terminates six months thereafter.	\$75
Treo 650	Anytime during the Redemption Period, which commences on the Effective Date and terminates six months thereafter	\$50

You are limited to one claim for a cash rebate for each Treo 600 or Treo 650 smartphone owned.

If the proposed settlement is approved by the Court and becomes final, as an original purchaser of a Treo 600 or Treo 650 smartphone, you may have a right of repair for hardware defects, beyond the warranty period for your device, even if your warranty has expired and even if you did not experience two or more repairs or replacements.

10. What if my Treo 600 or Treo 650 smartphone currently requires repair or replacement?

If the proposed settlement is approved by the Court and becomes final, and you were the original purchaser of a Treo 600 or Treo 650 smartphone, you may have a right of repair for hardware defects, even if your warranty has expired.

This right of repair excludes (a) physical damage to the surface of the product, including cracks or scratches on the LED touchscreen or outside casing; (b) damage caused by misuse, neglect, improper installation or testing, unauthorized attempts to open, repair, or modify the product, or any other cause beyond the range of the intended use; (c) damage caused by accident, fire, power changes, other hazards, or acts of God; or (d) use of the product with any non-Palm device or service if such device or service causes the problem. The right of repair does not extend to any third party products, including software, included with Palm products.

To obtain a repair of your Treo 600 or Treo 650 smartphone under the proposed settlement, you must send in a Repair Form. A Repair Form, including instructions on how to seek repairs, is attached to this Notice. You can also get a Repair Form on the Internet at www.palzasettlement.com. You must read the instructions carefully, fill out the form, include all the documents the form asks for, and sign the Repair Form under penalty of perjury.

If the settlement is approved by the Court and becomes final, and you submit a valid Repair Form, you will receive instructions for sending your Treo 600 or Treo 650 smartphone to Palm for repair. Palm will pay for any shipping costs associated with those repairs.

If you send in a Treo 600 for repair and Palm determines that the Treo 600 is not reasonably repairable, you will be eligible for a \$50 rebate on the purchase of a new Palm smartphone from any commercial vendor in the United States (as long as you submit a valid Rebate Form, which will be provided to you, and proof of the new purchase within 90 days of being notified of eligibility).

If the warranty on your device has already expired by the Effective Date, the right of repair is valid for 120 days from the Effective Date. If the warranty on your device is still in effect on the Effective Date, the right of repair will extend for 120 days beyond the expiration of that warranty.

Check the website (www.palzasettlement.com) to learn when the Effective Date has occurred to determine when your right of repair will expire.

HOW YOU GET A REBATE—SUBMITTING A CLAIM FORM

11. How can I get a rebate?

To qualify for a rebate on the purchase of a new Palm smartphone, you must send in a Claim Form. A Claim Form, including instructions on how to make a claim, is attached to this Notice. You can also get a Claim Form on the Internet at www.palzasettlement.com.

You must read the instructions carefully, fill out the form, include all the documents the form asks for, and sign the Claim Form under penalty of perjury. To be valid, the Claim Form must be submitted within the Claims Period. The Claims Period begins upon the first publication of notice of the preliminary approval of the proposed settlement and terminates six months later. Claims must be postmarked on or before the last date of the Claims Period and received by Palm no later than 21 days thereafter. **If you fail to return your Claim Form by the required date, your claim will be rejected, and you will be deemed to have waived all rights to receive any benefits under this settlement.**

You are required to provide proof of at least two repairs or replacements (in lieu of repair) of the original Treo 600 or Treo 650 smartphone, as follows:

- (i) a declaration attesting, under penalty of perjury, that your Treo 600 or Treo 650 smartphone was repaired or replaced (in lieu of repair) two or more times, including a description of the nature of the repair or reason for the replacement, the name of the entity that performed the repair or replacement, and the approximate date of the repair or replacement; and
- (ii) documentation of at least one repair or replacement (in lieu of repair) of your Treo 600 or Treo 650 smartphone. Such documentation may be in the form of an invoice, receipt, credit card statement or other document showing the nature of the repair or the fact of replacement, the name of the entity that performed the repair or replacement, and the date of the repair or replacement. If the documentation of repair or replacement does not show on its face the repair or replacement of a Treo 600 or Treo 650 smartphone, you must

circle the relevant entry on the documentation and declare under penalty of perjury that the payment was for the repair or replacement for a Treo 600 or Treo 650 smartphone.

You may be asked for additional documentation. Follow all the instructions on the Claim Form.

Once the settlement becomes final, and all appeals are resolved, the validity of all claims will be determined. If your claim is deemed invalid, you will have an opportunity to correct any deficiencies. If your claim is deemed valid, you will receive notification by U.S. mail which will include instructions for completing the rebate process, including purchasing a new Treo smartphone, sending in your original Treo 600 or Treo 650 device, and submitting proof of purchase of your new Treo smartphone. You will also receive a mailing package to use in returning your original Treo 600 or Treo 650 device. To obtain a rebate, the Rebate Form, original Treo 600 or Treo 650 device, and proof of purchase of your new Treo smartphone must be returned within 90 days from the date of the notification.

You will only be eligible for a rebate on the purchase of a new Treo smartphone that was purchased within the following specific time periods:

- If your original device is a Treo 600, you are eligible for a rebate on the purchase of one new Treo smartphone purchased after September 30, 2005 through the Redemption Period, which commences on the Effective Date and terminates six months thereafter.
- If your original device is a Treo 650, you are eligible for a rebate on the purchase of one new Treo smartphone purchased during the Redemption Period, which commences on the Effective Date and terminates six months thereafter.

You will not be eligible for a rebate if you purchased a new Treo smartphone outside of these time periods, or if your claim is deemed invalid.

You should not send in your original Treo 600 or Treo 650, or purchase a new Palm smartphone, for purposes of this settlement, until you receive a Rebate Form and mailing package. If you attempt to send in your Treo 600 or 650 at this time, it will not be returned to you and you may not be eligible for a rebate.

12. When would I get my rebate?

You will receive a rebate after your claim is validated and you have submitted all proper documentation, returned your original Treo 600 and Treo 650, and after the settlement becomes final. The Court will hold a hearing on Friday, May 2, 2008 at 9:00 a.m., to decide whether to approve the settlement. If the Court approves the settlement, there may be appeals. The appeal process can take time, perhaps more than a year. Please be patient.

13. What am I giving up to get a rebate or repair or to stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Palm, Inc. relating to the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you. Whether or not you make a claim for a rebate or a repair, you will be legally bound by the Court's orders. You are also

bound to the “Release of Claims,” which describes exactly the legal claims that you are giving up, set forth in the Claim Form and the Repair Form attached hereto.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don’t want a rebate or repair under this settlement, but you want to keep the right to sue or continue to sue Palm, Inc., on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself—or is sometimes referred to as opting out of the Settlement Class.

14. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from *In re: Palm Treo 600 and 650 Litigation*, Master Case No. 05-03774 RMW. Be sure to include your name, address, telephone number, the serial number of your Treo 600 or Treo 650 smartphone, and your signature. You must mail your exclusion request postmarked no later than April 7, 2008, to Designated Co-Lead Counsel, Ralph M. Stone, Shalov Stone Bonner and Rocco, 485 Seventh Avenue, Suite 1000, New York, NY 10018.

You cannot exclude yourself on the phone or by fax or e-mail. If you ask to be excluded, you will not be entitled to any cash rebate or right of repair provided for in the settlement, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Palm, Inc. in the future about the legal issues in this case.

15. If I don’t exclude myself, can I sue Palm, Inc. for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Palm, Inc. for the claims that this settlement resolves. You must exclude yourself from *this* Class to pursue your own lawsuit. Remember, your exclusion must be postmarked on or before April 7, 2008.

16. If I exclude myself, can I get any benefits from this settlement?

No. If you exclude yourself, do not send in a Claim Form to request a cash rebate or a Repair Form to seek repair on your Treo 600 or Treo 650, outside of the warranty provided with the device. But, you may sue, continue to sue, or be part of a different lawsuit against Palm, Inc. about the legal issues in this case.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Class is represented in this case by several attorneys, including the following Co-Lead Class Counsel: Ira P. Rothken of the Rothken Law Firm in Novato, California; Jonathan Shub of Seeger Weiss LLP in Philadelphia, Pennsylvania; Ralph M. Stone and Thomas G. Ciarlone, Jr. of Shalov Stone Bonner and Rocco in New York, New York; and Stan S. Mallison and Hector R. Martinez of the Law Offices of Mallison & Martinez in Lafayette, California. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys’ fees and expenses up to \$1,554,000, and payments of a total of \$21,000 for the Class Representatives who have been active in the case. Palm, Inc. will separately pay the fees and expenses that the Court awards. These amounts will not come out of any funds for payments to Class Members. Palm has agreed not to oppose these fees and expenses up to these amounts. Palm will also separately pay the costs to administer the settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don’t agree with the settlement or some part of it.

19. How do I tell the Court that I don’t like the settlement?

If you’re a Class Member, you can object to the settlement if you don’t like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter stating your objection to *In re: Palm Treo 600 and 650 Litigation*, Master Case No. 05-03774 RMW. Be sure to include your name, address, telephone number, the serial number of your Treo 600 or Treo 650 smartphone, your signature, and the reasons you object to the settlement. The objection and any supporting papers must be mailed to and actually received by each of the following no later than April 7, 2008:

<u>COURT</u>	<u>DESIGNATED CO-LEAD CLASS COUNSEL:</u>	<u>DEFENSE COUNSEL</u>
Office of the Clerk United States District Court for the Northern District of California, San Jose Division 280 South First Street, Room 2112 San Jose, California 95113	Ralph M. Stone Shalov Stone Bonner and Rocco 485 Seventh Avenue, Suite 1000 New York, NY 10018	Penelope A. Prevolos Morrison & Foerster LLP 425 Market Street San Francisco, CA 94105-2482

20. What’s the difference between objecting and excluding?

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

THE COURT’S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend, and you may ask to speak, but you don’t have to.

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

The Court will hold a Final Fairness Hearing at 9:00 a.m. on Friday, May 2, 2008, at the United States District Court for the Northern District of California, San Jose Division, 280 South First Street,

Courtroom Number 6, San Jose, California 95113. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Whyte will listen to people who have asked to speak at the hearing. The Court may also consider how much to pay Co-Lead Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

22. Do I have to come to the hearing?

No. Co-Lead Class Counsel will answer questions Judge Whyte may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as your written objection was received on time the Court will consider it. You may also pay your own lawyer to attend, but it's not required. Finally, you may seek to intervene in the action, but it is not required.

23. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear" in "*In re: Palm Treo 600 and 650 Litigation*, Master Case No. 05-03774 RMW." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be received by the Clerk of the Court, Designated Co-Lead Class Counsel, and Defense Counsel, at the addresses listed in response to question 19, no later than April 7, 2008. You cannot speak at the hearing if you excluded yourself, or if you do not send in a Notice of Intention to Appear.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you'll get no benefit from this settlement. But, 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 Palm, Inc. about the legal issues in this case, ever again.

GETTING MORE INFORMATION

25. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. Copies of the Settlement Agreement and the pleadings and other documents relating to the case are on file at the United States District Court for the Northern District of California, San Jose Division, and may be examined and copied at any time during regular office hours at the Office of the Clerk, 280 South First Street, Room 2112, San Jose, California 95113.

26. How do I get more information?

You can visit the settlement website at www.palzasettlement.com, where you will find answers to common questions about the settlement, a claim form, plus other information. You may also write to Ralph M. Stone, Shalov Stone Bonner and Rocco, 485 Seventh Avenue, Suite 1000, New York, NY 10018, or any one of the Co-Lead Class Counsel, at the addresses listed below:

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ROTHKEN LAW FIRM
3 Hamilton Landing, Suite 280
Novato, CA 94949
Telephone: (415) 924-4250
Facsimile: (415) 924-2905

JONATHAN SHUB
SEEGER WEISS LLP
1515 Market Street, Suite 1380
Philadelphia, PA 19102
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RALPH M. STONE
THOMAS G. CIARLONE, JR.
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HECTOR R. MARTINEZ
LAW OFFICES OF MALLISON & MARTINEZ
1042 Brown Avenue, Suite A
Lafayette, Ca 94549
Telephone: (925) 283-3842
Facsimile: (925) 283-3426

Questions may not be directed to the Court.

date: January 28, 2008.