

**OFFICIAL COURT NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTION AND SETTLEMENT CLAIM INFORMATION**

Brand v. Simple Tech, Inc., Case No. BC360001(Los Angeles Superior Court)

To: All persons or entities in the United States who purchased between October 6, 2002 through February 9, 2007 any of the following SimpleTech Hard Disk Drive products (“HDD”): Internal Notebook (Laptop) Drive, SimpleDrive External, SimpleDrive External Pininfarina, SimpleDrive Mini, SimpleDrive Portable, SimpleDrive Portable Pininfarina, and SimpleShare. Any of the SimpleTech HDDs is hereinafter referred to as a “Covered SimpleTech HDD.” A SimpleTech hard disk drive product that contained a storage capacity disclaimer on the product packaging regarding the number of bytes in a gigabyte (GB) and variability of available storage capacity depending on the operating environment is not a Covered SimpleTech Hard Disk Drive.

This Notice contains important information that may affect your legal rights.

1. This Notice concerns a lawsuit now pending in the Los Angeles Superior Court captioned *Brand v. Simple Tech, Inc.*, (the “Action”), Case No. BC360001.
2. The purpose of this Notice is to provide a brief summary of the claims asserted in the Action and the terms of the proposed settlement. **If you wish to be included in the proposed settlement, you will need to submit a timely and valid Claim Form, as discussed in more detail below.** This Notice also describes what to do if you wish to be excluded from the proposed settlement, or if you want to object to the proposed settlement.
3. The Action was filed by Plaintiff Boris Brand who alleges that STEC, Inc.’s (formerly SimpleTech, Inc.) advertising and packaging of the Covered SimpleTech HDDs with respect to the HDDs storage capacity is false and misleading in violation of Cal. Bus. & Prof. Code §§ 17200 *et seq.*, Cal. Bus. & Prof. Code § 17500, and Cal. Civ. Code §§ 1750 *et seq.*

4. STEC denies that it has committed any violations of law or engaged in any of the wrongful acts alleged in the complaint filed in the Action. In order to end the Action and forever resolve these claims, STEC has agreed to the settlement described below.

5. For purposes of settlement only, the Court has certified a nationwide class consisting of “All persons or entities in the United States (1) who purchased a Covered SimpleTech HDD from October 6, 2002 through February 9, 2007, (2) who resided in the United States at the time of purchase, (3) purchased the Covered SimpleTech HDD at a location within the United States, (4) purchased the Covered SimpleTech HDD new (*i.e.*, not second hand) from an entity that regularly sells/sold such devices or items, and (5) did not purchase the Covered SimpleTech HDD for resale to others” (the “Settlement Class”).

6. The Court may approve the following attorneys as Class Counsel representing Plaintiff and the Settlement Class: Jordan L. Lurie and Zev B. Zysman of Weiss & Lurie.

PROPOSED SETTLEMENT AGREEMENT AND CLASS BENEFITS

7. The terms of the proposed settlement of the Action are set forth in detail in the Settlement Agreement and Release (“Agreement”). The Agreement has been filed in the action entitled *Brand v. Simple Tech, Inc.*, Case No.BC360001 (Superior Court of California, County of Los Angeles). It is available for public review at the office of the Clerk of the Court, Superior Court of California, County of Los Angeles, 111 North Hill Street, Los Angeles, CA, 90012. The Agreement can also be reviewed via hyperlinks labeled “HDD Class Action Settlement Information” at the following website address: <<http://www.stec-inc.com>> (hereinafter the “Settlement Website”). In summary, the Agreement, if approved, requires the following:

HOW TO FILE A CLAIM FORM :

- **6% Refund:** Each member of the Settlement Class who timely submits a valid Proof of Purchase, as described below, during the Claims Redemption Period is eligible to receive a cash refund of 6% of the actual retail purchase price paid (excluding taxes and shipping, and including any discounts at the point of sale) for

each qualifying purchase of a Covered SimpleTech HDD purchased between October 6, 2002 through February 9, 2007.

· **Proof of Purchase:** To be eligible for the 6% cash refund discussed above, a Settlement Class Member must submit a completed and valid Claim Form, a copy of which will be available to download and print out at the Settlement Website, <<http://www.stec-inc.com>>. Alternatively, a Settlement Class Member may request a copy of the Claim Form to be mailed by contacting STEC at the following toll free number: (800) 841-4462. Proof of a qualifying HDD purchase requires submission of an original purchase receipt or a sworn statement containing other purchase details. Settlement Class Members submitting an original purchase receipt will need to attach it to the completed Claim Form, and provide either the UPC Code which appears on the product packaging or Part Number on the hard drive's ID label. Alternatively, Settlement Class Members who do not have an original purchase receipt, will need to submit a sworn statement regarding (1) the Covered SimpleTech HDD purchased, (2) the capacity of the product purchased, (3) actual retail purchase price paid, (4) the merchant from whom the product was purchased, (5) the date of purchase of the Covered SimpleTech HDD, plus (6) either the actual original UPC Code cut-out which appears on the product packaging or Part Number on the hard drive's ID label. If a Settlement Class Member no longer has the actual original UPC Code and only has the Part Number, that Settlement Class Member will be limited to one refund check (one refund per household). There is no such limitation if the Settlement Class Member has the actual original UPC Code cut-out from the box. Further information regarding submitting a claim is located on the Settlement Website.

· **Claims Redemption Period:** The time period in which each Settlement Class member will be able to submit a Claim Form and a Proof of Purchase commences on June 9, 2008 and will terminate on September 8, 2008. Claims Forms

must be postmarked as of the last date of the Claims Redemption Period, September 8, 2008, and received no later than 21 days thereafter. Once the settlement becomes final in the courts, STEC shall begin sending refund checks via U.S. Mail for all claims that are valid, within 30 days after the claim is validated. If a claim is deemed invalid, the Settlement Class Member will be notified within 30 days after the claim is rejected by e-mail or U.S. Mail and will be afforded one opportunity to correct any deficiencies.

Other Unrelated Actions: STEC will not provide a refund to any Settlement Class Member who provides a UPC Code (which appears on the retail box) or Part Number (which appears on the HDD's ID Label) for a Covered SimpleTech HDD which bears the same UPC Code or Part Number for a hard disk drive which is covered by class action settlements reached in two unrelated hard disk drive class action settlements entitled *Safier v. Western Digital Corp.*, Case No. 05-03353 BZ, pending in the Northern District of California or *Cho v. Seagate Technologies Holding, Inc.*, Case No. CGC-06-453195, pending in the San Francisco Superior Court. The following is a list of UPC Codes and Part Numbers for SimpleTech HDDs for which no refund will be processed. The Part Number and corresponding UPC Code both refer to the same hard disk drive, except that the Part Number is located on the HDD's ID Label and the UPC Code is on the retail box. Do not fill out a Claim Form if a SimpleTech HDD bears either a UPC Code or Part Number identified below:

Part Number	UPC
STI-USB235/250	705487111927
STI-NAS/160	705487122527
STI-NAS/250	705487122534
STI-NAS/250A	705487124477
STI-NAS/160U	705487124514
STI-NAS/160E	705487124521
STI-NAS/160A	705487124538
STI-NAS/250E	705487124545
STI-NAS/250U	705487124552
BB-NAS/160	705487126594

BB-NAS/250	705487126600
STI-NAS/400	705487126976
SAM-NAS/160	705487127232
CC-NAS/250	705487127997
CC-NAS/160	705487128000
COMP-NAS/160	705487130683
COMP-NAS/250	705487130690
AF-NAS/160	705487131086
STI-NAS/400A	705487131871
STI-NAS/400E	705487131888
STI-NAS/400U	705487131895
STI-NASB/1TB	705487135947
COST-NAS/400	705487137163
SBC-NAS/250	705487137927
COST-NAS/160	705487138641
STI-USB235/160C	705487144802
STI-USB235/250C	705487144888
SAM-NAS/250	705487149289
GTW-NAS/160	705487155037
GTW-NAS/250	705487155044
GTW-NAS/400	705487155051
GTW-USB235/250	705487155105
SP-U25/120	705487159592
SP-U25/120G	705487160642
SP-U25/160	705487165340
STI-USB235/750	705487166286
STI-U2F36/750	705487166293
SP-U25/120B	705487166392
STI-USB235/750E	705487166866
STI-U2F36/750E	705487166873

· STEC acknowledges that after filing of the Action, and in direct response to the litigation, STEC took remedial efforts to change the product packaging, marketing materials and company website for the Covered SimpleTech HDDs to include a storage capacity disclaimer. In addition, STEC posted a detailed discussion of the binary and decimal standards of measurement of storage capacity and the impact of formatting on the advertised storage capacity.

· STEC has agreed to pay attorneys’ fees and costs in the amount of \$360,134 to Class Counsel and an incentive award to the Class Representative in the amount of \$2,000. These amounts are subject to Court approval at the Settlement Hearing. No other request for attorneys’ fees and costs or incentive awards from STEC will be

made. STEC shall not be liable for any additional fees or expenses of Plaintiff, or any Settlement Class Member in connection with the Action.

· STEC will pay the cost of published notice, posting of the notice on the Settlement Website, and email notice to all consumers of its hard disk drive products whose email addresses STEC has in its database that did not indicate that they did not wish to receive any communications from STEC.

YOUR OPTIONS WITH RESPECT TO THE PROPOSED SETTLEMENT

8. If you fit within the definition of the Settlement Class and wish to participate, **you will need to submit a timely and valid Claim Form. You will be a member of the Settlement Class and will be deemed to have agreed to the terms of the settlement.** This also means that you shall have fully, finally, and forever irrevocably released, relinquished and discharged with prejudice STEC, and each of its predecessors, successors, parents, subsidiaries and affiliates, and each of their past and present officers, directors, employees, agents, attorneys, accountants, advisors, shareholders, representatives, partners, heirs and assigns, and entities at all levels of distribution, including retailers, on-line retailers, distributors, wholesalers, and resellers, that currently sell, or have ever sold in the past a Covered SimpleTech HDD, from any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, restitution, disgorgement, costs, attorneys' fees, losses, expenses, obligations or demands, of any kind whatsoever, whether in arbitration, administrative, or judicial proceedings, whether as individual claims or as claims asserted on a class basis or on behalf of the general public, whether known or unknown, suspected or unsuspected, threatened, asserted or unasserted, actual or contingent, liquidated or unliquidated, whether under federal statutory law, federal common law or federal regulation, or the statutory or common laws or regulations of any and all states or subdivisions, which are alleged or could have been alleged in the Action, including without limitation, all claims relating to data storage capacity. Released Claims shall not include claims for personal injury and claims involving product defects unrelated to data storage capacity.

THE RIGHT TO EXCLUDE YOURSELF FROM THE SETTLEMENT:

9. If you fit within the definition of the Settlement Class, you may decide, for whatever reason, that you do not want to participate in the settlement. If you wish to be excluded from the settlement, you must send a letter or postcard, postmarked no later than July 21, 2008, and include your name, address, telephone number, the name of the case (*Brand v. Simple Tech, Inc.*, Case No. No. BC360001 (Superior Court of California, County of Los Angeles), and a statement that you do not wish to participate in the settlement. A letter or postcard postmarked no later than July 21, 2008, but received after July 21, 2008 will be considered. All requests for exclusion must be signed by or on behalf of the person requesting exclusion and be sent to the following counsel:

Class Counsel
Weiss & Lurie
Jordan L. Lurie
Zev B. Zysman
10940 Wilshire Blvd., 23rd Floor
Los Angeles, California 90024
(800) 437-7918
(310) 208-2800

Defendant's Counsel
Fakhimi & Associates
Houman Fakhimi
3 Hutton Centre Dr., Suite 620
Santa Ana, CA 92707
(714) 542-2188

10. If you validly and timely request exclusion from the settlement (i) you will be excluded from the Settlement Class and you will not be permitted to object to the settlement; (ii) you will not be bound by the final judgment entered in this Action, and (iii) you will not be precluded from otherwise prosecuting, at your expense, any individual claim, if timely, you may have related to the matters referred to in the Action.

THE RIGHT TO OBJECT TO THE SETTLEMENT:

11. If you fit within the definition of the Settlement Class and you would like to participate in the settlement, you still have the option of objecting to the settlement under the procedures set forth below in paragraph 12. You may (but need not) choose to hire, at your expense, an attorney to represent you for this purpose. However, you will be barred from bringing your own individual lawsuit asserting claims related to the matters referred to in the Action, and, if your objection is rejected, you will be bound by the final judgment just as if you had not objected. You additionally have the right to consult and/or retain an attorney of choice at your own expense to advise you regarding the settlement and your rights in connection with the settlement and the

MORE INFORMATION

16. More information can be obtained by examining the file for *Brand v. Simple Tech, Inc.*, Case No. BC360001, at the Superior Court of California, County of Los Angeles, 111 North Hill Street, Los Angeles, California, 90012, during business hours. The Agreement can also be reviewed at the Settlement Website, <<http://www.stec-inc.com>>. Additionally, you may obtain more information by contacting Class Counsel at (800) 437-7918 or (310) 208-2800. **Questions should not be directed to the Court.**

17. The publication of this Notice is not an expression of any opinion by the Court as to the merits of the lawsuit or as to the fairness of the proposed settlement. This notice is published to advise you of the pendency of the Action, the proposed settlement, and your rights with respect thereto.

Dated: May 30, 2008

Honorable William F. Fahey
Los Angeles County Superior Court