

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re UTSTARCOM, INC. SECURITIES LITIGATION)

Master File No. C-04-4908-JW(PVT)

This Document Relates To:)

CLASS ACTION

ALL ACTIONS.)

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED UTSTARCOM, INC. ("UTSTARCOM") SECURITIES BETWEEN FEBRUARY 21, 2003 AND JULY 23, 2007, INCLUSIVE, AND WHO DID NOT SELL SUCH ACQUIRED SECURITIES BEFORE OCTOBER 23, 2003, WHO WERE DAMAGED

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, IF YOU HAVE NOT ALREADY DONE SO IN CONNECTION WITH THE SETTLEMENT WITH THE UTSTARCOM DEFENDANTS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE ("PROOF OF CLAIM") POSTMARKED ON OR BEFORE MARCH 3, 2011.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

The proposed settlement with the SoftBank Defendants creates a fund in the amount of \$2,900,000¹ in cash and will include interest that accrues on the fund prior to distribution (the "Settlement Fund"). Your recovery from this fund will depend on a number of variables, including the number of shares of UTStarcom securities you purchased or acquired during the period from February 21, 2003 through and including July 23, 2007, and the timing of your purchases and any sales. Lead Counsel estimate that if claims representing 100% of the number of the securities entitled to participate in a distribution from the Net Settlement Fund created by this settlement, the average distribution per share will be approximately \$0.023 before deduction of Court-approved fees and expenses. Typically, claims for less than 100% of eligible securities are submitted to the Claims Administrator and, thus, average distributions are higher than that estimated above. Plaintiffs and the SoftBank Defendants do not agree on the average amount of damages per share that would be recoverable if the Plaintiffs were to have prevailed on each claim alleged. The issues on which the parties disagree include: (i) whether UTStarcom or the Individual Defendants committed a primary violation of the federal securities laws; (ii) whether the SoftBank Defendants were involved in any way in the UTStarcom disclosures at issue in this case, including whether they were "control persons" of UTStarcom under the federal securities laws; (iii) the amount by which UTStarcom securities were allegedly artificially inflated (if at all) during the Class Period; (iv) the effect of various market forces influencing the trading price of UTStarcom securities at various times during the Class Period; (v) the extent to which external factors, such as general market and industry conditions, influenced the trading price of UTStarcom securities at various times during the Class Period; (vi) the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of UTStarcom securities at various times during the Class Period; (vii) the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced (if at all) the trading price of UTStarcom securities at various times during the Class Period; and (viii) whether the statements made or facts allegedly omitted were material, false, misleading or otherwise actionable under the securities laws.

The Lead Plaintiffs believe that the proposed settlement is a good recovery and is in the best interests of the Class. Because of the risks associated with continuing to litigate and proceeding to trial, including the possibility that the Court would grant summary judgment prior to trial, there was a danger that the Class would not have prevailed on any of its claims, in which case the Class would receive nothing. In addition to contesting liability, the amount of damages recoverable by the Class was and is challenged by the SoftBank Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the litigation gone to trial, Defendants would have asserted that all or most of the losses of Class Members were caused by non-actionable market, industry or general economic factors. The SoftBank Defendants would also assert that they had nothing to do with the UTStarcom disclosures challenged in the complaint and, in any event, there was no underlying primary violation of the federal securities laws by the UTStarcom Defendants for which the SoftBank Defendants could be held liable as alleged control persons.

If the settlement is approved by the Court, Lead Counsel will apply to the Court for attorneys' fees of 24.5% of the Settlement Fund, plus expenses not to exceed \$190,000.00 to be paid from the Settlement Fund. If the amount requested is approved by the

¹ This amount is in addition to the settlement with the UTStarcom Defendants for \$30,000,000 which was approved by the Court on August 30, 2010.

Court, the average cost per share will be \$0.007. In addition, Plaintiffs may seek reimbursement of their expenses (including lost wages) incurred in prosecuting the Litigation on behalf of the Class in an amount not to exceed \$2,500.00 each.

For further information regarding this settlement you may contact a representative of Lead Counsel: Rick Nelson, Robbins Geller Rudman & Dowd LLP, 655 W. Broadway, Suite 1900, San Diego, CA 92101, Telephone: 800/449-4900.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A settlement hearing will be held on February 7, 2011, at 9:00 a.m., before the Honorable James Ware, United States District Judge, at the United States Courthouse, 280 South First Street, San Jose, California (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of \$2,900,000 in cash should be approved as fair, reasonable, and adequate to the Class; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable, and adequate; and (3) whether the application by Lead Counsel for an award of attorneys' fees and expenses and previously-unreimbursed expenses of the Plaintiffs should be approved. The Court may adjourn or continue the Settlement Hearing without further notice to the Class.

II. DEFINITIONS USED IN THIS NOTICE

1. "Authorized Claimant" means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

2. "Claims Administrator" means the firm of Gilardi & Co. LLC.

3. "Class" means all Persons who purchased or otherwise acquired UTStarcom securities between February 21, 2003 and July 23, 2007, inclusive, and who did not sell such acquired securities before October 23, 2003, who were damaged. Excluded from the Class are the Defendants and officers and directors of UTStarcom, SoftBank Corporation, SoftBank America, Inc. or SoftBank Holdings, Inc., as well as their families and affiliates. Also excluded from the Class are those Persons who timely and validly requested exclusion from the Class.

4. "Class Member" or "Member of the Class" mean a Person who falls within the definition of the Class as set forth in paragraph 3 above.

5. "Class Period" means the period commencing on February 21, 2003 through and including July 23, 2007.

6. "Defendants" means the UTStarcom Defendants and the SoftBank Defendants.

7. "Individual Defendants" means Hong Liang Lu, Michael J. Sophie, Ying Wu, and Thomas J. Toy.

8. "Lead Counsel" means Robbins Geller Rudman & Dowd LLP.

9. "Lead Plaintiffs" means Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Trust and Erwin DeBruycker.

10. "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

11. "Plaintiffs" means the Lead Plaintiffs and Robert Lee Weese.

12. "Plan of Allocation" means a plan or formula of allocation of the Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the settlement, Taxes and Tax Expenses, and such attorneys' fees, costs, expenses, and interest, as well as Plaintiffs' expenses, if any, as may be awarded by the Court. Any Plan of Allocation is not part of the Stipulation and neither the SoftBank Defendants nor their Related Parties shall have any responsibility or liability with respect thereto.

13. "Related Parties" means each of a SoftBank Defendant's past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, and any entity in which a SoftBank Defendant has a controlling interest.

14. "Released Claims" shall collectively mean any and all claims arising from the purchase or acquisition of any UTStarcom securities during the Class Period and the acts, facts, statements or omissions that were or could have been alleged in the Litigation. "Released Claims" includes "Unknown Claims" as defined in paragraph 18 below.

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

16. "Settling Parties" means, collectively, the SoftBank Defendants and the Plaintiffs on behalf of themselves and the Members of the Class.

17. "SoftBank Defendants" means SoftBank Corporation, SoftBank America, Inc., and SoftBank Holdings, Inc.

18. "Unknown Claims" means any Released Claims which any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code §1542, which 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.

The Plaintiffs shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but each Plaintiff shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

19. "UTStarcom" means UTStarcom, Inc.

20. "UTStarcom Defendants" means UTStarcom, Inc. and the Individual Defendants.

III. THE LITIGATION

On October 26, 2004, an action entitled *Smith v. Sophie, et al.*, CW04-541-EIL, was filed in the United States District Court for the District of Idaho. That action was transferred to the United States District Court for the Northern District of California (the "Court") on April 21, 2005.

On and after November 17, 2004, the following actions were filed in the Court as securities class actions on behalf of purchasers of UTStarcom, Inc. publicly traded securities during defined periods of time.

CASE NAME	CASE NUMBER/DATE FILED
<i>Joseph v. UTStarcom, Inc., et al.</i>	C-04-4908-JW November 17, 2004
<i>Schwanz v. UTStarcom, Inc., et al.</i>	C-04-4991-JW November 24, 2004
<i>Lebzetter v. UTStarcom, Inc., et al.</i>	C-04-5136 December 2, 2004
<i>Tiemann v. UTStarcom, Inc., et al.</i>	C-04-5132 December 3, 2004

These actions were consolidated under case number C-04-4908-JW(PVT) for all purposes by an order filed March 15, 2005. The consolidated actions are referred to herein collectively as the "Litigation." On March 15, 2005, the Court appointed Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Trust and Erwin DeBruycker as Lead Plaintiffs.

The operative complaint in the Litigation is the Fourth Amended Consolidated Complaint for Violations of the Federal Securities Laws (the "Complaint"), filed May 14, 2008. The Complaint alleges violations of §§10(b), 14(a), and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder on behalf of a class of purchasers of UTStarcom publicly traded securities. As against the SoftBank Defendants, the Complaint alleges only a claim for a violation of §20(a) of the Exchange Act.

On April 1, 2010, Lead Plaintiffs and the UTStarcom Defendants submitted a proposed settlement between them to the Court. This settlement provides for the creation of a \$30,000,000 settlement fund. In connection with this settlement, a Notice of Pendency and Proposed Settlement of Class Action dated May 13, 2010, and a proof of claim form was sent to Class Members. The Court finally approved this settlement on August 30, 2010.

On May 12, 2010, the Court certified a Class with respect to the SoftBank Defendants consisting of: All Persons who purchased or otherwise acquired UTStarcom, Inc. securities between February 21, 2003 and July 23, 2007, inclusive, and who did not sell such acquired securities before October 23, 2003, who were damaged. A Notice of Pendency of Class Action dated August 9, 2010, was mailed to Class Members.

IV. CLAIMS OF THE LEAD PLAINTIFFS AND BENEFITS OF SETTLEMENT

The Lead Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims. However, the Lead Plaintiffs and their counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the SoftBank Defendants through trial and through appeals. The Lead Plaintiffs and their counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation. The Lead Plaintiffs and their counsel also are mindful of the inherent problems of proof under and possible defenses to the securities law violations asserted in the Litigation. The Lead Plaintiffs and their counsel believe that the settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, the Lead Plaintiffs and their counsel have determined that the settlement set forth in the Stipulation is in the best interests of the Lead Plaintiffs and the Class.

V. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The SoftBank Defendants have denied and continue to deny each and all of the claims alleged by the Lead Plaintiffs in the Litigation. The SoftBank Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The SoftBank Defendants also have denied and continue to deny, *inter alia*, the allegations that the SoftBank Defendants "controlled" UTStarcom, that the UTStarcom Defendants committed a primary violation of the federal securities laws, that the Lead Plaintiffs or the Class have suffered damage, that the prices of UTStarcom publicly traded securities were artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, or that the Lead Plaintiffs or the Class were harmed by the conduct alleged in the Complaint and the SoftBank Defendants believe that the evidence developed to date supports their positions.

Nonetheless, the SoftBank Defendants have concluded that further conduct of the Litigation could be protracted and expensive, and, based upon the cost and disruption of such continued litigation, have determined that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

The SoftBank Defendants have paid or caused to be paid into an escrow account, pursuant to the terms of the Stipulation of Settlement dated as of September 8, 2010 (the "Stipulation"), cash in the amount of \$2,900,000, which has been earning and will continue to earn interest for the benefit of the Class. In exchange for such payment, the Released Claims will be released, discharged, and dismissed with prejudice as to each of the Released Persons.

A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to counsel for plaintiffs as attorneys' fees and expenses. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed according to the Plan of Allocation described below.

VII. THE RIGHTS OF CLASS MEMBERS

If you are a Class Member, you may receive the benefit of, and you will be bound by the terms of, the proposed settlement described in §VI of this Notice, upon approval of it by the Court.

If you are a Class Member, you have the following options:

If you have not already done so in connection with the settlement with the UTStarcom Defendants, you may file a Proof of Claim as described below. If you choose this option, you will share in the proceeds of the proposed settlement if your claim is timely and valid and if the proposed settlement is finally approved by the Court, you will be bound by the Judgment and release described below, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Persons.

If you have already filed a Proof of Claim in connection with the settlement with the UTStarcom Defendants, you need not file another Proof of Claim. You are a Member of the Class and your claim will be processed in accordance with that earlier-filed Proof of Claim.

You may object to the settlement, the Plan of Allocation, and/or the application of Lead Counsel or Plaintiffs for an award of attorneys' fees and expenses in the manner set forth below. The filing of a Proof of Claim by a Class Member does not preclude a Class Member from objecting to the settlement. However, if your objection is rejected you will be bound by the settlement and the Judgment just as if you had not objected.

You may do nothing at all. If you choose this option, and you have not already filed a Proof of Claim in connection with the settlement with the UTStarcom Defendants, you will not share in the proceeds of the settlement, but you will be bound by any Judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Persons.

If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense. If you do not do so, you will be represented by Lead Counsel: Robbins Geller Rudman & Dowd LLP, Keith F. Park, 655 W. Broadway, Suite 1900, San Diego, CA 92101 and Robbins Geller Rudman & Dowd LLP, Shawn Williams, Post Montgomery Center, One Montgomery Street, Suite 1800, San Francisco, CA 94104.

VIII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit (or have previously submitted) valid, timely Proofs of Claim ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in UTStarcom securities during the Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Counsel have consulted with their damage experts and the Plan of Allocation reflects an assessment of the damages that they believe could have been recovered had Plaintiffs prevailed at trial.

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

A claim will be calculated based on the following inflation per share amounts for Class Period common stock purchases, acquisitions, and sales as well as the statutory PSLRA 90-day look back amount of \$3.45:

Inflation Period	Inflation Per Share
February 21, 2003 – April 16, 2003	\$1.17
April 17, 2003 – October 23, 2003	\$3.91
October 24, 2003 – January 22, 2004	\$9.98
January 23, 2004 – July 27, 2004	\$10.03
July 28, 2004 – September 17, 2004	\$2.64
September 20, 2004 – October 26, 2004	\$1.22
October 27, 2004 – January 6, 2005	\$8.40
January 7, 2005 – February 8, 2005	\$4.43
February 9, 2005 – March 30, 2005	\$4.57
March 31, 2005 – May 5, 2005	\$3.64
May 6, 2005 – August 2, 2005	\$1.08
August 3, 2005 – October 6, 2005	\$2.49
October 7, 2005 – February 9, 2006	\$0.44
February 10, 2006 – July 23, 2007	\$0.77

COMMON STOCK

For shares of UTStarcom common stock ***purchased or acquired, on or between February 21, 2003 through July 23, 2007***, the recovery per share shall be as follows:

(a) If sold prior to October 23, 2003, the claim is \$0.

(b) If sold on or between October 23, 2003 through July 23, 2007, the recovery per share shall be the least of (i) the inflation per share at the time of purchase less the inflation per share at the time of sale; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price per share and \$7.45 per share.

(c) If retained at the end of July 23, 2007 and sold before October 19, 2007, the recovery per share shall be the least of (i) the inflation per share at the time of purchase; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.

(d) If retained on October 19, 2007, or sold thereafter, the recovery per share shall be the lesser of (i) the inflation per share at the time of purchase; and (ii) the difference between the purchase price per share and \$3.45 per share.

PSLRA 90-day Look Back Table

Date	Closing Price	Average Closing Price
7/24/2007	\$3.88	\$3.88
7/25/2007	\$3.70	\$3.79
7/26/2007	\$3.38	\$3.65
7/27/2007	\$3.29	\$3.56
7/30/2007	\$3.10	\$3.47
7/31/2007	\$3.22	\$3.43
8/1/2007	\$3.55	\$3.45
8/2/2007	\$3.53	\$3.46
8/3/2007	\$3.35	\$3.44
8/6/2007	\$3.15	\$3.42
8/7/2007	\$2.73	\$3.35
8/8/2007	\$2.64	\$3.29
8/9/2007	\$2.62	\$3.24
8/10/2007	\$2.67	\$3.20
8/13/2007	\$2.94	\$3.18
8/14/2007	\$2.78	\$3.16
8/15/2007	\$2.75	\$3.13
8/16/2007	\$3.33	\$3.15
8/17/2007	\$3.18	\$3.15
8/20/2007	\$3.11	\$3.15
8/21/2007	\$3.04	\$3.14
8/22/2007	\$2.97	\$3.13
8/23/2007	\$2.92	\$3.12
8/24/2007	\$2.82	\$3.11

Date	Closing Price	Average Closing Price
8/27/2007	\$2.91	\$3.10
8/28/2007	\$2.75	\$3.09
8/29/2007	\$2.70	\$3.07
8/30/2007	\$2.78	\$3.06
8/31/2007	\$3.04	\$3.06
9/4/2007	\$3.07	\$3.06
9/5/2007	\$3.18	\$3.07
9/6/2007	\$3.25	\$3.07
9/7/2007	\$3.08	\$3.07
9/10/2007	\$2.80	\$3.07
9/11/2007	\$2.70	\$3.05
9/12/2007	\$2.72	\$3.05
9/13/2007	\$2.65	\$3.03
9/14/2007	\$2.69	\$3.03
9/17/2007	\$3.09	\$3.03
9/18/2007	\$3.45	\$3.04
9/19/2007	\$3.71	\$3.05
9/20/2007	\$4.06	\$3.08
9/21/2007	\$3.73	\$3.09
9/24/2007	\$3.66	\$3.11
9/25/2007	\$3.53	\$3.12
9/26/2007	\$3.77	\$3.13
9/27/2007	\$3.71	\$3.14
9/28/2007	\$3.66	\$3.15
10/1/2007	\$3.81	\$3.17
10/2/2007	\$4.05	\$3.18
10/3/2007	\$4.31	\$3.21
10/4/2007	\$4.36	\$3.23
10/5/2007	\$4.32	\$3.25
10/8/2007	\$4.04	\$3.26
10/9/2007	\$4.99	\$3.29
10/10/2007	\$4.93	\$3.32
10/11/2007	\$4.64	\$3.35
10/12/2007	\$4.53	\$3.37
10/15/2007	\$4.56	\$3.39
10/16/2007	\$4.58	\$3.41
10/17/2007	\$4.80	\$3.43
10/18/2007	\$4.42	\$3.45
10/19/2007	\$3.85	\$3.45

CALL OPTIONS

- For call options on UTStarcom common stock ***purchased or acquired from February 21, 2003 through July 23, 2007***, and
 - held*** at the end of any of the following days: April 16, 2003, October 23, 2003, January 22, 2004, July 27, 2004, September 17, 2004, October 26, 2004, January 6, 2005, February 8, 2005, March 30, 2005, May 5, 2005, August 2, 2005, October 6, 2005, February 9, 2006, and/or July 23, 2007, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
 - not held*** at the end of any of the following days: April 16, 2003, October 23, 2003, January 22, 2004, July 27, 2004, September 17, 2004, October 26, 2004, January 6, 2005, February 8, 2005, March 30, 2005, May 5, 2005, August 2, 2005, October 6, 2005, February 9, 2006, and/or July 23, 2007, the claim per call option is \$0.
- For call options on UTStarcom common stock ***written from February 21, 2003 through July 23, 2007***, the claim per call option is \$0.

PUT OPTIONS

- For put options on UTStarcom common stock ***written from February 21, 2003 through July 23, 2007***, and
 - held*** at the end of any of the following days: April 16, 2003, October 23, 2003, January 22, 2004, July 27, 2004, September 17, 2004, October 26, 2004, January 6, 2005, February 8, 2005, March 30, 2005, May 5, 2005, August 2, 2005,

October 6, 2005, February 9, 2006, and/or July 23, 2007, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;

(b) **not held** at the end of any of the following days: April 16, 2003, October 23, 2003, January 22, 2004, July 27, 2004, September 17, 2004, October 26, 2004, January 6, 2005, February 8, 2005, March 30, 2005, May 5, 2005, August 2, 2005, October 6, 2005, February 9, 2006, and/or July 23, 2007, the claim per put option is \$0.

2. For put options on UTStarcom common stock **purchased or acquired from February 21, 2003 through July 23, 2007**, the claim per put option is \$0.

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

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

The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

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

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in UTStarcom securities during the Class Period are subtracted from all losses. However, the proceeds from sales of securities which have been matched against securities held at the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Class Members who would otherwise receive less than \$10.00.

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

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim of any kind against the SoftBank Defendants or their Related Parties with respect to the investment or distribution of the Settlement Fund, which are not the responsibility of the SoftBank Defendants. No Person shall have any claim against Plaintiffs, Lead Counsel or any claims administrator or other person designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders of the Court. A Class Member who has not previously submitted a Proof of Claim in connection with the settlement with the UTStarcom Defendants and who fails to complete and submit a valid and timely Proof of Claim now shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

IX. PARTICIPATION IN THE SETTLEMENT

IF YOU HAVE NOT ALREADY SUBMITTED A PROOF OF CLAIM IN CONNECTION WITH THE SETTLEMENT WITH THE UTSTARCOM DEFENDANTS, YOU MUST DO SO NOW IF YOU WANT TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND. YOU MAY OBTAIN A COPY OF THE PROOF OF CLAIM BY DOWNLOADING IT FROM THE CLAIMS ADMINISTRATOR'S WEBSITE, WWW.GILARDI.COM, OR BY WRITING TO:

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

IF YOU ARE NOT SURE WHETHER OR NOT YOU HAVE ALREADY SUBMITTED A PROOF OF CLAIM, YOU MAY FIND OUT BY CALLING THE CLAIMS ADMINISTRATOR, TOLL-FREE AT 1-877-567-4784. The Proof of Claim must be postmarked on or before March 3, 2011, and delivered to the Claims Administrator at the address above. Unless the Court orders otherwise, if you have not already done so and you do not now timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

X. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice ("Judgment"). The Judgment will dismiss the Released Claims with prejudice as to all SoftBank Defendants. The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Persons and that the Released Persons shall be deemed to have released and discharged all Class Members and counsel to the Lead Plaintiffs from all claims arising out of the prosecution and settlement of the Litigation or the Released Claims. In addition, the Judgment will bar the claims, if any, of all Persons for contribution, indemnity and the like against the SoftBank Defendants.

XI. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, Lead Counsel will request the Court to award attorneys' fees of 24.5% of the Settlement Fund, plus expenses not to exceed \$190,000.00, which were incurred in connection with the Litigation, plus interest thereon. In addition, the Plaintiffs may seek reimbursement of their expenses (including lost wages) incurred in representing the Class in the Litigation, not to exceed \$2,500.00 each. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The fee requested by Lead Counsel will compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class, and for their risk in undertaking this representation on a wholly contingent basis.

XII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of September 7, 2010.

XIII. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who timely and validly files a written objection to any aspect of the settlement, the Plan of Allocation, or the application for attorneys' fees and expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit a written notice of objection, received on or before January 10, 2011, to each of the following:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
280 South First Street
San Jose, CA 95113

Lead Counsel for Plaintiffs:
ROBBINS GELLER RUDMAN
& DOWD LLP
KEITH F. PARK
655 W. Broadway, Suite 1900
San Diego, CA 92101

Counsel for the SoftBank Defendants:
SULLIVAN & CROMWELL LLP
ROBERT A. SACKS
1888 Century Park East
Los Angeles, CA 90067

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

XIV. SPECIAL NOTICE TO NOMINEES

If you hold any UTStarcom securities purchased or acquired during the Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) IF YOU HAVE NOT ALREADY DONE SO IN CONNECTION WITH THE NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION DATED MAY 13, 2010 PREVIOUSLY SENT IN CONNECTION WITH THE SETTLEMENT WITH THE UTSTARCOM DEFENDANTS OR THE NOTICE OF PENDENCY OF CLASS ACTION DATED AUGUST 9, 2010, provide a list of the names and addresses of such Persons to the Claims Administrator:

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

If you choose to mail the Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

XV. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States Courthouse, Northern District of California, 280 South First Street, San Jose, California or at www.gilardi.com.

If you have any questions about the settlement of the Litigation, you may contact Lead Counsel by writing:

ROBBINS GELLER RUDMAN
& DOWD LLP
KEITH F. PARK
655 W. Broadway, Suite 1900
San Diego, CA 92101

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: November 17, 2010

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA