

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)
_____)	<u>CLASS ACTION</u>
This Document Relates To:)	
ALL ACTIONS.)	
_____)	

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED UTSTARCOM, INC. ("UTSTARCOM") PUBLICLY TRADED SECURITIES ON THE OPEN MARKET FROM FEBRUARY 21, 2003 THROUGH AND INCLUDING OCTOBER 12, 2007, AND WERE DAMAGED THEREBY

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, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE ("PROOF OF CLAIM") POSTMARKED ON OR BEFORE AUGUST 30, 2010.

IF YOU DO NOT WISH TO BE INCLUDED IN THE CLASS AND YOU DO NOT WISH TO PARTICIPATE IN THE PROPOSED SETTLEMENT DESCRIBED IN THIS NOTICE, YOU MAY REQUEST TO BE EXCLUDED. TO DO SO, YOU MUST SUBMIT A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE POSTMARKED ON OR BEFORE AUGUST 6, 2010.

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 pendency and proposed partial 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 partial settlement creates a fund in the amount of \$30,000,000 in cash (the "Settlement Fund") and will include interest that accrues on the fund prior to distribution. Your recovery from this fund will depend on a number of variables, including the number of shares of UTStarcom publicly traded securities you purchased on the open market during the period from February 21, 2003 through and including October 12, 2007, and the timing of your purchases and any sales. Lead Counsel estimate that if claims representing 100% of the number of securities entitled to participate in a distribution from the Net Settlement Fund, the average distribution per share will be approximately \$0.23 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 UTStarcom 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: (1) the amount by which UTStarcom securities were allegedly artificially inflated (if at all) during the Class Period; (2) the effect of various market forces influencing the trading price of UTStarcom securities at various times during the Class Period; (3) 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; (4) 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; (5) 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 (6) 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, there was a danger that the Class would not have prevailed on any of its claims, in which case the Class would receive nothing. The amount of damages recoverable by the Class was and is challenged by the UTStarcom 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 UTStarcom Defendants would also assert that throughout the Class Period the uncertainties and risks associated with the purchase of UTStarcom securities were fully and adequately disclosed.

Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of the Plaintiffs and the Members of the Class, nor have they been reimbursed for all of their expenses. If the settlement is approved by the Court, counsel for the plaintiffs will apply to the Court for attorneys' fees of 24.5% of the Settlement Fund plus expenses not to exceed \$700,000.00 to be paid from the Settlement Fund. If the amount requested is approved by the Court, the average cost per share will be \$0.06. 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 \$27,000.00 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 August 30, 2010, 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 partial settlement consisting of \$30,000,000.00 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 reimbursement of the 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 (other than those Persons who timely and validly request exclusion from the Class) who purchased UTStarcom publicly traded securities on the open market between February 21, 2003 through and including October 12, 2007, and were damaged thereby. 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.
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 October 12, 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, Patrick J. Coughlin, Keith F. Park, 655 W. Broadway, Suite 1900, San Diego, CA 92101; and Robbins Geller Rudman & Dowd LLP, Shawn Williams, Shirley Huang, 100 Pine Street, Suite 2600, San Francisco, CA 94111.
9. "Lead Plaintiffs" means Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Trust and Erwin DeBruycker.
10. "Non-Settling Defendants" means the SoftBank Defendants.
11. "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.
12. "Plaintiffs" means the Lead Plaintiffs and Robert Lee Weese.
13. "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 UTStarcom Defendants nor their Related Parties shall have any responsibility or liability with respect thereto.
14. "Related Parties" means each of a UTStarcom 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, any entity in which a UTStarcom Defendant has a controlling interest, any members of any Individual Defendant's immediate family, or any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant's family.
15. "Released Claims" shall collectively mean any and all claims arising from the purchase of any UTStarcom publicly traded 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 19 below. Released Claims does not include any claims against the SoftBank Defendants.
16. "Released Persons" means each and all of the UTStarcom Defendants and their Related Parties. Released Persons does not include the SoftBank Defendants.
17. "Settling Parties" means, collectively, the UTStarcom Defendants and the Plaintiffs on behalf of themselves and the Members of the Class.
18. "SoftBank Defendants" means SoftBank Corporation, SoftBank America, Inc., and SoftBank Holdings, Inc.
19. "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.

20. "UTStarcom" means UTStarcom, Inc.

21. "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 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 and Rule 10b-5 promulgated thereunder on behalf of a class of purchasers of UTStarcom publicly traded securities.

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 UTStarcom 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 UTStarcom Defendants have denied and continue to deny each and all of the claims alleged by the Lead Plaintiffs in the Litigation. The UTStarcom 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 UTStarcom Defendants also have denied and continue to deny, *inter alia*, the allegations 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 UTStarcom Defendants believe that the evidence developed to date supports their positions.

Nonetheless, the UTStarcom Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and 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. The UTStarcom Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Litigation. The UTStarcom Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

The UTStarcom Defendants' Insurers have paid or caused to be paid into an escrow account, pursuant to the terms of the Stipulation of Settlement dated as of January 13, 2010 (the "Stipulation"), cash in the amount of \$30,000,000.00 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 against 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 to Class Members who submit valid and timely Proof of Claim forms.

There are three remaining (non-settling) defendants in the Litigation, SoftBank Corporation, SoftBank America, Inc., and SoftBank Holdings, Inc. Lead Plaintiffs intend to continue to pursue the claims asserted against these defendants.

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:

1. You may file a Proof of Claim as described below. If you choose this option, you will remain a Class Member, 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, and you will be bound by the Judgment and release described below.

2. If you do not wish to be included in the Class and you do not wish to participate in the proposed settlement described in this Notice, you may request to be excluded. To do so, you must submit a written request for exclusion that must be postmarked on or before August 6, 2010. You must set forth: (a) your name, address, and telephone number; (b) the number of shares of UTStarcom publicly traded securities purchased and the number of shares sold during the Class Period and the dates and prices of such purchase(s), and/or sale(s); and (c) that you wish to be excluded from the Class. The exclusion request should be addressed as follows:

UTStarcom Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

If you timely and validly request exclusion from the Class, (a) you will be excluded from the Class, (b) you will not share in the proceeds of the settlement described herein, (c) you will not be bound by any judgment entered in the Litigation, and (d) you will not be precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely, against Defendants based on the matters complained of in the Litigation.

3. If you do not request in writing to be excluded from the Class, as set forth in paragraph 2 above, you will be bound by any and all determinations or judgments in the Litigation in connection with the settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, 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, whether or not you submit a valid Proof of Claim.

4. 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.

5. You may do nothing at all. If you choose this option, 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, Patrick J. Coughlin, Keith F. Park, 655 W. Broadway, Suite 1900, San Diego, CA 92101 and Robbins Geller Rudman & Dowd LLP, Shawn Williams, Shirley Huang, 100 Pine Street, Suite 2600, San Francisco, CA 94111.

VIII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim forms ("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 publicly traded 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 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
July 24, 2007 – October 12, 2007	\$0.00

COMMON STOCK

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

(a) If sold on or between February 21, 2003 through July 23, 2007, the recovery per share shall be the lesser 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 \$3.45 per share.

(b) If retained at the end of July 23, 2007 and sold before October 19, 2007, the recovery per share shall be the lesser 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 from July 24, 2007 up to the date of sale as set forth in the table below.

(c) 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.

2. For shares of UTStarcom common stock ***purchased on or between July 24, 2007 through October 12, 2007***, the recovery per share shall be \$0.

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

PSLRA 90-Day Look Back Table		
Date	Closing Price	Average Closing Price
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
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

1. For call options on UTStarcom common stock ***purchased from February 21, 2003 through July 23, 2007***, and
 - (a) ***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;
 - (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 call option is \$0.
2. 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

1. For put options on UTStarcom common stock *written from February 21, 2003 through July 23, 2007*, and

(a) *not closed out* 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) *closed out* 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 from February 21, 2003 through July 23, 2007*, the claim per put option is \$0.

Note: In the case where 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 or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, 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 UTStarcom Defendants or their Related Parties with respect to the investment or distribution of the Settlement Fund. 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. All Class Members who fail to complete and file a valid and timely Proof of Claim 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

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim must be postmarked on or before August 30, 2010, and delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not 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 UTStarcom 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. No claims against the SoftBank Defendants will be released. In addition, the Judgment will bar the claims, if any, of all Persons for contribution, indemnity and the like against the UTStarcom Defendants.

XI. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, counsel for plaintiffs will request the Court to award attorneys' fees of 24.5% of the Settlement Fund, plus expenses, not to exceed \$700,000.00, which were incurred in connection with the Litigation, plus interest thereon. In addition, the Plaintiffs will seek reimbursement of their expenses (including lost wages) incurred in representing the Class in the Litigation, not to exceed \$27,000.00 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.

To date, Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of the Lead Plaintiffs and Members of the Class, nor have counsel been fully paid their substantial 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. The fee requested is well within (if not below) the range of fees awarded to plaintiffs' counsel under similar circumstances in other litigation of this type.

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 January 12, 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 partial 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 August 6, 2010, 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 Defendants UTStarcom, Hong Liang Lu,
Michael J. Sophie, Ying Wu and Thomas J. Toy*

WILSON SONSINI GOODRICH & ROSATI
TERRY T. JOHNSON
BORIS FELDMAN
650 Page Mill Road
Palo Alto, CA 94304-1050

The notice of objection must demonstrate the objecting Person's membership in the Class, including the number of UTStarcom securities purchased 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 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 and the Proof of Claim by first class mail to all such Persons; or (2) 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 8040
San Rafael, CA 94912-8040

If you choose to mail the Notice and Proof of Claim 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 Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, 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: May 13, 2010

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