

NOTICE OF CLASS ACTION SETTLEMENT

TO: ALL PERSONS THAT PURCHASED, DIRECTLY OR INDIRECTLY, YAHOO! PAY-PER-CLICK TEXT ADVERTISING IN THE U.S. MARKETPLACE

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO RECEIVE BENEFITS UNDER THE PROPOSED SETTLEMENT DESCRIBED IN THIS NOTICE.

I. Why Did I Get This Notice?

You received this Notice to inform you of a proposed class action settlement (the "Settlement") that may affect you. The Settlement was entered into by the parties in an action entitled *In re Yahoo! Litigation*, Case No. CV-06-2737 CAS (C.D. Cal.) (the "Action"). The purpose of this Notice is to inform you that a class has been certified in the Action and to inform you of the terms of the Settlement. You may have received this Notice because you were identified as a present or former pay-per-click advertising customer of Yahoo! Inc., Overture Services, Inc., or GoTo.com, Inc. (collectively "Yahoo!"). This Notice explains your legal rights, and how and by when you need to act.

II. What Is A Class Action Lawsuit?

In a class action, persons or business entities known as class representatives sue on behalf of persons or business entities with similar claims. All of these persons or business entities make up the class and are called class members. One court then resolves the issues for all class members, except for those who exclude themselves from the class. The Honorable Christina A. Snyder of the United States District Court for the Central District of California is presiding over this class action lawsuit.

III. What Is This Class Action About?

This class action was brought in 2006 by several Yahoo! pay-per-click search advertising customers. They allege that customers contracted for targeted ad placements through two products, "Sponsored Search" and "Content Match" (and predecessor products provided by Overture Services, Inc. and GoTo.com, Inc.) and that Yahoo! breached its contract with its customers by allowing Yahoo! ads to be displayed in spyware, domain name parking sites (also known as bulk registration sites), pop-ups, pop-unders, and typosquatting sites. Plaintiffs brought claims for breach of contract, unjust enrichment, misrepresentation, civil conspiracy, and unfair business practices.

IV. Why Is There A Settlement?

After several years of hard-fought litigation, counsel for the parties negotiated the Settlement described in this Notice. Those negotiations have included four mediations, the most recent of which was before the Honorable Gary L. Taylor, United States District Judge (Retired).

The Settlement was reached only after the parties conducted extensive pre-trial discovery. During the course of the Action, Yahoo! produced over 1.5 million pages of documents and hundreds of gigabytes of data. Yahoo! employees testified at deposition. In addition, the plaintiffs who brought the Action (referred to in this Notice as the "Class Representatives") produced documents to Yahoo! and testified at deposition. In deciding to settle the Action, the Class Representatives and Class Counsel have taken into account the substantial expense and length of time necessary to prosecute the litigation through trial, post-trial motions and likely appeals, as well as the significant uncertainties in predicting the outcome of this complex litigation.

Class Counsel believe that the Settlement provides substantial benefits to the Class. Class Counsel believe that the Settlement is fair, reasonable, adequate, and in the best interests of the Class.

Yahoo! believes that it has valid defenses to the Class Representatives' claims and denies any liability or wrongdoing. Yahoo! has nevertheless entered into the Settlement to avoid further expense, inconvenience and the burden of drawn-out litigation.

This Notice is not an expression of any opinion by the Court as to the merits of any claims or any defenses asserted by any party in the Action.

V. Who Is A Class Member?

The Class consists of all individuals or entities that purchased pay-per-click text advertising (referred to in this Notice as "Yahoo! Ads") in the U.S. Marketplace, whether directly from Yahoo! or its predecessors Overture Services, Inc. or GoTo.com, Inc., or indirectly from an advertising agent, at any time from May 1, 2000 until September 22, 2009.

Pay-per-click text advertising includes the Yahoo! Search Marketing products currently known as “Sponsored Search” and “Content Match,” as well as predecessor products provided by Overture Services, Inc. and GoTo.com, Inc.

Excluded from the Class are Yahoo!, Overture Services, Inc. or GoTo.com, Inc. customers that did not purchase pay-per-click text advertising in the U.S. Marketplace. (For example, any Yahoo! customer that only purchased banner advertising, but not pay-per-click text advertising, is not part of the Class.) The “U.S. Marketplace” refers to Yahoo!’s ad “marketplace” covering the United States and English-speaking Canada.

VI. What Are The Settlement Benefits?

The Settlement Agreement is available online at www.inreyahoosettlement.com. A summary of the benefits to the Class is as follows:

A. “Ad Placement Option”

As a result of the Action, Yahoo! has agreed to develop and offer a new ad placement option (referred to in this Notice and in the Settlement Agreement as the “Ad Placement Option,” but which may have a different name once launched) that will enable Yahoo! Ad customers to control where their Yahoo! Ads appear. The Ad Placement Option will allow Yahoo! Ad customers to specify that their Sponsored Search ads should be displayed only on websites and other Internet properties owned or operated by Yahoo!, and the websites of certain “Premium” distribution partners. In response to plaintiffs’ claims in the Action, Yahoo! Ad placements by “Premium” distribution partners will be subject to limitations. Please review paragraph 22 of the Settlement Agreement, which is available at www.inreyahoosettlement.com or from the Claims Administrator, for complete details about these limitations.

Yahoo! has agreed to make best efforts to launch the Ad Placement Option as early as the first quarter of 2010, but in no event later than September 30, 2010. Before the Ad Placement Option is launched, Yahoo! will post additional information about the Ad Placement Option on the “Traffic Quality” portion of its website (<http://searchmarketing.yahoo.com/trafficquality/index.php>).

Yahoo! will maintain the Ad Placement Option for at least two years from the date of its launch, subject to the condition discussed in Paragraph D below. Should Yahoo! decide to remove or materially alter the Ad Placement Option after the two-year commitment, Yahoo! will provide individual notice by email or postal mail to its then-existing Yahoo! Ad customers of the planned alteration or elimination of the Ad Placement Option. The notice will explain why the Ad Placement Option is being eliminated or altered, and will remind its customers that they may discontinue advertising with Yahoo! at any time.

B. Enhanced Disclosures

Yahoo! will post enhanced disclosures on the “Traffic Quality” portion of its website (<http://searchmarketing.yahoo.com/trafficquality/index.php>) about where Yahoo! Ads may appear on the Internet. These disclosures will provide information about the Ad Placement Option, including a link to a Yahoo! webpage with instructions for using the Ad Placement Option.

C. Enhancements to the Click Investigation Request Tool

Yahoo! will also modify its click investigation request tool to allow advertisers to ask questions or request investigations regarding certain Yahoo! advertising partners. Yahoo! will also add language to the Traffic Quality section of Yahoo!’s website notifying advertisers that they can request investigations of partners.

D. Potential Impact of Yahoo!-Microsoft Agreement

On July 29, 2009, Yahoo! and Microsoft Corporation entered into a binding letter agreement pursuant to which Yahoo! and Microsoft will negotiate definitive agreements that would, upon regulatory approvals and at full implementation, make Microsoft the exclusive paid search advertising platform for Yahoo! (“Microsoft Transaction”) for a ten-year period. Yahoo! is hopeful that regulatory approval of the Microsoft Transaction could occur in early 2010. Full implementation of the Microsoft Transaction is estimated to occur within two years following the necessary regulatory approvals. Yahoo! agrees to provide the Ad Placement Option on its own paid search advertising platform for a period of two years from the date it first launches the Ad Placement Option and while it offers its own paid search advertising platform, or through the date of full implementation of the Microsoft Transaction, whichever occurs first. Yahoo! agrees to provide each of the benefits specified in Paragraphs VI.B and VI.C for a period of two years from the date each benefit is first made available, or through the date of full implementation of the Microsoft Transaction, whichever occurs first. Yahoo! represents and warrants that the definitive agreements for the Microsoft Transaction will contain language to the effect that Microsoft will agree to implement ad distribution controls on the Microsoft paid search platform. If any Class members are transitioned to Microsoft’s paid search advertising platform earlier than two years from the launch of the Ad Placement Option by Yahoo!, and before Microsoft implements the ad distribution controls on its paid search platform, Yahoo! will notify those affected Class members that ad distribution controls are not available at the time of their transition to the Microsoft paid search services platform.

For more information concerning the Yahoo!-Microsoft agreement as it relates to the Settlement, please review paragraph 48 of the Settlement Agreement, which is available at www.inreyahoosettlement.com or from the Claims Administrator.

E. Refunds to Class Members who are Out of Business

Yahoo! will pay a \$20 refund (“Refund”) to eligible Class members who are out of business.

In order to apply for a Refund, you must: complete the Claim Form online at www.inreyahoosettlement.com, or in paper form if you download the paper version of the Claim Form on www.inreyahoosettlement.com or request a paper Claim Form from the Claims Administrator at the telephone number or address listed below. A Claim Form will be considered valid only if: (1) you owned, or held a controlling interest in, the business that was a Yahoo! advertiser at the time it went out of business; (2) you did not owe Yahoo! money in connection with your Yahoo! Ads account(s) when your company went out of business; (3) you complete all portions of the Claim Form in their entirety, date the Claim Form, and certify the accuracy of your responses under penalty of perjury, including that you owned, or held a controlling interest in, the business at the time it went out of business; and (4) the information you provide on the Claim Form matches Yahoo!’s account records. **Your Claim Form must be submitted to the Claims Administrator by March 22, 2010. Claim Forms submitted after March 22, 2010 are invalid and will not be considered.**

If there is a conflict between your information and Yahoo!’s records, then the Claims Administrator will notify you of the basis for the conflict (for example, the Client Identification number does not match Yahoo!’s records), and you will have one opportunity to attempt to resolve the conflict by resubmitting a new, fully completed Claim Form to the Claims Administrator. The Claims Administrator will forward completed Claim Forms to Yahoo! for a determination of eligibility for a Refund. If Yahoo! determines that you are eligible, you will be sent a check in the amount of \$20.00 by postal mail.

In the event Yahoo! determines that you are not eligible for a Refund, Yahoo! will send a “Notice of Denied Claim,” and you may seek an independent review of Yahoo!’s determination by a Special Master by submitting a “Written Review Request,” which will be provided to you along with the Notice of Denied Claim. If you wish to seek an independent review of Yahoo!’s denial of your claim, you must, within thirty (30) calendar days of the date as shown on the email or postmark of Yahoo!’s sending the Notice of Denied Claim, send by email or postal mail the completed “Written Review Request,” together with any documents or other evidence you wish to include in such request, to the Claims Administrator. Paragraph 50(j)-(m) of the Settlement Agreement contains details concerning the Special Master’s independent review.

F. Yahoo! to Pay Costs of Notice, Claims Administration, Attorneys’ Fees and Costs and Service Awards to the Class Representatives

Yahoo! will pay the costs of notice and claims administration. Yahoo! will also pay the plaintiffs’ attorneys’ fees and costs, and service awards to the Class Representatives. Yahoo! will pay those fees, costs and service awards in addition to providing the other settlement benefits described above in Section VI.A through VI.E. Attorneys’ fees, reimbursement of costs, and service awards to the Class Representatives must be approved by the Court.

VII. What Am I Giving Up If I Participate In The Settlement?

The Settlement will release Class members’ Released Claims against Yahoo!. The complete definition of “Released Claims” is set out in the Settlement Agreement, which is available at www.inreyahoosettlement.com or from the Claims Administrator. In summary, and without limiting the definition of “Released Claims” set forth in the Settlement Agreement, Released Claims include any and all claims, causes of action, demands, rights, liens, obligations, suits, appeals, sums of money, accounts, covenants, contracts, controversies, attorneys’ fees and costs, expenses, losses, damages, judgments, orders, promises whatsoever, known or unknown, matured or unmatured, suspected or unsuspected, concealed or hidden, whether sounding in law, equity, bankruptcy, or in any other forum, from January 1, 2000 through and including September 22, 2009, that have been or could have been asserted in the Action. This release includes without limitation any and all claims concerning domain parking sites and pages; typosquatting sites and pages; bulk-registered domain name sites and pages; software applications; downloadable applications; pop-ups; pop-unders; “sliders”; “sidebars”; “injected ads”; adware; spyware; malware; malicious software; error implementations and pages; email campaigns; clicks that result from self-targeting; untargeted or random placements within the Distribution Network; ads displayed on sites or pages that lack any bona fide content, or any content at all; or ads shown to Internet users who have not conducted a search or viewed bona fide content related to a Yahoo! pay-per-click text advertisement.

The Settlement will also release any and all claims that you (or the Class Representatives or any other Class member) do not know or suspect to exist in your favor, even if knowledge of such a claim might have affected your decisions with respect to the Settlement Agreement and the Settlement with Yahoo!.

The release of Released Claims against Yahoo! includes the entities Yahoo! Inc., its subsidiaries – including without limitation Overture Services, Inc. (formerly known as GoTo.com, Inc.), which did business as Yahoo! Search Marketing – together with their

predecessors, related entities, affiliated and sister corporations, divisions, officers, principals, owners, directors, minority or controlling shareholders, employers, employees, representatives and agents.

Upon the Effective Date of the Settlement, the Class Representatives and Class members – and their heirs, predecessors, successors, assigns, present and former partners, parents, subsidiaries, related entities, affiliated and sister corporations, divisions, officers, principals, owners, directors, minority or controlling shareholders, employers, employees, representatives or agents – shall be deemed to have released and forever discharged, and shall forever be enjoined from filing, commencing, prosecuting, intervening in, participating in or otherwise facilitating any and all Released Claims against Yahoo! in any court or forum whatsoever.

VIII. Final Approval Hearing

The Court will hold a hearing (“Final Approval Hearing”) on **January 11, 2010 at 10:00 a.m.**, at the United States Courthouse, 312 N. Spring St., Los Angeles, CA 90012, in Courtroom No. 5. The purpose of the Final Approval Hearing will be: (1) to determine whether the proposed Settlement is fair, reasonable and adequate to the Class and should be approved by the Court and, therefore, whether the Action should be dismissed, and (2) to consider the reasonableness of an application by Class Counsel for payment of attorneys’ fees and reimbursement of costs incurred in connection with the Action and for service awards to the Class Representatives.

Your attendance is not required. Class Counsel are prepared to answer the Court’s questions on your behalf. If you or your lawyer wishes to attend the Final Approval Hearing, you may do so at your own expense.

IX. What Are My Rights And Options As A Class Member?

Class members have the following options:

A. Remain in the Class.

If you wish to remain a member of the Class, you do not need to take any action. As a Class member, you will be represented by the Class Representatives and Class Counsel, unless you wish to be represented by counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, your counsel must file an appearance on your behalf on or before December 14, 2009, and must serve copies of such appearance on the attorneys listed below.

If you remain in the Class, you will release the Released Claims against Yahoo!, as described above in Section VII.

B. Exclude Yourself from the Settlement.

You may exclude yourself from the Class by following the instructions below. If you exclude yourself from the Class, you will not be eligible to receive a Refund and will not be considered to have released any claims against Yahoo! under the Settlement.

You will be bound by all determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless you submit a request for exclusion on or before December 14, 2009. You may exclude yourself online at www.inreyahoosettlement.com by completing the online opt-out form, or by sending an opt-out request to the Claims Administrator by postal mail. The date of your online request, or the postmark on the envelope containing your mailed request, will determine whether your request for exclusion is timely.

To be effective, all items on the online opt-out form must be completed. If you send in your request for exclusion by postal mail, you must include the business name, address and Yahoo! Ads Client ID number(s) of the Yahoo! advertiser seeking exclusion, indicate that you wish to be excluded from the Class, sign the request and mail it to:

Class Counsel:

Michael J. Boni
Joshua D. Snyder
Boni & Zack LLC
15 Saint Asaphs Road
Bala Cynwyd, PA 19004
mboni@bonizack.com
jsnyder@bonizack.com

Michael D. Donovan
Donovan Searles, LLC
1845 Walnut Street, Suite 1100
Philadelphia, PA 19103
mdonovan@donovansearles.com

Yahoo!’s Counsel:

Larry W. McFarland, Esq.
Dennis L. Wilson, Esq.
Keats McFarland & Wilson LLP
9720 Wilshire Boulevard
Penthouse Suite
Beverly Hills, CA 90212
lmcfarland@kmwlaw.com
dwilson@kmwlaw.com

C. Appear and Object to the Proposed Settlement.

If you do not exclude yourself from the Settlement, you have the right to object to or comment on the Settlement and the request for attorneys' fees and costs and service awards to the Class Representatives. If you wish to object to the Settlement, you must, on or before December 14, 2009, file your objection with the Court at:

Office of the Clerk
U.S. District Court for the Central District of California, Western Division
312 N. Spring Street
Los Angeles, CA 90012

You must also serve copies of your objection by email or First-Class Mail on Class Counsel and Yahoo!'s Counsel at the addresses listed above.

Any objection must contain: (a) the objector's business name, address, and Yahoo! Ads Client ID number(s); (b) a statement of whether the objector intends to appear at the Final Approval Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address, and phone number; and (c) a statement of the grounds for the objection.

You may appear at the hearing in person or, if you are represented by an attorney, your attorney may appear in person, and state why the Settlement or any part of the Settlement should not be approved. However, you will not be entitled to be heard at the Final Approval Hearing, whether individually or through counsel, unless written notice of your intention to appear at the Final Approval Hearing is timely filed with the Court and served on Class Counsel and Yahoo!'s Counsel. The date of the postmark on the mailing envelope will determine whether an objection and/or notice of intention to appear is timely.

Unless you object as provided in this Notice, you will not be entitled to contest the terms and conditions of the Settlement, and anyone that does not object as provided in this Notice will be deemed to have given up the right to raise any such objections at the Final Approval Hearing or at any time in the future.

X. Do I Have A Lawyer Representing My Interests In This Case?

Yes. The Court has appointed the attorneys listed above, Michael J. Boni and Michael D. Donovan, to represent you and other Class members.

XI. How Will The Lawyers Be Paid? Will The Class Representatives Receive Service Awards?

Class Counsel will apply for attorneys' fees of \$4,170,000, plus reimbursement of expenses of approximately \$100,000, and for service awards to the three Class Representatives of \$10,000 each. Yahoo! has agreed to pay those fees, expenses and service awards, in the total amount of \$4.3 million, in addition to providing the other settlement benefits described above in Section VI. Attorneys' fees, reimbursement of costs, and service awards to Class Representatives must be approved by the Court.

XII. Where May I Obtain Further Information?

The Settlement Agreement, its attachments and the other legal documents that have been filed with the Court in this lawsuit contain more details about the Settlement, and are available online at www.inreyahooosettlement.com. The documents are also available during regular office hours at the Office of the Clerk, U.S. District Court for the Central District of California, Western Division, 312 N. Spring Street, Los Angeles, CA 90012. If you have questions about the Settlement, you may write to or call the Claims Administrator:

In re Yahoo! Settlement Administrator
c/o Rust Consulting, Inc.
P.O. Box 2241
Faribault, MN 55021-1641
1-877-434-3068

You may also obtain further information regarding the Settlement by contacting Class Counsel at the contact information listed above.

IN RE YAHOO! SETTLEMENT ADMINISTRATOR
C/O RUST CONSULTING, INC.
P.O. BOX 2241
FARIBAULT, MN 55021-1641



PRESORTED
FIRST-CLASS MAIL
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IMPORTANT LEGAL NOTICE

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