

Wisconsin consumers and businesses that bought Microsoft software may claim benefits from a class action settlement.

A court authorized this notice. This is not a solicitation from a lawyer.

- A proposed settlement of class action lawsuits against Microsoft will provide up to \$223,896,000 in vouchers which people and businesses can use toward the purchase of computers, peripheral computer hardware, and software.
- The settlement applies to consumers and businesses that, while residing or located in Wisconsin, “indirectly purchased” certain Microsoft software between December 7, 1993 and April 30, 2003, for use in Wisconsin, and not for resale (see the explanation in Question 5 on pages 3-4).
- The settlement will resolve private lawsuits about whether Microsoft violated Wisconsin antitrust and unfair competition laws.
- Your legal rights are affected whether you act or not. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get settlement benefits – i.e., vouchers that can be redeemed for cash after the purchase of computer hardware or software.
ASK TO BE EXCLUDED	Get no vouchers. The only option that allows you to ever be part of another lawsuit against Microsoft Corporation involving the legal claims resolved by these cases.
OBJECT	Write to the Court if you don't like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no vouchers. Give up rights.

- These legal rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of these cases still has to decide whether to approve the settlement. Vouchers will be distributed if the Court approves the settlement, and after any appeals are resolved.

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BASIC INFORMATION

1. Why was this notice issued?

The Court issued this notice because you have a right to know about a proposed settlement of a class action lawsuit. You are entitled to know how you may make a claim for the benefits of the settlement and about all of your options. If the Court grants final approval and any appeals are resolved, valuable benefits will be distributed to those who submit a claim form by **June 30, 2007** or 30 days after the Court grants “final approval” to the settlement, whichever comes later. This notice explains the lawsuits, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

Judge Richard J. Sankovitz of the Circuit Court of Wisconsin, Milwaukee County, is overseeing the cases, called *Spence v. Microsoft Corp.* (No. 00-CV-003042), *Capp v. Microsoft Corp.* (No. 05-CV-011127), and *Bettendorf v. Microsoft Corp.* (No. 05-CV-010927). The people who sued are called the Plaintiffs, and the company they sued, Microsoft Corporation (“Microsoft”), is called the Defendant.

2. What are these lawsuits about?

The Plaintiffs said that Microsoft violated Wisconsin’s antitrust and unfair competition laws by overcharging customers for some of its operating systems, word processing, and spreadsheet software. Microsoft does not admit it did anything wrong and contends that it developed and sold high quality and innovative software at fair and reasonable prices.

3. Why is this a class action?

In a class action, one or more people or business(es) called “Class Representatives” (in these cases, Tony Spence, Tom Capp, Candace Bettendorf and others) sue on behalf of those with similar claims. All these people and businesses together are a “Class” or “Class members.” One court resolves the issues for all Class members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of the Plaintiffs or Microsoft. Instead, both sides agreed to a settlement. That way, they avoid the uncertainty and cost of a trial, and those in the Class will get an opportunity to receive vouchers. The Class Representatives and the attorneys appointed by the Court to represent the Class believe the settlement is best for all Class members.

WHO IS IN THE SETTLEMENT

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

The following consumers and businesses are Class members and are entitled to claim settlement benefits:

All persons or entities who, from December 7, 1993 through and including April 30, 2003, resided or were located in Wisconsin and indirectly purchased (i.e., purchased from someone other than Microsoft) in the

United States a license for a Microsoft Operating System and/or Microsoft Application for use in Wisconsin and who did not purchase it for resale.

The software included is: Microsoft's "Windows" and "MS-DOS" operating system software; Microsoft's "Office" productivity suite software; Microsoft's "Excel" software; and Microsoft's "Word" word processing software (including "Home Essentials" and "Works Suite").

You "indirectly purchased" Microsoft software if you legally purchased your software, or a computer on which that software was already installed, from a person or entity other than Microsoft. For example, if you purchased your Microsoft software directly from a computer manufacturer or a retailer, you indirectly purchased your software.

6. Are there exceptions to being included?

Federal government entities, Microsoft, its officers, directors, subsidiaries in which Microsoft has more than 50% interest and any judges or justices assigned to hear any aspect of these cases are not included in the Class.

7. What if I'm not sure whether I'm included in the settlement?

If you are not sure whether you or your business is included in the Class, you may call the toll-free number 1-866-494-8399 with questions. You may also write with questions to Microsoft-Wisconsin Settlement, PO Box 1626, Minneapolis, MN 55440-1626.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the settlement provide?

The settlement provides up to \$223,896,000 in vouchers to Class members, which can be used for purchases made after September 20, 2006 of any brand of qualifying computer hardware or software described below (see Question 14). If the total value of vouchers issued to Class members is less than \$223,896,000, one-half of the remaining amount will be distributed as vouchers for hardware, software and technology services to certain Wisconsin public, tribal, and BIA schools that serve students from low-income households. The total value of vouchers issued but not redeemed will also be distributed to Wisconsin public, tribal, and BIA schools. Any of these vouchers that remain unused by the schools may be given to these schools or other needy organizations in Wisconsin.

9. How much will the vouchers be worth?

The vouchers are worth:

- \$23 each for Microsoft's "Office" productivity suite software and Microsoft's "Excel" spreadsheet software.
- \$15 each for Microsoft's "Windows" and "MS-DOS" operating system software.
- \$10 each for Microsoft's "Word" word processing software (including "Home Essentials" and "Works Suite").

As described below, you may submit claims for each copy of these software products that you lawfully and indirectly purchased while residing or located in Wisconsin, between December 7, 1993 and April 30,

2003, for use in the State of Wisconsin, and not for resale. Businesses that licensed their software on a “volume” basis are entitled to submit claims for each computer their volume license authorizes them to use in Wisconsin in conjunction with the Microsoft software. Software upgrades count as a separate purchase for computing your recovery unless you are a business with an “Enterprise” license.

10. What am I giving up as part of the settlement?

Unless you ask to be excluded from the settlement (see Question 18 below), when the settlement becomes final—even if you do not claim vouchers—you will be releasing Microsoft from liability for all claims identified in Article III of the Settlement Agreement and included on page 11 of this notice. This means you will be bound by that release which means you give up the right to sue Microsoft for the claims that this settlement resolves. The Settlement Agreement is available at www.microsoftWIsuit.com. The Settlement Agreement describes the released claims with specific descriptions, in necessarily accurate legal terminology, so read it carefully.

HOW TO GET VOUCHERS—SUBMITTING A CLAIM FORM

11. How can I get vouchers?

To qualify for vouchers, you must fill out and submit a claim form on time. If your claim is for five or fewer licenses and up to \$100, you can complete and mail a Standard Claim Form, and you do not need to provide any additional documents or proof about your software. If you do not have a “volume license,” you may also fill out and submit a claim form online for up to five licenses. If your claim is larger and your software was not acquired through a volume license program (e.g., “Open,” “Select,” or “Enterprise” licenses), you may also fill out a Standard Claim Form, but you will need to provide additional information about your software. If you acquired your software through a volume license program (see Question 15), you will need to complete a Volume License Claim Form. The claim forms contain detailed instructions about filling them out.

Claim forms are available at www.microsoftWIsuit.com that can be printed, filled out, and mailed in. You can also get a claim form by calling 1-866-494-8399 or writing to the address below. Read the instructions carefully, fill out the claim form completely, and mail it to the address below postmarked by **June 30, 2007** or 30 days after the Court grants “final approval” to the settlement, whichever comes later:

Microsoft-Wisconsin Settlement
PO Box 1626
Minneapolis, MN 55440-1626

Claims may be audited and persons or companies that file false or fraudulent claims will be prosecuted to the full extent of the law.

12. When will I get the vouchers?

Vouchers will be mailed to Class members shortly after the Court grants “final approval” of the settlement and after any appeals are resolved. Send in your claim form so that it is postmarked by **June 30, 2007** or 30 days after the Court grants “final approval” to the settlement, whichever comes later. Judge Sankovitz is scheduled to consider final approval at a hearing on **March 30, 2007** (see the section “The Court’s Fairness Hearing” below).

13. How and when can I use the vouchers?

You can redeem your vouchers for cash by submitting proof of your purchase of qualifying products (see Question 14 below) either with your claim form or your voucher to the Settlement Administrator. The Settlement Administrator will send you a check for the amount you redeemed. Your voucher will explain the redemption procedure in more detail. Once the vouchers are issued to consumers, they can be used for up to four years after the effective date of the settlement which is 60 days after the Court grants “final approval.”

14. What can I buy with the vouchers?

You can redeem your vouchers for all or part of the price you paid for any purchases you make after **September 20, 2006**, of the following computer products: Any desktop, laptop, or tablet computers made by any manufacturer for any operating system platform, or any of the following devices: printers, scanners, monitors, keyboards, or pointing devices (e.g. mouse, trackball). Qualifying software includes any non-custom software offered by any software vendor for use on a desktop, laptop, or tablet computer. **The qualifying computer hardware or software does not have to be a Microsoft product.**

Personal Digital Assistants (PDAs) or other handheld devices, computer servers, server software and custom software and any peripheral not listed above (cables, speakers, or other external device, etc.) and components (internal or external storage units, internal or external CD-Rom/DVD or other read/write devices, zip drives, tape backup or storage units, memory, video, or audio cards, motherboards, or CPUs, etc.) are excluded from the products to which vouchers may be applied. Class members whose total claim is \$950 or more must purchase a computer in order to be eligible to use vouchers for printers, scanners, monitors, keyboards, and pointing devices. More than one voucher can be used for a single purchase.

15. What if I have a volume license claim for Microsoft software?

A “volume license” is a license issued under Microsoft’s “Open,” “Select,” or “Enterprise” license programs. Included on the Volume License Claim Form are directions that explain the information needed to verify volume license claims. The directions also tell you how to find the necessary license information online using Microsoft’s own volume license records. Microsoft’s records may not be complete so you will also want to verify them with your own records, if possible. If you can’t find your records, you may require Microsoft to search its records for your volume license information by checking a box on your claim form or by calling toll-free 1-866-494-8399 and pressing 9. You can obtain a password and other authorization information needed to access these online volume license records by calling the toll-free number.

16. Can I transfer my vouchers to someone else?

With some limitations, you are free to transfer, i.e., sell your settlement vouchers, or give them away as a personal gift or charitable donation. A Class member may transfer up to \$650 of vouchers to another person, business, or organization as long as the person or organization intends to use the vouchers, or products acquired with the vouchers, for their personal or business use. The vouchers may be transferred only once. A person or business cannot redeem more than \$10,000 in transferred vouchers.

17. How will the settlement help Wisconsin schools?

If the total value of vouchers issued to Class members is less than \$223,896,000, Microsoft will distribute vouchers worth one-half of the remaining amount to public, tribal, and BIA elementary, middle, junior high, and high schools (K-12) in Wisconsin, where at least 50% of the students are eligible to receive free or reduced-price meals through the National School Lunch Program. The schools can use these vouchers up to four years after they are distributed. Also, the total value of vouchers issued but not redeemed will be distributed by Microsoft as vouchers to Wisconsin's public, tribal, and BIA schools where students are eligible to receive free or reduced-price meals through the National School Lunch Program. These vouchers can be used up to two years after they are distributed. Any of these vouchers that remain unused by the schools may be given to these schools or other needy organizations in Wisconsin.

Half of the vouchers distributed could be used for computers and other hardware, software, professional development services, support services, networking and infrastructure equipment, MSNTV units and access for students' homes, training and non-custom hardware designed for use by children with special needs, and evaluation tool(s) to assist schools in monitoring use of vouchers. The other half of the vouchers could be used for certain types of generally available software sold by any software company. More information about the distribution that could be made to the schools is available in the Settlement Agreement at www.microsoftWisuit.com.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want vouchers from this settlement, but you want to keep the right to sue or continue to sue Microsoft, over the legal issues in these cases, you must ask to be excluded from—or “opt out” of—the Class.

18. What happens if I exclude myself from the settlement?

If you ask to be excluded, you will not get any vouchers and you cannot object to the settlement. You will not be legally bound by anything that happens in these lawsuits. Excluding yourself is the only way to keep any right to sue Microsoft, or continue as a Class member in any other class action against Microsoft, for the claims that this settlement resolves.

If you exclude yourself, do not submit a claim form to ask for vouchers. If you submit a claim form, or do nothing, you will agree to “release and discharge” Microsoft as described above in Question 10, and you will be releasing Microsoft of all claims described on page 11 of this notice with respect to Microsoft's conduct, acts or omissions that occurred up to April 30, 2003.

19. If I don't exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Microsoft for the claims that this settlement resolves. You must exclude yourself from *this* Class to start or continue your own lawsuit, or to be part of any different lawsuit relating to these claims.

20. How do I ask to be excluded?

To ask to be excluded from the settlement, you must send a letter by mail saying that you want to be excluded from *Spence v. Microsoft Corp.* (No. 00-CV-003042), *Capp v. Microsoft Corp.* (No. 05-CV-

011127), and *Bettendorf v. Microsoft Corp.* (No. 05-CV-010927). Be sure to include your name, address, telephone number, and signature. You must mail your exclusion request so that it is postmarked no later than **February 13, 2007**, to:

Microsoft-Wisconsin Exclusions
PO Box 1626
Minneapolis, MN 55440-1626

You can't ask to be excluded on the phone or at the Web site.

THE LAWYERS REPRESENTING YOU

21. Do I have a lawyer in these cases?

The Court appointed Ben Barnow of Barnow and Associates, P.C., Richard M. Hagstrom of Zelle, Hofmann, Voelbel, Mason & Gette LLP, and Mark A. Maasch of Turner & Maasch, Inc. as "Co-Lead Settlement Class Counsel." The Court also appointed those lawyers together with John L. Cates of Gingras of Cates & Leubke, S.C., Roxanne B. Conlin of Roxanne Conlin & Associates, John F. Maloney of McNally of Maloney & Peterson, S.C., Andrew T. Phillips of Stadler, Centofani & Phillips, S.C., and James T. Remington of Remington Law Offices as "Settlement Class Counsel" to represent you and other Class members. You do not have to pay Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

22. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees up to \$33 million plus reasonable costs and expenses, plus \$5,000 for each of the Class Representatives. Class Counsel and Microsoft will attempt to negotiate the amount of fees, costs, and expenses to be paid by Microsoft and, if they cannot agree, Microsoft may oppose Plaintiffs' request. The Court will evaluate the fee request submitted by Class Counsel and award those fees, costs, and expenses it concludes are reasonable. Microsoft will pay the fees, costs, and expenses that the Court awards. The amount paid to Class Counsel will not reduce the number or value of the vouchers distributed to Class members. Microsoft will also pay reasonable costs and expenses to administer the settlement.

OBJECTING TO THE SETTLEMENT

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

23. How do I tell the Court that I don't like the settlement?

If you're a Class member and you do not exclude yourself, you can object to the settlement if you don't like any part of it, including the amount of attorneys' fees, costs, and expenses. You should give reasons why you think the Court should not approve it. The Court will consider your views along with any legal support you provide. To object, you must send a letter saying that you object to the settlement in *Spence v. Microsoft Corp.* (No. 00-CV-003042), *Capp v. Microsoft Corp.* (No. 05-CV-011127), and *Bettendorf v. Microsoft Corp.* (No. 05-CV-010927). Be sure to include your name, address, telephone number, your signature, and the reasons why you object to the settlement. The objection must be mailed to Class Counsel and Defense Counsel so that it is received by **February 13, 2007**, and filed by that same date

with the Clerk of the Court. Note: You may mail it to the Court, but it must be received by the Court and filed by that date.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court Milwaukee County Courthouse 901 North 9 th St. Milwaukee, WI 53233	Ben Barnow Barnow and Associates, P.C. One North LaSalle St., Suite 4600 Chicago, IL 60602	David B. Tulchin Sullivan & Cromwell LLP 125 Broad St. New York, NY 10004

24. What's the difference between objecting and excluding?

Objecting is simply telling the Court what you don't like about the settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court that you don't want to be part of the Class (see Question 18). If you ask to be excluded, you have no basis to object because these cases no longer affect you.

THE COURT'S FAIRNESS HEARING

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

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

The Court has scheduled a Fairness Hearing at 11:00 am on Friday, **March 30, 2007**, at the Milwaukee County Courthouse, Room 403, 901 North 9th St., Milwaukee, WI 53233. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Sankovitz will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay the lawyers. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take. The hearing may be moved to a different date without additional notice, so it is a good idea to check www.microsoftWIsuit.com for updated information.

26. May I speak at the hearing?

You are welcome to come to the hearing at your own expense. If you send a written objection, you don't have to come to Court to talk about it. As long as you send in your written objection so that it arrives on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter to the three addresses listed in question 23 saying that it is your "Notice of Intention to Appear in *Spence v. Microsoft Corp.* (No. 00-CV-003042), *Capp v. Microsoft Corp.* (No. 05-CV-011127), and *Bettendorf v. Microsoft Corp.* (No. 05-CV-010927)." Be sure to include your name, address, telephone number, and signature. Your Notice of Intention to Appear must be received no later than **February 13, 2007**. You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

27. What happens if I do nothing at all?

If you do nothing, you will not get any vouchers from this settlement. Also, unless you ask to be excluded, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Microsoft, concerning the claims this settlement resolves, ever again.

GETTING MORE INFORMATION

28. How do I get more information about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement at www.microsoftWisuit.com or by calling the toll free number 1-866-494-8399. You may also write with questions to Microsoft-Wisconsin Settlement, PO Box 1626, Minneapolis, MN 55440-1626. You can get a claim form at the Web site or by calling the toll free number below. Microsoft employees cannot answer questions about this settlement.

RELEASE OF CLAIMS

Unless you ask to be excluded from the settlement (see Question 18 above), when the settlement becomes final—even if you do not claim vouchers—you will be releasing Microsoft from liability for all claims identified in the Settlement Agreement and you will be bound by that release which means you give up the right to sue Microsoft for the claims that this settlement resolves. The release in full states:

“Upon Final Approval, each member of the Wisconsin Class hereby expressly and irrevocably waives and fully, finally and forever settles and releases all claims, demands, actions, suits and causes of action against Microsoft and/or its directors, officers, employees, attorneys, insurers or agents, whether known or unknown, asserted or unasserted, that any member of the Wisconsin Class ever had, could have had, now has or hereafter can, shall or may have, relating in any way to any conduct, act or omission which was or could have been alleged in any of the cases listed on Appendix A and which arise from or relate to the purchase, use and/or acquisition of a license for a Microsoft Operating System and/or Microsoft Application and where the claims, demands, actions, suits or causes of action concern or relate to any of the following: (a) antitrust (including without limitation the Sherman Antitrust Act, 15 U.S.C. §§ 1 et seq., and the Wisconsin Antitrust Act, Wis. Stat. § 133.01 et seq.), (b) unfair competition, (c) unfair practices, (d) price discrimination, (e) trade regulation, (f) trade practices, and/or (b) other federal or state law, regulation or common law similar or analogous to any of the above. This Release does not include (a) claims relating to the acquisition or licensing of Microsoft Operating System or Microsoft Application software for use outside of Wisconsin, (b) claims arising from purchases directly from Microsoft Corporation of licenses for Microsoft Operating System or Microsoft Application software or (c) claims by competitors of Microsoft in their capacity as competitors. This Release does not include claims relating to Microsoft’s conduct, acts or omissions that take place after April 30, 2003. However, class members hereby release any and all claims described above relating to Microsoft’s conduct, acts or omissions that occurred on or prior to April 30, 2003.”