

NOTICE OF CLASS ACTION SETTLEMENT

Coburn v. Stamps.com

Los Angeles Superior Court Case No. BC353721

A proposed settlement (the "Settlement") has been reached in the class action lawsuit entitled Coburn v. Stamps.com, Los Angeles Superior Court, Case No. BC353721.

IF YOU ARE A MEMBER OF THIS CLASS OF PERSONS, YOU SHOULD READ THIS NOTICE CAREFULLY BECAUSE IT WILL AFFECT YOUR RIGHTS

A. PURPOSE OF THIS NOTICE

The purpose of this notice is to advise you that the Los Angeles Superior Court has certified for settlement purposes the following class:

All former customers of Stamps.com from June 9, 2002 through November 19 2008, who cancelled their account and were billed for, and paid, their final months' service fee for the Stamps.com PC Postage monthly service.

According to Stamps.com's records, you are a member of the class. The purpose of this Notice is to inform you about the proposed Settlement and to discuss your rights and options and deadlines with respect to the lawsuit and the Settlement.

B. DESCRIPTION OF THE LAWSUIT.

Plaintiffs contend that Stamps.com subjected the Class Members to unreasonable hold times when they attempted to cancel over the phone and thereby impeded their ability to close their accounts in a timely manner and that Stamps.com should have pro-rated the Class Members' last month bills to the date they closed their accounts. Stamps.com denies these allegations. The complaint alleges cause of action for Unfair Competition, Breach of Contract, Fraud and Violations of the California Consumer Legal Remedies Act.

This Settlement is the result of extensive settlement discussions. Both sides agree that, in light of the risks and expenses associated with further litigation, this Settlement is fair and appropriate under the circumstances. Please be advised that the Los Angeles County Superior Court has not ruled on the merits of Plaintiffs' claims or Stamps.com's defenses.

The attorneys for the class ("Class Counsel") in this lawsuit are:

JEFFREY P. SPENCER, ESQ.,
**LAW OFFICES OF
JEFFREY SPENCER**
1211 Puerta Del Sol, Suite 150
San Clemente, CA 92673
email: jps@spencerlaw.net

SCOTT SCHUTZMAN, ESQ.
LAW OFFICES OF SCOTT SCHUTZMAN
3700 S. Susan Street, Suite 120
Santa Ana, CA 92704
email: schutzy@msn.com

On January 5, 2009, the Court granted preliminary approval to the proposed Settlement. The Court will decide whether to give final approval to the Settlement at a hearing scheduled for **April 7, 2009 at 8:30 a.m.**

C. SUMMARY OF PROPOSED SETTLEMENT:

Subject to Court approval, the terms of the Settlement are as follows:

1. STAMPS.COM will provide all class members with an opportunity to receive two free months of service, a value of approximately \$35.98, with no obligation after the two month period. Stamps.com will revise its policies to pro-rate final bills to the last date of service or permit its customers to continue to use its service until the last day of the month. Stamps.com will revise its procedures so that average hold time for customers attempting to cancel will not exceed 5-7 minutes (excepting the days immediately following the release of a new Stamps.com version upgrade, change in postage rates, or significant policy change or technical difficulty).

2. Class Counsel have not been paid for their time and expenses prosecuting the case and will ask the Court to award attorney's fees and costs equal to \$450,000. In addition, Class Counsel will ask the Court to authorize an enhanced award for class Representative Coburn in the amount of \$5,000 for his time and effort in bringing the case on behalf of the class.

3. Each member of the Class is deemed to release and discharge Stamps.com, and each of its officers, directors, employees, shareholders, agents, representatives, predecessors, successors, assigns, parents, subsidiaries, and attorneys, from each of the claims covered by the settlement.

4. Following final approval of the settlement the lawsuit will be dismissed with prejudice.

D. TO CLAIM THE BENEFITS OF THE SETTLEMENT:

You will be automatically entitled to the benefits of the settlement if the Court approves the settlement. After the Court approves the settlement, you will be sent an email communication containing instructions for how to receive the two months free service. You will have one year from the date the email is sent to you to take advantage of the two months free service. Once you respond to the email, follow the instructions to open your account you can start your 2 months free service. Please note that, other than the free service, you remain responsible for all actual U.S. Postage costs and other charges incurred by you through your account. At the completion of the two month free period, your account will be automatically closed and all unused postage purchased by you will be returned to you pursuant to United States Postal Service regulations. You will not be charged anything more. If you wish to continue with a Stamps.com account, at the conclusion of the two month free period you will be provided an opportunity to continue your account with Stamps.com, although you will be under no obligation to do so.

The Claims Administrator is Desmond, Marcello & Amster.

email: stamps@dmaaction.com

Mail Address: Stamps.com Notice Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045

E. TO REQUEST EXCLUSION FROM THE SETTLEMENT.

If you do not want to participate in the Settlement, you must email or mail a “Request for Exclusion” to the Claims Administrator at the email or postal address listed above. Please indicate in your email or letter that you wish to be excluded from the class, and list your name and address. In order to be valid, your Request for Exclusion must be dated no later than **March 23, 2009**.

If you timely and properly submit a Request for Exclusion, you will not receive any of the settlement proceeds, but you will retain whatever rights you may have against Stamps.com.

F. TO OBJECT TO THE SETTLEMENT.

If you believe the Settlement is unfair or inadequate in any respect, you may object to the Settlement, personally or through an attorney, by filing a written objection with the Court and mailing a copy of your objection to Class Counsel and the Claims Administrator at the above addresses. All objections must be signed and set forth your address, telephone number, social security number and the name of the case, Coburn v. Stamps.com Case No BC353721. All objections must be filed and postmarked no later than **March 23, 2009**. If you submit an objection, you may appear, personally or through an attorney, at your own expense, at the final approval hearing (discussed below). Your objection should clearly explain why you object to the Settlement and must state whether you (or someone on your behalf) intend to appear at the final approval hearing.

Any Class member who does not object in the manner provided above shall be deemed to have waived any objections, and shall be forever foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the payment of attorney’s fees and costs, the claims process, the enhancement awards to the Plaintiffs, and all other aspects of the Settlement. If the Settlement is not approved, the lawsuit will continue to be prepared for trial or other judicial resolution.

G. IF YOU DO NOTHING.

If you do nothing in response to this Notice, you will automatically participate in the settlement, which means you will be entitled to all of the benefits of the settlement and you will be deemed to release all claims against Stamps.com covered by the settlement.

H. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT.

The Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, and Class Counsel’s request for attorney’s fees and costs will be held on **April 7, 2009 at 8:30 a.m.** in Department 49 of the Los Angeles County Superior Court, located at 111 N. Hill Street, Los Angeles, California. The Final Approval Hearing may be continued without further notice.

I. ADDITIONAL INFORMATION.

This Notice summarizes the lawsuit, the Settlement and related matters. For more information, you may inspect the Court files at the records office located at 111 N. Hill Street, Los Angeles, California. If you have any questions regarding this Notice, you may contact Class Counsel at the email address set forth above. If your email address changes, please promptly notify the Claims Administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE
BY ORDER OF THE SUPERIOR COURT