

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF IOWA  
CEDAR RAPIDS DIVISION**

**IN RE McLEODUSA INCORPORATED  
SECURITIES LITIGATION**

**This Document Relates To:  
ALL ACTIONS**

**Civil Action No. C02-0001-MWB**

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR  
ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

**TO:** ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED McLEODUSA INCORPORATED ("McLEODUSA") COMMON STOCK DURING THE PERIOD FROM AND INCLUDING JANUARY 3, 2001 THROUGH AND INCLUDING DECEMBER 3, 2001 (THE "PURCHASER CLASS"), AND ALL PERSONS WHO ACQUIRED McLEODUSA COMMON STOCK PURSUANT TO THE REGISTRATION STATEMENT AND PROSPECTUS ISSUED IN CONNECTION WITH McLEODUSA'S JUNE 1, 2001 STOCK FOR STOCK ACQUISITION OF INTELISPAN, INC., AND WERE DAMAGED THEREBY (THE "MERGER CLASS") (TOGETHER, THE "CLASS").

*A Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

- The Settlement will provide a \$30,000,000 settlement fund for the benefit of the Class.
- This notice explains important rights you may have as a member of the Class. If you are a member of the Class, your legal rights are affected whether you act, or do not act. Please read this notice carefully!
- The Settlement resolves a lawsuit about whether defendants Clark E. McLeod, Stephen C. Gray, J. Lyle Patrick and Chris A. Davis (the "Defendants") misled investors by making material misrepresentations and omissions concerning the financial condition and operations of the now bankrupt entity, McLeodUSA, in violation of the Federal Securities laws.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>SUBMIT A CLAIM FORM BY JANUARY 16, 2007</b>	The only way to receive a payment. <i>See</i> Question 9 below.
<b>EXCLUDE YOURSELF BY NOVEMBER 15, 2006</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or the other Released Parties concerning the legal claims being released in this Settlement. <i>See</i> Question 12 below.
<b>OBJECT BY NOVEMBER 15, 2006</b>	Write to the Court about why you do not like the Settlement. <i>See</i> Question 17 below.
<b>GO TO A HEARING ON NOVEMBER 29, 2006</b>	Ask to speak in Court about the fairness of the Settlement. <i>See</i> Question 21 below.
<b>DO NOTHING</b>	You will receive no payment, and give up your right to file your own lawsuit or participate in any other lawsuit against the Defendants or the Released Parties (as defined in the Stipulation) concerning the legal claims being released in the Settlement. <i>See</i> Question 22 below.

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved. Please be patient.

## SUMMARY NOTICE

### **1. Statement of Plaintiffs' Recovery**

Pursuant to the Settlement described herein, a Settlement Fund consisting of Thirty Million dollars (\$30,000,000) in cash, plus interest, has been established. Plaintiffs estimate that there were approximately 207 million shares of McLeodUSA common stock traded during the Class Period which may have been damaged. Plaintiffs estimate that the average recovery per damaged share of McLeodUSA common stock under the Settlement is \$.14<sup>1</sup> before deduction of Court-awarded attorneys' fees and expenses. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proof of Claim and Release Form ("Proofs of Claim"). An individual Class Member may receive more or less than the average amount depending on the number of claims submitted, when during the Class Period a Class Member purchased and/or acquired shares of McLeodUSA common stock, the purchase price paid, and whether those shares were held at the end of the Class Period or sold during the Class Period, and, if sold, the amount received. See the Plan of Allocation beginning on page 9 for more information on your Recognized Claim.

### **2. Statement of Potential Outcome of Case**

Lead Plaintiffs and Defendants (the "Parties") disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The issues on which the parties disagree include: the appropriate economic model for determining the amount by which McLeodUSA common stock was allegedly artificially inflated (if at all) during the Class Period; the amount by which McLeodUSA common stock was allegedly artificially inflated (if at all) during the Class Period; the effect of various market forces influencing the trading price of McLeodUSA common stock at various times during the Class Period; the extent to which external factors, such as general market and industry conditions, influenced the trading price of McLeodUSA common stock at various times during the Class Period; the extent to which the various matters that Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of McLeodUSA common stock at various times during the Class Period; the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the trading price of McLeodUSA common stock at various times during the Class Period; and whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws. The Defendants deny all allegations of wrongdoing, deny that they are liable to the Plaintiffs or the Class, and deny that the Plaintiffs or the Class have suffered any damages.

### **3. Statement of Attorneys' Fees and Costs and Reimbursement to Lead Plaintiffs Sought**

As compensation for their services in creating the Settlement Fund, Plaintiffs' Counsel are moving the Court to award them attorneys' fees in an amount not to exceed one-third or 33 ⅓% of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$900,000. The requested fees and expenses would amount to an average of \$.05 per damaged share in total for fees and expenses. Application will also be made for reimbursement to the Lead Plaintiffs for an amount not to exceed \$50,000 for reimbursement of their reasonable costs and expenses (including lost wages) directly relating to their representation of the Class.

### **4. Further Information**

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Counsel: Sanford P. Dumain, Esq., Milberg Weiss Bershad & Schulman LLP, One Penn Plaza, New York, NY 10119-0165, Telephone (212) 594-5300; David Kessler, Esq. or Kay E. Sickles, Esq., Schiffrin & Barroway, LLP, 280 King of Prussia Road, Radnor, PA 19087, Telephone (610) 667-7706; and Joseph H. Weiss, Esq., or Joseph D. Cohen, Esq., Weiss & Lurie, 551 Fifth Avenue, Suite 1600, New York, NY 10176, Telephone (212) 682-3025.

### **5. Reasons for the Settlement**

For the Plaintiffs, the principal reason for the Settlement is to provide a benefit to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. While Plaintiffs' Counsel were prepared to go to trial and were confident in their ability to present a case, they recognize that a trial is a risky proposition and that Lead Plaintiffs and the Class might not have prevailed on all their claims. The claims advanced by the Class involve numerous complex legal and financial issues, requiring extensive expert testimony, which would add considerably to the expense and duration of the litigation. Even after the extensive investigation and substantial discovery already conducted, questions remain regarding the extent of Defendants' liability, the extent to which a jury might find them liable and the true measure of the Class' damages. In particular, because the decline in McLeodUSA's stock price might have been subject to industry-wide market factors that were driving down the stock prices of many companies in the telecommunications sector, there existed a substantial risk that Lead Plaintiffs may not have been able to prove at trial that any or all of the Defendants were liable or that Lead Plaintiffs' losses were actually due to Defendants' allegedly false and misleading statements.

For the Defendants, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation. 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 Action. Defendants have also denied and continue to deny the allegations that Lead Plaintiffs or the Class have suffered damages, that the price of McLeodUSA common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that the Lead Plaintiffs or the Class were harmed by the conduct alleged in the Consolidated Amended Class Action Complaint (the "Complaint"). Nonetheless, Defendants have concluded that further conduct of the Action would be protracted, expensive, and disruptive, and that it is desirable that the Action and any Settled Claims, including Unknown Claims (as defined below), be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.

### **[END OF COVER PAGE]**

<sup>1</sup> An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

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## BASIC INFORMATION

### 1. Why did I receive this notice package?

You or someone in your family may have purchased or otherwise acquired McLeodUSA common stock during the period from and including January 3, 2001 through and including December 3, 2001, or you or someone in your family may have acquired McLeodUSA common stock pursuant to the Registration Statement and Prospectus issued in connection with McLeodUSA's June 1, 2001 stock for stock acquisition of Intelispan, Inc. If the description above applies to you or someone in your family, you have a right to know about the proposed Settlement of this Action, and about all of your options.

### 2. What is this lawsuit about?

At the beginning of the Class Period, McLeodUSA was an ambitious competitive local exchange carrier which competed with traditional phone companies by leasing lines, switches and capacity. According to McLeodUSA, it provided "selected telecommunications services to customers nationwide." In addition, McLeodUSA planned to establish a national voice and data network and had begun its national expansion through the acquisition of Splitrock Services, Inc., CapRock Communications Corp., and Intelispan, Inc., when this lawsuit was commenced. The lawsuit asserted that Defendants intentionally or recklessly misled investors regarding McLeodUSA's business, operations and financial condition. Specifically, the lawsuit asserted that the Defendants issued a series of materially false and misleading statements and omissions including, among other things: (i) that McLeodUSA failed to timely and properly recognize hundreds of millions of dollars in impairment losses in connection with certain acquisitions; (ii) that McLeodUSA did not have the funds necessary to complete its national network and would soon have to abandon its plans; (iii) that McLeodUSA was unable to service its substantial debt and lacked the financial flexibility necessary to avoid bankruptcy; and (iv) that McLeodUSA was unable to successfully integrate the Splitrock and CapRock acquisitions. The lawsuit further alleged that Defendants' misrepresentations caused the price of McLeodUSA securities to be artificially inflated, causing damage to the Class Members when McLeodUSA began to disclose its true financial condition. The lawsuit seeks money damages against the Defendants for violations of the federal securities laws. The Defendants deny Lead Plaintiffs' allegations.

On and after January 11, 2002, thirteen class action complaints were filed against McLeodUSA and/or certain of McLeodUSA's present or former officers and directors – Clark E. McLeod, Stephen C. Gray, J. Lyle Patrick and Chris A. Davis, on behalf of a class of public investors who either: (i) purchased or otherwise acquired McLeodUSA common stock (between January 3, 2001 and December 3, 2001 inclusive); or (ii) acquired McLeodUSA common stock pursuant to the Registration and Prospectus issued in connection with McLeodUSA's stock for stock acquisition of Intelispan, Inc. By order dated April 16, 2002, the Court consolidated all thirteen cases, selected Lead Plaintiffs, and approved Lead Plaintiffs' choice of counsel.

Lead Plaintiffs filed a Consolidated Amended Class Action Complaint (the "Complaint") on June 17, 2002. McLeodUSA was not named as a defendant in the Complaint due to its filing for bankruptcy in January 2002. As stated above, the Complaint alleged that the Defendants issued materially false and misleading statements and omissions regarding McLeodUSA's business, operations and financial condition including, among other things, McLeodUSA's plan to build a national network, the purported successful integration of Splitrock Services, Inc. and CapRock Communications Corp., McLeodUSA's financial forecasts and results, whether McLeodUSA's financial statements had been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") and whether or not McLeodUSA expected to file for bankruptcy. The Complaint also alleged that Defendants' misrepresentations artificially inflated the value of McLeodUSA securities, injuring McLeodUSA shareholders who purchased or otherwise acquired the common stock at inflated prices during the Class Period when the true state of affairs became known.

On August 30, 2002, the Defendants moved to dismiss the Complaint. Lead Plaintiffs filed their opposition memorandum on November 4, 2002, and Defendants filed their reply memorandum on November 22, 2002. The Court issued a Report and Recommendation (the "Report") denying Defendants' motion to dismiss on April 30, 2003. Both Parties submitted responses to the Report, and on March 31, 2004 the Court accepted the findings of the Report and denied Defendants' motion in full. On May 3, 2004, Defendants filed their answers to the Complaint.

Thereafter, in the spring of 2004, Lead Plaintiffs initiated merits discovery. This discovery was extremely complicated and contentious, involving many motions to compel and numerous hearings before the Court. The Lead Plaintiffs conducted extensive written discovery, serving multiple sets of formal document requests and interrogatories, and many subpoenas on third-parties. As a result of the wide-ranging discovery efforts, Lead Plaintiffs obtained and analyzed over 2.4 million pages of documents produced by McLeodUSA, the Defendants and third parties. The Parties also deposed ten witnesses in locations throughout the United States.

As discovery was ongoing, Lead Plaintiffs filed a motion for class certification, and the Defendants filed a motion for judgment on the pleadings with respect to loss causation, based on the Supreme Court's decision in *Dura Pharmaceuticals v. Broudo*, 125 S. Ct. 1627 (2005). Each of these motions was fully briefed by the Parties. In the interim, on October 28, 2005, McLeodUSA filed its second voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, and the Action was stayed pursuant to the Bankruptcy Code's automatic stay provision. The Court lifted the stay on March 16, 2006 pursuant to a motion filed with the Court. Lead Plaintiffs filed a new motion for class certification, and Defendants filed a new motion for judgment on the pleadings. These motions were fully briefed and pending at the time the Parties reached the tentative agreement to resolve the Action.

The Parties first discussed the possibility of settling the Action in June 2002. However, it was obvious at that time that they were too far apart to reach agreement, and it was not until November 17, 2003 that the Parties again met to discuss a resolution. Thereafter, the Parties participated in three formal mediation sessions – on July 28, 2004 and September 22, 2005 with the assistance of the Honorable Nicholas H. Politan (Ret.) and on May 3, 2006 with the assistance of the Honorable Herbert Stettin. It was shortly after this third mediation session that the Parties reached the basic terms of the Settlement.

### **3. Why is this Action a class action?**

In a class action, one or more people called lead plaintiffs or class representatives (in this case, Lead Plaintiffs New Millennium Growth Fund LLC, Richard C. Chapman for the Chapman Trust and proposed class representative Jeffrey A. Brandes), sue on behalf of people who have similar claims. All these people and/or entities are referred to collectively as a Class, or individually as 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 Lead Plaintiffs or the Defendants. Instead, Lead Plaintiffs and Defendants agreed to settle the Action before obtaining final rulings from the Court or a jury in this Action. As explained above, the Lead Plaintiffs and their attorneys think the Settlement is best for all Class Members. The Defendants consider it in their best interests that the Action be dismissed against them under the terms of the proposed Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

### **5. How do I know if I am part of the Settlement?**

The Class includes: (a) all persons who purchased or otherwise acquired McLeodUSA common stock during the period from and including January 3, 2001 through and including December 3, 2001, and were damaged thereby; and (b) all persons who acquired McLeodUSA common stock pursuant to the Registration Statement and Prospectus issued in connection with McLeodUSA's June 1, 2001 stock for stock acquisition of Intelispan, Inc., and were damaged thereby.

### **6. Are there exceptions to being included in the Class?**

You are not a Class Member if you are one of the Defendants, Forstmann Little & Co. ("Forstmann"), a partner at Forstmann during the Class Period, a member of one of the Defendants' immediate family, any entity in which any Defendant, McLeodUSA or Forstmann has a controlling interest, or is a parent or subsidiary of or is controlled by McLeodUSA or Forstmann, or an officer, director, affiliate, legal representative, heir, predecessor, successor, or assign of any of the Defendants, McLeodUSA or Forstmann.

Also excluded from the Class are any prospective Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice as described in Question 12 below.

If one of your mutual funds purchased or owns McLeodUSA common stock, that alone does not make you a Class Member. You are a Class Member only if you directly purchased or otherwise acquired shares of McLeodUSA common stock during the Class Period. Contact your broker to see if you purchased McLeodUSA common stock during that period.

### **7. I am still not sure whether I am included?**

If you are still not sure whether you are included, you can ask for free help. You can call 1-888-212-3057 or visit [www.mcleodusasecuritieslitigation.com](http://www.mcleodusasecuritieslitigation.com) for more information. Or you can fill out and return the claim form described on page 5, in Question 9, to see if you qualify (note that if you submit a Proof of Claim form you will be releasing any Settled Claims you have even if you are not eligible for any payment.).

### **8. What does the Settlement provide?**

The Defendants and their insurers have agreed to create a Settlement Fund consisting of \$30,000,000 in cash. The balance of this fund, after deduction of Court-awarded attorneys' fees and expenses, any award to the Lead Plaintiffs for reimbursement of their reasonable time and expenses, and settlement administration costs, will be divided among all Class Members who submit valid claim forms before the deadline for submission.

### **9. How can I receive a payment?**

To qualify for payment, you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice. You also may obtain a Proof of Claim on the Internet at [www.mcleodusasecuritieslitigation.com](http://www.mcleodusasecuritieslitigation.com). Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it and mail it postmarked no later than January 16, 2007.

### **10. When will I receive my payment?**

The Court will hold a hearing on November 29, 2006, to decide whether to approve the Settlement. Even if the Court approves the Settlement, it could take more than a year after the hearing before the Net Settlement Fund is distributed to the Class Members. One reason that it may take more than a year for the Net Settlement Fund to be distributed is that delays could be caused by the

filing of appeals. The other reason that it may take more than a year for the Net Settlement Fund to be distributed is that once the Settlement has been approved, and any appeals are resolved, the Claims Administrator must process all of the Proofs of Claim. The processing is a complicated process and will take many months.

#### **11. What am I giving up to receive a payment?**

Unless you exclude yourself, you are agreeing to remain in the Class and that if the Settlement is approved you will release all “Settled Claims” (as defined below) against the “Released Parties” (as defined below). This means that you no longer have the right to pursue these claims in a court of law against the Defendants or any of the Released Parties.

“Settled Claim(s)” means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, equitable or injunctive relief and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims (as defined below), (i) that have been asserted in this Action by the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and relate in any way to the purchase or acquisition of the common stock of McLeodUSA during the Class Period. Settled Claim(s) shall also include all claims relating to the defense or settlement of the Action (except for claims to enforce the Settlement).

“Unknown Claims” means any and all Settled Claims which any Lead 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 Parties, and any Defendants’ Claims which any Defendant does not know or suspect to exist in his, her or its favor. Each party assumes the risk of any mistake in executing the Stipulation and furnishing the releases set forth in the Stipulation. With respect to any and all Settled Claims and Settled Defendants’ Claims, the parties stipulate and agree that upon the Effective Date, the Lead Plaintiffs and the Defendants shall expressly, and each Class Member shall be deemed to have, and by operation of the Order and Final 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 Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Lead Plaintiffs and Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims and Settled Defendants’ Claims was separately bargained for and was a key element of the Settlement.

“Released Parties” means any and all of McLeodUSA and the respective officers, directors, partners, members, subsidiaries, employees, agents, attorneys and representatives, heirs, successors in interest or assigns of McLeodUSA, and the Defendants and the agents, attorneys and representatives, heirs, successors in interest or assigns of the Defendants, and Defendants’ Insurance Carriers.

If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

#### **12. How do I exclude myself from the Settlement?**

You can exclude yourself from the Settlement. If you do not want a payment from the Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants or any of the other Released Parties about the Settled Claims, then you must take steps to exclude yourself from the Settlement. This is sometimes referred to as “opting out” of the Class.

To exclude yourself from the Settlement, you must send a letter by mail saying that you want to be excluded from the *McLeodUSA Incorporated Securities Litigation*. Be sure to include your name, address, telephone number, information concerning your purchase(s), acquisition(s) and sale(s) of McLeodUSA common stock during the Class Period, including the number of shares, purchased or otherwise acquired and the dates of each purchase, acquisition and sale, and your signature. You cannot exclude yourself on the telephone or by e-mail. You must mail your exclusion request postmarked no later than **November 15, 2006** to:

McLeodUSA Securities Litigation Exclusions  
c/o Analytics Inc.  
Claims Administrator  
P.O. Box 2006  
Chanhausen, MN 55317-2006

If you exclude yourself from the Class, you will not be able to participate in the Settlement, you will not receive a payment from the Net Settlement Fund and you will not be able to object to any aspect of the Settlement. If you exclude yourself, you will not

be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants or the Released Parties in the future.

**13. If I do not exclude myself, can I sue the Defendants or the other Released Parties later for the claims that I am releasing in this Settlement?**

No. Unless you exclude yourself, you give up any right to sue the Defendants and the other Released Parties for the Settled Claims that this Settlement releases. You must exclude yourself from the Class to bring your own lawsuit. Remember, the exclusion deadline is **November 15, 2006**.

**14. If I exclude myself, can I obtain a payment from this Settlement?**

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money. But, you may yourself seek to sue, or be part of a different lawsuit, if any, involving the Settled Claims released by this Settlement against the Released Parties.

**15. Do I have a lawyer in this case?**

Class Members are represented in this action by three Plaintiffs' Counsel: Milberg Weiss Bershad & Schulman, LLP,<sup>2</sup> Schiffrin & Barroway, LLP and Weiss & Lurie. You can contact any of these firms to discuss any aspect of the Settlement. Please address your inquiries to: Sanford P. Dumain, Esq., Milberg Weiss Bershad & Schulman, LLP, One Penn Plaza, New York, NY 10119-0165, Telephone: (212) 594-5300, [www.milbergweiss.com](http://www.milbergweiss.com); David Kessler, Esq., and Kay E. Sickles, Esq., Schiffrin & Barroway, LLP, 280 King of Prussia Road, Radnor, PA 19087, Telephone (610) 667-7706, [info@sbclasslaw.com](mailto:info@sbclasslaw.com); and Joseph H. Weiss, Esq., and Joseph D. Cohen, Esq., Weiss & Lurie 551 Fifth Avenue, Suite 1600, New York, NY 10176, Telephone: (212) 682-3025, [www.infony@weisslurie.com](http://www.infony@weisslurie.com).

If you want to be represented by your own lawyer, you may hire one at your own expense.

**16. How will the lawyers be paid?**

Plaintiffs' Counsel are moving the Court to award attorneys' fees from the Gross Settlement Fund in an amount not greater than one-third of the Gross Settlement Fund and for reimbursement of their expenses up to a maximum amount of \$900,000 plus interest on such amounts at the same rate as earned by the Gross Settlement Fund.

Lead Plaintiffs are also moving the Court to award a payment of up to \$50,000 to Lead Plaintiffs New Millennium Growth Fund LLC, Richard C. Chapman for the Chapman Trust and proposed class representative Jeffrey A. Brandes, for their reasonable costs and expenses (including lost wages) directly relating to their representation of the Class.

Plaintiffs' Counsel, without further notice to the Class, will subsequently apply to the Court for payment of the Claims Administrator's fees and expenses incurred in connection with notice, administering the Settlement and distributing the settlement proceeds to the Class Members.

**17. How do I notify the Court that I do not like the Settlement?**

If you are a Class Member you can object to the Settlement if you do not like any part of it, including the Plan of Allocation, the application for attorneys' fees and reimbursement of expenses or the request for an award to the Lead Plaintiffs.

To object, you must send a letter to the persons listed below saying that you are a Class Member in the *McLeodUSA Incorporated Securities Litigation*, that you object to the Settlement and the reasons why you object. In your objection, you must include your name, address, telephone number, and your signature. You must also include information concerning your purchase(s), acquisition(s) and sale(s) of McLeodUSA common stock during the Class Period, including the number of shares purchased or otherwise acquired and the dates of each purchase, acquisition and sale showing that you are a member of the Class. Mail the objection postmarked no later than **November 15, 2006**, to:

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<sup>2</sup> On May 18, 2006 in the United States District Court for the Central District of California (Los Angeles), Milberg Weiss Bershad & Schulman LLP and two of its partners were named as defendants in an indictment. The indictment alleges that, in certain cases which are identified in the indictment, portions of attorneys' fees awarded to Milberg Weiss Bershad & Schulman LLP were improperly shared with certain plaintiffs. The indictment does not refer to this action, and makes no allegations of any impropriety in the conduct of this action. Milberg Weiss Bershad & Schulman LLP and the two partners have publicly stated that they are innocent and intend to fight the charges.

COURT	PLAINTIFFS' COUNSEL	DEFENDANTS' COUNSEL
Honorable Mark W. Bennett United States District Judge United States District Court for the Northern District of Iowa Cedar Rapids Division 101 First Street SE Cedar Rapids, Iowa 52401	Sanford P. Dumain, Esq. Milberg Weiss Bershad & Schulman LLP One Penn Plaza New York, NY 10119-0165 Telephone: (212) 594-5300 Facsimile: (212) 868-1229	Howard Sidman, Esq. Jones Day 222 East 41 <sup>st</sup> Street New York, NY 10017-6702 Telephone: (212) 326-3939 Facsimile: (212) 755-7306
	David Kessler, Esq. Kay E. Sickles, Esq. Schiffirin & Barroway, LLP 280 King of Prussia Road Radnor, PA 19087 Telephone: (610) 667-7706 Facsimile: (610) 667-7056	Mark J. Stein, Esq. Simpson Thatcher & Bartlett LLP 425 Lexington Avenue New York, NY 10017-3954 Telephone: (212) 455-2000 Facsimile: (212) 455-2502
	Joseph H. Weiss, Esq. Joseph D. Cohen, Esq. Weiss & Lurie 551 Fifth Avenue, Suite 1600 New York, NY 10176 Telephone: (212) 682-3025 Facsimile: (212) 682-3010	

#### 18. What is the difference between objecting and requesting exclusion from the Settlement?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

#### 19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Fairness Hearing at 8:30 a.m. on Wednesday, November 29, 2006, at the United States District Court, Sioux City, Iowa. At this hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable and adequate. If there are written objections, the Court will consider them. The Court will also listen to people who have asked in writing by **November 15, 2006** to speak at the hearing.

The Court may also decide whether and how much to award Plaintiffs' Counsel for attorneys' fees and expenses and whether to make an award to the Lead Plaintiffs.

#### 20. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have.

#### 21. May I speak at the hearing?

You may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection, described in Question 17 above, the statement, "I hereby give notice that I intend to appear at the Settlement Fairness Hearing in *McLeodUSA Incorporated Securities Litigation*." Be sure to include your name, address and telephone number, identify the date(s), price(s) and number(s) of shares of all purchase(s), acquisition(s) and sale(s) of McLeodUSA common stock you made during the Class Period, and sign the letter. If you intend to have any witnesses testify or to introduce any evidence at the Settlement Fairness Hearing, you must list the witnesses and evidence in your objection. Your Notice of Intention to Appear must be postmarked no later than November 15, 2006, and be sent to the Clerk of the Court, Plaintiffs' Counsel and Defendants' Counsel, at the addresses shown in the answer to Question 17. You cannot speak at the hearing if you exclude yourself.

### IF YOU DO NOTHING

#### 22. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Parties about the Settled Claims in this case, ever again. To share in the Net Settlement Fund you must submit a Proof of Claim form (*See* question 9). To start, continue or be a part of any other lawsuit against any of the Defendants and the other Released Parties about the Settled Claims in this case you must exclude yourself from this Class (*See* question 12).

## GETTING MORE INFORMATION

### 23. How can I get more information?

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation and Agreement of Settlement. You can obtain a copy of the Stipulation by visiting [www.mcleodusasecuritieslitigation.com](http://www.mcleodusasecuritieslitigation.com). If you have questions regarding how to obtain copies of documents related to this Settlement, completing your Proof of Claim, correspondence you have received from the Claims Administrator or the calculation of your Recognized Claim, you may contact the claims administrator for the distribution of the Settlement Fund **toll free at 1-888-212-3057** or write *McLeodUSA Incorporated Securities Litigation, c/o Analytics Inc., Claims Administrator, P.O. Box 2006, Chanhassen, MN 55317-2006*.

For further information regarding this Settlement, you may contact Plaintiffs' Counsel:

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### PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$30,000,000 Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects Lead Plaintiffs' proposition that the price of McLeodUSA common stock was inflated artificially, by reason of allegedly false and misleading statements made by the Defendants. The artificial inflation allegedly began on January 3, 2001 when McLeodUSA announced that it would meet or exceed the average current market consensus for the fourth quarter and year end of 2001. McLeodUSA also announced that it would be making a substantial offering of Senior Notes. The price of McLeodUSA common stock allegedly continued to be artificially inflated thereafter through most of the Class Period, but the inflation began to be dissipated at intervals by certain revelations made by McLeodUSA on January 30, 2001, May 2, 2001, and August 1, 2001, and was fully dissipated by an announcement on December 3, 2001.

More specifically, the revelations which Lead Plaintiffs claim dissipated the inflation in the per share price of the common stock are as follows:

1. On January 30, 2001, after the market closed, McLeodUSA revealed in a conference call that its data revenue had declined from 20% to 16% of total revenue, notwithstanding the Splitrock acquisition. Following the January 30, 2001 announcement, McLeodUSA common stock, which had closed at \$20.75 per share on January 30, 2001, fell to a closing price of \$18.69 per share on January 31, 2001, a \$2.06 drop per share. Adjusting for the day's general market decline, \$1.69 of this loss is considered to be attributable to the corrective disclosure for purposes of this Settlement. The common stock continued to fall throughout the next trading day, February 1, 2001, falling an additional \$1.81 per share, to close at \$16.88. The total drop from the January 30, 2001 disclosure that will be recognized for purposes of the Settlement is \$3.50 per share.
2. On May 2, 2001, after the market closed, McLeodUSA announced a significant reduction for its 2001 financial guidance and that it would be reducing capital spending. Following the May 2, 2001 announcement, McLeodUSA common stock, which had closed at \$9.81 per share on May 2, 2001, fell to a closing price of \$6.77 per share on May 3, 2001, a \$3.04 drop per share. Adjusting for the day's general market decline, \$2.71 of this loss is considered to be attributable to the corrective disclosure for purposes of this Settlement. McLeodUSA common stock continued to fall throughout the next trading day, May 4, 2001, falling an additional \$0.74 per share, to close at \$6.03. The total drop from the May 2, 2001 disclosure that will be recognized for purposes of the Settlement is \$3.45 per share.
3. On August 1, 2001, after the market closed, McLeodUSA announced a further reduction to its 2001 financial guidance and preliminary figures for its 2002 financial guidance. Following the August 1, 2001 announcement, the price of McLeodUSA common stock fell from a close of \$2.82 per share on August 1, 2001, to a closing price of \$2.27 per share on August 2, 2001, a \$.55 drop per share.
4. On December 3, 2001, after the market closed, McLeodUSA issued a press release in which it announced that it had reached a recapitalization agreement with the investment firm of Forstmann Little & Company and certain of the Company's secured lenders, reducing the shareholders' equity in the Company by 70%. Following the December 3, 2001 announcement,

McLeodUSA common stock, which had closed at \$0.52 per share on December 3, 2001 fell to a closing price of \$0.41 per share on December 4, 2001, a drop of \$0.11 per share.

The total value of all of the drops in the per share price of McLeodUSA common stock for the purposes of calculating Class Members' Recognized Claims is \$7.61.

In addition, during the Class Period and on or about June 1, 2001, McLeodUSA acquired Intelispan, Inc. through a stock for stock merger, with McLeodUSA issuing, pursuant to a Registration Statement and Prospectus, 3,395,695 shares of McLeodUSA common stock, valued at \$5.22 per McLeodUSA share, in exchange for Intelispan common stock.

"Recognized Claims" will be calculated for purposes of the Settlement as follows:

- A. For shares of McLeodUSA common stock purchased or acquired during the period between January 3, 2001 and January 30, 2001, inclusive, and
  - a. Sold at a loss on or before the close of trading on January 30, 2001, an Authorized Claimant's "Recognized Claim" shall be zero; plus
  - b. Sold at a loss on January 31, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$1.69. per share (the first decrease upon the January 30, 2001 disclosure), **or (b)** the purchase price paid (including commissions, etc.) (the "PPP") less the sales proceeds received (net of commissions, etc.) (the "SPR"); plus
  - c. Sold at a loss during the period between February 1, 2001 and May 2, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$3.50 per share (the two-day decrease resulting from the January 30, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - d. Sold at a loss on May 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$6.21 per share (the decreases upon the January 30, 2001 and May 2, 2001 disclosures), **or (b)** the PPP less the SPR; plus
  - e. Sold at a loss during the period between May 4, 2001 and August 1, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$6.95 per share (the decreases upon the January 30, 2001 and May 2, 2001 disclosures), **or (b)** the PPP less the SPR; plus
  - f. Sold at a loss during the period between August 2, 2001 and December 3, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$7.50 per share (the decreases upon the January 30, 2001, May 2, 2001, and August 1, 2001 disclosures), **or (b)** the PPP less the SPR; plus
  - g. Still held at the close of trading on December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$7.61 per share, **or (b)** the PPP less \$0.32 per share.
- B. For shares of McLeodUSA common stock purchased or acquired on January 31, 2001, and
  - a. Sold at a loss on January 31, 2001, an Authorized Claimant's "Recognized Claim" shall be zero; plus
  - b. Sold at a loss during the period between February 1, 2001 and May 2, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$1.81 per share (the second day's decrease resulting from the January 30, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - c. Sold at a loss on May 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$4.52 per share (the second day's decreases upon the January 30, 2001 disclosure and the first decrease on the May 2, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - d. Sold at a loss during the period between May 4, 2001 and August 1, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$5.26 per share (the second day's decrease upon the January 30, 2001 disclosure and the decreases on the May 2, 2001 disclosures), **or (b)** the PPP less the SPR; plus
  - e. Sold at a loss during the period between August 2, 2001 and December 3, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$5.81 per share (the second day's decrease upon the January 30, 2001 disclosure and the decreases on the May 2, 2001, and August 1, 2001 disclosures), **or (b)** the PPP less the SPR; plus
  - f. Still held at the close of trading on December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$5.92 per share, **or (b)** the PPP less \$0.32 per share.
- C. For shares of McLeodUSA common stock purchased or acquired during the period between February 1, 2001 and May 2, 2001, inclusive, and
  - a. Sold at a loss during the period between February 1, 2001 and May 2, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall be zero; plus
  - b. Sold at a loss on May 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$2.71 per share (the first day decrease upon the May 2, 2001 disclosure), **or (b)** the PPP less the SPR; plus

- c. Sold at a loss during the period between May 4, 2001 and August 1, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$3.45 per share (the decreases upon the May 2, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - d. Sold at a loss during the period between August 2, 2001 and December 3, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$4.00 per share (the decreases upon the May 2, 2001 and August 1, 2001 disclosures), **or (b)** the PPP less the SPR; plus
  - e. Still held at the close of trading on December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$4.11 per share, **or (b)** the PPP less \$0.32 per share.
- D. For shares of McLeodUSA common stock purchased or acquired on May 3, 2001, and
- a. Sold at a loss on May 3, 2001, an Authorized Claimant's "Recognized Claim" shall be zero; plus
  - b. Sold at a loss between May 4, 2001 and August 1, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$0.74 per share (the second day decrease upon the May 2, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - c. Sold at a loss during the period between August 2, 2001 and December 3, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$1.29 per share (the second day decrease upon the May 2, 2001 disclosure and the decrease upon the August 1, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - d. Still held at the close of trading on December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$1.40 per share, **or (b)** the PPP less \$0.32 per share.
- E. For shares of McLeodUSA common stock purchased or acquired during the period between May 4, 2001 and August 1, 2001 (Note: see (G) below for an alternative measure of Recognized Claim for shares acquired from the merger with Intelispan, Inc., on or about June 1, 2001), inclusive, and
- a. Sold at a loss between May 4, 2001 and August 1, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall be zero; plus
  - b. Sold at a loss during the period between August 2, 2001 and December 3, 2001, inclusive, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$0.55 per share (the decrease upon the August 1, 2001 disclosure), **or (b)** the PPP less the SPR; plus
  - c. Still held at the close of trading on December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$0.66 per share, **or (b)** the PPP less \$0.32 per share.
- F. For shares of McLeodUSA common stock purchased or acquired during the period between August 2, 2001 and December 3, 2001, inclusive, and
- a. Sold at a loss on or before December 3, 2001, an Authorized Claimant's "Recognized Claim" shall be zero; plus
  - b. Still held at the close of trading on December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$0.11 per share, **or (b)** the PPP less \$0.32 per share.
- G. Alternatively, for shares of McLeodUSA common stock acquired from the merger with Intelispan, Inc., on or about June 1, 2001, the "Recognized Claim" amount shall be the amount calculated below *if it is greater than the amount calculated under (E) above*:
- a. For such shares sold at a loss on or before December 3, 2001, an Authorized Claimant's "Recognized Claim" shall mean the difference, if a loss, between the \$5.22 per share June 1, 2001 Secondary Offering price and the price for which such shares were sold.
  - b. For shares sold anytime after December 3, 2001 for more than \$0.32 per share, an Authorized Claimant's "Recognized Claim" shall mean the difference, if a loss, between the \$5.22 per share June 1, 2001 Secondary Offering price and the price for which such shares were sold.
  - c. For shares (i) sold anytime after December 3, 2001 for less than \$0.32 per share, or (ii) still owned at the time of submission of the Proof of Claim, an Authorized Claimant's "Recognized Claim" shall mean \$4.90 per share (the difference between the \$5.22 per share June 1, 2001 price and \$0.32 per share).

In the event a Class Member has more than one purchase, acquisition or sale of McLeodUSA common stock, all purchases, acquisitions and sales shall be matched on a First In First Out ("FIFO") basis. Class Period sales will be matched first against any McLeodUSA shares held at the beginning of the Class Period and then against purchases and/or acquisitions in chronological order. A purchase, acquisition or sale of McLeodUSA common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of McLeodUSA common stock during the Class Period shall not be deemed a purchase, acquisition or sale of McLeodUSA common stock for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the

purchase and/or acquisition of such shares unless specifically provided in the instrument of gift or assignment. The receipt of McLeodUSA common stock in exchange for Intelispan, Inc., shall be deemed an acquisition of McLeodUSA common stock on June 1, 2001.

To the extent a Claimant had a gain from his, her or its overall transactions in McLeodUSA common stock during the Class Period, the value of the Recognized Claim will be zero. To the extent that a Claimant suffered an overall loss on his, her or its overall transactions in McLeodUSA common stock during the Class Period, but that loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the actual loss.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in McLeodUSA common stock during the Class Period or suffered a loss, the Claims Administrator shall: total the amount paid for all McLeodUSA common stock purchased and/or acquired during the Class Period by the claimant (the "Total Purchase Amount"); match any sales of McLeodUSA common stock during the Class Period first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); total the amount received for sales of the remaining shares of McLeodUSA common stock sold during the Class Period (the "Sales Proceeds"); and ascribe a \$0.32 per share holding value for the number of shares of McLeodUSA common stock purchased and/or acquired during the Class Period and still held at the close of trading on December 3, 2001 ("Holding Value"). The difference between (x) the Total Purchase Amount ((i) above) and (y) the sum of the Sales Proceeds ((iii) above) and the Holding Value ((iv) above) will be deemed a Claimant's gain or loss on his, her or its overall transactions in McLeodUSA common stock during the Class Period.

Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.

Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Counsel.

Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.

### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased shares of McLeodUSA common stock during the period from and including January 3, 2001 through and including December 3, 2001 for the beneficial interest of a person or organization other than yourself, or if you held Intelispan common stock which was converted to McLeodUSA common stock for the beneficial interest of any person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased McLeodUSA common stock during such time period or request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of that McLeodUSA common stock. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation.

All communications concerning the foregoing should be addressed to the Claims Administrator:

McLeodUSA Securities Litigation  
c/o Analytics Inc.  
Claims Administrator  
P.O. Box 2006  
Chanhassen, MN 55317-2006  
Telephone: 888-212-3057  
Website: [www.mcleodusasecuritieslitigation.com](http://www.mcleodusasecuritieslitigation.com)