

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: OPENWAVE SYSTEMS
SECURITIES LITIGATION

Master File
07 Civ. 1309 (DLC)

This Document Relates to: All Cases

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

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by a class action lawsuit pending in this Court (the "Consolidated Action") if, during the period from September 30, 2002 through and including October 26, 2006, you purchased or otherwise acquired common stock of Openwave Systems Inc. ("Openwave" or the "Company").

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Arkansas Teacher Retirement System ("Lead Plaintiff"), on behalf of the Class (as defined in ¶25 below), has reached a proposed settlement of the Consolidated Action for a total of \$20 million in cash that will resolve all claims in the Consolidated Action.

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully!

1. Description of the Consolidated Action and Class: This Notice relates to a proposed settlement of a class action lawsuit pending against Defendant Openwave and Individual Defendants David C. Peterschmidt, Harold L. Covert, Jr., M. Bernard Puckett, Kenneth D. Denman, Bo C. Hedfors, Donald J. Listwin, Alan J. Black, Joshua A. Pace and Kevin J. Kennedy (the "Defendants"). The proposed settlement, if approved by the Court, will provide relief to all persons and entities who purchased or otherwise acquired common stock of Openwave between September 30, 2002 and October 26, 2006, inclusive (the "Class Period"), and who were injured thereby (the "Class").

2. Statement of Class's Recovery: Subject to Court approval, and as described more fully in ¶¶ 26-28 below, Lead Plaintiff, on behalf of the Class, has agreed to settle all claims based on the purchase or acquisition of common stock of Openwave that were or could have been asserted against Defendants in the Consolidated Action in exchange for a settlement payment of \$20,000,000 in cash to be deposited into an interest-bearing escrow account (the "Settlement Fund"). The Net Settlement Fund (the Settlement Fund less taxes, notice and administration costs, and attorneys' fees and litigation expenses awarded to counsel representing Lead Plaintiff and the Class) will be distributed in accordance with a plan of allocation (the "Plan of Allocation") that will be approved by the Court and will determine how the Net Settlement Fund shall be allocated to the members of the Class. The proposed Plan of Allocation is included in this Notice.

3. Statement of Average Amount of Damages Per Share: The parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail. Lead Plaintiff's damages expert's theory, if accepted by a jury, would permit the jury to award damages of approximately \$160 million. Lead Plaintiff's damages expert estimates that approximately 162.3 million shares of Openwave common stock purchased by Class Members may have been affected by the conduct at issue in the Consolidated Action. If all Class Members elect to participate in the Settlement, the average per-share recovery from the Settlement Fund would be approximately \$0.12 per affected share before the deduction of attorneys' fees, costs and expenses, as approved by the Court. Defendants deny that any shares of Openwave common stock were damaged as Lead Plaintiff has alleged. Defendants assert that they were prepared to establish that the price of Openwave's common stock was not inflated as the result of any allegedly false or misleading public statements by Defendants, and that the decline in the price of Openwave common stock alleged in the Consolidated Action did not result from the disclosure of any information that Lead Plaintiff alleges was wrongfully withheld.

4. Statement of Attorneys' Fees and Expenses Sought: Lead Counsel (as defined in ¶7 below) will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 23% of the Settlement Fund net of Court-approved litigation expenses. In addition, Lead Counsel also will apply for the reimbursement of litigation

expenses paid or incurred in connection with the prosecution and resolution of the Consolidated Action, in an amount not to exceed \$400,000, which may include the reasonable costs and expenses (including lost wages) of Lead Plaintiff directly related to the representation of the Class. If the Court approves Lead Counsel's fee and expense application, the average cost per affected share will be approximately \$0.03.

5. Identification of Attorneys' Representatives: Lead Plaintiff and the Class are being represented by Chad Johnson, Esq., of Bernstein Litowitz Berger & Grossmann LLP, the Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to Mr. Johnson at Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, blbg@blbglaw.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
REMAIN A MEMBER OF THE CLASS	This is the only way to get a payment. If you wish to obtain a payment as a Class Member, you will need to file a Proof of Claim form (which is included with this Notice) postmarked no later than March 25, 2009.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN FEBRUARY 6, 2009.	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against any of the Defendants or other Released Parties concerning the claims that were, or could have been, asserted in this case.
OBJECT TO THE SETTLEMENT BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN FEBRUARY 6, 2009.	Write to the Court and explain why you do not like the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses. You cannot object to the Settlement unless you are a Class Member and do not exclude yourself.
GO TO THE HEARING ON FEBRUARY 27, 2009 AT 2:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN FEBRUARY 6, 2009.	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses.
DO NOTHING	Get no payment. Remain a Class Member. Give up your rights.

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WHY DID I GET THIS NOTICE?

6. This Notice is being sent to you pursuant to an Order of the United States District Court for the Southern District of New York (the "Court") because you or someone in your family may have purchased or otherwise acquired Openwave common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Class

Member, you have a right to know about your options before the Court rules on the proposed settlement of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement a claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

7. In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. In this Consolidated Action, the Court has appointed Arkansas Teacher Retirement System to serve as "Lead Plaintiff" under a federal law governing lawsuits such as this one, and approved Lead Plaintiff's selection of the law firm of Bernstein Litowitz Berger & Grossmann LLP ("Lead Counsel") to serve as Lead Counsel in the Consolidated Action. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the Court must resolve all issues on behalf of the class members, except for any persons who choose to exclude themselves from the class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?," located below.)

8. The Court in charge of this case is the United States District Court for the Southern District of New York, and the case is known as *In re Openwave Systems Inc. Securities Litigation*. The Judge presiding over this case is the Honorable Denise Cote, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiff is referred to as the Lead Plaintiff, on behalf of itself and the Class, and Defendants are Openwave and the Individual Defendants.

9. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement if you wish to do so. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the fairness and reasonableness of the proposed Plan of Allocation, and the application by Lead Counsel for attorneys' fees and reimbursement of expenses (the "Settlement Hearing").

10. The Settlement Hearing will be held on February 27, 2009 at 2:30 p.m., before the Honorable Denise Cote, at the United States District Court for the Southern District of New York, 500 Pearl Street, Courtroom 11B, New York, New York 10007 to determine:

- (i) whether this Consolidated Action should be finally certified, for settlement purposes only, as a class action under Rules 23(a) and (b) of the Federal Rules of Civil Procedure;
- (ii) whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court;
- (iii) whether the Settled Claims against Defendants and the other Released Parties should be dismissed with prejudice as set forth in the Stipulation and Settlement Agreement (the "Stipulation");
- (iv) whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court; and
- (v) whether Lead Counsel's request for an award of attorneys' fees and reimbursement of litigation expenses should be approved by the Court.

11. This Notice does not express any opinion by the Court concerning the merits of any claim in the Consolidated Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

12. During the Class Period, Openwave was a developer of software products and services headquartered in Redwood City, California.

13. In May 2006, Openwave announced that the United States Securities and Exchange Commission ("SEC") had initiated an informal inquiry relating to the Company's historical stock option granting procedures and, further, that the Company's Board of Directors had appointed a Special Committee consisting of outside directors to conduct an internal investigation into such historical procedures.

14. On October 4, 2006, Openwave announced that an internal investigation by the Special Committee had concluded that “the measurement dates for financial accounting purposes for certain stock option grants differ from recorded grant dates for certain awards” made between fiscal years 2000 through 2005 and, as a result, the Company would restate non-cash compensation expense reported in certain of its historical financial statements. The Special Committee further announced that it had not concluded that any errors resulting in the restatement were the result of fraud.

15. On December 1, 2006, Openwave filed a report on Form 10-K with the SEC which restated its historical non-cash compensation expense for fiscal years 2000 through the third quarter of 2006 by approximately \$181.7 million.

16. Beginning on February 21, 2007, various actions were commenced in the United States District Court for the Southern District of New York (the “Securities Class Actions”). The complaints in those actions alleged, *inter alia*, that certain of the Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 promulgated thereunder, and alleged that Openwave had fraudulently misstated its financial statements by improperly accounting for backdated stock option grants.

17. On May 29, 2007, the Court entered an Order consolidating the Securities Class Actions into the Consolidated Action, appointing Arkansas Teacher Retirement System as Lead Plaintiff in the Consolidated Action, and ordering Lead Plaintiff to file an amended complaint.

18. On August 3, 2007, Lead Plaintiff filed a First Corrected Consolidated Amended Class Action Complaint (the “Amended Complaint”) which asserted claims against Openwave, David C. Peterschmidt (“Peterschmidt”), Harold L. Covert, Jr. (“Covert”), Donald J. Listwin (“Listwin”), Alan J. Black (“Black”), Joshua A. Pace (“Pace”), Kevin J. Kennedy (“Kennedy”), M. Bernard Puckett (“Puckett”), Kenneth D. Denman (“Denman”), Bo C. Hedfors (“Hedfors”), Gerald Held (“Held”), Masood Jabbar (“Jabbar”), Roger L. Evans (“Evans”), Andrew W. Verhalen (“Verhalen”), and Alain Rossmann (“Rossmann”) under Section 10(b) and Rule 10b-5 of the Exchange Act; against Peterschmidt, Covert, Listwin, Black and Pace under Section 20(a) of the Exchange Act; against Peterschmidt, Pace, Rossmann, Kennedy, Puckett, Simon Wilkinson, Steve Peters and Allen E. Snyder under Section 20A of the Exchange Act; against Peterschmidt, Covert, Puckett, Denman, Hedfors, Held, Jabbar, Merrill Lynch, Pierce, Fenner & Smith Inc. (“Merrill Lynch”), Lehman Brothers Inc. (“Lehman Brothers”), J.P. Morgan Securities Inc. (“J.P. Morgan”), Thomas Weisel Partners LLC (“Thomas Weisel Partners”), and KPMG LLP (“KPMG”) under Section 11 of the Securities Act of 1933 (the “Securities Act”), against Peterschmidt and Covert under Section 15 of the Securities Act, and against Openwave, Merrill Lynch, Lehman Brothers, J.P. Morgan, and Thomas Weisel Partners under Section 12(a)(2) of the Securities Act. The Amended Complaint alleged, among other things, that the named defendants manipulated stock option grants to certain of the Company’s officers and employees to provide the recipients with “in the money” stock options and to underreport Company expenses.

19. On August 10, 2007, all of the defendants filed motions to dismiss the Amended Complaint, which were fully briefed by September 19, 2007. On October 31, 2007, the Court entered an order granting in part and denying in part the motions to dismiss. Although Lead Plaintiff was permitted to proceed on certain claims under the Exchange Act against some defendants, the claims against all defendants under the Securities Act, against defendants Peterschmidt, Covert, Held, Jabbar, Rossmann, Evans and Verhalen under Section 10(b) of the Exchange Act and against defendants Peterschmidt, Rossmann, Snyder, Peters and Wilkinson under Section 20A of the Exchange Act were dismissed by the Court.

20. Fact discovery commenced on December 13, 2007. Lead Counsel, on behalf of Lead Plaintiff and the proposed Class, obtained from Defendants and third parties over 1.5 million pages of documents relevant to the claims asserted.

21. On May 14, 2008, the Court ordered the parties to “promptly contact Magistrate Judge Pitman to schedule settlement discussions under his supervision.” On June 18, 2008, Lead Plaintiff, Openwave and the Individual Defendants, through counsel, participated in a mediation session with United States District Court Magistrate Judge Pitman in an effort to settle this Consolidated Action as to all remaining Defendants. No settlement was reached during that mediation.

22. On June 23, 2008, Lead Plaintiff filed a motion to certify a class of all persons or entities that purchased or acquired Openwave common stock during the period September 30, 2002 through and including October 26, 2006 and who were damaged thereby, which was fully briefed by August 8, 2008. The motion was pending before the Court at the time the agreement to settle the Consolidated Action was reached.

23. On August 21, 2008, Lead Plaintiff, Openwave, the Individual Defendants, and the Defendants’ directors’ and officers’ liability insurance carriers, through counsel, participated in a second mediation presided over by retired United

States District Court Judge Nicholas H. Politan in an effort to settle the Consolidated Action. Although a settlement was not reached on August 21, 2008, the parties continued to negotiate a possible settlement with the assistance of Judge Politan between August 22, 2008 and August 26, 2008. On August 26, 2008, Lead Plaintiff, Openwave and the Individual Defendants reached an agreement in principle to settle the Consolidated Action on the terms set forth herein.

24. On November 5, 2008, the Court preliminarily approved the Settlement, authorized this Notice to be sent to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

25. If you are a member of the Class, you are subject to the Settlement unless you timely request to be excluded. The Class consists of all persons or entities who, during the period from September 30, 2002 through October 26, 2006, inclusive, purchased or otherwise acquired common stock of Openwave and were injured thereby. Excluded from the Class are (a) the Defendants; (b) members of the immediate families of the Individual Defendants; (c) the subsidiaries and affiliates of Openwave; (d) any person or entity who is or, during the Class Period, was an officer, director, or controlling person of Openwave (including any of its subsidiaries or affiliates); (e) any entity in which any Defendant has or had a controlling interest; (f) the Defendants' directors' and officers' liability insurance carriers; (g) Merrill Lynch, Lehman Brothers, J.P. Morgan, and Thomas Weisel Partners (collectively the "Underwriters") and KPMG; (h) the respective subsidiaries and affiliates of the Underwriters or KPMG; (i) any person or entity who is or, during the Class Period, was a partner, officer, director, or controlling person of any of the Underwriters or KPMG (including any of their subsidiaries or affiliates), (j) any entity in which any of the Underwriters or KPMG has or had a controlling interest, provided that any Investment Vehicle (as defined in the Stipulation) shall not be deemed an excluded person or entity by definition; and (j) the legal representatives, agents, affiliates, heirs, successors-in-interest, and assigns of any such excluded person or entity. The Class also does not include those persons and entities who timely request exclusion from the Class pursuant to this Notice (see "What If I Do Not Want To Participate In The Class And The Settlement? How Do I Exclude Myself?," below).

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MUST SUBMIT THE ENCLOSED CLAIM FORM POSTMARKED NO LATER THAN MARCH 25, 2009.

WHAT ARE THE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?

26. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the difficulties in establishing liability for allegations of fraud. Lead Plaintiff and Lead Counsel have taken into account the possibility that the claims asserted in the Amended Complaint might have been dismissed in response to Defendants' anticipated motions for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Consolidated Action, including whether Defendants acted with an intent to mislead investors, whether the alleged misrepresentations or omissions were material to investors, whether all of Class Members' losses were caused by the alleged misrepresentations or omissions, and the amount of damages. Lead Plaintiff and Lead Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of appeals that were certain to be taken (which could take years to resolve), Defendants may not have been able to pay an amount significantly larger than the Settlement Amount or even as much as the Settlement Amount. Defendants' ability to pay an amount significantly larger than the Settlement Amount, or even as much as the Settlement Amount, years into the future when all appeals were resolved was a particularly significant risk in that insurance coverage provided by the directors' and officers' policies would be seriously depleted, if not exhausted, by the continuing costs of litigation and Openwave's ability to satisfy a judgment was in serious question given that, among other things, its stock has been trading at below \$3 per share this entire calendar year (2008) and at approximately \$1.50 per share since July of this year.

27. In light of the amount of the Settlement and the immediacy of recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit now, namely \$20,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Consolidated Action – some of which have been dismissed against certain Defendants – would produce a similar, smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

28. Defendants have denied the claims asserted against them in the Consolidated Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of Defendants' wrongdoing.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

29. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of its claims, neither Lead Plaintiff nor the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW MUCH WILL MY PAYMENT BE?

THE PROPOSED PLAN OF ALLOCATION: GENERAL PROVISIONS

30. Openwave has agreed to pay or cause to be paid Twenty Million Dollars (\$20,000,000) in cash.

31. After approval of the Settlement by the Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation. If any funds remain in the Net Settlement Fund because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distribution and who would receive at least \$20.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. If any funds shall remain in the Net Settlement Fund six (6) months after such redistribution, then such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organizations designated by Lead Counsel after notice to the Court and subject to direction, if any, by the Court.

32. The Settlement Fund will be distributed as follows:

- (i) to pay all federal, state and local taxes on any income earned by the Settlement Fund and to pay the reasonable costs incurred in connection with determining the amount of, and paying, taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants);
- (ii) to pay costs and expenses in connection with providing Notice to Class Members and administering the Settlement on behalf of Class Members;
- (iii) to reimburse Lead Counsel for the costs and expenses that Lead Counsel incurred in commencing and prosecuting the Consolidated Action, with interest thereon, if and to the extent allowed by the Court;
- (iv) to pay Lead Counsel's attorneys' fees, to the extent allowed by the Court; and
- (v) to compensate Authorized Claimants with the balance of the Net Settlement Fund in accordance with the Plan of Allocation, subject to an Order of the Court approving the Settlement and the Plan of Allocation (or such other allocation plan as the Court may approve), and subject to such Order's becoming final (meaning that the time for appeal or appellate review of the Order granting final approval has expired, or, if the Order is appealed, that the appeal is either decided without causing a material change in the Order or is upheld on appeal and no longer subject to appellate review by further appeal or writ of certiorari).

33. The Net Settlement Fund will not be distributed until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

34. Openwave is not entitled to get back any portion of the Settlement Fund once the Court's Order approving the Settlement becomes final. Neither Openwave nor the Individual Defendants have any liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

35. Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

36. Only those Class Members who purchased or otherwise acquired Openwave common stock during the Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Fund. Each person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Class, and including all required documentation, postmarked no later than March 25, 2009 to the address set forth in the Claim Form that accompanies this Notice. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked no later than March 25, 2009 shall be forever barred from receiving payments pursuant to the Settlement set forth in the Stipulation but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and releases given. This means that each Class Member releases the Settled Claims (as defined in paragraph 54 below) against the Released Parties (as defined in paragraph 55 below) and is enjoined and prohibited from filing, prosecuting, or pursuing any of the Settled Claims against any of the Released Parties regardless of whether or not such Class Member submits a Claim Form.

37. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

38. The Court has also reserved the right to modify the Plan of Allocation without further notice to Class Members. All Orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.OpenwaveSystemsSecuritiesLitigationSettlement.com.

39. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. Lead Plaintiff, Defendants, their respective counsel, and all other Released Parties shall have no responsibility 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 Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

40. A "Recognized Loss Amount" will be calculated for each purchase or acquisition of Openwave common stock that is listed in the Claim Form, and for which adequate documentation is provided. The calculation of the Recognized Loss Amount will depend upon several factors, including (i) when the shares of Openwave common stock were purchased or acquired and (ii) whether they were held until the conclusion of the Class Period or sold during the Class Period, and if so, when they were sold.

41. **Information Required on the Claim Form:** Each Claim Form must state and provide sufficient documentation for each Authorized Claimant's position in Openwave common stock as of the close of trading on September 29, 2002, the day before the first day of the Class Period, and the closing position in Openwave common stock as of the close of trading on October 26, 2006, the last day of the Class Period. Each Claim Form also must list and provide sufficient documentation for all transactions in Openwave common stock, including all purchases or acquisitions and sales, made during the Class Period.

42. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members who suffered economic losses as a result of the alleged fraud, as opposed to losses caused by market or industry factors or other non-fraud-related, Company-specific factors. The Plan of Allocation reflects Lead Plaintiff's damages expert's analysis undertaken to that end, including a review of publicly available information regarding Openwave and statistical analyses of the price movements of Openwave's common stock and the price performance of relevant market and industry indices during the Class Period.

43. Recognized Loss Amounts are based on the level of alleged artificial inflation in the price of Openwave's common stock at the time of purchase or acquisition. For market losses to be compensable damages under the federal securities laws, however, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts from September 30, 2002 through and including October 26, 2006, which were corrected by disclosures on May 22, 2006 before the start of trading, July 5, 2006 after the close of trading, and October 26, 2006 after the close of trading. The various Recognized Loss Amounts described below are based on the timing of trades in Openwave common stock relative to these alleged corrective disclosure dates.

SPECIFIC LOSS AMOUNTS

44. The Recognized Loss Amount is based on the daily per share amount of alleged artificial inflation present in the price of Openwave stock set forth below, shall be calculated as follows, and cannot be less than zero:

- (i) For shares of Openwave common stock purchased or otherwise acquired on or after September 30, 2002 through and including May 19, 2006, and:
 - (a) Sold on or before May 19, 2006, the Recognized Loss Amount per share is \$0;
 - (b) Sold on or after May 22, 2006 but before the close of business on July 5, 2006, the Recognized Loss Amount per share is the lesser of the purchase price minus the sale price, and \$0.67;
 - (c) Sold on or after July 6, 2006 but before the close of business on October 26, 2006, the Recognized Loss Amount per share is the lesser of the purchase price minus the sale price, and \$1.73;
 - (d) Still held as of the close of business on October 26, 2006, the Recognized Loss Amount per share is the lesser of the purchase price minus \$8.51, and \$1.94.
- (ii) For shares of Openwave common stock purchased or otherwise acquired on or after May 22, 2006 through and including July 5, 2006, and:
 - (a) Sold on or before July 5, 2006, the Recognized Loss Amount per share is \$0;
 - (b) Sold on or after July 6, 2006 but before the close of business on October 26, 2006, the Recognized Loss Amount per share is the lesser of the purchase price minus the sale price, and \$1.06;
 - (c) Still held as of the close of business on October 26, 2006, the Recognized Loss Amount per share is the lesser of the purchase price minus \$8.51, and \$1.27.
- (iii) For shares of Openwave common stock purchased or otherwise acquired on or after July 6, 2006 through and including October 26, 2006, and:
 - (a) Sold on or before October 26, 2006, the Recognized Loss Amount per share is \$0;
 - (b) Still held as of the close of business on October 26, 2006, the Recognized Loss Amount per share is the lesser of the purchase price minus \$8.51, and \$0.21.

ADDITIONAL PROVISIONS

45. The Net Settlement Fund will be allocated among all eligible Class Members.

46. Each Authorized Claimant shall recover his, her, or its Recognized Loss Amount. If the sum total of Recognized Loss Amounts of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, however, each such Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Loss Amount divided by the total of all Recognized Loss Amounts to be paid from the Net Settlement Fund, multiplied by the total amount in the Net Settlement Fund. If the prorated payment calculates to less than \$20.00, it will not be included in the calculation and it will not be distributed.

47. If the Net Settlement Fund exceeds the sum total amount of the Recognized Loss Amounts of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

48. If a Class Member has more than one purchase/acquisition or sale of Openwave common stock during the Class Period, 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 Openwave shares held at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. Purchases or acquisitions and sales of Openwave 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, inheritance or operation of law of Openwave common stock during the Class Period shall not be deemed a purchase, acquisition or sale of these shares of Openwave common stock for the calculation of an Authorized Claimant’s Recognized Claim nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of Openwave common stock unless (i) the donor or decedent purchased or otherwise acquired such shares of Openwave common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Openwave common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

49. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of Openwave common stock. The date of a “short sale” is deemed to be the date of sale of Openwave common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero.

50. To the extent a Claimant had a market gain from his, her, or its overall transactions in Openwave common stock during the Class Period, the value of the Recognized Loss Amount will be zero. Such Claimants will in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss on his, her, or its overall transactions in Openwave common stock during the Class Period, but that market loss was less than the total Recognized Loss Amount calculated above, then the Claimant’s Recognized Loss Amount shall be limited to the amount of the actual market loss.

51. For purposes of determining whether a Claimant had a market gain from his, her, or its overall transactions in Openwave common stock during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount¹ and (ii) the sum of the Sales Proceeds² and the Holding Value.³ This difference will be deemed a Claimant’s market gain or loss on his, her, or its overall transactions in Openwave common stock during the Class Period.

52. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class.

WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?
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53. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against the Defendants and will provide that Lead Plaintiff and all other Class Members shall be deemed to have – and by operation of the Judgment shall have – fully, finally, and forever released, waived, discharged, and dismissed any and all Settled Claims (as defined in paragraph 54 below), including Unknown Claims (as defined in the Stipulation) against the Released Parties (as defined in paragraph 55 below) and any claims or potential claims that were or could be asserted in connection with the Consolidated Action or the Settled Claims.

54. “Settled Claims” means any and all claims, causes of action, demands, rights, or liabilities (including but not limited to claims for violation of the federal securities laws, negligence, gross negligence, professional negligence, breach of duty of care and/or breach of duty of loyalty and/or breach of the duty of candor, fraud, breach of fiduciary duty, mismanagement, corporate waste, malpractice, breach of contract, negligent misrepresentation, unjust enrichment, self-dealing, violations of any state statutes or federal statutes, rules or regulations, including both known and Unknown Claims (as defined in the Stipulation)), that (1) have been asserted in the Consolidated Action; or (2) that could be or could have been asserted in this or any other forum by or on behalf of Lead Plaintiff or any Class Member based on, arising out of or in any way relating to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Consolidated Action, and which relate to Lead Plaintiff’s or any Class Member’s purchase, other acquisition, holding, sale or other disposition of Openwave’s common stock during the Class Period. “Settled Claims” do not include, or in any way impair or affect, any claims that have been or may be asserted in the Consolidated Derivative Action or any other claim or cause of action belonging to Openwave (including, but not limited to, claims for breach of fiduciary duty, contribution, and violations of any state statutes or federal statutes, rules or regulations) that may be asserted against any of its current or former directors, officers or employees, including, but not limited to, the Individual Defendants. “Settled Claims” also do not include, or in any way impair or affect, any claims or

¹ The “Total Purchase Amount” is the total the amount the Claimant paid for all of the Openwave common stock purchased or acquired during the Class Period.

² The Claims Administrator shall match any sales of Openwave 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 market gains or losses). The total amount received for sales of the remaining Openwave common stock sold during the Class Period is the “Sales Proceeds.”

³ The Claims Administrator shall ascribe a value of \$8.51 per share holding value for the number of shares of Openwave common stock purchased or acquired during the Class Period and still held as of the close of business on October 26, 2006 (“Holding Value”).

rights that any current or former director, officer or employee, including the Individual Defendants, has or may have against Openwave, including, but not limited to, any and all rights of indemnification under any applicable indemnification agreement, Openwave's by-laws and charter, or Delaware law, which claims and rights are hereby expressly reserved.

55. "Released Parties" means any and all of the Defendants and their past, present and future parent entities, affiliates, subsidiaries, predecessors, successors and assigns, and each of their past, present and future officers, directors, attorneys, auditors, accountants, advisors, consultants, insurers, employees, associates, controlling persons, representatives, underwriters and other agents, including their agents, assigns, spouses, heirs, executors, trustees, general and limited partners or partnerships, personal representatives, estates and administrators.

56. The Judgment also will provide that Defendants shall be deemed to have – and by operation of the Judgment shall have – fully, finally, and forever released, waived, and discharged all claims, whether known or unknown (including Unknown Claims), and whether arising under federal, state, or any other law, that have been or could have been asserted in the Consolidated Action or in any court or forum, by Defendants against Lead Plaintiff, any Class Member, or any of their attorneys, if such claims arise out of or relate in any way to the institution, prosecution, or settlement of the Consolidated Action, except claims relating to the enforcement of the Settlement.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

57. Lead Counsel has not received any payment for its services in pursuing claims against Defendants on behalf of the Class, nor has Lead Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel intends to apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 23% of the Settlement Fund net of Court-approved Litigation Expenses. At the same time, Lead Counsel also intends to apply for the reimbursement of Litigation Expenses not to exceed \$400,000. Included in Lead Counsel's overall request for reimbursement of expenses will be a request for an award to Lead Plaintiff for reimbursement of its reasonable costs and expenses (including lost wages) directly related to its representation of the Class. The Court will determine the amount of the award.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

58. If you purchased or otherwise acquired Openwave common stock during the period between September 30, 2002 and October 26, 2006, inclusive, and you are not excluded by the definition of the Class and you do not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Class. If you are a Class Member, you must submit a Claim Form and supporting documentation to establish your entitlement to share in the Settlement. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlement to request that a Claim Form be mailed to you. The website is www.OpenwaveSystemsSecuritiesLitigationSettlement.com. You may also request a Claim Form by calling toll-free 1-800-765-2442. Copies of the Claim Form can also be downloaded from Lead Counsel's website at www.blbgilaw.com. Those who exclude themselves from the Class, and those who do not submit timely and valid Claim Forms with adequate supporting documentation will not be entitled to share in the Settlement. Please retain all records of your ownership of, or transactions in Openwave common stock, as they may be needed to document your Claim.

59. As a Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through 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, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," below.

60. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Part Of The Class And The Settlement? How Do I Exclude Myself?," below.

61. If you wish to object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," below.

WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?

62. Each Class Member will be bound by all determinations and judgments in this lawsuit, including those concerning the Settlement, whether favorable or unfavorable, unless such person or entity mails, by first-class mail (or its equivalent outside the U.S.), or otherwise delivers a written Request for Exclusion from the Class, addressed to *In re Openwave Systems Inc. Securities Litigation - EXCLUSIONS*, - c/o The Garden City Group, Inc., P.O. Box 9317, Dublin, OH 43017-4217. The exclusion request must be *received* no later than February 6, 2009. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (i) state the name and address of the person or entity requesting exclusion; (ii) state that such person or entity "requests exclusion from the Class in *In re Openwave Systems Inc. Securities Litigation*, 07 Civ. 1309 (DLC)"; (iii) be signed by the person or entity requesting exclusion; (iv) provide a telephone number for that person or entity; and (v) provide the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of Openwave common stock during the Class Period. Requests for exclusion will not be valid if they are not received within the time stated above, unless the Court otherwise determines.

63. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Settled Claims.

64. If a person or entity requests to be excluded from the Settlement Class, that person or entity will not receive any benefit provided for in the Stipulation.

65. Either the Individual Defendants (provided they unanimously elect to do so) or Openwave may terminate the Settlement if requests for exclusion are received from potential Class Members whose allegedly damaged shares of Openwave common stock, in the aggregate, exceed an amount equal to or greater than six percent (6%) of the Openwave common stock eligible to participate in the Settlement.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

66. If you do not wish to object in person to the proposed Settlement, proposed Plan of Allocation, and/or the application for attorneys' fees and reimbursement of litigation expenses, you do not need to attend the Settlement Hearing. You can object to or participate in the Settlement without attending the Settlement Hearing.

67. The Settlement Hearing will be held on February 27, 2009 at 2:30 p.m. before the Honorable Denise Cote, at the United States District Court for the Southern District of New York, 500 Pearl Street, Courtroom 11B, New York, NY 10007. The Court reserves the right to approve the Settlement or the Plan of Allocation at or after the Settlement Hearing without further notice to the members of the Class.

68. Any Class Member who does not request exclusion *received* no later than February 6, 2009 may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses. Objections or oppositions must be in writing. You must file any written objection or opposition, together with copies of all other papers (including proof of all purchases or acquisitions of Openwave common stock during the Class Period) and briefs, with the Clerk's Office at the United States District Court for the Southern District at the address set forth below on or before February 6, 2009. You must also serve the papers on Lead Counsel for the Class at the address set forth below so that the papers are *received* on or before February 6, 2009.

Clerk's Office

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK
Clerk of the Court
500 Pearl Street
New York, NY 10007-1312

Lead Counsel for the Class

BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
Chad Johnson, Esq.
1285 Avenue of the Americas
New York, NY 10019

69. The filing must demonstrate your membership in the Class, including the number of shares of Openwave common stock purchased or otherwise acquired or sold during the Class Period and the price(s) paid and received. You may not object to the Settlement or any aspect of it, if you excluded yourself from the Class.

70. You may file a written objection without having to appear at the Settlement Hearing. You may not appear at the Settlement Hearing to present your objection, however, unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

71. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses, and if you have filed and served a timely written objection as described above, you also must notify the above counsel on or before February 6, 2009 concerning your intention to appear. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

72. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel so that the notice is received on or before February 6, 2009.

73. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

74. If you purchased or otherwise acquired Openwave common stock during the Class Period for the beneficial interest of a person or organization other than yourself, you must either (i) send a copy of this Notice to the beneficial owner of such Openwave common stock, postmarked no later than fourteen (14) days after you receive this Notice, or (ii) provide the names and addresses of such persons no later than fourteen (14) days after you receive this Notice to *In re Openwave Systems Inc. Securities Litigation*, c/o The Garden City Group, Inc., P.O. Box 9317, Dublin, OH 43017-4217. If you choose the second option, the Claims Administrator will send a copy of the Notice to the beneficial owner. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice may also be obtained from the Claims Administrator's website www.gardencitygroup.com, or by calling toll-free 1-800-765-2442, may be downloaded from the settlement website, www.OpenwaveSystemsSecuritiesLitigationSettlement.com, or from Lead Counsel's website, www.blbglaw.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

75. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Consolidated Action is available at www.OpenwaveSystemsSecuritiesLitigationSettlement.com, including, among other documents, copies of the Stipulation, Proof of Claim form, the Complaint and the Court's Order on the Defendants' motions to dismiss the Consolidated Action. All inquiries concerning this Notice or the Claim Form should be directed to:

In re Openwave Systems Inc. Securities Litigation
% The Garden City Group, Inc.
P.O. Box 9317
Dublin, OH 43017-4217
800-765-2442

OR

Chad Johnson, Esq.
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1285 Avenue of the Americas
New York, NY 10019
(800) 380-8496
blbg@blbglaw.com
Lead Counsel

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT
REGARDING THIS NOTICE.**

Dated: November 25, 2008

By Order of the Clerk of Court
United States District Court
for the Southern District of New York