

Notice of Proposed Class Action Settlement and Fairness Hearing

**PALACE DRUG STORES, INC., on behalf of itself
and all others similarly situated,**

Plaintiffs,

v.

**HISPANIC MEDIA GROUP USA, INC. d/b/a THE
SPANISH YELLOW PAGES USA; HISPANIC
MEDIA GROUP, INC. d/b/a THE SPANISH
YELLOW PAGES USA; THE SPANISH YELLOW
PAGES USA; SKY MEDIA CORP. A/K/A SKY
MEDIA CORPORATION; EDDIE CRUZ; JOHN
DOES 1-5; AND ABC CORPORATIONS 1-5,**

Defendants.

**: SUPERIOR COURT OF NEW JERSEY
: HUDSON COUNTY: LAW DIVISION**

**: Docket No.: L-3954-03
: CIVIL ACTION**

**: NOTICE OF PROPOSED CLASS ACTION
: SETTLEMENT**

- ▶ This is a notice to inform you about a settlement in a lawsuit brought against the Defendants for alleged violations of the Telephone Consumer Protection Act.
- ▶ You may be entitled to the benefits of the settlement. This notice describes the settlement and informs you of your rights.
- ▶ Please take time to read this notice carefully – If you take no action, you will automatically remain in the Class and be eligible to receive the benefits of the settlement. If you decide to exclude yourself from the litigation and not receive the benefits of the settlement, you must read and follow the instructions in section 11 of this Notice.

**Do not be alarmed. You are NOT being sued.
A New Jersey court authorized this notice.
This is not a solicitation**

Summary

What is the purpose of this notice?

This Notice is to inform you of a proposed Settlement in a Class Action lawsuit against the Defendants listed in the above caption in this matter.

What is this lawsuit about?

The Plaintiff, Palace Drug Stores, Inc., sued Defendants on behalf of itself and others located within New Jersey who received on a facsimile machine a faxed unsolicited advertisement sent from, by or on behalf of any of the above listed Defendants, advertising on behalf of the Spanish Yellow Pages and/or on behalf of the Spanish Yellow Pages of New York at any time on or after July 26, 1999 through August 2, 2005. This class action seeks to recover damages for Class Members and to end the challenged practices.

Am I a member of the Class?

Members of the Class include all parties located within New Jersey who at any time on or after July 26, 1999 through August 2, 2005 received on a facsimile machine a faxed unsolicited advertisement sent from, by or on behalf of any of the above listed Defendants, advertising on behalf of the Spanish Yellow Pages and/or on behalf of the Spanish Yellow Pages of New York. If you believe you are a Class Member and a Notice was not sent to you, please read this Notice for instructions. **You do not have to do anything to remain in the Class. You will need to redeem the Free Listing or \$500.00 Discount Certificate that is included in this Notice (or the facsimile Notice if you received one) in order to receive your choice of benefit available under the Settlement.**

Can I exclude myself from the settlement?

Yes. Please read this Notice for further details.

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Basic Information

1. What is this lawsuit about?

Plaintiff filed this action in the Superior Court of New Jersey, Hudson County alleging that the defendants violated the Telephone Consumer Protection Act, 47 U.S.C. §227 (“TCPA”) and the New Jersey Consumer Fraud Act by sending unsolicited facsimile advertisements. The unsolicited fax(es) advertised on behalf of the Spanish Yellow Pages and/or on behalf of the Spanish Yellow Pages of New York. Defendants deny that they violated any law or committed any wrongdoing.

2. What is a class action and who is involved?

In a class action lawsuit, a person or business entity called a “Class Representative” (in this case, Palace Drug Stores, Inc. and Farash & Robbins, Inc.) sues on behalf of others who have similar claims. These people together are a “Class” or “Class Members.” The people who sue are called the Plaintiffs. Defendants are the party being sued. Since everyone in the Class has the same claims against the Defendant, one court can resolve the issues for everyone in the Class – except for those customers who choose to exclude themselves from the Class.

3. What is the purpose of this Notice?

This Notice provides you with a summary of the lawsuit, a description of the proposed settlement and informs you of your rights in this matter. This Notice is also provided in the event that you believe that you are a member of the Class, but you did not receive a Notice that was sent via facsimile (fax).

4. Why is there a settlement?

Both sides agreed to a settlement before going to trial in order to avoid the cost of a trial and the uncertainties of the outcome of a trial. The Class Representatives and their lawyers think the proposed settlement is in the best interest of all Class Members. By settling this lawsuit, Defendants do not admit any wrongdoing. The Court has not decided in favor of Plaintiffs or Defendants.

The Claims in the Lawsuit

5. What are the issues in this lawsuit?

Palace Drug Stores, Inc. alleges that Defendants violated the Federal Telephone Consumer Protection Act by sending unsolicited facsimile (fax) transmissions advertising on behalf of the Spanish Yellow Pages and/or on behalf of the Spanish Yellow Pages of New York.

Defendants deny that they violated any law or committed any wrongdoing.

6. What did the plaintiff ask for?

The Plaintiff sought damages for the Class, including itself. It also sought to have Defendants end the challenged practices.

7. Who is representing the Class in this case?

The Court has decided that the following lawyers are qualified to represent you and all other Class Members:

Glen H. Chulsky, Esq.
Law Office of Glen H. Chulsky
410 Route 10 West, Suite 210
Ledgewood, NJ 07852
(973) 252-9000 phone
ghc@njconsumerfraudlawyers.com

David B. Warshaw, Esq.
Goldman & Warshaw, PC
34 Maple Avenue, Suite 106
Pine Brook, NJ 07058
(973) 439-0077

These attorneys are experienced in handling similar class action cases. You will not be charged for their services. You may choose to have your own attorney represent you in this matter. If you want to be represented by your own lawyer, you will be responsible for paying his or her fees.

The Terms of the Settlement

8. What is the proposed settlement?

Under the terms of the settlement:

1) The Defendants will provide each Settlement Class member with a Certificate, entitling each Class Member to a free one (1) year listing in the Spanish Yellow Pages or other like publication of HMG (which has a 2005 ad rate value of \$1,378.00) or a \$500.00 credit to be used towards any display advertisement offered by HMG. Certificates are valid for two years from the date of transmission of the Certificates to Class Members. The actual expiration date is set forth on each Certificate. Class Certificates may not be combined with other Class Certificates but may be combined with any other coupons, certificates or offers issued by HMG after the date this settlement is accepted and shall so specify

2) To redeem your choice of benefit available under the Settlement, you will need to claim your benefit by filling out the information required on the Certificate and then contacting the Spanish Yellow Pages at 1-800-499-7828. The Certificate may be presented to the Defendants (The Spanish Yellow Pages) by the Class Member at any point during the negotiation or sales process.

3) Defendants will pay all costs of administering the settlement.

4) Defendants will pay \$68,500.00 to Class Counsel for attorney's fees and expenses incurred in connection with this litigation. In addition, HMG shall provide plaintiff's counsel with a one time, one (1) year free, no charge full page display advertisement in the Spanish Yellow Pages or other like publication of HMG, which has a 2005 ad rate value of \$21,043.00. These payments will not reduce the benefits to the Class.

5) Defendants will make an incentive payment of \$6,000.00 to Class Representative Palace Drug Stores, Inc. and an incentive payment of \$500.00 to Class Representative Farash & Robbins, Inc. in recognition of their efforts on behalf of the Class.

6) Defendants will consent to the entry of an order, called an injunction, that mandates that the challenged practices cease without any admission of improper past practices or any agreement that the allegations of the Complaint are correct.

Your Rights and Options

9. How do I participate in the settlement?

You are a member of the Settlement Class if you were located in New Jersey and you received an unsolicited facsimile (fax) advertisement for the Spanish Yellow Pages and/or the Spanish Yellow Pages of New York at any time on or after July 26, 1999 through August 2, 2005. Under the proposed Settlement, you will need to fill out and redeem the Free Listing or \$500.00 Discount Certificate that is included in this Notice (or the facsimile Notice if you received one) in order to receive your choice of benefit available under the Settlement. The Settlement benefits will only be available if the Court grants final approval of the Settlement.

10. What claims are released if I participate in the settlement?

Persons participating in the settlement will not be able to sue, or continue to sue Defendants as part of any other lawsuit about **the same legal claims** that are the subject of this lawsuit. You will be legally bound by all of the Orders the Court issues and judgments the Court makes in the proposed settlement.

If the Court approves this Settlement at the Fairness Hearing, then upon final judicial approval, Plaintiff and each Member of the Settlement Class, for themselves, their heirs, successors and assigns shall and will have jointly and severally remised, released, acquitted and forever discharged HMG, each partner, its employees, officers, shareholders, directors both past and present and its successors and assigns of and from any and all actions, causes of action, suits, claims, defenses, covenants, controversies, agreements, promises, damages, judgments, demands, liabilities and obligations in law or in equity that Plaintiff and Members of the Class, as defined in this notice, asserted or could have asserted in connection with the practices described in the Complaint in this action, as they relate to all claims concerning the alleged violations of the TCPA, and for all common law, statutory or other claims relating to these practices, including, but not limited to, claims for consumer fraud.

11. What if I want to exclude myself from the Class and the settlement?

To be excluded, you must notify the Clerk of the Court in writing. The request must be signed and include your name, phone number, and address printed below your signature. **All requests to be excluded must be mailed to the address below and postmarked on or before March 20, 2006.**

If a request for exclusion is sent by courier or some other delivery service other than U.S. mail, it must be received by the Court on or before March 20, 2006.

Clerk of the Superior Court of NJ, Hudson County
Re: Palace Drug Stores, Inc. v. Hispanic Media Group, et al.
Docket Number L-3954-03
595 Newark Avenue
Jersey City, NJ 07306

If your request is postmarked or received later than March 20, 2006, your request will be considered untimely and you will continue to be a member of the Class. You must also send a copy of your request to be excluded to each of the following lawyers:

Attorney for Plaintiff

Glen H. Chulsky, Esq.
Law Office of Glen H. Chulsky
410 Route 10 West, Suite 210
Ledgewood, NJ 07852
Re: Palace Drug Stores, Inc. v. Hispanic Media Group, et al.

Attorney for Defendant

Robert I Lesser
Paykin Greenblatt Lesser & Krieg LLP
Two University Plaza
Hackensack, New Jersey 076013
Re: Palace Drug Stores, Inc. v. Hispanic Media Group, et al.

12. What if I object to the terms of the settlement?

You may also object to the settlement, but you must appear at the Fairness Hearing to do so. At the Fairness Hearing, any Class Member may appear in person or through counsel of his or her own choosing, and at his or her own expense, and be heard to the extent allowed by the Court in opposition to the fairness, reasonableness, and adequacy of the settlement, including the payment of Class Counsel fees, reimbursement of expenses and costs and the Class Representative incentive award.

In order to make such an appearance in opposition to the settlement and/or the application for the payment of lawyers' fees and expenses, you must send a written notice to the Clerk of Court, and to the lawyers representing the parties in this case. These addresses are given above. **Your notice of objection must be postmarked on or before March 20, 2006.** If an objection is sent by courier or by some other delivery service other than U.S. mail, it must be received by the Court on or before March 20, 2006.

The written notice must include notice of your intention to appear, along with a statement that indicates the basis for your opposition and any documentation in support of such opposition. Any and all documents must contain a reference to case number L-3954-03. Any Class Member who does not object in the manner provided above shall be deemed to have waived objection and shall forever be foreclosed from objecting to the fairness, reasonableness, or adequacy of the proposed settlement or any payment of Class Counsel fees and expenses, and payment of the Class Representative incentive award.

13. What is the difference between objecting to the settlement and asking to be excluded from the Class?

Objecting is telling the Court that you do not approve of the settlement. You can object, but only if you remain in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class and do not wish to participate in the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you. You may not object and then exclude yourself.

14. What will happen at the Fairness Hearing?

At the Fairness Hearing at 1:30PM on April 7, 2006, the judge will decide whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The judge will also decide whether payment of attorney's fees and costs to Class Counsel, and payment of the Class Representative's incentive award should be approved. Unless you wish to object to the settlement, **you are not required to attend the Fairness Hearing.** You are welcome to attend at your own expense. The Court may adjourn the Fairness Hearing without further written notice to the Class.

15. How will I know if the settlement is approved?

If you remain part of the Class, and if the Court approves the settlement, you will be able to redeem the Free Listing or \$500.00 Discount Certificate that is included in this Notice (or the facsimile Notice if you received one). You can find out if the Court has approved the Settlement by visiting www.njconsumerfraudlawyers.com/classnotice.htm, by contacting Class Counsel or by calling the Defendants (The Spanish Yellow Pages) at 1-800-499-7828.

Additional Information

16. Where can I get more details about the case?

Do not contact the judge or the Clerk of Court for legal questions or advice. If you wish to obtain any additional information, you may obtain copies of the Complaint and other documents filed in this lawsuit from the Clerk of Court, Superior Court of New Jersey, Hudson, 595 Newark Avenue, Jersey City, NJ 07306 during regular business hours. You will need to provide the name of the lawsuit and the case number: Palace Drug Stores, Inc. v. Hispanic Media Group, et al. Docket Number L-3954-03. You may also contact Class Counsel at the addresses listed above.

THE FORM OF THIS NOTICE WAS APPROVED
BY THE SUPERIOR COURT OF NEW JERSEY,
LAW DIVISION, HUDSON COUNTY.

HONORABLE BARRY P. SARKISIAN, J.S.C.