

UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

ROBERT KELLEHER, Individually and On Behalf  
of All Others Similarly Situated,

Plaintiff,

vs.

ADVO, INC., et al.,

Defendants.

No. 3:06-cv-01422-AVC

(Consolidated)

CLASS ACTION

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

***IF YOU PURCHASED OR ACQUIRED ADVO, INC. (“ADVO” OR THE “COMPANY”) SECURITIES BETWEEN JULY 6, 2006 AND AUGUST 30, 2006, INCLUSIVE, YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.***

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

**Security and Time Period:** ADVO securities purchased or acquired between July 6, 2006 and August 30, 2006, inclusive (the “Class Period”).

**Settlement Fund:** \$12,500,000 in cash.

**Lead Plaintiff’s Reasons for Settlement:** The principal reason for Lead Plaintiff’s consent to the Settlement is to provide a benefit to the Class. This benefit must be compared to the risk that no recovery might be achieved after contested motions, a contested trial and likely appeals, possibly years into the future, during which time Defendants would have the opportunity to assert defenses to the claims asserted against them. While Lead Plaintiff believes that his claims have merit, Lead Plaintiff recognizes the expense of continued proceedings and that Lead Plaintiff and the Class might not have prevailed on all their claims. The claims advanced by the Class involve numerous complex legal and factual issues, as well as complicated accounting practices, which would require extensive expert testimony and would add considerably to the expense and duration of the Litigation. The two sides vigorously disagree on both liability and the amount of money that could have been won if Lead Plaintiff prevailed at trial. The parties disagree about (1) the method for determining whether ADVO securities traded at artificially inflated prices during the relevant period; (2) the amount of any such inflation; (3) whether or the extent to which various facts alleged by Lead Plaintiff were materially false or in any way misleading; (4) the extent that various facts alleged by Lead Plaintiff influenced the trading price of ADVO securities during the relevant period; and (5) whether the facts alleged were material, false, misleading, or otherwise actionable under the federal securities laws. This Settlement therefore enables the Class to recover without incurring any additional risk or costs. As a result, Lead Plaintiff believes this Settlement is a fair, reasonable, and adequate recovery for the Class.

**Defendants’ Reasons for Settlement:** The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiff on behalf of the Class. The Defendants also have denied and continue to deny, among other things, the allegations that the prices of ADVO securities were artificially inflated or that any harm was caused by the alleged conduct described in the complaint.

Nonetheless, the Defendants have concluded that further conduct of the case would be protracted and expensive, and that it is desirable that the case be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation in order to limit further expense, inconvenience, and distraction, to dispose of the burden of protracted litigation, and to permit the operation of the Defendants’ business without further distraction and diversion caused by the continuation of the case. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as this Litigation.

The Defendants have, therefore, determined that it is desirable and beneficial to them that the case be settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants entered into the Stipulation without in any way acknowledging any fault, liability, or wrongdoing of any kind.

**Statement of Recovery:** Your recovery will depend on the type and amount of ADVO securities purchased or acquired and the timing of your purchases, acquisitions, and any sales. Depending on the number of eligible shares that participate in the Settlement and when those shares were purchased or acquired and sold, the estimated average recovery per share will be approximately \$0.70 per common share before deduction of Court-approved attorneys’ fees and expenses, and the costs of administration. 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 Proofs of Claim.

**Attorneys’ Fees and Expenses:** Lead Counsel will ask the Court for attorneys’ fees not to exceed 30% of the Settlement Fund and expenses not to exceed \$600,000 to be paid from the Settlement Fund. In addition, the Lead Plaintiff may seek reimbursement for his time and expenses incurred in representing the Class, in an amount not to exceed \$2,500. If the above amounts are requested and approved by the Court, the average cost per common share will be \$0.24. Lead Plaintiff’s counsel have not received any payment for their work investigating the facts, conducting this Litigation, and negotiating this Settlement on behalf of the Lead Plaintiff and the Class.

**Deadlines:**

Submit Claim: March 18, 2010  
 Request Exclusion: February 10, 2010  
 File Objection: February 10, 2010

**Court Hearing on Fairness of Settlement:** March 3, 2010

**More Information:** [www.gilardi.com](http://www.gilardi.com) or

Claims Administrator:

*ADVO Securities Litigation*  
 Claims Administrator  
 c/o Gilardi & Co. LLC  
 P.O. Box 8040  
 San Rafael, CA 94912-8040  
[classact@gilardi.com](mailto:classact@gilardi.com)

Lead Counsel:

Rick Nelson  
 Shareholder Relations  
 Coughlin Stoia Geller  
 Rudman & Robbins LLP  
 655 West Broadway, Suite 1900  
 San Diego, CA 92101  
 1-800-449-4900

- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

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

**SUBMIT A PROOF OF CLAIM AND RELEASE FORM**

This is the only way to get a payment. Doing so results in the release of your claims against the Defendants and the Released Persons.

**EXCLUDE YOURSELF**

Get no payment. This is the only option that allows you to participate in another lawsuit against the Defendants and the other Released Persons relating to the Released Claims.

**OBJECT**

You may write to the Court if you don't like this Settlement, the Plan of Allocation, or request for attorneys' fees and expenses.

**GO TO A HEARING**

You may ask to speak in Court about the fairness of the Settlement.

**DO NOTHING**

Get no payment. Give up your rights and release claims.

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

**BASIC INFORMATION**

**1. Why Did I Get This Notice Package?**

You or someone in your family may have purchased or acquired ADVO securities between July 6, 2006 and August 30, 2006, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Connecticut, and the case is known as *Kelleher v. ADVO, Inc., et al.*, Case No. 3:06-cv-01422-AVC. The individual who sued is called the Lead Plaintiff, and the company and the individuals he sued, ADVO, S. Scott Harding, Jeffrey E. Epstein, and John J. Mahoney, are called the Defendants.

**2. What Is This Lawsuit About?**

ADVO describes itself as a company offering direct mail marketing products and services to companies in North America.

This case was brought as a class action alleging that, during the Class Period, Defendants issued materially false and misleading statements about the Company's business and financial results, concealed material adverse problems with the Company's business operations, and concealed material adverse problems with ADVO's ability to render accurate financial statements. Lead Plaintiff alleged that Defendants concealed this information to inflate the Company's share price and to accomplish a merger with Valassis Communications, Inc. ("Valassis"). Valassis offered to acquire all of ADVO's outstanding common stock in an all-cash transaction that was based on allegedly false and misleading information from ADVO. The merger was announced on July 6, 2006. On August 30, 2006, Valassis announced that it had sued to rescind the merger agreement with ADVO, citing fraud as one of its reasons. Specifically, the press release stated that "ADVO intentionally provided Valassis with 'materially false financial information' and 'withheld material information.'" Following this announcement, ADVO stock fell 22%. Defendants deny all of Lead Plaintiff's allegations and that they did anything wrong. Defendants also deny that the Lead Plaintiff or the Class suffered damages or that the prices of ADVO securities were artificially inflated by reasons of alleged misrepresentations, non-disclosures, or otherwise.

### 3. Why Is This Action a Class Action?

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiff Robert Kelleher) sue on behalf of people who have similar claims. Here, all these people are called a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Judge Alfred V. Covello is in charge of this class action.

### 4. Why Is There a Settlement?

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, these parties agreed to a Settlement. That way, they avoid the cost of a trial, and eligible Class Members who make a valid claim will get compensation. The Lead Plaintiff and his attorneys think the Settlement is best for all Class Members.

## WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

### 5. How Do I Know if I Am Part of the Settlement?

The Class includes ***all persons and entities who purchased or acquired ADVO securities between July 6, 2006 and August 30, 2006, inclusive, except those persons and entities that are excluded, as described below.***

### 6. What Are the Exceptions to Being Included?

You are not a Class Member if you are a Defendant, a director or executive officer of ADVO, a member of the immediate family of any of the foregoing, an entity in which any Defendant has or had a controlling interest, or a legal representative, heir, beneficiary, successor, or assign of any such excluded Person.

If you sold ADVO securities between July 6, 2006 and August 30, 2006, inclusive, that alone does not make you a Class Member. You are a Class Member only if you ***purchased*** or ***acquired*** ADVO securities between July 6, 2006 and August 30, 2006, inclusive.

### 7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator at 1-877-571-8654, or Lead Counsel listed in Question 25 for more information. Or you can fill out and return the claim form described in Question 10, to see if you qualify.

## THE SETTLEMENT BENEFITS — WHAT YOU GET

### 8. What Does the Settlement Provide?

Defendants have agreed to pay \$12,500,000 in cash to be divided among all eligible Class Members who send in valid claim forms, after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice.

### 9. How Much Will My Payment Be?

Your share of the fund will depend on the number of valid claim forms that Class Members send in and how many shares of stock you purchased or acquired during the relevant period and when you bought and sold them. A claim will be calculated as follows:

#### Common Stock

CUSIP: 007585102

The allocation below is based on a market adjusted price decline equal to – 22.4% as well as the statutory PSLRA 90-day look back amount of \$29.15:

For shares of ADVO common stock ***purchased or acquired on or between July 6, 2006 through August 30, 2006***, the claim per share shall be as follows:

(a) If sold prior to August 31, 2006, the claim per share is zero.

(b) If retained at the end of August 30, 2006, and sold before November 28, 2006, the claim per share shall be the lesser of (i) 22.4% of the purchase price, or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

(c) If retained, or sold, on or after November 28, 2006, the claim per share shall be the lesser of (i) 22.4% of the purchase price, or (ii) the difference between the purchase price per share and \$29.15 per share.

Date	Closing Price	Average Closing Price
31-Aug-06	\$28.59	\$28.59
1-Sep-06	\$30.99	\$29.79
5-Sep-06	\$31.16	\$30.25
6-Sep-06	\$30.52	\$30.32
7-Sep-06	\$30.08	\$30.27
8-Sep-06	\$30.05	\$30.23
11-Sep-06	\$29.82	\$30.17
12-Sep-06	\$30.26	\$30.18
13-Sep-06	\$29.99	\$30.16

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price</b>
14-Sep-06	\$29.40	\$30.09
15-Sep-06	\$28.30	\$29.92
18-Sep-06	\$28.06	\$29.77
19-Sep-06	\$28.78	\$29.69
20-Sep-06	\$28.90	\$29.64
21-Sep-06	\$29.23	\$29.61
22-Sep-06	\$29.19	\$29.58
25-Sep-06	\$29.26	\$29.56
26-Sep-06	\$29.12	\$29.54
27-Sep-06	\$28.88	\$29.50
28-Sep-06	\$28.44	\$29.45
29-Sep-06	\$27.98	\$29.38
2-Oct-06	\$27.76	\$29.31
3-Oct-06	\$27.99	\$29.25
4-Oct-06	\$28.32	\$29.21
5-Oct-06	\$29.11	\$29.21
6-Oct-06	\$28.83	\$29.19
9-Oct-06	\$29.04	\$29.19
10-Oct-06	\$29.04	\$29.18
11-Oct-06	\$29.32	\$29.19
12-Oct-06	\$29.55	\$29.20
13-Oct-06	\$29.47	\$29.21
16-Oct-06	\$29.68	\$29.22
17-Oct-06	\$29.83	\$29.24
18-Oct-06	\$29.78	\$29.26
19-Oct-06	\$29.48	\$29.26
20-Oct-06	\$29.58	\$29.27
23-Oct-06	\$29.60	\$29.28
24-Oct-06	\$29.47	\$29.29
25-Oct-06	\$29.44	\$29.29
26-Oct-06	\$29.66	\$29.30
27-Oct-06	\$29.86	\$29.31
30-Oct-06	\$29.35	\$29.31
31-Oct-06	\$29.36	\$29.31
1-Nov-06	\$28.98	\$29.31
2-Nov-06	\$28.75	\$29.29
3-Nov-06	\$28.60	\$29.28
6-Nov-06	\$28.77	\$29.27
7-Nov-06	\$28.75	\$29.26
8-Nov-06	\$28.81	\$29.25
9-Nov-06	\$28.41	\$29.23
10-Nov-06	\$28.50	\$29.22
13-Nov-06	\$28.47	\$29.20
14-Nov-06	\$28.50	\$29.19
15-Nov-06	\$28.60	\$29.18
16-Nov-06	\$28.65	\$29.17
17-Nov-06	\$29.02	\$29.17
20-Nov-06	\$29.20	\$29.17
21-Nov-06	\$29.20	\$29.17
22-Nov-06	\$29.26	\$29.17
24-Nov-06	\$29.02	\$29.17
27-Nov-06	\$28.75	\$29.16
28-Nov-06	\$28.69	\$29.15

## CALL OPTIONS

Class Period: July 6, 2006 – August 30, 2006

- A. For call options on ADVO common stock ***purchased from July 6, 2006 through August 30, 2006***, and
  - (a) ***held*** at the end of August 30, 2006, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
  - (b) ***not held*** at the end of August 30, 2006, the claim per call option is \$0.
- B. For call options on ADVO common stock ***written from July 6, 2006 through August 30, 2006***, the claim per call option is \$0.

## PUT OPTIONS

Class Period: July 6, 2006 – August 30, 2006

- A. For put options on ADVO common stock ***written from July 6, 2006 through August 30, 2006***, and
  - (a) ***held*** at the end of August 30, 2006, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;
  - (b) ***not held*** at the end of August 30, 2006, the claim per put option is \$0.
- B. For put options on ADVO common stock ***purchased from July 6, 2006 through August 30, 2006***, the claim per put option is \$0.

Note: In the case the option was exercised for ADVO common stock, the amount paid, or proceeds received, upon the settlement of the option contract equals the intrinsic value of the option using ADVO common stock's closing price on the date the option was exercised.

Note: The combined recovery for the Put/Call Options shall not exceed 3% of the net settlement fund.

The payment you get will reflect your *pro rata* share after deduction of Court-approved fees and expenses. If claims are filed for 100% of the eligible ADVO shares, the average distribution per common share would be \$0.70 before deduction of Court-approved fees and expenses. Historically, actual claim rates are less than 100% and result in higher distributions.

In the event a Class Member has more than one purchase or acquisition of ADVO securities, all purchases, acquisitions, and any sales shall be matched on a first-in, first-out ("FIFO") basis, and Class Period sales will be matched first against any ADVO securities held at the beginning of the Class Period and then against purchases in chronological order. A purchase or sale of ADVO securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

To the extent a claimant had a gain from his, her or its overall transactions in ADVO securities during the Class Period, the value of the recognized claim will be zero. Please note that the Plan of Allocation is separate from the Settlement and any decision by the Court regarding the Plan of Allocation will not affect the finality of approval of the Settlement. The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court, an objection filed by a Class Member, or a settlement with a person or entity requesting exclusion from the Class, without further notice to the Class.

### HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

#### 10. How Will I Get a Payment?

To qualify for payment, you must be an eligible Class Member and you must send in a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than March 18, 2010.

#### 11. When Will I Get My Payment?

The Court will hold a hearing on March 3, 2010, to decide whether to approve the Settlement. If Judge Covello approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their claim. Please be patient.

#### 12. What Am I Giving Up to Get a Payment or Stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case or that could have been asserted in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the release are included in the claim form that is enclosed. The following definitions apply to those releases:

"Released Claims" means all of the Released Plaintiffs' Claims and all of the Released Defendants' Claims, as defined herein.

"Released Defendants' Claims" means any and all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, 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, including both known claims and Unknown Claims (as defined below), that have been or could have been asserted in the Litigation or any forum by Defendants, or the heirs, successors, and assigns of any of them against Lead Plaintiff, Lead Counsel, any of the Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Litigation, excluding any claims for breaches of the Stipulation.

"Released Persons" means Defendants, their respective families, parent entities, associates, affiliates or subsidiaries, and each and all of their respective past, present or future officers, directors, stockholders, representatives, employees, attorneys,

financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, engineers, advisors, agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors and assigns, insurers, and any and all of Defendants' Affiliates.

"Released Plaintiffs' Claims" will be released with respect to the Released Persons: all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert, or consulting fees and any other costs, expenses, or liability whatsoever), whether known or unknown, against Defendants and their corresponding Released Persons, belonging to Lead Plaintiff and any or all Class Members and their present or past heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, insurers, reinsurers, directors, managing directors, officers, partners, principals, members, managing members, attorneys, financial and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these persons and entities, including, without limitation, any claims, causes of action and rights, whether direct, derivative, representative or in any other capacity, arising under federal, state, local or foreign, statutory or common law or any other law, rule or regulation, including the law of any foreign jurisdiction, that relate in any way to any violation of state, federal, or any foreign jurisdiction's securities laws, any misstatement, omission, or disclosure (including, but not limited to, those in financial statements), any breach of duty, any negligence or fraud, or any other alleged wrongdoing or misconduct by Defendants and/or the corresponding Released Persons relating in any way to or that could have been or might have been asserted in the Action or any forum in connection with, arising out of, related to, based upon, in whole or in part, directly or indirectly, any allegation, transaction, fact, matter, occurrence, representation, action, omission, or failure to act that was alleged, involved, set forth, referred to, or that could have been alleged in the Action and arise out of, are based on, or relate in any way to the purchase or other acquisition of ADVO securities during the Class Period.

"Unknown Claims" means any Released Plaintiffs' Claim which the Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, which, if known by him, her or it, would or might have affected his, her or its settlement with and release of the Released Persons, or would or might have affected his, her or its decision not to object to this Settlement; and any Released Defendants' Claim which any Defendant does not know or suspect to exist in his or its favor at the time of the release of the Released Persons, which, if known by him or it, would or might have affected his or its decision(s) with respect to the Settlement. Lead Plaintiff or the Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Plaintiffs' Claims, but Lead Plaintiff and the Class Members shall expressly, upon the Effective Date, be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally, and forever settled and released any and all Released Plaintiffs' Claims (including Unknown Claims, as defined herein), known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Likewise, Defendants may hereafter discover facts in addition to or different from those which he or it now knows or believes to be true with respect to the subject matter of the Released Defendants' Claims, but Defendants shall expressly waive, and by operation of the Order and Final Judgment shall have fully, finally, and forever settled and released any and all Released Defendants' Claims (including Unknown Claims, as defined herein), known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Defendants acknowledge, and the Class Members by operation of law shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement, of which this release is a material and essential part, and expressly waive the benefits of (i) the provisions of §1542 of the California Civil Code, which provides that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR,

and (ii) any and all provisions or rights 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 California Civil Code §1542.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you don't want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same Released Claims, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

#### **13. How Do I Get Out of the Class?**

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Kelleher v. ADVO, Inc., et al.*, Case No. 3:06-cv-01422-AVC. You must include your name, address, telephone number, number of shares of ADVO securities purchased or acquired between July 6, 2006 and August 30, 2006, inclusive, the number of shares sold between July 6, 2006 and November 28, 2006, inclusive, if any, and the dates of such purchases, acquisitions, and sales. You must mail your exclusion request so that it is received no later than February 10, 2010 to:

ADVO Securities Litigation  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

**14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?**

No. Unless you exclude yourself, you give up any right to sue the Defendants for the Released Claims. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is February 10, 2010.

**15. If I Exclude Myself, Can I Get Money from This Settlement?**

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit against the Defendants related to the Released Claims.

**THE LAWYERS REPRESENTING YOU**

**16. Do I Have a Lawyer in This Case?**

The law firm of Coughlin Stoia Geller Rudman & Robbins LLP represents you and other Class Members. These lawyers are called Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How Will the Lawyers Be Paid?**

Lead Plaintiff's counsel will ask the Court for attorneys' fees not to exceed 30% of the Settlement Fund and expenses up to \$600,000, which were advanced in connection with the Litigation. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. In addition, the Lead Plaintiff may seek reimbursement for his time and expenses, not to exceed \$2,500, incurred in representing the Class.

The attorneys' fees and expenses requested will be the only payment to Lead Plaintiff's counsel and Lead Plaintiff for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Plaintiff's counsel have not been paid for their services for conducting this action on behalf of the Lead Plaintiff and the Class, or for their expenses. The fee requested will compensate Lead Plaintiff's counsel for their work in creating the Settlement Fund and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

**OBJECTING TO THE SETTLEMENT**

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

**18. How Do I Tell the Court that I Don't Like the Settlement, the Plan of Allocation, or Application for Attorneys' Fees?**

If you are a Class Member, you can object to the Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Kelleher v. ADVO, Inc., et al.*, Case No. 3:06-cv-01422-AVC. Be sure to include your name, address, telephone number, your signature, the type and number of shares of ADVO securities purchased, and or acquired, between July 6, 2006 and August 30, 2006, inclusive, and sold between July 6, 2006 and November 28, 2006, inclusive, and the reasons you object to the Settlement. Any objection to the Settlement must be mailed or delivered such that it is received by each of the following no later than February 10, 2010:

*Court:*

Clerk of the Court  
UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT  
ABRAHAM RIBICOFF FEDERAL BUILDING AND  
UNITED STATES COURTHOUSE  
450 Main Street  
Hartford, CT 06103

*Counsel for Lead Plaintiff:*

COUGHLIN STOIA GELLER  
RUDMAN & ROBBINS LLP  
ELLEN GUSIKOFF STEWART  
655 West Broadway, Suite 1900  
San Diego, CA 92101

*Counsel for Defendants:*

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K&L GATES LLP  
WM. SHAW McDERMOTT  
STEPHEN L. PALMER  
State Street Financial Center  
One Lincoln Street  
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LAW OFFICES OF  
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Birmingham, MI 48009

**19. What's the Difference Between Objecting and Excluding?**

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

## THE COURT'S SETTLEMENT HEARING

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

### 20. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a hearing (the "Settlement Hearing") at 2:00 p.m., on March 3, 2010, in Courtroom One of the United States District Court for the District of Connecticut, Abraham Ribicoff Federal Building and United States Courthouse, 450 Main Street, Hartford, CT 06103. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Covello will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay to Lead Plaintiff's counsel and Lead Plaintiff (assuming the Settlement is approved). The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take. The Court may adjourn or continue the Settlement Hearing without further notice to the Class.

### 21. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions Judge Covello may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

### 22. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *Kelleher v. ADVO, Inc., et al.*, Case No. 3:06-cv-01422-AVC. Be sure to include your name, address, telephone number, your signature, and the type and number of shares of ADVO securities purchased or acquired between July 6, 2006 and August 30, 2006, inclusive. Your notice of intention to appear must be received no later than February 10, 2010, by the Clerk of the Court, Lead Plaintiff's counsel, and Defendants' counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Class.

## IF YOU DO NOTHING

### 23. What Happens if I Do Nothing at All?

If you do nothing, you'll get no money from this Settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the same issues in this case.

## GETTING MORE INFORMATION

### 24. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated October 28, 2009 ("Stipulation"). You can get a copy of the Stipulation by writing to Rick Nelson, c/o Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or from the Clerk's office at the United States District Court for the District of Connecticut, 450 Main Street, Hartford, Connecticut 06103.

### 25. How Do I Get More Information?

You can call 619/231-1058 or write to Rick Nelson, Shareholder Relations, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or visit the Claims Administrator's website at [www.gilardi.com](http://www.gilardi.com), call the Claims Administrator toll-free at 1-877-571-8654, or send an email to [classact@gilardi.com](mailto:classact@gilardi.com).

## PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

### SPECIAL NOTICE TO NOMINEES

If you hold any ADVO securities purchased or acquired between July 6, 2006 and August 30, 2006, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*ADVO Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: December 8, 2009

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT