

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: CLARUS CORPORATION : X
SECURITIES LITIGATION : : CASE NO. 1:00-CV-2841-CAP

X

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

**If you bought or otherwise acquired
Clarus Corporation (“Clarus”) common stock
between December 8, 1999 and October 25, 2000,
inclusive (the “Settlement Class Period”),
please read this notice carefully;
you could get a payment from a class action settlement.**

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

- This notice contains important information as to your rights concerning the Settlement as discussed below. If you are a member of the Settlement Class and do not submit a timely request for exclusion, you will be bound by the release regardless of whether you submit a claim.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants and the other Released Parties about the Released Claims in this case.
OBJECT	Write to the Court about why you do not like the Settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up rights.

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

SUMMARY NOTICE

STATEMENT OF PLAINTIFFS' RECOVERY

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Northern District of Georgia, Atlanta Division (the “Court”), and Rule 23 of the Federal Rules of Civil Procedure, that a Settlement in the amount of \$4,500,000 in cash of the above-captioned action (the “Action”) has been reached by the parties, which is subject to approval by the Court. The proposed Settlement creates a Settlement Fund in the amount of \$4,500,000 plus interest. Lead Plaintiffs estimate that there were approximately 11.65 million shares of Clarus common stock traded during the Settlement Class Period which may be the subject of this Settlement. Lead Plaintiffs estimate that the average recovery per damaged share of Clarus common stock under the Settlement is \$0.386 per share before deduction of Court-awarded attorneys' fees and expenses. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund (as defined below) determined by his, her or its Recognized Claim as compared to the total Recognized Claims of all Settlement Class Members who submit acceptable Proofs of Claim.

STATEMENT OF POTENTIAL OUTCOME OF CASE

Lead Plaintiffs and Defendants do not agree on the average amount of damages per share that would be recoverable if the Lead Plaintiffs prevailed on each claim alleged. The issues on which the parties would likely disagree include, among others: (1) the appropriate economic model for determining the amount by which Clarus common stock was allegedly artificially inflated (if at all) during the Settlement Class Period; (2) the amount by which Clarus common stock was allegedly artificially inflated (if at all) during the Settlement Class Period; (3) the effect of various market forces influencing the trading prices of Clarus common stock at various times during the Settlement Class Period; (4) the extent to which external factors, such as general market and industry conditions, influenced the trading prices of Clarus common stock at various times during the Settlement Class Period; (5) the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading influenced (if at all) the trading prices of Clarus common stock at various times during the Settlement Class Period; (6) the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced (if at all) the trading prices of Clarus common stock at various times during the Settlement Class Period; and (7) whether the statements made or facts allegedly omitted were material, false, misleading or otherwise actionable under the securities laws.

This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the merits of the claims or defenses asserted. This Notice is to advise you of the proposed Settlement and of your rights in connection therewith.

STATEMENT OF ATTORNEYS' FEES AND COSTS SOUGHT

Plaintiffs' Counsel are moving the Court to award attorneys' fees not to exceed one-third (33 $\frac{1}{3}$ %) of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$550,000. Plaintiffs' Counsel are also moving the Court to award Plaintiffs John Nittolo, T.F.M. Investment Group, Ronald Williams, and William Dell their reasonable costs and expenses (including lost wages) directly relating to their representation of the Settlement Class, in an amount not to exceed \$35,000 collectively, to be paid solely from the Settlement Fund, subject to approval by the Court as permitted pursuant to 15 U.S.C. §78u-4(4). The requested fees and expenses would amount to an average of \$0.179 per damaged share in total for fees and expenses. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

FURTHER INFORMATION

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Co-Lead Counsel: Maya Saxena, Esq., Milberg Weiss Bershad & Schulman LLP, 5355 Town Center Road, Suite 900, Boca Raton, Florida 33486, Telephone (561) 361-5000; Sherrie R. Savett, Esq., Berger & Montague, P.C., 1622 Locust Street, Philadelphia, Pennsylvania 19103, Telephone (215) 875-3000; or Gregory M. Nespole, Esq., Wolf Haldenstein Adler Freeman & Herz LLP, 270 Madison Avenue, New York, New York 10016, Telephone (212) 545-4600.

REASONS FOR THE SETTLEMENT

The principal reason for the Settlement is the benefit to be provided to the Settlement Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Those risks include the possibility that the stock of Clarus, was inflated due to the "internet bubble" that eventually burst causing the price of Clarus stock to decline, and not as a result of Defendants' alleged fraud. Plaintiffs faced uncertainties at trial because they had difficulty locating friendly fact witnesses to present and their case would depend heavily on the complex testimony of expert witnesses.

The possibility that a large judgment would not be enforceable because it would bankrupt some or all of the Defendants and that further proceedings in the Action would have exhausted the limited insurance available to settle the Action was also a consideration.

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or otherwise acquired shares of Clarus common stock during the Settlement Class Period, between December 8, 1999 and October 25, 2000, inclusive.

The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about a proposed Settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If the Court approves it and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, Settlement Class Members' 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 Northern District of Georgia, Atlanta Division, and the case is known as *In re Clarus Corporation Securities Litigation*, Civil Action No. 1:00-CV-2841-CAP (the "Action"). This case was assigned to United States District Judge Charles A. Pannell, Jr.. The people who sued, John Nittolo, T.F.M. Investment Group, Ronald Williams, and William Dell, are called Lead Plaintiffs, and the company and the persons they sued, Clarus and Stephen P. Jeffery, Mark D. Gagne, Steven M. Hornyak, and Nancy O'Donnell, are called the Defendants.

2. What is this lawsuit about?

During the Settlement Class Period, Clarus, a Suwanee, Georgia-based company, was engaged in the business of developing, marketing and selling internet-based business-to-business software that automated the procurement, sourcing and settlement of goods and services. The lawsuit alleged claims for securities fraud against the Defendants under § 20(a) and § 10(b) of the Securities Exchange Act of 1934. Specifically the lawsuit alleged that certain public statements made by the Defendants were false or misleading and caused Clarus' stock to be artificially inflated. Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiffs in the Action. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Lead Plaintiffs or the Settlement Class (as defined below) have suffered damage or that the Lead Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action.

Defendants' decision to settle the Action was based on the conclusion that further conduct of the Action would be protracted and expensive, that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation, the uncertainty and risks inherent in any litigation, especially in complex cases like the Action, and the determination that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation.

3. Why is this a class action?

In a class action, one or more people called Lead Plaintiffs (in this case John Nittolo, T.F.M. Investment Group, Ronald Williams, and William Dell), sue on behalf of people who have similar claims within the context of this Settlement. All these people are a Settlement Class or Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class.

4. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a Settlement. That way, both Parties avoid the risks and cost of a trial. The Lead Plaintiffs and the attorneys think that this Settlement is the best that could be obtained for and is in the best interests of the Settlement Class Members.

WHO IS IN THE SETTLEMENT

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

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

On August 6, 2004, the Court directed, that for the purposes of the proposed Settlement, that everyone who fits this description is a Settlement Class Member: *all persons and entities who purchased or otherwise acquired Clarus Corporation ("Clarus") common stock between December 8, 1999 and October 25, 2000, inclusive (the "Settlement Class").*

6. Are there exceptions to being included?

You are not a Settlement Class Member if you are one of the Defendants, members of the immediate family of any Defendant, any entity in which Defendants have or had a controlling interest, the officers and directors of Clarus, and the legal affiliates, representatives, heirs, controlling persons, successors, and predecessors in interest or assigns of any such excluded party. Also excluded from the Settlement are those persons who timely and validly request exclusion from the Settlement Class pursuant to this Notice.

If one of your mutual funds own shares of Clarus common stock, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you directly purchased or otherwise acquired shares of Clarus common stock. Contact your broker to see if you have or held Clarus common stock.

If you sold Clarus common stock between December 8, 1999 and October 25, 2000, inclusive, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you purchased or otherwise acquired your shares between December 8, 1999 and October 25, 2000, 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 1-800-528-7199 or visit www.hrsclaimsadministration.com for more information. Or you can fill out and return the claim form described below, in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and dismissal of the Action, Defendants have agreed to create a \$4.5 million fund to be divided, after taxes and deduction of any attorney and other fees and expenses that may be approved by the Court, among all Settlement Class Members who send in valid Proof of Claim forms (the "Net Settlement Fund").

9. How much will my payment be?

Your share of the fund will depend on the number of valid Proof of Claim forms that Settlement Class Members send in and the amounts of their Recognized Claims, how many shares of Clarus common stock you bought or otherwise acquired, and when you bought, acquired and sold them. The proposed Plan of Allocation is set forth at the end of this Notice.

By following the instructions on page 9 of this Notice, you can calculate what is called your Recognized Claim. It is unlikely that you will get a payment for all of your Recognized Claim. After all Settlement Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claim. See the Plan of Allocation on page 9 for more information on your Recognized Claim.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at www.hrsclaimsadministration.com. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it to the Claims Administrator postmarked no later than **November 18, 2004**.

11. When would I get my payment?

The Court will hold a hearing on **December 2, 2004**, to decide whether to approve the Settlement. If the Court approves the Settlement at that hearing, there still may be appeals related to the Settlement. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up to get a payment or stay in the Settlement Class?

If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal ("Judgment"). The Judgment will dismiss all the Released Claims with prejudice as to all the Released Parties. Unless you exclude yourself, by sending in a written request to be excluded that contains the information on page 6, the Judgment will provide that all Settlement Class Members who did not validly and timely request to be excluded from the Settlement Class shall be deemed to have released and forever discharged all Released Claims against all Released Parties and be bound by the Judgment and Release discussed below.

“Released Claims” means any and all claims, (including, but not limited to Unknown Claims) debts, demands, losses, rights or causes of action or 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), suspected or unsuspected, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims, whether concealed or hidden, by any Lead Plaintiffs or Settlement Class Members, arising out of purchases or sales of Clarus common stock during the Settlement Class Period and the acts, facts, transactions, events, occurrences, disclosures, statements, omissions, or failures to act which were, could or might have been alleged in the Action which have been or could have been asserted by any member of the Settlement Class against the Released Parties.

“Released Parties” means any and all of Defendants, their respective past, present and future directors, officers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, law firms (including Alston & Bird, LLP), accountants or auditors, banks or investment banks, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which any Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his family or which is or was related to or affiliated with any of Defendants, and the legal representatives, heirs, successors in interest or assigns of Defendants.

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

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not: (i) want a payment from this Settlement; or (ii) want to be bound by any Judgment entered in this Action, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the Settlement Class. If you validly request exclusion from the Settlement, you will not be precluded from prosecuting an individual claim, if timely, against Defendants based on the matters complained of in the Action. Defendants may withdraw from and terminate the Settlement if in excess of a certain amount of claimants exclude themselves from the Settlement Class.

13. How do I get out of the proposed Settlement?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you “request exclusion from the Settlement Class in *In re Clarus Corporation Securities Litigation*.” Your letter should include the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of Clarus Corporation common stock during the Settlement Class Period. In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **November 18, 2004** to:

In re Clarus Corporation Securities Litigation Exclusions
c/o Heffler, Radetich & Saitta L.L.P., Claims Administrator
P.O. Box 160
Philadelphia, PA 19105-0160

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement.

14. If I do not exclude myself, can I sue Clarus or the other Released Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue Clarus or the other Released Parties for the claims that this Settlement resolves. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **November 18, 2004**.

15. If I exclude myself, can I receive money from the proposed Settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. But, you may sue, continue to sue, or be part of a different lawsuit against Clarus or the other Released Parties concerning the Released Claims.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court ordered that the law firms of Milberg Weiss Bershad & Schulman LLP in Boca Raton, Florida, Berger & Montague, P.C. in Philadelphia, Pennsylvania, and Wolf Haldenstein Adler Freeman & Herz LLP in New York, New York will represent you and the other Settlement Class Members. These lawyers are called Plaintiffs' Co-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?

Plaintiffs' Counsel are moving the Court to award attorneys' fees from the Settlement Fund in an amount not greater than one-third (33¹/₃%) of the Gross Settlement Fund and for reimbursement of their expenses up to a maximum amount of \$550,000.00, plus interest at the same rate as earned by the Settlement Fund. Plaintiffs' Counsel, without further notice to the Settlement Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the members of the Settlement Class and any proceedings subsequent to the Settlement Fairness Hearing.

Plaintiffs' Counsel are also moving the Court to award Plaintiffs John Nittolo, T.F.M. Investment Group, Ronald Williams, and William Dell their reasonable costs and expenses (including lost wages) directly relating to their representation of the Settlement Class, in an amount not to exceed \$35,000 collectively, to be paid solely from the Settlement Fund, subject to approval by the Court as permitted pursuant to 15 U.S.C. §78u-4(4).

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like the proposed Settlement?

If you are a Settlement Class Member, you can object to the proposed Settlement if you do not 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 signed letter saying that you object to the proposed Settlement in the *In re Clarus Corporation Securities Litigation*. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of Clarus common stock you made during the Settlement Class Period, and state the reasons why you object to the proposed Settlement. Mail the objection to each of the following addresses postmarked no later than **November 18, 2004**:

COURT

Clerk of the Court
United States District Court
for the Northern District of
Georgia, Atlanta Division
2211 United States Courthouse
75 Spring Street, S.W.
Atlanta, GA 30303-3361

CO-LEAD COUNSEL

Maya Saxena, Esq.
Milberg Weiss Bershad
& Schulman LLP
5355 Town Center Road
Suite 900
Boca Raton, FL 33486

DEFENSE COUNSEL

Oscar N. Persons, Esq.
Alston & Bird LLP
1021 West Peachtree Street
Suite 4200
Atlanta, GA 30309-3424

19. What is the difference between objecting and excluding?

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

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Fairness Hearing at 2:00 p.m. on Thursday, **December 2, 2004**, at the United States District Court for the Northern District of Georgia, Atlanta Division, in the United States Courthouse, 75 Spring Street, S.W., Atlanta, Georgia 30303-3361, in Courtroom 2367. At this Fairness Hearing the Court will consider whether the proposed Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the Fairness Hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the Fairness Hearing, the Court will decide whether to approve the proposed Settlement. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Plaintiffs' Co-Lead Counsel will answer questions the Court may have on behalf of the Settlement Class. But, you are welcome to come at your own expense. If you send an objection, you do not 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 Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *In re Clarus Corporation Securities Litigation*." Be sure to include your name, address and telephone number, identify the date(s), price(s), and number(s) of shares of all purchases, acquisitions and sales of Clarus common stock you made during the Settlement Class Period, and sign the letter. Your Notice of Intention to Appear must be postmarked no later than **November 18, 2004**, and be sent to the Clerk of the Court, Co-Lead Counsel, and Defense Counsel, at the three addresses on page 7, in question 18. You cannot speak at the Fairness Hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement. But, unless you specifically exclude yourself by asking for exclusion in writing as discussed on page 6, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Clarus or the other Released Parties about the legal issues settled in this case, ever again.

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in a Stipulation and Agreement of Settlement dated August 3, 2004 (the "Stipulation"). You can get a copy of the Stipulation by writing to Plaintiffs' Co-Lead Counsel, or by visiting www.hrsclaimsadministration.com.

You also can call the Claims Administrator at 1-800-528-7199 toll free; write to *In re Clarus Corporation Securities Litigation*, P.O. Box 160, Philadelphia, PA 19105-0160; or visit the website at www.hrsclaimsadministration.com, where you will find answers to common questions about the Settlement, a claim form, plus other information to help you determine whether you are a Settlement Class Member and whether you are eligible for a payment.

25. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of Georgia, Atlanta Division, 2211 United States Courthouse, 75 Spring Street, S.W., Atlanta, Georgia 30303-3361, during regular business hours.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

The \$4,500,000 Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Settlement Class who submit acceptable Proofs of Claim ("Authorized Claimants").

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

An Authorized Claimant's "Recognized Claim" shall mean:

If the shares purchased during the Settlement Class Period were sold at a loss on or before October 25, 2000, then an Authorized Claimant's "Recognized Claim" from such shares shall mean **the lesser of: (a)** \$0.88 per share (calculated as \$8.83 times 10%), **or (b)** 10% of the difference between the purchase price (including commissions, etc.) minus the sales proceeds received (net of commissions, etc.).

If the shares purchased during the Settlement Class Period were still held as of the close of trading on October 25, 2000, then an Authorized Claimant's "Recognized Claim" shall mean **the lesser of: (a)** \$8.83 per share, the amount that the stock dropped upon the disclosure, **or (b)** the purchase price (including commissions, etc.) minus \$11.06 per share, the price of the shares as of the close of trading on October 26, 2000.

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

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in Clarus common stock during the Settlement Class Period or suffered a loss, the Claims Administrator shall: (i) total the amount paid for all Clarus common stock purchased during the Settlement Class Period by the claimant (the "Total Purchase Amount"); (ii) match any sales of Clarus common stock during the Settlement Class Period first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining shares of Clarus common stock sold during the Settlement Class Period (the "Sales Proceeds"); and (iv) ascribe a \$11.06 per share holding value for the number of shares of Clarus common stock purchased during the Settlement Class Period and still held at the end of the Settlement Class Period ("Holding Value"). The difference between: (x) the Total Purchase Amount ((i) above) and (y) the sum of the Sales Proceeds ((iii) above) and the Holding Value ((iv) above), will be deemed a Claimant's gain or loss on his, her or its overall transactions in Clarus common stock during the Settlement Class Period.

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

In the event a Class Member has more than one purchase or sale of Clarus common stock, all purchases and sales shall be matched on a First-In/First-Out ("FIFO") basis, beginning with the shares held at the beginning of trading on December 8, 1999. This matching will be done irrespective of the different accounts in which the shares of Clarus stock were purchased and sold unless the title or ownership of the accounts differed.

Shares "transferred into," "delivered into" or "received into" the claimant's account shall **NOT** be considered as purchased shares unless claimant submits documents supporting that the original purchase of the shares occurred during the Class Period. Also, shares purchased and subsequently "transferred out" or "delivered out" of claimant's account will **NOT** be considered part of claimant's claim, as the right to file for those shares may belong to the person or party receiving the shares.

The receipt or grant of a gift of Clarus common stock during the Class Period shall not be deemed to be a purchase of Clarus common stock during the Class Period. However, the recipient of Clarus common stock as a gift or as a distribution from an estate shall be eligible to file a Proof of Claim form and participate in the Settlement to the extent the particular donor or decedent as the actual purchaser of Clarus common stock would have been eligible, based upon the circumstances of such purchase within the Class Period; however, the donee and donor may not both claim with regard to the same Clarus common stock. If both the donor and donee make such a claim, only the claim filed by the donee will be honored.

The date of a purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

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

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

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

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

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired common stock of Clarus Corporation between December 8, 1999 and October 25, 2000, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock during such time period; or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Clarus Corporation Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
P.O. Box 160
Philadelphia, PA 19105-0160
(800) 528-7199

Dated: Atlanta, Georgia
August 20, 2004

By Order of the Court

CLERK OF THE COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: CLARUS CORPORATION : X
SECURITIES LITIGATION : CASE NO. 1:00-CV-2841-CAP
: X

PROOF OF CLAIM AND RELEASE

DEADLINE FOR SUBMISSION: NOVEMBER 18, 2004.

IF YOU PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF CLARUS CORPORATION ("CLARUS") BETWEEN DECEMBER 8, 1999 AND OCTOBER 25, 2000, INCLUSIVE ("SETTLEMENT CLASS PERIOD"), YOU ARE A "SETTLEMENT CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. (EXCLUDED FROM THE SETTLEMENT CLASS ARE DEFENDANTS, MEMBERS OF EACH INDIVIDUAL DEFENDANT'S IMMEDIATE FAMILY, ANY ENTITY IN WHICH DEFENDANTS OR ANY EXCLUDED PERSON HAS OR HAD A CONTROLLING INTEREST, THE OFFICERS AND DIRECTORS OF CLARUS, AND THE LEGAL AFFILIATES, REPRESENTATIVES, HEIRS, CONTROLLING PERSONS, SUCCESSORS, AND PREDECESSORS IN INTEREST OR ASSIGNS OF ANY SUCH EXCLUDED PARTY.)

IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN NOVEMBER 18, 2004 TO THE FOLLOWING ADDRESS:

In re Clarus Corporation Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
Post Office Box 160
Philadelphia, PA 19105-0160

YOUR FAILURE TO SUBMIT YOUR CLAIM BY NOVEMBER 18, 2004 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS AND YOU DO NOT TIMELY REQUEST EXCLUSION IN CONNECTION WITH THE PROPOSED SETTLEMENT, YOU ARE BOUND BY THE TERMS OF ANY JUDGMENT ENTERED IN THE ACTION, INCLUDING THE RELEASES PROVIDED THEREIN, **REGARDLESS OF WHETHER YOU SUBMIT A PROOF OF CLAIM AND RELEASE.**

1. I purchased or otherwise acquired the common stock of Clarus Corporation ("Clarus") between December 8, 1999 and October 25, 2000, inclusive. (Do not submit this Proof of Claim if you did not purchase or otherwise acquire Clarus common stock during this period).

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a Settlement Class Member as defined above and in the Notice of Pendency of Class Action and Proposed Settlement (the "Notice"), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Settlement Class; that I have read and understand the Notice; that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Notice; that I have not filed a request for exclusion; and that I have not assigned or transferred any matter in connection with this release or any portion hereof. (If you are acting in a representative capacity on behalf of a Settlement Class Member (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I have set forth where requested below all relevant information with respect to each purchase or acquisition of Clarus common stock during the Settlement Class Period, and each sale, if any, of such securities. I agree to furnish additional information (including transactions in other Clarus securities) to the Claims Administrator to support this claim if requested to do so.

4. I have enclosed information, including photocopies of the stockbroker's confirmation slips, stockbroker's statements, relevant portions of my tax returns or other documents evidencing each and every purchase, acquisition, sale or retention of Clarus common stock between December 8, 1999 and October 25, 2000, inclusive, as listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

5. I understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Claim. In some cases the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities such as options.)

6. Upon the occurrence of the Effective Date my signature hereto will constitute a full and complete release, remise and discharge by me and my heirs, executors, administrators, predecessors, successors, and assigns (or, if I am submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Parties" of all "Released Claims," as defined in the Notice.

7. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-(800) 528-7199 or visit their website at ***www.hrsclaimsadministration.com*** to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

8. Proof of Claim (See form on next page.)

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number ("TIN") and Certification

PART I

NAME: _____

Check appropriate box:

Individual/Sole Proprietor
 Joint
 IRA
 Trust
 Corporation
 Partnership
 Pension Plan
 Other (specify) _____

Enter TIN on appropriate line. For individuals, this is your Social Security Number ("SSN"). For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN"). For other entities, it is your EIN.

Social Security Number: --
 (for individuals)

OR Employer Identification Number: -
 (for estates, trusts, corporations, etc.)

PART II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write "exempt" on the following line: _____

PART III

Certification

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my correct TIN; and
2. I (We) certify that I am (we are) **NOT** subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out the word "NOT" in Item 2 above.

If you require the Instructions for Completing Substitute Form W-9, please make a written request to us at: *In re Clarus Corporation Securities Litigation*, c/o Heffler, Radetich & Saitta L.L.P., P.O. Box 160, Philadelphia, PA 19105-0160 or go to our website at www.hrsclaimsadministration.com. Please note that your accountant should also be able to provide you with the Instructions.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, 2004 in _____, _____.

(month) (City) (State/Country)

(Signature of Claimant)

(Type or print your name here)

(Signature of Joint Claimant, if any)

(Type or print your name here)

(Capacity of person(s) signing, e.g. Beneficial Purchaser, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING
TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and certification on page 14.
2. Remember to attach copies of supporting documentation, if available.
3. Do not send original or copies of stock certificates.
4. Keep a copy of your claim form and all attachments for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN NOVEMBER 18, 2004, AND MUST BE MAILED TO:

In re Clarus Corporation Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
Post Office Box 160
Philadelphia, PA 19105-0160

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by November 18, 2004, and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

If you wish to be assured that your Proof of Claim is actually received by the Claims Administrator then you should send it by Certified Mail, Return Receipt Requested. No acknowledgment will be made as to the receipt of claim forms. You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

In re Clarus Corporation Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
Post Office Box 160
Philadelphia, PA 19105-0160

FIRST-CLASS MAIL U.S. POSTAGE PAID PERMIT NO. 2323 PHILADELPHIA, PA

Notice to those who bought or otherwise acquired Clarus Corporation common stock between December 8, 1999 and October 25, 2000 (inclusive).

FIRST-CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

**If you bought or otherwise acquired
Clarus Corporation (“Clarus”) common stock
between December 8, 1999 and October 25, 2000,
inclusive (the “Settlement Class Period”),
please read this notice carefully;
you could get a payment from a class action settlement.**