

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

_____ X	:	
IN RE: MAGNETIC AUDIOTAPE	:	
ANTITRUST LITIGATION	:	
_____ X	:	MASTER FILE
	:	No. 99-CV-1580 (LMM)
THIS DOCUMENT RELATES TO:	:	
ALL ACTIONS	:	
_____ X	:	

NOTICE OF CLASS CERTIFICATION, PROPOSED SETTLEMENTS WITH CERTAIN DEFENDANTS, AND SETTLEMENT HEARING

TO: ALL PERSONS WHO PURCHASED PANCAKE AUDIOTAPE DIRECTLY FROM THE DEFENDANTS IN THE UNITED STATES DURING THE PERIOD FROM JANUARY 1, 1992 THROUGH DECEMBER 31, 1997.

THIS NOTICE IS BEING PROVIDED BY COURT ORDER. PLEASE READ THE NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY LITIGATION PENDING IN THIS COURT AND BY PROPOSED SETTLEMENTS WITH SOME, BUT NOT ALL, OF THE DEFENDANTS.

IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN SETTLEMENT FUNDS TOTALING APPROXIMATELY \$10.8 MILLION PURSUANT TO THE CLAIMS PROCEDURE. THE DEADLINE FOR SUBMITTING CLAIMS IS JANUARY 14, 2003.

If you are a member of the Class described in this Notice, your rights may be affected by this litigation and the proposed settlements described below. This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the "Court"). The Notice is sent to inform you about this litigation, the certification of a Class of which you may be a member, and the terms of proposed settlements entered into with some, but not all, of the Defendants, so that you may decide what steps you wish to take. The Settling Defendants are EMTEC Magnetics ProMedia, Inc., f/k/a JR Pro Sales, Inc., EMTEC Magnetics GmbH, EMTEC Holding GmbH (the "EMTEC Settling Defendants"), TDK Corp. and TDK Electronics Corp. (the "TDK Settling Defendants"), and BASF Corporation.

A hearing will be held before the Honorable Lawrence M. McKenna, United States District Judge, in the United States Courthouse, Courtroom 15D, 500 Pearl Street, New York, New York, at 10 a.m. on February 21, 2003. The purpose of the hearing will be, among other things, to determine whether the proposed settlements and the proposed plan of distribution should be approved by the Court as fair, reasonable and adequate and to consider Class Counsel's interim request for reimbursement of litigation expenses.

I. THE LITIGATION

This litigation has been brought by the Plaintiffs as a class action (the "Class Action") against SK Group, SK Global America, Inc., SKM, Ltd., f/k/a SK Magnetic Co. Ltd., Sunkyong Magnetic America, Inc., OCOMP, Inc., BASF Magnetics GmbH, BASF Magnetics Corp. (now BASF Corp.), EMTEC Magnetics ProMedia, Inc., f/k/a JR Pro Sales, Inc., EMTEC Magnetics GmbH, EMTEC Holding GmbH, Aurex, S.A. de C.V. (Auriga), Auriga-Aurex, Inc., TDK Corp. and TDK Electronics Corp. (the "Defendants").

A similar action was brought against BASF AG. That case was dismissed by the district court based upon a lack of jurisdiction but was reversed by the Second Circuit with instructions for further discovery on jurisdictional facts.

The Court dismissed Plaintiffs' Complaint against SKM Ltd. on the grounds of lack of personal jurisdiction. Plaintiffs have taken an appeal of that ruling to the Second Circuit Court of Appeals.

Plaintiffs claim that, beginning no later than January 1992 and continuing to at least December 31, 1997, Defendants engaged in a combination and conspiracy to fix the prices they charged for Pancake Audiotape sold in the United States, in restraint of trade and commerce in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. Plaintiffs further claim that, as a result of the conspiracy, they and other Class members were injured by paying more for Pancake Audiotape than they would have paid in the absence of the alleged illegal conduct. Defendants deny these allegations, deny liability, and deny that any Plaintiff or Class member is entitled to damages or other relief.

II. NO COURT RULING ON THE MERITS

This Notice should not be regarded as an expression of any opinion by the Court on the merits of the claims or defenses of the parties. No ruling on such matters has been made, and no trial has occurred. This Notice does not imply that there has been a finding by the Court on any alleged violation of law by the Defendants, or that relief could or could not be obtained by Plaintiffs or members of the Class if the Settlement does not become effective.

III. THE CLASS

By Order dated June 1, 2001, the Court certified the following Class:

All persons who, during the period January 1, 1992, to and including December 31, 1997, purchased Pancake Audiotape [Magnetic Audiotape] in the United States directly from defendants or any subsidiary or affiliate thereof, but excluding defendants, their parents, subsidiaries and affiliates, other manufacturers of Pancake Audiotape [Magnetic Audiotape] and governmental entities.

The Court's Order certifying the Class used the term Magnetic Audiotape, but defined Magnetic Audiotape to include Pancake Audiotape only. Pancake Audiotape means audiotape consisting of a thin magnetic layer, or "top coat," that is bonded onto a thicker film backing and is capable of recording magnetic signals; the top coat consisting of magnetic pigment suspended within a polymer binding that holds the magnetic particles together as well as holding them onto the film backing; the audiotape being sold in bulk in "pancakes" consisting of audiotape wound on a core with no flanges; but excluding any "Type IV" metal audiotape and any audiotape sold by defendants TDK Corporation or TDK Electronics Corporation after June 30, 1995.

Further, the Court has appointed the following law firms as Class Co-Lead Counsel for Plaintiffs and the Class:

LEVIN, FISHBEIN, SEDRAN & BERMAN
510 Walnut Street, Suite 500
Philadelphia, PA 19106

HEINS MILLS & OLSON, P.L.C.
3550 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

RICHARDSON PATRICK WESTBROOK & BRICKMAN, LLC
174 East Bay Street
Charleston, SC 29402

If you are a member of the Class and wish to remain a member of the Class, you are not required to do anything at this time. If you do not submit a valid and timely request to be excluded from the Class, you will be bound by (1) the terms of the EMTEC, BASF, and TDK Settlements, if approved by the Court, including the release provisions described below, and (2) the outcome of the litigation against the non-settling Defendants, whether favorable or not.

If you are a member of the Class and do not request exclusion, you may be entitled to share in funds recovered in the Settlements. To do so, you must submit a Proof of Claim on the form accompanying this Notice. ALL CLAIMS MUST BE SUBMITTED BY JANUARY 14, 2003. Those who request exclusion from the Class may not submit claims.

IV. THE EMTEC SETTLEMENT

Class Co-Lead Counsel and counsel for the EMTEC Defendants engaged in intensive discussions and arm's-length negotiations, which resulted in the proposed Settlement with the EMTEC Settling Defendants in the amount of \$1.5 million. Class Co-Lead Counsel concluded, after investigation of the facts and consideration of the applicable law, that the proposed EMTEC Settlement is in the best interest of the Class and avoids the uncertainties and delay inherent in the continued prosecution of this complex litigation against those Defendants while securing their cooperation and a significant recovery for the Class. For their part, the EMTEC Settling Defendants, while asserting that they have no liability on the claims asserted by Plaintiffs and the Class and that they have various defenses, have agreed to the proposed Settlement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation.

The terms of the EMTEC Settlement, which will become effective only if finally approved by the Court, are set forth in detail in the Settlement Agreement dated March 13, 2002, which has been filed with the Court. The principal terms and conditions are summarized below.

Under the terms of the Settlement, the EMTEC Settling Defendants will pay \$1,500,000 in three equal installments over an eighteen-month period. Class Counsel have agreed that certain guarantees pertaining to the second and third installments may be deferred until December 31, 2002. In return, the EMTEC Defendants agreed to expedite the production of documents required under the cooperation provisions of the agreement. The settlement amount may be reduced by 15%–65% depending upon the number of persons who exclude themselves from the Class and the dollar amount of their purchases of Pancake Audiotape from EMTEC ProMedia in 1997. If the percentage of purchases represented by those who request exclusion is less than 20%, there will be no reduction in the settlement amount. The settlement amount and interest or income earned (the "Settlement Fund") will be used to pay the expenses of notice to the Class, expenses of settlement administration (including bank escrow charges, all taxes and tax-related fees and expenses concerning income earned by the Settlement Fund, and the fees and expenses of the settlement administrator) and, to the extent awarded by the Court: attorneys' fees and litigation expenses of Plaintiffs' counsel and awards to the Class Representatives. The net EMTEC Settlement Fund will be distributed to claimant members of the Class in accordance with the plan of distribution as described below if approved by the Court.

The EMTEC Settling Defendants also have agreed to cooperate in Plaintiffs' prosecution of this litigation against the remaining non-settling Defendants by providing materials and information relevant to the allegations in Plaintiffs' Complaints, including the right to interview and take testimony from certain individuals located in Germany.

Release Provisions of the EMTEC Settlement Agreement

If you are a member of the Class and the EMTEC Settlement is approved and becomes effective, you will be bound by its terms unless you have timely and validly requested exclusion from the Class. As a Class member, you will be bound by the EMTEC Settlement Agreement, including its release provisions, whether or not you object to the Settlement or submit a claim seeking to share in settlement funds.

Class members are referred to the Settlement Agreement on file with the Court for the complete terms of the release, including the defined terms capitalized below. The summary contained in this Notice does not in any way modify or limit the terms of the release.

If and when the Settlement becomes final, Class members will release the EMTEC Settling Defendants and their present and former parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, employees, agents and any of their legal representatives, including EMTEC Pro Media, Inc., EMTEC International Holding GmbH and EMTEC Magnetics GmbH Ludwigshafen, and including BASF Magnetics GmbH (Ludwigshafen), but not including BASF Corporation, BASF Atkiengesellschaft, BASF Magnetics GmbH (Mannheim), Kohap Group, Kohap Holding, Kohap, Ltd. (f/k/a Kohap, Inc.) and any other present defendant identified in the First Amended Consolidated Class Action Complaint, or any affiliated company of any other present defendant in the Class Action (the "Released Parties") from all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether directly, representatively, derivatively or in any other capacity, relating in any way to conduct prior to the date of the Settlement Agreement and arising under or relating to any federal or state antitrust, unfair competition, unfair practices, trade practice laws, or similar laws, including without limitation the Sherman Antitrust Act, 15 U.S.C. § 1 et seq., common law or statutory fraud claims concerning the purchase, sale or pricing of Pancake Audiotape, or related services, or relating to any conduct alleged in the First Amended and Consolidated Class Action Complaint or any other class action complaints consolidated in No. 99-CV-1580, and including, without limitation, claims which have been or could have been asserted in any litigation against the Released Parties or any one of them (defined at paragraph 23 of the Settlement Agreement as "Released Claims"). The Released Claims do not include claims solely related to disputes other than those arising under the laws identified above (such as claims for defective products which may have arisen in the ordinary course of business).

In addition, to the extent permitted by law, all Class members will release all unknown claims and will waive the protection of any law (including but not limited to § 1542 of the California Civil Code and any similar law in any other state or territory) which might otherwise be construed to make a release of unknown claims ineffective.

The release provisions of the EMTEC Settlement Agreement relate solely to the Released Parties and have no effect on the claims of Class members against other Defendants. Claims against non-settling Defendants are unaffected and will be the subject of continuing litigation.

V. THE BASF SETTLEMENT

Class Co-Lead Counsel and counsel for BASF Corporation also have engaged in intensive arm's-length negotiations that have resulted in a proposed Settlement in the amount of \$9 million plus \$400,000 for Court approved litigation expenses. Class Co-Lead Counsel have concluded that the proposed Settlement with BASF is in the best interest of the Class and avoids the uncertainties and delay inherent in continued prosecution of this litigation against BASF while securing BASF's cooperation and a substantial recovery for the Class. For its part, BASF Corporation, while asserting that it has no liability on the claims asserted by Plaintiffs and the Class and that it has various defenses, has agreed to the proposed Settlement to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation.

The BASF Settlement, which also encompasses a related action, Texas Int'l Magnetics, Inc., et al. v. BASF Aktiengesellschaft, No. 00 Civ. 1982 (LMM), will become effective only if finally approved by the Court. The terms and conditions are set forth in detail in the Settlement Agreement dated August 14, 2002, which has been filed with the Court. The principal provisions are summarized below.

Under the terms of the BASF Settlement, BASF Corporation will pay \$9 million into an escrow account. That amount is subject to adjustment based on requests for exclusion from the Class. If the percentage of purchases of Pancake Audiotape represented by those requesting exclusion, on the basis of the Defendants' 1996 sales data, is more than 22½%, then the BASF settlement amount will be reduced by \$30,000 for each one-half of each such percentage point, up to 45%. If the percentage exceeds 45%, then the BASF settlement amount will be reduced by an additional \$15,000 for each one-half of each percentage point above 45%. There will be **no** reduction if the percentage is less than 22½%. Moreover, if the percentage of purchases represented by Class members requesting exclusion exceeds a certain level set by the parties, BASF Corporation may terminate the BASF Settlement entirely within 45 days after the deadline for Class members to submit proof of claim forms.

The BASF Settlement Fund will be used to pay the expenses of notice to the Class and expenses of settlement administration (including bank escrow charges, all taxes and tax-related fees and expenses concerning income earned by the Settlement Fund, and the fees and expenses of the settlement administrator) and, to the extent awarded by the Court: attorneys' fees and litigation expenses of Plaintiffs' counsel and awards to the Class Representatives. The net BASF Settlement Fund will be distributed to claimant members of the Class in accordance with the Plan of Distribution as described below if approved by the Court.

Apart from and in addition to the BASF Settlement Fund, BASF Corporation will pay, subject to Court approval, interim litigation expenses of Plaintiffs' Counsel in the amount of \$400,000.

BASF also has agreed to cooperate in Plaintiffs' prosecution of this litigation against the non-settling Defendants by providing materials and information relevant to the allegations in Plaintiffs' Complaints, including the right to interview and take testimony from certain individuals located in Europe.

Release Provisions of the BASF Settlement Agreement

If you are a member of the Class and the BASF Settlement is approved and becomes effective, you will be bound by its terms unless you have timely and validly requested exclusion from the Class. As a Class member, you will be bound by the BASF Settlement Agreement, including its release provisions, whether or not you object to the Settlement or submit a claim seeking to share in settlement funds.

Class members are referred to the Settlement Agreement on file with the Court for the complete terms of the release, including the defined terms capitalized below. The summary contained in this Notice does not in any way modify or limit the terms of the release.

If and when the Settlement becomes final, Class members will release BASF Corporation and BASF AG and their present and former parents, subsidiaries, divisions, affiliates, officers, directors, employees, agents and any of their legal representatives, but not including EMTEC Magnetics Pro Media, Inc. (f/k/a JR Pro Sales, Inc., EMTEC Magnetics GmbH, EMTEC Holding GmbH, Kohap Group, Kohap Holding, Kohap, Ltd. (f/k/a Kohap, Inc.) (the "Released Parties") from all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether directly, representatively, derivatively or in any other capacity concerning the purchase, sale or pricing of Pancake Audiotape, or related services, or relating to any conduct alleged in the Second Amended and Consolidated Class Action Complaint or any other class action complaints consolidated in No. 99-CV-1580, and including, without limitation, claims which have been or could have been asserted in any litigation against the Released Parties or any one of them (defined at paragraph 17 of the BASF Settlement Agreement as "Released Claims"). The Released Claims do not include claims based on the sale of defective products or a breach of contract or a breach of warranty unrelated to conduct alleged in the complaints consolidated in No. 99-CV-1580.

In addition, to the extent permitted by law, all Class members will release all unknown claims and will waive the protection of any law (including but not limited to § 1542 of the California Civil Code and any similar law in any other state or territory) which might otherwise be construed to make a release of unknown claims ineffective.

The release provisions of the BASF Settlement Agreement relate solely to the Released Parties and have no effect on the claims of Class members against other Defendants. Claims against non-settling Defendants are unaffected and will be the subject of continuing litigation.

VI. THE TDK SETTLEMENT

Class Co-Lead Counsel and counsel for the TDK Settling Defendants also have engaged in arm's-length negotiations that have resulted in a proposed Settlement in the amount of \$300,000. Class Co-Lead Counsel have concluded that the proposed Settlement with the TDK Settling Defendants is in the best interest of the Class and avoids the uncertainties and delay inherent in continued prosecution of this litigation against those Defendants while securing an additional recovery for the Class. For their part, the TDK Settling Defendants, while asserting that they have no liability on the claims asserted by Plaintiffs and the Class and that they have various defenses, have agreed to the proposed Settlement to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation.

The TDK Settlement will become effective only if finally approved by the Court. The terms and conditions are set forth in detail in the Settlement Agreement dated October 11, 2002, which has been filed with the Court. The principal provisions are summarized below.

Under the terms of the TDK Settlement, the TDK Settling Defendants will pay \$300,000 into an escrow account. If the percentage of purchases of Pancake Audiotape represented by those requesting exclusion, on the basis of the TDK's 1994 sales data, exceeds 25%, the TDK Settling Defendants may terminate the Settlement.

The TDK Settlement Fund will be used to pay the expenses of notice to the Class and expenses of settlement administration (including bank escrow charges, all taxes and tax-related fees and expenses concerning income earned by the Settlement Fund, and the fees and expenses of the settlement administrator) and, to the extent awarded by the Court: attorneys' fees and litigation expenses of Plaintiffs' counsel and awards to the Class Representatives. The net TDK Settlement Fund will be distributed to claimant members of the Class in accordance with the plan of distribution as described below if approved by the Court.

Release Provisions of the TDK Settlement Agreement

If you are a member of the Class and the TDK Settlement is approved and becomes effective, you will be bound by its terms unless you have timely and validly requested exclusion from the Class. As a Class member, you will be bound by the TDK Settlement Agreement, including its release provisions, whether or not you object to the Settlement or submit a claim seeking to share in settlement funds.

Class members are referred to the Settlement Agreement on file with the Court for the complete terms of the release, including the defined terms capitalized below. The summary contained in this Notice does not in any way modify or limit the terms of the release.

If and when the Settlement becomes final, Class members will release the TDK Settling Defendants and their present and former parents, subsidiaries, divisions, affiliates, officers, directors, employees, agents and any of their legal representatives, (the "Released Parties") from all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether directly, representatively, derivatively or in any other capacity concerning the purchase, sale or pricing of Pancake Audiotape, or related services, or relating to any conduct alleged in the Second Amended and Consolidated Class Action Complaint or any other class action complaints consolidated in No. 99-CV-1580, and including, without limitation, claims which have been or could have been asserted in any litigation against the Released Parties or any one of them (defined at paragraph 16 of the TDK Settlement Agreement as "Released Claims"). The Released Claims do not include claims based on the sale of defective products or a breach of contract or a breach of warranty unrelated to conduct alleged in the complaints consolidated in No. 99-CV-1580.

In addition, to the extent permitted by law, all Class members will release all unknown claims and will waive the protection of any law (including but not limited to § 1542 of the California Civil Code and any similar law in any other state or territory) which might otherwise be construed to make a release of unknown claims ineffective.

The release provisions of the TDK Settlement Agreement relate solely to the Released Parties and have no effect on the claims of Class members against other Defendants. Claims against non-settling Defendants are unaffected and will be the subject of continuing litigation.

VII. APPLICATIONS FOR ATTORNEYS' FEES AND EXPENSES

In accordance with the law governing awards of attorneys' fees in class actions, the EMTEC, BASF, and TDK Settlement Agreements provide that counsel for Plaintiffs and the Class may apply for awards of attorneys' fees and expenses. In view of the continuing nature of this litigation, Class Co-Lead Counsel have decided not to request an award of attorneys' fees at this time, but will seek an interim award of litigation expenses in the amount of \$400,000.00 under the BASF Settlement. Under the three settlement agreements, counsel for Plaintiffs and the Class may from time to time request the reimbursement of additional litigation expenses from the settlement funds. In any event, all payments of attorneys' fees and expense reimbursements from settlement funds will be subject to the approval of the Court.

VIII. PLAN OF DISTRIBUTION OF SETTLEMENT FUNDS

If the proposed Settlements are approved by the Court and become fully effective, the combined Net Settlement Funds (after payment of notice costs, bank escrow charges, taxes and tax-related fees and expenses, settlement administration fees and expenses, and, to the extent awarded by the Court: attorneys' fees and litigation expenses of Plaintiffs' counsel and awards to the Class Representatives) will be distributed to members of the Class pursuant to a Court-approved plan of distribution. Those who submit timely and valid requests for exclusion from the Class are no longer Class members and are not eligible to submit claims.

Under the plan of distribution proposed by Class Co-Lead Counsel (the "Plan of Distribution"), subject to Court approval, the combined Net Settlement Funds will be distributed to Class members who submit claims and have qualifying purchases of Pancake Audiotape, as determined by the Settlement Administrator, in direct proportion to the claimants' Qualifying Recovery Amounts. In determining each claimant's Qualifying Recovery Amount, the following percentages will be applied to qualifying purchases:

<u>Percentage</u>	<u>Time Period in Which Purchase Occurred</u>
2%	January 1, 1992 through December 31, 1992
3%	January 1, 1993 through December 31, 1993
2%	January 1, 1994 through February 28, 1995
4%	March 1, 1995 through May 31, 1995
8%	June 1, 1995 through June 30, 1996
5%	July 1, 1996 through December 31, 1996
2%	January 1, 1997 through December 31, 1997

The total resulting amount will be the claimant's Qualifying Recovery Amount. For example, if a hypothetical Class member had \$1 million of purchases of Pancake Audiotape during the period June 1, 1995 through June 30, 1996, the Qualifying Recovery Amount would be \$80,000. Then, by example, if the Qualifying Recovery Amounts for all Class Members were \$6 million, the hypothetical Class member's share would be 1.3% of the Net Settlement Fund.

All Class members who wish to share in any Settlement Funds in this litigation must submit a claim in response to this Notice on the accompanying Proof of Claim form. However, any distribution to claimants will be most likely deferred until the remaining portion of the litigation with the non-settling Defendants has been fully resolved. Any additional net recoveries obtained from such Defendants by settlement or judgment will be combined with the Net Settlement Funds from the EMTEC, BASF, and TDK Settlements (described above) and will increase the amount ultimately distributed to claimants. Class members who submit claims in response to this Notice will not be required to submit further claim forms in order to share in any such additional recoveries. The claims information submitted in response to this Notice, to the extent accepted by the Settlement Administrator, will be applied to any such additional funds.

If you are a Class member—and whether or not you submit a claim—you should advise the Settlement Administrator (at the address given in the following section) of any change in your address until this litigation has been fully resolved. All claimants also should retain their documents and records concerning purchases of Pancake Audiotape in the period from January 1, 1992 through December 31, 1997.

IX. REQUESTS FOR EXCLUSION

If you are a member of the Class and wish to remain a member, you need not take any steps in response to this Notice. If you wish to seek to share in the funds recovered in the Settlements and any amounts recovered from non-settling Defendants, however, you must submit a Proof of Claim on the form accompanying this Notice. All claims must be submitted by January 14, 2003; claims are regarded as submitted on the postmark date. If you remain in the Class: (1) your rights in this litigation will continue to be represented by the Plaintiffs as Class Representatives and Class Co-Lead Counsel, (2) you will be bound by the terms of the proposed Settlements, including the release provisions described above, and (3) you will be bound by any further orders and judgments entered in this litigation, whether favorable or not.

As a member of the Class, you will not be personally responsible for attorneys' fees or expenses of litigation. If you retain your own legal counsel, however, you may be responsible for your own attorney's fees and expenses.

If you are a member of the Class and do not wish to remain a member of the Class, you must submit a written request for exclusion. All such requests must be sent to Heffler, Radetich & Saitta L.L.P. (the "Settlement Administrator") at the following address: Magnetic Audiotape Antitrust Litigation, Heffler, Radetich & Saitta L.L.P., P.O. Box 108, Philadelphia, PA 19105-0108. To be effective as a request for exclusion from the Class, a written request must be sent by first-class mail postmarked no later than December 30, 2002, and must state (i) your name (including trade or business name), address, and telephone number, and (ii) that you wish to be excluded from the Class. You need not state a reason for your request.

If you submit a timely and valid request for exclusion from the Class, you will no longer be a Class member, and you will not be entitled to share in the benefits of the proposed Settlements described above or in any additional recoveries made for the benefit of the Class in the litigation, and you will not be bound by the provisions of the proposed Settlements.

X. SETTLEMENT HEARING

Pursuant to Order of the Court, a hearing (the "Settlement Hearing") will be held before the Honorable Lawrence M. McKenna, United States District Judge, at 10 a.m. on February 21, 2003, in Courtroom 15D, United States Courthouse, 500 Pearl Street, New York, New York, for the purpose of determining whether the proposed Settlements are fair, reasonable, and adequate and should be approved, and to consider the Plan of Distribution, Class Counsels' interim request for an award of litigation expenses, and any other related matters that may come before the Court. The time and date of the Settlement Hearing may be continued from time to time without further notice to the Class.

Members of the Class who do not wish to object to the proposed Settlements, the distribution plan or the interim request for litigation expenses need not appear at the Settlement Hearing. Any member of the Class who has not timely and validly requested exclusion may appear at the hearing in person or by duly authorized attorneys and show cause why the Settlements should not be approved as fair, reasonable and adequate, why the Plan of Distribution should not be approved or why the interim request for litigation expenses should not be approved. However, no Class member shall be heard in opposition to the proposed Settlements or the Plan of Distribution, or the interim request for litigation expenses and no paper or brief submitted by any Class member shall be received or considered by the Court unless, on or before December 30, 2002, such Class member files a notice of intention to appear and a statement of the position to be asserted and the grounds therefor, together with copies of any supporting papers or brief, referring to In re Magnetic Audiotape Antitrust Litigation No. 99-CV-1580 (LMM), with the Clerk of Court, United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007-1312. Copies of any such opposition or objection, and any supporting papers or brief also shall be sent by first-class mail, postage prepaid, postmarked no later than December 30, 2002, to the following counsel:

Howard J. Sedran, Esquire
LEVIN, FISHBEIN, SEDRAN & BERMAN
510 Walnut Street, Suite 500
Philadelphia, PA 19106

Howard Ellins, Esquire
DAVIS POLK & WARDWELL
450 Lexington Avenue
New York, NY 10017

Kenneth S. Prince, Esquire
Richard Schwed, Esquire
SHEARMAN & STERLING
599 Lexington Avenue
New York, NY 10022

Scott A. Stempel, Esquire
MORGAN LEWIS & BOCKIUS LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004

Class Co-Lead Counsel

*Attorneys for EMTEC
Settling Defendants*

*Attorneys for Defendant
BASF Corporation*

*Attorneys for TDK
Settling Defendants*

XI. FURTHER PROCEEDINGS

Whether or not the proposed EMTEC, BASF, and TDK Settlements are approved by the Court, this litigation will continue against the non-settling Defendants.

The proposed Settlements and related releases are without prejudice to the rights of Plaintiffs and the Class to continue to pursue their claims against the above non-settling Defendants.

XII. ADDITIONAL INFORMATION

This Notice contains a summary of the litigation, the proposed Settlements, and related matters. For more detailed information, you or your attorney may examine the Settlement Agreements and other documents filed in the office of the Clerk of Court, United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York, during regular business hours. If you have any questions with respect to this Notice or the litigation, you may direct them in writing to Class Co-Lead Counsel:

Howard J. Sedran, Esq.
LEVIN, FISHBEIN, SEDRAN & BERMAN
510 Walnut Street, Suite 500
Philadelphia, PA 19106

The Settlement Agreements are also available at the following Internet address: www.Heffler.com.

PLEASE DO NOT TELEPHONE OR ADDRESS INQUIRIES TO THE COURT.

Dated: November 15, 2002

Clerk of Court
United States District Court
Southern District of New York

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

_____ X	:	
IN RE: MAGNETIC AUDIOTAPE	:	
ANTITRUST LITIGATION	:	
_____	:	MASTER FILE
	:	No. 99-CV-1580 (LMM)
THIS DOCUMENT RELATES TO:	:	
ALL ACTIONS	:	
_____ X	:	

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM

Note: All Class members who wish to share in any funds recovered in this litigation must submit a Proof of Claim at this time. All claims must be submitted by January 14, 2003.

1. **Eligibility** You are eligible to submit a claim seeking to share in the distribution of net settlement funds in this litigation if, during the period January 1, 1992, through December 31, 1997, you purchased Pancake Audiotape [Magnetic Audiotape] in the United States directly from one or more of the defendants or a subsidiary or affiliate thereof, and you are not any of the following: one of the defendants, their parents, subsidiaries, or affiliates, another manufacturer of Pancake Audiotape [Magnetic Audiotape], or a governmental entity. If you submit a timely and valid request for exclusion from the Class, you are not eligible to submit a claim. For reference, the defendants are: SK Group, SK Global America, Inc., SKM, Ltd., f/k/a SK Magnetic Co. Ltd., Sunkyong Magnetic America, Inc., OCOMP, Inc., BASF AG, BASF Magnetics GmbH, BASF Magnetics Corp. (now BASF Corp.), EMTEC Magnetics ProMedia, Inc., f/k/a JR Pro Sales, Inc., EMTEC Magnetics GmbH, EMTEC Holding GmbH, Aurex, S.A. de C.V. (Auriga), Auriga-Aurex, Inc., TDK Corp. and TDK Electronics Corp.

2. **Submission of Claim** Each Proof of Claim form must be signed and verified by the claimant or a person authorized to act on behalf of the claimant, and must be sent by first-class mail, postmarked no later than January 14, 2003, addressed to:

Magnetic Audiotape Antitrust Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 108
Philadelphia, PA 19105-0108

Do not send your claim to the Court or to any of the parties or their counsel, do not submit more than one claim, and do not submit duplicate claims.

3. **Applicability of Claim** All Class members who wish to share in any funds recovered in this litigation must submit a Proof of Claim at this time. Claimants will not be required to submit additional claims in the event that additional recoveries are obtained from non-settling defendants. The Proof of Claim currently submitted will apply to the present settlements and to any additional recoveries obtained by settlement or judgment.

4. **Deferral of Distribution to Claimants** Although all claims of Class members must be submitted at this time, it is likely that no distribution to claimants will be made until the remaining portion of the litigation with the non-settling defendants has been fully resolved.

5. **Confirmation of Receipt of Claim** The receipt of a claim will not be confirmed or acknowledged automatically by the Settlement Administrator. If you wish to have confirmation that your Proof of Claim has been received, include a self-addressed, stamped (37¢) envelope, or send it by certified mail, return receipt requested.

6. **Photocopies of Form** A claim may be submitted on a photocopy of the Proof of Claim form. You may also copy the Purchases page or use additional sheets of paper for the purpose of listing purchases. Other forms, or altered versions of the Proof of Claim form, will not be accepted.

7. **Completion and Support of Claim** Failure to complete all parts of the Proof of Claim form may result in denial of the claim, may delay processing, or may otherwise adversely affect the claim. All information submitted in a Proof of Claim is subject to further inquiry and verification. The Settlement Administrator may ask you to provide supporting information. Failure to provide such requested information also may delay, adversely affect, or result in denial of the claim.

8. **Claims of Separate Entities** Each corporation, trust, or other business entity making a claim must submit its claim on a separate Proof of Claim form.

9. **Taxpayer Identification Number** A Proof of Claim form is not complete without the federal taxpayer identification number of the claimant.

10. **Identity of Contact Person** Provide the name and telephone number of the person to be contacted about the information in your claim.

11. **Assistance** If you have questions about your claim, you may send them to the Settlement Administrator at the above address. You may also contact your own attorney or other person to assist you, at your own expense. Class Counsel recommends against using firms that solicit the representation of claimants.

12. **Keep a Copy** For your records, keep a photocopy of your completed Proof of Claim. You should also retain any other documents and records you may have concerning purchases of Pancake Audiotape during the period from January 1, 1992 through December 31, 1997.

13. **Changes of Address** Keep the Settlement Administrator advised of any change in your current mailing address until this litigation has been concluded.

Substitute Form W-9

Each claimant must provide the information requested in the following box. If the correct information is not provided, a portion of any payment that the claimant may be entitled to receive from the settlement funds may be withheld.

Request for Federal Taxpayer Identification Number and Certification

Claimant's federal taxpayer identification number is:

Employer Identification Number		Social Security Number
□□□□-□□□□□□□□	OR	□□□□-□□□□-□□□□□□
(for corporations, trusts, etc.)		(for individuals)

Name of taxpayer whose identification number is written above:

I certify that the above taxpayer is NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code. Under the penalties of perjury, I certify that the foregoing information is true and correct.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the word "NOT" in the previous sentence and check here: ____.

Dated: _____

(signature)

(printed name)

Instructions regarding IRS Form W-9 are available at the Internal Revenue Service website at www.irs.gov.

PURCHASES OF PANCAKE AUDIOTAPE

Use this form and, if necessary, copies of it or additional pages, to list each of your purchases of Pancake Audiotape during the period January 1, 1992 through December 31, 1997. List the purchases individually and in chronological order. Include the date of each purchase, vendor name, quantity purchased, and the amount paid in dollars (exclusive of any discounts, rebates, taxes, or delivery charges). Do not include purchases of any "Type IV" metal Pancake Audiotape or any Pancake Audiotape sold by defendants TDK Corporation or TDK Electronics Corporation after June 30, 1995. Also, purchases from distributors that are not defendants should not be included.

<u>Time Period</u>	<u>Vendor (Defendant or subsidiary or affiliate)</u>	<u>Quantity</u>	<u>Dollar Amount</u>
1/1/92 - 12/31/92	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
1/1/93 - 12/31/93	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
1/1/94 - 2/28/95	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
3/1/95 - 5/31/95	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
6/1/95 - 6/30/96	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
7/1/96 - 12/31/96	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
1/1/97 - 12/31/97	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□
	_____	□□□□□	□□□□□□□ . □□

Proof of Purchase: At this time, you should not submit your proof of purchases, however, your claim is subject to audit by the Settlement Administrator and you may, at a later time, be required to provide the underlying documentation supporting your claim. Therefore, please retain the documentation supporting your claim until conclusion of this litigation.

Claims Based Upon Assignment or Transfer:

If the claimant on whose behalf this claim is being submitted acquired the rights that are the basis of the claim asserted herein from some other person or entity (as assignee, transferee, successor or otherwise), please check the box below.

Yes – This claim is based upon an assignment or transfer.

CERTIFICATION

I, _____, swear or affirm under penalty of perjury that the information contained in this Proof of Claim is true and correct to the best of my knowledge and belief, that I am authorized to sign and submit this claim on behalf of the claimant, that the specific purchases of Pancake Audiotape listed were made by the claimant directly from the vendor(s) listed, that the claimant is a member of the Class and has not requested to be excluded from the Class, that this claim is the only claim being submitted by the claimant, that claimant does not know of any other claim being submitted for the same purchases, that claimant has not transferred or assigned its claims, and that I have read the accompanying Instructions and the Notice of Class Certification, Proposed Settlements with Certain Defendants, and Settlement Hearing. Claimant submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York for the purpose of investigation or discovery (if necessary) with respect to this claim and any proceeding or dispute arising out of or relating to this claim.

(signature)

(printed name)

(title or position) (if claimant is not an individual)

In re Magnetic Audiotape Antitrust Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 108
Philadelphia, PA 19105-0108

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