

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

JAMES GORMLEY, individually and on behalf  
of all others similarly situated,

Plaintiff,

v.

MAGICJACK VOCALTEC LTD., GERALD  
VENTO, and JOSE GORDO,

Defendants.

Case No. 1:16-cv-01869

Hon. Victor Marrero

**TO: ALL PERSONS OR ENTITIES WHO SOLD OR OTHERWISE DIVESTED  
MAGICJACK VOCALTEC LTD. (“magicJack”) SECURITIES BETWEEN  
NOVEMBER 12, 2013 AND MARCH 12, 2014 (THE “CLASS”).**

YOU ARE RECEIVING THIS NOTICE BECAUSE THERE HAS BEEN A CHANGE TO THE  
PLAN OF ALLOCATION CONTAINED WITHIN THE NOTICE OF PENDENCY AND  
PROPOSED SETTLEMENT OF CLASS ACTION (“NOTICE”).

The Notice provided Class Members with information about the Settlement in this Action. Among  
that information was a description of the how the Net Settlement Fund would be distributed to  
eligible Class Members who submit timely and valid Proof of Claim forms. That description has  
been revised as follows and the claim deadline has been extended accordingly. **Please use the  
enclosed Proof of Claim form to submit your claim by March 19, 2018:**

Your share of the Net Settlement Fund will depend on several things, including, how many Class  
Members submit timely and valid Proof of Claim forms, the total recognized losses represented  
by the valid Proof of Claim forms that Class Members send in, the total number of shares of  
magicJack common stock you sold or divested, how much you paid, and when you sold or  
divested.

By following the instructions in the Plan of Allocation, you can calculate what is called your  
Recognized Loss. The Plan of Allocation for this Settlement is as follows: Each Class Member  
that submits a valid Claim (an “Authorized Claimant”) will be assigned a Recognized Loss. An  
Authorized Claimant’s Recognized Loss depends upon the number of magicJack shares held and  
sold at certain points in time during the Class Period. The following table provides the per-share  
amount of each Authorized Claimant’s Recognized Loss:

Date Shares Purchased	Date Shares Sold			
		Between November 12, 2013 and January 6, 2014	January 6, 2014 to February 7, 2014	February 7, 2014 to March 12, 2014
Prior to January 6, 2014	\$6.83/share	\$6.01/share	\$3.51/share	
January 6, 2014 to February 7, 2014	N/A	\$6.01/share	\$3.51/share	
February 7, 2014 to March 12, 2014	N/A	N/A	\$3.51/share	

It is unlikely that you will get a payment for all of your Recognized Loss. After all Authorized Claimants 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 Loss divided by the total of each Authorized Claimant's Recognized Losses. Your payment will be made in cash.

The Plan of Allocation also includes the following provisions:

- 1) There shall be no Recognized Loss attributed to any magicJack securities other than common stock, or to any magicJack common stock purchased on a foreign exchange;
- 2) The date of a purchase or sale is the "trade" date and not the "settlement" date;
- 3) The last-in, first-out basis ("LIFO") will be applied to both purchases and sales;
- 4) Exercise of option contracts or the conversion of preferred stock into common stock will be considered to be purchases or sales of common stock as of the date of the exercise or conversion;
- 5) No cash payment will be made on a claim where the potential distribution amount is less than \$10. Please be advised that if you did not incur a Recognized Loss as defined in the Plan of Allocation, you will not receive a cash distribution from the Net Settlement Fund, but you will be bound by all determinations and judgments of the Court in connection with the Settlement, including being barred from asserting any of the Released Claims against the Released Parties.
- 6) No person shall have any claim against Lead Counsel, the Claims Administrator, or any Defendants' Counsel based on the distribution made substantially in accordance with the Stipulation and this Plan of Allocation, or further orders of the Court.
- 7) Class Members who do not submit valid Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit a valid Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

For further information about the Settlement, please contact the Claims Administrator, by mail at: *Gormley v. magicJack Vocaltec Ltd. et al.*, c/o JND Legal Administration, PO Box 6847, Broomfield, CO 80021, or visit <http://www.magicjacksecuritieslitigation.com>. Inquiries, other than requests for the Notice, may be made to Lead Counsel for the Class: Nicholas I. Porritt, Esq, Levi & Korsinsky, LLP, 1101 30th Street, N.W., Suite 115, Washington, D.C. 20007, [nporritt@zlk.com](mailto:nporritt@zlk.com).

**INQUIRIES SHOULD NOT BE DIRECTED TO THE COURT, THE CLERK'S OFFICE, THE DEFENDANTS, OR DEFENDANTS' COUNSEL.**

If you have any questions about the Settlement, you may contact Lead Counsel at the address listed above.

**DATED: December 12, 2017**

**BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF NEW YORK**