

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CITY OF WESTLAND POLICE AND FIRE)	No. C 07-05111-CW
RETIREMENT SYSTEM and PLYMOUTH)	
COUNTY RETIREMENT SYSTEM, On Behalf of)	
Themselves and All Others Similarly Situated,)	<u>CLASS ACTION</u>
)	
Plaintiffs,)	
)	
vs.)	
)	
SONIC SOLUTIONS, et al.,)	
)	
Defendants.)	

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED SONIC SOLUTIONS ("SONIC") PUBLICLY TRADED SECURITIES BETWEEN AND INCLUDING OCTOBER 23, 2002 AND MAY 17, 2007, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

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

Securities and Time Period: Sonic common stock (CUSIP No. 835460106), Sonic put options, and Sonic call options purchased or acquired between and including October 23, 2002 and May 17, 2007 (the "Settlement Class Period").

Settlement Fund: \$5,000,000 in cash. Your recovery will depend on the number and type of Sonic securities purchased or acquired between October 23, 2002 and May 17, 2007, and the timing of your purchases, acquisitions, and any sales. If claims are submitted for 100% of the eligible shares of Sonic common stock, the estimated average recovery per share of common stock will be approximately \$0.19 before deduction of Court-approved fees and expenses. Available information concerning the trading of options does not permit a useful estimate concerning the recovery for options.

Settlement Class: The Court has preliminarily certified a Settlement Class of all purchasers or acquirers of Sonic publicly traded securities during the period from and including October 23, 2002 to May 17, 2007. Excluded from the Settlement Class are Defendants, any entity in which any Defendant has or had a controlling interest or that is a parent or subsidiary or is controlled by any Defendant, Defendants' officers and directors, including any person who was an officer or director during the Settlement Class Period, Defendants' affiliates, legal representatives, heirs, predecessors, successors or assigns, and members of Defendants' immediate families. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class pursuant to this Notice.

Reasons for Settlement: Avoids the costs and risks associated with continued litigation, including the danger of no recovery, and provides a benefit to the Settlement Class now.

If the Case Had Not Settled: The settlement must be compared to the risk of no recovery after contested motions, trial, and likely appeals. A trial is a risky proposition and Lead Plaintiffs might not have prevailed. The claims in this case involve numerous complex legal and factual issues that would require extensive and costly expert testimony. Among the many key issues about which the two sides do not agree are: (1) whether any of the Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the facts alleged by the Lead Plaintiffs were material, false, misleading, or otherwise actionable under the securities laws; (3) whether the various facts alleged by the Lead Plaintiffs influenced the trading prices of Sonic securities during the relevant period; (4) the method for determining whether Sonic securities were artificially inflated during the relevant period; (5) the amount (if any) of such inflation; and (6) the amount of damages (if any) that could be recovered at trial.

Attorneys' Fees and Expenses: Lead Counsel have not received any payment for their work investigating the facts, conducting this litigation, and negotiating the settlement on behalf of the Lead Plaintiffs and the Settlement Class. Lead Counsel will ask the Court for attorneys' fees of 25% of the Settlement Fund and expenses not to exceed \$210,000 to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.055, making the estimated recovery per share after fees and expenses \$0.135.

Deadlines:

Submit Claim: March 22, 2010
Request Exclusion: February 4, 2010
File Objection: February 4, 2010

Court Hearing on Fairness of Settlement: April 8, 2010

More Information: www.gilardi.com

Claims Administrator:
Sonic Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

Lead Counsel:
Rick Nelson
Shareholder Relations
Coughlin Stoia Geller
Rudman & Robbins LLP
655 West Broadway
Suite 1900
San Diego, CA 92101

Lead Counsel:
-or-
Colin Holmes
Labaton Sucharow LLP
140 Broadway, 34th Floor
New York, NY 10005

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM	The only way to receive a payment.
OBJECT	You may write to the Court if you do not like this settlement.
GO TO A HEARING	You may ask to speak in Court about the fairness of the settlement.
DO NOTHING	Receive no payment.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the claims being released in this case.

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

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired Sonic publicly traded securities between and including October 23, 2002 and May 17, 2007.

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

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

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *City of Westland Police and Fire Retirement System and Plymouth County Retirement System v. Sonic Solutions, et al.*, No. C 07-05111-CW. The pension funds that sued are called the Lead Plaintiffs, and the company and the individuals they sued, Sonic, Robert J. Doris, David C. Habiger, Mary C. Sauer, A. Clay Leighton, Mark Ely, Robert M. Greber, Peter J. Marguglio, and R. Warren Langley, are called the Defendants.

2. What Is This Lawsuit About?

This case was brought as a class action alleging that Defendants made false and misleading statements and omissions between October 23, 2002 and May 17, 2007, about Sonic's true financial and operational condition. The case asserts that the Defendants engaged in a practice of knowingly backdating stock option grants to Sonic officers, directors, and employees, thereby understating compensation expense and overstating Sonic's reported earnings. On May 17, 2007, Sonic announced it would restate previous financial statements which Lead Plaintiffs contend caused Sonic's stock price to drop. Lead Plaintiffs assert that Sonic's stock option backdating practices caused damage to the Settlement Class. Defendants have denied and continue to deny that they did anything wrong. Among other things, Defendants deny that stock option grants were backdated at Sonic or that Defendants knowingly misrepresented Sonic's financial results.

3. Why Is This a Class Action?

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiffs, City of Westland Police and Fire Retirement System and Plymouth County Retirement System) sue on behalf of people who have similar claims. Here, all these people are called the Settlement Class or Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who timely and validly exclude themselves from the Settlement Class. Judge Claudia Wilken is in charge of this class action.

4. Why Is There a Settlement?

The Court did not decide in favor of the Lead Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the cost and uncertainty of a trial, and eligible Settlement Class Members who submit valid claims will receive compensation. The Lead Plaintiffs and their attorneys think the settlement is best for all Settlement Class Members.

WHO IS IN THE SETTLEMENT

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

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

The Settlement Class includes ***all purchasers or acquirers of Sonic publicly traded securities between and including October 23, 2002 and May 17, 2007.***

6. What Are the Exceptions to Being Included?

You are not a Settlement Class Member if you are a Defendant, an officer or director of Defendants, including any Person who was an officer or director during the Settlement Class Period, Defendants' affiliates, a member of Defendants' immediate families, a legal representative, heir, successor or assign or an entity in which any Defendant has or had a controlling interest or that is a parent or subsidiary or is controlled by any Defendant. You are also not a Settlement Class Member if you timely and validly request exclusion from the Settlement Class pursuant to this Notice.

If you sold Sonic securities between October 23, 2002 and May 17, 2007, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you purchased or acquired Sonic securities between and including October 23, 2002 and May 17, 2007.

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 Rick Nelson of Coughlin Stoia Geller Rudman & Robbins LLP at 619/231-1058 or Colin Holmes of Labaton Sucharow LLP at 212/907-0700 for more information. Or you can fill out and return the claim form described in Question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

Defendants have agreed to pay \$5 million in cash. The balance of this fund after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice (the "Net Settlement Fund") will be divided among all eligible Settlement Class Members who send in valid claim forms.

9. How Much Will My Payment Be?

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

The allocation below is based on the following price declines as well as the statutory PSLRA 90-day look back amount of \$12.25:

February 2, 2007 Price Decline: \$1.35

February 16, 2007 Price Decline: \$1.33

May 18, 2007 Price Decline: \$1.29

COMMON STOCK

(a) For shares of Sonic common stock ***purchased or acquired on October 23, 2002 through February 1, 2007***, the claim per share shall be as follows:

(i) If sold on or before February 1, 2007, the claim per share is \$0;

(ii) If sold on February 2, 2007 through February 15, 2007, the claim per share shall be the lesser of: (a) \$1.35 (February 2, 2007 Price Decline), or (b) the difference between the purchase price and the selling price;

(iii) If sold on February 16, 2007 through May 17, 2007, the claim per share shall be the lesser of: (a) \$2.68 (February 2, 2007 & February 16, 2007 Price Declines), or (b) the difference between the purchase price and the selling price;

(iv) If held at the close of trading on May 17, 2007 and sold on or before August 15, 2007, the claim per share shall be the lesser of: (a) \$3.97 (February 2, 2007, February 16, 2007 & May 18, 2007 Price Declines), or (b) the difference between the purchase price and the selling price, or (c) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below;

(v) If retained, or sold, on or after August 16, 2007, the claim per share shall be the lesser of: (a) \$3.97 (February 2, 2007, February 16, 2007 & May 18, 2007 Price Declines), or (b) the difference between the purchase price per share and \$12.25 per share.

(b) For shares of Sonic common stock ***purchased or acquired on February 2, 2007 through February 15, 2007***, the claim per share shall be as follows:

(i) If sold on or before February 15, 2007, the claim per share is \$0;

(ii) If sold on February 16, 2007 through May 17, 2007, the claim per share shall be the lesser of: (a) \$1.33 (February 16, 2007 Price Decline), or (b) the difference between the purchase price and the selling price;

(iii) If held at the close of trading on May 17, 2007 and sold on or before August 15, 2007, the claim per share shall be the lesser of: (a) \$2.62 (February 16, 2007 & May 18, 2007 Price Declines), or (b) the difference between the purchase price and the selling price, or (c) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below;

(iv) If retained, or sold, on or after August 16, 2007, the claim per share shall be the lesser of: (a) \$2.62 (February 16, 2007 & May 18, 2007 Price Declines), or (b) the difference between the purchase price per share and \$12.25 per share.

(c) For shares of Sonic common stock ***purchased or acquired on February 16, 2007 through May 17, 2007***, the claim per share shall be as follows:

(i) If sold on or before May 17, 2007, the claim per share is \$0;

(ii) If held at the close of trading on May 17, 2007 and sold on or before August 15, 2007, the claim per share shall be the lesser of: (a) \$1.29 (May 18, 2007 Price Decline), or (b) the difference between the purchase price and the selling price, or (c) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below;

(iii) If retained, or sold, on or after August 16, 2007, the claim per share shall be the lesser of: (a) \$1.29 (May 18, 2007 Price Decline), or (b) the difference between the purchase price per share and \$12.25 per share.

CALL OPTIONS

(a) For call options on Sonic common stock ***purchased from October 23, 2002 through May 17, 2007***, and

(i) owned at the end of one of the following dates: February 1, 2007, February 15, 2007 or May 17, 2007, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;

(ii) not owned at the end of one of the following dates: February 1, 2007, February 15, 2007 or May 17, 2007, the claim per call option is \$0.

(b) For call options on Sonic common stock ***written from October 23, 2002 through May 17, 2007***, the claim per call option is \$0.

PUT OPTIONS

(a) For put options on Sonic common stock ***written from October 23, 2002 through May 17, 2007***, and

(i) held at the end of one of the following dates: February 1, 2007, February 15, 2007 or May 17, 2007, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;

(ii) not held at the end of one of the following dates: February 1, 2007, February 15, 2007 or May 17, 2007, the claim per put option is \$0.

(b) For put options on Sonic common stock ***purchased from October 23, 2002 through May 17, 2007***, the claim per put option is \$0.

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

Note: The combined recovery for the call options and put options shall not exceed 2% of the Net Settlement Fund.

Date	Closing Price	Average Closing Price
18-May-07	\$12.08	\$12.08
21-May-07	\$12.38	\$12.23
22-May-07	\$12.69	\$12.38
23-May-07	\$12.63	\$12.45
24-May-07	\$12.32	\$12.42
25-May-07	\$12.47	\$12.43
29-May-07	\$12.53	\$12.44
30-May-07	\$12.52	\$12.45
31-May-07	\$12.90	\$12.50
1-Jun-07	\$12.90	\$12.54
4-Jun-07	\$12.83	\$12.57
5-Jun-07	\$12.67	\$12.58
6-Jun-07	\$13.17	\$12.62
7-Jun-07	\$12.84	\$12.64
8-Jun-07	\$13.19	\$12.67
11-Jun-07	\$12.91	\$12.69
12-Jun-07	\$12.79	\$12.70

Date	Closing Price	Average Closing Price
13-Jun-07	\$12.62	\$12.69
14-Jun-07	\$12.52	\$12.68
15-Jun-07	\$12.51	\$12.67
18-Jun-07	\$12.44	\$12.66
19-Jun-07	\$12.46	\$12.65
20-Jun-07	\$12.39	\$12.64
21-Jun-07	\$12.33	\$12.63
22-Jun-07	\$12.29	\$12.62
25-Jun-07	\$12.95	\$12.63
26-Jun-07	\$12.92	\$12.64
27-Jun-07	\$12.88	\$12.65
28-Jun-07	\$12.88	\$12.66
29-Jun-07	\$12.61	\$12.65
2-Jul-07	\$13.02	\$12.67
3-Jul-07	\$13.00	\$12.68
5-Jul-07	\$12.98	\$12.69
6-Jul-07	\$12.56	\$12.68
9-Jul-07	\$12.89	\$12.69
10-Jul-07	\$12.95	\$12.70
11-Jul-07	\$13.31	\$12.71
12-Jul-07	\$13.45	\$12.73
13-Jul-07	\$13.27	\$12.74
16-Jul-07	\$13.08	\$12.75
17-Jul-07	\$13.31	\$12.77
18-Jul-07	\$13.18	\$12.78
19-Jul-07	\$11.99	\$12.76
20-Jul-07	\$11.96	\$12.74
23-Jul-07	\$11.74	\$12.72
24-Jul-07	\$11.60	\$12.69
25-Jul-07	\$11.82	\$12.68
26-Jul-07	\$11.67	\$12.65
27-Jul-07	\$11.51	\$12.63
30-Jul-07	\$11.28	\$12.60
31-Jul-07	\$11.18	\$12.58
1-Aug-07	\$10.91	\$12.54
2-Aug-07	\$10.65	\$12.51
3-Aug-07	\$10.56	\$12.47
6-Aug-07	\$10.64	\$12.44
7-Aug-07	\$10.70	\$12.41
8-Aug-07	\$10.91	\$12.38
9-Aug-07	\$10.94	\$12.36
10-Aug-07	\$11.12	\$12.34
13-Aug-07	\$10.51	\$12.31
14-Aug-07	\$10.53	\$12.28
15-Aug-07	\$10.56	\$12.25

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date.

For Settlement Class Members who held Sonic securities at the beginning of the Settlement Class Period or made multiple purchases, acquisitions, or sales during the Settlement Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases, acquisitions, and sales for purposes of calculating a claim. Under the FIFO method, sales of securities during the Settlement Class Period will be matched, in chronological order, first against securities held at the beginning of the Settlement Class Period. The remaining sales of securities during the Settlement Class Period will then be matched, in chronological order, against securities purchased or acquired during the Settlement Class Period.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Settlement Class Member had a net loss. All gains and losses (as calculated under the above plan) will be combined and thereafter netted against each other. In addition, no distribution will be made unless the amount of the check is at least \$5.00.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Settlement Class Member, send in a valid claim form, and properly document your claim as requested in the claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than March 22, 2010.

11. When Will I Receive My Payment?

The Court will hold a hearing on April 8, 2010, to decide whether to approve the settlement. If Judge Wilken approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their claim. Please be patient.

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

Unless you timely and validly exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Claims in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the release are included in the claim form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for the Released Claims in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class.

13. How Do I Get Out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *City of Westland Police and Fire Retirement System and Plymouth County Retirement System v. Sonic Solutions, et al.*, No. C 07-05111-CW. You must include your name, address, telephone number, your signature, and the number and type of Sonic securities you purchased or acquired between October 23, 2002 and May 17, 2007. You must mail your exclusion request postmarked no later than February 4, 2010 to:

Sonic Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

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

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

No. Unless you timely and validly exclude yourself, you give up any right to sue the Defendants for the Released Claims in this settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is February 4, 2010.

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

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

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firms of Coughlin Stoia Geller Rudman & Robbins LLP and Labaton Sucharow LLP to represent you and other Settlement Class Members. These lawyers are called Lead Counsel. You will not be directly charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for attorneys' fees of 25% of the Settlement Fund and for expenses up to \$210,000, which were incurred in connection with the litigation. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this settlement and for their risk in undertaking this representation on a wholly contingent basis. Lead Counsel have committed significant time and expenses in litigating this case for the benefit of the Settlement Class. To date, Lead Counsel have not been paid for their services in conducting this litigation on behalf of the Lead Plaintiffs and the Settlement Class, nor for their substantial expenses. The fees requested will compensate Lead Counsel for their work in achieving the Settlement Fund. The Court will decide what is a reasonable fee award and may award less than the amount requested by Lead Counsel.

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 Settlement?

If you are a Settlement Class Member, you can object to the settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees and expenses. You can state the reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in *City of Westland Police and Fire Retirement System and Plymouth County Retirement System v. Sonic Solutions, et al.*, No. C 07-05111-CW. Be sure to include your name, address, telephone number, your signature, the number and type of Sonic securities purchased or acquired and sold between and including October 23, 2002 and May 17, 2007, and the reasons you object. Any objection must be mailed or delivered such that it is received by **each** of the following no later than February 4, 2010:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
United States Courthouse
1301 Clay Street, Suite 400 S
Oakland, CA 94612

Counsel for Lead Plaintiffs:

Joy Ann Bull
COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Defendants:

Carol Lynn Thompson
SIDLEY AUSTIN LLP
555 California Street
San Francisco, CA 94104

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

Objecting is simply telling the Court that you do not like something about the 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 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 Settlement?

The Court will hold a fairness hearing at 2:00 p.m., on April 8, 2010, at the United States Courthouse, 1301 Clay Street, Oakland, California. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Wilken will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay to Lead Counsel. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

21. Do I Have to Come to the Hearing?

No. Lead Counsel will answer any questions Judge Wilken may have. 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 intention to appear in *City of Westland Police and Fire Retirement System and Plymouth County Retirement System v. Sonic Solutions, et al.*, No. C 07-05111-CW. Be sure to include your name, address, telephone number, your signature, and the number and type of Sonic securities purchased or acquired between and including October 23, 2002 and May 17, 2007. Your notice of intention to appear must be received no later than February 4, 2010, by the Clerk of the Court, counsel for Lead Plaintiffs, and Defendants' counsel, at the three addresses listed in Question 18. You cannot speak at the 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 be a Settlement Class Member. However, you will not receive any money from this settlement unless you submit a claim form. Unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the Released Claims in this case.

GETTING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement dated as of October 12, 2009. You can obtain a copy of the Stipulation of Settlement by writing to Rick Nelson, Shareholder Relations, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or from the Clerk's office at the United States District Court for the Northern District of California, 1301 Clay Street, Suite 400 S, Oakland, California during regular business hours, or by going to www.gilardi.com.

25. How Do I Get More Information?

You can contact (1) Lead Counsel, Rick Nelson, Shareholder Relations, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 619/231-1058, or (2) Lead Counsel, Colin Holmes, Labaton Sucharow LLP, 140 Broadway, 34th Floor, New York, NY 10005, 212/907-0700, or (3) visit the following website: www.gilardi.com.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any Sonic publicly traded securities purchased or acquired between and including October 23, 2002 and May 17, 2007, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Sonic Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

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

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

DATED: December 2, 2009

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA