

EMAIL NOTICE

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

VINCENT FARINELLA, NANETTE ARAGON,
DANIEL SCHOPPE, JASON ETTEN, GEORGE
CESAR, DENNIS TRUBITSKY, and DOUGLAS
MASHKOW, individually and on behalf of others
similarly situated,

Plaintiffs,

v.

PAYPAL, INC., and EBAY INC.,

Defendants.

Civil Action No.:
1:05-CV-01720 (ILG) (VVP)

CLASS ACTION

From: PAYPAL

Subject: Federal Court's Notice of Proposed Class-Action Settlement. Please Read.

Notice from Federal Court. Please Read.

You may be eligible to receive a benefit from a class-action settlement if you funded a PayPal transaction using a source other than your credit card between February 1, 2004 and the present.

A federal court has directed that this notice be sent to inform you of a proposed class-action settlement. Records show that you may be eligible to receive a benefit under the proposed settlement.

The settlement will resolve a lawsuit against eBay Inc. and PayPal, Inc. (collectively, "Defendants") involving claims arising out of representations in the PayPal User Agreement regarding PayPal's policies and practices for responding to refund requests from those customers who pay for transactions through PayPal using funds from funding sources other than credit cards. Under the settlement, Defendants have agreed to establish a settlement fund of \$3.5 million to pay claims to potential class members. The proposed Class is defined as:

all U.S. based PayPal account holders who funded a PayPal transaction after February 1, 2004, using a source other than a credit card: (i) who subsequently requested a reversal of the transaction through PayPal's prevailing Buyer Complaint Policy and/or Buyer Protection Policy (collectively, "Policies"); (ii)

who did not receive a refund equal to 100% of their transaction payment in response to such request from PayPal or their bank; and (iii) who, through the timely submission of a Claim Form under oath, attest to a reasonable and good faith belief that they would have received a full reversal of such payment had they used a valid credit card in their possession at the time of the subject transaction to fund the payment and filed a timely chargeback request with their credit card issuing bank. Excluded from the Class are any judicial officer to whom this Litigation is assigned; PayPal, eBay and any of its affiliates; any current or former employees, officers, or directors of PayPal or eBay; any Persons currently residing outside of the United States; and, all Persons who timely and validly request exclusion from the Class pursuant to the Notice.

To see if you are a Class Member and to obtain full notice of the Settlement, the required procedures, the deadlines, your obligations, and your options, you must visit www.steelesettlement.com. This email is only a brief summary of the full notice that is posted on the website.

If you are an eligible Settlement Class Member, you have rights, obligations, and options under the proposed settlement. You have until December 14, 2008 to file your Claim Form and Certification Form. **Your legal rights are affected whether you act or not.**

1. Submit The Claim Form And The Certification Form By Mail

This is the only way to get a settlement payment. You must: (1) print and fill out the Claim Form and return it by mail to the address provided on the Claim Form; and (2) print the Certification Page of your Claim Form, sign it, and return it by mail to the address provided on the Claim Form. Your Claim Form and signed Certification Page must be mailed and postmarked no later than December 14, 2008. For more information on these deadlines, the Effective Date of the settlement, the Claim Form procedures, and the settlement benefit, you must visit www.steelesettlement.com.

2. Exclude Yourself – Opt Out of the Settlement

If you do not want to remain a member of the Class and participate in the Amended Settlement, then you may exclude yourself (opt-out) from the Class by mailing or delivering (email is not permitted) your written request. Your original, signed request for exclusion must be RECEIVED on or before October 31, 2008 and mailed to the following address:

PayPal/Steele Class Action Settlement
c/o The Garden City Group, Inc.
P.O. Box 9309
Dublin, OH 43017-4209

Your request for exclusion must contain your name and address, be signed by you, and include the reference “*Steele et al. v. PayPal, Inc. et al.*, Civil Action No. 1:05-CV-01720.” If you

exclude yourself from the Class, you will not participate in the Amended Settlement and will not receive any payment from the Amended Settlement.

3. Object

Write to the Court about why you do not like the settlement. Your objection must be filed with the Clerk of the United States District Court for the Eastern District of New York, Brooklyn Main Office, 225 Cadman Plaza East, Brooklyn, New York 11201, no later than October 31, 2008. Pursuant to the Court's Order, you may not be heard on or entitled to contest the Court's decision unless you have filed written objections no later than October 31, 2008. A hearing ("Settlement Hearing") shall be held before Hon. I. Leo Glasser on November 17, 2008 at 10:00 a.m. at the United States District Court for the Eastern District of New York, Courtroom 8B South, 225 Cadman Plaza East, Brooklyn, New York 11201.

4. Do Nothing

You will automatically be included in the Settlement Class and give up your right to be part of any other lawsuit about the claims in this case, but you will not be eligible to receive a settlement benefit unless you submit a Claim Form.

To get complete information about the proposed Settlement, the required procedures, the deadlines, your obligations, and your options, you must visit www.steelesettlement.com.

Please do not contact PayPal, or PayPal's customer support about this Notice, or the Settlement. Instead, you must visit www.steelesettlement.com for complete information about the proposed Settlement, the required procedures, the deadlines, your obligations, and your options.

Please do not reply to this message. We are unable to respond to inquiries sent in reply to this email. To contact us, please access the official settlement website at www.steelesettlement.com.