

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION  
Securities and Exchange Commission  
v.  
McAfee, Inc. (f/k/a Network Associates, Inc.)  
Case No. C-06-0009 (PJH)**

**DISTRIBUTION PLAN NOTICE OF FAIR FUND TO McAFEE INVESTORS**

**TO: ALL PERSONS OR ENTITIES WHO PURCHASED THE COMMON STOCK OF McAFEE INC. (f/k/a NETWORK ASSOCIATES, INC.) (“McAfee”) DURING THE PERIOD FROM AUGUST 17, 1998 THROUGH AND INCLUDING DECEMBER 26, 2000 (“Recovery Period”).**

**If you satisfy the eligibility criteria described below and wish to participate in the distribution of the Fair Fund established to compensate investors in this matter, you must submit a Proof of Claim Form so that it is received by the Distribution Agent no later than July 27, 2009 (the “Claims Bar Date”), unless you fall within the exception for certain class action claimants described below.**

**I. Purpose of this Notice.**

The purpose of this Distribution Plan Notice is to inform you that you may be entitled to share in the proceeds of the Fair Fund described herein. Unless you fall within the exception described in Section III below, this Distribution Plan Notice describes steps you must take to file a Proof of Claim Form in order to be potentially eligible to share in the Fair Fund. Proof of Claim Forms together with this Distribution Plan Notice are being mailed to all potentially eligible claimants who purchased McAfee common stock during the Recovery Period (August 17, 1998 through December 26, 2000) and who can be identified by the Distribution Agent. Copies of this Distribution Plan Notice and the Proof of Claim Form are also available on the Fair Fund’s website at [www.McAfeeSECsettlement.com](http://www.McAfeeSECsettlement.com) and through the website of the United States Securities and Exchange Commission (the “Commission”) at [www.sec.gov](http://www.sec.gov). However, as explained in greater detail below, if you submitted a Proof of Claim Form that was previously approved in the Network Associates II Class Action, and do not have any additional transactions in McAfee common stock for the period from August 17, 1998 through December 26, 2000 that were not previously approved in that class action, you do not need to submit another Proof of Claim Form to receive the share of the Fair Fund to which you may be entitled.

**Please Note:** Just because you receive this Notice does not mean you have an Eligible Claim. The Distribution Agent does not have information regarding your potentially eligible transactions, unless you filed an Eligible Claim in the Network Associates II Class Action Settlement.

**NOTE TO INSTITUTIONAL FILERS.** Claims with 100 or more transactions or on behalf of 20 or more different accounts must be submitted electronically and in the required format. To obtain the mandatory electronic filing requirements and file layout, you may visit the Fair Fund’s website at [www.McAfeeSECsettlement.com](http://www.McAfeeSECsettlement.com) or you may e-mail the Claims Administrator at [eClaim@gardencitygroup.com](mailto:eClaim@gardencitygroup.com). Any submission not in accordance with the required electronic filing format may be rejected. Proof of authority to submit a Proof of Claim on behalf of any managed accounts must be submitted with any Proofs of Claim for such accounts.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ENTITLED TO A RECOVERY FROM THE FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.**

**II. Background.**

On January 4, 2006, the Commission filed a Complaint against McAfee alleging that from the second quarter of 1998 through 2000, McAfee defrauded investors by engaging in a scheme to overstate its revenue and earnings by hundreds of millions of dollars in violation of the federal securities laws. On February 9, 2006, the United States District Court for the Northern District of California (the “Court”) entered a Final Judgment against McAfee, to which McAfee consented without admitting or denying the allegations of the Complaint. Pursuant to the Final Judgment, McAfee paid a total of \$50,000,001 (disgorgement of \$1 and a civil penalty of \$50 million) to the Clerk of the Court. Those settlement funds were thereafter deposited in an interest-bearing account with the Court Registry Investment System (“CRIS”).

In an Order dated August 7, 2008, the Court authorized the Commission to establish a Fair Fund pursuant to the provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002 (the "Fair Fund"). The Fair Fund includes all of the monies in the CRIS account established in this action and any other amounts subsequently paid into that account. On August 7, 2008, the Court also appointed Jeffrey Plotkin of Day Pitney LLP as Distribution Agent to prepare and to implement, in consultation with the staff of the Commission, a plan for the distribution of the Fair Fund to investors harmed by the violations alleged by the Commission in this action (the "Distribution Plan").

The Court approved the Distribution Plan on March 3, 2009.

### **III. Previously Approved Claimants in Network Associates II Class Action.**

The Fair Fund is separate and independent from the settlement fund previously established in In re Network Associates, Inc. II Sec. Litig., Case No. CV-00-4849-MJJ, a securities class action involving McAfee's predecessor corporation, Network Associates, Inc. ("Network Associates"), which was also brought in the United States District Court for the Northern District of California ("Network Associates II Class Action"). However, like the class action settlement, the Fair Fund relates to purchases of McAfee (f/k/a Network Associates) common stock, and the Recovery Period for the Fair Fund (August 17, 1998 through December 26, 2000) overlaps with the class period in the Network Associates II Class Action (April 14, 1999 through December 26, 2000). **Therefore, if you already submitted a Proof of Claim Form in connection with a claim that was previously approved in the Network Associates II Class Action, you do not need to submit another Proof of Claim Form unless you engaged in, and wish to submit a claim for, additional transactions in McAfee (f/k/a Network Associates) common stock during the period from August 17, 1998 through and including December 26, 2000 for which a claim was not previously approved in the Network Associates II Class action.**

### **IV. Eligibility Criteria.**

In order to qualify for a recovery from the Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Distribution Plan, a copy of which is available on the Fair Fund's website at [www.McAfeeSECsettlement.com](http://www.McAfeeSECsettlement.com). These criteria include the following:

1. **You must have (i) purchased McAfee (f/k/a Network Associates) common stock during the period from trade date August 17, 1998 through and including trade date December 26, 2000, and (ii) continuously held or retained such stock through the close of the markets on December 26, 2000. You are not entitled to any recovery from the Fair Fund for any McAfee (f/k/a Network Associates) common stock you purchased prior to August 17, 1998, or purchased during the Recovery Period but sold prior to December 26, 2000.**
2. **You are excluded from participation in the Fair Fund if you are:**
  - A director or officer, or former director or officer, of McAfee (f/k/a Network Associates) or any of its past or present Affiliates (or any of his or her Affiliates, assigns, heirs, distributees, spouses, parents, children, or controlled entities) who served in such capacity on or after the commencement of the Recovery Period;
  - An employee of McAfee (f/k/a Network Associates) or of any of its past or present Affiliates who has been terminated for cause in connection with the violations alleged in the Commission's Complaint in this action or any related Commission action, or who was otherwise terminated or has resigned in connection with the violations alleged in the Commission's Complaint in this action or any related Commission action (or any of such employee's Affiliates, assigns, heirs, distributees, spouses, parents, children, or controlled entities);
  - A defendant in any class action lawsuit related to the violations alleged in the Commission's Complaint in this action or any related Commission action (or any of such defendant's Affiliates, assigns, heirs, distributees, spouses, parents, children, or controlled entities), unless and until such defendant is found not liable in all such civil suits prior to July 27, 2009, and proof of the finding(s) is included in such defendant's timely filed Proof of Claim Form;
  - A person who, as of the Claims Bar Date, July 27, 2009, has been the subject of criminal charges related to the violations alleged in the Commission's Complaint in this action, or any related Commission action (or any of his or her Affiliates, assigns, heirs, distributees, spouses, parents, children, or controlled entities);

- A person who assigned that person's right to obtain a recovery in the Commission's lawsuit against McAfee;
- An assignee of another person's right to obtain a recovery in the Commission's lawsuit against McAfee, provided, however, this provision shall not be construed to exclude those persons who obtained such a right by inheritance or devise;
- The Distribution Agent, his immediate family members, and those persons assisting him in his role as Distribution Agent, including The Garden City Group and Friedman LLP and their employees.

**V. Proof of Claim Forms.**

**PROOF OF CLAIM FORMS ARE BEING MAILED TOGETHER WITH THIS NOTICE TO ALL POTENTIALLY ELIGIBLE CLAIMANTS WHOM THE DISTRIBUTION AGENT IS ABLE TO IDENTIFY. IF YOU DID NOT RECEIVE A FORM IN THE MAIL OR REQUIRE ADDITIONAL FORMS, SEE THE INSTRUCTIONS UNDER ADDITIONAL INFORMATION BELOW FOR OBTAINING FORMS.**

**IF YOU ALREADY SUBMITTED A PROOF OF CLAIM FORM THAT WAS PREVIOUSLY APPROVED IN THE NETWORK ASSOCIATES II CLASS ACTION, AND DO NOT HAVE ANY ADDITIONAL TRANSACTIONS IN MCAFEE COMMON STOCK THAT WERE NOT PREVIOUSLY APPROVED IN THAT CLASS ACTION, YOU DO NOT NEED TO SUBMIT ANOTHER PROOF OF CLAIM FORM TO BE ELIGIBLE TO SHARE IN THE FAIR FUND.**

**THE DEADLINE FOR RECEIPT OF A PROOF OF CLAIM FORM AT THE ADDRESS BELOW IS JULY 27, 2009. IF YOU HAVE NOT ALREADY SUBMITTED A PROOF OF CLAIM FORM AND FAIL TO TIMELY SUBMIT A COMPLETED PROOF OF CLAIM FORM, YOU WILL BE BARRED FROM RECEIVING A PAYMENT FROM THE FAIR FUND. THE PROOF OF CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS.**

If you submit a Proof of Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Deficiency Notice advising you of the reason or reasons why the claim is deficient and of the opportunity to cure such deficiency.

**VI. Claims Determination.**

Within 120 days of the Claims Bar Date, the Distribution Agent shall mail a notice advising each claimant of the determination concerning such claim. If a claim is denied in whole or in part, the Distribution Agent will state the reason for such denial.

All determinations of the Distribution Agent that are made in accordance with the Distribution Plan shall be final and not subject to appeal.

**VII. Claims Distribution Formula.**

The Eligible Loss Amount incurred by an Eligible Claimant shall be determined by multiplying \$7.25 by the number of shares of McAfee (f/k/a/ Network Associates) common stock that the Eligible Claimant purchased during the period from trade date August 17, 1998 through trade date December 26, 2000, and continuously held or retained through trade date December 26, 2000.

If the monies available for distribution from the Fair Fund equal or exceed the aggregate Eligible Loss Amount for all approved claims, each claimant with an approved claim shall receive his or her Eligible Loss Amount. If the aggregate Eligible Loss Amount for all approved claims exceeds the monies available for distribution, distributions shall be made to Eligible Claimants on a pro rata basis, determined by the ratio of each approved claim to the aggregate amount of all approved claims.

An approved claim must equal or exceed a minimum dollar amount for a distribution to be made to an Eligible Claimant. That minimum dollar amount shall be determined after the processing of all timely proofs of claims is completed. Claims that do not meet that minimum dollar amount shall not be approved for payment.

**VIII. Instructions for Submitting a Proof of Claim Form.**

**UNLESS YOU HAVE ALREADY SUBMITTED AN APPROVED PROOF OF CLAIM FORM IN THE NETWORK ASSOCIATES II CLASS ACTION LISTING ALL OF YOUR ELIGIBLE TRANSACTIONS, YOU MUST COMPLETE AND SIGN THE PROOF OF CLAIM FORM AND SUBMIT IT TO THE DISTRIBUTION AGENT SO THAT IT IS RECEIVED NO LATER THAN JULY 27, 2009 AT THE ADDRESS LISTED BELOW IN ORDER TO BE ELIGIBLE TO RECOVER FROM THE FAIR FUND:**

**SEC/McAfee, Inc. (f/k/a Network Associates, Inc.) Fair Fund  
c/o Jeffrey Plotkin, Esq.  
Distribution Agent  
P.O. Box 9306  
Dublin, OH 43017-4206**

**IX. Other Claims.**

**Upon receipt and acceptance of a distribution from the Fair Fund, you shall be deemed to have released any claims you may have against the Distribution Agent and his agents. By participating in the distribution of the Fair Fund, you will not be releasing any rights or claims you may have against any other party, including, but not limited to, McAfee and McAfee's past and present directors, officers, advisors and agents.**

**Special Notice to Securities Brokers and Other Nominee Purchasers**

If you purchased McAfee (f/k/a Network Associates) common stock during the Recovery Period as nominee for a beneficial owner, then within ten (10) calendar days after you receive this Distribution Plan Notice, you must either: (a) send a copy of this Distribution Plan Notice and the accompanying Proof of Claim Form by first class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Claims Administrator at the address below.

**SEC/McAfee, Inc. (f/ka Network Associates, Inc.) Fair Fund  
c/o Jeffrey Plotkin, Esq.  
Distribution Agent  
P.O. Box 9306  
Dublin, OH 43017-4206**

**Additional Information**

Additional information regarding the Fair Fund may be found at the Fair Fund's website, [www.McAfeeSECsettlement.com](http://www.McAfeeSECsettlement.com). Additional Proof of Claim Forms and Distribution Plan Notices may also be downloaded at the Fair Fund's website. You may also obtain additional information or request copies of forms and notices by calling the Fair Fund's toll-free hotline at 1(800) 893-4359 in the United States, or by email at [Questions@McAfeeSECsettlement.com](mailto:Questions@McAfeeSECsettlement.com).