

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF MONTEREY**

IN RE MONTEREY GOURMET FOODS, INC.
SHAREHOLDER LITIGATION

LEAD CASE NO. M101914

CLASS ACTION

This Document Relates to:
ALL ACTIONS.

Dept. 15
Judge: Hon. Lydia M. Villarreal
Complaint Filed: November 12, 2009
Trial Date: None set
Discovery Cutoff: None set
Motion Cutoff: None set

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED CLASS ACTION DETERMINATION, PROPOSED SETTLEMENT OF CLASS ACTION, SETTLEMENT HEARING AND RIGHT TO APPEAR

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TO ALL PERSONS OR ENTITIES WHO HELD, INCLUDING EITHER OF RECORD OR BENEFICIALLY, SHARES OF THE COMMON STOCK OF MONTEREY GOURMET FOODS, INC. ("MONTEREY") AT ANY TIME FROM OCTOBER 8, 2009, THROUGH AND INCLUDING DECEMBER 14, 2009, AND THEIR SUCCESSORS-IN-INTEREST AND TRANSFEREES, OTHER THAN DEFENDANTS IN THIS ACTION AND THEIR AFFILIATES (THE "SETTLEMENT CLASS"):

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THE ACTION REFERRED TO IN THE CAPTION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT, OR PURSUING THE SETTLED CLAIMS (AS DEFINED BELOW).

IF YOU HELD SHARES OF MONTEREY STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER. MONTEREY WILL REIMBURSE THE REASONABLE COST OF SUCH TRANSMITTALS.

I. PURPOSE OF NOTICE

1. The purpose of this Notice is to inform you of the proposed settlement (the "Settlement") of In re Monterey Gourmet Foods Shareholder Litigation, Lead Case No. 101904, (the "California Action"), pending in the Superior Court of the State of California, for the County of Monterey (the "Court"), and of a hearing to be held on October 8, 2010 at 9:00 a.m, before the Court, which is located at 1200 Aguajito Road, Monterey, California 93940 (the "Settlement Hearing").

2. The purpose of the Settlement Hearing is for the Court: (i) to determine whether the Court should certify the California Action as a class action, without opt-out rights, pursuant to California Code of Civil Procedure Section 382 and California Rules of Court 3.760, 3.764, and 3.765, on behalf of the Settlement Class consisting of all persons or entities who held, including either of record or beneficially, shares of the common stock of Monterey at any time from October 8, 2009, through and including December 14, 2009, and their successors-in-interest and transferees, other than defendants in this California Action ("Defendants") and their affiliates; (ii) to determine whether the named plaintiffs in this California Action ("Plaintiffs") and the law firm of Stull, Stull & Brody, which has been appointed as lead counsel ("Lead Counsel") for

Plaintiffs, have adequately represented the Settlement Class; (iii) to determine whether the Court should approve the proposed Settlement as fair, reasonable, adequate, and in the best interests of the Plaintiffs and the Settlement Class; (iv) to determine whether the Court should enter an order and final judgment dismissing the claims asserted in the California Action on the merits and with prejudice (the "Order and Final Judgment"); (v) to consider the application of Lead Counsel, on behalf of Plaintiffs' counsel, for an award of attorneys' fees and expenses; (vi) to hear and rule upon any objections to the Settlement or the application of Lead Counsel for an award of attorneys' fees and expenses to be paid by Monterey or its successor(s) in interest or their insurers; and (vii) to hear such other matters as may properly come before the Court.

3. The Court has provisionally determined that, for purposes of the Settlement only, the California Action shall be provisionally maintained as a class action, without opt-out rights, pursuant to California Code of Civil Procedure Section 382 and California Rule of Court 3.769(d), by Plaintiffs as representatives of the Settlement Class.

4. As set forth above, the Settlement Class consists all Persons or entities who held, including either of record or beneficially, shares of the common stock of Monterey at any time from October 8, 2009, through and including December 14, 2009, and their successors-in-interest, assigns, and transferees, other than Defendants in this California Action and their affiliates.

5. This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

6. If the Court approves the Settlement, Plaintiffs and Defendants (the "Parties") will ask the Court to enter the Order and Final Judgment at the Settlement Hearing. The Court has the right to adjourn the Settlement Hearing without further notice. The Court also has the right to approve the Settlement with or without modification, and to enter its Order and Final Judgment dismissing the action on the merits and with prejudice and to order the payment of attorneys' fees and expenses, without further notice.

7. THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES. IT IS PROVIDED FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THIS ACTION AND OF A HEARING ON THE PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY WISH TO TAKE IN RELATION TO THIS ACTION.

II. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

8. Brokerage firms, banks and other persons or entities who held shares of Monterey common stock at any time from October 8, 2009, through and including December 14, 2009, for the benefit of others, are directed to immediately send this Notice to all of their respective beneficial owners. If additional copies of this Notice are needed for forwarding to such beneficial owners, any requests for such copies, free of charge, may be made to:

Monterey Gourmet Foods, Inc. Shareholder Litigation
c/o Gilardi & Co. LLC
Notice Administrator
P.O. Box 990
Corte Madera, CA 94976-0990
1-866-270-7406
www.gilardi.com

Any reasonable fees and costs related to preparing and forwarding the Notice to such beneficial owners will be paid solely by Defendants.

III. BACKGROUND OF THE CALIFORNIA ACTION

9. On October 8, 2009, Monterey, a Delaware corporation whose shares were publicly traded on the NASDAQ stock exchange under the symbol PSTA, announced that it had entered into a definitive merger agreement with Pulmuone U.S.A., Inc. ("Pulmuone U.S.A."), a California corporation, whereby Monterey would be acquired by Pulmuone Cornerstone Corporation ("Pulmuone Cornerstone"), a Delaware corporation and wholly-owned subsidiary of Pulmuone U.S.A., through a cash tender offer, followed by a merger with and into Pulmuone Cornerstone, for a price of \$2.70 per share in cash (the "Transaction"), subject to a December 10, 2009, expiration of the offer, which Transaction has since been consummated.

10. On October 9, 2009, Monterey filed with the Securities and Exchange Commission ("SEC") a Form 8-K, which contained, inter alia, a description of the Transaction and a copy of the Agreement and Plan of Merger, dated as of

October 8, 2009 (the "Merger Agreement").

11. On October 14, 2009, a complaint was filed in the Delaware Court of Chancery, County of New Castle, entitled Carrazza v. Monterey Gourmet Foods, Inc., No. CA 4992-CC (the "Delaware Action"), naming as defendants Monterey's Board of Directors, Monterey (together with the Board of Directors, the "Monterey Defendants"), and Pulmuone U.S.A. and Pulmuone Cornerstone (together "Pulmuone"), and alleging breaches of fiduciary duties by the Monterey Defendants to Monterey's shareholders in connection with the Transaction and aiding and abetting of those alleged breaches by Pulmuone, which action since has been dismissed voluntarily by the plaintiff.

12. On October 16, 2009, Thurmann v. Eddings, et al., Case No. M101914, was filed in the Court, alleging breaches of fiduciary duties by Monterey's Board of Directors and aiding and abetting of those alleged breaches by Monterey and Pulmuone.

13. On November 3, 2009, a related action, Filtsch v. Monterey Gourmet Foods, Inc., et al., Case No. M102250, was filed in the Court.

14. On November 12, 2009, a related action, Figliozzi v. Monterey Gourmet Foods, Inc., et al., Case No. M102427, was filed in the Court.

15. On December 1, 2009, the Court granted plaintiff Figliozzi's renewed ex parte application for an order granting certain limited discovery on an expedited basis and providing for a briefing schedule and hearing on plaintiff's anticipated motion for a preliminary injunction to enjoin any shareholder vote on the Transaction until curative disclosures could be made, with such hearing scheduled for December 9, 2009.

16. On December 2, 2009, the Court entered an order consolidating the Filtsch and Figliozzi actions with the Thurmann action (the consolidated action being referred to as the "California Action") and appointing Stull, Stull & Brody as Lead Counsel in the California Action.

17. In a telephonic hearing held before the Court on December 3, 2009, between Plaintiffs by Lead Counsel and Defendants, the Court modified its Order of December 1, 2009, granting limited discovery to plaintiff Figliozzi.

18. The Delaware Action and the California Action each were filed as putative class actions on behalf of all Persons, other than Defendants and their affiliates, who owned the common stock of Monterey on or after October 8, 2009.

19. On November 10, 2009, Monterey filed with the SEC a Schedule 14D-9, describing the tender offer by Pulmuone, containing disclosures related thereto, and attaching documents related to the Transaction (the "Schedule 14D-9").

20. On December 1, 2009, Monterey filed with the SEC a Form 8-K, which described, inter alia, the Delaware Action and the California Action.

21. On December 1, 2009, Monterey filed with the SEC Amendment No. 1 to the Schedule 14D-9, which provided certain additional information concerning the Transaction (the "Schedule 14D-9/A Amendment No. 1").

22. On December 3, 2009, during the production of written discovery on an expedited basis, Lead Counsel and counsel for the Defendants engaged in preliminary arm's-length discussions regarding a potential resolution of the claims asserted in the California Action.

23. On December 4, 2009, after consultation with Lead Counsel, following their review of the written discovery, Monterey filed with the SEC Amendment No. 2 to the Schedule 14D-9, which provided certain additional information concerning the Transaction (the "Schedule 14D-9/A Amendment No. 2").

24. On December 14, 2009, Monterey merged with and into Pulmuone Cornerstone, and all of the outstanding shares of common stock of Monterey were converted into the right to receive \$2.70 per share in cash.

25. After lengthy adversarial negotiations, counsel for the Parties in the California Action reached an agreement in principle concerning the proposed settlement of the claims in the California Action, which they set forth in the Stipulation of Settlement ("Stipulation").

26. On May 7, 2010, Plaintiffs conducted further discovery to confirm the reasonableness and adequacy of the Proposed Settlement and took the deposition of Monterey's Chief Financial Officer, Scott Wheeler.

27. On May 28, 2010, the Parties submitted the Stipulation to the Court, which resulted in the Court entering a scheduling order (the "Scheduling Order") on June 11, 2010.

IV. REASONS FOR THE SETTLEMENT

28. Lead Counsel conducted an extensive investigation during the development and prosecution of the California Action, including, inter alia: (i) conducting an investigation of Defendants' actions in connection with the Transaction; (ii) reviewing Defendants' public filings; (iii) reviewing hundreds of pages of non-public documents provided by Defendants pertaining to the Transaction (including various materials provided to, and minutes of meetings of, Monterey's Board of Directors; presentations made to the Strategic Opportunity Review Committee ("SORC") appointed by Monterey's Board of Directors; and various e-mail correspondence from Defendants' computers and servers); and (iv) researching the applicable law with respect to the claims asserted in the California Action and the potential defenses thereto. In addition, Plaintiffs obtained the oral testimony of Defendant Scott Wheeler pursuant to a memorandum of understanding entered into on or about March 16, 2010, between the parties, which sets forth the agreement in principle to settle the Action.

29. Based upon their investigation, Lead Counsel have concluded that the terms and conditions of the Stipulation are fair, reasonable and adequate to Plaintiffs and the Settlement Class, and in their best interests, and have agreed to settle the claims raised in the California Action pursuant to the terms and provisions of the Stipulation, after considering (a) the substantial benefits that Plaintiffs and the Settlement Class Members will receive from resolution of the California Action, (b) the attendant risks of litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation.

30. Defendants vigorously have denied, and continue to deny, that they have committed, attempted to commit, or aided and abetted in the commission of any breach of fiduciary duty owed to Monterey or its shareholders or otherwise, or any violation of law. Defendants expressly deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the California Action, or that any additional disclosures are or were required under federal or state disclosure laws or any applicable legal principle. Each of the Monterey Defendants further asserts that at all material times, he or it acted in good faith and in a manner he or it reasonably believed to be in the best interests of Monterey and its shareholders.

31. Defendants have concluded that the further conduct of the California Action would be protracted and expensive, and that it is desirable that the California Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation in order to limit further expense, inconvenience and distraction, to dispose of burdensome and protracted litigation, to permit the operation of Monterey's business without further expensive litigation and the distraction and diversion of Monterey executive personnel and directors with respect to the matters in issue in the California Action, and to permit Plaintiffs, Monterey, and the Settlement Class to receive the benefits of the proposed Settlement.

32. Defendants therefore have determined that it is desirable and beneficial that the California Action be settled in the manner and upon the terms and conditions set forth in the Stipulation.

V. SUMMARY OF THE SETTLEMENT TERMS

33. The supplemental disclosures made by Monterey in the Schedule 14D-9/A Amendment No. 1 and Schedule 14D-9/A Amendment No. 2 provided additional information to Monterey shareholders that addressed certain of the issues raised in the California Action. (Copies of Schedule 14D-9/A Amendment No. 1 and Schedule 14D-9/A Amendment No. 2 are attached to the Stipulation as Exhibits 1 and 2, respectively.) The Parties have agreed that the additional disclosures reflected in Schedule 14D-9/A Amendment No. 1 and Schedule 14D-9/A Amendment No. 2 are a fair, reasonable and adequate basis for settling the California Action.

34. In consideration for those disclosures made by Monterey, Plaintiffs have agreed to provide a full and complete release of all Settled Claims (as defined below), which release also shall be binding upon the Settlement Class by operation of the Order and Final Judgment.

VI. RELEASE

35. If the Settlement is approved, the Court will enter an Order and Final Judgment, which will dismiss with prejudice the claims asserted against Defendants in the California Action and will provide that Plaintiffs and the Settlement Class Members, on behalf of themselves, their respective predecessors, successors, affiliates, attorneys, insurers, partners, trustees, heirs, legatees, executors, personal or legal representatives, estates, administrators, or assigns (whether individual, class, derivative, representative, legal, equitable or any other type or in any other capacity) ("Releasing Persons"), shall be deemed to have – and by operation of the Order and Final Judgment shall have – released, waived, discharged and dismissed with prejudice any and all Settled Claims, including Unknown Claims (as defined below), and shall forever be barred and enjoined from instituting, commencing or prosecuting any and all Settled Claims, against all Released Persons (as defined below)

36. "Settled Claims" means all claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, matters and issues of any kind or nature whatsoever, whether legal, equitable or any other type, known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, matured or unmatured, that have been, could have been, or in the future can or might be asserted in the California Action or the Delaware Action, or in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal securities laws or under federal, state statutory or common law, or any other law, rule or regulation, including the law of any jurisdiction outside of the United States) by or on behalf of the Releasing Persons against the Released Persons, whether or not any such Released Persons were named, served with process or appeared in the California Action or the Delaware Action, that have arisen, could have arisen, arise now or hereafter arise out of, or relate in any manner to the allegations, facts, events, acquisitions, matters, acts, occurrences, decisions, conduct, statements, representations, omissions, or any other matter, thing or cause whatsoever, or any series thereof, embraced, involved or set forth in, that is or could have been raised in, or referred to or otherwise related in any way to: (i) the claims or allegations asserted in the California Action or in the Delaware Action, (ii) the Transaction; (iii) the Merger Agreement and any amendments thereto (the "Related Agreements"); (iv) any filing with the SEC relating to the Transaction; (v) the fiduciary obligations of any of the Defendants or Released Persons in connection with the Transaction and Related Agreements and SEC filings; (vi) the negotiations in connection with the Transaction and Related Agreements; (vii) the public statements, disclosures or disclosure obligations of any of the Defendants or Released Persons in connection with the Transaction and the Related Agreements; or (viii) the entry by Defendants into the Settlement and the Settlement Documents. The foregoing examples in subparagraphs (i)-(viii) of this paragraph are not intended to be a complete list, but are merely for illustrative purposes. This Release does not extend to, or preclude Plaintiffs or the Settlement Class Members from, seeking appraisal rights under 8 Del. C. § 262, and Plaintiffs and Defendants retain the right to enforce the terms of the Stipulation and the Settlement.

37. "Released Persons" means Defendants or their respective families, parent entities, associates, affiliates, divisions, joint ventures, or subsidiaries, and each and all of their respective past, present or future officers, directors, shareholders, principals, agents, representatives, employees, attorneys, financial or investment advisors, appraisers, and any other advisors, consultants, accountants, investment bankers, commercial bankers, trustees, engineers, insurers, co-insurers and reinsurers, general or limited partners or partnerships, limited liability companies, members, heirs, legatees, executors, personal or legal representatives, estates, administrators, predecessors, successors and assigns. All Released Persons who are not Parties are intended to be third party beneficiaries of the Settlement.

38. "Unknown Claims" means any Settled Claims which Plaintiffs, or any Settlement Class Member, do not know or suspect to exist in his, her or its favor at the time of the release of the Settled Claims in favor of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Settled Claims, the Settling Parties stipulate and agree that, upon the Effective Date (as defined below), Plaintiffs shall expressly waive, and each of the Settlement Class Members shall be deemed to have and, by operation of the Order and Final Judgment, shall have expressly waived all claims that the Releasing Persons do not know or expect to exist at the time of the release, and any rights pursuant to California Civil Code section 1542 (or any similar, comparable or equivalent provision of the law of any other jurisdiction), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge, and the Settlement Class Members shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the Unknown Claims are expressly included in the definition of Settled Claims and that such inclusion was separately bargained for and a material element of the Settlement of which this release is a part.

39. The "Effective Date" of the Settlement shall be the date when all the following shall have occurred:

- (a) the Court has entered the Scheduling Order;
- (b) the Court has approved the Settlement, following Notice to the Class and the Settlement Hearing;
- (c) the Court has entered the Order and Final Judgment, substantively in the form attached as Exhibit 6 to the Stipulation; and
- (d) the Order and Final Judgment has become Final.

VII. TEMPORARY BAR AND INJUNCTION

40. By order of the Court, pending final determination by the Court of whether the Settlement should be approved, Plaintiffs and all Settlement Class Members are barred and enjoined from instituting, commencing or prosecuting any Settled Claims against the Released Persons. In addition, all proceedings in the California Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, have been stayed and suspended until further order of the Court.

VIII. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

41. At or before the Settlement Hearing, Plaintiffs and Lead Counsel intend to apply to the Court for an award of up to \$400,000 for fees and expenses in connection with the California Action (the "Fee Application"). As part of the Settlement, Defendants have agreed not to oppose a Fee Application in an amount not to exceed a total of \$400,000. Final resolution by the Court of the Fee Application is not a condition to the Settlement, and the Settlement is not conditioned upon any award of attorneys' fees and expenses. The Court may consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of any award of attorneys' fees and expenses. Any fees and expenses awarded will be paid solely by Monterey or its successor(s) in interest or their insurers.

42. Other than the costs of providing this Notice and the costs, if any, of administration of the Settlement, Defendants shall not be required to bear any other expenses, costs, damages, or fees alleged or incurred by Plaintiffs, by any Settlement Class Members, or by any of their attorneys, experts, advisors, agents, or representatives, unless ordered by the Court.

IX. YOUR RIGHT TO APPEAR AND OBJECT AT THE SETTLEMENT HEARING

43. Any Settlement Class Member who: (a) objects to the: (i) certification of the Settlement Class; (ii) Settlement; (iii) adequacy of representation by Plaintiffs or Lead Counsel; (iv) Order and Final Judgment; or (v) the request for fees and reimbursement of costs and expenses by Lead Counsel; or (b) otherwise wishes to be heard, may appear in person or through counsel at the Settlement Hearing. Any Settlement Class Member who wishes to appear must, not later than fourteen (14) calendar days prior to the Settlement Hearing, *i.e.*, by September 24, 2010 (unless the Court in its discretion shall otherwise direct for good cause shown), file in the Superior Court of the State of California, for the County of Monterey, 1200 Aguajito Road, Monterey, California 93940: (i) a written notice of intention to appear; (ii) proof of membership in the Settlement Class; (iii) a statement of each of such Person's objections to any matters before the Court; and (iv) the grounds for each objection or the reasons that such person desires to appear and be heard, as well as documents or writings that such person desires the Court to consider. Any Settlement Class Member who wishes to appear also must, not later than fourteen (14) calendar days prior to the Settlement Hearing, *i.e.*, by September 24, 2010 (unless the Court in its discretion shall otherwise direct for good cause shown), serve by hand or overnight courier copies of all such papers upon each of the following attorneys of record:

Timothy J. Burke
Stull, Stull & Brody
10940 Wilshire Blvd., Suite 2300
Los Angeles, California 90024

James E. Lyons
Amy S. Park
Skadden, Arps, Slate Meagher & Flom LLP
525 University Avenue, Suite 1100
Palo Alto, California 94301

Jay Pomerantz
Fenwick & West LLP
Silicon Valley Center
801 California Street
Mountain View, California 94041

Gidon M. Caine
John W. Edwards II
Jones Day
1755 Embarcadero Road
Palo Alto, California 94303

44. If you do not object to the Settlement, the class action determination, or the request by Lead Counsel for an award of attorneys' fees or expenses, you do not need to do anything at this time.

45. You cannot be heard at the Settlement Hearing unless you serve and file written objections in the manner described above.

46. Any Person who fails to object in the manner described above shall be deemed to have waived the right to object (including the right to appeal) and will be forever barred from raising such objection in this or any other action or proceeding.

X. FINAL ORDER AND JUDGMENT OF THE COURT

47. If the Court determines that the Settlement, as provided for in the Stipulation is fair, reasonable, adequate, and in the best interest of the Settlement Class, the Parties will ask the Court to enter the Order and Final Judgment, which will, among other things:

- a. approve the Settlement as fair, reasonable, and adequate, and in the best interests of the Class;
- b. finally certify the Settlement Class as a non-opt-out class pursuant to California Code of Civil Procedure Section 382 and California Rules of Court 3.760, 3.764, and 3.765;
- c. dismiss the California Action on the merits, with prejudice, and extinguish and release all Settled Claims against Defendants and all Released Persons
- d. permanently bar and enjoin Plaintiffs and all Settlement Class Members from instituting, commencing or prosecuting the Settled Claims against Defendants and all other Released Persons in any Court or tribunal of this or any other jurisdiction;
- e. rule on the application of Lead Counsel for an award of attorneys' fees and expenses;
- f. retain jurisdiction over all matters relating to the consummation of the Settlement provided for herein; and
- g. determine such other matters as the Court may deem appropriate.

XI. SCOPE OF THIS NOTICE AND FURTHER INFORMATION

48. The references in this Notice to the pleadings in the California Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the California Action, the claims that have been asserted by the Parties, and the terms and conditions of the Settlement, including a complete copy of the Stipulation, Settlement Class Members are referred to the Court's files in the California Action. You or your attorney may examine the Court's files during regular business hours of each business day at the Superior Court of the State of California, for the County of Monterey, 1200 Aguajito Road, Monterey, California 93940. Alternatively, questions, comments or requests for copies of the Stipulation and other filings may be directed to Lead Counsel, whose address is provided in Section IX above. **DO NOT WRITE OR TELEPHONE THE COURT.**

DATED: June 11, 2010

/s/ Lydia M. Villarreal
BY ORDER OF THE COURT
SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF MONTEREY

Monterey Gourmet Foods, Inc. Shareholder Litigation
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990

Important Legal Documents.

MONTEREY

**SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF
CLASS ACTION, SETTLEMENT HEARING AND MOTION FOR ATTORNEYS'
FEES**

TO: ALL PERSONS OR ENTITIES WHO HELD, INCLUDING EITHER OF RECORD OR BENEFICIALLY, SHARES OF THE COMMON STOCK OF MONTEREY GOURMET FOODS, INC. ("MONTEREY") AT ANY TIME FROM OCTOBER 8, 2009, THROUGH AND INCLUDING DECEMBER 14, 2009, AND THEIR SUCCESSORS-IN-INTEREST, ASSIGNS AND TRANSFEREES, OTHER THAN DEFENDANTS IN THIS ACTION AND THEIR AFFILIATES (THE "SETTLEMENT CLASS")

YOU ARE HEREBY NOTIFIED, pursuant to California Code of Civil Procedure Section 382 and an Order of the Court, that a settlement ("Settlement") has been reached in the action captioned In re Monterey Gourmet Foods, Inc. Shareholder Litigation, Lead Case. No. M101914, pending in the Superior Court for the State of California, County of Monterey (the "California Action"). A hearing will be held on October 8, 2010 at 9:00 a.m. in the Superior Court of the State of California, for the County of Monterey, 1200 Aguajito Road, Monterey, California 93940 to: (i) determine whether the Court should certify the California Action as a class action, without opt-out rights, pursuant to California Code of Civil Procedure Section 382 and California Rules of Court 3.760, 3.764, and 3.765, on behalf of the Settlement Class consisting of all persons or entities who held, including either of record or beneficially, shares of the common stock of Monterey at any time from October 8, 2009, through and including December 14, 2009, and their successors-in-interest and transferees, other than defendants in this California Action and their affiliates; (ii) determine whether the proposed Settlement should be approved by the Court as fair, reasonable, adequate, and in the best interests of the plaintiffs and the Settlement Class; (iii) determine whether plaintiffs and plaintiffs' counsel have adequately represented the Settlement Class; and (iv) consider the application of the law firm of Stull, Stull & Brody, which has been appointed lead counsel ("Lead Counsel") for the Settlement Class, for an award of attorneys' fees and expenses.

EXECUTION COPY

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS ACTION. This is a summary notice only. You should also have received a full-length printed Notice of Pendency of Class Action, Proposed Class Action Determination, Proposed Settlement of Class Action, Settlement Hearing and Right to Appear (the "Notice") in the mail. If you have not already received the Notice, you may obtain a copy by contacting:

Scott Wheeler
Pulmuone USA, Inc.
2315 Moore Avenue
Fullerton, California 92833

If you wish to obtain additional information about the claims asserted in the California Action and the terms of the proposed Settlement, please contact Lead Counsel for Plaintiffs:

Timothy J. Burke
Stull, Stull & Brody
10940 Wilshire Blvd., Suite 2300
Los Angeles, California 90024
E-mail: tburke@ssbla.com

If you are a member of the Settlement Class, you will be bound by the order and final judgment of the Court approving the Settlement. Any objections to the Settlement must be filed by September 24, 2010, in accordance with the procedures set forth in the Notice.

By Order of the Court