

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

IN RE ESCALA GROUP, INC. SECURITIES  
LITIGATION

Master File No. 06-cv-3518(AKH)

This Document Relates To:  
ALL ACTIONS

**PROOF OF CLAIM AND RELEASE**

**I. GENERAL INSTRUCTIONS**

- A. To recover as a Class Member based upon your claims in this Class Action, you must complete and, on page 6 hereof, sign this Proof of Claim and Release. If you fail to file a properly addressed Proof of Claim and Release (as set forth below in paragraph C), your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed settlement of the Litigation.
- B. Class Members who do not file acceptable Proofs of Claim and Releases will not share in the settlement proceeds, but will nevertheless be bound by the Settlement and the Judgment of the Court.
- C. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED OR RECEIVED ON OR BEFORE DECEMBER 29, 2008, ADDRESSED AS FOLLOWS:**

Escala Securities Litigation  
c/o Complete Claim Solutions, LLC  
P.O. Box 24615  
West Palm Beach, FL 33416

**YOU WILL BEAR ALL RISKS OF DELAY OR NON-DELIVERY OF YOUR CLAIM.**

- D. If you are NOT a Class Member, as defined in the "Notice of Pendency and Proposed Settlement of Class Action" ("Notice"), DO NOT submit a Proof of Claim and Release.
- E. If you are a Class Member and you did not timely request exclusion in connection with the proposed Settlement, you are bound by the terms of any judgment entered in the Litigation, including the releases provided therein, REGARDLESS OF WHETHER YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

**II. CLAIMANT IDENTIFICATION INSTRUCTIONS**

- A. If you purchased Escala common stock ("Escala Common Stock") and held the certificate(s) in your name, you are the beneficial owner as well as the record owner. If, however, you purchased Escala Common Stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner and the third party is the record owner.
- B. Use Section IV of this form entitled "Claimant Identification" to identify each owner of record, if different from the beneficial owner of Escala Common Stock which forms the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER(S), OR THE LEGAL REPRESENTATIVE OF SUCH OWNER(S), OF THE ESCALA COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**
- C. All joint owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them, proof of their authority must accompany this claim, and their titles or capacities must be stated.
- D. The Social Security or Taxpayer Identification Number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim and/or result in claim rejection.

### **III. TRANSACTION SCHEDULE INSTRUCTIONS**

- A. Use Section V of this form entitled “Schedule of Transactions in Escala Common Stock” to supply all required details of your transaction(s) in Escala Common Stock. If you need more space, attach separate, numbered sheets giving all of the required information in substantially the same format. Print your name and Social Security or Tax Identification Number at the top of each page.
- B. On the schedules, provide all requested information with respect to **all** of your purchases of Escala Common Stock that took place at any time beginning September 5, 2003 through May 8, 2006 (“Settlement Class Period”) and **all** of your sales of Escala Common Stock during the period September 5, 2003 through August 4, 2006, inclusive whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in rejection of your claim.
- C. In processing claims, the first-in, first-out (“FIFO”) basis will be applied to both purchases and sales. List each transaction in the Settlement Class Period separately and in chronological order, by trade date, beginning with the earliest. The date of purchase or sale of Escala Common Stock is the “contract” or “trade” date, as distinguished from the “settlement” date. You must accurately provide the month, day and year of each transaction you list.
- D. The price per share, paid or received, shall be exclusive of all commissions, taxes, fees and other charges.
- E. Where Escala Common Stock was purchased or sold by reason of having exercised an option, the option premium should be incorporated into the price accordingly.
- F. All profits will be subtracted from all losses to determine the net Recognized Loss of each Claimant.
- G. The date of covering a “short sale” is deemed to be the purchase date of Escala Common Stock. The date of a “short sale” is deemed to be the sale date of Escala Common Stock. Shares originally sold short prior to the Class Period will result in a zero Recognized Loss.
- H. No payment will be made on any claim where the potential distribution amount is \$10 or less, but the Claimant will otherwise be bound by the Final Judgment entered by the Court. Further, if a Claimant is due fewer than 250 shares of common stock based on the plan of allocation, the Claimant will receive the equivalent dollar value of those shares, in addition to monetary recovery under the Plan, in place of the distribution of shares.
- I. You must attach to your claim form **copies** of brokerage confirmations or monthly statements supporting your trading activity in Escala Common Stock in order for your claim to be valid. If such documents are not available, a complete list of acceptable supporting documentation can be found on the Claims Administrator’s website: [www.EscalaSecuritiesLitigation.com](http://www.EscalaSecuritiesLitigation.com). Failure to provide this documentation could delay verification of your claim and/or result in claim rejection.
- J. If your trading activity during the Settlement Class Period exceeds 50 transactions, you must provide, in an electronic file, all purchases and sales information required in the Schedule of Transactions. For a copy of instructions and parameters concerning such a submission, contact the Claims Administrator by phone: (888) 356-0254.

#### **Reminder Checklist:**

- 1. Please sign the release and declaration on page 6.
- 2. Remember to attach only **copies** of acceptable supporting documentation, a complete list of which can be found at the website below.
- 3. Do not send original or copies of stock certificates.
- 4. Keep a copy of the completed claim form and documentation for your records.
- 5. If you desire an acknowledgment of receipt of your claim form, please send it via Certified Mail, Return Receipt Requested, or its equivalent. **You will bear all risks of delay or non-delivery of your claim.**
- 6. If your address changes in the future, or if these documents were sent to an old or incorrect address, please send us **written** notification of your new address.
- 7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at:

Escala Securities Litigation  
c/o Complete Claim Solutions, LLC  
P.O. Box 24615  
West Palm Beach, FL 33416

E-mail: [info@EscalaSecuritiesLitigation.com](mailto:info@EscalaSecuritiesLitigation.com), Toll-free: 1-888-356-0254  
[www.EscalaSecuritiesLitigation.com](http://www.EscalaSecuritiesLitigation.com)

Must be received by the  
CLAIMS ADMINISTRATOR  
postmarked no later than  
December 29, 2008

  
\* 1 O F 4 \*  
**IN RE ESCALA GROUP, INC.**  
**SECURITIES LITIGATION**  
**PROOF OF CLAIM**

OFFICIAL USE ONLY

**IV. CLAIMANT IDENTIFICATION** - Complete either Section A or B - Please type or Print.

A. Complete this Section ONLY if the Beneficial Owner is an individual, joint, or IRA account. Otherwise, proceed to C.

Last Name (Beneficial Owner)	First Name (Beneficial Owner)
<input type="text"/>	<input type="text"/>
Last Name (Joint Beneficial Owner, if applicable)	First Name (Joint Beneficial Owner)
<input type="text"/>	<input type="text"/>
Name of IRA Custodian, if applicable	
<input type="text"/>	
If this account is an IRA, and if you would like any check that you MAY be eligible to receive made payable to the IRA account, please include "IRA" in the "Last Name" box above (e.g. Jones IRA).	

B. Complete this Section ONLY if the Beneficial Owner is an Entity; i.e., corporation, trust, estate, etc. Otherwise, proceed to C.

Entity Name
<input type="text"/>
Name of Representative, if applicable (Executor, administrator, trustee, c/o, etc.)
<input type="text"/>

C. Account/Mailing Information:

Specify one of the following:		
<input type="checkbox"/> Individual(s)	<input type="checkbox"/> Corporation	<input type="checkbox"/> UGMA Custodian
<input type="checkbox"/> IRA	<input type="checkbox"/> Partnership	<input type="checkbox"/> Estate
<input type="checkbox"/> Trust	<input type="checkbox"/> Other: <input type="text"/>	
Number and Street or P.O. Box		
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Foreign Province and Postal Code	Foreign Country	
<input type="text"/>	<input type="text"/>	
Telephone Number (Day)	Telephone Number (Evening)	
<input type="text"/>	<input type="text"/>	
E-mail Address		
<input type="text"/>		
Enter Taxpayer Identification Number below for the Beneficial Owner(s).		
Social Security No. (for individuals)	or Taxpayer Identification No.	
<input type="text"/>	<input type="text"/>	



ESCA



**V. SCHEDULE OF TRANSACTIONS IN ESCALA COMMON STOCK**

A. State the total number of shares of common stock owned at the close of trading on September 4, 2003, long or short (If none, write "zero" or "0", If other than zero, must be documented):   
Number of Shares

B. Separately list each and every purchase of shares of common stock during the period September 5, 2003 through May 8, 2006, and provide the following information (If none, write "zero" or "0", If other than zero, must be documented):

Date(s) of Purchase (list chronologically) Month/Day/Year	Number of Shares Purchased	Purchase Price Per Share	Total Amount Paid (excluding commissions, taxes & fees)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

C. Total number of shares of common stock purchased from May 9, 2006 to August 4, 2006, long or short (If none, write "zero" or "0", If other than zero, must be documented):   
Number of Shares

D. Separately list each and every sale of shares of common stock during the period September 5, 2003 through August 4, 2006, and provide the following information (If none, write "zero" or "0", If other than zero, must be documented):

Date(s) of Sale (list chronologically) Month/Day/Year	Number of Shares Sold	Sale Price Per Share	Total Amount Received (excluding commissions, taxes & fees)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

E. State the total number of shares of common stock owned at the close of trading on August 4, 2006, long or short (If none, write "zero" or "0", If other than zero, must be documented):   
Number of Shares

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification Number at the top of each sheet.

**YOU MUST ALSO READ AND SIGN THE RELEASE ON PAGE 6.**



**VI. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

I/We submit this Proof of Claim and Release under the terms of the Stipulation, and as described in the Notice. I/We also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my/our claim as a Class Member and for purposes of enforcing the release set forth herein. I/We further acknowledge that I am/we are bound by and subject to the terms of any judgment that may be entered in the Litigation. I/We agree to furnish additional information to Lead Plaintiff’s Counsel or the Claims Administrator to support this claim, including details of transactions in other Escala Common Stock, such as options, if requested to do so. I/We have not submitted any other claim covering the same purchases or sales of Escala Common Stock during the Settlement Class Period and know of no other person having done so on my/our behalf.

**VII. RELEASE**

- A. I/We hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, and discharge from the Released Claims each and all of the Released Parties.
- B. “Released Claims” shall mean any and all actions, suits, claims, debts, demands, rights, causes of action, proofs of claim or liabilities of every nature and description whatsoever (including, but not limited to, claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based in law or equity, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or not matured, pursuant to federal, state, local, statutory or common law, or any other law, rule or regulation, whether foreign or domestic, including both known claims and Unknown Claims (as defined herein), whether or not concealed or hidden, (including but not limited to claims for securities fraud, negligence, gross negligence, professional negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, aiding or abetting a breach of fiduciary duty, breach of contract, unjust enrichment, or violations of any statutes, rules, duties or regulations), that have been or could have been or could in the future be asserted in any forum, whether foreign or domestic, by Lead Plaintiff, any member of the Settlement Class, or the successors, assigns, executors, administrators, representatives, attorneys, agents, affiliates, and partners, and any Persons they represent or any of them, whether brought directly or indirectly against any of the Released Parties, which arise out of, are based on, or relate in any way, directly or indirectly, to any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to, in the Action, or which could have been alleged in the Action based upon the facts alleged in the CAC or the Complaint, and which arise out of, are based upon or relate in any way, directly or indirectly, to the purchase, sale, or voting of any Escala Common Stock by any Settlement Class Member during the Settlement Class Period.
- C. “Unknown Claims” means any and all claims, demands, rights, liabilities, and cause of action of every nature and description which Lead Plaintiff or any member of the Settlement Class does not know or suspect to exist in his, her or its favor at or after the Execution Date and including, without limitation, those which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims the parties stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Final Judgment shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or Spain, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

Lead Plaintiff, and the members of the Settlement Class may hereafter discover facts in addition to or different from those that any of them now know or believe to be true with respect to the subject matter of the Released Claims but Lead Plaintiff shall expressly have, and each member of the Settlement Class shall be deemed to have and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff acknowledges, and the members of the Settlement Class by operation of the Judgment shall be deemed to have acknowledged, that the waivers contained in this paragraph, and the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and are a key element of the Settlement.



- D. "Released Parties" means Defendants, the Additional Named Parties and each of their immediate family members, heirs, executors, administrators, successors (including but not limited to Amper, Politziner & Mattia, LLP as successor to Amper, Politziner & Mattia, P.C.), as assigns; Defendants' and the Additional Named Parties' present, former and future employees, insurers, officers, directors, partners, attorneys, legal representatives, receivers and agents; any person or entity which is or was related to or affiliated with any Defendant or Additional Named Party, or in which any Defendant or Additional Named Party has or had a controlling interest; and the present, former and future parents, subsidiaries, divisions, affiliates, predecessors, successors, employees, officers, directors, partners, attorneys, assigns, and agents of all of the foregoing.
- E. This release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and the Settlement becomes effective on the Effective Date (as defined in the Stipulation).
- F. I/We hereby warrant and represent that I/we have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.
- G. I/We hereby warrant and represent that I/we have included information about all of my/our purchases in Escala Common Stock that occurred during the Settlement Class Period (including total shares purchased between May 9, 2006 and August 4, 2006), all of my/our sales during the period September 5, 2003 through August 4, 2006 as well as the amount of Escala Common Stock held by me/us at the close of trading on September 4, 2003 and August 4, 2006.

**VIII. CERTIFICATION**

UNDER THE PENALTY OF PERJURY, I/WE CERTIFY THAT:

I am/we are NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out the word "NOT" in the statement above.

I/We declare under penalty of perjury under the laws of the United States of America, that the foregoing information supplied by the undersigned and the supporting documents attached hereto, and the acknowledgments, representations and warranties made herein are true, correct and complete to the best of my/our knowledge, information and belief, and that this Proof of Claim and Release form was executed this \_\_\_\_\_ day of \_\_\_\_\_, 2008 in \_\_\_\_\_,

\_\_\_\_\_  
 (State/Country) (City)

Signature of Claimant

(Print your name here)

Signature of Joint Claimant, if any

(Print your name here)

Signature of person signing on behalf of Claimant

(Print your name here)

Capacity of person signing on behalf of Claimant, if other than an individual (e.g., Executor, President, Custodian, etc.)

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
 THANK YOU FOR YOUR PATIENCE.**

Mail your Proof of Claim and Release, postmarked no later than December 29, 2008, to:  
 Escala Securities Litigation  
 c/o Complete Claim Solutions, LLC  
 P.O. Box 24615  
 West Palm Beach, FL 33416