

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

BILL GRECIAN and KANDA GRECIAN,
on Behalf of Themselves and All Others
Similarly Situated,

Plaintiffs,

vs.

MEADE INSTRUMENTS CORP.,
JOHN C. DIEBEL, and STEVEN G.
MURDOCK,

Defendants.

CASE NO. SA CV 06-908 AG (JTLx)

CLASS ACTION

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

IF YOU PURCHASED OR OTHERWISE ACQUIRED SHARES OF MEADE INSTRUMENTS, CORP. COMMON STOCK BETWEEN SEPTEMBER 27, 2001 AND AUGUST 29, 2006, INCLUSIVE, THEN YOU COULD RECEIVE A PAYMENT FROM THE PROPOSED SETTLEMENT OF A SECURITIES CLASS ACTION.

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

- The settlement in *Grecian v. Meade*, CASE NO. SA CV 06-908 AG (JTLx) (C.D. CA) (the “Action” or the “Litigation”) will provide a \$2.95 million settlement fund, subject to reduction for attorneys’ fees and costs as provided herein, for the benefit of certain investors who purchased or otherwise acquired shares of Meade Instruments, Inc. (“Meade”) stock between September 27, 2001 through August 29, 2006, inclusive (the “Class Period”).
- The settlement resolves a lawsuit concerning allegations that certain investors purchased or otherwise acquired Meade shares at artificially inflated prices as a result of Defendants’ alleged dissemination of materially false and misleading statements and omissions.
- Your legal rights are affected ***whether you act or do not act***. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment if you have a Recognized Claim.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be a part of any other lawsuit against Meade Instruments Corp. and the other Released Parties about the Released Claims.
OBJECT	Write to the court about why you do not like the settlement. You may, but are not required to, appear at the settlement hearing.
DO NOTHING	Get no payment. Give up rights.

- These rights and options – and the deadlines to exercise them – are explained in this notice.
- The Court in charge must still decide whether to approve the settlement. Payments will be made to Class members who submit timely and valid Proofs of Claim if the Court approves the settlement and after any appeals are resolved.

SUMMARY OF NOTICE

Statement of Plaintiffs' Recovery

Pursuant to the settlement described herein, a Settlement Fund consisting of \$2.95 million in cash, plus interest (the "Gross Settlement Fund"), has been established. Prior to deduction of Court-awarded attorneys' fees and expenses, Lead Plaintiffs estimate that the average recovery under the settlement is \$0.43 per allegedly damaged Meade Share.¹ A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. Depending on the number of allegedly damaged Meade Shares for which claims are submitted, the time during the Class Period when a Class Member purchased Meade Shares, the purchase price paid, and whether those shares were held at the end of the Class Period or sold during the Class Period, and, if sold, when they were sold and the amount received, an individual Class Member may receive more or less than this average amount. *See* the Plan of Allocation on page 11 for more information on your Recognized Claim.

Statement of Potential Outcome of Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs and the Class were to have prevailed on each claim alleged. The settling Defendants deny that they are liable to the Lead Plaintiffs or the Class and deny that Lead Plaintiffs or any other member of the Class has suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed thirty-percent (30%) of the Settlement Fund (\$885,000), plus interest, and for reimbursement of expenses incurred in connection with the prosecution of the case. Plaintiffs' Lead Counsel have expended considerable time and effort in the prosecution of the case on a contingent-fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. In this type of litigation, counsel are typically awarded a percentage of the common fund recovery as their attorneys' fees.

Further Information

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Lead Counsel: Donald J. Enright, Esq., Finkelstein Thompson LLP, Duvall Foundry, 1050 30th Street, N.W., Washington, D.C. 20007, Telephone (202) 337-8000.

Reasons for the Settlement

For the Plaintiff Class, the principal reason for the settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. For the settling Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the settlement is to eliminate the expense, risks and uncertain outcome of the litigation.

¹ An allegedly damaged Meade Share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that Share.

WHAT THIS NOTICE CONTAINS

Table of Contents

	Page
SUMMARY OF NOTICE	2
Statement of Plaintiffs' Recovery	2
Statement of Potential Outcome of Case	2
Statement of Attorneys' Fees and Costs Sought	2
Further Information	2
Reasons for the Settlement	2
BASIC INFORMATION	4
1. Why did I get this notice package?	4
2. What is this lawsuit about?	4
3. Why is this a class action?	4
4. Why is there a settlement?	5
WHO IS IN THE SETTLEMENT	5
5. How do I know if I am part of the settlement?	5
6. Are there exceptions to being included?	5
7. What if I am still not sure if I am included?	5
THE SETTLEMENT BENEFITS — WHAT YOU GET	6
8. What does the settlement provide?	6
9. How much will my payment be?	6
HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM	6
10. How can I get a payment?	6
11. When would I get my payment?	6
12. What am I giving up to get a payment or stay in the Class?	6
EXCLUDING YOURSELF FROM THE SETTLEMENT	7
13. How do I get out of the proposed settlement?	8
14. If I do not exclude myself, can I sue Meade and the other Released Parties for the same thing later?	8
15. If I exclude myself, can I get money from the proposed settlement?	8
THE LAWYERS REPRESENTING YOU	8
16. Do I have a lawyer in this case?	8
17. How will the lawyers be paid?	8
OBJECTING TO THE SETTLEMENT	9
18. How do I tell the Court that I do not like the proposed settlement?	9
19. What is the difference between objecting and excluding?	9
THE COURT'S FINAL SETTLEMENT HEARING	10
20. When and where will the Court decide whether to approve the proposed settlement?	10
21. Do I have to come to the hearing?	10
22. May I speak at the hearing?	10
IF YOU DO NOTHING	10
23. What happens if I do nothing at all?	10
GETTING MORE INFORMATION	11
24. Are there more details about the proposed settlement?	11
25. How do I get more information?	11
PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS	11
PROHIBITED TRANSACTIONS — SPECIAL NOTICE TO ERISA PLANS AND PLAN FIDUCIARIES	13
SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES	13

BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or otherwise acquired shares of Meade Instruments Corp. (“Meade Shares”) between September 27, 2001 and August 29, 2006, inclusive.

The Court directed that this Notice be sent to potential Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the settlement. If the Court approves the settlement and any appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, Class Members’ 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 Central District of California, and the case is known *Grecian v. Diebel, et al*, Case No. SA CV 06-908 AG (JTLx). This case was assigned to the Honorable United States District Judge Andrew J. Guilford. The persons who sued are called the Plaintiffs; and the court-appointed Lead Plaintiffs, Bill and Kanda Grecian, were appointed on January 8, 2007. The company and the persons they sued, Meade Instruments Corp. (“Meade”), and two of their former directors and officers (John C. Diebel and Steven J. Murdock) are called the Defendants.

2. What is this lawsuit about?

Meade is a maker of telescopes, binoculars, microscopes and other instruments.

Lead Plaintiffs allege that the Meade backdated stock options granted to the individual defendants to a day on or near the day when Meade stock either hit its low price for the year, or directly in advance of sharp increases in the price of Meade stock. Lead Plaintiffs further allege that as a result of the backdating, Meade overstated its profits and understated compensation during the class period. The Defendants have vigorously denied and continue to deny any wrongdoing and insist that at all times they acted properly and that, as a result, there is no liability to Lead Plaintiffs or the Class.

Lead Plaintiffs’ Second Amended Complaint (the “Complaint”) filed on February 22, 2007, alleges that Defendants violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder by the Securities and Exchange Commission. The Complaint also alleges that financial statements were filed and other statements were issued by and on behalf of Meade that had materially false and misleading information about the financial performance and condition of Meade, which caused the price of Meade Shares to be inflated artificially. The Complaint also asserted “control person” claims against the individual Defendants under Section 20(a) of the Securities Exchange Act of 1934. The lawsuit seeks money damages against the Defendants for violations of the federal securities laws. Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs in the Litigation. Defendants continue to assert that they did not violate Sections 10(b) or 20(a) of the Securities Exchange Act of 1934 and did not engage in any conduct that could give rise to any liability to Lead Plaintiffs or the Class and that none of the claimed misstatements or omissions were material.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, the Lead Plaintiffs Bill and Kanda Grecian), sue on behalf of people who have similar claims. All these people with similar claims are Class Members, who together constitute the Class. Bringing a case, such as this one, as a class action allows the collective adjudication of many similar claims that might be economically too small to bring in individual actions. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that Lead Plaintiffs would not have prevailed on any of their claims, in which case the Class would receive nothing. The Defendants have asserted that they did not engage in any wrongful conduct and have no liability for any breach of the federal securities laws. Further, the amount of damages recoverable by the Class was and is challenged by Defendants, and Lead Plaintiffs run the risk that they cannot prove any compensable loss or damages to the Class. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Litigation gone to trial, Defendants would have asserted that all of the losses of Class Members were caused by non-actionable market, industry or general economic factors. Defendants would also assert that throughout the Class Period the uncertainties and risks associated with the purchase of Meade common stock were fully and adequately disclosed. Thus, there is a risk that Lead Plaintiffs would not have established any liability or damages against the Defendants.

The Court did not decide in favor of Lead Plaintiffs or Defendants. Instead, both sides agreed to a settlement. In this manner, they avoid the risks and cost of a trial, including the risk that there would be no recovery by any members of the Class. The Lead Plaintiffs and their attorneys think the settlement is best for all Class Members. The settling Defendants in this Action, while continuing to deny all allegations of wrongdoing or liability whatsoever, recognize the expense, risks and uncertain outcome of litigation and appeals, especially in a complex action such as this, and wish to avoid the uncertainties, burdens and costs associated with further litigation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you must be a Class Member.

5. How do I know if I am part of the settlement?

The Court directed that, for the purposes of the proposed settlement, everyone who fits this description is a Class Member: *all Persons who purchased or otherwise acquired shares of Meade Instruments Corp. common stock between September 27, 2001 and August 29, 2006, inclusive.*

6. Are there exceptions to being included?

Excluded from the Class are the Defendants, Meade, John C. Diebel and Steven J. Murdock, the present and former officers and directors of Meade, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants or their successors have or had a controlling interest

If one of the mutual funds in which you are invested purchased or otherwise acquired Meade Shares during the Class Period, that does not make you a Class Member. You are a Class Member only if you directly purchased or otherwise acquired Meade Shares during the Class Period. Contact your broker to see if you purchased or otherwise acquired Meade Shares during the Class Period.

If you **sold** but did not purchase Meade Shares during the Class Period, you are not a Class Member. You are a Class Member only if you **purchased or otherwise acquired** your shares during the Class Period.

7. What if I am 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 contact the Claims Administrator by writing to Meade Instruments Securities Litigation, c/o Berdon Claims Administration LLC, P.O. Box 9014, Jericho, NY 11753-8914; by faxing to (516) 931-0810; by calling (800) 766-3330; or by visiting the website www.berdonclaims.com for more information. Or you can fill out and return the Proof of Claim form described in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

Meade has agreed to create a \$2.95 million fund to be distributed, after the payment of claims administration and notice costs and Lead Counsel's attorneys' fees and expenses as awarded by the Court, to all Class Members who send in a valid and timely Proof of Claim form. In return, the Parties will agree to dismiss the Action and Lead Plaintiffs and all Class Members who do not opt out agree to release, relinquish and discharge all Released Claims (including Unknown Claims) against the Defendants and their respective Related Parties, whether or not these Class Members execute and deliver the Proof of Claim and Release.

9. How much will my payment be?

Your share of the fund will depend on the total Recognized Claims represented by the valid Proof of Claim forms that Class Members send in, how many Meade Shares you bought or acquired, how much you paid for them, and when you bought or acquired and whether or when you sold them, and if so for how much you sold them.

By reading the Plan of Allocation on page 11 of this Notice, you can calculate what is called your Recognized Claim. It is unlikely that you will get a payment for 100% of your Recognized Claim. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claims. Please refer to the Plan of Allocation on page 11 for more information on your Recognized Claim.

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form accompanies this Notice. You may also download a Proof of Claim form from the Claims Administrator's website, www.berdonclaims.com. Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it **postmarked no later than January 14, 2008**.

11. When would I get my payment?

The Court will hold a hearing on December 10, 2007, to decide whether to approve the settlement. If the Court approves the settlement, one or more appeals may follow. It is always uncertain how any such appeal will be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will remain a member of the Class, and that means that, upon the "Effective Date," you will release all "Released Claims" (as defined below) against the "Released Parties" (as defined below).

The "Effective Date" will occur when an Order entered by the Court approving the settlement becomes final and not subject to appeal and when all conditions of the Stipulation have been met.

"Released Claims" shall collectively mean all claims (including Unknown Claims as defined below), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, asserted or that might have been asserted, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty,

fraud, breach of fiduciary duty, or violations of any state or federal common law or statutes, rules or regulations, by the Plaintiffs or any Class Member against the Released Persons (as defined below) arising out of, based upon or related in any way to the purchase, other acquisition, retention or sale of any securities of Meade, by any Plaintiffs or any Class Member during the Class Period and the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, misrepresentations or failure(s) to act which have been or could have been alleged in the Litigation.

“Released Persons” means each and all of the Defendants and their Related Parties (as defined below).

“Related Parties” means each of a Defendant’s past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, attorneys, accountants or auditors, banks or investment banks, advisors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant or Meade has a controlling interest, any member of an Individual Defendant’s immediate family, or any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant and/or member(s) of his family.

“Unknown Claims” means any Released Claims which the Plaintiffs or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release 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 Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of law shall have, expressly waived, the provisions, rights and benefits of California Civil Code §1542, 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.

The Plaintiffs shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of law shall have, expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Plaintiffs and/or each of the Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Plaintiffs shall expressly waive, and each Class Member, upon the Effective Date, 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, which 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 which is negligent, 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. The Plaintiffs acknowledge, and each of the Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep any right you may have to sue or continue to sue Meade and the other Released Parties on your own about the Released Claims, then you must take steps to exclude yourself — or as it is sometimes referred to, you must “opt out” of the settlement Class. The settling Defendants may withdraw from and terminate the Settlement if Class Members who purchased or otherwise acquired during the Class Period in excess of a certain amount of Meade Shares exclude themselves from the Class.

13. How do I get out of the proposed settlement?

To exclude yourself from the settlement Class, you must send a letter by mail stating that you “request exclusion from the Class in the *Grecian v. Diebel, et al*, Case No. SA CV 06-908 AG (JTLx).” Your letter must state the date(s), price(s) and number(s) of shares of all your purchases, acquisitions and sales of Meade Shares during the Class Period. In addition, be sure to include your name, address, daytime telephone number and your signature. You must mail your exclusion request postmarked no later than November 26, 2007 to the Claims Administrator at:

Meade Instruments Securities Litigation
Exclusion Requests
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

You cannot exclude yourself by telephone, by fax or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue Meade and the other Released Parties about the Released Claims in the future.

14. If I do not exclude myself, can I sue Meade and the other Released Persons later for the Released Claims?

No. Unless you exclude yourself, you give up any rights to sue Meade and the other Released Parties, or to enforce any existing judgments against any of the Released Parties, for any and all Released Claims. If you have a pending lawsuit against Meade or the other Released Parties, speak to your lawyer in that case immediately, to determine if you have to exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is November 26, 2007.

15. If I exclude myself, can I get money from the proposed settlement?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may exercise any right you may have to sue, continue to sue or be part of a different lawsuit against Meade and the other Released Parties about the Released Claims.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firm of Finkelstein Thompson LLP in Washington, D.C. to represent all Class Members. These lawyers are called Plaintiffs’ Lead Counsel. You will not be separately 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?

Plaintiffs’ Lead Counsel are moving the Court to award attorneys’ fees from the Settlement Fund in an amount not to exceed thirty percent (30%) of the Gross Settlement Fund and for reimbursement of their expenses, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. Plaintiffs’ Lead Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Final Settlement Hearing.

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 proposed settlement?
--

If you are a Class Member, you can object to the settlement or any of its terms, the proposed Plan of Allocation, or the application by Plaintiffs' Lead Counsel for an award of fees and reimbursement of expenses. You may write to the Court setting out your objections. You may give reasons why you think the Court should not approve any or all of the settlement terms or arrangements and submit any documentation you believe is appropriate. The Court will only consider your views if you file a proper objection within the deadline identified and according to the following procedures.

To object, you must send a signed letter or other court submission stating that you object to the proposed settlement in *Grecian v. Diebel, et al.*, Case No. SA CV 06-908 AG (JTLx). You must include your name, address, telephone number, and your signature, identify the date(s), price(s) and number(s) of shares of all purchases and sales of the MEADE Shares you made during the Class Period, and state the reasons why you object to the settlement. Your objection must be filed with the Court and served on all the following counsel so that it is actually received not merely postmarked on or before November 26, 2007:

COURT	PLAINTIFFS' LEAD COUNSEL	DEFENDANTS' COUNSEL
Clerk of the Court United States District Court for the Central District of California 411 West Fourth Street Santa Ana, CA 92701	Donald J. Enright, Esq. Finkelstein Thompson LLP Duvall Foundry 1050 30th Street, N.W. Washington, D.C. 20007	Phillip R. Kaplan O' Melveny & Myers 610 Newport Center Dr. 17th Floor Newport Beach, CA 92660 Pamela S. Palmer Latham & Watkins 650 Town Center Drive 20th Floor Costa Mesa, CA 92626

You do not need to go to the Final Settlement Hearing to have your written objection considered by the Court. At the Final Settlement Hearing, any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question 18 and questions 20 and 22 below for filing with the Court and providing to the counsel for the Class and settling Defendants a statement of an intention to appear at the Final Settlement Hearing may also appear and be heard, to the extent allowed by the Court, to state any objection to the settlement, the Plan of Allocation or Plaintiffs' Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Hearing.

19. What is the difference between objecting and excluding?
--

Objecting is simply telling the Court that you do not like something about the proposed settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed 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 proposed settlement?

The Court will hold a Final Settlement Hearing at 10:00 a.m. on December 10, 2007, at the United States District Court for the Central District of California, United States Courthouse, 411 West Fourth Street, Room 1053, Santa Ana, CA 92701-4516. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. At the Final Settlement Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the settlement and the application of Plaintiffs' Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 18. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. (Please refer to question 22 for more information about speaking at the hearing.) The Court will also decide to the amount of attorneys' fees and expenses to award Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Final Settlement Hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs' Lead Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the hearing?

No. Plaintiffs' Lead Counsel will answer questions the Court 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 filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but attendance is not mandatory. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

22. May I speak at the hearing?

If you object to the settlement, you may ask the Court for permission to speak at the Final Settlement Hearing. To do so, you must include with your objection (see question 18 above) a statement stating that it is your "Notice of Intention to Appear in *"Grecian v. Diebel, et al,* Case No. SA CV 06-908 AG (JTLx)." Class members who intend to object to the settlement, the Plan of Allocation, or counsel's application for an award of attorneys' fees and reimbursement of expenses and desire to present evidence at the Final Settlement Hearing must include in their written objections the identity of any witnesses they propose to call to testify and any exhibits they intend to offer into evidence at the Final Settlement Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Final Settlement Hearing by the deadline identified, and in accordance with the procedures described in question 18 above.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this settlement and, if the settlement becomes final, you will be precluded from starting, continuing with or being part of any other lawsuit against Meade and the other Released Parties about the Released Claims in this case, ever again. To share in the Net Settlement Fund you

must submit a Proof of Claim form (see question 10). To start, continue or be a part of any other lawsuit against MEADE and the other Released Parties about the Released Claims in this case you must exclude yourself from this class (see question 13).

GETTING MORE INFORMATION

24. Are there more details about the proposed settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation of Settlement dated as of September 14, 2007 (the “Stipulation”). You may obtain a copy of the Stipulation by writing to Donald J. Enright, Esq., Finkelstein Thompson LLP, 1050 30th Street, N.W., Washington, D.C. 20007.

You also can contact the Claims Administrator by mail at Meade Instruments Securities Litigation, c/o Berdon Claims Administration LLC, P.O. Box 9014, Jericho, NY 11753-8914; by fax at (516) 931-0810; by toll-free phone at (800) 766-3330; or by visiting the website www.berdonclaims.com. For a Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment, visit the website at www.berdonclaims.com.

25. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Central District of California, United States Courthouse, 411 West Fourth St., Rm. 1053, Santa Ana, CA 92701-4516, during regular business hours.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$2,950,000 Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, notice and claims administration costs, attorneys’ fees and expenses (the “Net Settlement Fund”) shall be distributed to members of the Class who submit acceptable Proofs of Claim (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following Plan of Allocation formula reflects the Lead Plaintiffs’ assertion that the price of Meade Shares was allegedly inflated during the Class Period until August 29, 2006 when, following certain disclosures made by Meade, the price of Meade Shares declined from a close of \$2.85 per share on May 22, 2006 to \$2.15 per share on August 29, 2006, a \$0.70 per share drop. The average closing price of Meade Shares for the 90-day period following the allegedly corrective disclosure, *i.e.*, between August 29 and November 27, 2006, was \$2.08 per share.

A “Recognized Claim” will be calculated as follows:

For the shares of Meade common stock purchased during the Class Period (September 27, 2001 through August 29, 2006) and:

- Sold prior to the close of trading on May 22, 2006, the Recognized Claim is zero (\$0);
- Sold during the period May 23, 2006 through November 27, 2006, the Recognized Claim per share is *the lesser of*: (a) the difference between \$2.85 and the sale price; or (b) the difference between the purchase price and the sale price;
- Retained through the close of trading on November 27, 2006, the Recognized Claim per share is *the lesser of*: (a) \$0.77 (\$2.85 - \$2.08); or (b) the difference between the purchase price and \$2.08.

General Provisions:

- The date of purchase or sale is the “contract” or “trade” date and not the “settlement” date;
- Brokerage commissions, taxes and fees should be excluded from the purchase and sale price;
- Where shares of Meade common stock were purchased or sold by reason of having exercised an option, the option premium should be incorporated into the price accordingly;
- In processing the claims, the first-in, first-out basis (“FIFO”) will be applied to purchases and sales, meaning that the Class Period sales will be matched first against any Meade shares held at the beginning of the Class Period and then against purchases in chronological order;
- The date of covering a “short sale” is deemed to be the date of purchase of Meade common stock. The date of a “short sale” is deemed to be the date of sale of Meade common stock. Shares originally sold short prior to the Class Period will result in a zero dollar (\$0) claim.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in Meade Shares during the Class Period or suffered a loss, the Claims Administrator shall: (a) total the amount paid for all Meade Shares purchased during the Class Period by the claimant (the “Total Purchase Amount”); (b) match any sales of Meade Shares during the Class Period first against the Claimant’s opening position in the shares (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (c) total the amount received for sales of the remaining unmatched shares of Meade Shares sold during the Class Period (the “Sales Proceeds”); and (d) ascribe a \$2.08 per share Holding Value for the number of Meade Shares purchased during the Class Period and still held at the end of the Class Period. The difference between the Total Purchase Amount ((a) above) and the sum of the Sales Proceeds ((c) above) and the Holding Value ((d) above) will be deemed a Claimant’s gain or loss on his, her or its overall transactions in Meade Shares during the Class Period.

The receipt or grant of an *inter vivos* gift or a distribution from an estate of Meade Shares during the Class Period shall not be deemed to be a purchase of Meade Shares. The recipient of a gift or a distribution from an estate of Meade Shares, however, shall be eligible to file a Proof of Claim and participate in the Settlement to the extent the particular donor or decedent as the actual purchaser of such Meade Shares would have been eligible, and based upon the circumstances of such purchase within the Class Period; however, donee and donor may not both claim with regard to the same Meade Shares. If both donor and donee make such a claim, only the claim filed by the donor will be honored.

Class Members who do not submit valid Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit a valid Proof of Claim will nevertheless be bound by the settlement and the Order and Final Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution.

Plaintiffs, settling Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation or payment of any Proof of Claim or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.

PROHIBITED TRANSACTIONS
SPECIAL NOTICE TO ERISA PLANS AND PLAN FIDUCIARIES

If you received this notice as a fiduciary of a plan subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or as representative of an entity deemed to hold ERISA plan assets (collectively, “ERISA Plans”), and such ERISA Plan is a Class Member, you should be aware that the participation of the ERISA Plan in the settlement may be subject to rules prohibiting ERISA Plans from entering into certain transactions with “parties in interest.” A violation of the prohibited transaction rule by an ERISA Plan could expose the “parties in interest” to tax penalties and could create a risk that the settlement would have to be unwound to “correct” the prohibited transaction. Because of these risks, in order to participate in the settlement, any Class Member that is an ERISA Plan must satisfy the requirements for an exemption from the prohibited transaction rule set forth in 26 U.S.C. § 4975.

Any such Class Member that is an ERISA Plan shall notify the Court, Lead Counsel and Defendants’ Counsel in writing that it is such a plan; and, if such Class Member is not submitting a request for exclusion from the settlement, that Class Member must submit a certification by its fiduciary responsible for assessing the settlement, that such Class Member has complied with the requirements for exemption from the prohibited transaction rule. Copies of such notice and certification are to be served on the Court, Lead Counsel and Defendants’ Counsel at the addresses identified in connection with question 18 within ten (10) days of receipt of this Notice. Any Class Member that is an ERISA Plan, but fails to provide the indicated notice or certification shall be deemed to have requested exclusion and shall be excluded from the settlement, regardless of whether such Class Member submits a Proof of Claim.

SPECIAL NOTICE TO SECURITIES BROKERS
AND OTHER NOMINEES

If you held Shares of Meade Instruments Corp. (“Meade Shares”) that were purchased or otherwise acquired between September 27, 2001 and August 29, 2006, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you held Meade Shares that were purchased or otherwise acquired between September 27, 2001 and August 29, 2006, inclusive, **preferably in an MS Excel data table, setting forth: (i) title/registration, (ii) street address, (iii) city/state/zip; or electronically in MS Word or WordPerfect files (label size Avery # 5162); or on computer-generated mailing labels;** or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim form directly to the beneficial owners of those Meade Shares. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the

names and addresses of beneficial owners. Those expenses will be paid after your written request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Meade Instruments Corp. Securities Litigation
c/o Berdon Claims Administration LLC
Claims Administrator
P.O. Box 9014
Jericho, NY 11753-8914
Telephone:(800) 766-3330
Facsimile: (516) 931-0810
Website: www.berdonclaims.com

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

Dated: October 22, 2007

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