

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Flight Safety Technologies, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired Flight Safety Stock or Warrants, either separately or in Units (together the “Flight Safety Securities”) during the Class Period.

2. What is this lawsuit about?

The case is known as *In re Flight Safety Technologies, Inc. Securities Litigation*, 3:04-CV-1175 (CFD) (D. Conn.) (the “Fully Consolidated Action”), and the Court in charge of the case is the United States District Court for the District of Connecticut.

The lawsuit involves whether, in violation of federal securities laws, Flight Safety, two of its principal officers, and two underwriters caused the issuance of statements that misled investors about, among other things, the effectiveness of Flight Safety’s main product under development, SOCRATES, and the prospects for its commercialization. Flight Safety, Samuel A. Kovnat, William D. Cotton, Pali Capital Group, Inc, and The Shemano Group are among the Defendants. All Defendants deny they did anything wrong. The Settlement resolves all of the claims in this lawsuit.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to as a Class and individual persons and/or entities are known as Class members. One court resolves all of the issues for all Class members, except for those Class members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs’ allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail at trial on each claim. The issues on which the parties disagree include: (1) whether Defendants made any materially false and misleading statements; (2) whether Defendants made the statements with the requisite knowledge; (3) whether the statements were the cause of the investors’ alleged damages; (4) the amount of damages, if any, suffered by investors; and (5) whether Lead Plaintiffs’ claims are barred by the statute of limitations.

This matter has not gone to trial and the Court has not decided in favor of either Plaintiffs or Defendants. Instead, Plaintiffs and Defendants have agreed to settle the lawsuit. The Lead Plaintiffs and their Counsel believe the settlement is best for all Class members because of risks of continued litigation and the nature of the defenses raised by the Defendants. Moreover, even if Plaintiffs win at trial, and withstand Defendants’ inevitable challenge on appeal, Plaintiffs would likely not be able to collect some, or all, of the Judgment.

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

To be a Class Member, you must have purchased or otherwise acquired Flight Safety Stock, Warrants or Units during the period from January 14, 2003 through and including July 16, 2004, and suffered losses in your investment.

6. Are there exceptions to being included?

Yes. You are not a Class member if you are a Defendant, an immediate family member of any Defendant, a Defendant’s legal representative, heir, predecessor, successor and assign and any entity in which any Defendant has or had a controlling interest, and any person who has separately filed actions against one or more of the Defendants based in whole or in part on any claim arising out of or relating to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Action. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for Defendants to create a Settlement Fund in the amount of \$1,200,000. This \$1,200,000 has been deposited into an interest bearing account, the “Gross Settlement Fund.” The Settlement is subject to Court approval. Also, subject to the Court’s approval, a portion of the Gross Settlement Fund also will be used to pay Lead Plaintiffs’ attorney’s fees and reasonable litigation expenses and any award to lead plaintiffs. A portion of the Gross Settlement Fund will also be used to pay taxes due on interest earned by the Gross Settlement Fund, if necessary, and any notice and claims administration expenses permitted by the Court or the Stipulation. After the foregoing deductions from the Gross Settlement Fund have been made, the amount remaining (the “Net Settlement Fund”) will be distributed to Class members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) whether you purchased Flight Safety Stock, Units, or Warrants; (iii) whether you sold your Flight Safety Securities or held your Flight Safety Securities; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead Plaintiffs for attorney’s fees, costs and expenses.

The Recognized Loss of each Authorized Claimant shall be calculated according to the following formula:²

A. For Shares (excluding those purchased as Units) purchased during the period January 14, 2003 through and including July 16, 2004, recognized per share loss is eighty percent (80%) of the following amounts:

- 1) For each Share held through the close of trading on July 16, 2004, the price paid (excluding commissions) less \$1.38 (the closing price on the last day of the Class Period).
- 2) For each Share sold prior to July 17, 2004, the price paid (excluding commissions) less the price received when sold (excluding commissions).

B. For Warrants (excluding those purchased as Units) purchased during the period February 2, 2004 through and including July 16, 2004, recognized per Warrant loss is:

- 1) For each Warrant held through the close of trading on July 16, 2004, the price paid (excluding commissions) less \$0.31 (the closing price on the last day of the Class Period).
- 2) For each Warrant sold prior to July 17, 2004, the price paid (excluding commissions) less the price received when sold (excluding commissions).

C. For Units purchased in the February 2, 2004 secondary public offering, recognized loss per Unit is \$6.00 less:

- 1) For any Share held through the close of trading on July 16, 2004, \$1.38 (the closing price on the last day of the Class Period).
- 2) For any Share sold prior to July 17, 2004, the price received when sold (excluding commissions).
- 3) For any Warrant held through the close of trading on July 16, 2004, \$0.31 (the closing price on the last day of the Class Period).
- 4) For any Warrant sold prior to July 17, 2004, the price received when sold (excluding commissions).
- 5) Shares of stock sold at a loss before August 6, 2003 are not entitled to any payment from the Net Settlement Fund for any such shares. However, said members are entitled to a payment for any shares held until August 6, 2003 or later.

D. For Class members who conducted multiple transactions in Flight Safety securities during the Class Period, the earliest subsequent sale shall be matched first against those shares in the Claimant’s opening position on the first day of the Class Period for each type of security, and then matched chronologically thereafter against each purchase made during the Class Period.

E. Transactions during the Class Period resulting in a gain shall be netted against the Class Members transactions resulting in a loss to arrive at the Recognized Loss.

F. Any Class members whose collective transactions in Flight Safety securities during the Class Period resulted in a net gain shall not be entitled to share in the Net Settlement Fund.

² The Plan of Allocation was created by lead plaintiffs’ counsel with the assistance of a financial consultant. Defendants were not involved developing the Plan of Allocation and take no position related to it.

G. The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.

H. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Aggregate Recognized Loss described above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants.

8. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim and Release form. This claim form is attached to this Notice. You may also obtain a claim form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the two locations indicated, include all the documents the form asks for, and mail the claim form and documentation, postmarked no later than March 21, 2008, to:

Flight Safety Technologies, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063

The Claims Administrator will process your claim and determine if you are an "Authorized Claimant"—meaning that your claim satisfies the requirements approved by the Court.

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

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class members will release (cannot sue, continue to sue, or be part of any other lawsuit) all claims against Defendants and all other persons and entities in connection with your acquisition or sale of Flight Safety Stock, Warrants or Units at any time. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to a "Release of Claims," which will bar you from ever filing a lawsuit against any person or entity to recover losses from the acquisition or sale of Flight Safety Stock, Warrants or Units at any time. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of Flight Safety Stock, Warrants or Units at any time.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue Defendants on your own about the legal claims raised in this case, then you must take steps to get out of the Settlement. This is called excluding yourself – or "opting out" of the Class. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class member from *In re Flight Safety Technologies, Inc. Securities Litigation*, 3:04-CV-1175 (CFD) (D. Conn.). Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales in Flight Safety Securities in order to show your membership in the Class. You must mail your exclusion request, postmarked no later than February 18, 2008, to:

Flight Safety Technologies, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

11. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed the Rosen Law Firm, P.A. to represent you and the other Class members. These lawyers are called Lead Plaintiffs' Counsel or Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Lead Plaintiffs' Counsel have expended considerable time litigating this Fully Consolidated Action on a contingent fee basis, and have advanced the expenses of the litigation with the expectation that if they are successful in recovering money for the Class, they will receive attorney's fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Therefore, Lead Plaintiffs' Counsel will file a motion asking the Court at the Fairness Hearing to make an award of attorney's fees in an amount not to exceed one-third of the Settlement amount, for reimbursement of reasonable litigation expenses not to exceed \$65,000, and awards to each of the Lead Plaintiffs in an amount not to exceed \$1,500. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Gross Settlement Fund.

14. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, or Lead Plaintiffs' Counsels' motion for attorney's fees, and that you think the Court should not approve the Settlement, by mailing a letter stating you object to the Settlement in *In re Flight Safety Technologies, Inc. Securities Litigation*, 3:04-CV-1175 (CFD) (D. Conn.). Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of Flight Safety Securities to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the three different places listed below, postmarked no later than February 18, 2008, so the Court will consider your views:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court District of Connecticut 450 Main Street Hartford, CT 06103	Laurence M. Rosen, Esq. Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 350 5th Avenue, Suite 5508 New York, New York 10118	Deborah L. Thaxter, Esq. Timothy W. Mungovan, Esq. NIXON PEABODY LLP 100 Summer Street Boston, MA 02110

15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer affects you.

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on April 11, 2008, at 10:00 a.m., at the United States District Court for the District of Connecticut, 450 Main Street, Hartford, CT 06103. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Lead Plaintiffs' Counsel for attorney's fees and expenses.

17. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend 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 mailed your written objection on time, the Court will consider it.

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the claims in this case ever again.

DATED: December 21, 2007.

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
DISTRICT OF CONNECTICUT

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PART II: SCHEDULE OF TRANSACTIONS IN FLIGHT SAFETY STOCK, WARRANTS AND UNITS

A. Number of shares of Flight Safety Stock held at the beginning of trading on January 14, 2003: _____

B. Purchases or Acquisitions of Stock (excluding Units in February 2, 2004 public offering) during the period from January 14, 2003 through July 16, 2004, inclusive:

Type of Flight Safety Security Purchased or Acquired (Stock)	Trade Date (List Chronologically) (Month / Day / Year)	Number of Shares Purchased or Acquired	Total Purchase Price
1. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
2. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
3. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
4. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale”: _____

C. Purchases or Acquisitions of Units consisting of two shares of Stock and one warrant of Flight Safety at \$6.00 per Unit in the February 2, 2004 Public Offering:

Flight Safety Units Purchased or Acquired (\$6.00/Unit)	Trade Date (List Chronologically) (Month / Day / Year)	Number of Units Purchased or Acquired	Total Purchase Price \$6.00 /Unit
1. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
2. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
3. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
4. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale”: _____

D. Purchases or Acquisitions of Warrants from February 2, 2004 through July 16, 2004, inclusive, other than identified above:

Warrants Purchased or Acquired on the AMEX	Trade Date (List Chronologically) (Month / Day / Year)	Number of Warrants Purchased or Acquired	Total Purchase Price
1. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
2. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
3. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
4. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
5. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
6. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
7. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
8. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale.”

E. Sales of Flight Safety Stock and Warrants at any time:

Type of Flight Safety Security Sold (Stock and Warrant)	Trade Date (List Chronologically) (Month / Day / Year)	Number of Shares Sold	Total Sale Price
1. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
2. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
3. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
4. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
5. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
6. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
7. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□
8. _____	□□ - □□ - □□	□□□□□□□□	\$ □□□□□□.□□

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