

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 05-cv-01265-WDM-MEH
(Consolidated with 05-cv-01344-WDM-MEH)

WEST PALM BEACH FIREFIGHTERS' PENSION FUND,
On Behalf of Itself and All Others Similarly Situated,

Plaintiff,

v.

STARTEK, INC., et al.,

Defendants.

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

EXHIBIT A-1

TO: ALL PERSONS (AND THEIR BENEFICIARIES) WHO PURCHASED THE COMMON STOCK OF STARTEK, INC. ("STARTEK") BETWEEN FEBRUARY 26, 2003 AND MAY 5, 2005, INCLUSIVE

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM POSTMARKED ON OR BEFORE JANUARY 22, 2010.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Colorado (the "Court"). The purpose of this Notice is to inform you of the pendency and proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

The proposed settlement creates a fund in the amount of \$7,500,000.00 in cash and will include interest accruing on the fund prior to distribution (the "Settlement Fund"). Your recovery from this fund will depend on a number of variables, including the number of shares of common stock you purchased during the period February 26, 2003 to May 5, 2005, and the timing of your purchases and any sales. In the unlikely event that 100% of the shares purchased by Class Members participate in the settlement, the estimated average distribution per share of StarTek common stock will be approximately \$0.36 before deduction of Court-approved fees and expenses. Historically, actual claim rates are lower, resulting in higher per share distributions.

Lead Plaintiff and Defendants disagree on the potential liability of Defendants and they do

not agree on the average amount of damages per share, if any, that would be recoverable if the Lead Plaintiff was to prevail on each claim alleged. The Defendants deny that they are liable in any respect or that plaintiffs suffered any injury. The issues on which the parties disagree include: (1) whether the statements supposedly made or facts allegedly omitted were material, false or misleading, or whether the Defendants are otherwise liable under the securities laws for those acts or omissions; (2) the appropriate economic model for determining the amount by which the price of StarTek common stock was allegedly artificially inflated (if at all) during the Class Period; (3) the amount by which the price of StarTek common stock was allegedly artificially inflated (if at all) during the Class Period; (4) the effect of various market forces influencing the trading price of StarTek common stock at various times during the Class Period; (5) the extent to which external factors, such as general market and industry conditions, influenced the trading price of StarTek common stock at various times during the Class Period; (6) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of StarTek common stock at various times during the Class Period; and (7) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of StarTek common stock at various times during the Class Period.

The Lead Plaintiff believes that the proposed settlement is a good recovery and is in the best interests of the Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that the Class would not have prevailed on any of its claims, in which case the Class would receive nothing. Also, the amount of damages recoverable by the Class was and is challenged by Defendants. 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 any losses of Class Members were caused by non-actionable market, industry, or general economic factors. Defendants would have also asserted that throughout the Class Period the uncertainties and risks associated with the purchase of StarTek common stock were fully and adequately disclosed. The proposed settlement provides an immediate benefit to Class Members,

and will avoid the years of delay that would likely occur in the event of a contested trial and appeals.

Plaintiffs' counsel have not received any payment for their services in conducting this Litigation on behalf of the Lead Plaintiff and the Members of the Class, nor have they been fully paid for their expenses incurred. If the settlement is approved by the Court, counsel for the plaintiffs will apply to the Court for attorneys' fees of 25% of the Settlement Fund, as well as expenses not to exceed \$375,000.00, to be paid from the Settlement Fund. If the amount requested is approved by the Court, the average cost per share of common stock will be \$0.11. Each plaintiff may seek up to \$2,500 in reimbursement of his or its time and expenses incurred in representing the Class.

For further information regarding this settlement, you may contact a representative of Lead Plaintiff's counsel: Rick Nelson, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Telephone: 800/449-4900.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A hearing (the "Settlement Hearing") will be held on December 17, 2009, at 1:30 p.m., before the Honorable Walker D. Miller, United States Senior District Judge, Alfred A. Arraj United States Courthouse, Courtroom A902, 901 19th Street, Denver, Colorado. The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of \$7,500,000.00 in cash should be approved as fair, just, reasonable, and adequate to the Members of the Class (as defined below); (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, just, reasonable, and adequate; (3) whether the application by plaintiffs' counsel for an award of attorneys' fees and expenses should be approved and whether the expenses of the Lead Plaintiff should be reimbursed; and (4) whether the Litigation should be dismissed with prejudice. The Court may adjourn or continue the Settlement Hearing without further notice to the Class, other than by oral announcement at the time scheduled for the Settlement Hearing or at any later hearing.

II. DEFINITIONS USED IN THIS NOTICE

1. “Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.
2. “Claims Administrator” means the firm of Gilardi & Co. LLC.
3. “Class” means all Persons (and their beneficiaries) who purchased StarTek common stock between February 26, 2003 and May 5, 2005 (the “Class Period”), inclusive. Excluded from the Class are the Defendants; persons who during or after the Class Period were officers or directors of StarTek; any corporation, trust, or other entity in which any Defendant has a controlling interest; and the members of the immediate families of the Individual Defendants or their successors, heirs, assigns, and legal representatives.
4. “Class Member” or “Member of the Class” mean a Person who falls within the definition of the Class as set forth in paragraph 3 above and who does not request exclusion from the Class.
5. “Class Period” means the period beginning on February 26, 2003 through and including May 5, 2005.
6. “Defendants” means StarTek, A. Emmet Stephenson, Jr., William E. Meade, Jr., Michael W. Morgan, Eugene L. McKenzie, Jr., Toni E. Stephenson, and Pamela S. Oliver.
7. “Individual Defendants” means A. Emmet Stephenson, Jr., William E. Meade, Jr., Michael W. Morgan, Eugene L. McKenzie, Jr., Toni E. Stephenson, and Pamela S. Oliver.
8. “Lead Plaintiff” means the Wayne County Group.
9. “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.
10. “Plaintiffs’ Lead Counsel” means Coughlin Stoia Geller Rudman & Robbins LLP, Keith F. Park, Henry Rosen, Anne L. Box, 655 West Broadway, Suite 1900, San Diego, CA

92101.

11. “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of or provision for expenses of notice and administration of the settlement, Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses, and interest as may be awarded by the Court. Any Plan of Allocation is not part of the Stipulation and neither Defendants nor the Related Parties shall have any responsibility or liability with respect thereto.

12. “Related Parties” means each of a Defendant’s subsidiaries, parents, divisions, joint ventures, or any entity in which a Defendant has a controlling interest, together with their past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, advisers, consultants, accountants or auditors, personal or legal representatives, predecessors, successors, assigns, spouses, heirs, related or affiliated entities, and any members of any 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’s family.

13. “Released Claims” means any and all claims (including “Unknown Claims” as defined below) arising out of, in connection with, or in any way related to, directly or indirectly, both: (i) the purchase or sale of StarTek common stock during the Class Period; and (ii) the acts, facts, statements, or omissions that were or could have been alleged by the Lead Plaintiff in the Litigation, but not covering derivative claims or claims under the Employee Retirement Income Security Act of 1974.

14. “Released Persons” means each and all of the Defendants and their Related Parties.

15. “Settling Parties” means, collectively, the Defendants and the Lead Plaintiff on behalf of itself and the Members of the Class.

16. “Taxes” means federal, state, local, and non-U.S. income and other taxes, together with any interest, penalties, or additions to tax imposed with respect thereto.

17. “Tax Expenses” means expenses incurred in connection with the implementation of the tax payment and tax reporting provisions of the settlement, including reasonable expenses of tax attorneys and accountants retained by the Escrow Agent.

18. “Unknown Claims” means any Released Claims which the Lead Plaintiff 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. Unknown Claims include those claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment 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 Lead Plaintiff shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment 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 Lead Plaintiff and 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 Lead Plaintiff shall expressly 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 Lead Plaintiff acknowledges, and the Class Members shall be deemed by operation of the Judgment 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.

III. THE LITIGATION

On and after July 8, 2005, actions were filed in the United States District Court for the District of Colorado as securities class actions on behalf of purchasers of StarTek common stock during a defined period of time.

These actions were consolidated by an order filed August 16, 2005. The consolidated actions are referred to herein collectively as the “Litigation.” On December 14, 2005, the Court appointed Wayne County Employees’ Retirement System, West Palm Beach Firefighters’ Pension Fund, Anthony Zigmont, and Stewart L. Horn (the “Wayne County Group”) as lead plaintiff.

The operative complaint in the Litigation is Plaintiffs’ Amended Consolidated Complaint for Violations of the Federal Securities Laws (the “Complaint”), filed May 19, 2008. The Complaint alleges violations of §§11 and 15 of the Securities Act of 1933, §§10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder on behalf of a class of purchasers of StarTek common stock between February 26, 2003 and May 5, 2005.

IV. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT

The Lead Plaintiff believes that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims asserted. However, counsel for the Lead Plaintiff recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and through appeals. Lead Plaintiff also has taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, and the difficulties and delays inherent in such litigation. Lead Plaintiff also is mindful of the inherent problems of proof under and possible defenses to the securities law violations asserted in the Litigation. Lead Plaintiff believes that the settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, counsel for the Lead Plaintiff have determined that the settlement set forth in the Stipulation is in the best interests of the Lead Plaintiff and the Class and, therefore, determined that it is desirable and beneficial to them that the Litigation be settled upon the terms and conditions set forth in the Stipulation.

V. DEFENDANTS' STATEMENTS AND DENIALS OF WRONGDOING AND LIABILITY

Each Defendant has denied and continues to deny each and all of the claims and contentions alleged in the Litigation against it, her, or him. Each Defendant has expressly denied and continues to deny all charges of wrongdoing or liability against it, her, or him arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Lead Plaintiff or the Class have suffered damage, that the prices of StarTek common stock were artificially inflated by reason of the alleged misrepresentations, non-disclosures, or otherwise, or that the Lead Plaintiff or the Class were harmed by the conduct alleged in the Complaint.

Nonetheless, the Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable to fully and finally settle the Litigation in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants also have

taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Litigation. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

The Defendants have paid or caused to be paid into an escrow account, pursuant to the terms of the Stipulation of Settlement dated as of May 27, 2009 (the “Stipulation”), cash in the amount of \$7,500,000.00, which has been earning and will continue to earn interest for the benefit of the Class.

A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any Taxes assessed against the Settlement Fund, and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to plaintiffs’ counsel for attorneys’ fees and for the attorneys’ and the Lead Plaintiff’s expenses. The balance of the Settlement Fund (the “Net Settlement Fund”) will be distributed, according to the Plan of Allocation described below to Class Members who submit valid and timely Proof of Claim and Release forms.

VII. THE RIGHTS OF CLASS MEMBERS

If you are a Class Member, you may receive the benefit of, and you will be bound by the terms of, the proposed settlement described in this Notice, upon approval of it by the Court, unless you choose to exclude yourself.

If you are a Class Member, you have the following options:

1. You may file a Proof of Claim and Release form as described below. If you choose this option, you will remain a Class Member; you will share in the proceeds of the proposed settlement if your claim is timely, valid, and entitled to a distribution under the Plan of Allocation described below and if the proposed settlement is finally approved by the Court; and you will be bound by the Judgment and release to be entered by the Court as described below.

2. If you do not wish to be included in the Class and you do not wish to participate in the proposed settlement described in this Notice, you may request to be excluded. To do so, you must so state in writing postmarked no later than November 27, 2009. You must set forth: (a) your name, address, and telephone number; (b) the number of shares of StarTek common stock purchased and the number of shares sold during the Class Period and the dates and prices of such purchase(s) and/or sale(s); and (c) that you wish to be excluded from the Class. The exclusion request should be addressed as follows:

StarTek Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0900

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

3. If you timely and validly request exclusion from the Class: (a) you will be excluded from the Class, (b) you will not share in the proceeds of the settlement described herein, (c) you will not be bound by any judgment entered in the Litigation, and (d) you will not be precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely, against Defendants based on the matters complained of in the Litigation.

4. If you do not make a valid and timely request in writing to be excluded from the Class as set forth in paragraph 2 above, you will be bound by any and all determinations or judgments in the Litigation in connection with the settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Persons, whether or not you submit a valid Proof of Claim and Release form.

5. You may do nothing at all. If you choose this option, you will not share in the proceeds of the settlement, but you will be bound by any judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the

Released Claims against the Released Persons.

6. You may object to the settlement, the Plan of Allocation, and/or the application for attorneys' fees and expenses in the manner described in Section XIII below.

7. If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing and at your own expense. If you do not do so, you will be represented by Plaintiffs' Lead Counsel: Coughlin Stoia Geller Rudman & Robbins LLP, Keith F. Park, Henry Rosen, Anne L. Box, 655 West Broadway, Suite 1900, San Diego, CA 92101.

VIII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit valid and timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in StarTek common stock during the Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Plaintiffs' Lead Counsel have consulted with their damage consultants and the Plan of Allocation reflects an assessment of the damages that they believe could have been recovered by Class Members had Lead Plaintiff prevailed at trial.

In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, and as is more likely, 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. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

A claim will be calculated as follows:

The allocation below is based on the following inflation per share amounts for Class Period

common stock purchases and sales as well as the statutory PSLRA 90-day look back amount of \$15.10:

<i>INFLATION PERIOD</i>	<i>INFLATION PER SHARE</i>
February 26, 2003 – July 27, 2004	\$13.31
July 28, 2004 – January 4, 2005	\$11.77
January 5, 2005 – February 21, 2005	\$10.33
February 22, 2005	\$4.66
February 23, 2005 – March 2, 2005	\$3.57
March 3, 2005 – May 5, 2005	\$2.86

For shares of Startek common stock *purchased or acquired on or between February 26, 2003 through May 5, 2005*, the recovery per share shall be as follows:

(a) If sold on or between February 26, 2003 through May 5, 2005, the recovery per share shall be the lesser of (i) the inflation per share at the time of purchase less the inflation per share at the time of sale; and (ii) the difference between the purchase price and the selling price.

(b) If retained at the end of May 5, 2005, and sold before August 4, 2005, the recovery per share shall be the lesser of (i) the inflation per share at the time of purchase; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.

(c) If retained on August 3, 2005, or sold thereafter, the recovery per share shall be the lesser of (i) the inflation per share at the time of purchase; and (ii) the difference between the purchase price per share and \$15.10 per share.

<i>DATE</i>	<i>CLOSING PRICE</i>	<i>AVERAGE CLOSING PRICE</i>
05/06/05	\$12.40	\$12.40
05/09/05	\$12.20	\$12.30
05/10/05	\$12.18	\$12.26
05/11/05	\$12.56	\$12.34

05/12/05	\$12.20	\$12.31
05/13/05	\$11.97	\$12.25
05/16/05	\$11.99	\$12.21
05/17/05	\$11.80	\$12.16
05/18/05	\$11.50	\$12.09
05/19/05	\$12.06	\$12.09
05/20/05	\$12.47	\$12.12
05/23/05	\$12.91	\$12.19
05/24/05	\$13.37	\$12.28
05/25/05	\$12.85	\$12.32
05/26/05	\$13.76	\$12.41
05/27/05	\$14.01	\$12.51
05/31/05	\$13.95	\$12.60
06/01/05	\$14.15	\$12.69
06/02/05	\$14.21	\$12.77
06/03/05	\$14.01	\$12.83
06/06/05	\$14.63	\$12.91
06/07/05	\$14.72	\$13.00
06/08/05	\$15.10	\$13.09
06/09/05	\$15.51	\$13.19
06/10/05	\$15.11	\$13.26
06/13/05	\$15.37	\$13.35
06/14/05	\$15.57	\$13.43
06/15/05	\$15.97	\$13.52
06/16/05	\$15.63	\$13.59
06/17/05	\$16.18	\$13.68

06/20/05	\$16.35	\$13.76
06/21/05	\$16.41	\$13.85
06/22/05	\$16.49	\$13.93
06/23/05	\$16.36	\$14.00
06/24/05	\$16.67	\$14.07
06/27/05	\$16.61	\$14.15
06/28/05	\$16.85	\$14.22
06/29/05	\$16.66	\$14.28
06/30/05	\$16.42	\$14.34
07/01/05	\$16.16	\$14.38
07/05/05	\$16.83	\$14.44
07/06/05	\$16.50	\$14.49
07/07/05	\$16.46	\$14.54
07/08/05	\$16.50	\$14.58
07/11/05	\$16.54	\$14.63
07/12/05	\$17.08	\$14.68
07/13/05	\$16.85	\$14.73
07/14/05	\$16.79	\$14.77
07/15/05	\$16.82	\$14.81
07/18/05	\$16.52	\$14.84
07/19/05	\$16.95	\$14.89
07/20/05	\$16.94	\$14.93
07/21/05	\$16.51	\$14.95
07/22/05	\$16.40	\$14.98
07/25/05	\$16.23	\$15.00
07/26/05	\$16.48	\$15.03

07/27/05	\$16.51	\$15.06
07/28/05	\$16.48	\$15.08
07/29/05	\$16.52	\$15.11
08/01/05	\$16.54	\$15.13
08/02/05	\$14.27	\$15.12
08/03/05	\$14.09	\$15.10

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date.

For Class Members who held StarTek common stock at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the First-In, First-Out (“FIFO”) method will be applied to such holdings, purchases, and sales separately for each share of StarTek common stock for purposes of calculating a claim. Under the FIFO method, sales of StarTek common stock during the Class Period will be matched, in chronological order, first against StarTek common stock at the beginning of the Class Period. The remaining sales of StarTek common stock during the Class Period will then be matched, in chronological order, against StarTek common stock purchased during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in StarTek common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of stock which have been matched against stock held at the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against the Lead Plaintiff, Plaintiffs’ Lead

Counsel, any claims administrator, Defendants, or other Person designated by Plaintiffs' Lead Counsel or Defendants or Defendants' counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim and Release form shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

IX. PARTICIPATION IN THE SETTLEMENT

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release form must be postmarked on or before January 22, 2010, and delivered to the Claims Administrator at the address set forth in Section XIV below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release form, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

X. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice ("Judgment"). The Judgment will dismiss the Released Claims with prejudice as to all Defendants. The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent Members of the Class have such claims) against all Released Persons and to have covenanted not to sue the Released Persons with respect to Released Claims, and will be barred and enjoined from pursuing Released Claims against Released Persons.

XI. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, counsel for plaintiffs will request the Court to award attorneys' fees of 25% of the Settlement Fund, plus expenses, not to exceed \$375,000.00, which were incurred in connection with the Litigation, plus interest thereon. In addition, each plaintiff may seek up to \$2,500 in expenses (including lost wages) he or it incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

To date, plaintiffs' counsel have not received any payment for their services in conducting this Litigation on behalf of the Lead Plaintiff and the Class, nor have counsel been paid their expenses. The fee requested by plaintiffs' counsel will compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class, and for their risk in undertaking this representation on a wholly contingent basis. Plaintiffs' counsel represent that the fee requested is well within the range of fees awarded to plaintiffs' counsel under similar circumstances in other litigation of this type.

XII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from the Judgment or to move to or alter or amend the Judgment, or the determination of any such appeal or motion in a manner to permit the consummation of the settlement substantially as provided for in the Stipulation. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of May 26, 2009. In that event, the settlement will not proceed and no payments will be made to Class Members.

XIII. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who objects to any aspect of the settlement, the Plan of Allocation, or the application for attorneys' fees and expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit a written notice of objection, such that it is received on or before November 27, 2009, by each of the following:

Court:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF COLORADO
901 19th Street
Denver, CO 80294-3589

Plaintiffs' Lead Counsel:

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
KEITH F. PARK
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Defendants:

COOLEY GODWARD KRONISH LLP
WILLIAM E. GRAUER
4401 Eastgate Mall
San Diego, CA 92121

The notice of objection must demonstrate the objecting Person's membership in the Class, including the number of shares of StarTek common stock purchased and sold during the Class Period and contain a statement of the reasons for objection. Only Members of the Class who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

XIV. SPECIAL NOTICE TO NOMINEES

If you hold or held any StarTek common stock purchased during the Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release form by First Class Mail to all beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

StarTek Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0900

If you choose to mail the Notice and Proof of Claim and Release form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may, upon submission of appropriate documentation to the Claims Administrator, obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and Release form and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release form.

XV. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, District of Colorado, 901 19th Street, Denver, Colorado, or at www.gilardi.com.

If you have any questions about the settlement of the Litigation, you may contact Plaintiffs'

Lead Counsel by writing to:

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
KEITH F. PARK
HENRY ROSEN
ANNE L. BOX
655 West Broadway, Suite 1900
San Diego, CA 92101

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

Dated: _____, 2009

BY ORDER OF THE COURT

UNITED STATES DISTRICT COURT

DISTRICT OF COLORADO