

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

AMISH PATEL, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

v.

AXESSTEL, INC., H. CLARK HICKOCK and
PATRICK GRAY,

Defendants.

Case No. 3:14-cv-01037-CAB-BGS

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

**IF YOU PURCHASED OR ACQUIRED AXESSTEL, INC. COMMON STOCK BETWEEN FEBRUARY 28, 2013, AND
OCTOBER 17, 2013, INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.**

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

Your legal rights are affected whether you act, or don't act.

Read this Notice carefully.

Security and Time Period: Axesstel, Inc. ("Axesstel") common stock (stock symbol: AXST) purchased or acquired between February 28, 2013, and October 17, 2013, inclusive (the "Settlement Class Period").

Settlement Fund: \$1,250,000.00 in cash. Your recovery will depend on the number of shares of Axesstel common stock you, and other Settlement Class Members who file claims, purchased and sold and the prices at which you, and the other Settlement Class Members who file claims, purchased and sold those shares. The estimated average recovery per share of common stock will be approximately \$0.308 per share before deduction of Court-approved fees and expenses and costs of notice and claims administration. Historically, actual claims rates are less than 100%, which will result in a higher distribution per share.

Reasons for Settlement: The case has been litigated since April 2014. Plaintiffs and Plaintiffs' Lead Counsel believe that the Settlement provides the Settlement Class with a benefit now, instead of years of further uncertain litigation, including disposition of summary judgment motions, a contested trial and likely appeals, with the possibility of no recovery at all.

Plaintiffs allege that Defendants engaged in securities fraud by improperly recognizing revenue on non-completed sales of its Home Alert products, knowingly and/or recklessly making false and/or misleading statements to the public during the Settlement Class Period by issuing artificially inflated financial results, and misrepresenting the success of a key product launch.

Defendants have denied and continue to deny each and all of the allegations made and claims brought by Plaintiffs, maintain that they have meritorious defenses, and contend that many of the factual allegations are materially inaccurate. Defendants also have denied and continue to deny, among other things, the allegations that Plaintiffs or the Settlement Class have suffered damages or that the Settlement Class was harmed by the conduct alleged in the Complaint or otherwise.

Nonetheless, Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of Defendants with respect to any claim of any fault or liability or wrongdoing or damage to the Settlement Class Members in this Litigation.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial, and likely appeals. A trial is a risky proposition. The claims in the Litigation involve numerous complex legal and factual issues, many of which would require expert testimony. The Parties disagree on both liability and damages and do not agree on the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. Among the many key issues about which Plaintiffs and Defendants do not agree are: (1) whether Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the misrepresentations and omissions alleged by Plaintiffs were material, false, misleading or otherwise actionable under the securities laws; and (3) the method for determining whether, and the extent to which, purchasers of Axesstel stock suffered injury and damages that could be recovered at trial.

Attorneys' Fees and Expenses: Plaintiffs' Lead Counsel have not received any payment for their work or expenses incurred in investigating the facts, conducting this Litigation, and negotiating the Settlement on behalf of the Plaintiffs and the Settlement Class. Plaintiffs' Lead Counsel will ask the Court for attorneys' fees not to exceed one-third (1/3 or 33.33%) of the Settlement Fund and expenses not to exceed \$20,000 to be paid from the Settlement Fund, plus interest on both amounts. The Lead Plaintiff will also request payment for his actual costs and expenses (including lost wages) directly related to his representation of the Settlement Class, not to exceed \$3,000.00.

If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.108 per share, making the estimated recovery per share after fees and expenses approximately \$0.200.

Dismissal and Releases: If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the “Judgment”). The Judgment will dismiss the Released Claims with prejudice as to the Released Persons, which include the Defendants and all released parties (including, but not limited to, their parents, subsidiaries and affiliates, and all of their employees, directors and officers). The Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent Members of the Settlement Class have such claims) against all Released Persons. The Released Claims and Released Parties are collectively called “Releases.” The terms of the Releases are set forth in the Proof of Claim form that is enclosed.

Deadlines:

Submit Claim: October 19, 2015
 File Objection: September 24, 2015
 Request Exclusion: September 24, 2015

Court Hearing on Fairness of Settlement: October 15, 2015

More Information: www.AxesstelSecuritiesLitigation.com

Claims Administrator:	Lead Counsel:
<i>Axesstel, Inc. Securities Litigation</i>	Lionel Z. Glancy, Esq.
Claims Administrator	Glancy Prongay & Murray LLP
c/o Gilardi & Co. LLC	1925 Century Park East, Suite 2100
P.O. Box 8040	Los Angeles, California 90067
San Rafael, CA 94912-8040	1-888-773-9224
877-233-5631	settlements@glancylaw.com

- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM	The only way to receive a payment.
OBJECT	You may write to the Court if you do not like this Settlement.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the Settlement Class claims being released in this case.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Receive no payment.

- Unless you timely request exclusion from the Settlement Class, or unless the Court rejects the proposed Settlement, you are bound by the Stipulation and its Releases, whether or not you submit a Proof of Claim.
- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired the common stock of Axesstel, Inc. ("Axesstel"), between February 28, 2013, and October 17, 2013, inclusive.

This Notice was sent because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments to those persons who timely submit claims in the manner described below.

This package explains the lawsuit, the Settlement, your 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 Southern District of California, and the case is known as *Patel v. Axesstel, Inc. et al., Civil Action No. 3:14-cv-01037-CAB-BGS*. Lead Plaintiff Amish Patel ("Lead Plaintiff") and Plaintiff Jesse Cowan are collectively called Plaintiffs, and the companies and persons they sued, including Axesstel, are collectively called Defendants. The Parties include the Plaintiffs and the Defendants.

2. What Is This Lawsuit About?

This Litigation alleges violations of the federal securities laws (specifically, Section 10(b) and 20(a) of the Securities Act of 1934) against Defendants.

Axesstel is Nevada corporation that trades on the OTC Markets Group (OTCQB), with its principal executive offices located at 16815 Flanders Drive, Suite 210, San Diego, California 92121. The Company provides wireless voice, broadband access, and connected home solutions for the telecommunications market worldwide.

Plaintiffs allege that, during the Settlement Class Period, Axesstel's stock price was artificially inflated as a result of a series of untrue or materially misleading misrepresentations and omissions concerning Axesstel's financial condition. Defendants deny that they made any such misleading statements and further deny that Axesstel's stock price was artificially inflated as a result of any statements.

3. Why Is This a Class Action?

Class actions are generally used in lawsuits that affect a large number of individuals; in effect, the class action operates to consolidate into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct, thus alleviating the need for Members of the Settlement Class to file their own individual lawsuits to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of Members of the Settlement Class, except for those Members of the Settlement Class, if any, who specifically choose to exclude themselves from the Settlement Class.

As part of the preliminary approval process, Plaintiffs will ask the Court to certify a Settlement Class for settlement purposes only. The proposed Settlement Class will consist of all persons and entities who purchased or acquired Axesstel common stock between February 28, 2013, and October 17, 2013, inclusive. All Settlement Class Period purchasers of Axesstel common stock are Members of the Settlement Class, except those persons who timely file a Request for Exclusion by September 24, 2015. All persons who do not timely exclude themselves from the Settlement Class will be bound by the proposed Settlement and its accompanying Releases.

4. Why Is There a Settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a Settlement. This permits them to avoid the cost and uncertainty of a trial, and permits eligible Settlement Class Members who submit valid claims to receive compensation. Plaintiffs and their attorneys believe the Settlement is best for all Settlement Class Members. Defendants have concluded that further defense of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation of Settlement. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Litigation.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a Settlement Class Member.

5. How Do I Know if I Am Part of the Settlement?

The Settlement Class includes **all persons or entities who purchased or acquired shares of Axesstel common stock between February 28, 2013, through October 17, 2013, inclusive.**

6. What Are the Exceptions to Being Included?

You are not a Settlement Class Member if you are a Defendant, an officer or director of Axesstel, members of their immediate families, and the heirs, successors, or assigns of any of the foregoing.

7. I'm 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 call Lionel Z. Glancy of Glancy Prongay & Murray LLP at 1-888-773-9224 for more information. Or you can fill out and return the claim form described in Question 10 to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

The Settlement will result in a Settlement Fund of \$1.25 million in cash. The balance of this Fund, after payment of Court-approved attorneys' fees and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice (the "Net Settlement Fund"), will be divided among all eligible Settlement Class Members who send in valid Proof of Claim forms.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Settlement Class Members send in, the number of Axesstel common shares you purchased or acquired during the relevant period, and the timing of your purchases and sales. You will not receive a payment, however, if your proportionate share of the Net Settlement Fund is less than \$20.00.

You can calculate your claim ("Recognized Claim") in accordance with the formula shown below in the Plan of Allocation. After all Settlement Class Members have sent in their Proof of Claim forms, the payment you receive will reflect your Recognized Claim in relation to the Recognized Claims of all persons submitting Proof of Claim forms. The Recognized Claim is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund is allocated among all persons submitting claims.

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

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Settlement Class Member, send in a valid Proof of Claim form, and properly document your claim as requested in the Proof of Claim form. A Proof of Claim form is enclosed with this Notice. You may also get a Proof of Claim form on the internet at www.Axesstelsecuritieslitigation.com. Read the instructions carefully, fill out the Proof of Claim form, include the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than October 19, 2015.

11. When Will I Receive My Payment?

The Court will hold a Settlement Hearing on October 15, 2015, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Claims Administrator to process all of the Proof of Claim forms and determine the ultimate distribution amounts.

12. What Am I Giving Up to Receive a Payment?

As a Settlement Class Member, you will not be giving up any rights that you currently have by submitting a Proof of Claim form to receive a payment. Unless you timely exclude yourself from the Settlement Class by September 24, 2015, you are a Member of the Settlement Class and will be bound by the Releases of claims against the Defendants. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or any other Released Persons about the Released Claims in this case. It also means that all of the Court's Orders will apply to you and legally bind you, and you will release your claims in this case against the Defendants and the other Released Persons. The terms of the Releases are set forth in the Stipulation and summarized in the Proof of Claim form that is enclosed.

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

If you do not want a payment from the class action Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for the Released Claims in the class action, then you must take steps to get out of the Settlement Class. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class.

13. How Do I Get Out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *Patel v. Axesstel, Inc. et al., Civil Action No. 3:14-cv-01037-CAB-BGS*. You must include your name, address, telephone number, your signature, and the number of shares of Axesstel common stock you purchased or acquired between February 28, 2013, and October 17, 2013, inclusive, the number of shares sold during this time period, if any, and the dates of such purchases and/or sales. You must mail your exclusion request postmarked no later than September 24, 2015 to:

Axesstel, Inc. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any Settlement payment, and you cannot object to the class action Settlement. If you exclude yourself, you may have the right to pursue litigation on your own.

14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you exclude yourself from the Settlement Class, you give up any right to sue the Defendants and the Released Persons for the Released Claims in the Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is September 24, 2015.

15. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

No. If you exclude yourself, do not send in a Proof of Claim form.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm of Glancy Prongay & Murray LLP to represent you and other Settlement Class Members. These lawyers are called Plaintiffs' Lead Counsel. You will not be personally liable for the fees and expenses incurred by 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 will ask the Court for attorneys' fees up to 33.33% of the Settlement Fund and for the reimbursement of expenses up to \$20,000.00 that were incurred in connection with the Litigation. The Lead Plaintiff will also request payment of his actual costs and expenses (including lost wages) directly related to his representation of the Settlement Class, not to exceed \$3,000.00. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in April 2014, Plaintiffs' Lead Counsel have conducted all of the investigation, briefing, and motions practice necessary to prepare the case for trial, and consulted experts regarding the damages and accounting issues. To date, Plaintiffs' Lead Counsel have not been paid for their services in conducting this litigation on behalf of the Plaintiffs and the Settlement Class, nor for their expenses. Plaintiffs' Lead Counsel have expended to date more than 500 hours of attorney and paralegal time in prosecuting the Settlement Class's claims in prosecuting the Litigation. The fee requested will compensate Plaintiffs' Lead Counsel for their work in achieving the Settlement Fund. The fee requested will compensate Plaintiffs' Lead Counsel for their work in achieving the Settlement Fund.

Plaintiffs' Lead Counsel shall file a formal motion with the District Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses not later than September 10, 2015. That motion will argue that the requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court determines what counsel should receive from the Settlement Fund for fees and expenses, and may award less than this amount.

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 Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees and expenses. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Patel v. Axesstel, Inc. et al., Civil Action No. 3:14-cv-01037-CAB-BGS*. Be sure to include your name, address, telephone number, your signature, the number of shares of Axesstel common stock purchased and/or acquired between February 28, 2013, and October 17, 2013, inclusive, and the reasons you object. The motions in support of the Settlement and the request for attorneys' fees will be filed no later than September 10, 2015, and they will be available from Plaintiffs' Lead Counsel, the Claims Administrator, or the Court: their contact information is listed in Section 23, below. Any objection must be mailed or delivered such that it is received by **each** of the following no later than September 24, 2015:

Court:

Clerk of the Court
United States District Court
Southern District of California
333 West Broadway, Suite 420
San Diego, CA 92101

Lead Counsel Designee:

Lionel Z. Glancy, Esq.
Glancy Prongay & Murray LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
settlements@glancylaw.com

Defendants' Counsel Designee:

John P. Stigi III, Esq.
Sheppard Mullin Richter & Hampton LLP
1901 Avenue of the Stars, Suite 1600
Los Angeles, CA 90067

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at 2:00 p.m., on October 15, 2015, before The Honorable Cathy Ann Bencivengo, at the Edward J. Schwartz U.S. Courthouse, 221 West Broadway, Courtroom 4C (4th Floor - Schwartz), San Diego, CA 92101. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also consider how much to pay to Lead Counsel and reimburse the Lead Plaintiff, and whether the Plan of Allocation is fair, reasonable, and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

20. 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 mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *Patel v. Axesstel, Inc. et al., Civil Action No. 3:14-cv-01037-CAB-BGS*. Be sure to include your name, address, telephone number, your signature, the number of shares of Axesstel common stock purchased and/or acquired between February 28, 2013, and October 17, 2013, inclusive. Your notice of intention to appear must be received no later than September 24, 2015, by the Clerk of the Court, Lead Counsel Designee, and Defendants' Counsel Designee, at the three addresses listed in Question 18.

IF YOU DO NOTHING

22. What Happens If I Do Nothing at All?

If you do nothing, all of your claims against the Defendants will be released, but you will not receive any money from this Settlement because it is necessary to submit a Proof of Claim and Release form.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of June 8, 2015. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by contacting Plaintiffs' Lead Counsel:

Lionel Z. Glancy, Esq.
Glancy Prongay & Murray LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
settlements@glancylaw.com
1-888-773-9224

or the Claims Administrator:
Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
877-233-5631

or by visiting www.Axesstelsecuritieslitigation.com

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
United States District Court
Southern District of California
333 West Broadway, Suite 420
San Diego, CA 92101

UNDERSTANDING YOUR PAYMENT

The Net Settlement Fund shall be distributed to Settlement Class Members who submit acceptable Proof of Claim forms ("Authorized Claimants") in the following manner:

a. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Settlement Class Members. The Recognized Loss formula is not an estimate of what a Settlement Class Member would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

b. A Settlement Class Member's actual share of the Net Settlement Fund will be determined by the ratio of the Settlement Class Member's Recognized Loss divided by the aggregate of the Recognized Loss of all Settlement Class Members.

c. For shares of common stock purchased or otherwise acquired between February 28, 2013 and October 17, 2013:

- A. For shares held at the end of trading on January 15, 2014, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and \$0.129.¹
- B. For shares sold between February 28, 2013 and October 17, 2013, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share.
- C. For shares sold between October 18, 2013 and January 15, 2014, the Recognized Loss shall be the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share; or
 - (3) the difference between the purchase price per share and the average closing price between October 18, 2013 and the date of sale, as found in Table B.²

Table A

<u>Purchase or Sale Date Range</u>	<u>Artificial Inflation Per Share</u>
02/28/2013 – 06/06/2013	\$0.730
06/07/2013 – 06/09/2013	\$0.630
06/10/2013 – 06/12/2013	\$0.540
06/13/2013 – 10/17/2013	\$0.150

Table B

<u>Date of Sale</u>	<u>Average Closing Price Between 10/18 and Date</u>	<u>Date of Sale</u>	<u>Average Closing Price Between 10/18 and Date</u>
10/18/2013	\$0.100	12/3/2013	\$0.124
10/21/2013	\$0.100	12/4/2013	\$0.125
10/22/2013	\$0.092	12/5/2013	\$0.126
10/23/2013	\$0.092	12/6/2013	\$0.126
10/24/2013	\$0.092	12/9/2013	\$0.127
10/25/2013	\$0.092	12/10/2013	\$0.127
10/28/2013	\$0.092	12/11/2013	\$0.127
10/29/2013	\$0.093	12/12/2013	\$0.127
10/30/2013	\$0.096	12/13/2013	\$0.127
10/31/2013	\$0.099	12/16/2013	\$0.127
11/1/2013	\$0.101	12/17/2013	\$0.127
11/4/2013	\$0.104	12/18/2013	\$0.127
11/5/2013	\$0.107	12/19/2013	\$0.127
11/6/2013	\$0.109	12/20/2013	\$0.127

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." The mean (average) closing price of Axesstel common stock during the 90-day period beginning on October 18, 2013 and ending on January 15, 2014 was \$0.129 per share.

² Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."

<u>Date of Sale</u>	<u>Average Closing Price Between 10/18 and Date</u>	<u>Date of Sale</u>	<u>Average Closing Price Between 10/18 and Date</u>
11/7/2013	\$0.111	12/23/2013	\$0.127
11/8/2013	\$0.113	12/24/2013	\$0.127
11/11/2013	\$0.115	12/26/2013	\$0.127
11/12/2013	\$0.117	12/27/2013	\$0.126
11/13/2013	\$0.119	12/30/2013	\$0.126
11/14/2013	\$0.120	12/31/2013	\$0.126
11/15/2013	\$0.120	1/2/2014	\$0.126
11/18/2013	\$0.121	1/3/2014	\$0.126
11/19/2013	\$0.122	1/6/2014	\$0.126
11/20/2013	\$0.122	1/7/2014	\$0.126
11/21/2013	\$0.123	1/8/2014	\$0.126
11/22/2013	\$0.123	1/9/2014	\$0.126
11/25/2013	\$0.123	1/10/2014	\$0.127
11/26/2013	\$0.123	1/13/2014	\$0.127
11/27/2013	\$0.123	1/14/2014	\$0.128
11/29/2013	\$0.123	1/15/2014	\$0.129
12/2/2013	\$0.123		

d. A purchase or sale of Axesstel common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

e. The receipt or grant by gift, devise or operation of law of shares of Axesstel common stock during the Settlement Class Period shall not be deemed a purchase or sale of Axesstel common stock shares for the calculation of an Authorized Claimant’s Recognized Loss, nor shall it be deemed an assignment of any claim relating to the purchase of such securities. The grantor of the gift or devise, who purchased Axesstel common stock during the Settlement Class Period, shall retain the right to file a claim in this Litigation unless that right to file a claim was specifically transferred in the instrument of gift or assignment.

f. The receipt of Axesstel common stock during the Settlement Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Axesstel common stock.

g. Any gains on sales of Axesstel common stock shall be offset against losses in calculating the Recognized Loss. To the extent a Claimant had an overall gain from transactions in Axesstel common stock during the Settlement Class Period, the value of the Recognized Loss will be zero.

h. For Settlement Class Members who made multiple purchases or sales during the Settlement Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases, and sales for purposes of calculating a claim. Under the FIFO method, sales of Axesstel common stock during the Settlement Class Period will be matched, in chronological order, against common stock purchased during the Settlement Class Period

i. No Authorized Claimant whose proportionate share of the Net Settlement Fund is less than \$20.00 shall receive a distribution from the Net Settlement Fund. Rather, that Claimant’s proportionate share of the Net Settlement Fund shall be redistributed among all remaining Authorized Claimants.

j. Settlement Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims will not share in the recovery, but nevertheless will be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Litigation.

k. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

**DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE
SPECIAL NOTICE TO NOMINEES**

The Court has ordered that if you held any Axesstel common stock purchased or acquired between February 28, 2013, and October 17, 2013, inclusive, as nominee for a beneficial owner, then, within twenty (20) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Axesstel, Inc. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

If you choose to mail the Notice and Proof of Claim 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 obtain reimbursement for administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.