

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

**IN RE HOST AMERICA
SECURITIES LITIGATION**

**MASTER FILE NO.
05-CV-1250 (VLB)**

**This document relates to:
ALL ACTIONS**

CLASS ACTION

**SUPPLEMENTAL NOTICE OF PENDENCY OF CLASS ACTION AND SETTLEMENT, MOTION
FOR ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

**TO: ALL PERSONS WHO PURCHASED HOST AMERICA SECURITIES BETWEEN
JULY 12, 2005 THROUGH JULY 22, 2005**

THIS NOTICE SUPPLEMENTS THE ORIGINAL HOST AMERICA SETTLEMENT NOTICE WHICH CAN BE REVIEWED AT WWW.HOSTSETTLEMENT.COM OR OBTAINED BY CALLING TOLL-FREE 1 (800) 430-4972. THIS SUPPLEMENTAL NOTICE PROVIDES FURTHER INFORMATION AS TO YOUR RIGHTS. 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. **IF YOU HAVE ALREADY SUBMITTED A VALID PROOF OF CLAIM FORM IN CONNECTION WITH THE EARLIER HOST AMERICA SETTLEMENT, YOU NEED NOT SUBMIT ANOTHER PROOF OF CLAIM FORM IN ORDER TO ALSO PARTICIPATE IN THE SETTLEMENT WITH REMAINING DEFENDANT ROGER LOCKHART. IF YOU HAVE NOT YET SUBMITTED A VALID PROOF OF CLAIM FORM IN CONNECTION WITH THE EARLIER HOST AMERICA SETTLEMENT, YOU MUST SUBMIT A VALID PROOF OF CLAIM FORM PRIOR TO MARCH 20, 2009 IN ORDER TO PARTICIPATE IN THE SETTLEMENT WITH REMAINING DEFENDANT ROGER LOCKHART.**

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 Connecticut (the "Court"). The purpose of this Notice is to inform you of the pendency of this Class Action and the proposed Settlement of the Action and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement as well as counsel's application for costs and fees. This Notice describes the rights you may have in connection with your participation in the Settlement, what steps you may take in relation to the Settlement and this Class Action, and, alternatively, what steps you must take if you wish to be excluded from the Settlement and this Action.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT AND THEIR CORRESPONDING DEADLINES:	
SUBMIT A CLAIM FORM POSTMARK DEADLINE MARCH 20, 2009	If you HAVE NOT already submitted a Proof of Claim form in connection with the earlier Host America Settlement, do so now, as this is the only way to receive payments in connection with the Settlement with Remaining Defendant Roger Lockhart. Please visit www.HOSTSETTLEMENT.com to obtain the Proof of Claim form. If you HAVE already submitted a valid Proof of Claim form in connection with the Host America Settlement, you need not submit another Proof of Claim form to participate.
EXCLUDE YOURSELF POSTMARK DEADLINE DECEMBER 19, 2008	If you request to be excluded at this time, you will receive no payment from the Settlement with Remaining Defendant Roger Lockhart. This is the only option that allows you to ever be part of any other lawsuit against Roger Lockhart or the other Released Parties concerning the legal claims being released in this Settlement. You may not now request exclusion with respect to the earlier Host America Settlement.
OBJECT SERVICE DEADLINE JANUARY 20, 2009	File with the Clerk of Court your written concerns or objections to the Settlement with Roger Lockhart, the Bar Order, or the attorneys' fees and reimbursement of litigation expenses requested in connection with the Settlement with Roger Lockhart.
GO TO A HEARING FEBRUARY 26, 2009	Ask to speak in Court about the fairness of the Settlement with Roger Lockhart, the Bar Order or the attorneys' fees and reimbursement of expenses requested in connection with the Settlement with Roger Lockhart.
DO NOTHING	Get no payment. Give up rights.

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SUPPLEMENTAL NOTICE

Statement of Plaintiff Recovery

Pursuant to the Settlement described herein, a \$550,000 Settlement Fund is being provided. This amount to be paid by Defendant Roger Lockhart is in addition to the \$2.45 million settlement already approved by the Court concerning the Class's claims against the Host America Defendants. Based on prior class claims administration in this Action, Plaintiffs estimate that there are approximately 2 million common shares of Host America stock which were damaged during the Class Period. Plaintiffs estimate that the average recovery under the collective Settlements is roughly \$1.50 per damaged share before deduction of any taxes on the income thereof, notice and administration costs and the attorneys' fee and expense award as determined by the Court.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 submitted. An individual Class Member may receive more or less than this average amount depending on the number of claims submitted, when during the Class Period a Class Member purchased shares of Host America Securities, 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. See Plan of Allocation as set forth in the Stipulation of Settlement and available for review at www.hostsettlement.com. If you did not participate in the earlier Host America Settlement, your pro rata allocation will be based on the \$550,000 Settlement Fund only.

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 or security, as appropriate, that would be recoverable if Class Plaintiffs were to have prevailed on each claim alleged. Defendant Roger Lockhart denies that he is liable to the Class Plaintiffs or the Class and denies that Class Plaintiffs or the Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Lead Counsel will apply to the Court for an award from the Lockhart Settlement Fund of attorneys' fees not to exceed twenty percent (20%) of the Settlement. Since the Action's inception, Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis and 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 it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees. The requested fees from the Lockhart Settlement Fund amount to an average of approximately \$.055 per damaged share.

Further Information

For further information regarding the Action, this Supplemental Notice or to review the Stipulation and Agreement of Settlement, please contact the Claims Administrator toll-free at 1 (800) 430-4972, or www.hostsettlement.com.

You may also contact counsel for Class Plaintiffs and the Class: David R. Scott, Esq., Scott + Scott, LLP, 108 Norwich Avenue, P.O. Box 192, Colchester, Connecticut 06415, Telephone (860) 537-5537.

Reasons for the Settlement

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.

Release of Claims

Unless you exclude yourself, you will remain a Class Member, and that means that, if the Settlement is approved, you will release all "Settled Claims" (as defined below) including "Unknown Claims" (as defined below) against the "Released Parties" (as defined below):

¹ This estimation solely reflects average recovery per alleged damaged share of Host America common stock. Actual recovery per share will reflect adjustment for warrants that are subject to the Settlements.

- "Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law, or any other law, rule or regulation, whether foreign or domestic, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether class or individual in nature, including both known claims and Unknown Claims (i) that have been asserted in this Action by the Class Members or any of them against any of the Released Parties (whether pleaded in the Complaint or not), or (ii) that could have been asserted from the beginning of time to the end of time in any forum by the Class Members or any of them against any of the Released Parties (a) which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved in, set forth in, or referred to, or that could have been asserted in the Complaint and relate to the purchase, sale, holding, transfer or acquisition of Host America Securities during the Class Period, or (b) which arise out of or relate to the defense or settlement of the Action. Notwithstanding any provision of this paragraph to the contrary, "Settled Claims" does not include any claims that were asserted in the purported derivative actions filed in this Court under the caption, In re Host America Corp. Securities Litigation, No. 05-cv-1250 (JBA) Derivative Action or in the purported derivative action brought in the Connecticut Superior Court captioned Bart Hester v. Geoffrey W. Ramsey, et al., Docket No. X10 UWY-CV-05-5001448S.

- "Released Parties" means Lockhart, his past or present subsidiaries, parents, successors and predecessors, general partners, estates and assigns, and all of the aforementioned persons' and entities' current or former officers, directors, agents, legal representatives, trustees, employees, attorneys, advisors, insurers, and investment advisors, and any person, firm, trust, corporation, officer, director or other individual or entity in which Lockhart has or at any time had a controlling interest or which is or at any time was related to or affiliated with Lockhart, and Lockhart's immediate family members (including spouse and children) and his and their legal representatives, heirs, successors in interest or assigns. Notwithstanding any provisions of this paragraph to the contrary, "Released Parties" does not include the Settling Defendants in the earlier Host America Settlement.

- "Unknown Claims" means any and all Settled Claims which any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Settled Defendant's Claims which Settling Defendant does not know or suspect to exist in his favor, which if known by him, might have affected his decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendant's Claims, the parties stipulate and agree that upon the Effective Date, the Plaintiffs and the Settling Defendant shall expressly waive, and each Class Member shall be deemed to have waived, 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 Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor.

Lead Plaintiffs and Settling Defendant acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendant's Claims was separately bargained for and was a key element of the Settlement.

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 with Defendant Lockhart, but you want to keep the right to sue the Released Parties, on your own, about the legal issues in this case, then you must take steps to remove yourself from the Settlement. This is called excluding yourself — or is sometimes referred to as "opting out." To exclude yourself from the

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Settlement Class, you must send a letter by first class mail stating that you “request exclusion from the Class in *In re Host America Corp. Securities Litigation--Class Action.*” Your letter should include the date(s), price(s), number(s) and type(s) of all purchases and sales of Host America Securities during the Class Period. In addition, you must include your name, address, telephone number, and your signature. You must mail your exclusion request **postmarked no later than December 19, 2008** (if sent by private delivery your request must be received by December 22, 2008) to:

In re Host America Corp. Securities Litigation
 c/o The Garden City Group, Inc.
 Claims Administrator
 P.O. Box 9160
 Dublin, OH 43017-4160

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any 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 the Released Parties in the future. You may not now seek exclusion from the earlier Host America Settlement.

Persons Who Requested Exclusion from the Earlier Settlement

If you sought exclusion from the earlier Host America Settlement, you must submit a valid request for exclusion to be excluded from the Lockhart Settlement. If you elect to participate in the Lockhart Settlement, you must contact the Claims Administrator and submit a valid Proof of Claim form as provided herein. Your recovery will be limited to your allocable share of the Lockhart Settlement only.

Objecting to the Settlement

If you are a Class Member, you can object to the proposed Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed Settlement in the *In re Host America Securities Litigation Class Action*. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), number(s) and type(s) of all Host America Securities you purchased and sold during the Class Period, and state the reasons why you object to the proposed Settlement. Mail the objection to each of the following addresses so that it is **received no later than January 20, 2009**:

COURT	PLAINTIFFS’ LEAD COUNSEL	SETTLING DEFENDANT’S COUNSEL
Clerk of the Court United States District Court District Of Connecticut Abraham Ribicoff Federal Building 450 Main Street Hartford, CT 06103	SCOTT + SCOTT, LLP David R. Scott, Esq. 108 Norwich Avenue P.O. Box 192 Colchester, CT 06415	GREENBERG TRAURIG Peter M. Casey One International Place Boston, MA 02110 <i>Attorneys for Defendant Roger Lockhart</i>

The Court’s Fairness Hearing

The Court will hold a Fairness Hearing at **10:00 a.m. on February 26, 2009**, at the United States District Court for the District of Connecticut, Abraham Ribicoff Federal Building, 450 Main Street, Hartford, CT 06103, in Courtroom Two. At the 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 listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Plaintiffs’ Lead Counsel. After the Settlement Fairness Hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

Dated: November 19, 2008

By Order of the Court
 CLERK OF THE COURT

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