

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

In re: TVIA INC. SECURITIES LITIGATION	X	No. C-06-06304-RMW
	:	
	:	
This Document Relates To:	X	CLASS ACTION
	:	
ALL ACTIONS.	:	NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION
	X	

NOTICE OF PENDENCY AND PROPOSED CLASS ACTION SETTLEMENT

If you purchased or otherwise acquired the common stock of Tvia, Inc. during the period February 2, 2005 through January 30, 2007, inclusive, you could get a payment from a class action settlement.

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

- The settlement will provide \$2,850,000 in cash, plus interest, to pay claims from investors who acquired the common stock of Tvia, Inc. (“Tvia Stock”) during the period February 2, 2005 through January 30, 2007, inclusive. The settlement represents an average recovery of \$0.29 per share of common stock, based on the approximately 9.9 million shares outstanding and available for purchase by Class Members during the Class Period. A damaged share may be traded more than once during the Class Period. These averages are estimates and are before deduction for any Court approved fees and expenses. See Question 8 below for a more detailed explanation.
- Attorneys for the Lead Plaintiff intend to ask the Court to award them fees up to one-third of the settlement, and reimbursement of litigation expenses not to exceed \$82,500, and an award to the Lead Plaintiff not to exceed \$15,000. Collectively, the fees and expenses are estimated to average \$0.10 per share of common stock. If approved by the Court, these amounts will be paid from the Settlement Fund. Therefore, the approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is an average of \$0.19 per share of common stock. These are estimates. Your actual recovery, if any, may vary depending on your purchase price and sales price (if any) and the number of Proof of Claim forms that are filed. See Question 8 below for a more detailed explanation.
- The Settlement resolves a lawsuit concerning whether Tvia and three of its principal officers misled investors about the Company’s statements of revenues and earnings and whether a Company officer traded Tvia Stock on inside information. Defendants deny the allegations in the lawsuit, and deny any wrongdoing. The parties disagree on the liability and damage issues. See Question 4 below for a more detailed explanation
- Your legal rights are affected whether you act, or do not act. Read this notice carefully and in its entirety.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment from this Settlement.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you ever to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT	Write to the Court about why you don’t like the Settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement after submitting a written notice.
DO NOTHING	Get no payment. Give up rights.

LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved and claims are processed. Please be patient.
- Further information regarding this Settlement may be obtained by contacting Plaintiffs’ Lead Counsel: Laurence M. Rosen, Esq., and Phillip Kim, Esq., The Rosen Law Firm PA, 350 5th Avenue, Suite 5508, New York, NY 10118.

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BASIC INFORMATION

1. Why did you get this Notice package?

You or someone in your family may have purchased or otherwise acquired the common stock (“Stock”) of Tvia, Inc. (“Tvia” or the “Company”) during the period from February 2, 2005 through January 30, 2007, inclusive (the “Class Period”).

The Court in charge of the case is the United States District Court for the Northern District of California, San Jose Division and the case is known as *In re Tvia, Inc. Securities Litigation*, Case No. C-06-06304-RMW (N.D. Cal.) (the “Action”). U.S. District Judge Ronald M. Whyte is in charge of this class action. The people who sued are called Plaintiffs, and the company and individuals they sued—Tvia, Inc., Eli Porat, Diane Bjorkstrom, and Benjamin Silva—are called Defendants.

The Court sent you this notice because you have a right to know about a proposed settlement of this 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 resolves any objections to the Settlement submitted by Class Members, as explained below, or appeals, then an administrator appointed by the Court will process the claims received and distribute the payments to Class Members with valid claims. You can track the progress of the Settlement by visiting: <http://www.rosenlegal.com>.

This package explains the lawsuit, the Settlement, your legal rights, the benefits that are available, who is eligible for them, and how to obtain them.

2. What is this lawsuit about?

The lawsuit involves whether Tvia and three of its officers and directors misled investors about Tvia’s statements of revenues and earnings, and whether a Company officer traded Tvia Stock on the basis of inside information. All Defendants deny they did anything wrong.

The lawsuit asserts that Defendants engaged in an accounting fraud in violation of generally accepted accounting principles to enable the Company to raise much needed cash for operations and to allow Tvia’s management to obtain valuable incentive compensation tied directly to the Company’s financial performance. In order to accomplish this alleged fraud, plaintiffs assert the Company materially overstated its revenues and underreported its net losses for the quarterly periods ending December 31, 2004, June 30, 2005, September 30, 2005, December 31, 2005, and June 30, 2006; and the fiscal years and quarters ending March 31, 2005 and March 31, 2006. The lawsuit also asserts that Defendants issued materially false and misleading projections of revenue in furtherance of the alleged fraud.

The lawsuit also alleges that a Company officer engaged in insider trading based on the allegedly false information. The lawsuit asserts that the alleged materially false statements and insider trading were violations of Sections 10(b), 20(a) and 20(A) of the Securities Exchange Act of 1934.

Defendants steadfastly deny the allegations in the lawsuit and have vigorously and forcefully defended the claims. Among other things, the defendants deny that they intentionally made any false or misleading statements, deny that they sold Tvia Stock while in possession of any material, nonpublic information, and deny that any of the alleged misstatements was responsible for the changes in the market price of Tvia Stock of which Lead Plaintiff complains. In sum, Defendants contend that they have no liability under the federal securities laws or otherwise.

3. Why is this a class action?

In a class action, one or more persons and/or entities called Class Representatives or 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, or individually, 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?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, Plaintiffs and Defendants have agreed to settle the lawsuit. Plaintiffs have agreed to settle the lawsuit based on the facts they have discovered during the litigation, the risks that will be involved in taking this case to trial, and their conclusions that the proposed settlement is fair, reasonable and adequate, and serves the best interests of the litigation and Class Members. Lead Counsel for Plaintiffs have determined that by settling, they avoid the cost and risks of a trial, while at the same time providing substantial compensation to the Class. The Lead Plaintiff and the Counsel for the Class believe that the settlement is best for all Class Members.

Lead Plaintiff 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 Plaintiff were to prevail on each claim asserted. The issues on which the parties disagree include: (1) whether Defendants made any false and misleading statements; (2) whether the statements made were false, material or otherwise actionable under the federal securities laws; (3) whether Defendants made the statements with the requisite knowledge; (4) the appropriate economic model for determining the amount by which Tvia Stock allegedly was artificially inflated (if at all) during the Class Period; (5) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading (if at all) influenced and artificially inflated (if at all) the trading price of Tvia Stock at various times during the Class Period; and (6) the extent to which external factors, such as general market conditions, influenced the trading price of Tvia Stock at various times during the Class Period.

While Lead Counsel for Plaintiffs were prepared to go to trial, and were confident in the merits of their case, they recognize that litigation and a trial are risky propositions and that Plaintiffs and the Class may not have prevailed on any or all of their claims. In addition, Lead Counsel for Plaintiffs believe that this Settlement provides a substantial cash recovery to the Class, and believe that they may not have obtained a greater recovery even if they had gone to trial. Throughout the settlement negotiations, Defendants continued to deny liability and contended that Plaintiffs and the Class could not demonstrate provable damages, asserting instead that the decline in the price of Tvia Stock was attributable to other factors. This dispute regarding damages would be subject to expert testimony, and therefore, it would be impossible to predict with certainty which side's arguments would find favor with the jury. As a result, in a trial, Plaintiffs could have recovered nothing or substantially less than the amount of the Settlement. Further, even assuming that Plaintiffs could have won at trial, any verdict would inevitably be the subject of appeal, and the Class' recovery would have remained uncertain and been further delayed. In this case, even if Plaintiffs had won a verdict greater than the settlement at trial, and that verdict had withstood Defendants' challenge on appeal, Plaintiffs may not have been able to collect the judgment.

The Stipulation and all related documents are not and shall not be construed or be deemed to be evidence or an admission or a concession on the part of any of the Defendants of any fault or liability or damages whatsoever, and Defendants do not concede any infirmity in the defenses that they have asserted or could have asserted in the Litigation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

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

Judge Whyte decided that everyone who fits the following description is a Class Member:

All Persons who purchased or otherwise acquired the common stock of Tvia during the period from February 2, 2005 through January 30, 2007, inclusive.

6. Are there exceptions to being included?

You are not a Class Member if you are a Defendant, a member of the immediate families of any individual Defendant, any entity in which any Defendant has or had a controlling interest, a present and/or former director or officer of Tvia, and/or a legal representative, heir, successor, or assign of any such Defendant. Also excluded are all persons who purchased Tvia securities in the private placement on or about August 25, 2006, but only to the extent of all such securities purchased. You are also not a Class Member if you file a valid and timely request for exclusion from the Class as described more fully below under the heading "EXCLUDING YOURSELF FROM THE SETTLEMENT."

If one of your mutual funds owns Tvia Stock, that alone does not make you a Class Member. You are a Class Member only if you purchased Tvia Stock. Contact your broker to see if you owned or held Tvia Stock.

7. I'm still not sure if I am included

If you are still not sure whether you are included in the Class, you can ask for free help by calling Strategic Claims Services at (866) 274-4004 for more information. Or you can fill out and return the claim form attached to this Notice to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the Settlement provide?

On October 3, 2007, the parties in the lawsuit arrived at a proposed settlement of the lawsuit and signed a Stipulation of Settlement. The parties' agreement, by itself, is not sufficient for the Settlement to be official—the proposed

settlement requires the Judge's approval. The terms of the proposed settlement are summarized below, and the full settlement terms are contained in a Stipulation of Settlement ("Stipulation") dated October 3, 2007. You can obtain a copy of the Stipulation by writing to Plaintiffs' Lead Counsel: Laurence M. Rosen, Esq. or Phillip Kim, Esq., The Rosen Law Firm PA, 350 5th Avenue, Suite 5508, New York, NY 10118 or by email at lrosen@rosenlegal.com or pkim@rosenlegal.com.

a. What is the Settlement Fund?

The proposed settlement calls for Defendants to create a fund in the amount of \$2,850,000 in cash. This \$2,850,000 will be deposited into an interest-bearing account, the "Settlement Fund." Lead Counsel for Plaintiffs estimate that the \$2,850,000 recovery represents an average recovery of \$0.29 per share of common stock. A damaged share may be traded more than once during the Class Period and the indicated average recovery is the total for all 9.9 million shares outstanding and available for purchase during the Class Period. These average recoveries are only estimates and can vary as explained below.

Subject to the Court's approval, a portion of the Settlement Fund also will be used to pay Plaintiffs' attorneys' fees, reasonable litigation expenses, and an award to Lead Plaintiff. See Question 16 below for a more detailed explanation. A portion of the Settlement Fund will also be used to pay taxes due on interest earned by the Settlement Fund if necessary, and any notice and claims administration expenses permitted by the Court or the Stipulation. After the foregoing deductions from the 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 depend on: (1) the number of claims filed; (2) your "Aggregate Recognized Loss" from purchases of Tvia Stock; (3) whether you sold your Tvia Stock during the Class Period or held your Tvia Stock past the end of the Class Period; (4) the amount of administrative costs, including the costs of notice; and (5) the amount awarded by the Court for attorneys' fees, costs and expenses, and award to the Lead Plaintiff.

By following the Plan of Allocation in paragraph 24 of this notice, you can calculate your "Aggregate Recognized Loss." The Claims Administrator will distribute the Net Settlement Fund, according to the Plan of Allocation, after the deadline for submission of Proof of Claim and Release forms has passed and all claims have been processed.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

9. How I can get a payment?

To qualify for 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 <http://www.rosenlegal.com>. 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 January 30, 2008 to:

Claims Administrator
Tvia Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063

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

10. When would I receive my payment?

The Court will hold a hearing on January 18, 2008, to decide whether to approve the Settlement. Even if Judge Whyte approves the Settlement, there may be appeals that would delay the implementation of the Settlement. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. After the approval, and the resolution of any appeals, the Claims Administrator must process all of the claim forms. Everyone who sends in a claim form will be informed of the approval or disapproval of his or her claim. Please be patient. You can also track the progress of the settlement by visiting: <http://www.rosenlegal.com>.

11. What am I giving up to get a payment or to 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 (i.e., cannot sue, continue to sue, or be part of any other lawsuit over) all

“Released Claims” against Defendants and the “Released Parties.” It also means that all of the Court’s orders will apply to you and legally bind you. Please see below the definitions of all of the terms that are in quotations. If you sign the claim form, you are agreeing to a “Release of Claims,” attached to the claim form, which describes exactly the legal claims that you give up if you receive settlement benefits.

“Released Parties” means the Defendants, each of a Defendant’s past or present directors, officers, managers, employees, partners, members, principals, agents, underwriters, insurers and co-insurers and their reinsurers, controlling shareholders, venture capital investors, attorneys, accountants or auditors, banks or investment banks, financial advisors, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, including without limitation any entity in which a Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family.

“Released Claims” means all claims (including “Unknown Claims” as defined below), demands, losses, rights, liabilities and causes of action under federal or state law, whether based upon statutory or common law, whether class or individual in nature, known or unknown, concealed or hidden, fixed or contingent, that either were asserted or could have been asserted including, without limitation, claims for negligence, gross negligence, breach of contract, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rates or regulations, by the Lead Plaintiff or any Class Member against any of the Released Parties, arising out of, based upon, or related in any way to the purchase, acquisition, or retention of Tvia securities during the Class Period, and the facts, transactions, events, occurrences, acts, disclosures, statements, misrepresentations, omissions or failures to act which have been or could have been alleged in the Litigation or in any forum.

“Unknown Claims” means any claims that 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 Parties, and any Settled Defendants’ Claims that any Defendant does not know or suspect to exist in his, her, or its favor, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Parties, or might have affected his, her, or its decision(s) with respect to the settlement. With respect to any and all Released Claims and Settled Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and the Defendants 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 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, 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 that any of them now knows or believes to be true related 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 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 that 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. Similarly, the Defendants and Released Parties may hereafter discover facts in addition to or different from those that any of them now know or believe to be true related to the subject matter of the Settled Defendants’ Claims, but each Defendant shall expressly and each Released Party, 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 Settled Defendants’ 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 that 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 Settling Parties acknowledge, and the Class Members and the Released Parties shall be deemed by operation of the Judgment to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Settled Defendants’ Claims was separately bargained for and is a key element of the Settlement of which these releases are a part.

EXCLUDING YOURSELF FROM 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 issues in this case, then you must take steps to get out of the Settlement. This is called “excluding yourself”—or is sometimes referred to as “opting out” of the Class.

12. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded as a Class Member from *In re Tvia, Inc. Securities Litigation*, Case No. C-06-06304-RMW (N.D. Cal.). Be sure to include your name, address, telephone number, and your signature, along with your purchases and sales in Tvia Stock in order to indicate your membership in the Class. You must mail your exclusion request postmarked no later than December 17, 2007 to:

Claims Administrator
Tvia Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063

You can't exclude yourself on the phone 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.

13. 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. You may have to exclude yourself from this Class to continue your own lawsuit.

14. If I exclude myself, can I receive money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, PA as Lead Counsel for Plaintiff and the law firm of Glancy Binkow and Goldberg, LLP as Liaison Counsel for Plaintiff, to represent you and the other Class Members. These two firms are called 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.

16. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this Action on a contingency fee basis, and have advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Therefore, Class Counsel will file a motion asking the Court at the Fairness Hearing (see Question 19 below) to make an award of attorneys' fees in an amount not to exceed one-third of the Settlement Fund and for reimbursement of litigation expenses in an amount not to exceed \$82,500. The requested fees and expenses are estimated to be an average of \$0.10 per share of common stock. (These averages are estimates based on approximately 9.9 million shares of Tvia common stock that were available for purchase during the Class Period.) The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement, any part of the Settlement, or the motion for attorneys' fees.

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

If you are a Class Member, you can object to the Settlement if you do not like any part of it. You can state why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter stating that you object to the Settlement in *In re Tvia, Inc. Securities Litigation*, Case No. C-06-06304-RMW (N.D. Cal.). Be sure to include your name, address, telephone number, your signature, your purchases and sales of

Tvia Stock in order to indicate your membership in the Class and all of the reasons for your objection to the settlement. Be sure to mail the objection to the three different places stated below, postmarked no later than December 17, 2007.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Northern District of California, San Jose Division 280 South 1st Street San Jose, CA 95113	Laurence M. Rosen, Esq. Phillip Kim, Esq. The Rosen Law Firm PA 350 Fifth Avenue Suite 5508 New York, NY 10118	Walter J. Robinson, Esq. Bruce Ericson, Esq. Andrew D. Lanphere, Esq. Pillsbury Winthrop Shaw Pittman LLP 2475 Hanover Street Palo Alto, California 94304 Attorneys for Tvia, Inc.

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

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

THE COURT’S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak.

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

The Court will hold a Settlement Hearing at 9:00 a.m. on January 18, 2008, at the United States District Court for the Northern District of California, San Jose Division, 280 South 1st Street, San Jose, CA 95113, Courtroom 6. At this Settlement Hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Whyte will listen to people who have asked to speak at the Settlement Hearing. The Court may also decide how much to pay Lead Counsel for Plaintiffs attorneys’ fees and expenses and how much to award Lead Plaintiff. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

20. Do I have to come to the Settlement Hearing?

No. Class Counsel will answer any questions Judge Whyte 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 Settlement Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you should send a letter saying that it is your “Notice of Intention to Appear in *In re Tvia, Inc. Securities Litigation*, Case No. C-06-06304-RMW (N.D. Cal.)” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than December 17, 2007, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the three addresses listed in question 17.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this Settlement. But, 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 legal issues in this case, ever again.

GETTING MORE INFORMATION

23. How do I obtain more information about the Settlement?

You can: (1) call the Claims Administrator at (866) 274-4004; (2) write to the Claims Administrator, at Strategic Claims Services, P.O. Box 230, Media, PA 19063, or (3) visit the website at www.rosenlegal.com, where you will

find answers to common questions about the Settlement, a claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

24. Understanding Your Payment—The Plan Of Allocation

1. The Net Settlement Fund will be allocated among the Authorized Claimants in accordance with this “Plan of Allocation.”
2. The Net Settlement Fund will be allocated to Tvia stockholders based on the relative total losses suffered by each Class Member.
3. For Class Members who conducted multiple transactions in Tvia Stock 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, and then matched chronologically thereafter against each purchase made during the Class Period.
4. Any Class Members that earned a profit in the purchase of Tvia Stock during the Class Period, or did not have a Net Recognized Loss shall not be entitled to any distribution from the Settlement Fund.
5. The purchase and sales prices do not include any brokerage commissions, transfer taxes or other fees.
6. The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.
7. The Recognized Loss of each Authorized Claimant shall be calculated as follows:
 - A. For shares bought between February 2, 2005 and September 27, 2006 inclusive, and sold between September 28, 2006 and November 14, 2006 inclusive, recognized per share loss is the lesser of:
 - (i) The price paid less the price received;
 - (ii) The price paid less \$1.44; and
 - (iii) \$2.06.
 - B. For shares bought between February 2, 2005 and September 27, 2006, inclusive and sold between November 15, 2006 and January 29, 2007, inclusive, recognized per share loss is the lesser of:
 - (i) The price paid less the price received;
 - (ii) The price paid less \$.88; and
 - (iii) \$2.26.
 - C. For shares bought between February 2, 2005 and September 27, 2006, inclusive and held on or after January 30, 2007, recognized per share loss is the lesser of:
 - (i) The price paid less \$.50; and
 - (ii) \$2.46.
 - D. For shares bought between September 28, 2006 and November 14, 2006, inclusive, and sold between November 15, 2006, and January 29, 2007, inclusive, recognized loss is the lesser of:
 - (i) The price paid less the price received;
 - (ii) The price paid less \$.88; and
 - (iii) \$.20.
 - E. For shares bought between September 28, 2006 and November 14, 2006, inclusive, and held on or after January 30, 2007, recognized loss is the lesser of:
 - (i) The price paid less \$.50; and
 - (ii) \$.40.
 - F. For shares purchased between November 15, 2006 and January 29, 2007, inclusive and held on or after January 30, 2007, recognized loss is the lesser of:
 - (i) The price paid less \$.50; and
 - (ii) \$.20.

8. "Aggregate Recognized Loss" in Tvia Stock during the Class Period is the sum total of the Claimant's Recognized Losses per share multiplied by the number of shares associated with each purchase during the Class Period as described above.

9. 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.

25. Special Notice To Securities Brokers And Other Nominees

If you purchased Tvia common stock during the Class Period as nominee for a beneficial owner, then within ten (10) days after you receive this Notice, you must either: (a) send a copy of this Notice and the accompanying Proof of Claim and Release form by first-class mail to all such beneficial owners; or (b) provide a list, electronically if possible, of the names and addresses of such beneficial owners to the Claims Administrator:

Claims Administrator
Tvia Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063

If you chose option (a) above, you may request enough forms from the Claims Administrator (at no charge) to complete your mailing. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of Plaintiffs' Counsel or the Court. All communications concerning this matter should be addressed to the Claims Administrator.

26. Inquiries

All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class Members should be directed to:

Claims Administrator
Tvia Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
Media, PA 19063

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

DATED: October 12, 2007

BY ORDER OF THE DISTRICT COURT:
HON. RONALD M. WHYTE.