

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY**

IN RE CABLEVISION/RAINBOW MEDIA
TRACKING STOCK LITIGATION

Cons. C.A. No. 19819-VCN

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT OF CLASS ACTION,
AND SETTLEMENT HEARING**

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF RAINBOW MEDIA GROUP TRACKING STOCK ON AUGUST 20, 2002, AND THEIR SUCCESSORS IN INTEREST, OR THEIR LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS IN INTEREST, TRANSFEREES OR ASSIGNS, IMMEDIATE OR REMOTE.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT, OR FROM PURSUING THE SETTLED CLAIMS (DEFINED HEREIN).

I. PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you, pursuant to Rule 23 of the Court of Chancery of the State of Delaware in and for New Castle County (the "Court"), and the Order of the Vice Chancellor of the Court dated February 6, 2008 in the above-captioned matter (the "Action"), of: (a) the proposed settlement of the Action (the "Settlement") as provided for in the Stipulation and Agreement of Compromise, Settlement and Release (the "Stipulation") dated January 9, 2008, entered into by the parties to the Action (collectively, the "Parties"); and (b) your right to participate in a hearing (the "Settlement Hearing") to be held on April 11, 2008 at 10:00 a.m., before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801. The purpose of the Settlement Hearing is to determine whether the Court should: (a) approve the proposed Settlement as fair, reasonable, adequate and in the best interests of plaintiffs in the Action ("Plaintiffs") and the Class as defined below; (b) enter a final judgment ending the Action; and (c) to consider such other matters relating to the Settlement, including the application by Plaintiffs for attorneys' fees and reimbursement of expenses incurred in the prosecution of the Action.

This Notice describes the rights you may have under the Settlement and what steps you may take in relation to the Settlement.

If the Court approves the Settlement, it will enter an Order and Final Judgment (the "Judgment Order") dismissing the Action with prejudice.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE THE FINDINGS OF THE COURT OF CHANCERY. IT IS BASED ON THE STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE ACTION

On October 10, 2000, Cablevision Systems Corporation (“Cablevision” or the “Company”) proposed in a proxy statement issued to its shareholders a conversion of the Company’s common stock into two new classes of stock: Rainbow Media Group tracking stock (the “Tracking Stock”) and Cablevision NY Group common stock (the “Tracking Stock Proposal”). The Company’s shareholders approved the Tracking Stock Proposal and an Amended and Restated Certificate of Incorporation (the “Amended Certificate”), pursuant to which the Company’s shareholders, *inter alia*: (a) authorized the Board of Directors of Cablevision (the “Board”) to redeem the Tracking Stock in exchange for Cablevision NY Group common stock in the Board’s sole discretion; and (b) waived any claim arising out of a decision by the Board to effect that exchange.

Cablevision and the individual defendants in this Action have asserted that, at meetings on July 31 and August 2, 2002, the Board deliberated about redeeming the Tracking Stock, having been advised at both meetings by the Company’s management and independent financial advisor that all of the Company’s shareholders (including the Tracking Stock holders) would benefit if the Tracking Stock were redeemed. On August 5, 2002, the Board exercised its discretion and approved the exchange of the Tracking Stock for Cablevision NY Group common stock (the “Exchange”).

On or about August 7, 2002, putative class action lawsuits were filed in this Court. On December 13, 2004, Plaintiffs filed a consolidated amended class action complaint (the “Complaint”), alleging breach of fiduciary duty and breach of contract in connection with the Exchange. The Complaint named as defendants Cablevision, Charles F. Dolan, James L. Dolan, Thomas C. Dolan, Sheila A. Mahony, Patrick F. Dolan, John Tatta, William J. Bell, Robert Lemle, Charles D. Ferris, Richard H. Hochman, Vincent Tese and Victor Oristano (collectively, “Defendants”). This Court has certified a class in the Action. The class is composed of all holders of Rainbow Media Group tracking stock on August 20, 2002, and their successors in interest, excluding Defendants and any person, firm, trust, corporation, or other entity related to or affiliated with any of the Defendants (the “Class”).

On August 8, 2003, a duplicative putative class action was brought in the Supreme Court of the State of New York (the “New York Court”), captioned *Teachers Retirement System of Louisiana v. Cablevision et al.*, No. 602513/03 (the “New York Action”) against Cablevision and several individual Defendants. Plaintiff in the New York Action (the “New York Plaintiff”), who is a member of the Class, asserted claims arising from the Exchange. On June 10, 2004, Justice Herman Cahn of the Supreme Court of the State of New York held that: (a) there was “substantial overlap” between the claims in this Action and the New York Action; (b) the “entire relief sought . . . can be provided in the Delaware Action”; and (c) it is “in the interests of judicial economy and comity to have the . . . [claims] resolved in one court.” Accordingly, Justice Cahn effectively stayed the New York Action, noting that the stay would be reviewed in the event this Action was voluntarily discontinued.

Following substantial litigation and discovery, including the review of hundreds of thousands of pages of documents and depositions, Plaintiffs and Defendants (collectively, the “Parties”), through their counsel, engaged in arm’s-length negotiations with the assistance of a mediator. In light of the considerations described in the Stipulation, the Parties have agreed to settle the Action and resolve all of the below-described disputes and controversies between them. Accordingly, on January 9, 2008, the Parties executed the Stipulation through their respective counsel. The Parties have also agreed to cooperate fully in seeking dismissal of the New York Action with prejudice and without costs to any party, and, within 10 business days of the Court’s entry of the Judgment Order, Defendants shall seek dismissal of the New York Action.

III. THE SETTLEMENT

The Parties, through their counsel, have negotiated at arm's-length to settle this Action on the terms set forth below:

In consideration for the full and complete settlement, release, satisfaction and compromise of the Settled Claims set forth below, Cablevision and its insurers (on behalf of all the Defendants) shall pay the sum of \$8.25 million in accordance with the terms set forth herein (the "Settlement Amount"). The Settlement Amount was paid into an escrow account within ten business days following execution of the Stipulation by all of the Parties thereto. The Settlement Amount shall be funded entirely by Cablevision and its insurers (on behalf of all Defendants), with no contribution coming from any of the other Defendants named in either this Action or the New York Action. The Settlement Amount shall be the maximum amount to be paid for the full and complete settlement, release, satisfaction and compromise of the Settled Claims. The following shall be paid from the Settlement Amount: (a) any fees and expenses awarded to Plaintiffs' counsel by the Court; and (b) up to \$500,000: (i) any taxes, fees and expenses associated with the Escrow Account; and (ii) costs and expenses incurred in providing this Notice and, as set forth herein, distributions to members of the Class. The remainder, plus any accrued interest on the Settlement Amount is the "Settlement Consideration."

The Settlement Consideration shall be distributed on a pro rata basis to all members of the Class within sixty days of Final Approval as defined in the Stipulation. Any undistributed portion of the Settlement Consideration shall be donated to the Combined Campaign For Justice.

IV. REASONS FOR THE SETTLEMENT

Plaintiffs, through their counsel and on behalf of the Class, have made a comprehensive and thorough investigation of all of the claims and allegations asserted in this Action and the New York Action. While Plaintiffs believe that the claims asserted have merit, they also believe that the Settlement provides reasonable and fair compensation to Plaintiffs and all members of the Class. In agreeing to the Settlement, Plaintiffs and their counsel, on behalf of the Class, have considered: (a) the facts developed through their investigation of all of the claims and allegations asserted in this Action and the New York Action; (b) the attendant risks and uncertainty of litigation; (c) Defendants' assertion that the Company's shareholders authorized the Board to effect the Exchange in the Board's sole discretion by approving the Tracking Stock Proposal and the Amended Certificate, and waived any claim relating to the Board's decision to effect the Exchange; (d) the substantial cost to the Company of continuing any litigation relating to the Exchange; and (e) the conclusion of Plaintiffs and their counsel that, under the circumstances, the terms and conditions of the Settlement as set forth below are fair, reasonable, adequate and in the best interests of all Plaintiffs and members of the Class.

Defendants have vigorously denied, and continue to deny, any and all liability with respect to the Action and the New York Action, deny that they engaged in any wrongdoing, deny that they committed any violation of law, deny that they breached any fiduciary duties, deny that they acted improperly in any way, and deny liability of any kind to Plaintiffs or any member of the Class. Defendants have agreed to the Settlement to: (a) avoid further expense; (b) dispose of potentially burdensome and protracted litigation; (c) finally put to rest all claims any members of the Class may have arising from or relating to the Exchange; and (d) permit the Company and its officers and directors to pursue the Company's business without collateral involvement in ongoing litigation.

The Parties desire to settle the Action and resolve all of the disputes and controversies between them.

V. FEES AND EXPENSES

If the Settlement is approved by the Court, Plaintiffs intend to make an application to the Court for an allowance of attorneys' fees and expenses incurred in prosecution of this Action in an amount of up to 30% of the Settlement Amount, to be paid out of, not in addition to, the Settlement Amount. Defendants will not oppose the fee and expense application of Plaintiffs' counsel as described in this paragraph, but Defendants retain the right to oppose any other application for fees and expenses in the Action by any other person or counsel.

VI. CLASS ACTION DETERMINATION

The Court has ordered that the Action shall be maintained as a class action by the named plaintiffs as Class representative and by their counsel, pursuant to Court of Chancery Rules 23(a), 23(b)(1) and (b)(2), on behalf of the Class. Inquiries or comments about the Settlement may be directed in writing to the attention of Plaintiffs' counsel as follows:

Robert I. Harwood
HARWOOD FEFER LLP
488 Madison Avenue
8th Floor
New York, NY 10022
rharwood@hfesq.com

or

Laurence D. Paskowitz
Roy L. Jacobs
PASKOWITZ & ASSOCIATES
60 East 42nd Street, Suite 4600
New York, NY 10165
classattorney@aol.com

VII. SETTLEMENT HEARING

A Settlement Hearing has been scheduled before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801, on April 11, 2008 at 10:00 a.m., to: (a) determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of all members of the Class; (b) determine whether judgment should be entered pursuant to the Stipulation, *inter alia*, dismissing the Action with prejudice and extinguishing and releasing all Settled Claims (as defined in the Stipulation); and (c) rule on other such matters as the Court may deem appropriate.

The Court has reserved the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees and reimbursement of expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

VIII. RIGHT TO APPEAR AND OBJECT

Any member of the Class who objects to the: (a) Settlement; (b) dismissal; (c) judgments to be entered with respect thereto; (d) Plaintiffs' request for an award of attorneys' fees and reimbursement of costs and expenses in the Action; or (e) who otherwise wishes to be heard, may appear in person or by his, her or its attorney at the Settlement Hearing to present evidence or argument that may be proper and relevant. To do so, you must no later than ten (10) calendar days prior to the Settlement Hearing (unless the Court in its discretion shall thereafter otherwise direct, upon application of such person and for good cause shown), file with the Register in Chancery: (a) a written notice of intention to appear; (b) a statement of your objections to any matters before the Court; and (c) the grounds therefor or the reasons for your desire to appear and be heard, as well as documents or writings you desire the Court to consider. Also, on or before the date of filing such papers, you must serve them upon the following counsel of record:

Carmella P. Keener
ROSENTHAL, MONHAIT
& GODDESS, P.A.
919 Market Street, Suite 1401
P.O. Box 1070
Wilmington, DE 19899-1070

Raymond J. DiCamillo
RICHARDS, LAYTON
& FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, DE 19801

Any Class member who does not object to the Settlement or the request by Plaintiffs for an award of attorneys' fees and expenses need not do anything.

Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, or any award of attorneys' fees, or otherwise to be heard, except by serving and filing a written objection and supporting papers and documents as described above.

The Court will consider your papers even if you do not attend the Settlement Hearing. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding.

IX. ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement is fair, reasonable, adequate and in the best interests of the Class, the Parties will jointly ask the Court to enter the Judgment Order that will, among other things:

- A. Approve the Settlement and adjudge the terms thereof to be fair, reasonable, adequate and in the best interests of Plaintiffs and all members of the Class, pursuant to Court of Chancery Rule 23(e);
- B. Authorize and direct performance of the Settlement in accordance with its terms and conditions; and
- C. Compromise, settle, release and dismiss with prejudice and release Defendants, and each of them, from the Settled Claims (defined below).

X. RELEASE

If the Court approves the Settlement, and in consideration of the benefits provided by the Settlement, the Action will be dismissed, with prejudice and without costs except as provided in the Stipulation, as to each Defendant. Under the terms of the Settlement, if those terms are approved by the Court, any and all claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in this Action, the New York Action or in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal or state law relating to alleged fraud, breach of any duty, negligence or violations of the federal or state securities laws) by or on behalf of Plaintiffs or any members of the Class, whether individual, class, derivative, representative, legal, equitable or any other type or in any other capacity against any and all defendants in the Action, and/or any of their family members, parent entities, associates, affiliates or subsidiaries and each and all of their respective past, present or future officers, directors, stockholders, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, agents, heirs, executors, trustees, personal representatives, estates, administrators, predecessors, successors and assigns (collectively, the "Released Persons") which Plaintiffs or any members of the Class ever had, now has or hereafter can, shall or may have by reason of, arising out of, relating to or in connection with the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any other matter, thing or cause whatsoever, or any series thereof, embraced, involved, set forth or otherwise related, directly or indirectly, to the allegations in this Action, the allegations in the New York Action, and the Exchange, including without limitation any disclosures made in connection with any of the foregoing (collectively, the "Settled Claims") shall be compromised, discharged, settled, released and dismissed with prejudice upon and subject to the following terms and conditions.

For the avoidance of doubt, the Settled Claims include, without limitation, any unknown claims relating to or arising from the allegations in the Action and the New York Action which any Plaintiff or Class member does not know or suspect to exist at the time of the execution of the Stipulation but which, if known, might have affected the decision to enter into the Stipulation. Plaintiffs acknowledge, and all Class members by

operation of law shall be deemed to have acknowledged, that the inclusion in the Settled Claims of all unknown claims was separately bargained for and was a key element of the Settlement. Upon entry of the Judgment Order, Plaintiffs and each member of the Class shall be deemed to: (a) waive any and all provisions, rights and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person's release of unknown claims; and (b) relinquish, to the full extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

In addition, upon entry of the Judgment Order, Plaintiffs, for themselves and on behalf of the Class, also shall be deemed to waive 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. Plaintiffs acknowledge that members of the Class may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is their intention, as Plaintiffs and on behalf of the Class, to settle and release—fully, finally and forever—any and all claims released hereby, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such additional or different facts.

XI. NOTICE TO BROKERS, BANKS AND/OR OTHER PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks and/or other persons or entities who held shares of Tracking Stock as of August 20, 2002, for the benefit of others are directed promptly to either: (a) send this Notice to all of their respective beneficial owners and send the Administrator written confirmation of having done so; or (b) provide the Administrator with the names and last-known addresses of such beneficial owners, preferably in an MS Excel data table, setting forth (i) title/registration, (ii) street address, (iii) city/state/zip; or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels. If additional copies of the Notice are needed for forwarding to such beneficial owners, please contact the Administrator at:

Cablevision/Rainbow Media Tracking Stock Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: (800) 766-3330
Facsimile: (516) 931-0810
www.berdonclaims.com

You may seek reimbursement of any reasonable expenses actually incurred in connection with identifying members of the Class and *either* providing mailing records to the Administrator *or* mailing this Notice to your beneficial owners by submission to the Administrator of a written request for same.

XII. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims which have been asserted by the Parties and the terms and conditions of the Settlement, including a complete copy of the Stipulation, members of the Class are referred to the Court files in the Action. You or your attorney may examine the Court files during regular business hours on each business day at the office of the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801. Please do not call the Court.

Date: February 15, 2008

Register in Chancery

CABLEVISION

IMPORTANT LEGAL INFORMATION

Cablevision/Rainbow Media Tracking Stock Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

FIRST-CLASS MAIL
U.S. POSTAGE
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