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NSOL's insider sold stock shortly before ICANN designation.

Three months ago, on February 8, 1999, Network Solutions, Inc.'s (NASDAQ Symbol: NSOL) (Price: $68.1875) controlling, majority shareholder sold the pre-split equivalent of 9 million shares of their NSOL common stock to the investing public at $85 per share. NSOL did not receive any portion of the $778.6 million that was generated from the stock sale. The complete offering was sold by insiders and the entire proceeds went to the selling insiders, less expenses. This insider-sales offering was consummated just 18 days before the U.S. Government designated ICANN, which was a major development in the NSOL contract termination process. This event began regulation, not deregulation as some analysts claim, of the DNS market. NSOL has failed to disclose to its new shareholders that it became obligated to recognize ICANN on February 26, 1999.

NSOL's Board of Directors and key management positions are effectively controlled by insiders from Science Application International Corporation ("SAIC"). Three of NSOL's most senior managers are current or former SAIC employees and six of NSOL's eight Directors are current SAIC employees. SAIC is a private company with a reported 9,700 employees in the Washington, D.C. metropolitan area. SAIC is engaged in government contract work with federal contracts reportedly accounting for 80% of SAIC's revenue. The Wall Street Journal has reported that SAIC has numerous former top government officials on its payroll and that SAIC and its executives typically make more than $100,000 in political contributions in every Congressional election cycle.

NSOL's domain name business is entirely dependent on a federal government contract. It could not operate its current business without its government contract. This government contract does not provide safeguards to protect registered domain name holders or many other needed regulatory requirements. NSOL has managed to avoid regulation for over 5 years and successfully turned a single government work contract to administer a simple database into a Wall Street windfall. NSOL is now legally obligated to recognize ICANN's DNS regulatory authority. The U.S. Government has set a termination date for NSOL's entire domain name contract, stated that the contract will not be renewed and instructed NSOL to give up control of the domain name registry. Eighteen days before the formal commencement of this adverse government action SAIC sold its stock.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.