

May 9, 1997

Approved as to form and content subject to the participation requirements
set forth in the Agreement and subject to Court approval:

Claude F. Reynaud, Jr. *[Signature]*
Keith M. Welch *[Signature]*

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

BILLY COOK and BARRY KUPERMAN : CIVIL ACTION NO. 94-1730
Plaintiffs

VERSUS : JUDGE WALTER

POWELL BUICK, INC.,
HUB CITY FORD, INC., and
LOUISIANA AUTOMOBILE DEALERS : MAGISTRATE JUDGE PAYNE
ASSOCIATION, INC.
Defendants

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 94-11136

DIVISION B

ALFRED GHORAM, EVA FAYE AGNELLY,
AND ALL OTHERS SIMILARLY SITUATED

versus

LOUISIANA AUTOMOBILE DEALERS ASSOCIATION, INC.
SPINATO-CHRYSLER-PLYMOUTH, INC.,
MARSHALL BROS. LINCOLN-MERCURY, INC.,
AND ALL OTHERS SIMILARLY SITUATED

SETTLEMENT AGREEMENT

This Agreement is made and entered into on this ____ day of _____, 1997, by and between Defendant Louisiana Automobile Dealers Association ("*LADA*"); all *Settling Defendant dealers* ("*Settling Defendants*"), and all other persons joining in and appearing herein as signatory parties; and Plaintiffs' class representatives ("*Plaintiffs*"), both individually and on behalf of the *Plaintiff Settlement Class*.

This Agreement is intended to settle all claims of the *Plaintiffs* on their own behalf and on behalf of the plaintiffs' class brought in the captioned proceedings against *LADA*, *LADA's* officers and directors and its Executive Vice-President, and all *Settling Defendants* and other persons joining in as authorized herein and signatory hereto, their officers, directors and shareholders with full reservation of all rights against all who do not sign this Agreement. *LADA* and the *Settling Defendants* have agreed to enter into this Agreement to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation. This Agreement shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by *LADA*, any *Settling Defendant* or other signatory party, nor is it an admission of the truth of any of the *Plaintiffs'* claims or allegations alleged in either of the captioned proceedings.

This Agreement is to be binding on all members of the proposed *Plaintiff Settlement Class* which will include all of the plaintiffs' class as certified on March 11, 1996, by the United States District Court for the Western District of Louisiana and all *persons* who purchased or leased used vehicles from a *motor vehicle dealership* since January 1, 1988, with a buyer's order, purchase agreement, lease agreement, worksheet, invoice, or similar

document showing a fee or charge identified as an *ad valorem tax* by the *objectionable method of identification*. The certification of the proposed *Plaintiff Settlement Class* in toto, is a prerequisite to this settlement becoming a final settlement.

ACCORDINGLY, in consideration of the covenants, agreements, and releases set forth herein, and for other good and valuable consideration, it is agreed by and among the undersigned that this action be settled, compromised and dismissed on the merits, with prejudice, solely as to *LADA*, its officers and directors who served during the *relevant time period*, and Executive Vice-President, the *Settling Defendants* and other signatory parties, their officers, directors and shareholders, at the cost of *LADA*, *Settling Defendants*, and other signatory parties under the terms and conditions outlined specifically herein and subject to the approval of the *Court* or *Courts*.

A. DEFINITIONS:

1. "*Ad valorem tax*" generally means the *ad valorem tax* or *inventory tax*, or the *ad valorem tax* or *inventory tax* estimate on the *dealer's* motor vehicle inventory.
2. "*Administrative Costs*" shall only mean all costs of carrying out the terms and conditions of the *Certificate* portion of this settlement described herein, once approved by the *Court* or *Courts*.
3. "*Certificate(s)*" refers to one or more Cash Rebate Certificates which also may be used as an Optional Cash Service Certificate(s), the content of which shall be consistent with this agreement, substantially the same as the sample *Certificates* attached to the Settlement Agreement as Exhibit "A" and Exhibit "B" but mutually agreed upon by the Administrative Steering Committee or failing such agreement as approved by the *Court*.

4. "Certificate Program Administrator" shall refer to that person chosen by the Plaintiffs' Class Counsel whose responsibility shall include maintenance of a post office box (mail drop) to receive reports of violation or non-compliance of the final judgment and to report same to the Plaintiffs' Class Counsel and/or directly to the Court. A replacement or successor to the Certificate Program Administrator may be chosen at any time by Plaintiffs' Class Counsel.

5. "Claims Administrator" shall refer to Edward J. Radetich, Jr., of the accounting firm of Heffler, Radetich & Saitta, L.L.P., Certified Public Accountants, 1515 Market Street, Suite 800, Philadelphia, PA 19102, or any other person or successor mutually agreed upon by the parties and approved by the Court.

6. "Class Member" means each member of the Plaintiff Settlement Class who does not timely elect to be excluded from the Class.

7. "Court" shall refer to one or both the United States District Court for the Western District of Louisiana, Shreveport Division and/or Civil District Court, Parish of Orleans, State of Louisiana.

8. "Dealer" (or "Dealers") means a person or persons selling or leasing new or new and used motor vehicles to consumers, including each of its divisions, parents, subsidiaries and affiliates.

9. "Defendant Class" means that Defendant Class as certified by the United States District Court, Western District of Louisiana, in this proceeding.

10. "Delivery" is defined as the date on which the customer takes physical possession of the vehicle.

11. "*Family Member*" means an individual related by affinity or consanguinity within the third degree as determined by the common law, or individual in a step or adoptive relationship within such third degree.

12. "*Final Sale*" shall refer to the date on which a sale or lease is complete and fully funded, meaning that the *dealer* has received from the customer and, if applicable, the financial institution lending money in connection with the purchase of the vehicle, all sums it is due in the transaction. Notwithstanding the foregoing, the *Final Sale* shall be deemed to have taken place no later than thirty (30) days after *delivery* of the vehicle.

13. "*Fleet Sale*" (or "*Fleet Sales*") shall mean those sales transactions of ten or more vehicles from any single LADA *Motor Vehicle Dealership* during the period of time from January 1, 1988 to the effective date of this settlement.

14. "*LADA*" means the Louisiana Automobile Dealers Association, including each of its divisions, parents, subsidiaries, affiliates, and any successor, and any *person* acting on behalf of any of them, including the Louisiana Automobile Dealers Election Action Committee ("LADEAC") and the *LADA's* officers and directors who served during the *relevant time period* and its Executive Vice President.

15. "*Motor Vehicle Dealership*" (or "*Motor Vehicle Dealerships*") means and refers to all *persons*, whether corporations, partnerships, sole proprietorships, or other, that engaged in the retail sale or lease of new or new and used motor vehicles in the State of Louisiana on or after January 1, 1988 and were members of *LADA* during the same period.

16. "*Objectionable Method of Identification*" shall mean that method of identification of *ad valorem tax* to purchasers or lessees of new or used vehicles complained

of by the Plaintiffs wherein members of the *Defendant Class* or other *Motor Vehicle Dealerships* identified *ad valorem tax* on buyer's orders, purchase agreements, lease agreements, invoices, worksheets or similar documents by listing *ad valorem* or an *ad valorem tax* estimate in the addition column of said buyer's order, purchase agreement, invoice, worksheet or similar document.

17. "Person" (or "Persons") means any individual(s) or natural person, corporation, firm, company, sole proprietorship, partnership, joint venture, association, institute or other business or legal entity (excluding governmental entity), and any employee or agent thereof.

18. "Plaintiff" (or "Plaintiffs") shall refer to Billy Cook, Barry Kuperman, Alfred Ghoram, Eva Faye Agnelly, Lacey P. Wallace, Michael J. Thompson, Catherine Thompson, as Plaintiff Class Representatives, individually, and on behalf of all other members of the Plaintiff Class and proposed *Plaintiff Settlement Class* who purchased or leased a new or used motor vehicle from one or more *motor vehicle dealership* on or after January 1, 1988 to the effective date of this settlement, wherein that *motor vehicle dealership* used the *objectionable method of identification* of *ad valorem tax* on a buyer's order, purchase agreement, lease agreement, worksheet, invoice or other similar documentation.

19. "Plaintiffs' Class Counsel" shall refer to:

Keith M. Welch, Esq.
Simon, Fitzgerald, Cooke,
Reed & Welch
4700 Line Ave., Ste. 200
Shreveport, LA 71106

J. Patrick Hennessy, Esq.
Peters, Ward, Bright, &
Hennessy
Post Office Box 91
Shreveport, LA 71161-0091

Robert D. Hoffman, Jr., Esq. or
Bernard H. Ticer, Esq.
Burke & Mayer
Energy Center, 20th Floor
1109 Poydras St.
New Orleans, LA 70163

David E. Kavanagh, Esq.
Weeks, Kavanagh & Rendeiro
810 Union St., 2nd Floor
New Orleans, LA 70112

Paul E. Mayeaux, Esq.
2800 Veterans Blvd., Ste. 180
Metairie, LA 70002

George F. Riess, Esq.
938 Lafayette St., Ste. 100
New Orleans, LA 70113-1067

20. "*Plaintiff Settlement Class*" means all *persons*, whether corporation, partnership, individual or other who purchased or leased one or more new and/or used motor vehicles on or after January 1, 1988 from a *Motor Vehicle Dealership* that was or is a member of the *LADA* with a buyer's order, purchase agreement, lease agreement, worksheet, invoice or similar document showing a fee or charge identified as an "*ad valorem tax*," "*ad valorem (inventory) tax*," or similarly styled add-on charge by the "*objectionable method of identification*". The *Settlement Class* includes those *persons* in the plaintiffs' class as certified by the United States District Court, Western District of Louisiana, but adds to such certified plaintiffs' class all of those who purchased or leased a used vehicle from a *Motor Vehicle Dealership* as defined above. Specifically excluded from the *Settlement Class* are any government entities.

21. "*Potential Settling Defendant Group*" shall mean all of the *Motor Vehicle Dealerships* who are or were members of the Louisiana Automobile Dealers Association on or after March 11, 1996, who are *dealers* as of the date of this settlement, and who at any time after January 1, 1988 have shown on the buyer's order, purchase agreement, lease agreement, worksheet, invoice, or similar document, a fee or charge identified to the

customer as "ad valorem tax", "ad valorem (inventory) tax", or similarly styled charge by the objectionable method of identification.

22. "Predecessor Dealership" (or "Predecessor Dealerships") is a person(s) as defined herein which is not included in the *Potential Settling Defendant Group* and is not currently engaged in the sale and/or lease of new or new and used motor vehicles in the State of Louisiana, but who on or before the date of this Settlement Agreement transferred its new motor vehicle dealer franchise and/or the majority of its assets to a *Settling Defendant*.

23. "Principal Owner" shall mean the majority owner of the *Settling Defendant* and shall refer to the individual who owns the majority interest of the stock of a corporate *Settling Defendant*, majority partnership interest of a partnership *Settling Defendant*, or a majority membership interest of a limited liability company *Settling Defendant*, or in the case of a sole proprietorship shall refer to the sole proprietor. *Principal Owner* shall also mean any combination of individuals who control the majority of the ownership interests of a *Settling Defendant* if no single individual has a majority of ownership interest.

24. "Relevant Time Period" is defined as January 1, 1988 to the effective date of the settlement.

25. "Settling Defendant" (or "Settling Defendants") shall mean those members of the *Potential Settling Defendant Group* who have signed on as signatory parties to this settlement.

26. "Sublet" is defined as the contracting of repair, service or other work related to service to another vendor of services not owned or controlled in whole or in part by the *Motor Vehicle Dealership* providing the service to the customer, nor owned or controlled in whole or in part by a *family member* of the *Motor Vehicle Dealership* providing the service to the customer. Notwithstanding the foregoing, charges that would otherwise be *sublet* within the meaning of this Settlement Agreement shall not be deemed to be *sublet* if the *Motor Vehicle Dealership* marks up or otherwise increases the charge to the customer.

27. "Successor" means a successor *motor vehicle dealership* that now holds the franchise previously held by the out of business *motor vehicle dealership* and has joined as a signatory party to this Settlement Agreement and is a *Settling Defendant*.

B. TERMS AND CONDITIONS:

1. Counsel for the *LADA* and the *Plaintiffs* shall use their best efforts to effectuate this Agreement, including cooperating in promptly seeking the *Court's* approval for the establishment of procedures (including giving class notice) to accomplish this purpose.

2. On or before May 23, 1997, *Plaintiffs' Class Counsel* and the *LADA* shall submit to the *Court* a joint motion (the "Motion") for preliminary approval of the settlement and the final judgment contemplated by this Settlement Agreement and requesting authorization to send the Notice of the settlement (including a list of *Settling Defendants*) and Claim Form to all potential *Class Members* as soon as possible after *Court* approval of the notice and claim form but not later than forty-five (45) days after June 25,

1997 (or ten (10) days following preliminary approval of the settlement, whichever is later). The parties will request that a decision be made promptly based on the pleadings filed with the Court without the necessity of a hearing.

3. In the event that the Court preliminarily approves the settlement and upon certification to the Court that the minimum percentage of participation of the potential settling group has been reached, plaintiffs shall, as soon thereafter as is reasonably possible, provide Plaintiff Settlement Class members who have been identified on the most accurate list reasonably available (See "Proof of Claim Process" - Section F), with notice of the settlement and a claim form(s) by first class mail. Plaintiffs and Settling Defendants shall take all necessary and appropriate steps to insure that the single mailed notice and the publication notice are provided as soon as possible. The Settlement Notice, Claim Form, and instructions for requesting additional claim forms, and information regarding the toll free number shall be published in those newspapers in Louisiana, including the regional publication of USA Today as reflected by the attached Publication List (Exhibit C).

4. Notwithstanding anything to the contrary herein, if the Settling Defendants comprise less than fifty percent (50%) as determined by the ratio set forth in section D, paragraph 4, either or both the Plaintiffs and/or the Defendants shall have the option to withdraw from the Settlement Agreement and proceed as if no settlement had been reached.

C. RECEIPT AND RELEASE

1. In consideration for the terms and conditions of the settlement as hereinafter delineated, Plaintiffs, individually and as representatives of the Plaintiff Class

herein, release, acquit, and forever discharge *LADA* and the *Settling Defendants* from any and all claims, demands, causes of action, whether class or individual in nature, that the *Plaintiff Class members* or each of them have now or has ever had in any way arising out of or resulting from the identification of actual or estimated *ad valorem tax* to the *Plaintiff Settlement Class* or any *Plaintiff* on invoices, buyer's orders, purchase agreements, lease agreements, worksheets, or similar documents in connection with the purchase or lease of a new or used vehicle in the *relevant time period*. All officers, directors, shareholders, employees, agents and representatives of a *Settling Defendant* shall also be released provided all *Motor Vehicle Dealerships* in which the officer, director, shareholder, employee, agent or representative has an interest in, have also joined as *Settling Defendants*. Notwithstanding anything to the contrary herein, no present or past officer or director of the *LADA* shall be released from liability unless all *Motor Vehicle Dealerships* in which the officer, director, shareholder, employee, agent or representative has an interest in, also joins as a *Settling Defendant*. All of those *persons* obtaining the release described herein shall also be released from all claims asserted in the two pending legal proceedings (*Billy Cook, et al v. Powell Buick, Inc., et al*, CV No. 94-1730, United States District Court, Western District of Louisiana, and *Ghoram, et al v. Louisiana Automobile Dealers Association, Inc., et al*, Case No. 94-11136, Civil District Court for the Parish of Orleans, State of Louisiana).

2. *Plaintiffs*, individually and as representatives of the *Plaintiff Class* herein release, acquit, and forever discharge all former *dealers* (and its officers, directors, shareholders, employees, agents and representatives) in existence prior to the effective date of this settlement, but after January 1, 1988, who were members of *LADA* and who have shown on the buyer's order, purchase agreement, lease agreement, worksheet, invoice or

similar document a fee or charge identified to the customer as "*ad valorem tax*", "*ad valorem (inventory) tax*", or similarly styled add-on charge by the *objectionable method of identification* provided such former dealer: (1) sold its *Motor Vehicle Dealership* to a *family member* and the *motor vehicle dealership* owned by such *family member* is a *Settling Defendant*; or (2) sold its *Motor Vehicle Dealership*, but that sale included a provision that the purchaser would hold harmless or indemnify the seller in the transaction and the purchaser *motor vehicle dealership* is a *Settling Defendant*; or (3) sold one or more of its *Motor Vehicle Dealerships*, but still owned an interest in another *Motor Vehicle Dealership* in business on or after March 11, 1996 who is a *Settling Defendant*. In order for the former *dealer* described in this paragraph to obtain the release, either the former *dealer* or its *successor* must pay its pro rata portion of the Six Million Five Hundred Thousand (\$6,500,000) Dollars as determined by the provisions of section D, paragraph 4.

3. A *Predecessor Dealership* may join in this settlement by signing this Settlement Agreement, accepting its terms and conditions on or before July 2, 1997, and shall obtain the release described above conditioned on (a) payment of twelve and one-half percent (12.5%) of the amount of *ad valorem tax* identified to consumers during the period January 1, 1988 through the date motor vehicles were last sold or leased by it; and (b) the *successor motor vehicle dealership* to that *predecessor dealership* has joined as a *Settling Defendant*. All officers, directors, shareholders, employees, agents and representatives of such *predecessor dealership* shall also be released upon release of the *predecessor dealership* provided all *motor vehicle dealerships* in which the officer, director, shareholder, employee, agent or representative has an interest in have joined as *Settling Defendants*.

For purposes of calculation of the twelve and one-half (12 1/2%) percent of the amount of *ad valorem tax*, data reflecting the *ad valorem tax* remitted on all movable property of such *predecessor dealership* during that portion of the *relevant time period* wherein the *objectionable method of identification* was used by such *predecessor dealership*, shall be used and presumed to accurately reflect the amount of *ad valorem tax* identified to consumers during the period January 1, 1988 through the date motor vehicles were last sold or leased by it. If either *Plaintiffs* or the *predecessor dealership* disputes this method of calculation, the objecting party may, at its own expense, retain a certified public accounting firm to determine the actual amount of *ad valorem tax* identified to consumers during the same term. The results of such audit shall be subject to review by the *Court* at the request of either party. Any dispute as to the amount due shall not delay the date payments are made; however, to the extent that the amount calculated changes as a result of an audit and/or *Court* review, the amount of subsequent payments shall be adjusted accordingly.

Subject to the following, fifty (50%) percent of the payment required by the *Predecessor Dealership* to the Settlement Fund shall be placed into an approved escrow account upon the signing of the Settlement Agreement by the *Predecessor Dealership*. The fifty (50%) percent placed in the escrow account, plus any interest accrued thereon, and the remaining fifty (50%) percent shall then be paid to the cash portion of the Settlement Fund (Common Fund) within ten (10) days after final approval of the settlement. Alternatively, the amounts due by the *predecessor dealership* may be paid in six (6) equal semi-annual installments beginning July 2, 1997 (or ten (10) days following the preliminary approval of the settlement, whichever is later), and continuing until paid in full. If such *predecessor*

dealership chooses to pay the amount due in the six (6) semi-annual installments, interest shall accrue and be paid thereon at the rate of six (6%) percent interest per annum on the unpaid balance beginning July 2, 1997 until paid in full and such *predecessor dealership* shall at its option provide either (1) an irrevocable bank letter of credit in the amount of the financed portion to secure payment of the obligation or (2) the interest rate shall increase from six (6%) percent to ten (10%) percent and the *principal owner* of the *predecessor dealership* shall sign a personal guaranty agreement to guarantee the *predecessor dealership's* payment and the penalty thereon.

4. Any former motor vehicle dealer who is not currently engaged in the sale or lease of new or new and used vehicles, does not fall within the three exceptions set forth in paragraph C(2) above, and is not a *predecessor dealership* may join in this settlement by signing this Settlement Agreement, accepting its terms and conditions on or before July 2, 1997, and shall obtain the release described above conditioned on payment of twenty-five percent (25%) of the amount of *ad valorem tax* identified to consumers during the period January 1, 1988 through the date motor vehicles were last sold or leased by it. All officers, directors, shareholders, employees, agents and representatives of such former *dealer* shall also be released upon release of the former *dealer* provided all *motor vehicle dealerships* in which the officer, director, shareholder, employee, agent or representative has an interest in have joined as *Settling Defendants*.

For purposes of calculation of the twenty-five (25%) percent of the amount of *ad valorem tax*, data reflecting the *ad valorem tax* remitted on all movable property of such former *dealer* during that portion of the *relevant time period* wherein the *objectionable*

method of identification was used by such former *dealer*, shall be used and presumed to accurately reflect the amount of *ad valorem tax* identified to consumers during the period January 1, 1988 through the date motor vehicles were last sold or leased by it. If either *Plaintiffs* or a former *dealer* disputes this method of calculation, the objecting party may, at its own expense, retain a certified public accounting firm to determine the actual amount of *ad valorem tax* identified to consumers during the same term. The results of such audit shall be subject to review by the *Court* at the request of either party. Any dispute as to the amount due shall not delay the date payments are made; however, to the extent that the amount calculated changes as a result of an audit and/or *Court* review, the amount of subsequent payments shall be adjusted accordingly.

Subject to the following, fifty (50%) percent of the payment required by such former *dealer* to the Settlement Fund shall be placed into an approved escrow account upon the signing of the Settlement Agreement by such former *dealer*. The fifty (50%) percent placed in the escrow account, plus any interest accrued thereon, and the remaining fifty (50%) percent shall then be paid to The Settlement Fund (Common Fund) within ten (10) days after final approval of the settlement. Alternatively, the amounts due by such former *dealer* may be paid in six (6) equal semi-annual installments beginning July 2, 1997 (or ten (10) days following the preliminary approval of the settlement, whichever is later), and continuing until paid in full. If such former *dealer* chooses to pay the amount due in the six (6) semi-annual installments, interest shall accrue and be paid thereon at the rate of six (6%) percent interest per annum on the unpaid balance beginning July 2, 1997 until paid in full and such former *dealer* shall at its option provide either (1) an irrevocable bank letter of credit in the amount of the financed portion to secure payment of the obligation or (2)

the interest rate shall increase from six (6%) percent to ten (10%) percent and the *principal owner* of such former *dealer* shall sign a personal guaranty agreement to guarantee such former *dealer's* payment and the penalty thereon.

5. The determination of whether any *motor vehicle dealership* or any former *dealer* fits within the definitions or classifications set forth in the above paragraphs shall be made by agreement between the parties. Failing such agreement, the *Court* shall determine if the *motor vehicle dealership* or former *dealer* is entitled to the relief set forth in the above paragraphs.

D. THE SETTLEMENT FUND (COMMON FUND)

The Settlement Fund shall consist of the Cash Rebate Certificates (Optional Cash Service Certificates) and all rights associated therewith, and shall also consist of all cash paid and to be paid and interest accrued thereon. It is contemplated by the parties that all of the cash paid and to be paid and the interest accrued thereon will be used to pay the attorneys' fees and attorneys' expenses as set forth herein.

1. Certificate Portion of Settlement:

(a) All members of the *Plaintiff Settlement Class* who timely file a claim, and to the extent such claim is not subsequently disallowed, shall receive a *Certificate* for each motor vehicle purchased or leased by the *Plaintiff Settlement Class* member from a *Motor Vehicle Dealership*. The amount of the *Certificate*, and the terms and conditions thereof, shall be as set forth herein. The face value (except as set forth herein) of each *Certificate* available in connection with the sale or lease shall be paid in cash or check within seven (7) days of the later of presentation and surrender of the *Certificate* or *final sale*. The *Certificate*

must be presented and surrendered within seven (7) days of the *delivery* date of a new or used motor vehicle from a *Settling Defendant*. As an alternative to direct presentation of the *Certificate* within the time allowed, the holder of the *Certificate* may within seven (7) days of the *delivery* of the vehicle, mail the *Certificate* or *Certificates* to the selling or leasing dealer. The postmark date shall be the effective date. Upon the surrender of a *Certificate*, the dealer selling or leasing the vehicle shall return a copy of the *Certificate* on which copy the dealer will acknowledge receipt of the *Certificate*. Upon surrender and payment of the *Certificate*, the *Certificate* shall be cancelled as set forth below.

(b) Each *Certificate* shall have an alternative value for service or service and parts if the *Certificate* is used as the Optional Cash Service Certificate. If used for service or service and parts (including body shop work at the *Settling Defendant* dealership), the *Certificate* shall be accepted for the service value in the same manner as cash subject to the following. Only one (1) *Certificate* may be used for each service transaction. The claimant may use the *Certificate* for payment of one-fourth (25%) of the repair order amount (excluding *sublet* items) not to exceed the service value of the *Certificate*. *Certificates* used for service or service and parts' repair orders must be used at the time of the payment of the repair order. *Certificates* reflecting a service value of One Hundred Dollars (\$100.00) or more will be further subdivided on the face of the *Certificate*. *Certificates* having a service value of \$100.00 or more will be divided into four (4) equal (or as close as is reasonably possible) incremental portions using increments of multiples of \$5.00. For example, if a service *Certificate* is issued in the total sum of \$120.00, the service portion of the *Certificate* will be subdivided in four portions of \$30.00 each. If a service *Certificate* is issued in the

total sum of \$100.00, the service portion of the *Certificate* will be subdivided in four portions of \$25.00 each. If a service *Certificate* is issued in the sum of \$310.00, the service portion of the *Certificate* will be subdivided in four portions of \$80.00, \$80.00, \$80.00 and \$70.00. Once a *Certificate* is used for service, it cannot thereafter be used for the purchase or lease of a new or used vehicle. The *Certificate* holder will not be entitled to receive change or refund for the unused portion of the incremental portion of the service *Certificate*. The holder of a *Certificate* may use any one or more of the incremental portions of the *Certificate* for any single repair order subject to the restrictions set forth herein.

(c) For purposes of determining the amount to be used as the Optional Cash Service *Certificate*, the entire repair order bill, including all sales tax, shall be included; however, *sublet* items shall not be included.

(d) The holder of a *Certificate* may sell or transfer the *Certificate* to anyone by completing a sale or transfer section to be included on the *Certificate*. One or more *Certificates* issued directly in the name of the claimant up to a maximum of Five Hundred Dollars (\$500.00) of *Certificates* may be used in connection with a single sale or lease transaction. If a *Certificate* is acquired from another *person*, only one *Certificate* may be used in connection with a single sale or lease transaction up to one-percent (1%) of the purchase or lease price of the vehicle, or \$500.00, whichever is less. The claimant may not use a *Certificate(s)* acquired from another *person* with a *Certificate* issued directly to the claimant in a single sale or lease transaction.

(e) The minimum face value of any Cash Rebate *Certificate* shall be thirty dollars (\$30.00) for the purchase or lease of a new or used vehicle. The minimum Optional

Cash Service value shall be twenty dollars (\$20.00). The maximum face value of any Cash Rebate Certificate shall be five hundred dollars (\$500.00), and the maximum Optional Cash Service value shall be four hundred dollars (\$400.00).

(f) The amount of the *Certificate*, for purposes of a purchase or lease of a new or used vehicle, shall be three (3) times the estimated amount of the *ad valorem tax* previously identified at the time of sale or lease to the claimant. After multiplying times three, the amount will be rounded to the nearest \$10.00, subject to the minimum and maximum amount of the *Certificate* as set forth above. The amount of the optional service component of the *Certificate* will be two (2) times the estimated amount of the *ad valorem tax* previously identified at the time of sale or lease to the claimant by the claimant rounded as set forth above, subject to the minimum and maximum *Certificate* amounts as set forth above. *Plaintiffs, LADA, and Settling Defendants* will develop a procedure to be used by the *Claims Administrator* for determining the amount of the estimated *ad valorem tax* previously identified at the time of sale or lease to the claimant. The amount of *ad valorem tax* will be determined by a matrix based on information on the estimated price of the make, model and year of the vehicle (using NADA data) and the year of purchase multiplied by the individual *dealer's* computation factor (determined by either the actual records of the sheriff or *dealer* or estimated from other records or by other means). The *LADA* and the *Settling Defendants* will provide the NADA price data and computation factor data to the *Plaintiffs* for the drafting of the matrix. *Plaintiffs* will assist in this effort including some verification of the data. The matrix will be approved by both *Plaintiffs' Class Counsel* and the *Settling Defendants*, or failing such approval, approved by the Court, and will either be filed with the Court or will be made available for review by any interested parties.

(g) The *Certificates* shall be valid for a term of five (5) years beginning on the date of issuance. *Certificates* presented or mailed to the *dealer* within seven (7) days of delivery of the vehicle will be paid as set forth herein.

(h) Each *Certificate* shall reflect on its face a notice that the holder of a *Certificate* should not present the *Certificate* until after completion of the sale, and that the *Settling Defendant Dealer* may not seek to determine if the claimant holds a *Certificate* or intends to use a *Certificate* in connection with a sale or lease.

(i) Each *dealer* may use equipment to scan the *Certificate* for cancellation to avoid counterfeit *Certificates*. Upon payment of the *Certificate*, the *dealer* may destroy the *Certificate* or may mark as cancelled and retain with the deal file.

(j) The *Certificate* is presentable to and will be accepted by any *Settling Defendant* regardless of whether the *person* presenting the *Certificate* purchased or leased a vehicle from that *Settling Defendant*.

(k) *Certificates* will be issued in the name of the *person* who adequately completes and timely submits a claim form and whose claim has not been disallowed by the *Court*.

(l) *Certificates* may be used and/or combined with any and all discounts, coupons, incentives or rebates offered by the *Settling Defendant* and/or the manufacturer.

2. Cash Portion of Common Fund Settlement:

The parties contemplate that all of the cash portion of the common fund will be used to pay attorneys' fees and attorneys' expenses for the *Plaintiffs' Class Counsel*.

(a) The sum of Six Million Five Hundred Thousand Dollars (\$6,500,000) shall be paid by *LADA* and the *Settling Defendants* into a common fund provided all *Motor Vehicle Dealerships* who are in the *Potential Settling Defendant Group* join as *Settling Defendants*. If less than one hundred (100%) percent participate as *Settling Defendants*, the amount shall be reduced pro rata based on the ratio set forth in paragraph 4 below.

(b) The portion of the Six Million Five Hundred Thousand Dollars (\$6,500,000) that each *Settling Defendant* will owe will be calculated based on the formula described herein. Each *Settling Defendant* will have the option of paying its entire portion of the Six Million Five Hundred Thousand Dollars (\$6,500,000) by placing fifty (50%) percent of said amount into a *Court* approved escrow account on or before June 25, 1997 (or ten (10) days following preliminary approval of the settlement, whichever is later) and by paying the remaining fifty (50%) percent plus the amount in escrow (including interest thereon) on or before ten (10) days following final approval. Alternatively, the amount due by the *Settling Defendant*, plus six (6%) percent interest per annum on the unpaid balance beginning June 25, 1997, shall be paid in six (6) equal semi-annual installments beginning June 25, 1997 (or ten (10) days following preliminary approval of the settlement, whichever is later), and continuing until paid in full. The first semi-annual payment shall be deposited into the *Court* approved escrow account pending approval of the settlement. To the extent that the cash portion of the settlement is paid over time, such *Settling Defendant* shall provide either (1) an irrevocable bank letter of credit in the amount of the financed portion to secure payment of the obligation or (2) the interest rate shall increase from six (6%) percent to ten (10%) percent and the *Principal Owner* of the *Settling Defendant* shall sign

a personal guaranty agreement to guarantee the *Settling Defendants's* payment of the cash portion of the settlement and the penalty thereon.

(c) In addition to the Six Million Five Hundred Thousand Dollars (\$6,500,000) to be paid by *Settling Defendants* set forth above, all sums received from *Predecessor Dealerships* and from former motor vehicle dealers that join in this settlement as set forth in Section C, paragraph 3 and paragraph 4, respectively, shall be used to pay attorneys' fees, subject to approval of the Court.

(d) *LADA* and *Settling Defendants* waive any rights they may have to object to the *Plaintiffs' Class Counsel* fee application and consent that all of such sum paid shall be used to compensate *Plaintiffs' Class Counsel*. The cash portion of the settlement fund paid over time shall be paid directly to *Plaintiffs' Class Counsel* when due after approval of the fee application.

(e) In addition to the above, the *Settling Defendants* shall pay the out-of-pocket expenses incurred by the *Plaintiffs' Class Counsel* prior to final approval of this settlement in an amount not in excess of Three Hundred Thousand Dollars (\$300,000.00). This sum is not reduced or dependent upon the percentage of participation by *dealers* in this settlement. The expenses and costs incurred by the *Plaintiffs' Class Counsel* shall be subject to verification by the *Settling Defendants*. Expenses and costs to be reimbursed, include but are not limited to, travel expenses, meals and lodging expense, expert witness fees, consulting fees, deposition costs, etc. This sum shall be paid without delay within ten (10) days following final approval of this settlement.

(f) Also in addition to the above, the *Settling Defendants* shall pay all of *Plaintiffs'* costs and expenses up to the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) in connection with the fairness hearing, including all expert witness fees and other costs and expenses associated with obtaining approval of the final settlement and costs and expenses associated with claims review and matrix drafting or verification process. This sum is not reduced or dependent upon the percentage of participation by *dealers* in this settlement. Up to a total of \$15,000.00 of this sum may be used upon approval of the *Court* to pay bonuses and/or expenses of the named Plaintiff representatives.

3. Any interest earned on the cash portion of the Settlement Fund shall become part of the Settlement Fund. The Settlement Fund shall be distributed with any interest accrued thereon as provided by this agreement and as authorized by the *Court*.

4. The relative weight of each *Settling Defendant's* vote for approval of settlement and for contribution to the cash portion of the settlement (less administrative costs, expenses, and settlement costs as defined *supra*) will be calculated based upon the ratio of the *ad valorem tax* identified by the *objectionable method of identification* in the *Relevant Time Period* by that *Settling Defendant* to the total *ad valorem tax* identified by the *objectionable method of identification* by all members of the *Potential Settling Defendant Group*. This percentage or fraction will then be multiplied by Six Million Five Hundred Thousand (\$6,500,000) Dollars to obtain the amount of contribution of each *Settling Defendant*. Data as to the amount of *ad valorem tax* remitted to each sheriff and/or appropriate tax collecting entity will be substituted for the amounts of *ad valorem tax* identified by the *objectionable method of identification* as provided in paragraph 5, *infra*. If

a particular company or individual owns or did own several dealerships, the amount of *ad valorem tax* remitted to the sheriff will be cumulated for the total percentage of that group. If a *Settling Defendant* was not in business prior to any given year, then the ratio of his percentage will generally be smaller to the whole than a *Settling Defendant* who was in business the entire *relevant time period*.

Under those circumstances in which a former *dealer* is entitled to obtain a release as set forth in section C "Receipt and Release", paragraph 2 (i.e. *family member sales, hold harmless/indemnification sales, and sales from one Settling Defendant to another Settling Defendant*), the amount of *ad valorem tax* remitted by the former *dealer* shall be added to the numerator used by the *Settling Defendant* seeking the release for the former *dealer* and to the denominator of the above-described ratio.

The method of contribution by *Settling Defendants* to the administrative cost portion of the cash portion of the settlement will be calculated differently. Dealers will contribute a one-time up-front payment of varying amounts based upon the size of the dealership. Four levels of contribution will be utilized. The levels are as follows: A -- the 56 smallest dealers will contribute \$4,000; B -- the next 109 dealers will contribute \$7,000; C -- the next 83 dealers will contribute \$9,000; and D -- the largest 82 dealers will contribute \$15,000. Any additional contributions that may be needed either because of increased cost or diminished participation by members of the Defendants' Class in the settlement shall be allocated by a like percentage to each level of contribution. For example, if it is found that 10% more administrative costs are needed to be paid, then 10% will be added to each level of contribution.

5. Data as to the amount of *ad valorem tax* remitted to each sheriff and/or appropriate tax collecting entity by the *Potential Settling Defendant Group* will be used for purposes of calculating the denominator of the ratio (meaning the actual *ad valorem tax* remitted by all *Potential Settling Defendant Group* in the relevant time period), and numerator of the ratio (meaning the *ad valorem tax* remitted by each *Settling Defendant* in the *relevant time period*), described herein. Use of the sheriff's records obviates the need for *dealers* to search their records dating back to 1988. It also obviates the need for the use of estimates by the *dealers* in the instance where records are no longer maintained. In the event that any *Settling Defendant* objects to the ratio assigned to him through this method, the *dealer* may provide to the *LADA* verification that the amount of tax he remitted on new or used vehicle sales is less than shown by the sheriff or tax collecting entity's figures. If a *dealer* wishes to contest the ratio assigned to it, through this method, it may provide to the *LADA* verification at the *dealer's* expense that the amount of tax it identified by the objectionable method of identification during the entire *relevant time period* is less than the amount of tax it remitted on new and used vehicle sales during the *relevant time period*. If the *dealer* wishes to contest the ratio assigned, then that *dealer* may be subject to an audit by a certified public accountant firm who will be retained by the *LADA* and the *Settling Defendants* and who will have the right to examine the *dealer's* records throughout the *relevant time period*. If it is determined that the *Settling Defendants'* figures are more accurate than the sheriff's records, then both the numerator for the *Settling Defendant* and denominator of the ratio for all *Settling Defendants* will be adjusted accordingly. Notwithstanding the foregoing, any adjustment to the calculation of the amount due by any

one or more *Settling Defendants* shall not affect the total due by all *Settling Defendants*. The ultimate determination of any individual *Settling Defendant's* percentage will be made by the *LADA* as class representative of the *Defendant Class* after completion of any audits required. On or before October 1, 1997, the *LADA* shall file with the *Court* a list of each *Settling Defendant's* respective percentage responsibility of the total. Any dispute as to the amount due by any *Settling Defendant* shall not delay the initial payment due; however, to the extent that the amount due changes, the amount of subsequent payments shall be adjusted accordingly.

E. ADMINISTRATION, ADMINISTRATIVE COSTS, AND SETTLEMENT COSTS

(a) *Settling Defendants* shall be responsible for and pay all sums necessary to defray all expenses and all administrative costs incurred in implementing the terms of the settlement, including specifically, but not limited to, the cost of notice, issuance and distribution of the *Certificates*, and all other administrative expenses reasonably incurred. Expert witness fees and the expenses associated with obtaining approval of this settlement, such other fees and expenses for expert witnesses as deemed necessary by *Plaintiffs' Class Counsel*, and expenses incurred associated with the claims review and matrix drafting or verification process shall be immediately reimbursed to *Plaintiffs' Class Counsel* upon receipt of the statement or expense verification, up to the sum of One Hundred Fifty Thousand Dollars (\$150,000.00). The actual expenditure of such funds may be verified by the *Settling Defendants*.

(b) *Plaintiffs* and *Settling Defendants* shall jointly supervise the claims procedure and distribution of the *Certificates*, subject to the *Court's* approval. The *Plaintiffs*

and the *Settling Defendants* will each designate not more than six (6) individuals to sit together as an Administrative Steering Committee. *Plaintiffs* and *Settling Defendants* will from time-to-time further designate one individual each from the Administrative Steering Committee to serve as a Joint Supervisor. The two Joint Supervisors will be the primary contacts with the *Claims Administrator* and work with the *Claims Administrator* to resolve all issues concerning claims administration, in consultation as necessary with the Administrative Steering Committee. Each side will make all good faith efforts to resolve issues reasonably and in a cost efficient fashion. Any issues not resolved will be brought to the *Court* for resolution.

(c) On or before June 25, 1997 (or ten (10) days following preliminary approval of the settlement, whichever is later), *Plaintiffs* and *Settling Defendants* shall establish an escrow account (*Plaintiffs' Class Counsel Expense Account*), approved by the *Court*, into which the Three Hundred Thousand Dollars (\$300,000.00) to be used to reimburse the *Plaintiffs Class Counsels'* expenses and costs, along with the One Hundred Fifty Thousand Dollars (\$150,000.00) to reimburse *Plaintiffs' Class Counsel* for the expenses and costs in connection with the fairness hearing and expenses and costs incurred by *Plaintiffs' Class Counsel* in reviewing, verifying, and/or obtaining information related to the claims process and the matrix verification or drafting process shall be deposited. Within ten (10) days following the final approval of the settlement, the \$300,000.00 portion of this account shall be paid from this escrow account to the *Plaintiffs' Class Counsel*. The \$150,000.00 portion of this account will be used from time-to-time to reimburse the expenses and costs of *Plaintiffs' Class Counsel* in connection with the fairness hearing claims

Plaintiff Settlement Class. Claim forms shall accompany the Settlement Notice. Publication Notice shall further notify prospective claimants of the method by which they may receive a claim form by mail. Additionally, a toll free telephone number shall be available for the purpose of requesting claim forms.

Proof of Claim Process: *Plaintiffs, LADA and the Settling Defendants* agree to provide notice of the settlement and claim form by direct mail using the most accurate list reasonably available.

Within ten (10) days after mailing of the settlement notice and claim forms, a notice shall be published in those publications listed on the attached Exhibit C except to the extent supplemented or amended by the *Court*. The settlement notice published shall be as approved by the *Court*, and shall contain specific instructions to request a claim form. The publication notice shall also provide an alternative toll free number for the purpose of requesting claim forms. This national toll free number will operate 24 hours a day and will use a computerized operator system providing adequate capacity to handle requests for claim forms from the estimated three million prospective claimants. This toll free number will remain in operation for 70 days following the date of the last publication notice.

The claim form will include the following information:

- a. name vehicle registered in;
- b. VIN number (if known);
- c. social security number or tax identification number of claimant;
- d. current address of claimant and address at time of purchase or lease;
- e. make, model, and year of vehicle;

- f. approximate date of purchase or lease (year of purchase or lease must be included);
- g. name of *dealer*;
- h. Parish where dealership is located;
- i. unsworn declaration under penalty of perjury stating substantially the following:

"I declare, under penalty of perjury under the laws of the United States of America, that the foregoing is true and correct.

Date: _____
(Name of Claimant)

Additionally, the form shall provide a place where the claimant is asked to check if he purchased a new or used vehicle or acquired a vehicle through a fleet or wholesale transaction. If fleet or wholesale is checked, the *Claims Administrator* will use additional scrutiny of the claim form to reasonably ensure that *ad valorem tax* was in fact identified in connection with the transaction.

The claim form will require verification of the purchase or lease. The verification of the purchase or lease of a *new* motor vehicle will include either a perjury statement, as set forth above, or one of the following:

- a. bill of sale;
- b. buyer's order;
- c. registration;
- d. title;
- e. insurance card;
- f. finance or lease contract;
- g. other proof acceptable to *Claims Administrator*.

Verification of the purchase or lease of a **used** motor vehicle purchased on or after January 1, 1994 will require either a perjury statement, as set forth above, or any of the following:

- a. bill of sale;
- b. buyer's order;
- c. other proof acceptable to the *Claims Administrator* (e.g. cancelled check, finance or lease contract, etc.)

If the Motor Vehicle Dealer from which a **used** vehicle was purchased or leased on or after January 1, 1994 is out of business as of the date of the Settlement Agreement and, if there are no records available to verify the sale or lease of the used vehicle and further, if the claimant can submit no form of verification other than the perjury statement, the claimant shall receive a thirty dollar (\$30.00) Cash Rebate Certificate (\$20.00 Optional Cash Service Certificate).

Verification of the purchase or lease of a **used** motor vehicle purchased on or after January 1, 1988 through December 31, 1993 must include both a perjury statement, as set forth above, and at least one of the following:

- a. bill of sale;
- b. buyer's order;
- c. other proof acceptable to the *Claims Administrator* (e.g. cancelled check, finance or lease contract, etc.)

Any verification documentation is subject to challenge by the alleged selling *dealer* in the claims administration process. One claim form shall be required for each vehicle purchased or leased; however, multiple claim forms can be mailed by the claimant in one envelope.

Requests for claim forms must be postmarked within seventy (70) days from the date the last notice is published. Completed claims must be postmarked within ninety (90) days from the date of the last notice published.

The *Claims Administrator* shall review and audit claim forms and make recommendations as to the allowance or disallowance of any claim. Timely filed claims will be presumed to be allowed unless and until action is taken to disallow a claim. After completion of the time within which to submit claims, the parties and *Claims Administrator* shall file a motion seeking *Court* approval for administrative determinations and for leave to distribute the *Certificates*. *Settling Defendants* will have a reasonable opportunity to review and verify the claims filed prior to the time of the filing of the motion with the *Court* to distribute the *Certificates* as set forth herein in section H, paragraph 9. Actual distribution of *Certificates* will take place only upon *Court* approval. *Certificates* will be printed and mailed within a reasonable time of the approval to be subsequently agreed or determined by the *Court*.

G. PROHIBITED CONDUCT/CONSENT INJUNCTION

The *LADA* and all *Settling Defendants*, including their officers, agents, employees, subsidiaries, and affiliates, consent to be permanently enjoined and restrained from:

1. Adding any line item on a buyer's order, buyer's invoice, purchase agreement, worksheet, lease contract or similar document designated as "*ad valorem tax*" to the sales or lease price or negotiated price of any motor vehicle sold or leased.

2. Issuing any statement or disclosing or identifying on any sale or lease documents *ad valorem tax*, or an estimate of *ad valorem tax* without plainly, clearly, and conspicuously, disclosing that such *ad valorem tax* is an estimate of the *dealer's ad valorem tax* on the *dealer's* inventory value, and that such tax estimate is not a tax on the consumer nor the responsibility of the consumer.

3. Urging, encouraging, advocating, or suggesting that the *dealer* is authorized to add the *ad valorem tax* and/or that the *ad valorem tax* may be added to the sale or lease price of a motor vehicle pursuant to Louisiana R.S. 47:1961, et seq.

4. Identifying, disclosing, or listing any *ad valorem tax* or *ad valorem tax* estimate in the addition column of a buyer's order, invoice, worksheet, purchase agreement, or similar document shown to, provided to or made available to the purchaser.

H. THE CHRONOLOGY OF THE SETTLEMENT

1. On March 10, 1997, the United States District Court for the Western District of Louisiana executed an Order giving the parties to the litigation 45 days from March 4, 1997, to approve a written settlement agreement. This date was subsequently extended. At the time an agreement is reached, the parties are to submit a written *Certificate* to the *Court* advising the *Court* that a written settlement agreement has been approved. The parties will request that the *Court* allow the *LADA* until June 25, 1997 (or ten (10) days following preliminary approval of the settlement, whichever is later) to meet with the potential *Settling Defendants* to obtain their approval of the settlement, signatures thereon, and initial deposit of funds required. The previous Order of the *Court* provides that the *Settling Defendants* have until June 17, 1997 to opt out of the *Defendant Class*.

2. Assuming that a settlement is perfected (in that 50% or more of the *dealers*, as described herein, approve the settlement), *LADA* will have until July 25, 1997 (or forty (40) days following preliminary approval of the settlement, whichever is later), to collect funds for the administrative costs from the *dealers* based on the pro rata portion, described herein. This amount will be paid into an escrow account administered by the *Claims Administrator* which satisfies the provisions of Internal Revenue Code §468(b). The *Claims Administrator* is not required to wait until June 25, 1997, to begin work if sufficient funds for commencement of the process are gathered quickly enough.

3. Either on June 25, 1997, or at the time the *Claims Administrator* deems that sufficient funds are available to proceed with notice of the settlement, the *Claims Administrator* will use the most accurate list of addresses available, to mail, as described herein, a document which will include a) a claim form or claim forms; and b) the *Court* approved notice of class certification and settlement.

4. Within ten days after the postmarked date of the mailing of the *Court* approved notice and claim form, as described herein, the *Claims Administrator* will publish the *Court* approved notice in the *Court* approved list of newspapers.

5. Those potential claimants who receive a claim form in the mail will have 45 days from publication notice to request an exclusion from the class or object to the settlement, and 90 days from the date of publication notice to return the claim form. The postmarked date shall be the effective date.

6. Those potential claimants who have received notice by publication only will have 45 days from the last publication notice to request an exclusion from the class or

process, and matrix verification or drafting process as such expenses are incurred. Any remaining funds including interest accrued thereon not claimed shall be returned to the *Settling Defendants*.

(d) In addition to the above escrow account, *Plaintiffs and Settling Defendants* shall establish a second escrow account (*Administrative Costs Account*) approved by the *Court* into which the *Settling Defendants* shall deposit the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000) to be used to defray the administrative costs. The deposit shall be made by the Defendants into this escrow account by the later of July 25, 1997 or thirty (30) days after the time within which to establish the escrow account (*Plaintiffs' Class Counsel Expense Account*) as set forth in paragraph (c) above. The account shall be increased as necessary to pay all administrative costs necessary in connection with the issuance of the *Certificates*, and administration of the claim process.

(e) The *Certificate Program Administrator* shall be chosen by the *Plaintiffs' Class Counsel*. The *Certificate Program Administrator* shall have the responsibility of maintaining a post office box (mail drop) to receive reports of violation or non-compliance of the final judgment and to report same to the Joint Supervisors, *Plaintiffs' Class Counsel* and/or directly to the *Court*.

F. DISTRIBUTION OF CERTIFICATES AND CLAIMS PROCEDURE

Each allowed claimant of the *Plaintiff Settlement Class* will receive one (1) *Certificate* for each new or used vehicle purchased or leased from January 1, 1988 to the date of this agreement. Claim forms shall be made available for each member of the

object to the settlement, 70 days to return the request for the claim form, and 90 days to submit a claim. The postmarked date shall be the effective date.

7. A toll free number will be put into effect with a computerized operator solely for the purpose of being an alternate means of obtaining a claim form. This national toll free number will be operable 24 hours a day for 70 days from the date of publication notice. The purpose of the toll free number is to allow a potential claimant to call the telephone number, provide his name and address, so that a claim form can be mailed to such prospective claimant within 72 hours of the call.

8. On or before expiration of 60 days from the date of last publication notice, LADA and the settling dealers will provide to the Claims Administrator a list of those non-settling dealers who did not identify *ad valorem tax* by any method and who did not use the "objectionable method of identification" of *ad valorem tax*. LADA and the Settling Defendants will also provide the Claims Administrator with a list of purchasers from fleet sales or wholesale customers, to whom the objectionable method of identification was not used. After consultation with the Administrative Steering Committee, the Claims Administrator will make a recommendation to the Court as to which claimants will be mailed a Certificate and/or which claimants will not be mailed a Certificate.

9. The Claims Administrator will have thirty (30) days from the last day allowed to file a claim, to assimilate claim forms and prepare a verification list for Settling Defendants. In the case of each claimant, a Settling Defendant will have thirty (30) days from submission to verify if the "objectionable method of identification" was used, and to submit objections to the Claims Administrator. After objections are received, the Claims

Administrator will have thirty (30) days to propose a list of claimants who will be mailed a *Certificate* and a list of those claimants he recommends not receive a *Certificate*. All parties to the litigation will have the opportunity to object to the distribution list. Any objection must be filed within such time as set by the *Court* following the filing of the distribution list with the *Court* by the *Claims Administrator*. Claimants who the *Claims Administrator* recommends not receive a *Certificate* will be notified and given reasonable opportunity for a hearing as determined by the *Court*. The *Claims Administrator* shall not provide any *dealer* with a list of claimants other than those claimants who have purchased or leased a vehicle from that specific *dealer*. The master list of all claimants shall not be made available to the *Settling Defendants*, or any *Motor Vehicle Dealership* and the parties consent to appropriate restrictions by the *Court* to enforce this provision. The *LADA* may have access to the lists of claimants who purchased from out of business *dealers* and non-settling *dealers* subject to the above restrictions solely for the purpose of the claims review process but agrees to destroy all copies of such list in its possession after completion of the claims review process.

10. The hearing to approve the settlement (fairness hearing) and on the *Plaintiff Class Counsel's* Application for Compensation and Reimbursement of Expenses shall be brought to the *Court* for ruling at the same time. This hearing shall be set on a date not earlier than twenty (20) days after the last publication notice and not later than forty-five (45) days after the last publication notice. It is also contemplated that the pendency of the fairness and fee hearing will not retard or delay the work of the *Claims Administrator* towards completion of the distribution list. The mailing of the *Certificates* will

occur, however, only after: a) final approval of the distribution list by the *Court*; and b) final judgment as to the fairness of the settlement.

I. CONDITIONS OF THE SETTLEMENT

1. This settlement will only be effective if 50% of the *Potential Settling Defendant Group* join as *Settling Defendants* as is described herein. Counsel for the undersigned shall use their best efforts to effectuate this agreement, including cooperating and promptly seeking the *Court's* approval for the establishment of procedures and accomplishing tasks well prior to each of the deadlines, as described, supra, in the section entitled "Chronology of the Settlement".

2. The Settlement Agreement shall become final upon the approval in all respects by the *Court* or *Courts* as is required by applicable law and the expiration of the time for appeal.

3. The final judgment of the case will include an agreement by *LADA* and the *Settling Defendants* to use their best efforts to repeal La. R.S. 47:1961.2, requiring the identification of *ad valorem tax*. Absent its repeal, *LADA* and the *Settling Defendants* will agree to stop identifying the *ad valorem tax* by the "*objectionable method of identification*", as defined herein.

4. *LADA* and the *Settling Defendants* will further agree and will consent as part of the judgment that the *Settling Defendants* are to make no inquiry of claimants as to whether or not they possess a *Certificate* or *Certificates* until after each transaction to which the *Certificate* is applicable has been completed and is final.

5. All Motor Vehicle Dealerships who are Settling Defendants shall conspicuously post up to four (4) signs, rectangular in shape, not less than one foot on the shortest side and not smaller than two square feet in size with a type-size of not less than one and one-half (1 1/2) inches stating "We honor LADA Cash Rebate Certificates and Optional Cash Service Certificates". At least one sign each shall be conspicuously posted in the new vehicle showroom, in the service department, in the body shop (if the Settling Defendant dealer operates a body shop), and used vehicle office (if the dealer has a separate used vehicle office).

6. LADA and the Settling Defendants will further agree and will consent as part of the judgment that the Settling Defendants are prohibited from:

a. Accepting, redeeming, or receiving any Certificate as a credit, discount, or down payment on a vehicle purchased or leased, or in any manner other than as specifically authorized by this Agreement.

b. Advertising or disclosing any information promoting the use of any Certificate in a manner inconsistent with this Agreement.

c. Seeking, asking, or otherwise attempting to determine the intended use or possession of a Certificate by a prospective customer or to attempt to determine or seek to determine in any manner the number of Certificates such prospective customer intends to use in connection with a purchase or lease of a motor vehicle, prior to both the delivery of the vehicle and completion of the sale or lease.

d. Seeking, asking, or otherwise attempting to determine the intended use of a Certificate by a prospective customer or to attempt to determine or seek to determine

in any manner the number of *Certificates* such prospective customer intends to use in connection with service work and/or service repair work, including any work at any body shop owned or controlled by a *Settling Defendant*.

e. After the *Certificates* have been distributed, seeking to identify the names of any *persons* who have not used *Certificates* or seeking to determine in advance of a sale or lease how many *Certificates* a *person* may have received. Notwithstanding this provision, the *Settling Defendant* may review the list of purchasers or lessees from the *Settling Defendant* who have filed a claim for the purpose of notifying the *Claims Administrator* of objections thereto.

f. Dishonoring, failing to honor, or failing to comply with the terms of the *Certificate* or encouraging or advocating the use of a *Certificate* in a manner other than provided by this Settlement Agreement.

7. Should any *Settling Defendant* cease operation or cease selling new and used vehicles voluntarily within the period of time within which the *Certificates* may be used under this Agreement and if: (1) substantially all of the assets of any *Settling Defendant* are transferred to a new entity; or (2) the franchise of any *Settling Defendant* is assigned to any new entity, then the new entity shall assume all obligations of the Settlement Agreement. Failure of the *Settling Defendant* to require the new entity operating the dealership to assume and comply with all obligations of this Settlement Agreement shall be deemed a default, by the *Settling Defendant* under both J(1) and J(2) below. As a condition of settlement, the *principal owner* of each *Settling Defendant* shall provide a written agreement to the *Plaintiffs* as set forth on Exhibit D. This agreement (Exhibit D) shall be signed by

both the *Settling Defendant* and the *Settling Defendant's principal owner* and shall provide that any subsequent transfer of the franchise of the *Settling Defendant* or a transfer of the majority of assets of the *Settling Defendant*, during the term within which *Certificates* may be used, will be conditioned upon acceptance of the terms and conditions of this Settlement Agreement and the final judgment by both the acquiring entity and its *principal owner*. Notwithstanding the foregoing, the *Settling Defendant* discharges all of his obligations pursuant to this paragraph by having the acquiring entity and its *principal owner* execute a written agreement (an example of which is contained in Exhibit E), verifying that the acquiring entity and its *principal owner* will accept the terms and conditions of the Settlement Agreement.

J. DEFAULT

1. The Final Judgment shall provide that failure of any *Settling Defendant* to pay any installment on the cash portion to the Settlement Fund as set forth herein within thirty (30) days of its due date shall be deemed a default and twice the remaining balance of such defaulting *Settling Defendant* shall immediately be due and owing by such *Settling Defendant* and any guarantors thereon.

2. The Final Judgment shall also provide an additional penalty provision such that any *Settling Defendant* who participates in the settlement shall be deemed in default if it fails to comply with all provisions of this agreement as set forth herein and as set forth in the *Certificate* and/or improperly fails to honor a *Certificate* timely presented to it by a *Certificate* holder. No *Settling Defendant*, however, will be held in default for failure to comply with the terms of the Settlement Agreement without first being put on notice in

writing of same, said writing to include the date, time and identity of the *Certificate* holder (if applicable) regarding which the alleged default took place. The *Settling Defendant* alleged to be in default shall have thirty (30) days to respond to the allegations of default and/or cure of the same. If there is no satisfactory mutual resolution to the allegation of default, the *Court* may be asked to make a determination that a default has occurred and has remained uncured. The *Plaintiffs' Settlement Class* is entitled to attempt to enforce a penalty provision in said judgment against the defaulting *Settling Defendant*, and, if applicable, its guarantors, in the amount of twice the amount of *ad valorem tax* identified by the defaulting *Settling Defendant* by the *objectionable method of identification* during the *relevant time period*. If the *Court* determines the default has been cured prior to the hearing, the *Court* will refuse to enforce the penalty provisions described above if this is the first time a default by a particular *dealer* has been brought before the *Court* for a determination. However, if a default is proved, and if the default was not cured, not adequately mitigated to the *Court's* satisfaction, or not otherwise explained to the *Court's* satisfaction, the *Court* shall award Plaintiffs reasonable attorneys' fees and costs for having to bring the issue before the *Court* regardless of whether or not any penalty provisions are enforced against the defaulting *Settling Defendant* by the *Court*.

3. Default by any *dealer* or group of settling *dealers* shall not constitute a default of this Settlement Agreement by any other Defendant who has complied with the terms and conditions of the Settlement Agreement.

K. ENFORCEMENT AND INTERPRETATION OF THE AGREEMENT

Jurisdiction will be retained by the *Court* for the purpose of enabling any of the parties to this Settlement Agreement to apply to this *Court* at any time for such further orders or directions as may be necessary or appropriate for the interpretation or carrying out of this Settlement Agreement, for the modification of any its provisions, for its enforcement or compliance, and for the punishment of any violation of its provisions.

Effective upon the execution of this agreement by the undersigned counsel and subject to the entry of an appropriate protective order, the *Settling Defendants* agree (at its own expense other than the cost of providing copies of documents), to cooperate fully with the *Plaintiffs* and their counsel in connection with each of the following matters:

a. The *Settling Defendants* agree that, notwithstanding the entry of said final order or judgment, the *Settling Defendants* shall continue to be considered a party defendant in this class action for the sole purpose of discovery to be conducted pursuant to applicable law; and

b. The *Settling Defendants* agree to retain, pending the final disposition of the Class Action, all documents or other evidence, if any, in its possession, custody or control, or in the possession, custody or control of its attorneys or other agents relating to the subject matter of these proceedings.

L. RESCISSION IF THE AGREEMENT IS NOT APPROVED OR FINAL JUDGMENT IS NOT ENTERED

In the event that this Agreement does not become final, then this Agreement shall be of no force or effect and any and all parts of the Settlement Fund caused to be deposited (including interest earned thereon) shall be returned forthwith to the *LADA* and

the *Settling Defendants* less only the amount of expenses incurred, disbursements made or authorized in accordance with this Agreement.

Any and all negotiations, documents and discussions associated with this Agreement, the discussions leading to this Agreement, the mediation, settlement offers, etc. shall be without prejudice to the rights of any party, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by any defendant or admission by any *Plaintiff*, or of the truth of any of the claims or allegations contained in the Amended Complaint or any other pleading, and evidence thereof shall not be discoverable or used directly or indirectly in any way, whether in the Class Action or in any other action or proceeding. The parties expressly reserve all of their rights if the settlement does not become final in accordance with the terms of this Settlement Agreement.

M. MISCELLANEOUS

1. This Agreement does not settle or compromise any claim by *Plaintiffs* or any *Class Member* asserted in the Complaint against any Defendant or alleged co-conspirator named or unnamed other than those persons described in section C "Receipt and Release" and who have paid the amount required. All rights against all other *persons* are specifically reserved by *Plaintiffs* and the Class. The Plaintiff Class reserves the right at its option to pursue all available claims against all *persons* not released. More particularly the fact or terms of this settlement with the *Settling Defendants* and the release contained in the preceding section shall not be construed to release or limit in any manner whatsoever the joint or several liability or damage responsibility of any other Defendant or

alleged co-conspirator for the alleged conspiracy, including, but not limited to, any alleged damage or responsibility for the identification of *ad valorem tax*, addition of *ad valorem tax*, or sales of vehicles with *ad valorem tax* disclosed thereon, by the *Settling Defendants*.

2. This Settlement Agreement shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by any defendant or of the truth of any of the claims or allegations alleged in the class action, or otherwise.

3. At the option of *Plaintiffs*, and subject to *Court* approval, the Civil District Court, Parish of Orleans, State of Louisiana, and/or the United States District Court for the Western District of Louisiana, Shreveport Division, shall retain the jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement or the applicability of this Agreement that cannot be resolved by negotiation and agreement by *Plaintiffs*, the *LADA* and the *Settling Defendants*. It is anticipated that one of the proceedings pending before the two *Courts* may be dismissed or terminated with prejudice as to the *LADA* and the *Settling Defendants*, and only one *Court* may retain jurisdiction over the implementation, enforcement and performance of the agreement for the sake of judicial economy and efficiency.

4. This Agreement constitutes the entire agreement among *Plaintiffs*, *LADA* and the *Settling Defendants* pertaining to the settlement of the Action against *LADA*, *Settling Defendants*, predecessor corporations, and guarantors, only, and supersedes all prior and contemporaneous undertakings of *Plaintiffs*, *LADA* and the *Settling Defendants* in

connection herewith. This Agreement may not be modified or amended except in writing executed by *Plaintiffs, LADA* and the *Settling Defendants*, and approved by the *Court*.

5. *Settling Defendants* agree to join with *Plaintiffs* in an effort to amend LSA R.S. 47:1961.2 to delete any requirement that *ad valorem tax* or any estimate of *ad valorem tax* be identified to the purchaser or lessee of a motor vehicle or authorizing the identification of *ad valorem tax* to the purchaser or lessee of a motor vehicle.

6. This Agreement shall be binding upon and inure to the benefit of the *successors* and assigns of *Plaintiffs, LADA, Settling Defendants* and other signatory parties. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by *Plaintiffs, LADA* and *Settling Defendants* shall be binding upon all parties to the Agreement.

7. This Agreement may be executed in counterparts by *Plaintiffs, LADA, Settling Defendants* and other signatory parties, and a facsimile signature shall be deemed a valid signature for purposes of executing this Agreement, although the original signature page shall thereafter be appended to this Settlement Agreement.

8. Neither *Plaintiffs, LADA*, nor the *Settling Defendants* shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

9. Each of the undersigned attorneys represents that he or she is fully authorized to enter into the terms and consideration of, and to execute, this Agreement, subject to *Court* approval.

10. *LADA* agrees to provide a copy of the final judgment to each *Settling Defendant* within ten days of entry of the final judgment. Jurisdiction will be retained by the *Court* for the purposes of enabling any of the parties to the final judgment to apply to this *Court* at any time for such further orders or directions as may be necessary or appropriate for the interpretation of the final judgment, for the modification of any of its provisions, for its enforcement or compliance.

11. Plaintiffs agree that the *Cash Rebate Certificates* issued herein or any claim they may have for a *Certificate* even though unasserted does not constitute property or any right to or interest in property pursuant to La. R.S. 9:151, *et seq*, as presently in effect or as proposed to be amended in the regular legislative session of 1997 pursuant to House Bill No. 1351 or any other similar bill.

* * *

[Signatures to be added later]

EXHIBIT A

\$90.00

**CASH REBATE CERTIFICATE
(OPTIONAL CASH SERVICE CERTIFICATE)**

No. 576,022

(Valid through
____/____/2002)

In Re: Louisiana Automobile Dealers Association (LADA) Ad Valorem Tax Antitrust Litigation. Civil Suit No. 94-1730, United States District Court, Western District of Louisiana and Civil Suit No. 94-11136, Civil District Court, Parish of Orleans, State of Louisiana.

**Issued To: John A. Smith
1234 Fifth Street
Baton Rouge, LA 70802**

Direct Payment for Purchase or Lease: This Certificate may be used in connection with the purchase or lease of a new or used motor vehicle in the State of Louisiana from any Louisiana motor vehicle dealer who is participating in the settlement. This Certificate is payable to you in cash or check within seven (7) days of the later of presentation and surrender of the Certificate or final sale. The sale or lease is final when the dealer receives payment for the vehicle either from you or your lender.

Presentation or Mailing of Certificate: To be entitled to receive payment, you must present and surrender this Certificate or mail this Certificate to the dealer within seven (7) days of delivery of the vehicle. If you mail the Certificate, the envelope must be postmarked within the seven (7) days following delivery of the vehicle. The motor vehicle dealer will return to you a copy of this Certificate on which the dealer will acknowledge receipt of the Certificate. Most new motor vehicle dealers in Louisiana have joined in this settlement. To determine if a particular motor vehicle dealer is participating in the settlement, you may contact the dealer directly or you may obtain an updated listing of new vehicle dealers participating in the settlement by mailing a request to the Certificate Program Administrator, P. O. Box 123, Shreveport, LA 71234, and enclosing a check or money order payable to "LADA Antitrust Settlement" in the sum of \$2.00 to cover the expense of handling and mailing.

Use of Multiple Certificates/Maximum Amount Per Transaction: You may use multiple certificates issued directly in your name up to a maximum of \$500.00 of Certificates in connection with a single sale or lease transaction. If you acquire Certificates from another person, you may use only one (1) Certificate in connection with a single sale or lease transaction and the amount paid to you from the Certificate cannot exceed 1% of the purchase or lease price of the vehicle.

IMPORTANT NOTICE: Do not disclose that you hold or intend to use this Certificate until after the purchase or lease has been completed and the vehicle delivered to you (or if used for service until after the work has been done and the repair order bill presented to you). Disclosing that you have possession of one or more Certificates and/or that you intend to use the Certificate prior to the completion of the purchase or lease, may prevent you from negotiating the best deal possible. The Court has prohibited all participating dealers from asking you or seeking in any manner to determine if you hold one or more Certificates or that you intend to use such Certificates. If before the completion of the purchase or lease, you are asked whether you are holding a Certificate or intend to use a Certificate, or if you are denied payment on the Certificate, you are encouraged to report this information in writing to the Certificate Program Administrator, P. O. Box 123, Shreveport, Louisiana 71234.

\$60.00 OPTIONAL CASH SERVICE CERTIFICATE

You have the option of using this Certificate in partial payment of a service or service and parts repair order from a participating dealer. If you use the Certificate for partial payment of service work and/or service and parts work, the Certificate cannot thereafter be used in connection with the purchase or lease of a new or used motor vehicle. You may use this Certificate the same as cash by presenting this Certificate to the cashier after receiving a bill for a repair order for service work or service and parts work at any Louisiana motor vehicle dealer participating in the settlement. Do not present this Certificate until the service work has been completed and you receive a bill for the work. You may only use one Certificate for each repair order. The entire Certificate may be used the same as cash for the sum of \$60.00 for any repair order bill in the amount of \$240.00 or more. Alternatively, you may use the entire Certificate to pay one-fourth (25%) of any repair order bill of less than \$240.00; however, you will not be entitled to receive any change or refund for the unused portion of the \$60.00 maximum. If the Certificate is used for service work, the amount of the repair order bill, for purposes of determining the use of the Certificate, will not include any sublet charges for service or related work performed by someone other than the motor vehicle dealer, provided the dealer does not mark up such sublet charges; however, all sales taxes on the repair order will be included in determining the amount of the repair order for purposes of the use of the Certificate. This Optional Cash Service Certificate may also be used for body shop work if the dealer operates a body shop.

* * *

Transferability: You may sell or transfer this Certificate to anyone by completing the sale or transfer section below. You may also purchase or acquire other Certificates from another person.

I hereby transfer ownership to this Certificate to _____

Dated: _____

By: _____

(Signature of Owner of Certificate)

(Note: Subsequent transfers may be made by written attachment)

\$60.00 with repair order of \$240.00 or more

May be used to pay 25% of any repair order of less than \$240.00

EXHIBIT B
CASH REBATE CERTIFICATE No. 576,023
(OPTIONAL CASH SERVICE CERTIFICATE)

\$150.00
(Valid through
____/____/2002)

In Re: Louisiana Automobile Dealers Association (LADA) Ad Valorem Tax Antitrust Litigation. Civil Suit No. 94-1730, United States District Court, Western District of Louisiana and Civil Suit No. 94-11136, Civil District Court, Parish of Orleans, State of Louisiana.

Issued To: John A. Smith
1234 Fifth Street
Baton Rouge, LA 70802

Direct Payment for Purchase or Lease: This Certificate may be used in connection with the purchase or lease of a new or used motor vehicle in the State of Louisiana from any Louisiana motor vehicle dealer who is participating in the settlement. This Certificate is payable to you in cash or check within seven (7) days of the later of presentation and surrender of the Certificate or final sale. The sale or lease is final when the dealer receives payment for the vehicle either from you or your lender.

Presentation or Mailing of Certificate: To be entitled to receive payment, you must present and surrender this Certificate or mail this Certificate to the dealer within seven (7) days of delivery of the vehicle. If you mail the Certificate, the envelope must be postmarked within the seven (7) days following delivery of the vehicle. The motor vehicle dealer will return to you a copy of this Certificate on which the dealer will acknowledge receipt of the Certificate. Most new motor vehicle dealers in Louisiana have joined in this settlement. To determine if a particular motor vehicle dealer is participating in the settlement, you may contact the dealer directly or you may obtain an updated listing of new vehicle dealers participating in the settlement by mailing a request to the Certificate Program Administrator, P. O. Box 123, Shreveport, LA 71234, and enclosing a check or money order payable to "LADA Antitrust Settlement" in the sum of \$2.00 to cover the expense of handling and mailing.

Use of Multiple Certificates/Maximum Amount Per Transaction: You may use multiple certificates issued directly in your name up to a maximum of \$500.00 of Certificates in connection with a single sale or lease transaction. If you acquire Certificates from another person, you may use only one (1) Certificate in connection with a single sale or lease transaction and the amount paid to you from the Certificate cannot exceed 1% of the purchase or lease price of the vehicle.

IMPORTANT NOTICE: Do not disclose that you hold or intend to use this Certificate until after the purchase or lease has been completed and the vehicle delivered to you (or if used for service until after the work has been done and the repair order bill presented to you). Disclosing that you have possession of one or more Certificates and/or that you intend to use the Certificate prior to the completion of the purchase or lease, may prevent you from negotiating the best deal possible. The Court has prohibited all participating dealers from asking you or seeking in any manner to determine if you hold one or more Certificates or that you intend to use such Certificates. If before the completion of the purchase or lease, you are asked whether you are holding a Certificate or intend to use a Certificate, or if you are denied payment on the Certificate, you are encouraged to report this information in writing to the Certificate Program Administrator, P. O. Box 123, Shreveport, Louisiana 71234.

\$100.00 OPTIONAL CASH SERVICE CERTIFICATE

You have the option of using this Certificate in partial payment of a service or service and parts repair order from a participating dealer. If you use the Certificate for partial payment of service work and/or service and parts work, the Certificate cannot thereafter be used in connection with the purchase or lease of a new or used motor vehicle. You may use this Certificate the same as cash by presenting this Certificate to the cashier after receiving a bill for a repair order for service work or service and parts work at any Louisiana motor vehicle dealer participating in the settlement. Do not present this Certificate until the service work has been completed and you receive a bill for the work. You may use only one Certificate for each repair order. You may use any one or more of the four identified portions. The entire Certificate may be used the same as cash for the sum of \$100.00 for any repair order bill in the amount of \$400.00 or more. You may use any one or more of the four (4) identified portions below to pay one-fourth (25%) of any repair order bill up to the total of the portion(s) used. You will not receive any change or refund for any portion of the \$100.00 not used, but you may retain this Certificate for later use if one or more of the identified portions below is not used. If the Certificate is used for service work, the amount of the repair order bill, for purposes of determining the use of the Certificate, will not include any sublet charges for service or related work performed by someone other than the motor vehicle dealer, provided the dealer does not mark up such sublet charges; however, all sales taxes on the repair order will be included in determining the amount of the repair order for purposes of the use of the Certificate. This Optional Cash Service Certificate may also be used for body shop work if the dealer operates a body shop.

* * *

Transferability: You may sell or transfer this Certificate to anyone by completing the sale or transfer section below. You may also purchase or acquire other Certificates from another person.

I hereby transfer ownership to this Certificate _____

Dated: _____

By: _____
(Signature of Owner of Certificate)

(Note: Subsequent transfers may be made by written attachment)

\$100.00 with repair order of \$400.00 or more			
\$25.00 with repair order of \$100.00 or more	\$25.00 with repair order of \$100.00 or more	\$25.00 with repair order of \$100.00 or more	\$25.00 with repair order of \$100.00 or more
May be used to pay 25% of any repair order of less than \$400.00			

EXHIBIT "C"
PROPOSED NEWSPAPER PLACEMENTS

<u>Name of Paper</u>	<u>City</u>
USA Today	*
Stars and Stripes	*
Times-Picayune	New Orleans
Advocate	Baton Rouge
Times	Shreveport
Clarion Harold	New Orleans
Daily Advertiser	Lafayette
News-Star	Monroe
American Press	Lake Charles
Daily Town Talk	Alexandria
Daily Sentry-News	Slidell
St. Tam. News-Banner	Covington
Daily Courier	Houma
Bayou Catholic	Schriever
Southwest Daily News	Sulphur
Daily Iberian	New Iberia
DeRidder-Beauregard Daily News	Sulphur
Leesville Daily Leader	Sulphur
Daily World	Opelousas
Daily Star	Hammond
Daily Comet	Thibodaux
D.S./Livingston Parish News	Denham Springs
Westlake/Moss Bluff News	Sulphur
Breaux Bridge Banner	St. Martinville
Times	Natchitoches
Daily News	Bogalusa
Daily Leader	Ruston
Ringgold Progress	Arcadia
Teche News	St. Martinville
Daily Review	Morgan City
Sabine Index	Many
St. Charles Herald	Boutte
Daily Enterprise	Bastrop
Franklin Sun	Winnsboro
Post/South	Plaquemine
Meridiona	Abbeville
Post-Signal	Crowley
Daily News	Jennings
Pointe Coupee Banner	New Road
Ouachita Citizen	West Monroe
Press-Herald	Minden
L'Observateur	LaPlace

EXHIBIT "C"
PROPOSED NEWSPAPER PLACEMENTS, cont.

<u>Name of Paper</u>	<u>City</u>
Louisiana Weekly	New Orleans
Independent	Rayne
Times Olla-Tullos Signal	Jena
Acadian-Tribune	Rayne
St. Tam. Farmer	Covington
Concordia Sentinel	Ferriday
Enterprise	Jeanerette
Enterprise	Mansfield
Winn Parish Enterprise	Winnfield
Gazette	Farmerville
Sun	Shreveport
Jackson Independent	Jonesboro
News-Examiner	Lutcher
Press	Springhill
Press Tribune	Bossier City
Eunice News	Eunice
Gazette	Ville Platte
DeQ. News	DeQuincy
Herald	Kaplan
Bienville Dem	Arcadia
Era-Leader	Franklinton
West Side Journal	Port Allen
Banner-Tribune	Franklin
Chief	Donaldsonville
Kentwood News Ledger	Amite
Tangi-Digest	Amite
Chronicle	Colfax
Guardian-Journal	Homer
Pl. Watchman	Belle Chasse
Pl. Gazette	Belle Chasse
Catahoula News-Booster	Jonesville
West Carroll Gazette	Oak Grove
St. Bernard Voice	Arabi
Citizen	Coushatta
Richland Beacon News	Rayville
Haynesville News	Homer
Assumption Pioneer	Napoleonville
Citizen	Welsh
Times	Ponchatoula
Weekly News	Marksville
Cameron Pilot	DeQuincy
Tensas Gazette	St. Joseph