

DISTRICT COURT  
CLARK COUNTY, NEVADA

REUBEN J. ROCKER, et al.

Plaintiffs,

v.

SC&E ADMINISTRATIVE SERVICES, et al.,

Defendants.

CASE NOS. A-458551

A-470558

(Consolidated)

CLASS NOTICE

**NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION,  
SETTLEMENT HEARING AND CLAIMS PROCEDURE**

**Reuben J. Rocker, et al. v. SC&E Administrative Services, et al.**  
Clark County, District Court, Case Nos. A-468551 and A-470558

**TO:** The class is defined as all persons who bought or possessed a Vehicle Service Contract ("VSC") for which the obligations of the issuer were insured by National Warranty Insurance Risk Retention Group ("NWIG") that was purchased directly or indirectly from SC&E Administrative Services, Inc. ("SC&E"), American Prime Asset ("APA"), or Triad Marketing, LLC ("Triad") prior to June 6, 2003 (a) pursuant to which there is an unreimbursed claim incurred during the term of the VSC or (b) for which there remained an unexpired term on June 6, 2003, or otherwise purchased their VSC from one of the Settling Car Dealers (the "Class").

**THIS NOTICE MAY AFFECT YOUR RIGHTS - PLEASE READ IT CAREFULLY**

**YOU ARE NOT BEING SUED**

**THIS NOTICE SUMMARIZES PROPOSED CLASS ACTION SETTLEMENTS RELATING TO YOUR VSC FOR WHICH THE OBLIGATIONS OF THE ISSUER WERE INSURED BY NWIG THAT WAS PURCHASED DIRECTLY OR INDIRECTLY FROM SC&E ADMINISTRATIVE SERVICES, INC. ("SC&E"), AMERICAN PRIME ASSET ("APA") OR TRIAD MARKETING LLC ("TRIAD") PRIOR TO JUNE 6, 2003. ON DECEMBER 21, 2006, THE DISTRICT COURT FOR THE COUNTY OF CLARK, STATE OF NEVADA, GAVE PRELIMINARY APPROVAL TO THE SETTLEMENTS AS TO BERKLEY INSURANCE COMPANY, FORMERLY KNOWN AS SIGNET STAR REINSURANCE COMPANY ("BERKLEY"), AMERICAN SAFETY REINSURANCE, LTD., AMERICAN SAFETY INSURANCE SERVICES, INC., AMERICAN SAFETY RESOURCES, INC., AND THEIR PARENT AND AFFILIATE COMPANIES ("ASR"), PARTNER REINSURANCE COMPANY, LTD. ("PARTNER REINSURANCE"), MILLIMAN, INC. ("MILLIMAN"), DON ERWAY, PRO DISTRIBUTORS, INC., RANDALL ERWAY, THE ESTATE OF NEVA ERWAY AND ALL RELATED ENTITIES ("ERWAY"), AND KPMG LLP ("KPMG"), (COLLECTIVELY "SETTLING DEFENDANTS"). THE PURPOSE OF THIS NOTICE IS TO DESCRIBE THE PROPOSED SETTLEMENTS TO YOU AND ADVISE YOU OF YOUR RIGHTS.**

**I. THE DESCRIPTION OF THE LITIGATION**

A. On or about June 6, 2003, NWIG filed for bankruptcy protection in the Grand Cayman Islands ("Liquidation Proceedings").

B. In July, 2003, Plaintiffs Reuben J. Rocker, et al. ("Plaintiffs") filed a class action complaint as amended from time to time against SC&E Administrative Services; Berkley Insurance Company Formerly North Star Reinsurance Corporation Formerly Signet Star Reinsurance Company, a Delaware corporation; American Safety Insurance Services, Inc.; Pro Distributors, Inc.; American Prime Asset; Pacific Fiduciary Investment Corp.; Delta Group; Yamagata Enterprises, Inc.; Triad Marketing LLC; Independent Warranty Management Corporation; Deloitte Ross & Tohmatsu; Milliman USA, Inc.; KPMG of Grand Cayman Islands; KPMG LLC Nebraska; Courtesy Mitsubishi, a Nevada business entity, form unknown; Courtesy Imports, a Nevada business entity, form unknown; Courtesy GMC, a Nevada business entity, form unknown; Courtesy Buick, a Nevada business entity, form unknown; Courtesy Mazda, a Nevada business entity, form unknown; Courtesy Oldsmobile, a Nevada business entity, form unknown; Courtesy Isuzu, a Nevada business entity, form unknown; Courtesy Kia, a Nevada business entity, form unknown; Courtesy Pontiac, a Nevada business

entity, form unknown; Courtesy Suzuki, a Nevada business entity, form unknown; Desert GMC/Buick, a Nevada business entity, form unknown, Desert Toyota of Las Vegas, a Nevada business entity, form unknown, Dealer One, an Illinois business entity, form unknown; Dealer Asset, a Nevada business entity, form unknown; Allstate Car Sales, a Nevada business entity, form unknown; Auto Connection, an Arizona business entity, form unknown; Ford Country, a Nevada business entity, form unknown; Auto Tech, a Nevada business entity, form unknown; Amigo Auto Sales, a Nevada business entity, form unknown; Bill Heard Chevrolet, a Nevada business entity, form unknown; Fletcher Jones Mercedes, a Nevada business entity, form unknown; Foothills Motors, a Nevada business entity, form unknown; Gaudin Ford, a Nevada business entity, form unknown; Gaudin Jaguar, a Nevada business entity, form unknown; Honda West, a Nevada business entity, form unknown; JR Auto Sales, a Nevada business entity, form unknown; Norm Baker Motors, a Nevada business entity, form unknown; Nevada Dodge, a Nevada business entity, form unknown; Payless Motors, a Nevada business entity, form unknown; Southwest Motors, a Utah business entity, form unknown; Vista Chevrolet, a Nevada business entity, form unknown; Wildens Auto & Truck Center, a Nevada business entity, form unknown; Painters Auto Land, a Nevada business entity, form unknown; Deloitte & Touche, Inc.; National Dealer Services, a business entity, form unknown; AI Life, Inc.; Partner Reinsurance Company; PFIC International Limited, a business entity, form unknown; Consumer Choice A/K/A First Choice, and Does 1 Through 9000, Inclusive, (collectively "Defendants"), in the District Court of the State of Nevada for the County of Clark, Case Nos. A-468551 and A-470558 (the "State Action").

C. The State Action generally alleges that the dealers and retailers sold VSCs for which the obligations of the issuer were insured by NWIG that proved worthless as a result of NWIG filing for bankruptcy protection in the Grand Cayman Islands. The complaint in the State Action alleges that the dealers and retailers are accountable for honoring these contracts and the auditors, accountants, reinsurers, and NWIG principals are also liable for this loss. The Settling Defendants deny the allegations of the State Action.

D. The VSC holders who purchased through Warranty Gold, Ltd. ("WG"), Auto Services Company, Inc. ("ASC") or other retailers are not members of the Class unless they purchased through one of the Settling Car Dealers. WG filed for Chapter 11 Bankruptcy in In Re Warranty Gold, Ltd. Debtor United States Bankruptcy Court, Western District of Texas, Austin Division Case No. 03-15721-FM (Chapter 11), pursuant to which a separate Class has been approved for NWIG VSC purchases through WG, and through which all claims by WG VSC holders are to be handled. ASC has continued to honor covered claims by VSC holders. In addition, there exists a comparatively small number of VSC holders (approximately 5% of all VSC holders) who purchased their VSC through other retailers.

E. On December 21, 2006, the Nevada State Court preliminarily certified a class in the State Action defined as: "All persons who bought or possessed a Vehicle Service Contract ("VSC") for which the obligations of the issuer were insured by National Warranty Insurance Risk Retention Group ("NWIG") that was purchased directly or indirectly from SC&E Administrative Services, Inc. ("SC&E"), American Prime Asset ("APA"), or Triad Marketing, LLC ("Triad") prior to June 6, 2003 (a) pursuant to which there is an unreimbursed claim incurred during the term of the VSC or (b) for which there remained an unexpired term on June 6, 2003, or otherwise purchased their VSC from one of the Settling Car Dealers (the "Class")." The certification of this class is for settlement purposes only.

F. The Nevada State Court has scheduled a hearing on April 10, 2007 at 1:00 p.m. before the Honorable Elizabeth Gonzalez in the District Court of the State of Nevada for the County of Clark, Dept. No. 11, located at 8th Judicial District Court, Clark County Court House, 200 Lewis Avenue, Las Vegas, NV 89101, to consider whether to grant final approval of the Settlements.

#### **I. NATURE OF THE CASE**

A. Beginning in 1998, NWIG began its Vehicle Service Contract ("VSC") program whereby VSCs insured by NWIG were sold through automobile dealerships and/or through retailers, including SC&E and Triad. In 2003, NWIG filed for bankruptcy, and the VSC consumers and dealers were left with contracts that were not being honored, and thus, were no longer of any value.

B. In July 2003, Plaintiffs Reuben Rocker, et al. ("Plaintiffs") filed a class action complaint as amended from time to time against the Settling Defendants, among others, in the District Court of the State of Nevada for the County of Clark, Case Nos. A-468551 and A-470558 (the "Rocker Action"). The Rocker Action generally alleged that certain car dealers and retailers sold VSCs insured by NWIG that proved worthless as a result of a Ponzi scheme which led to NWIG's inevitable, and foreseeable bankruptcy. Plaintiffs allege that the Settling Defendants are accountable for damages caused by this alleged scheme. The Settling Defendants deny the allegations made by Plaintiffs.

C. For more than three (3) years the Settling Defendants have contested in every forum every claim alleged against them. At the same time the Joint Official Liquidators (JOLs) administering the Liquidation Proceedings have continued to expend substantial sums monitoring these claims, administering the estate in the Grand Cayman Islands and eventually prosecuting certain claims. To end the continued drain of the

funds in liquidation and to allow for a partial distribution to the victims of the bankruptcy of NWIG all the claimants joined forces pursuant to an Asset Distribution Agreement (ADA). This agreement provides for 58.33% of all funds coming out of the NWIG Liquidation Proceeding to be distributed through the Rocker Action. In addition the JOLs will have an initial claim to 50% of all proceeds derived by claimants from the litigation but of that 50% - 95% thereof is to be redistributed to the victims including 58.33% through the Rocker Action of which the Rocker Class is to receive a minimum of 50% and the participating car dealers are to receive a maximum of 50% as a result of the approved settlements with SC&E and Triad. This arrangement allowed SC&E and Triad to avoid bankruptcy and increased the class member share of the proceeds from less than one-third to a minimum of fifty percent.

D. Counsel for the Plaintiffs in the State Action took the lead in prosecuting Berkley, ASR and KPMG in the State Action and in prosecuting Milliman, Erway and Partner Reinsurance in other actions. On November 16-17, 2006, the parties to the State Action conducted a two-day mediation before Anthony Piazza in San Francisco, California. The outgrowth of the mediation was that the remaining defendant thought by the Plaintiffs to be most culpable for the damages caused by NWIG was NWIG's auditors, the Cayman Islands firm of Deloitte & Touche. The remaining Settling Defendants have various defenses that could reduce or eliminate entirely the claims against them. As a result, separate settlements totaling \$9,800,00.00 were recommended by the mediator to settle the State Action and the other actions to which the Settling Defendants were parties and the Settling Defendants, the Plaintiffs in the State Action, Class Counsel, and the parties in the other actions agreed to these settlements. The Cayman Islands firm of Deloitte & Touche and related entities were left as the only remaining defendants in the various actions with claims totaling \$104,425,382.00 and the JOLs were placed in the position of having to authorize at least a partial distribution of the remaining \$18 million in NWIG's Liquidation Proceedings as a result of there being a substantial reduction in costs as a result of these settlements.

## **II. TERMS OF THE PROPOSED SETTLEMENTS**

The Settling Defendants have agreed to separately pay in new money a sum that aggregates to \$9,800,000.00 to settle all claims in all jurisdictions including \$4,870,047.00 to settle the claims against the Settling Defendants in this action. If the Settlement Agreements signed by the Settling Defendants (the "Settlements") are approved by the Court and a Judgment of dismissal is entered finally dismissing with prejudice the Settling Defendants in this action, the Settling Defendants will provide the following relief:

A. Defendant Berkley has agreed to settle all claims in all jurisdictions for the aggregate sum of \$2,800,000.00 including the payment of \$1,633,500.00 to settle all the claims against Berkley in this action.

B. Defendant ASR has agreed to settle all claims in all jurisdictions for the aggregate sum of \$1,800,000.00 including the payment of \$1,050,000.00 to settle the claims against ASR in this action.

C. Defendant Milliman has agreed to settle all claims in all jurisdictions for the aggregate sum of \$1,800,000.00 including the payment of \$1,050,000.00 to settle the claims against Milliman in this action.

D. Defendant Erway has agreed to settle all claims in all jurisdictions for the aggregate sum of \$1,500,000.00 including the payment of \$436,500.00 to settle the claims against Erway in this action.

E. Defendant KPMG has agreed to settle all claims in all jurisdictions for the aggregate sum of \$1,400,000.00 including the payment of \$408,380.00 plus pro rata interest to which the Class might be entitled under the Settlement Agreement and Mutual Release between KPMG and the Class to settle the claims against KPMG in this action.

F. Defendant Partner Reinsurance has agreed to settle all claims in all jurisdictions for the aggregate sum of \$500,000.00 including the payment of \$291,666.67 to settle the claims against Partner Reinsurance in this action. Partner Reinsurance will be added by an amendment to the complaint as an additional defendant for settlement purposes only and dismissed with prejudice upon approval of the settlement.

G. Upon final approval of these settlements in all jurisdictions there remains as of July 31, 2006 with the JOLs in the Grand Cayman Islands \$17,834,790.00 and the claims of the JOLs, and SC&E, Triad, Warranty Gold and Auto Services Company, Inc. against certain Deloitte entities as the auditors of NWIG. The JOLs are claiming \$104,425,382.00 in damages in their claim against Deloitte to be heard in the Grand Court of the Cayman Islands.

H. At such time as these funds referred to in paragraph G. hereinabove are distributed from the Grand Caymans the proceeds therefrom to be distributed through this State Action shall be 58.33% thereof. As a result of the approved settlement with SC&E and Triad, a minimum of 50% of these sums has been assigned to the Class, with the remainder being allocated to car dealers who paid the repair claims of members of the Class.

I. The Settling Defendants shall be dismissed, with prejudice, from the State Action upon this Court's final approval of the Settlements, with the various parties to bear their own costs, attorneys' fees, and administration fees. Final Approval shall occur upon the entry of a judgment by this Court dismissing the Settling Defendants with prejudice that is no longer subject to any appeal. The Class will grant the Settling

Defendants a comprehensive release of claims and causes of action that is set forth in more detail in the Agreements embodying the Settlements. The Settling Defendants shall bear no responsibility or liability for administration and distribution of Settlement Funds.

J. The Settling Defendants, in making these Settlements, deny all liability and admit no liability arising out of or in connection with this litigation.

### III. SETTLEMENT FUNDS:

**DUE TO THE LIMITED FUNDS AVAILABLE, CLAIMS WILL BE PAID ON A PRO RATA BASIS AS FUNDS BECOME AVAILABLE. THERE IS NO EXPECTATION THAT YOUR CLAIM WILL BE PAID IN FULL AT THIS TIME.**

### IV. CLAIM PROCEDURE:

A. **IN ORDER TO BE REIMBURSED FOR A REPAIR YOU PAID FOR OR FOR AN UNPAID ESTIMATE, YOU MUST COMPLETE AND RETURN THE CLAIM FORM PRIOR TO THE CLAIM CUTOFF DATE.** If you need a claim form please go to [www.gilardi.com/rocker](http://www.gilardi.com/rocker) or go to [www.bamlawca.com](http://www.bamlawca.com) and click current class notices and then view *Rocker et al. v. SC&E, et al.*, or write to "Rocker Class Action" at 2255 Calle Clara, La Jolla, CA 92037. If you have already sent in your claim, you need not submit another.

B. In order to receive reimbursement for a repair you paid for or a repair estimate not paid for by you or any third party, the Class Member who paid for the repair or obtained the estimate must complete and return the attached Claim Form. If your dealers are honoring their contractual obligations for VSCs sold by them do not submit a Claim Form. As to the latter group, the Class Member needs to present the car to the dealer for repair. As to reimbursement for the remaining term of the VSC after June 6, 2003, the same will be paid without the need for the filing of a Claim Form. Reimbursements will be made only to the extent that funds are available after payment of all claims for repairs and payment for unpaid estimates not paid for by you or any third party.

C. All claims will be paid from the net settlement funds which are the funds remaining after payment of all costs and fees in the litigation with claims for unpaid repairs being paid for first, then claims for unpaid estimates with the residue going to cover reimbursement for premiums paid for the VSC. Payments will be made by check issued by the Claims Administrator and mailed to Authorized Claimants within thirty (30) days following the Effective Date. Payments will not be subject to any interest calculation. The checks will remain valid and negotiable for one hundred eighty (180) days from issuance and may thereafter automatically be canceled if not cashed within that time. The Claims Administrator shall also have no obligation to issue additional checks or make any payment for checks that are not cashed within this time period.

D. In order to receive a cash payment for reimbursement for a repair claim or payment for an unpaid estimate, a Class Member must complete, sign and return in a proper and timely fashion the Claim Form (attached hereto) via first class U.S. mail or equivalent, postage paid, postmarked on or before March 20, 2007. If you have already submitted a claim form for a repair you need not submit another one. Only submit a claim form for repairs for which no previous claim form was submitted. No Claim Form is required for reimbursement for the balance of the term remaining on the VSC after June 6, 2003. Each Claim Form must be signed and completed pursuant to the instructions set forth therein. Any Claim Form that is not submitted by first class mail or equivalent, or is postmarked after the applicable date, or is not fully completed, or is not addressed to the address in the Claim Form, or is not signed by the necessary member(s) of the Class, will not constitute a valid claim and may be rejected unless otherwise ordered by the Court. The Claims Administrator has set up a web site at [www.gilardi.com/rocker](http://www.gilardi.com/rocker) for handling and processing of all claims. **CLAIM FORMS DOWNLOADED FROM THE WEB SITE WILL BE PROCESSED WITHOUT CHARGE. A MAILED IN CLAIM FORM WILL BE SUBJECT TO A \$9.50 PROCESSING FEE TO BE DEDUCTED FROM THAT PAYMENT.**

E. In the event you incur a claim after the claim cutoff date, but before the expiration of your term, you should submit your claim for payment if not previously submitted. **PLEASE BE CERTAIN TO CORRECTLY STATE THE PARTY RESPONSIBLE FOR PAYMENT TO YOU (CONTRACT SELLER).** PLEASE BE ADVISED THAT NWIG WAS **NOT** A CONTRACT SELLER OF ANY CONTRACT.

### V. THE FINAL SETTLEMENT APPROVAL HEARING

A final settlement approval and good faith determination hearing (the "Hearing") will be held before the Honorable Elizabeth Gonzalez on April 10, 2007 at 1:00 p.m., in the District Court of the State of Nevada for the County of Clark, located at 8th Judicial District Court, Dept. 11, Clark County Court House, 200 Lewis Street, Las Vegas, NV 89101, to determine whether the proposed settlement is fair, reasonable and adequate and should be finally approved by the Court and whether a Judgment should be entered, and whether the settlement is in good faith and the amount of the award of attorneys' fees and costs. The Court may adjourn or continue the Hearing without further notice to the Class. To the extent permitted by law, pending final determination as to whether the settlement should be approved, the Class shall not institute or prosecute any

Released Claims against the Settling Defendants, and all claims and causes of action of any kind, known and unknown, asserted, that could have been asserted or not asserted, against any of the Settling Defendants, including direct claims, claims for exemplary and/or punitive damages, cross-claims, contribution claims, and third-party claims are dismissed with prejudice to the re-filing of same with costs to be taxed against the party incurring same. Any Class Member may appear at the Hearing and show cause, if they have any, why the proposed settlement should or should not be approved as fair, reasonable and adequate, and why a Judgment should or should not be entered and why the requested award of attorneys' fees and costs should not be made; provided, however, that no Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment and attorneys' fees and costs award to be entered thereon approving the same, unless on or before March 5, 2007, that person has served by hand or by first class U.S. mail written objections and copies of any papers and briefs in support of their position and verification of their membership in the Class upon: Blumenthal & Markham, Attn.: Norman B. Blumenthal, 2255 Calle Clara, La Jolla, CA 92037 and filed said objections, papers and briefs with the Clerk of the Nevada State Court. In order to be valid, said papers must be filed with the clerk of the Nevada State Court and received by the above counsel by the date set forth above. Any Class Member who does not make their objection in the manner provided for in this Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to or appeal of the fairness, reasonableness or adequacy of the settlement. Upon Final Approval and good faith determination pursuant to NRS § 17.245 all claims and rights released in the agreements embodying the Settlements against all Settling Defendants shall be forever released and barred from prosecution by the Class and the State Action and related California action shall be dismissed with prejudice as to Settling Defendants and no person shall have any claim against the Plaintiffs, Class Counsel, Settling Defendants, Settling Defendants' Counsel, or the Claims Administrator by reason of these Settlements for complying with the terms set forth herein. The full scope of the release and the parties being released is set forth in the various agreements that embody the Settlements.

#### **VI. APPLICATION OF CLASS COUNSEL FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES**

Class Counsel may submit one or more applications for payment to them of an award of attorneys' fees and costs, to be determined by the Court in a total amount for fees not to exceed twenty five per cent (25%) of the amount(s) obtained from the Settling Defendants as a result of these settlements and deposited with the Claims Administrator plus reimbursement of reasonable costs incurred excepting therefrom the funds now on deposit with the Joint Official Liquidators ("JOLs") of NWIG in official liquidation in the Grand Cayman Islands. Solely as to those funds now on deposit with the JOLs of NWIG, Class Counsel will not seek nor shall they receive as attorneys' fees more than fifteen percent (15%) of the portion of those funds now on deposit that are transferred to be distributed through the State Action. The approval of these Settlements is without prejudice to all challenges to any fee award. Any attorneys' fees and costs awarded by the Court shall be paid to Class Counsel within five (5) days after final approval of the Settlements. Reasonable costs (expenses of the litigation), may include expert witness fees, filing and citation fees, court costs, subpoena costs, online legal research fees, deposition costs, court reporter and videographer charges, witness fees, photo copies and printing, document imaging, exhibit preparation and equipment and operators, travel expenses, conference room rentals, mediator fees, postage, long distance charges and other similar expenses that are customarily charged. Any fees and costs awarded to Class Counsel shall be paid from the Settlement Fund prior to any other distribution under the settlement. Attorneys' fees and costs awarded to Class Counsel shall not be subject to any interest calculation. Class Counsel shall allocate the fees and costs award between Class Counsel. The Settling Defendants shall not be separately liable for any fees or expenses of Class Counsel.

The approval of this settlement is without prejudice to any challenge in the future as to any fee award. No fee award will be distributed until funds are first on deposit with the claims administrator for distribution.

#### **VII. REQUESTS FOR EXCLUSION**

Any member of the Class may choose to be excluded (opt out) of the Class by requesting to be excluded in writing. Any such person who chooses to be excluded from the Class will not be entitled to any recovery from the Settlements and will not be bound by the Settlement or have any right to object, appeal or comment thereon. Any such person who chooses to opt out may do so by submitting a written request to SC&E Claims Administrator, c/o Gilardi & Co., P.O. Box 808070, Petaluma, CA 94975-8070 postmarked no later than March 5, 2007. The written request to opt out should set forth the name and address of the Class Member, state a request for exclusion and be signed by the member of the Class including a joint signature of all VSC holders to the applicable contract opting out of the Class. If you opt out, you cannot submit a Claim Form to the Claims Administrator for repairs. PLEASE BE ADVISED THAT OPTING OUT IN NO WAY AFFECTS YOUR RIGHTS AND RECOURSE EXCEPT AS TO THE SETTLEMENT FUNDS PROVIDED HEREUNDER.

**VIII. FINAL JUDGMENT AND RELEASES TO BE ENTERED**

If the Settlements are approved by the Nevada State Court, final judgment will be entered by the Nevada State Court that will dismiss with prejudice the State Action as against Settling Defendants only and the pending California action against certain of the Settling Defendants styled *Rocheford v. Norm Baker Motor Co.* The Judgment will resolve the released claims to the extent provided in the agreements embodying the Settlements and will permanently bar all Class members who have not opted out and their respective predecessors, successors, assigns, past or present parents, subsidiaries, related entities, affiliates, partners, joint venturers, principals, current or former directors, officers, employees, attorneys, agents, representatives, and insurers from (i) filing, commencing, prosecuting, intervening in, participating in (as a class or otherwise), or receiving any benefits or other relief from, any other lawsuit, arbitration, or administrative, regulatory or other proceeding or order in any jurisdiction based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this State Action or claims and causes released as part of the Settlements; (ii) organizing any member of the Class into a separate class for purposes of pursuing as a purported class action (including by seeking to amend a pending complaint to include class allegations, or by seeking class certification in a pending action) any lawsuit based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this State Action or claims and causes released in the agreements embodying the Settlements with the Settling Defendants only. The State Action will also be dismissed with prejudice as a good faith settlement pursuant to N.R.S. § 17.245 upon the judgment to be entered in the State Action becoming final and no longer subject to appeal.

**IX. CLASS REPRESENTATIVE SERVICE DESIGNEE IN THE EVENT OF SETTLING DEFENDANTS BANKRUPTCY**

In the event of filing for bankruptcy by Settling Defendants, SC&E, APA, and/or Triad, the Class representative shall be authorized to accept service for all VSC holders who purchased their vehicle service contracts by or through SC&E, Triad, and/or APA prior to June 6, 2003, pursuant to which there is unreimbursed claim incurred during the term of the VSC or for which there remained an unexpired term on June 6, 2003. Service on the Class representative shall be care of Class Counsel designee, John Smaha of Smaha & Daley, 7860 Mission Center Court, Suite 100, San Diego, CA 92108 (619) 688-1557. The Class designee shall be entitled to special notices of all proceedings, in accordance with the service requirements set forth in the U.S. Bankruptcy code. Settling Defendants' counsel and Class Counsel agree that service upon the Class representative of bankruptcy pleadings and documents rather than service individually upon potentially hundreds of thousands of SC&E/APA, Triad VSC holders would likely save hundreds of thousands of dollars in costs that might potentially be available for reimbursement of VSC holders. In the event that this stipulation is approved and the Class certified, the Class designee shall be conclusively determined to be the legal representative of the Class in ALL SUCH BANKRUPTCY proceedings for purposes of standing to assert claims, motions, objections, voting on or participation in any plan or any other participation in such proceedings, INCLUDING FOR PURPOSES OF ACCEPTING NOTICE UNDER BANKRUPTCY RULE 2002 AND FOR THE FILING OF A PROOF OF CLAIM UNDER BANKRUPTCY RULES 3001, 3002 and 3003.

**X. EXAMINATION OF PAPERS AND INQUIRIES AND INCORPORATION OF THE STIPULATION AND SETTLEMENT AGREEMENTS AND ATTACHED EXHIBITS INTO THIS NOTICE**

The above description is only a summary of the Settlements. THE SETTLEMENT AGREEMENTS BY AND BETWEEN THE CLASS AND EACH AND EVERY SETTLING DEFENDANT AND THE EXHIBITS ATTACHED THERETO AND ALL TERMS AS DEFINED THEREIN ARE INCORPORATED BY THIS REFERENCE HEREIN AND IS AVAILABLE ON CLASS COUNSEL'S WEB SITE AT [www.bamlawca.com](http://www.bamlawca.com). To review these documents in their entirety or for more detailed information you may inspect the Court files at the Office of the Clerk of the District Court for the County of Clark, State of Nevada located at 8th Judicial District Court, Dept. 11, Clark County Court House, 200 Lewis Street, Las Vegas, NV 89101 during the business hours of each business day or you can view these documents on Class Counsels' web site at [www.bamlawca.com](http://www.bamlawca.com). All inquiries should be directed to Norman B. Blumenthal, Esq., Blumenthal & Markham at 2255 Calle Clara, La Jolla, CA 92037 or at [bam@bamlawlj.com](mailto:bam@bamlawlj.com).

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK  
OF THE COURT REGARDING THIS ACTION

Dated: December 21, 2006

THE HONORABLE ELIZABETH GONZALEZ  
JUDGE OF THE DISTRICT COURT  
COUNTY OF CLARK, STATE OF NEVADA