

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: 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 pursuant to which there is an unreimbursed claim incurred during the term of the VSC, or for which there remained an unexpired term on June 6, 2003, or otherwise purchased their VSC from one of the Settling Car Dealers.

**THIS NOTICE MAY AFFECT YOUR RIGHTS - PLEASE READ IT CAREFULLY
YOU ARE NOT BEING SUED**

THIS NOTICE SUMMARIZES A PROPOSED CLASS ACTION SETTLEMENT 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 OR OTHERWISE PURCHASED FROM ONE OF THE SETTLING CAR DEALERS. ON JANUARY 31, 2005, THE DISTRICT COURT FOR THE COUNTY OF CLARK, STATE OF NEVADA, GAVE PRELIMINARY APPROVAL TO THE SETTLEMENT AS TO SETTLING AUTONATION CAR DEALERSHIP DEFENDANTS. ON AUGUST 4, 2005, THE DISTRICT COURT OF NEVADA GAVE PRELIMINARY APPROVAL AS TO THE FOLLOWING SETTLING DEFENDANTS A.M. BEST COMPANY, PAINTERS AUTOLAND, AMIGO AUTOSALES, HONDA WEST, NEVADA DODGE, BILL HEARD CHEVROLET CORP. NW, BILL HEARD CHEVROLET CORP. NW LAS VEGAS, CITY OLDSMOBILE, INC., COURTESY CARS, INC., COURTESY OLDSMOBILE, INC., COURTESY NORTH, LLC, COURTESY IMPORTS, FOOTHILLS MOTORS, NORM BAKER MOTORS, TRIAD MARKETING, LLC, SC&E ADMINISTRATIVE SERVICES, INC., AMERICAN PRIME ASSET, INC., AND YAMAGATA ENTERPRISES, INC. 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, Inc. (SC&E), American Prime Asset, Inc. (APA), Yamagata Enterprises, Inc. (Yamagata), Triad Marketing Group, LLC (Triad), and Certain Dealers, Autonation (including: Brown & Brown Nissan, Brown & Brown Chevy-Main, Brown & Brown Chevy - Superstore, Brown & Brown Nissan - Mesa, Desert Buick, Desert Chrysler Plymouth Jeep, Desert Nissan West, Desert VW/Audi - Las Vegas, Desert Pontiac, Desert BMW - Henderson, Lou Grubb Chevy - Camel Back, Lou Grubb Chevy - Arrow Head, Lou Grubb Chrysler, Lou Grubb Dodge and Pitre Buick), Gaudin (including: Gaudin Ford, Gaudin Jaguar Porsche and Ford Country), Courtesy (including: City Oldsmobile, Inc., Courtesy Cars, Inc., Courtesy Oldsmobile, Inc., Courtesy North, LLC, Courtesy Imports), Bill Heard Chevrolet Corp. NW, Bill Heard Vista Chevrolet Corp. NW Las Vegas, Norm Baker Motors, Foothills Auto Sales, Painter's Auto Land and Amigo Auto Sales, LLC, (collectively 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 State Action). The State Action generally alleges that the dealers and retailers sold VSC's 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. The Settling Defendants deny the allegations of the State Action. The Class is limited to VSC holders who purchased directly or indirectly from SC&E Administrative Services, Inc. (SC&E), American Prime Asset (APA), Triad Marketing LLC (Triad) or one of the Settling Car Dealers. Warranty Gold, Ltd. (WG) filed for Chapter 11 Bankruptcy in In Re Warranty Gold, Ltd. Debtor United States Bankruptcy Court, Western District of Texas (hereinafter "The Bankruptcy Action.") 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. Auto Services Corporation, Inc. (ASC) has continued to honor covered claims by VSC holders. In addition, there exist a comparatively small number of VSC holders (approximately 5% of all VSC holders) who purchased their VSC through other retailers (Other Retailers). As a result, the VSC holders who purchased through WG, ASC or Other Retailers are not members of the Class unless they purchased through one of the Settling Car Dealers.

C. The Nevada State Court preliminarily certified a class in the State Action defined as: "All persons who bought or possessed a 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

pursuant to which there is an unreimbursed claim incurred during the term of the VSC, or 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 for settlement purposes only is without prejudice to the non-settling defendants' ability to challenge certification of any class against them. In addition, claims against nonsettling Defendants and others are being assigned to the Class as part of this settlement. Approval of this settlement is without prejudice as to these nonsettling Defendants and other third parties' right to challenge these assignments. In approving these assignments as part of the settlement, the Court takes no position as to the validity of these assignments or the underlying claims.

D. The Nevada State Court has scheduled a hearing on January 6, 2006 at 10:30 a.m. before the Honorable Valerie Adair in the District Court of the State of Nevada for the County of Clark, Dept. No. XXI, located at 8th Judicial District Court, Dept. XXI, Clark County Court House, 200 South Third Street, Las Vegas, NV 89101, to consider whether to grant final approval of the settlement.

II. TERMS OF THE PROPOSED SETTLEMENT

If the Stipulation and Settlement Agreements signed by the Settling Defendants (the Settlement) are approved by the Court and a Judgment of dismissal is entered of the Settling Defendants that is no longer subject to appeal (Final Approval), the Settling Defendants will provide the following relief to the Class:

RETAILERS

A. In return for a release of all Released Claims as that term is defined in the Stipulation and Settlement Agreement, and dismissal with prejudice of the State Action and the related California action as to them only, certain retailers (SC&E, APA and, Triad) have each separately agreed to pay to the extent funds are available on a claims made basis to the Class Members who files an accepted Claim Form and who bought from each of them all covered claims made for unreimbursed repairs pursuant to VSCs separately sold by or through each of them. They further agree to the extent funds are available to pay on a claims made basis for estimated repairs not paid for by the Class Member or any third party and then to the extent funds remain to repay all premiums paid pursuant to VSCs separately sold by or through each of them for the remainder of each term after June 6, 2003 to the full extent of funds allocable to the Class Members of each of these retailer. Covered claims made for unreimbursed repairs paid for by the Class Members will be paid first, then claims for estimated repairs not paid for by the Class Member or any third party will be paid. The residue will be used to reimburse premiums paid. In return for a yet to be determined percentage of the proceeds from the NWIG Liquidation Proceedings, certain retailers (SC&E, APA, Triad and WG) have agreed to waive any cross-claims against each other pursuant to the terms of an Asset Distribution Agreement (The ADA). The Court has not approved the ADA and in particular has not approved the prosecution of Professional Claims as outlined in paragraph four of the ADA. The VSC holders of SC&E, APA, Triad, and WG as part of the ADA have also agreed to waive their claims against the other retailers signing the Agreement to allow for implementation of the Asset Distribution Agreement. The aforementioned retailers and their respective VSC holders by forbearing in pursuing any claims against each other in return for a reciprocal forbearance agreement will eliminate the costs of continued litigation and allow for the eventual distribution of the funds being held in the Liquidation Proceedings. The Class by and through the Class Representatives has agreed to the terms of the ADA subject to Final Approval of this Settlement.

B. SC&E, APA, Triad and WG have entered into the ADA. The Class by and through their Class Representatives has approved the terms of the ADA subject to Final Approval of the Settlement. The ADA allocates as between these retailers approximately 40% of the eventual distribution of funds to them as a group to SC&E and APA, and 20% of these funds to Triad. The amount to be received by the Class is uncertain at this time in that the amount has to be negotiated with the NWIG liquidators and includes not only cash on deposit but also the proceeds of third party litigation and is subject to further reduction pursuant to the terms of the Stipulation and Settlement Agreements with these retailers along with payment to others in amounts yet to be determined.

C. Upon final Approval, and as part of the settlements with SC&E, APA and Triad, and in order to expedite the eventual release of funds from NWIG and to eliminate costly administration expenses, each Class Member that purchased a VSC sold by SC&E, APA or Triad shall, for good and valuable consideration, grant to the Designated Class Representative, Reuben J. Rocker, through Class Counsel, an irrevocable proxy and special power of attorney coupled with an interest for the duration of the NWIG Liquidation Proceedings ("Special Proxy") to act on behalf of and for each such Class Member in matters relating to the NWIG Liquidation Proceedings in the Cayman Islands or any subsequent Bankruptcy Filing of SC&E, APA or Triad. This Special Proxy will grant the Designated Class Representative the power and authority to act on behalf of such Class Members in the following ways: i) to accept service of all notices (of whatever nature) from NWIG, the Joint Official Liquidators of NWIG in connection with the NWIG estate; ii) to submit claims against the NWIG estate, to appeal against the adjudication of such claims and to settle or compromise such claims; iii) to vote in relation to any scheme of arrangement or any other matter relating to NWIG or the administration of the NWIG estate; iv) to receive any distribution payable by the NWIG estate on behalf of such Class Members in connection with the jointly filed claims; v) to provide NWIG and the Joint Official Liquidators with a complete and unconditional release of all claims of such Class Members; vi) to take any other necessary action in the NWIG Liquidation Proceedings on behalf of those Class Members that purchased VSCs from SC&E, APA or Triad to effectuate the release of funds on behalf of the Class; and vii) to act for and on behalf of each Class Member in connection with any bankruptcy filing by SC&E, APA or Triad. Pursuant to the settlements with SC&E, APA and Triad, and the Asset Distribution Agreement, the Designated Class Representative, on behalf of the Class Members, will file a single joint claim with SC&E and APA in the NWIG Liquidation Proceedings and a single joint claim with Triad in the NWIG Liquidation Proceedings. Any funds recovered from the NWIG estate in connection with the jointly filed claims will be deposited into a joint account bearing the name of SC&E/APA and the Class or Triad and the Class, respectively, and thereafter a pro-rata share of those funds (not less than 50%) as set forth in Paragraphs II.D. and III. herein will be distributed to the Claims Administrator in connection with this Notice and the Court's orders. The proceeds ultimately recovered from the jointly filed claims will then be distributed to the Class in accordance with Section II (D) below. As a result of granting the Designated Class Representative this proxy and special authority, you will not have the right to bring any individual claim against NWIG in the NWIG Liquidation Proceedings in the Cayman Islands. Rather, you will have a right to the distribution

of certain proceeds in connection with the terms set forth in this Class Notice.

D. SC&E, APA and Triad have also agreed to provide the Class with an irrevocable present assignment of a pro rata share (not to be less than 50%) of the funds recovered from NWIG in connection with the joint claims filed by SC&E, APA and the Class and Triad and the Class in the NWIG Liquidation Proceedings and any proceeds that may be recovered in litigation against professionals and nonprofessional third parties. The settlement anticipates that Class Counsel will prosecute such claims from which the Class will derive its pro rata share of the recovery (not to be less than 50% of these retailer's share of the recovery) from the professional and nonprofessional third parties. The Court has neither decided whether there are any claims to assign to prosecute against the professionals and nonprofessional third parties, nor whether the Court will authorize class counsel to pursue such claims.

SETTLING CAR DEALERS

E. In return for a release of all Released Claims as that term is defined in their separate Stipulation and Settlement Agreement, and dismissal with prejudice of the State Action and related California action as to them only, certain car dealers, AutoNation, Gaudin, Painters Autoland, Amigo Auto Sales, Honda West, Nevada Dodge, Bill Heard Chevrolet Corp. NW, Bill Heard Chevrolet Corp., NW Las Vegas, Courtesy, Foothills Motors and Norm Baker Motors (Settling Car Dealers) have agreed to absorb the costs of repairing cars and administering claims for the Class Members to the extent the VSC was sold separately by them to the VSC holder making a claim for repair against them without being required to file a Claim Form. In addition, all of these named car dealers, with the exception of the Courtesy and Bill Heard dealerships, have agreed to assign their claims against third parties to the Class for prosecution.

As to the Courtesy dealerships, each dealership will pay covered claims under the VSCs which the scheduled dealership sold and which imposes upon them as dealer obligors the responsibility to repair the vehicle in accordance with the terms of the VSC sold without the Class Member being required to file a Claim Form, provided the vehicle is brought to the dealership from which the VSC was purchased for service or repair work, and provided the additional terms of the VSC have been met. Further, the Courtesy dealerships will reimburse a dealer-obligor VSC holder for covered repairs that were estimated by a Courtesy dealership, but did not have repairs done because payment was denied. For non-dealer obligor contracts, Courtesy will pay a \$100 credit toward a covered repair if performed by the dealership of purchase only. As to the Bill Heard dealerships, in addition to absorbing repair costs, past due covered claims, which were properly submitted and subsequently denied, shall also be honored.

IF YOU ARE A CLASS MEMBER THAT FITS THIS DESCRIPTION AND YOU HAVE A REPAIR CLAIM, YOU SHOULD IMMEDIATELY CONTACT YOUR DEALER TO HAVE YOUR CAR REPAIRED. Do not wait for Final Approval. To the extent you are not fully reimbursed for any covered repair by a settling car dealer defendant you should file a claim with the Class Claims Administrator. All Class Members, regardless of payments for repairs from settling car dealers, will be eligible for their pro-rata share of the amounts allocated to the recision amount without the need to file a claims form.

IF YOU DID NOT PURCHASE YOUR VSC FROM ONE OF THE DEALERS LISTED ABOVE, YOU ARE NOT RELEASING ANY CLAIMS YOU MAY HAVE AGAINST THE DEALER THAT SOLD YOU YOUR VSC.

RATING ENTITY

F. In return for a release of all Released Claims as that term is defined in their separate Stipulation and Settlement Agreement and the dismissal with prejudice of the State Action and the related California action as to this settling defendant only, the rating entity A.M. Best has agreed to provide \$15,000.00 to the Class.

YAMAGATA ENTERPRISES, INC.

G. In return for a release of all Released Claims as that term is defined in their separate Stipulation and Settlement Agreement and the dismissal with prejudice of the State Action and the related California action as to this settling defendant only, Yamagata Enterprises, Inc. has agreed to provide the Class with \$600,000.00.

III.

SETTLEMENT FUNDS: DUE TO THE LIMITED FUNDS AVAILABLE, CLAIMS WILL BE PAID ON A PRO RATA BASIS TO THE EXTENT FUNDS ARE AVAILABLE EXCEPT WITH REGARD TO CERTAIN SETTLING CAR DEALERS WHO ARE PAYING REPAIR CLAIMS IN FULL. THERE IS NO EXPECTATION THAT YOUR CLAIM WILL BE PAID IN FULL AT THIS TIME.

The Settlement Fund for each Settling Defendant is as follows:

- **SC&E, APA and Triad:** In lieu of bankruptcy, SC&E, APA and Triad have agreed to settle by tendering the Settlement Fund summarized herein to the applicable Class Members. The Class Representatives after analyzing the liabilities of SC&E, APA and Triad and the lack of assets accepted the Settlement Fund as fair, reasonable and adequate. Bankruptcy was analyzed as being the least attractive alternative even though in either event the applicable Class Members in all likelihood will not be made whole. The Settlement Fund as to SC&E, APA and Triad shall consist of (i) \$75,000; and (ii) the Class' pro-rata share, as defined herein, of any funds or proceeds SC&E, APA, Triad and the Class receives or is entitled to receive from: (a) the NWIG Liquidation Proceedings (bankruptcy proceeding) in the Grand Cayman Islands; (b) the assignment for prosecution of these settling defendants' assignable claims against any and all third parties (the Court has neither decided whether there are any such claims to assign, nor whether the Court will authorize class counsel to pursue such claims); and (c) a present irrevocable assignment of the proceeds to be recovered from any claims prosecuted against professionals, and nonprofessionals (the Court has neither decided whether there are any such claims to assign, nor whether the Court will authorize class counsel to pursue such claims). All such assignments shall be secured by a security interest in such proceeds and evidenced by a UCC-1 filing related thereto. The Class' pro-rata share shall be determined by apportioning the total of the funds or proceeds received in

subsections (a), (b) and (c) of this paragraph on a pro-rata percentage basis between (i) the Class' total approved repair claims and (ii) the automotive dealers total approved repair claims for repairs made by automotive dealers for SC&E, APA, and Triad's VSC holders; provided, however, that in no event shall the Class' pro-rata share be less than fifty percent (50%). No automotive dealer's repair claim will be approved for payment without first confirming that the automotive dealer has exhausted the funds held in their reserve account including but not limited to the funds returned to certain dealers held in escrow by APA as escrow agent. Any portion of the recovered funds in subsections (a), (b) and (c) above not allocated to automotive dealers to cover approved repair claims shall be payable to the Class and constitute part of the Settlement Fund. None of these funds will be retained by SC&E, APA or Triad. In the event of bankruptcy by any or all of these settling defendants, these settling defendants and the Class have agreed as part of their separate Stipulation and Settlement Agreement that they will agree to a similar treatment in any confirmed Chapter 11 plan for the settlement funds, proceeds of recovery on the professional and nonprofessional claims and the rights and obligations acquired by the Class pursuant to the terms of this settlement, together with retention of Class Counsel to prosecute such claims, and to work together to have the same approved.

- Yamagata Enterprises: \$600,000. Yamagata shall advance such sums necessary upon Preliminary Approval to cover the cost of notice and claims administration. To the extent any funds remain after payment of these costs and fees, these funds shall be distributed to the Retailers Class on a pro rata basis as set forth herein.
- AutoNation and Gaudin: Agreement to honor all repair claims for Class Members who purchased their VSC through the following dealerships: Brown & Brown Nissan, Brown & Brown Chevy-Main, Brown & Brown Chevy - Superstore, Brown & Brown Nissan - Messa, Desert Buick, Desert Chrysler Plymouth Jeep, Desert Nissan West, Desert VW/Audi - Las Vegas, Desert Pontiac, Desert BMW - Henderson, Lou Grubb Chevy - Camel Back, Lou Grubb Chevy - Arrow Head, Lou Grubb Chrysler, Lou Grubb Dodge, Pitre Buick, Gaudin Ford, Gaudin Jaguar Porsche and Ford Country pursuant to VSC sold by AutoNation/Gaudin and assignment of all claims against any and all third parties to the Class.
- Bill Heard Chevrolet Corp. NW and Bill Heard Vista Chevrolet Corp. NW Las Vegas: Agreement to honor all covered claims for class members pursuant to VSC sold by Bill Heard Chevrolet Corp. NW or Bill Heard Vista Chevrolet Corp. NW Las Vegas provided the automobile is brought to the selling dealership. Further, past denied claims will be paid provided the claim was properly submitted to the Bill Heard dealership and subsequently denied.
- Norm Baker Motors: Agreement to provide an equivalent VSC program to consumers who purchased a NWIG backed VSC from Norm Baker Motors. Further, Norm Baker Motors will assign all claims against any and all third parties to the Class.
- Foothills Auto Sales: Agreement to honor all covered claims for class members pursuant to VSC sold by Foothills Auto Sales, or to allow class members to cancel the VSC. Further, Foothills Auto Sales will assign all claims against any and all third parties to the Class.
- Painters Auto Land and Amigo Auto Sales, LLC: Agreement to honor all covered claims for class members pursuant to VSC sold by Painters Auto Land and Amigo Auto Sales, LLC, or to allow class members to cancel the VSC. Further, Painters Auto Land and Amigo Auto Sales, LLC will assign all claims against any and all third parties to the Class.
- Honda West and Nevada Dodge: Agreement to honor all covered claims for class members pursuant to the VSC sold by Honda West and Nevada Dodge. Further, Honda West and Nevada Dodge will assign all claims against any and all third parties to the Class.
- Courtesy Car Dealerships: Agreement to pay for covered claims to all holders of a "dealer-obligor" VSC sold by a Courtesy Car Dealer Defendant, provided the automobile is taken to the dealership which sold the "dealer-obligor" VSC. As to holders of "non dealer-obligor" VSCs sold by a Courtesy Car Dealer Defendant, a \$100.00 credit towards covered repairs will be issued provided the automobile is taken to the dealership which sold the "non dealer-obligor" VSC.
- A.M. Best Company: Agreement to provide consideration to the Rocker Class in the amount of \$15,000.00 in exchange for the dismissal of all claims alleged by the Plaintiffs.

IV.

CLAIM PROCEDURE: IN ORDER TO BE REIMBURSED FOR A REPAIR YOU PAID FOR OR FOR AN UNPAID ESTIMATE, YOU MUST COMPLETE AND RETURN THE ATTACHED CLAIM FORM PRIOR TO THE CLAIM CUTOFF DATE

A. 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. 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.

B. 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 December 19, 2005. 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 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.** 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 late payment. Payment of these late claims will be paid to the extent funds remain available. 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. A final settlement approval and good faith determination hearing (the "Hearing") will be held before the Honorable Valerie Adair on January 6, 2006 at 10:30 a.m., in the District Court of the State of Nevada for the County of Clark, located at 8th Judicial District Court, Dept. XXI, Clark County Court House, 200 South Third 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. 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 November 2, 2005, that person has served by hand or by first class 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 Troy D. Phillips Esq., Glast, Phillips & Murray, P.C., 2200 One Galleria Tower, 13355 Noel Road, L.B. 48, Dallas, TX 75240-1518 and filed said objections, papers and briefs with the Clerk of the Court. In order to be valid, said papers must be filed in with the court in Las Vegas 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 all Released Claims against all Settling Defendants SC&E Administrative Services, Inc. (SC&E), American Prime Asset, Inc. (APA), Yamagata Enterprises, Inc. (Yamagata), Triad Marketing Group, LLC (Triad), and Certain Dealers, Autonation (including: Brown & Brown Nissan, Brown & Brown Chevy-Main, Brown & Brown Chevy - Superstore, Brown & Brown Nissan - Mesa, Desert Buick, Desert Chrysler Plymouth Jeep, Desert Nissan West, Desert VW/Audi - Las Vegas, Desert Pontiac, Desert BMW - Henderson, Lou Grubb Chevy - Camel Back, Lou Grubb Chevy - Arrow Head, Lou Grubb Chrysler, Lou Grubb Dodge and Pitre Buick), Gaudin (including: Gaudin Ford, Gaudin Jaguar Porsche and Ford Country), Courtesy (including: City Oldsmobile, Inc., Courtesy Cars, Inc., Courtesy Oldsmobile, Inc., Courtesy North, LLC, Courtesy Imports), Bill Heard Chevrolet Corp. NW, Bill Heard Vista Chevrolet Corp. NW Las Vegas, Norm Baker Motors, Foothills Auto Sales, Painter's Auto Land, Amigo Auto Sales, LLC and A.M. Best Company 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 only and no person shall have any claim against the Plaintiffs, Class Counsel, Settling Defendants, Settling Defendants' Counsel, or the Claims Administrator by reason of this settlement except as set forth therein.

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 forty per cent (40%) of the amount(s) deposited with the Claims Administrator plus reimbursement of reasonable costs incurred (upon which a first priority statutory attorneys lien shall exist for such fees and costs) unless otherwise limited by a settlement agreement with a settling defendant as to the funds derived from that settling defendant and 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 the Class. The approval of this settlement is without prejudice to all challenges to any fee award. No fee award will be approved until funds are first on deposit with the claims administrator for distribution, and notice of the request for fees has been sent to all Defendants, objectors and others requesting notice of any fee award hearing. To the extent such future recoveries for benefit of the Class must be prosecuted through a claim held by a settling defendant or its bankruptcy estate in its name to ensure legal standing for recovery, Class Counsel shall be entitled to enter into a written fee agreement with the settling defendants or their bankruptcy estate, consistent with the terms of this provision. Any attorneys' fees and costs awarded by the Court shall be paid to Class Counsel within five (5) days after the Effective Date. Reasonable costs (expenses of the litigation), may include expert witness fees, filing and citation fees, court costs, subpoena costs, service fees, depositions, 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 approval of this settlement is without prejudice to any challenge in the future as to any fee award. No fee award will be approved 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 Settlement 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. LLC, P. O. Box 8060, San Rafael, CA 94912-8060, postmarked no later than November 2, 2005. 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 proposed settlement is approved by the Court and becomes effective, the Judgments will be entered by these Courts which will dismiss with prejudice the State Action as against Settling Defendants only. The Judgment will resolve the Released Claims to the extent provided in the settlement agreements and permanently bar all Class Members who have not opted out and the other Defendants in the actions from prosecuting any and all Released Claims against the Settling Defendants. The actions will also be dismissed with prejudice as a good faith settlement upon the Judgment in the actions 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, Triad or all, 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' 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 AGREEMENT AND ATTACHED EXHIBITS INTO THIS NOTICE

The above description is only a summary of the settlement. THE ENTIRE STIPULATION AND 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. 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. XXI, Clark County Court House, 200 South Third Street, Las Vegas, NV 89101 during the business hours of each business day or you can view these documents on Class Counsel's web site at 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.

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

Dated: August 12, 2005

THE HONORABLE VALERIE ADAIR
JUDGE OF THE DISTRICT COURT
COUNTY OF CLARK, STATE OF NEVADA

CLAIM FORM - COMPLETE FOR MONETARY RECOVERY

YOU MUST COMPLETE AND MAIL THIS CLAIM FORM BY FIRST CLASS U.S. MAIL, POSTAGE PAID, POSTMARKED ON OR BEFORE DECEMBER 19, 2005 ADDRESSED AS FOLLOWS IN ORDER TO RECEIVE A MONETARY RECOVERY:

SC&E Claims Administrator
c/o Gilardi & Co. LLC
P. O. Box 808070
Petaluma, CA 94975-8070

INSTRUCTIONS

1. Please complete and sign the Claim Form to be eligible for payment. The information requested relates to your Vehicle Service Contract for which the issuer was insured by National Warranty Insurance Risk Retention Group. All joint holders sign the Claim Form. If you move, please send us your new address.
2. Please do not send any supporting documentation at this time. If such documentation is deemed necessary, a separate request will be sent to you directly.
3. Executors, administrators, guardians, conservators and trustees must complete the Claim Form on behalf of persons represented by them, their titles or capacities must be stated, and proper proof of such capacity must be submitted with the Claim Form.

**ACCURATE CLAIMS PROCESSING TAKES TIME.
YOUR PATIENCE IS APPRECIATED.**

Check here [] for payment of an unreimbursed repair claim
Check here [] for payment of an estimated repair claim not paid for by you or any third party

(Name(s) (First, Middle, Last) of Holder

Vehicle Service Contract Number

Current Street Address(es)

Name of Vehicle Service Contract Seller

City State Zip Code

Street Address of Vehicle Service Contract Seller

(Work)

Area Code Telephone Number

City State Zip Code

(Home)

Area Code Telephone Number

Date Vehicle Service Contract Purchased

\$ _____ is amount of unreimbursed repairs paid for by me during term of contract

Term of Contract Months _____ Mileage

\$ _____ is amount of estimate for repair not paid for by me or any third party

\$ _____ Amount Paid for Contract

Date of Repair/Date of Estimate

Current Mileage of Vehicle

Name of Repairer/Name of Estimator

Current Street Address of Repairer/Estimator

City State Zip Code

I certify on this ____ day of _____, 2005, under penalty of perjury under the laws of the United States and applicable state laws that the above information is true and correct and I am NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.*

(Sign your name here)

**Joint Holder - Sign Here

(Type or print name here)

**Joint Holder - Print name

(Capacity of persons signing, e.g., Owner of Claim, Executor for Owner of Claim, etc.)

**All Joint Holders Must Sign this Form

*NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the word "not" in the certification above.

SC&E Claims Administrator
c/o Gilardi & Co. LLC
P. O. Box 808070
Petaluma, CA 94975-8070

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