

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

<b>IN RE: MERCEDES BENZ ANTITRUST LITIGATION</b>	X : : X	MASTER FILE NO. 99-4311 (WHW)
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**NOTICE OF ADDITIONAL PROPOSED SETTLEMENT,  
AND COURT HEARING ON FINAL APPROVAL OF PROPOSED SETTLEMENT,  
PLAN OF ALLOCATION AND AWARD OF FEES & EXPENSES**

TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR LEASED A NEW MERCEDES-BENZ VEHICLE DIRECTLY FROM ANY OF THOSE NEW YORK, CONNECTICUT OR NEW JERSEY DEALERSHIPS LISTED ON EXHIBIT A DURING THE PERIOD FROM FEBRUARY 1, 1992 THROUGH AUGUST 30, 1999.

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED. THIS NOTICE DESCRIBES ADDITIONAL PROPOSED PARTIAL SETTLEMENTS AND RELATED MATTERS. IF YOU ARE A MEMBER OF THE CLASS, YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND.

This Notice informs you that Plaintiffs have entered into a proposed settlement agreement with two of the Defendants (“Settlement”). You are being notified so that you may make appropriate decisions as to what action, if any, you wish to take in relation to this matter. Your possible choices are described later in this Notice.

**A federal court authorized this Notice. This is not a solicitation from a lawyer.**

**Deadline to File an Objection: February 1, 2008**

A proposed settlement has been entered into between Plaintiffs, on behalf of the Class, and Defendants Mercedes-Benz USA, LLC (“MBUSA”) and Mercedes-Benz Manhattan (“MBM”) (collectively, “Settling Defendants”).

A hearing will be held before the Court in Courtroom No. 4D, Martin Luther King, Jr. Federal Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07102, on March 11, 2008, at 10:00 a.m. (the “Settlement Hearing”) to determine (1) whether the proposed settlement, as set forth in the settlement agreement (the “Settlement Agreement”) is fair, reasonable, and adequate to the Class, (2) whether the proposed Plan of Allocation is fair, reasonable and adequate, (3) whether and how much Plaintiffs’ Counsel should be awarded in attorneys’ fees and expenses and (4) whether and how much should be awarded as payment to the Named Plaintiffs for their time, expense and service as Class Representatives in this Litigation.

**PLEASE READ THIS NOTICE CAREFULLY.** It will tell you about the terms of the settlement, what choices you have to make, and what you have to do to protect your rights. This Notice explains to you certain deadlines and where you can get additional information. For more information, call the Settlement Administrator at 1-800-222-2760 or send an email to [www.claimsinformation.com](http://www.claimsinformation.com).

**YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT, OR DO NOT ACT. READ THIS NOTICE CAREFULLY.**

<b>Your Legal Rights and Options:</b>	
<b>If You:</b>	<b>Then:</b>
<b>Object</b>	<b>You may submit documents to the Court setting forth why you do not like the Settlement, the Plan of Allocation, the award of attorneys’ fees and expenses, or the awards to Class Representatives.</b>
<b>Go to a Hearing</b>	<b>You may ask to speak in Court about the fairness of the Settlement, the Plan of Allocation or the award of any fees or expenses out of the Settlements.</b>
<b>Do Nothing</b>	<b>If you did not exclude yourself from the class by November 8, 2004, you are entitled to submit a claim form to establish whether you should share in the proceeds of this Settlement and Prior Settlements.</b>

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case, which has given preliminary approval of the Settlement, still has to decide whether to give final approval to the Settlement. Payment will be made if the Court gives final approval to the Settlement (subject to any appeals) and after the claims processing procedure is complete.

## WHAT THIS NOTICE CONTAINS

This Notice contains only a summary of the Settlement. The complete terms of the Settlement are contained in the Settlement Agreement, which is available to the public to review at the Clerk's office at United States District Court for the District of New Jersey, 50 Walnut Street, Newark, NJ 07102, during regular business hours or on the website of the Court, [www.njd.uscourts.gov](http://www.njd.uscourts.gov) (with a password obtained from the Court) on the website of Class Counsel at [www.cmht.com](http://www.cmht.com) or [www.srk-law.com](http://www.srk-law.com).

## WHY DID I RECEIVE THIS NOTICE PACKAGE?

Class Plaintiffs filed this lawsuit against the Defendants in the United States District Court for the District of New Jersey in September 1999. Class Plaintiffs allege that the Defendants unlawfully agreed to fix, raise, maintain and stabilize prices of new Mercedes-Benz vehicles sold or leased in the MBUSA New York region, which included portions of New York, New Jersey and Connecticut, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. Class Plaintiffs claim that, as a result of this alleged price-fixing, they and other members of the Class paid more for Mercedes-Benz vehicles than they would have paid absent such conduct. Each Defendant has denied Class Plaintiffs' claims.

On February 19, 2003, the Court certified this action to proceed as a class action for all purposes as against all Defendants on behalf of the Class. As more fully discussed below, the Plaintiffs entered into settlement agreements with six of the dealer defendants in March, May and September, 2003. On September 5, 2003, and February 19, 2004, the Court gave its preliminary approval to these settlements. The Court has since given final approval to those settlements. On September 18, 2006, the Court finally approved settlements with 17 other Defendants. The total of all previous settlements is approximately \$8,005,000.00 in cash.

After those settlements, only three Defendants remained in the litigation: MBUSA, MBM, and Beifus Motors. After pre-trial proceedings were completed, Plaintiffs reached this proposed settlement with Defendants MBUSA and MBM to settle claims on behalf of the class for \$9.5 million in cash. If the Court approves this proposed settlement with MBUSA and MBM, the total of all settlements will exceed \$17.5 million, which is approximately 50% of the actual damages as calculated by Plaintiffs' expert economist. In order to be effective, the Court must give its final approval to this Settlement.

If this proposed settlement is approved, Class Plaintiffs will likely dismiss Defendant Beifus Motors, Inc., which ceased to be a Mercedes-Benz dealership, from this litigation. Based upon information supplied to Class Counsel, Defendant Beifus Motors appears to be insolvent and is unlikely to be able to pay any judgment or settlement. As a result, final approval of this Settlement will effectively terminate this litigation.

The Court has designated the following Settlement Class Counsel:

**Cohen, Milstein, Hausfeld & Toll, P.L.L.C.**  
1100 New York Avenue, N.W.  
Suite 500  
Washington, D.C. 20005

**Spector Roseman & Kodroff, P.C.**  
1818 Market Street  
Suite 2500  
Philadelphia, PA 19103

**THE COURT HAS NOT RULED ON THE MERITS OF ANY OF THE CLAIMS OR DEFENSES ASSERTED BY THE PARTIES. THIS NOTICE IS NOT TO BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF SUCH CLAIMS OR DEFENSES.**

## HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

By Order entered on February 19, 2003, the Class was certified for all purposes. The Class included all persons and entities who purchased or leased a new Mercedes-Benz vehicle directly from any of the Defendants listed in Exhibit A to the Notice during the period February 1, 1992 through August 30, 1999. Excluded from the Class are the defendant MBUSA, its parents, subsidiaries, affiliates and employees (including, but not limited to, Mercedes-Benz Credit corporation n/k/a DaimlerChrysler Financial Corporation); all authorized MB centers, their respective parents, subsidiaries, and employees; and any governmental entity.

The deadline for requesting exclusion from the Class was November 8, 2004. As a result, if you are someone who fits the Class definition and you did not exclude yourself from the Class before November 8, 2004, then you are a member of the Class.

**RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU DID NOT EXCLUDE YOURSELF FROM THE CLASS BY NOVEMBER 8, 2004, YOU WILL BE ENTITLED TO SUBMIT A CLAIM FORM, AND IF YOU ARE DETERMINED TO BE A CLASS MEMBER, YOU MAY ALSO HAVE THE RIGHT TO SHARE IN ANY OF THE SETTLEMENT PROCEEDS.**

## WHAT RECOVERY DOES THE NEW SETTLEMENT PROVIDE?

In addition to the settlements previously approved with twenty-three of the twenty-six Defendants amounting to over \$8 million, Class Plaintiffs have now reached a negotiated settlement of the Class Action with Defendants Mercedes-Benz USA, LLC ("MBUSA") and Mercedes-Benz Manhattan ("MBM") (collectively, "Settling Defendants") for \$9.5 million. As a result, the total settlement recovery for the Class, if this Settlement is approved, will be over \$17.5 million.

The proposed Settlement represents a compromise of disputed claims and does not mean that any of the Settling Defendants, or any other Defendant in this matter, has been found liable for any of the claims asserted by Class Plaintiffs. The Settling Defendants specifically deny any liability on their part and settled this case to avoid the expense and uncertainty of complex litigation. The Settlement Agreement is subject to approval by the Court following the Settlement Hearing.

The Settlement Agreement, if finally approved by the Court, also provides for the dismissal with prejudice of all claims against the Settling Defendants in this action (the "Class Action Claims"). The amounts paid in settlement of the Class Action Claims against the Settling Defendants, after payment of any Court-ordered attorneys' fees, reimbursement of litigation expenses as approved by the Court, and expenses of providing Notice to the Class and of administering and distributing the settlement fund (including tax-related expenses), will be distributed among the members of the Class who submit timely and valid Claim Forms. See "How Much Will My Payments Be" below for more information.

If Plaintiffs dismiss the remaining Defendant, Beifus Motors, as they expect to, the Settlement described in this Notice will finally resolve this case and end the litigation.

### WHY IS THERE A SETTLEMENT?

Class Counsel have conducted extensive discovery in this case, which has now been in litigation for over eight years. Based upon their extensive investigation, their consultation with experts retained by them and their evaluation of the claims of the Class Members as against the Settling Defendants and defenses that might be asserted thereto, Class Counsel believe that the settlement is fair, reasonable and adequate and in the best interests of the Class. The settlement provides an immediate and certain recovery. The risks of continued litigation, on the other hand, might mean that there would be no recovery or that any recovery might take years more to obtain, and might not be as favorable as the settlement.

### WHAT CLAIMS AND RIGHTS AM I GIVING UP?

**IF YOU DID NOT EXCLUDE YOURSELF FROM THE CLASS BY NOVEMBER 8, 2004 AND THE SETTLEMENT AGREEMENT IS APPROVED BY THE COURT, YOU WILL BE BOUND BY ALL OF THE COURT'S ORDERS AND JUDGMENTS ENTERED PURSUANT TO THE SETTLEMENT AGREEMENT, INCLUDING THE DISMISSAL AND RELEASE OF YOUR CLAIMS AGAINST THE SETTLING DEFENDANTS, AS PROVIDED BELOW, REGARDLESS OF WHETHER YOU FILE A CLAIM FORM OR PARTICIPATE IN THE SETTLEMENT FUND.**

In the event that the Court approves the Settlement Agreement after the Settlement Hearing, each member of the Class who did not timely and validly exclude him, her, or itself from the Class shall, on his/her/its own behalf and, if a corporate entity, on behalf of its respective present and former direct and indirect parents, subsidiaries and affiliates, the present and former officers, directors, employees, agents, and legal representatives of each of the foregoing, and the predecessors, successors, heirs, executors, administrators and assigns of each of the foregoing (collectively, "the Releasors"), completely release and forever discharge each Settling Defendant, and all of their predecessor and successor entities, and all of their present and former direct and indirect parents, subsidiaries and affiliates (including Mercedes-Benz Credit corporation n/k/a DaimlerChrysler Financial Corporation), including, without limitation, all of their present and former partners, members, shareholders, officers, directors, employees, agents, insurers and legal representatives of each of the foregoing and the predecessors, successors, heirs, executors, administrators and assigns of each of the foregoing (collectively, "the Releasees") all manner of claims, including every class, derivative, individual, and other claim, demand, action, suit, right, cause of action, known or unknown, asserted or unasserted, whether based on federal, state, local, statutory, or common law or any other law, rule or regulation, which Releasors or any of them, whether directly, representatively, derivatively or in any other capacity, ever had or now have, concerning alleged collusive or anticompetitive conduct with respect to the pricing, discounting, marketing, distribution, sale or leasing of new Mercedes-Benz vehicles, including the conduct alleged in the Class Action.

In addition, each Releasor hereby expressly agrees that, upon final approval of the proposed Settlement, the Releasor waives and releases with respect to the Released Claims, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by (a) § 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor

and (b) any similar state, federal, or other law, rule or regulation or principle of common law. Each Releasor may hereafter discover facts other than or different from those that Releasor knows or believes to be true with respect to the subject matter of the released claims, but each Releasor hereby expressly agrees that, upon final approval, it shall have waived and fully, finally and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or non-contingent claim with respect to the Released Claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such other or different facts.

The release and dismissal of the above claims will have no effect upon any claims you may have against persons other than the Releasees, as defined above. In addition, the above release shall not release claims arising in the ordinary course of purchase and lease transactions, including claims for non-payment, late payment, default on lease terms and the like, or any other claim not based on or related to the subject matter of the Class Action.

Finally, the Class Representatives individually and on behalf of other class members have agreed not to provide assistance to Coast Automotive Group Ltd., Tamim Shansab, or any affiliated person in connection with litigation in *Mercedes-Benz USA, LLC v. Coast Automotive Group Ltd. et al.*, Civ. Action No. 99-3121 (D.N.J.) or *Coast Automotive Group, Ltd., et al. v. Mercedes-Benz USA, LLC, et al.*, Docket No. OCN-L-3096-98 (Super. Ct. N.J.) (the "Coast Actions"). The Coast Actions involve claims against certain

Defendants in this Class Action which are related to claims asserted by the Class in this Action. In the event that you provide such assistance in the Coast Actions, Settling Defendants may seek a remedy or relief against you for violation of this provision. The Settlement provides that a violation of this provision by a class member will not affect the overall settlement for the other class members. The Settlement also provides that this provision will not prevent you from complying with a valid subpoena or court order related to that case.

### **WHAT HAS HAPPENED IN THE CASE?**

This case was filed in 1999. The Court certified the Class in 2003, and the Notice to the Class that the class had been certified was sent in March 2004.

The parties to this litigation have engaged in extensive factual discovery, including exchanging documents and written discovery responses, and taking numerous depositions of the employees and officers of the Defendants and various non-parties. Fact discovery is now complete. Additionally, the parties also completed expert-related discovery, which included exchanging expert reports on a number of issues, including damages and taking the depositions of each others' experts as well as engaging in 5 days of evidentiary hearings on the testimony of the Plaintiffs and Defendants' experts.

After the settlement agreements were approved as to 23 of the 26 Defendants, Plaintiffs and Defendants MBUSA and MBM filed various pre-trial motions, including motions for summary judgment and to exclude expert testimony. The Court denied the motions for summary judgment made by Defendants MBUSA and MBM. Following the denial of Defendants' motions for summary judgment, the Parties engaged in extensive pre-trial preparations, which included exchanging trial exhibits, identification of trial witnesses, exchanging deposition designations and filing and responding to motions in limine on various evidentiary issues. At the time that the settlement was reached with Defendants MBUSA and MBM, Plaintiffs' trial preparations were essentially complete.

Based on the analysis and opinion of Plaintiffs' expert economist, Class Counsel determined to no longer seek damages on behalf of class members who purchased or leased only C Class vehicles during the class period. Plaintiffs continued to seek damages for all other class members. As a result, in the event that Plaintiffs were successful at trial, purchasers or lessees of C Class vehicles would not be entitled to any damages relating to the purchase of C Class vehicles, though they will be entitled to receive a distribution from a portion of the Net Settlement Fund and would have been entitled to declaratory or injunctive relief. Defendants dispute that they are liable at all and that purchasers or lessees of Mercedes-Benz vehicles during the Class Period have been damaged. Settling Defendants also dispute that lessees are entitled to bring any of the claims asserted in this lawsuit.

After Plaintiffs and Settling Defendants had reached a proposed settlement agreement, Class Counsel received information from Defendant Beifus Motors to their satisfaction that Beifus Motors would be unlikely to be able to satisfy any judgment and that Beifus Motors does not have sufficient monies from which to contribute to any settlement in this case. As such, if this Settlement is approved, Plaintiffs expect to dismiss the remaining Defendant, Beifus Motors, Inc. The dismissal of Beifus Motors will not affect the ability of class members who purchased or leased vehicles from Beifus Motors to participate in any of the Settlements.

### **HOW ARE ATTORNEYS' FEES AND EXPENSES BEING PAID?**

Class Counsel have pursued this litigation on behalf of the Class without receiving compensation for their services since 1999. They have done so with the understanding that, if they obtained a recovery, that their expenses would be reimbursed and they would receive fees from the fund recovered. To date, Class Counsel have put thousands of hours into this case and have incurred in excess of \$1 million in expenses. As explained in the prior Notice, Class Counsel applied for, and received interim awards for litigation expenses (but no award to date for fees). Class Counsel used the interim awards to pay ongoing litigation expenses including expenses related to experts, depositions and pre-trial preparations, but did not use any of the interim award to reimburse any costs that they had previously paid.

Prior to the Final Hearing, Class Counsel intend to file a request for an award of attorneys' fees and expenses from the total settlements that have been obtained. After this motion is filed with the Court, Class Counsel will post this motion on its website at [www.cmht.com](http://www.cmht.com) and [www.srk-law.com](http://www.srk-law.com). Class Counsel will apply for a fee not to exceed 33 1/3% of the total amount of all settlements. In addition, Class Counsel will ask to be reimbursed for their out of pocket expenses from the settlement fund.

Additionally, prior to the Final Hearing, Class Counsel will likely request that the Court make an award to Named Plaintiffs in recognition of the time and expense that they incurred in service as Class Representatives. As representatives of the Class, each of the Named Plaintiffs contributed time in connection with this litigation, including consulting with Counsel, having their depositions taken, preparing to testify at the trial of this case and participating in the negotiation of this Settlement. As part of the Settlement, Class Counsel has agreed that the request for such an award to each of the Named Plaintiffs will not exceed \$10,000.00.

### **HOW MUCH WILL I BE PAID FROM THE SETTLEMENT FUND?**

Accompanying this Notice is a Proof of Claim, which you must complete in order to receive any proceeds from the Settlement Fund. Failure to submit a signed, properly completed Proof of Claim form will disqualify you from receiving any proceeds from the Settlements.

The amount that you receive from the Settlements will depend on a number of factors, including but not limited to the following: (1) the final total of all settlements (e.g. whether this Settlement is approved), (2) the number of Class Members who submit claims, (3) the number of vehicles you bought or leased from a Defendant Mercedes-Benz dealer during the Class Period, (4) the type of vehicle(s) you bought or leased from a Defendant Mercedes-Benz dealer during the Class Period, (5) the amounts that have to be paid from the Settlement Fund for notice and administration expenses, and (6) the amounts the Court awards for attorneys' fees and expenses.

Class Members who submit claims will be paid pro rata from the Net Settlement Funds -- that is, the total amount of all Settlements, less amounts for fees, expenses, incentive awards, administration, and other costs -- based on the proposed Plan of Allocation, which must be approved by the Court. Class Counsel has proposed a Plan of Allocation to distribute monies to class members from the Net Settlement Funds, a full copy of which is available on Class Counsel's website at [www.cmht.com](http://www.cmht.com) or [www.srk-law.com](http://www.srk-law.com) and is summarized below as follows:

### Summary of Plan of Allocation

#### Recognized Claim Formula:

The Settlement Administrator will determine each authorized Claimant's Recognized Claim based on the amount of overcharge per new vehicle purchased or leased during the Class Period as calculated by Plaintiffs' expert economist by class of vehicle. The overcharge amounts are: E Class - \$422; S Class - \$578; SL Class - \$810; CL Class - \$896; CLK Class - \$613; ML Class - \$348; and SLK Class - \$624. For the C Class vehicles, the Recognized Claim will be \$100 for settlements obtained prior to the issuance of Plaintiffs' expert opinion — and \$0 for any subsequent settlements. A Class Member's actual distribution for any vehicle likely will be less than the Recognized Claim. In no event will any distribution exceed three times the overcharge amount (or for C Class vehicles, \$300).

#### Pro Rata Allocation of Claims:

Each Recognized Claim (other than claims based on a C Class Vehicle) shall be allocated a pro rata share of the entire Net Settlement Fund based on each Vehicle's Recognized Claim as compared to the total recognized claims. The Recognized Claim on a C Class Vehicle shall be paid on a pro rata basis only out of the Settlements obtained before the issuance of that expert opinion (the portion of the Fund attributable to those settlements is approximately \$5.7 million).

#### Allocation of Recognized Claims Among Claimants:

Recognized Claims are calculated based on Mercedes-Benz vehicles purchased or leased during the Class Period. No Party has disputed that purchasers in cash or finance transactions and lessees with certain leases (i.e. non-closed end leases) have standing to assert claims in this litigation. In closed-end leases, the Court has determined that both lessors (i.e. finance companies)<sup>1</sup> and lessees have standing to bring claims and are members of the Class. Based on this determination, Class Counsel has proposed the following to allocate claims:

Category	Description of Persons	Allocation Formula
<i>Single Claimant for Vehicle</i>	<ol style="list-style-type: none"> <li>Any MB vehicles purchased or leased from a Dealer Defendant; <u>and</u></li> <li>Only one claimant submits a valid proof of claim</li> </ol>	Single Claimant shall be entitled to 100% of Recognized Claim.
<i>Cash or Finance Purchasers</i>	<ol style="list-style-type: none"> <li>Any MB vehicle purchased or leased from a Dealer Defendant; <u>and</u></li> <li>No lease transaction at the time of sale</li> </ol>	Cash or Finance Purchaser shall be entitled to 100% of Recognized Claim.
<i>Non-Closed End Leases</i> (i.e. Open End Leases, Single-Pay Leases, Balloon Lease or Balloon Financing)	<ol style="list-style-type: none"> <li>Any MB vehicle leased from a Dealer Defendant; <u>and</u></li> <li>Lease was an (a) open-end lease, (b) one-time lease or (c) balloon lease.</li> </ol>	<p>Lessee shall be entitled to 100% of Recognized Claim;</p> <p>Lessor/Finance Company shall be entitled to 0% of Recognized Claim.</p>
<i>Closed-End Leases — Subcategories</i>		
1. Closed-End Leases With an Affiliate of a Defendant (including MBCC)	<ol style="list-style-type: none"> <li>Any MB vehicle leased from a Dealer Defendant; <u>and</u></li> <li>Financing/Leasing Company was Affiliate of a Dealer Defendant or MBUSA (e.g. MBCC)</li> </ol>	<p>Lessee shall be entitled to 100% of Recognized Claim;</p> <p>Lessor/Finance Company shall be entitled to 0% of Recognized Claim.</p>
2. Closed-End Lease in Which Lessee Exercised Option to Purchase At End of Lease For Full Residual Value	<ol style="list-style-type: none"> <li>Any MB vehicle leased from a Dealer Defendant; <u>and</u></li> <li>Financing/Leasing Company was <u>Not</u> an Affiliate of a Defendant; <u>and</u></li> <li>Lessee Purchased Vehicle at the End of the Lease; <u>and</u></li> <li>Lessee Paid Full Amount of Residual Value at End of Lease</li> </ol>	<p>Lessee shall be entitled to 100% of Recognized Claim;</p> <p>Lessor/Finance Company shall be entitled to 0% of Recognized Claim.</p>

<sup>1</sup> Finance/Leasing companies which are affiliates of Defendants (including Mercedes-Benz Credit) are excluded from the Class by virtue of the Class Definition.

Category	Description of Persons	Allocation Formula
3. Closed-End Lease in Which Lessee Exercised Option to Purchase at End of Lease For <u>Less Than</u> Full Residual Value	<ol style="list-style-type: none"> <li>1. Any MB vehicle leased from a Dealer Defendant; <u>and</u></li> <li>2. Financing/Leasing Company was <u>Not</u> an Affiliate of a Defendant; <u>and</u></li> <li>3. Lessee Purchased Vehicle at the End of the Lease; <u>and</u></li> <li>4. Lessee Paid <u>Less Than</u> Full Amount of Residual Value at End of Lease To Purchase Vehicle</li> </ol>	<p>Lessee shall be entitled to 90% of Recognized Claim;</p> <p>Lessor/Finance Company shall be entitled to 10% of Recognized Claim.</p>
4. Closed-End Lease in Which Lessee <u>Did Not</u> Exercise Option to Purchase at End of Lease	<ol style="list-style-type: none"> <li>1. Any MB vehicle leased from a Dealer Defendant; <u>and</u></li> <li>2. Financing/Leasing Company was <u>Not</u> an Affiliate of a Defendant; <u>and</u></li> <li>3. Lessee <u>Did Not</u> Purchase Vehicle at End of the Lease.</li> </ol>	<p>Lessee shall be entitled to 75% of Recognized Claim;</p> <p>Lessor/Finance Company shall be entitled to 25% of Recognized Claim.</p>

The following definitions apply to the terms used in the above formula:

1. Cash Purchase Transaction is a transaction in which a customer acquires rights to the vehicle by tendering the purchase price of the vehicle without financing or leasing.

2. Finance-Purchase Transaction is a transaction in which a customer acquires rights to the vehicle through a combination of cash (i.e. a down payment) and credit (usually financed through a lender, but sometimes directly from a dealer ) by which the amount of credit is repaid usually in monthly payments of a set term. During the Class Period, Finance-Purchase Transactions typically took one of two forms:

Simple-Interest Retail Installment Loan, or retail installment contract, is a loan in which a purchaser borrows a portion of the purchase price and repays the amount borrowed in monthly payments over the term of the loan.

Balloon loans is a loan in which a purchaser borrows a portion of the purchase price and repays the amount borrowed in monthly payments with a large payment (the “balloon”) at the end of the loan. As a result of the balloon, the monthly payments are generally lower.

3. Leases are transactions in which a customer (i.e. the lessee) acquires certain rights to the vehicle by making an initial lease payment in which the dealer is generally the initial lessor. At the time of the lease (or shortly thereafter), the dealer will often sell the lease to a finance company. During the Class Period, there were several types of leases used for MB vehicles:

Open-end Leases are transactions in which a customer makes monthly payments for a set term; at the end of the term of monthly payments, the customer is required to purchase the vehicle for the price negotiated between the dealer and the customer at the beginning of the lease. In an open-end lease, the customer does not take title to the vehicle until after the customer tenders his final lease payment for the vehicle at the end of the lease term.

Closed-end Leases are transactions in which a customer makes monthly payments for a set term; at the end of the lease term, the customer has the option of (i) returning the vehicle to the (lessor-dealer) to a location designated by the finance company to whom the lease had been assigned or (ii) renewing the lease for an extended period of time, or (iii) purchasing the vehicle, usually at the residual value.

Balloon Leases are transactions in which the customer makes very low monthly payments, consisting primarily of interest payments and then makes a large payment (the “balloon”) at the end of the lease term.

Single Pay Leases are transactions in which the customer makes a single payment at the time of the lease in lieu of monthly payments and at the end of the lease, the vehicle is returned to the dealer unless the customer exercises an option to purchase title to the vehicle.

4. Residual value is the amount – estimated at the time of the lease transaction – that the finance company estimates the vehicle will be worth at the end of the lease term as a percentage of the Manufactured Suggested Retail Price (“MSRP”).

#### Re-Allocation of Remaining Portions of the Settlement Fund

In the event that all Claimants who submit valid Proof of Claims would be paid 100% of their Recognized Claim and money would remain in the Settlement Funds, money will be re-allocated among the Valid Claimants using the above formula until each Valid Claimant distribution amount equals three times the Vehicles Recognized Claim.

#### Residual Distribution

In the event that monies remain in the Settlement Funds after Re-Allocation, any funds shall be distributed to a non-sectarian, non-profit 501(c)(3) charitable organization. As part of the Settlement with Defendants MBUSA and MBM, Class Counsel agreed to recommend Teach for America, Inc., [www.teachforamerica.org](http://www.teachforamerica.org), as the designated non-profit to receive any remaining funds from the Settlement with MBUSA and MBM. For the previous settlements, Class Counsel will make a recommendation to the Court regarding the distribution of any residual funds at the time that Class Counsel files the motion for distribution.

**WHEN IS THE COURT HEARING?**

The Court will hold a hearing in Courtroom No. 4D, Fourth Floor, Martin Luther King, Jr. Federal Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey, 07101, on March 11, 2008 at 10:00 a.m. (the "Settlement Hearing"). Any member of the Class who did not request to be excluded from the Class by November 8, 2004 is entitled to appear and be heard at the Settlement Hearing, in person or through a duly authorized attorney, and to comment on or object to the Settlement, the Plan of Allocation, incentive awards to the Class Representatives or the award fees and reimbursement of expenses to Class Counsel. In order to be heard at the Settlement Hearing, a Class Member must submit any paper or brief with the Court on or before February 1, 2008, in which a person files a notice of intention to appear, and a statement of the position to be asserted, and the grounds therefore, together with copies of any supporting papers or brief with the Clerk, United States District Court for the District of New Jersey, 50 Walnut Street, Newark, New Jersey 07101 with proof of service upon the counsel identified below:

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-and-

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Michael S. Waters  
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Three Gateway Center  
100 Mulberry Street  
Newark, NJ 07102

*Counsel for Settling Defendant MBUSA*

No person shall be entitled to contest the terms and conditions of the Settlement Agreement unless the procedures set forth above are complied with, and persons who fail to object as provided herein shall be deemed to have waived and shall be foreclosed forever from raising any such objections or appealing from any orders or judgments entered with respect to the Settlement Agreement.

The time and date of the hearing may be continued from time to time. Notice of any such continuance shall be posted at the Martin Luther King, Jr. Federal Building and Courthouse in Newark, New Jersey and/or on Class Counsel's website, [www.cmht.com](http://www.cmht.com) and [www.srk-law.com](http://www.srk-law.com).

**WHERE CAN I GET MORE INFORMATION?**

**THE ABOVE IS ONLY A SUMMARY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS.**

For more detailed information concerning the matters involved in the litigation, reference is made to the pleadings, the Settlement Agreements, Orders entered by the Court and other papers filed in the Class Action, which may be inspected at the Office of the Clerk of the United States District Court for the District of New Jersey, 50 Walnut Street, Newark, New Jersey 07102, during regular business hours. Certain documents related to the Litigation and the settlement are also available on Class Counsel's website at [www.cmht.com](http://www.cmht.com) and [www.srk-law.com](http://www.srk-law.com).

**ALL INQUIRIES CONCERNING THIS NOTICE AND THE SETTLEMENT AGREEMENT SHOULD BE DIRECTED TO THE SETTLEMENT ADMINISTRATOR, IN WRITING, AT THE FOLLOWING ADDRESS:**

**Mercedes-Benz Antitrust Litigation  
c/o RSM McGladrey, Inc.  
Settlement Administrator  
P.O. Box 37018  
Philadelphia, PA 19122**

**INQUIRIES SHOULD NOT BE MADE BY TELEPHONE AND SHOULD NOT BE DIRECTED TO THE COURT.**

If you change your address, or if this Notice was not mailed to your correct address, you should immediately provide your correct address to the Settlement Administrator at the address set forth above. If the Settlement Administrator does not have your correct address, you may not receive notice of important developments in this litigation.

BY ORDER OF THE COURT:

DATED: NOVEMBER 8, 2007

JUDGE WILLIAM H. WALLS  
UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY

**EXHIBIT A**

**TO**

**NOTICE OF PROPOSED ADDITIONAL SETTLEMENT  
AND HEARING ON APPROVAL OF PROPOSED SETTLEMENT**

**DEALER DEFENDANTS**

Beifus Motors, Inc.  
Benzel-Busch Motor Car Corp.  
Competition Imports, Inc.  
Contemporary Motor Cars, Inc.  
Continental Motors, Inc.  
Country Imported Car Corporation  
David Michael Motor Car Corp.  
Estate Motors, Inc.  
Friendly Motorcars  
Globe Motor Car Co.  
Helms Bros., Inc.  
Imported Cars of Greenwich, Inc.  
Kea Motor Car Corp.  
Lakeview Auto Sales and Service, Inc.  
Mercedes-Benz Manhattan, Inc.  
Mercedes-Benz of Morristown  
Millenium Automotive Group  
Pepe Motors Corp.  
Prestige Motors, Inc.  
Princeton Motor Sport Inc.  
Rallye Motors, Inc.  
Ray Catena Motor Car Corp.  
Silver Star Motors, Inc.  
Sovereign Motor Cars, Ltd.