

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

SILVAN S. SMITH and JOY E. SMITH,)
Individual Plaintiffs, and)
PATRICIA CHATMAN, HORACE)
GREEN, JR., PHILLIP ALLEN)
LEONARD EPPERSON and MICHAEL)
MARTINEZ on behalf of themselves and all)
others similarly situated,)

Plaintiffs,)

v.)

Civil Action No. 00-CV-6003 (DMC)

DAIMLERCHRYSLER SERVICES)
NORTH AMERICA LLC,)

Defendant.)

ORDER OF PRELIMINARY APPROVAL OF SETTLEMENT

The Class Representatives, on behalf of themselves and the Class Members, and the Individual Plaintiffs Silvan S. Smith and Joy E. Smith on behalf of themselves, and Defendant DaimlerChrysler Services North America LLC (together the "Parties"), have entered into a Settlement Agreement dated July 26, 2005 (the "Settlement Agreement"), providing for a proposed Settlement of this Litigation. A copy of the Settlement Agreement is attached as Exhibit 1. Plaintiffs have moved for, and DaimlerChrysler Services has stipulated to, entry of this Preliminary Approval Order, *inter alia*, (i) approving Plaintiffs' filing of the Second Amended Complaint; (ii) certifying a class only for settlement purposes and approving Plaintiffs' definition of the Settlement Class; (iii) preliminarily approving the Settlement as fair, reasonable, and adequate; (iv) establishing a procedure for Notice to Class Members and filing objections to

the Settlement; and (v) scheduling a hearing for final approval of the Settlement. After due consideration,

IT IS ORDERED THAT:

1. This Order incorporates by reference the definitions contained in the Settlement Agreement. All capitalized terms used in this Preliminary Approval Order will have the same meanings as set forth in the Settlement Agreement, unless otherwise defined herein.

2. The Plaintiffs' Second Amended Complaint in this action has been attached as an Exhibit to the Settlement Agreement. The Plaintiffs are granted leave to file their Second Amended Complaint and the Court Clerk is directed to file the same.

3. The Parties have agreed to the following class, pursuant to Fed. R. Civ. P. 23(b)(2), and the Court hereby certifies such class, for the purposes of settlement only (the "Settlement Class"):

All African-American and Hispanic consumers who entered into Contracts that were assigned to DaimlerChrysler Services North America LLC or any of its predecessors or successors in interest during the period January 1, 1990 through the Effective Date of the Settlement Agreement.

4. The Class Representatives Patricia Chatman, Horace Green, Jr., Phillip Allen, Leonard Epperson, and Michael Martinez, have filed declarations with the Court which set forth the bases for their serving as Class Representatives. Based on the Court's review of these declarations, the Second Amended Complaint, argument of counsel and the entire record, the Class Representatives are certified as adequate representatives of the Settlement Class and their claims are deemed to be typical of the members of the Settlement Class, and the following

counsel are deemed to adequately represent the Settlement Class: Clint W. Watkins, the Law Offices of Clint W. Watkins, 5214 Maryland Way, Suite 402, Brentwood, TN 37027; Michael E. Terry, Terry & Gore, 1200 16th Avenue, South Nashville, TN 37212; Wyman O. Gilmore of the Gilmore Law Office, 116 Court Street, Grove Hill, AL 36451; Darnley D. Stewart, Bernstein Litowitz Berger & Grossmann, LLP, 1285 Avenue of the Americas, New York, New York 10019, Stuart T. Rossman of the National Consumer Law Center, 77 Summer Street, 10th Fl., Boston, MA 02110.

5. The proposed Settlement as set forth in the Settlement Agreement executed by the Parties is preliminarily approved as fair, reasonable and adequate, subject to a hearing as provided herein for final approval.

6. A hearing (the "Fairness Hearing") shall be held before this Court on October 6, 2005, at 10 am, to hear objections and determine whether (i) the proposed Settlement Class should be certified for settlement purposes; (ii) the proposed Settlement of this Litigation as set forth in the Settlement Agreement is fair, reasonable, and adequate to the Class Members and should be approved by the Court; (iii) the Final Judgment should be entered approving the Settlement; and (iv) to approve the request of Class Counsel for payment of attorneys fees and reimbursement of expenses.

7. The Parties shall cause the Notice attached as Exhibit 2 to this Order to be published two times in the USA Today newspaper and in newspapers affiliated with the National Association of Hispanic Publications. The Notice published in the newspapers affiliated with the National Association of Hispanic Publications will be in both Spanish and English. The Court finds that such Notice is "reasonable" notice of the proposed Settlement pursuant to Fed.R.Civ.P.

23(e)(1)(B). Prior to or at the Fairness Hearing, the Parties shall file with the Court an affidavit or declaration of publication of the Notice consistent with the requirements of this paragraph.

8. Any interested person may appear at the Fairness Hearing to show cause why the proposed Settlement should or should not be approved as fair, reasonable, adequate, and in good faith and/or why the request of Class Counsel for approval of attorneys fees and expenses and litigation-related reimbursements should or should not be approved as fair and reasonable; provided, however, that no person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement or the fees, costs, and reimbursements requested by Class Counsel, unless that person has (i) sent or delivered written objections and copies of any supporting papers and briefs so that they are received no later than September 8, 2005, upon counsel below:

Stuart T. Rossman
National Consumer Law Center
Attn: DaimlerChrysler Services Settlement
77 Summer Street, 10th Floor
Boston, MA 02110-1006
Fax: (617) 542-8028

Co-Counsel for Plaintiffs

-and-

Stephen G. Harvey
Pepper Hamilton LLP
Attn: DaimlerChrysler Services Settlement
3000 Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Fax: (215) 981-4750

Co-Counsel for Defendant

and (ii) has filed said objections, papers, and briefs, showing due proof of service upon said counsel with the Clerk of the United States District Court for the District of New Jersey, on or

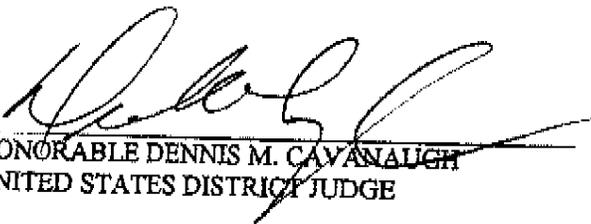
before the same date. Any Class Member who does not submit an objection in the manner provided above shall be deemed to have waived any objection to the Settlement and shall forever be foreclosed from making any objection to class certification, to the fairness, adequacy or reasonableness of the Settlement, and to any attorneys' fees and reimbursements approved.

9. All memoranda, affidavits, declarations and other evidence in support of the request for approval of the Settlement and Class Counsel's request for approval of attorneys' fees, costs and reimbursement of expenses shall be filed on or before September 29, 2005.

10. The Court expressly reserves its right to adjourn the Fairness Hearing from time to time without further notice other than to counsel of record and to approve the proposed Settlement and request for approval of attorneys' fees and expenses at or after the originally scheduled Fairness Hearing.

11. This Order shall not be construed or deemed to be a finding by this Court or evidence of a presumption, implication, concession, or admission by DaimlerChrysler Services concerning (i) any liability, fault, or wrongdoing by DaimlerChrysler Services; (ii) the appropriateness of any measure of alleged loss or damages; or (iii) the appropriateness of class certification for any purposes other than settlement. If the Settlement Agreement is not approved or consummated for any reason whatsoever, the Settlement Agreement and all proceedings had in connection therewith shall be without prejudice to the *status quo ante* rights of the Parties to this Litigation. In that event, this Order shall be vacated, the class certification shall be dissolved *ab initio*, and all of the *status quo ante* rights of the Parties shall be restored including, but not limited to, DaimlerChrysler Services' rights to oppose certification of a class and/or the merits of Plaintiffs' claims on any grounds, legal or equitable.

IT IS SO ORDERED:



HONORABLE DENNIS M. CAVANAUGH
UNITED STATES DISTRICT JUDGE