

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY  
Case No. 00-CV-6003 — Smith, et al. v. DaimlerChrysler Services North America LLC

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

**TO: 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 ("DaimlerChrysler Services"), including Chrysler Financial Company LLC, during the period between January 1, 1990 through the Effective Date.**

**Why Is This Notice Important?** If you had an account with DaimlerChrysler Services or any of its predecessors or successors in interest, including Chrysler Financial Company LLC, involving the financing of a motor vehicle through a retail installment contract, at any time between January 1, 1990 and the present, you might be a member of a certified settlement class in which a proposed class action Settlement has been reached. Plaintiffs allege that DaimlerChrysler Services has a policy or practice that results in African-Americans and Hispanics paying more for such financing than similarly situated white customers in violation of the Equal Credit Opportunity Act ("ECOA"). DaimlerChrysler Services denies that it has any such practice or policy, denies that African-Americans and Hispanics pay more for such financing than similarly situated white customers, and denies that any of its practices or policies violate the ECOA. DaimlerChrysler Services maintains, on the contrary, that it requires all of its employees, practices, and policies to comply with all laws, including the ECOA, and that it prohibits discrimination on the basis of national origin, marital status, religion, sex, color, race, age (provided the applicant has the capacity to contract), receipt of public assistance benefits, or the good faith exercise of a right under the Consumer Credit Protection Act. DaimlerChrysler Services has agreed to settle the Litigation as a compromise to avoid the time, expense, and uncertainty associated with the Litigation. Capitalized terms used in this Notice are defined in the Settlement Agreement.

**This Is Only A Summary Notice.** You can log onto [www.ECOA-settlement.com](http://www.ECOA-settlement.com) to review a copy of the Settlement Agreement and all documents submitted to the Court in connection with preliminary approval, which contain further information about the Settlement.

**The Settlement:** If the Settlement is approved by the Court, DaimlerChrysler Services has agreed to: (i) not acquire or accept for assignment any Contract from any automobile dealership with a term of 60 months or less if the APR is more than 2.5% above the Buy Rate; not acquire or accept for assignment any Contract from any automobile dealership with a term of greater than 60 months up to and including 72 months if the APR is more than 2% above the Buy Rate; and not acquire or accept for assignment any Contract from any automobile dealership with a term of greater than 72 months if the APR is more than 1.25% above the Buy Rate; (ii) add a disclosure in Contract forms produced and distributed by DaimlerChrysler Services informing vehicle purchasers that the Annual Percentage Rate may be negotiable and that the selling dealership may assign the Contract and retain its right to receive a portion of the finance charge; (iii) launch a diversity marketing initiative involving 875,000 preapproved firm offers of credit to African-American and Hispanic consumers over the next several years with respect to vehicle financing at participating Chrysler, Dodge, Jeep, or Mercedes-Benz dealerships; (iv) contribute \$1.8 million to fund certain consumer education and assistance initiatives with respect to credit financing; (v) pay \$10,000 to each Class Representative in exchange for a release of any and all claims; and (vi) pay plaintiffs' counsels' attorneys fees up to \$7,500,000 and litigation-related expenses up to \$200,000. Because this Settlement resolves a claim for declaratory and injunctive relief only, there will be no compensatory damages paid to

Class Members. You will be releasing all claims for equitable, declaratory, and/or injunctive relief that have been made, or could have been made, in the Litigation against DaimlerChrysler Services under the ECOA or any other federal or state statute or any common law theory arising out of the business practices or actions challenged in the Litigation, that arose or that will arise on or before the Effective Date. Notwithstanding the foregoing, you will not be releasing any individual claims for monetary relief.

**Objections:** If you wish to object to the Settlement, you must deliver by hand or send by first class mail, postage prepaid, your position with all supporting papers, such that they are received on or before September 8, 2005, to:

<b>Plaintiffs' Co-Counsel:</b>	<b>DaimlerChrysler Services' Co-Counsel:</b>
Stuart T. Rossman	Stephen G. Harvey
National Consumer Law Center	Pepper Hamilton LLP
Attn: DaimlerChrysler	Attn: DaimlerChrysler
Services Settlement	Services Settlement
77 Summer Street, 10th Floor	3000 Two Logan Square
Boston, MA 02110-1006	18th and Arch Streets
	Philadelphia, PA 19103

You also must file such papers, showing proof of service upon all counsel identified above, with the Clerk of the United States District Court for the District of New Jersey, 50 Walnut Street Room 4015, Newark, New Jersey, 07101, on or before the same day. Any Class Member who does not make an objection in the manner provided shall have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy, or reasonableness of the proposed Settlement, or to the award of attorneys' fees and expenses.

**Fairness Hearing:** A hearing will be held before the Honorable Dennis M. Cavanaugh in Courtroom 4 at the United States District Court for the District of New Jersey, 50 Walnut Street, Newark, New Jersey, on October 6, 2005 at 10:00 am. (the "Fairness Hearing"), to determine whether the proposed Settlement is fair, adequate, and reasonable and should be approved; and whether an award of attorneys' fees, costs, and reimbursements should be made to Class Counsel. **You may, but are not required to, attend the Fairness Hearing.**

**For More Information,** or to obtain a copy of the Settlement Agreement as described above, you can contact the lawyers representing the Class: National Consumer Law Center, 77 Summer Street, 10th Floor, Boston, MA 02110 (617-542-8010); Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, 38th Floor, NY, NY 10019 (212-554-1400); Law Office of Clint W. Watkins, 5214 Maryland Way, Ste. 402, Brentwood, TN 37027 (615-376-7000); Terry & Gore, 1200 16th Avenue, South Nashville, TN 37212 (615-469-0143); or Gilmore Law Office, 116 Court St., P.O. Box 729, Grove Hill, AL 36451 (251-275-3115).

**Please Do Not Contact The Court Or The Clerk Of The Court Concerning This Notice**

Dated: July 26, 2005

By Order of the Court

THE HONORABLE DENNIS M. CAVANAUGH  
UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY

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