

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

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U.S. DISTRICT COURT
MID. DIST. TENN.

ADDIE T. COLEMAN, WILLIAM H.)
HARRISON and JAMES L. DIXON,)
on behalf of themselves and all others)
similarly situated,)

Plaintiffs,)

v.)

GENERAL MOTORS ACCEPTANCE)
CORPORATION,)

Defendant.)

No. 3-98-0211

Judge Trauger / Magistrate Griffin

Class Action

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the Class Representatives, on behalf of themselves and the Class Members, and General Motors Acceptance Corporation ("GMAC").

1. Introduction

1.1 The Class Representatives originally filed this lawsuit in February 1998, and allege violations of the ECOA. In this Litigation, Plaintiffs challenge what they refer to as GMAC's "markup policy." GMAC denies all of Plaintiffs' allegations and further contends that class certification is improper given the individualized nature of these transactions, the involvement of independent dealers, and the variation in GMAC's contract acquisition policies over the years.

1.2 On August 28, 2000, the District Court certified this case as a statewide class action under Rule 23(b)(2) of the Federal Rules of Civil Procedure but declined to certify the case under 23(b)(3). On July 22, 2002, the United States Court of Appeals for the Sixth Circuit vacated the

class certification order and remanded the case for further proceedings holding, among other things, that compensatory damages under ECOA are not recoverable by a 23(b)(2) class. On January 14, 2004, the District Court certified the case as a national class action under Rule 23(b)(2). GMAC has filed an appeal, pursuant to Rule 23(f), asking the Sixth Circuit to reverse that certification order.

1.3 This case is set for trial on February 17, 2004, and the District Court has not decided GMAC's pending motion for summary judgment.

1.4 The Parties and their counsel recognize the risks and costs inherent in litigation. This Litigation is approximately six years old and has been expensive and time consuming. In the interest of avoiding the expense, delay, inconvenience, and risk of further litigation in the trial and appellate courts, the Parties desire to resolve the dispute and to fully, finally and forever resolve, discharge and settle the Litigation.

1.5 The Parties intend to seek the entry of the Preliminary Approval Order approving this Settlement Agreement. The Class Members will be defined to include Black and Hispanic consumers as set forth in the Eighth Amended Complaint that is being contemporaneously filed with this Settlement Agreement. The agreement is based on the representations, mutual promises, obligations, and good and valuable consideration set forth in this Settlement Agreement.

2. Definitions

As used in this Settlement Agreement, the terms set forth in this section in boldface type will have the following meanings:

2.1 **Annual Percentage Rate or "APR."** The measure of the cost of credit, expressed as a yearly rate, as defined in Regulation Z, 12 C.F.R. Part 226, implementing the Truth in Lending Act, 15 U.S.C. § 1601, et seq.

2.2 Buy Rate. The rate used by GMAC to acquire a Contract from a dealership, expressed in the form of a percentage, set forth in GMAC's rate sheets that is based on a vehicle purchaser's tier assignment. The tier assignment is determined by GMAC by evaluating, among other things, the vehicle purchaser's creditworthiness and relevant transaction factors.

2.3 Class Complaint. The Eighth Amended Complaint to be filed by Plaintiffs in this Litigation upon approval of the Court, in the form attached as Exhibit 1.

2.4 Class Counsel. Clint Watkins of the Law Office of Clint Watkins in Brentwood, Tennessee; Michael E. Terry of Terry & Gore law firm in Nashville, Tennessee; Wyman O. Gilmore of Gilmore Law Office in Grove Hill, Alabama; Darnley D. Stewart of Bernstein Litowitz Berger & Grossman LLP law firm in New York, New York; Stuart T. Rossman of the National Consumer Law Center in Boston, Massachusetts; and Gary Klein of Grant & Roddy law firm in Boston, Massachusetts.

2.5 Class Members. All Black and Hispanic consumers whose Standard Rate Contracts were consummated on or after May 10, 1989 and have been or will be assigned to, or collected by, GMAC (a Delaware corporation); GMAC (a New York corporation); General Motors Acceptance Corporation, North America; General Motors Corporation; and any successors in interest of the foregoing, before the Effective Date.

2.6 Class Representatives. Addie T. Coleman, Carolyn Dixon, James L. Dixon, Stephanie Gates, William H. Harrison, Francisco Ramos Ramirez and Xavier Young.

2.7 Confidential Information. All documents and things produced as discovery materials by GMAC or any dealership or any of GMAC's expert witnesses, during the course of this Litigation, including, without limitation, all deal jackets, contract information, customer information,

electronic data, data dictionaries, dealer bulletins, credit information, account information, marketing materials, internal memoranda and other communications, audio recordings, and all reproductions of these discovery materials, whether photocopies, scanned copies, electronic copies, printouts or copies created by any other method of reproduction; and all documents filed with the Court under seal. Notwithstanding the above, all documents and information described in this paragraph that were filed in the public record during the course of this Litigation, unless currently under seal, shall not be deemed Confidential Information.

2.8 Contract. A promissory note and security agreement signed in connection with the retail purchase of a vehicle, or a motor vehicle retail installment sale contract between a motor vehicle dealership and a vehicle purchaser.

2.9 District Court. The United States District Court for the Middle District of Tennessee.

2.10 ECOA. Equal Credit Opportunity Act, 15 USC § 1691 et seq., and its implementing Regulation B, 12 C.F.R. Part 202.

2.11 Effective Date. The last to occur of the following: (a) if no objection and no appeal are filed to the Settlement, the 46th day after entry of the Final Judgment without modification; (b) if an objection is filed and no appeal or review of the Final Judgment is sought, the 46th day after entry of the Final Judgment without modification; (c) if an appeal or review of the Final Judgment is filed, the 46th day after (i) such Final Judgment is affirmed or the appeal or review is dismissed or denied, provided that the Final Judgment is not reversed or modified by an appellate court other than changes to formatting of the documents or to any typographical errors in them, unless the

Parties agree in writing that the changes are not material and (ii) such Final Judgment is no longer subject to further judicial review in any court.

2.12 Extended Term Contract. A Contract that is for an original scheduled term in excess of sixty (60) monthly payments, in excess of one hundred and twenty (120) bi-monthly payments or in excess of two hundred and sixty (260) weekly payments.

2.13 Final Judgment. The Final Judgment and Order of Dismissal With Prejudice to be rendered by the Court consistent with this Settlement Agreement in the Form attached as Exhibit 3.

2.14 Litigation. The lawsuit pending in the Court styled, *Addie T. Coleman et al. v. General Motors Acceptance Corporation*, Case No. 3-98:0211.

2.15 Notice. The Notice of Proposed Class Action Settlement in the form attached as an Exhibit to the Preliminary Approval Order.

2.16 Parties. The Class Representatives, on behalf of themselves and the Class Members, and GMAC.

2.17 Preliminary Approval Order. The Order of Preliminary Approval of Settlement in the form attached as Exhibit 2.

2.18 Settlement. The full and final compromise, settlement and dismissal of the Litigation consistent with the terms of this Settlement Agreement.

2.19 Settlement Agreement. This document including the text and exhibits of this Settlement Agreement, which has been signed by the Class Representatives, Class Counsel and GMAC or its counsel.

2.20 Special Rate Programs. Rate programs available from time to time for the purchase of new or used GM vehicles in which the APR is less than or equal to GMAC's standard Buy Rate.

2.21 Standard Rate Contract. A Contract that is not written pursuant to an incentivized rate program and in which the APR is equal to, or greater than, GMAC's standard Buy Rate.

2.22 Term. Unless otherwise specified, this Settlement Agreement is effective for a three year period beginning on the Effective Date

3. GMAC's Preliminary Statement

It is GMAC's position that the following are not contradicted: (a) GMAC competes with many finance companies, banks, and other financial institutions for Contracts from dealerships; (b) GMAC does not control dealerships or their right to select the finance company, bank or other financial institution to which they sell their Contracts; (c) most dealerships sell their interest in Contracts to many different finance companies, banks or other financial institutions; (d) typically, dealerships sell a majority of their Contracts to finance companies, banks and financial institutions other than GMAC; (e) GMAC does not know the race or ethnicity of the buyers on Contracts it purchases; (f) GMAC has no actual knowledge of any discrimination that might occur at a particular dealership and no knowledge of such conduct within the meaning of the ECOA Multiple Creditor Rule; and (g) GMAC has no legal, contractual or other obligation to monitor or analyze its portfolio of Contracts acquired from any or all dealerships regarding the type of claims asserted in this Litigation.

GMAC expressly denies any wrongdoing or liability, and notes that the Complaint concedes that the manner in which GMAC evaluates credit transactions is neutral as to race and ethnicity. GMAC believes that no court has ever determined ECOA liability under circumstances comparable to those presented by this Litigation, and that no court has ever entered a judgment establishing as proven fact the existence of any disparate impact discrimination involving GMAC, or any

discrimination claim based on any of the other novel derivative liability theories alleged in the Litigation. GMAC further contends that, as the United States Court of Appeals for the Sixth Circuit expressly recognized, the discrimination claim asserted against GMAC is inherently individualized and ultimately dependent upon varying dealer conduct. Further, GMAC believes that the District Court's acknowledgment of a long line of authority rejecting the existence of any agency relationship between dealerships and sales finance companies and the Court's statement that a "multitude of individualized inquiries [would be] necessary to establish the existence of any agency relationship" made the imposition of class-wide liability in this case impossible.

4. Plaintiffs' Preliminary Statement

This Litigation arises under the ECOA, which prohibits a creditor from discriminating against an applicant with respect to any aspect of a credit transaction on the basis of race, color and national origin. Class Members each entered into retail installment contracts. GMAC evaluated the credit of each Class Member according to GMAC's credit pricing policy.

The Class Representatives contend that the difference in finance charges between the APR and the Buy Rate (markup) is greater for Class Members than similarly situated White customers. Class Representatives allege that markup is purely subjective, is more likely to adversely impact Black and Hispanic GMAC credit customers than similarly-situated White customers, and that the markup on the contracts of Black and Hispanic customers is higher than the average markup of similarly-situated White customers. Class Representatives further allege that the disparity cannot be explained by legitimate risk-based differences or differences in the cost of services provided. Class Representatives contend that this disparity is caused by the subjective markup component of an alleged GMAC policy.

Class Counsel have conducted extensive discovery and, based on their investigation of the facts and an analysis of the legal issues, recognize (a) the uncertainty and the risk of any litigation, particularly in complex nationwide class actions such as this Litigation; (b) the uncertainty of the scope of the relief the Court would enter if the claims are proven in this case; and (c) that if settlement is not reached, any final relief through litigation will entail substantial further delay, expense and continuing harm to Class Members.

5. Return of Confidential Information and Other Discovery

Class Counsel, on behalf of themselves and their expert witnesses and consultants as well as others retained by them, acknowledge that during the course of the Litigation, they have received Confidential Information. Not later than thirty (30) days after the Effective Date, Class Counsel will return all Confidential Information to GMAC and will certify under oath that they and their expert witnesses and consultants do not retain any copies or summaries or compilations or indices of such information. Within the same time period, Class Counsel will identify for GMAC the expert witnesses, outside consultants and any other individuals or entities to whom Confidential Information was given, and will advise those persons of this requirement and will ensure their compliance with it. Class Counsel also will not use any of the Confidential Information learned or obtained in this Litigation for any other purpose.

Not later than thirty (30) days after the Effective Date, Class Counsel will return to GMAC all originals and duplicate copies of materials produced by or obtained from GMAC in the discovery process of the Litigation, whether by formal or informal discovery. This will include, but not be limited to, business records, proprietary information, and all originals, copies, video tapes or audio tapes of any and all depositions of GMAC employees or witnesses taken in this Litigation. This

provision is not intended to cover work product of Class Counsel but is intended to cover any documents or other materials that might simply be attached to any work product. Notwithstanding the above, all documents and information described in this paragraph that were filed in the public record during the course of this Litigation, unless currently under seal, will not be subject to the provisions of this paragraph.

6. Non-Disparagement

Class Counsel and Class Representatives agree to refrain from disparaging GMAC, General Motors Corporation, and/or any GM or GMAC product publicly or in the media regarding any issue related to this case. Class Counsel and Class Representatives agree to refrain from taking any action designed to harm the public perception of GMAC, GM or any GM or GMAC product, regarding any issue related to this case, except they may provide sworn testimony if required by compulsory process. GMAC agrees to refrain from disparaging Class Representatives publicly or in the media regarding any issue related to this case.

7. Release of Claims

7.1 Class Representatives. The Class Representatives consent to the dismissal of the Litigation with prejudice. The Class Representatives also forever release, waive, discharge and agree to the dismissal of, with prejudice, all claims that have been made, or could have been made, in this Litigation against GMAC (defined here to include all of its parents, subsidiaries, affiliates, agents, successors, assignors, assignees and/or assigns), under the ECOA or any other federal or state statute or any common law theory, including all claims for monetary, equitable, declaratory, injunctive, or any other form of relief.

7.2 Class Members. The Class Representatives, on behalf of themselves and the Class

Members, consent to the dismissal of the Litigation with prejudice. The Class Members also forever release, waive, discharge and agree to the dismissal of, with prejudice:

A) all claims, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, for equitable, declaratory and/or injunctive relief that have been made, or could have been made in this Litigation against GMAC (defined here to include all of its parents, subsidiaries, affiliates, agents, successors, assignors, assignees and/or assigns) under the ECOA that arise in whole or in part out of the business practices challenged in the Complaint and that arose or will arise on or before the Effective Date; and

B) all race and ethnic status discrimination claims, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, for equitable, declaratory and/or injunctive relief that have been made, or could have been made in this Litigation against GMAC (defined here to include all of its parents, subsidiaries, affiliates, agents, successors, assignors, assignees and/or assigns) under any federal or state statute or any common law theory, that arise in whole or in part out of the business practices challenged in the Complaint and that arose or will arise on or before the Effective Date.

Notwithstanding the above, Class Members (excluding the Class Representatives) are not releasing any claims for monetary relief.

8. Classwide Settlement Relief

8.1 Commitment to ECOA Principles. GMAC restates its long-standing commitment to the principles embodied in the ECOA.

8.2 Contract Disclosure. Unless otherwise prohibited by law, within 180 days of the Effective Date and throughout the Term, GMAC will include a disclosure in all Contract forms it

produces and distributes to dealerships substantially similar to the following:

The Annual Percentage Rate may be negotiable with the Seller. The Seller may assign this contract and retain its right to receive a part of the Finance Charge.

The disclosure will be set forth in bold font, italicized, 10 point type, on the front side of the contract, near the customer's signature line. In states where prior regulatory review and/or approval is required to implement changes to contract forms, GMAC will implement this disclosure in the form and manner approved by such regulator within the later of 365 days after the Effective Date or 90 days after receipt of approval from such regulator. The disclosure will also be included in Spanish in any Spanish translations of Contracts that GMAC produces and distributes to dealerships.

8.3 Limit On Difference Between APR and Buy Rate. For a period of three years commencing no later than 60 days after the Effective Date: (a) GMAC will not acquire any Contract if the APR is more than 2.50 percentage points above the Buy Rate; and (b) GMAC will not acquire any Extended Term Contract if the APR is more than 2.00 percentage points above the Buy Rate. Minimal bona-fide errors on an irregular basis will not be deemed a violation of this Settlement Agreement. GMAC will implement reasonable procedures designed to promptly correct any such errors that are discovered.

8.4 Consumer Education and Assistance Programs. GMAC is active in promoting the education of consumers about credit financing. To further such efforts, within 30 days after the Effective Date, GMAC will contribute \$1.6 million toward certain consumer assistance initiatives for the purpose of improving the education of and/or assisting consumers with respect to credit financing. Contribution recipients will be tax-exempt nonprofit organizations. Contributions will

be distributed in proportionate amounts to organizations focused on Black and Hispanic outreach efforts. Plaintiffs will set forth a proposal for the distribution of the funds in writing for review by GMAC and for approval by the Court.

8.5 Diversity Marketing Initiative. GMAC will launch a Diversity Marketing Initiative (“DMI”) involving 1.25 million preapproved firm offers of credit to Black and Hispanic consumers (“DMI Preapprovals”). The objectives of the DMI include: (1) to provide consumer education to Class Members and other Black and Hispanic consumers by informing them of some Special Rate Programs for which they are eligible; and (2) to provide Class Members and other Black and Hispanic consumers information to facilitate comparison shopping and/or to allow them to consummate a Special Rate Program Contract with a dealership that can assign the Contract to GMAC.

8.5.1 Identified Class Members

Within forty-five (45) days after the Effective Date, Class Counsel will provide GMAC with the drivers license race coding database and race coding methodology that Class Counsel used in this Litigation and identify which of the persons in that database they identify as likely to be Class Members. GMAC will use that information, which it may supplement with other available marketing sources, to identify additional Class Members, current or former owners of GM vehicles, and other consumers who are reasonably believed to be Black or Hispanic (“Identified Preapproval Candidates” or “IPCs”). Without limiting GMAC’s discretion to choose the marketing sources it deems to be the most effective, Class Counsel will suggest at least two examples of available marketing sources with the capability to identify Black and Hispanic marketing prospects, including marketing sources that identify Hispanics by surname.

8.5.2. Firm Offers of Credit

GMAC will screen the IPCs using its normal credit screening criteria, with a goal of generating 250,000 preapproved firm offers of credit per year over the next five years after the Effective Date. If the total is not reached within 5 years, GMAC will continue this DMI in subsequent years until a total of 1,250,000 preapproved firm offers of credit are issued. If the aggregate total is reached in less than 5 years, GMAC will have no further obligation under this DMI.

Screening of IPCs for issuance of the DMI Preapprovals is subject to GMAC's normal credit screening parameters, which may change from time to time. Preapproved customers must meet GMAC's credit risk criteria for the acquisition of Contracts in place at the time of the particular offering. GMAC may exclude IPCs from this DMI based on characteristics such as, but not limited to, prior bankruptcy, prior vehicle repossession, too few rated tradelines, prior chargeoff, existing past due trade line, consumer statement that appears in credit bureau records, and past due vehicle credit. GMAC may also implement procedures designed to limit the issuance of multiple offers to the same individual in any given time period.

IPCs receiving the DMI Preapprovals will be advised that they are preapproved for credit up to a specified dollar amount for the purchase of a new or, if applicable, used GM vehicle. The DMI Preapproval will specify that the recipient is preapproved with respect to vehicle financing at a participating GM dealership for a period of not less than 30 days. Accompanying the DMI Preapprovals will be information communicating the current availability of one or more Special Rate Program. There is no obligation to reference all or any Special Rate Program in such communications. The IPCs do not need to receive the DMI Preapprovals simultaneously nor must

their DMI Preapproval offers include the same dollar amount or reference the same Special Rate Program or all vehicles available. The DMI Preapprovals will be nontransferable. DMI Preapprovals and related information provided to persons identified to be Hispanic at the time the IPC distribution list is created will be provided in both English and Spanish.

GMAC is specifically authorized to use any race identification data that have been or will be provided to or used by GMAC in connection with the DMI. GMAC will use such information exclusively for conducting the DMI and will not distribute, use or seek to use such information for any other purpose, except that GMAC may share it with GM for other marketing purposes.

The DMI Preapproval offers may be contingent on conditions, including but not limited to: the IPC's presentation of a preapproval certificate to a participating GM dealership; the IPC's signature on the certificate together with valid proof of identity; and compliance with the parameters of the DMI Preapproval offer regarding, among other things, dollar limits, rate, monthly term, and other disclosed criteria, or material change in circumstances such as the filing of a new bankruptcy.

Class Counsel and the Class Members agree that (1) the DMI does not violate ECOA or any other state or federal statute or regulation prohibiting discrimination on the basis of race or ethnicity or any other statute, regulation or common law, and (2) they are estopped from contending in any future litigation that the DMI violates the ECOA or any other state or federal statute or regulation prohibiting discrimination on the basis of race or ethnicity or any other statute, regulation or common law.

8.6 Compensation. GMAC is not paying any compensatory damages to the Class Representatives and Class Members, and Class Members are not releasing any claims for monetary relief.

9. Attorney Fees and Litigation Expenses and Reimbursements

9.1 Fees. Class Counsel intend to request approval of attorney fees in an amount not to exceed \$9 million. GMAC will not oppose any such request and will pay any fees approved by the Court in an amount that does not exceed \$9 million within 30 days after the Effective Date. Provided that no modifications are made to the Settlement Agreement or Exhibits, GMAC will also not appeal any approval of fees that does not exceed \$9 million.

9.2 Litigation Expenses and Reimbursements. Class Counsel intend to request approval from the Court for litigation expenses and litigation related reimbursements in an amount not to exceed \$600,000. GMAC will transfer funds payable to Class Counsel for such expenses and reimbursements related to this Litigation up to a maximum payment of \$600,000 within 30 days after the Effective Date. Class Counsel will submit an itemization of all litigation expenses and reimbursements claimed that have not otherwise been paid. Provided that no modifications are made to the Settlement Agreement or Exhibits, GMAC will also not appeal any approval of expenses and reimbursements that does not exceed \$600,000.

10. Dismissal of Litigation

Promptly after execution of this Settlement Agreement, the Parties will submit this Settlement Agreement to the Court for approval and apply to the Court for entry of the Preliminary Approval Order. In connection with that submission, GMAC, the Class Representatives, and the Class Members stipulate to entry of the following orders:

10.1 Amendment of Complaint. An Order allowing an amendment of the pleadings to include Plaintiffs' Eighth Amended Complaint in the form attached as Exhibit 1.

10.2 Modifying Class Certification Order. An Order modifying the class certification

order entered January 14, 2004 to conform to the definition of Class Members in this Settlement Agreement.

10.3 Entry of Order Preliminarily Approving Settlement. Entry of the Preliminary Approval Order granting preliminary approval of the Settlement Agreement and setting a fairness hearing for final approval, with provisions for notice by publication. All costs associated with the Notice shall be paid by GMAC.

10.4 Entry of Order of Final Approval of the Settlement. Entry of the Final Judgment granting final approval of the Settlement Agreement without modification and dismissal of the Litigation with prejudice, in the form set forth in Exhibit 3.

11. Exception for Compliance with Legislative/Regulatory Requirements

To the extent that any local, state or federal legislative or regulatory body or agency has adopted or adopts legislation, regulations or rules governing the disclosure components of motor vehicle retail installment sale contracts that conflict with or impose requirements substantially similar to the terms of the Settlement Agreement, then compliance by GMAC with any such legislation, regulations or rules shall be deemed to constitute satisfaction of the terms of the Settlement Agreement, except for the provisions set forth in 8.3, 8.4 and 8.5.

12. Notices

Any communication, verification or notice sent by Class Counsel or a party in connection with this Settlement Agreement shall be effected by facsimile and overnight courier as follows:

To Plaintiffs:

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

To GMAC:

GMAC Legal Staff
Attention: Litigation Section
Mail Code 482-B09-B11
200 Renaissance Center
Detroit, MI 48265-2000
Fax: (313) 665-6189

13. Miscellaneous

13.1 Entire Agreement. This Settlement Agreement contains the entire agreement between the parties and supersedes all prior understandings, agreements, or writings regarding the subject matter of this Settlement Agreement.

13.2 No Liability by GMAC. The Settlement Agreement does not constitute, is not intended to constitute, and will not under any circumstances be deemed to constitute, an admission by either party as to the merits, validity, or accuracy, or lack thereof, of any of the allegations or claims in this Litigation. The Settlement Agreement does not constitute a waiver of any defenses or affirmative defenses GMAC may be entitled to assert in any future litigation, including the applicable statute of limitations.

13.3 Invalidity. If the Settlement Agreement does not become effective, or is limited or modified by any court, or is deemed null and void for any other reason, nothing in this Settlement Agreement will be deemed to waive any of the objections and defenses of GMAC (including its objections to class certification, and its pending Rule 23(f) petition) and neither this Settlement Agreement nor any related proceedings relating to its approval will be admissible in any court regarding the propriety of class certification or any other issue that is the subject of this Litigation. GMAC is also not waiving its right, under the Court's prior order granting GMAC's Motion to

Compel Arbitration, to enforce the arbitration agreement signed by Carolyn Dixon in the event this Settlement Agreement does not become effective, or is limited or modified by any court, or is deemed null and void for any other reason.

In the event any court disapproves or sets aside this Settlement Agreement or any material part for any reason, or holds that it will not enter or give effect to the Final Judgment without modification, or holds that the entry of the Final Judgment or any material part should be overturned or modified in any material way, then:

- (A) If all Parties do not agree jointly to appeal such ruling, this Settlement Agreement will become null and void, and the Litigation will continue, and the Parties stipulate to a joint motion (i) that any and all orders entered pursuant to this Settlement Agreement be vacated, including, without limitation, any order modifying the class certification order or permitting the amending of the complaint referenced in Section 10 of this Settlement Agreement, and (ii) that any and all dismissals pursuant to this Settlement Agreement will be vacated; or
- (B) if the Parties do agree to jointly appeal such ruling and if the Final Judgment or its equivalent in all material respects is not in effect after the termination of all proceedings arising out of such appeal, this Settlement Agreement will become null and void, and the Litigation will continue, and the Parties stipulate to a joint motion (i) that any and all orders entered pursuant to this Settlement Agreement be vacated, including, without limitation, any order modifying the class certification order or permitting the amending of the complaint referenced in Section 10 of this Settlement Agreement, and (ii) that any and all dismissals pursuant to this Settlement Agreement will be vacated.

13.4 Amendment. This Settlement Agreement may be amended or modified only by a

written instrument signed by all Parties or their successors in interest or their duly authorized representative.

13.5 Signatures. The parties and their counsel may sign separate copies of this Settlement Agreement, which together will constitute one agreement. Each person executing this Settlement Agreement warrants that such person has the full authority to do so. In addition, signature by facsimile will constitute sufficient execution of this Settlement Agreement.

13.6 Best Efforts. The Parties agree that the terms of the Settlement Agreement reflect a good faith settlement of disputed claims. Class Counsel considers the Settlement to be fair and reasonable and will use their best efforts to seek approval of the Settlement Agreement by the Court.

14. Annual Certification

On or before the annual anniversary date of the Effective Date during the term of this Settlement Agreement, GMAC will provide a certification to Class Counsel stating: (i) that GMAC has paid all payments due under this Settlement Agreement, (ii) the number of DMI preapprovals since the Effective Date, a sample copy of which will be attached, (iii) that all contract forms produced and distributed by GMAC to dealerships included a disclosure complying with Section 8.2, along with a sample copy, and (iv) that all contracts acquired during the previous year comply with the limit on the difference between the APR and Buy Rate expressed in Section 8.3.

Approved as of Feb. 10, 2004.

On Behalf of Plaintiffs



One of Their Attorneys

Clint W. Watkins
Law Offices of Clint Watkins

Michael E. Terry
Terry & Gore

Wyman O. Gilmore
Gilmore Law Office

Darnley D. Stewart
Bernstein, Litowitz, Berger &
Grossman LLP

Stuart T. Rossman
National Consumer Law Center

Gary Klein
Grant & Roddy

**On Behalf of General Motors Acceptance
Corporation**

Robert A. Neaton

On Behalf of Plaintiffs

On Behalf of General Motors Acceptance Corporation

One of Their Attorneys

Robert A. Neaton 2/10/2004
Robert A. Neaton

Clint W. Watkins
Law Offices of Clint Watkins

Michael E. Terry
Terry & Gore


Wyman O. Gilmore
Gilmore Law Office

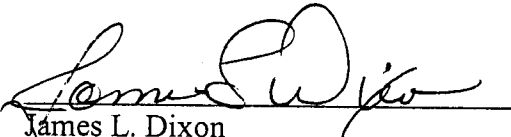
Darnley D. Stewart
Bernstein, Litowitz, Berger &
Grossman LLP

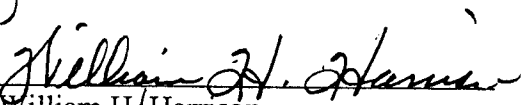
Stuart T. Rossman
National Consumer Law Center


Gary Klein
Grant & Roddy

Signatures of the Class Representatives

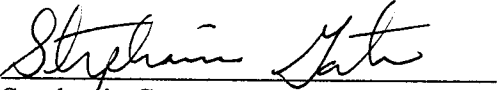

Addie T. Coleman


James L. Dixon


William H. Harrison


Francisco Ramos Ramirez

Signatures of Class Representatives:

A handwritten signature in cursive script, appearing to read "Stephanie Gates", written over a horizontal line.

Stephanie Gates

Signatures of Class Representatives:


Carolyn Dixon

Signatures of Class Representatives:

Xavier Young
Xavier Young