

EXHIBIT 1

1 **SETTLEMENT AGREEMENT**

2 This Settlement Agreement is entered into between Plaintiffs Carlos Collado,
3 Richard Hock, Bill Urban, Enrique Cantu, William Askew, James Freeman, Elliot Fixler,
4 Evan Moore, Geri Kennedy and James Clifford, on the one hand, and Defendant Toyota
5 Motor Sales, U.S.A., Inc. ("Toyota"), on the other hand, to fully and finally settle and
6 resolve all claims and litigation in the actions captioned: *Collado, et al., v. Toyota Motor*
7 *Sales, U.S.A., Inc.*, Case No. 2:10-CV-3113-R (C.D.Cal.); *Fixler v. Toyota Motor Sales,*
8 *U.S.A, Inc.*, Case No. 2:10-CV-3124-R (C.D.Cal.); and *Moore, et al., v. Toyota Motor*
9 *Sales, U.S.A., Inc.*, Case No. BC419672 (Cal. Super. Ct., L.A. County) (collectively, the
10 "Actions").

11 **I. DEFINITIONS**

12 **A. "Claim"**

13 A "Claim" is a request for reimbursement under this Agreement.

14 **B. "Claim Administrator"**

15 The "Claim Administrator" shall mean a qualified claim administrator mutually
16 suitable to both parties and paid for by Toyota, and which will be chosen through a bidding
17 process to include at least the following: Rust Consulting, Inc., Garden City Group, Inc.,
18 and Rosenthal & Company LLC.

19 **C. "Claim Form"**

20 "Claim Form" refers to a form used to request reimbursement under this
21 Agreement, substantially in the form attached hereto as Exhibit A-2.

22 **D. "Class"**

23 "Class" or "Settlement Class" refers to "All purchasers and/or lessees of any 2006,
24 2007, 2008, or 2009 model year Toyota Prius vehicle originally factory equipped with
25 genuine high intensity discharge ("HID") headlights who reside in the United States."
26 Excluded from the stipulated Settlement Class are all claims for personal injury, property
27 damage, and subrogation. Also excluded from the Settlement Class are Toyota and Toyota
28 Motor Corporation; any affiliate, parent, or subsidiary of Toyota or Toyota Motor

1 Corporation; any entity in which Toyota or Toyota Motor Corporation has a controlling
2 interest; any officer, director, or employee of Toyota or Toyota Motor Corporation; any
3 successor or assign of Toyota or Toyota Motor Corporation; any Judge to whom the
4 Actions are assigned; anyone who purchased a Class Vehicle for the purpose of resale, and
5 any owners or lessees of Class Vehicles that were not manufactured for export specifically
6 into the United States.

7 **E. "Class Counsel"**

8 "Class Counsel" are Girard Gibbs LLP; Wasserman, Comden Casselman, &
9 Esensten, LLP; Arias, Ozzello & Gignac LLP; Initiative Legal Group, APC; and Cohen
10 Milstein Sellers & Toll PLLC.

11 **F. "Class Member"**

12 A "Class Member" is a person who falls within the definition of the Class and who
13 does not validly opt out of the Class pursuant to the procedure set forth in the Court's
14 Preliminary Approval Order.

15 **G. "Class Vehicle"**

16 A "Class Vehicle" is any 2006, 2007, 2008, or 2009 model year Toyota Prius
17 vehicle originally factory equipped with HID headlights.

18 **H. "Effective Date"**

19 "Effective Date" means the first date after the Court enters a Final Order and
20 Judgment, substantially in the form attached hereto as Exhibit B, and all appellate rights
21 with respect to said Final Order and Judgment, other than those related to any award of
22 attorney fees, costs, or incentive payments, have expired or been exhausted in such a
23 manner as to affirm the Final Order and Judgment.

24 **I. "HID Electronic Control Unit ("ECU")"**

25 "HID Electronic Control Unit," also referenced herein as "HID ECU," is the HID
26 Headlight Electronic Control Unit within Class Vehicles that is designed specifically to
27 operate, and with the sole function of operating, the HID headlight bulbs. The HID ECU
28 is sometimes referred to as the ballast.

1 **J. “HID Headlight Parts”**

2 “HID Headlight Parts” are the Class Vehicles’ HID headlight bulbs or HID ECUs.

3 **K. “Notice Date”**

4 “Notice Date” means the date by which Toyota shall complete the mailing of notice
5 to the Class. The Notice Date shall be 30 days after the Court enters a Preliminary
6 Approval Order, substantially in the form attached hereto as Exhibit A.

7 **L. “Proof of Repair Expense”**

8 “Proof of Repair Expense” shall take the form of an original or legible copy of a
9 receipt, invoice, or other record, or some combination thereof, identifying the sum paid by
10 (or on behalf of) the Class Member for a repair or replacement of HID Headlight Parts.

11 **II. SETTLEMENT CONSIDERATION**

12 In consideration for the dismissal of the Actions, with prejudice, and the Mutual
13 Release provided below, Toyota agrees to provide the following consideration to the Class:

14 **A. Warranty Extension For HID Headlight Parts**

15 Effective on the Notice Date, Toyota will extend its New Vehicle Limited Warranty
16 to cover HID Headlight Parts during the 5-year and 50,000-mile period (whichever occurs
17 first) following the original sale or lease of each Class Vehicle (the “Extended Warranty”).
18 All rights normally available to Toyota owners and lessees under Toyota’s New Vehicle
19 Limited Warranty will be available to Class Members seeking warranty coverage of HID
20 Headlight Parts under the Extended Warranty. Any Class Member who did not repair the
21 Headlight Parts as of the Notice Date, and whose vehicle, as of the Notice Date, is outside
22 the Extended Warranty period, is entitled to warranty repairs of the HID Headlight Parts, if
23 the Class Member provides Toyota proof that the Headlight Parts failed within the
24 Extended Warranty period. Repairs performed pursuant to this section during the notice
25 period preclude Class Members from opting out of the Settlement Class.

26 The Extended Warranty is subject to the same conditions set forth in a Class
27 Vehicle’s Owner’s Warranty Information booklet, except that repairs under this subsection
28 of the Agreement are permissible pursuant to the terms herein. Damages incurred from

1 abuse, a collision or crash, vandalism and/or other impact shall be excluded and not
2 covered by the Extended Warranty.

3 **B. Reimbursements For HID Electronic Control Unit Repairs Occurring**
4 **Before the Notice Date**

5 Without regard to any warranty period limitation, a Class Member will be entitled
6 to full reimbursement of any expenses (including parts and labor) he or she incurred (or
7 which were incurred on his or her behalf) to repair a Class Vehicle's HID Electronic
8 Control Unit(s) provided that:

- 9 1. A Claim is mailed to the Claim Administrator, post-marked no later than 90
10 days after the Notice Date;
- 11 2. The Claim contains a completed Claim Form;
- 12 3. The Claim contains a Proof of Repair Expense;
- 13 4. To the extent not reflected on the Proof of Repair Expense, the Claim
14 contains an original or copy of a repair record, estimate, or other document(s) indicating
15 the Class Vehicle's identification number (VIN) and that the HID Electronic Control Unit
16 was repaired or replaced before the Notice Date; and
- 17 5. The Class Member has not been previously reimbursed in full for his or her
18 HID ECU repair expenses.

19 **C. Reimbursements For HID Headlight Bulb Repairs Arising From**
20 **Failures Within 5 Years And 50,000 Miles Of The Original Sale Or**
21 **Lease Of The Vehicle, and Which Repairs Occurred before the Notice**
22 **Date**

23 A Class Member will be entitled to full reimbursement of all expenses (including
24 parts and labor) he or she incurs or incurred (or which are incurred on his or her behalf) to
25 replace any HID headlight bulb provided that:

- 26 1. A Claim is mailed to the Claim Administrator, post-marked no later than 90
27 days after the Notice Date;
- 28 2. The Claim contains a completed Claim Form;

1 3. The Claim contains a Proof of Repair Expense;

2 4. The Class Member has not been previously reimbursed in full for his or her
3 expenses; and

4 5. For repair expenses incurred at a repair facility: the Claim contains an
5 original or copy of a repair record, estimate, or other document(s) indicating the
6 information listed in (a) and (b) below, but only to the extent the same information does
7 not appear on the Proof of Repair Expense:

8 (a) The HID headlight bulb failed within 5 years and 50,000 miles of
9 when the Class Vehicle was first sold or leased; and

10 (b) The Class Vehicle's identification number (VIN);

11 6. For expenses incurred solely for the purchase of HID headlight bulbs: the
12 Claim contains an original or copy of a document(s) indicating the information listed in (a)
13 and (b) below, but only to the extent the same information does not appear on the Proof of
14 Repair Expense:

15 (a) Current or former ownership or lease of a Class Vehicle; and

16 (b) Failure of the HID headlight bulb before the Notice Date.

17 **D. Reimbursements For HID Headlight Bulb Repairs That Do Not Qualify**
18 **For Reimbursement Under Section (II)(C), and which occurred before**
19 **the Notice Date**

20 1. For any Claim that does not qualify for reimbursement under section (II)(C),
21 Toyota will evaluate the Claim to determine whether the claimant should otherwise receive
22 a reimbursement, and if so, the amount of the reimbursement, provided that:

23 (a) The Claim was mailed to the Claim Administrator, post-marked
24 no later than 90 days after the Notice Date;

25 (b) The Claim contains a completed Claim Form;

26 (c) The Claim contains a Proof of Repair Expense;

27 (d) The Class Member has not been previously reimbursed in full for
28 his or her repair expenses; and

1 (e) The Class Member may submit a brief statement why
2 reimbursement would be appropriate.

3 2. For any Claim that does not qualify for reimbursement under section (II)(C)
4 but does satisfy section (II)(D)(1), Toyota may exercise discretion to determine whether
5 full, partial, or no reimbursement should be awarded, based on the following factors:

6 (a) The amount paid for the HID headlight bulb repair;

7 (b) The date(s) and mileage of the HID headlight bulb repair(s);

8 (c) The date and mileage that the HID headlight bulb first failed;

9 (d) Whether the Class Vehicle previously required HID headlight
10 bulb repairs and, if so, the date and amount paid for those repairs;
11 and

12 (e) Whether the Class Member's ordinary practice is to drive with the
13 headlights on during the day.

14 3. For any Class Member whose vehicle is outside the 5 year and/or 50,000-
15 mile period and who has experienced a failed HID headlight bulb but, as of the Notice
16 Date, has not yet replaced the failed HID headlight bulb, Toyota may, upon a showing of
17 hardship by the Class Member, agree to facilitate replacement of the HID headlight bulb at
18 a Toyota dealership at no cost or at partial cost to the Class Member, with Toyota
19 reimbursing the dealership rather than the Class Member for the repair costs.

20 4. At least three weeks before the Fairness Hearing, Toyota shall provide an
21 accounting to Class Counsel setting forth the name, address, telephone number and email
22 address of each Class Member who submitted a Claim for reimbursement, and for each
23 Claimant, the total amount claimed and the total amount Toyota agrees to reimburse to the
24 Claimant.

25 **E. Costs of Administration and Notice**

26 Toyota shall be responsible for all costs of class notice and settlement
27 administration. In no event shall Class Counsel be responsible for any costs associated
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1 with class notice or settlement administration. The Parties retain the right to audit and
2 review the Claims handling by the Claims Administrator.

3 **III. CLAIMS ADMINISTRATION**

4 **A. Post-Evaluation**

5 1. For each full reimbursement payment, Toyota shall mail to the Class
6 Member, at the address on the Claim Form, a reimbursement check for the full amount of
7 the permissible expense paid by (or on behalf of) the Class Member, to be sent within 30
8 days of the Effective Date.

9 2. For any Claim that qualifies for less than a full reimbursement, Toyota shall
10 within 120 days of the Notice Date mail to the Class Member, at the address on the Claim
11 Form, an "Arbitration Request Form" (substantially in the form attached hereto as Exhibit
12 A-3) stating:

- 13 (a) whether a partial reimbursement has been awarded;
- 14 (b) the amount of the proposed partial reimbursement;
- 15 (c) whether rejection of a full reimbursement was based on:
 - 16 (i) lack of Proof of Repair Expense;
 - 17 (ii) the repair or replacement occurring after 5 years /
 - 18 50,000 miles;
 - 19 (iii) error in Claim Form; or
 - 20 (iv) late submission of Claim Form.
- 21 (d) the Class Member's right to Arbitration Review of Toyota's
- 22 decision and the cost of the Arbitration Review; and
- 23 (e) the Class Member's right to attempt to cure the deficiency Toyota
- 24 used as justification for not awarding a full reimbursement,
- 25 except for a deficiency related to a belatedly postmarked Claim
- 26 Form.

27 3. Any Class Member who receives a letter under section (III)(A)(2), notifying
28 them of their right to Arbitration Review, may:

- 1 (a) Attempt to cure the deficiency stated as justification for not
2 awarding a full reimbursement, by mailing the information and/or
3 documentation identified by Toyota as lacking in the Claim,
4 postmarked within 30 days of receipt of the letter. Within 30
5 days of receiving a cure attempt under this paragraph, Toyota will
6 either pay the full reimbursement (consistent with the terms of
7 section (III)(A)(1)) of this Agreement or will notify the Class
8 Member by mail that the Claim has been finally denied and
9 advising of the right to Arbitration Review;
- 10 (b) Initiate Arbitration Review of Toyota's decision by completing
11 and mailing the Arbitration Request Form, postmarked within 30
12 days of receipt of the letter (or within 30 days of receipt of
13 written denial following a cure attempt under section
14 (III)(A)(3)(a)); or
- 15 (c) Accept the reimbursement offered by Toyota, which acceptance
16 will be presumed if no Arbitration Request Form or cure attempt
17 is received by Toyota within 45 days of receipt of the letter.

18 4. If a Class Member accepts the reimbursement offer under section
19 (III)(A)(3)(c), Toyota shall mail the Class Member a reimbursement check within 30 days
20 of the Effective Date or within 45 days of mailing the Arbitration Request Form to the
21 Class Member, whichever is later.

22 **B. Arbitration Review**

- 23 1. A Class member that initiates Arbitration Review can:
- 24 (a) rely solely on the documents submitted with the Claim;
25 (b) submit a written statement in advance of the arbitration; and
26 (c) submit additional evidence, including any documentation that
27 may have been omitted from the Claim.
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1 2. In each Arbitration Review, the arbitrator shall review Toyota's decisions
2 with regard to the reimbursement, including the criteria listed in sections (II)(B) and
3 (II)(C), or section (II)(D), as applicable, and any additional information or documentation
4 provided at or before the arbitration proceeding by either side.

5 3. Arbitration Review will be by the Claim Administrator, who will have the
6 authority to adjust the reimbursement amount originally offered. The arbitrator's decision
7 shall be final and not appealable. Within 30 days of notice to Toyota of the arbitrator's
8 decision (or within 30 days of the Effective Date, if later), Toyota shall mail a check in the
9 amount of the reimbursement award to the Class Member at the address listed on the
10 Claim Form.

11 4. Toyota shall bear all costs of Arbitration Review except in the event that a
12 Class Member who was offered a partial reimbursement elects Arbitration Review and is
13 not awarded additional money in the Arbitration Review. In that circumstance only, the
14 costs of the Arbitration Review shall be deducted from the Class Member's partial
15 reimbursement offer. However, if Arbitration Review costs exceed the partial
16 reimbursement offer, Toyota shall bear the excess Arbitration Review costs and the Class
17 Member shall not incur those excess costs.

18 **C. Notice**

19 1. In compliance with the attorney general notification provision of the Class
20 Action Fairness Act, 28 U.S.C. § 1715, Toyota shall provide notice of this proposed
21 Settlement to the Attorney General of the United States, and the attorneys general of each
22 state or territory in which a Class Member resides.

23 2. Toyota will retain a Claim Administrator which shall be responsible for the
24 following Class notice program:

- 25 (a) Within 30 days after entry of the Preliminary Approval Order,
26 Toyota shall cause individual notice, substantially in the form
27 attached hereto as Exhibit A-1, and the Claim Form to be mailed
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to all reasonably identifiable current and former owners and lessees of Class Vehicles (hereafter, "Class Vehicle owners").

(b) The notice shall contain language, agreeable to Class Counsel and Toyota, designed to notify Class Members of the potential symptoms their HID headlights may exhibit when nearing the end of their useful life, such as flickering or shutting off, and to provide advice for Class Members to detect and respond to the symptoms if and when they appear on their vehicles.

(c) For purposes of identifying Class Vehicle owners, the Claim Administrator shall determine the names and most current addresses of Class Vehicle owners and Vehicle identification numbers (VINs).

(d) Prior to mailing the notice, the Claim Administrator shall conduct an address search through the United States Postal Service's National Change of Address database to update the address information for Class Vehicle owners. For each individual notice that is returned as undeliverable, Toyota shall conduct an advanced address search using Toyota's customer database information regarding the Class Vehicle owner to attempt to obtain a deliverable address.

(e) The Claim Administrator shall diligently report to Class Counsel the number of individual notices originally mailed to Class Vehicle owners; the number of individual notices initially returned as undeliverable; the number of additional individual notices mailed after an advanced address search; and the number of those additional individual notices returned as undeliverable.

(f) The Claim Administrator shall implement a Settlement Website containing

- 1 (i) Instructions on how to obtain reimbursements;
2 (ii) Instructions on how to contact the Claim Administrator,
3 Toyota, and Class Counsel for assistance;
4 (iii) A copy of the Claim Form, Notice, and this Settlement
5 Agreement; and
6 (iv) Any other information deemed relevant by Class Counsel and
7 Toyota.

8 3. No later than 10 days before the Fairness Hearing, the Claim Administrator
9 shall provide an affidavit for the Court, with a copy to Class Counsel, attesting that notice
10 was disseminated in a manner consistent with the terms of this Agreement, or those
11 required by the Court.

12 **D. Administrative Obligations**

13 In connection with its administration of the Settlement, Toyota shall maintain a
14 record of all contacts from Class Members regarding the Settlement or a Claim and
15 Toyota's responses thereto. Beginning three weeks from the Notice Date through the date
16 of the Fairness Hearing, Toyota shall provide Class Counsel with weekly reports of the
17 number of such contacts and Toyota's responses.

18 **IV. SETTLEMENT APPROVAL PROCESS.**

19 **A. Preliminary Approval of Settlement**

20 Promptly after the execution of this Agreement, counsel for the parties shall jointly
21 present this Agreement to the Court, along with a motion requesting that the Court issue a
22 Preliminary Approval Order substantially in the form attached as Exhibit A.

23 **B. Final Approval of Settlement**

24 If this Agreement is preliminarily approved by the Court, counsel for the parties
25 shall jointly present a motion requesting that the Court issue a Final Order and Judgment
26 directing the entry of judgment pursuant to Fed. R. Civ. P. 54(b) substantially in the form
27 attached as Exhibit B.

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1 **C. Plaintiffs' Application For Attorney Fees and Incentive Awards**

2 The Parties have not discussed nor agreed on any award of attorney fees or
3 reimbursement of costs to Class Counsel. Plaintiffs believe that an award of attorney fees
4 and costs are appropriate given the benefits achieved for the Class, and, if the parties are
5 not able to reach agreement on an award of attorney fees or reimbursement of costs to
6 Class Counsel through negotiation, mediation or some other agreed-upon form of dispute
7 resolution, Plaintiffs will apply to the Court for an order awarding reasonable attorney fees
8 and reimbursement of litigation expenses (the "Fee and Expense Application"), which
9 Toyota may oppose.

10 Plaintiffs further believe that Toyota should pay service awards to the individual
11 named plaintiffs in the Actions, each of whom have served as class representatives in these
12 Actions. Upon finalization of this Settlement Agreement, the parties agreed that Toyota
13 would not oppose Plaintiffs' request, made as part of the Fee and Expense Application,
14 that Toyota pay service awards of \$1,000 to each of the individuals who have served as
15 class representatives in the Actions.

16 The procedure for and the grant or denial or allowance or disallowance by the Court
17 of the Fee and Expense Application are not part of the Settlement, and are to be considered
18 by the Court separately from the Court's consideration of the fairness, reasonableness, and
19 adequacy of the Settlement. Any order or proceedings relating to the Fee and Expense
20 Application, or any appeal from any order related thereto or reversal or modification
21 thereof, will not operate to terminate or cancel this Agreement, or affect or delay the
22 Effective Date of this Agreement.

23 **D. Mutual Release**

24 **1. Release by Plaintiffs and Class Members**

25 (a) Upon the Effective Date, the Plaintiffs and each Class Member
26 shall be deemed to have, and by operation of the Final Order and
27 Judgment shall have, released, waived, and discharged any and all
28 legal claims or causes of action of any nature whatsoever,

1 including claims that have been or could have been asserted
2 against Toyota, Toyota Motor Corporation, and their subsidiaries,
3 affiliates, and suppliers, in the Actions or in any other complaint,
4 action, or litigation in any other court or forum regarding the
5 Class Vehicle's Headlight Parts as alleged in the Actions.

6 (b) The Plaintiffs and Class Members expressly waive and relinquish,
7 to the fullest extent permitted by law, the provisions, rights, and
8 benefits of § 1542 of the California Civil Code, which provides:
9 "A general release does not extend to claims which the creditor
10 does not know or suspect to exist in his favor at the time of
11 executing the release, which if known by him must have
12 materially affected his settlement with the debtor."

13 (c) Notwithstanding the foregoing, claims for personal injuries or
14 damage to property (other than to the Class Vehicle) allegedly
15 caused by a defect in the Headlight Parts and any claims of or
16 rights to subrogation are not released.

17 **2. Release by Toyota**

18 Upon the Effective Date, Toyota and Toyota Motor Corporation and their past or
19 present officers, directors, employees, agents, attorneys, predecessors, successors,
20 affiliates, subsidiaries, divisions, and assigns, shall be deemed to have, and by operation of
21 the Final Order and Judgment shall have, released Class Counsel and each current and
22 former proposed class representative from any and all claims or causes of action that were
23 or could have been asserted pertaining solely to the filing and prosecution of the litigation
24 or settlement of these Actions.

25 **V. MISCELLANEOUS PROVISIONS**

26 **A. Effect of Exhibits**

27 The exhibits to this Agreement are an integral part of the settlement and are
28 expressly incorporated and made a part of this Agreement.

1 **B. No Admission**

2 Neither the fact of, nor any provision contained in this Agreement, nor any action
3 taken hereunder, shall constitute, or be construed as, any admission of the validity of any
4 Claim or any fact alleged in the Actions or of any wrongdoing, fault, violation of law, or
5 liability of any kind on the part of Toyota or any admissions by Toyota of any Claim or
6 allegation made in any action or proceeding against Toyota. This Agreement shall not be
7 offered or be admissible in evidence against Toyota, the Plaintiffs, or the Class Members
8 or cited or referred to in any action or proceeding, except in an action or proceeding
9 brought to enforce its terms.

10 **C. Entire Agreement**

11 This Agreement represents the entire agreement and understanding among the
12 parties and supersedes all prior proposals, negotiations, agreements, and understandings
13 relating to the subject matter of this Agreement. The parties acknowledge, stipulate, and
14 agree that no covenant, obligation, condition, representation, warranty, inducement,
15 negotiation, or understanding concerning any part or all of the subject matter of this
16 Agreement has been made or relied on except as expressly set forth in this Agreement. No
17 modification or waiver of any provisions of this Agreement shall in any event be effective
18 unless the same shall be in writing and signed by the person or party against whom
19 enforcement of the Agreement is sought.

20 **D. Arm's-Length Negotiations and Good Faith**

21 The parties have negotiated all of the terms and conditions of this Agreement at
22 arm's length. All terms, conditions, and exhibits in their exact form are material and
23 necessary to this Agreement and have been relied upon by the parties in entering into this
24 Agreement. The parties agree to act in good faith during the claims administration
25 process. This includes an agreement by Toyota to act in good faith in evaluating claims
26 for discretionary reimbursement.

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1 **E. Continuing Jurisdiction**

2 The parties agree the Court may retain continuing and exclusive jurisdiction over
3 them, including all Class Members, for the purpose of the administration and enforcement
4 of this Agreement.

5 **F. Binding Effect of Settlement Agreement**

6 This Agreement shall be binding upon and inure to the benefit of the parties and
7 their representatives, heirs, successors, and assigns.

8 **G. Extensions of Time**

9 The parties may agree upon a reasonable extension of time for deadlines and dates
10 reflected in this Agreement, without further notice (subject to Court approval as to Court
11 dates).

12 **H. Service of Notice**

13 Whenever, under the terms of this Agreement, a person is required to provide
14 service or written notice to Toyota or Class Counsel, such service or notice shall be
15 directed to the individuals and addresses specified below, unless those individuals or their
16 successors give notice to the other parties in writing:

17 As to Plaintiff: Eric H. Gibbs
18 Girard Gibbs LLP
19 601 California Street, Suite 1400
20 San Francisco, CA 94108

21 As to Toyota: Michael L. Mallow
22 Loeb & Loeb LLP
23 10100 Santa Monica Boulevard, Suite 2200
24 Los Angeles, CA 90067-4120

25 **I. Authority to Execute Settlement Agreement**

26 Each counsel or other person executing this Agreement or any of its exhibits on
27 behalf of any party hereto warrants that such person has the authority to do so.

28 **J. Right to Rescind**

 Pursuant to an agreement to be filed with the Court under seal, if the number of
Class Members who properly and timely exercise their right to opt out of the settlement

1 exceeds the number agreed to by the parties, Toyota shall have the right to terminate this
2 Settlement Agreement without penalty or sanction.

3 IN WITNESS HEREOF, the parties have caused this Agreement to be executed, by
4 their duly authorized attorneys, as of the date(s) indicated on the lines below.

5
6 ON BEHALF OF PLAINTIFFS:

7
8 Dated: January 3, 2011


Eric H. Gibbs
GIRARD GIBBS LLP
601 California Street, Suite 1400
San Francisco, CA 94108

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12 Dated: January __, 2011

Melissa M. Harnett
WASSERMAN, COMDEN
CASSELMAN, & ESENSTEN, LLP
5567 Reseda Boulevard, Suite 330
Tarzana, California 91357-7033

13
14
15
16
17 Dated: January __, 2011

Mike Arias
ARIAS, OZZELLO & GIGNAC LLP
6701 Center Drive West, Suite 1400
Los Angeles, California 90045

18
19
20
21 Dated: January __, 2011

Mark P. Estrella
INITIATIVE LEGAL GROUP, APC
1800 Century Park East, 2nd Floor
Los Angeles, California 90067

22
23
24
25
26 Dated: December __, 2010

Andrew N. Friedman
COHEN MILSTEIN SELLERS & TOLL
1100 New York Avenue NW, Suite 500
Washington, DC 20005

27
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1 exceeds the number agreed to by the parties, Toyota shall have the right to terminate this
2 Settlement Agreement without penalty or sanction.

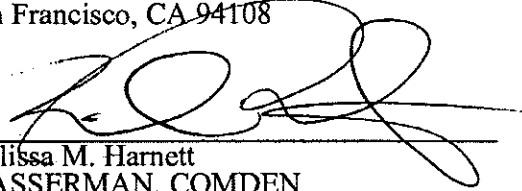
3 IN WITNESS HEREOF, the parties have caused this Agreement to be executed, by
4 their duly authorized attorneys, as of the date(s) indicated on the lines below.

5
6 ON BEHALF OF PLAINTIFFS:

7
8 Dated: January __, 2011

Eric H. Gibbs
GIRARD GIBBS LLP
601 California Street, Suite 1400
San Francisco, CA 94108

9
10
11
12 Dated: January 3, 2011


Melissa M. Harnett
WASSERMAN, COMDEN
CASSELMAN, & ESENSTEN, LLP
5567 Reseda Boulevard, Suite 330
Tarzana, California 91357-7033

13
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15
16
17 Dated: January __, 2011

Mike Arias
ARIAS, OZZELLO & GIGNAC LLP
6701 Center Drive West, Suite 1400
Los Angeles, California 90045

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21 Dated: January __, 2011

Mark P. Estrella
INITIATIVE LEGAL GROUP, APC
1800 Century Park East, 2nd Floor
Los Angeles, California 90067

22
23
24
25 Dated: December __, 2010

Andrew N. Friedman
COHEN MILSTEIN SELLERS & TOLL
1100 New York Avenue NW, Suite 500
Washington, DC 20005

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2 Settlement Agreement without penalty or sanction.

3 IN WITNESS HEREOF, the parties have caused this Agreement to be executed, by
4 their duly authorized attorneys, as of the date(s) indicated on the lines below.

5

6 ON BEHALF OF PLAINTIFFS:

7

8 Dated: January __, 2011

9

Eric H. Gibbs
GIRARD GIBBS LLP
601 California Street, Suite 1400
San Francisco, CA 94108

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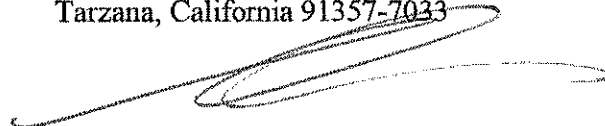
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Dated: January __, 2011

Melissa M. Harnett
WASSERMAN, COMDEN
CASSELMAN, & ESENSTEN, LLP
5567 Reseda Boulevard, Suite 330
Tarzana, California 91357-7033

Dated: January Σ, 2011



Mike Arias
ARIAS, OZZELLO & GIGNAC LLP
6701 Center Drive West, Suite 1400
Los Angeles, California 90045

Dated: January __, 2011

Mark P. Estrella
INITIATIVE LEGAL GROUP, APC
1800 Century Park East, 2nd Floor
Los Angeles, California 90067

Dated: December __, 2010

Andrew N. Friedman
COHEN MILSTEIN SELLERS & TOLL
1100 New York Avenue NW, Suite 500
Washington, DC 20005

1 exceeds the number agreed to by the parties, Toyota shall have the right to terminate this
2 Settlement Agreement without penalty or sanction.

3 IN WITNESS HEREOF, the parties have caused this Agreement to be executed, by
4 their duly authorized attorneys, as of the date(s) indicated on the lines below.

5
6 ON BEHALF OF PLAINTIFFS:

7
8 Dated: January __, 2011

9 _____
Eric H. Gibbs
GIRARD GIBBS LLP
601 California Street, Suite 1400
San Francisco, CA 94108

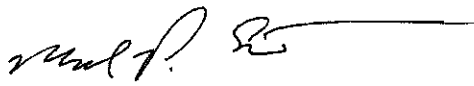
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11
12 Dated: January __, 2011

13 _____
Melissa M. Harnett
WASSERMAN, COMDEN
CASSELMAN, & ESENSTEN, LLP
5567 Reseda Boulevard, Suite 330
Tarzana, California 91357-7033

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15
16
17 Dated: January __, 2011

18 _____
Mike Arias
ARIAS, OZZELLO & GIGNAC LLP
6701 Center Drive West, Suite 1400
Los Angeles, California 90045

19
20
21 Dated: January 3, 2011

22 _____

Mark P. Estrella
INITIATIVE LEGAL GROUP, APC
1800 Century Park East, 2nd Floor
Los Angeles, California 90067

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Miriam Schimmel
INITIATIVE LEGAL GROUP, APC
1800 Century Park East, 2nd Floor
Los Angeles, California 90067

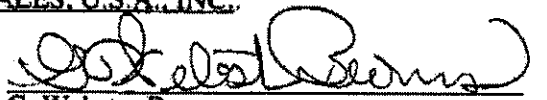
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24 Dated: December ³⁰ __, 2010


Andrew N. Friedman
COHEN MILSTEIN SELLERS & TOLL
1100 New York Avenue NW, Suite 500
Washington, DC 20005

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ON BEHALF OF TOYOTA MOTOR SALES, U.S.A., INC.:

Dated: December __, 2010


G. Webster Burns
Vice President and Assistant General Counsel
TOYOTA MOTOR SALES, U.S.A., INC.

Dated: December __, 2010

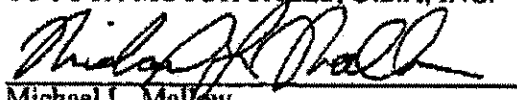

Michael L. Mallow
LOEB & LOEB LLP
10100 Santa Monica Boulevard, Suite 2200
Los Angeles, CA 90067-4120

EXHIBIT A

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CARLOS COLLADO, et al.

v.

TOYOTA MOTOR SALES, U.S.A., INC.

ELLIOT FIXLER

v.

TOYOTA MOTOR SALES, U.S.A., INC.

Case Nos. 2:10-cv-3113-R-RC
2:10-cv-03124-R-SS

**[PROPOSED] ORDER CERTIFYING
SETTLEMENT CLASS AND
DIRECTING DISSEMINATION OF
CLASS NOTICE**

Date: January 10, 2011

Time: 10:00 a.m.

Judge: Hon. Manuel L. Real

1 Plaintiffs' motion for certification of a settlement class and for an order directing
2 dissemination of class notice came on for hearing on January 10, 2011, at 10:00 a.m.,
3 before the undersigned. The Court having considered the motion and the parties'
4 proposed settlement, Plaintiffs' motion is granted as follows:

5 1. The Court certifies the following class for settlement purposes only
6 pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure:

7 All purchasers and/or lessees of any 2006, 2007, 2008, or 2009 model year
8 Toyota Prius vehicle originally factory equipped with genuine high
9 intensity discharge ("HID") headlights who reside in the United States.

10 Excluded from the class are all claims for personal injury, property damage, and
11 subrogation. Also excluded from the class are Toyota Motor Sales, U.S.A. Inc. and
12 Toyota Motor Corporation; any affiliate, parent, or subsidiary of Toyota Motor Sales,
13 U.S.A. Inc. or Toyota Motor Corporation; any entity in which Toyota Motor Sales,
14 U.S.A. Inc. or Toyota Motor Corporation have a controlling interest; any officer,
15 director, or employee of Toyota Motor Sales, U.S.A. Inc. or Toyota Motor Corporation;
16 any successor or assign of Toyota or Toyota Motor Corporation; any Judge to whom the
17 Actions are assigned; anyone who purchased a class vehicle for the purpose of resale,
18 and any owners or lessees of class vehicles that were not manufactured for export
19 specifically into the United States.

20 2. The Court finds that, for the purpose of settlement only, the requirements of
21 Rule 23 of the Federal Rules of Civil Procedure are met by the class. Joinder of all class
22 members in a single proceeding would be impractical, if not impossible, because of their
23 numbers and dispersion. Common issues exist among class members and predominate
24 over questions affecting only individual class members; in particular, each class
25 member's claims depend on whether the HID headlight system originally installed in
26 class vehicles suffered from an inherent defect, and arises from Toyota's alleged
27 concealment of that inherent defect from consumers. Plaintiffs' claims are typical of
28 those of the class, as Plaintiffs own or owned class vehicles and complain of the same

1 allegedly inherent headlight system defect that forms the basis of all class members'
2 claims. Plaintiffs and their counsel will fairly and adequately protect the interests of the
3 class; Plaintiffs have no interests antagonistic to those of the class, and have retained
4 counsel experienced and competent to prosecute this matter on behalf of the class.
5 Finally, a class settlement is superior to other available methods for a fair resolution of
6 the controversy.

7 3. The Court thus appoints Plaintiffs—Carlos Collado, Richard Hock, Bill
8 Urban, Enrique Cantu, William Askew, James Freeman, Elliot Fixler, Evan Moore, Geri
9 Kennedy, and James Clifford—to serve as class representatives. Further, pursuant to
10 Rule 23(g)(1), the Court appoints Plaintiffs' counsel—consisting of Girard Gibbs LLP;
11 Wasserman, Comden Casselman, & Esensten, LLP; Arias, Ozzello & Gignac LLP;
12 Initiative Legal Group, APC; and Cohen Milstein Sellers & Toll PLLC—to serve as
13 class counsel.

14 4. Pursuant to Rule 23(c)(2)(B) and Rule 23(e), the Court orders that the class
15 be given notice of the pendency of this action and the parties' proposed settlement in a
16 form substantially similar to that attached hereto as Exhibit 1. The notice shall be sent
17 by first class mail to all class members who can reasonably be identified from Defendant
18 Toyota's records. The notice shall be accompanied by a claim form in a form
19 substantially similar to that attached hereto as Exhibit 2. As set forth in the parties'
20 Settlement Agreement, Defendant Toyota shall bear all costs associated with providing
21 class notice.

22 5. The Court has preliminarily reviewed the parties' proposed settlement and
23 finds that its terms appear sufficiently fair, reasonable, and adequate to warrant
24 dissemination of notice of the proposed settlement to the class and the scheduling of a
25 formal fairness hearing. The Court finds that the Settlement Agreement contains no
26 obvious deficiencies and that the parties entered into the settlement in good faith,
27 following arm's length negotiation between their respective counsel.

28 6. Toyota shall complete the mailing of class notice no later than February 9,

1 2011.

2 7. The Court sets May 23, 2011, as the deadline for the filing of final approval
3 and fee application papers.

4 8. The Court sets June 10, 2011, as the deadline for Toyota to provide notice
5 to each class member who has timely submitted a claim, stating whether the claim was
6 approved, the amount of the reimbursement, and all other information required by the
7 Settlement Agreement, including the right to arbitration via the Arbitration Request
8 Form attached hereto as Exhibit 3.

9 9. The Court sets June 24, 2011, as the deadline by which class members
10 must: (a) submit their comments or objections to the settlement and/or the Plaintiffs' fee
11 application; or (b) opt out of the settlement class. The procedures and requirements for
12 commenting on and objecting to the settlement as well as for opting out of the settlement
13 class shall be those listed in the notice attached hereto as Exhibit 1.

14 10. The Court sets July 1, 2011, as the deadline for the parties to file any reply
15 in support of final approval of the proposed settlement and for class counsel to file any
16 reply in support of the fee application.

17 11. The Court sets July 18, 2011, at 10:00 a.m. as the date and time of the
18 fairness hearing, at which the Court will consider whether to grant final approval of the
19 settlement and will entertain any application for attorneys' fees, expenses, and/or
20 incentive awards.

21

22 IT IS SO ORDERED.

23

24

25 DATED: _____

Hon. Manuel L. Real
United States District Court Judge

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EXHIBIT A-1

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

If you now or used to own or lease a 2006-2009 Toyota Prius with high intensity discharge (“HID”) headlights, you may be entitled to a free warranty extension and cash reimbursement.

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

- This class action lawsuit claimed the HID headlights on 2006-2009 Prius vehicles can shut off unexpectedly while the vehicles are being driven. Read paragraph 2 below for more information on the condition.
- Under the settlement, Toyota has agreed to extend its New Vehicle Limited Warranty to cover HID headlight repairs through the earlier of 5 years or 50,000 miles from the original date of purchase or lease. Class Members may also be eligible to receive cash reimbursements for past HID headlight repairs. Read paragraphs 8 and 9 below for more information on claiming a cash reimbursement.
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
MAIL A CLAIM FORM	The only way to get cash reimbursement. You do not need to submit a claim form to take advantage of the extended warranty.
ASK TO BE EXCLUDED	Get <u>no</u> reimbursement and <u>no</u> extended warranty. Keep rights. This is the only option that allows you to ever be part of any other lawsuit about the legal claims in this case.
COMMENT OR OBJECT	Tell the Court why you like or dislike the settlement. You must remain a member of the lawsuit (you cannot ask to be excluded) to object to the settlement.
DO NOTHING	Warranty is extended, but get <u>no</u> payment and lose rights. If you do not mail in a Claim Form, you will not receive money. If you do nothing, you will also give up any rights to sue separately about the same or similar legal claims in this lawsuit.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made only if the Court approves the settlement and after appeals, if any, are resolved.

Questions? Call (888) 000-0000 or visit www.GirardGibbs.com/Prius.asp or www.HIDsettlement.com

CONTENTS

Basic Information

1. Introduction: Why you received this notice.
2. Advisory: The HID headlights on your Prius may intermittently flicker or shut off. Please take your vehicle to a mechanic if you notice this behavior.
3. Why is this a class action settlement?

Who Is Part Of The Settlement?

4. Am I in this Class?
5. I'm still not sure if I am included.

Settlement Benefits—What You Get

6. What does the settlement provide?
7. How does the extended warranty work?
8. Who can send in a claim for cash reimbursement?
9. How do I send in a claim for a cash reimbursement?
10. When do I get my payment or learn whether I will receive a payment?
11. What am I giving up to get a payment and stay in the Class.

Excluding Yourself From The Settlement

12. How do I get out of this settlement?
13. If I don't exclude myself, can I sue later?
14. If I exclude myself can I get money from this Settlement?

The Lawyers Representing You

15. Do I have a lawyer in this case?
16. Should I get my own lawyer?
17. How will the lawyers be paid and will there be incentive payments?

Support or Object To The Settlement

18. How do I tell the Court that I like or do not like the settlement?
19. What is the difference between objecting and excluding?

Fairness Hearing

20. When and where will the Court decide to approve the settlement?
21. Do I have to come to the hearing?
22. May I speak at the hearing?

If You Do Nothing

23. What happens if I do nothing at all?

Additional Information

24. Are there more details available?

BASIC INFORMATION

1. Introduction: Why you received this notice.

According to Toyota's records, you are a current or past owner or lessee of a 2006-2009 Toyota Prius with HID headlights. A class action lawsuit was filed claiming that there was a problem with the HID headlights that caused them to shut off without warning, sometimes requiring expensive repairs. Toyota denied the claims.

The lawsuit has been resolved through a settlement which provides benefits that include:

- (1) Toyota's New Vehicle Limited Warranty has been extended to cover HID headlight repairs. The warranty will now cover HID headlight repairs until 5 years or 50,000 miles from the original date of purchase or lease of the Prius whichever occurs first. The extended warranty program will cease if the Court does not approve this proposed settlement.
- (2) Cash reimbursements will be available for past repairs of HID headlight bulbs and HID electronic control units (also known as the ECU). To receive a cash reimbursement, you must mail in the enclosed Claim Form and a receipt. Cash reimbursements will only be made if the court approves the settlement.

This Notice explains the lawsuit, the settlement, your legal rights, available benefits, who is eligible for them, and how to get them. As a Class Member you have various options that you may exercise before the Court decides whether to approve the settlement. The class action lawsuits pending in the United States District Court for the Central District of California are *Collado et al v. Toyota Motor Sales, U.S.A., Inc.*, Case No. CV 3:10-3113-R and *Fixler v. Toyota Motor Sales, U.S.A., Inc.*, Case No. CV 3:10-3124-R. Judge Manuel L. Real, who is overseeing those cases, authorized this Notice. There is also a class action lawsuit pending in the California Superior Court, County of Los Angeles called *Moore et al. v. Toyota Motor Sales, U.S.A., Inc.*, Case No. BC419672 which will be resolved by this settlement. Judge William F. Highberger, who is presiding over the Superior Court action, has stayed that action pending approval of this settlement.

2. HID Headlight Advisory.

The Plaintiffs alleged the HID headlights in the 2006-2009 Prius vehicles can begin to shut off without warning. The headlights may appear to be working when the car is first started and may even work again on the next trip.

It is important to monitor your headlights and to go to a dealership or mechanic as soon as you notice one of your bulbs flickering or occasionally shutting off. By monitoring your headlights and taking prompt action once you notice the problem, you will significantly reduce the chance that both lights will go out at the same time. Toyota began installing new HID bulbs in early 2008 that statistically appear to perform better, thus alleviating the frequency of these problems. However, Toyota has indicated that intermittent operation of HID headlights is a sign that the HID headlight bulbs are reaching the end of their useful

life, so you should continue to monitor the headlights in the future.

3. Why is this a class action settlement?

In a class action lawsuit, one or more persons, called Class Representatives sue on behalf of other people who have similar claims. All of these people are a Class or Class Members. The Class Representatives and all Class Members are called the Plaintiffs and the company they sued (in this case Toyota Motor Sales, U.S.A., Inc. ("Toyota")) is called the Defendant. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. U.S. District Judge Manuel Real is in charge of this class action.

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement with no decision or admission of who is right or wrong. That way, all parties avoid the risks and cost of a trial, and the people affected will get compensation quickly. The Class Representatives and the attorneys think the settlement is best for the Class.

WHO IS PART OF THE SETTLEMENT?

4. Am I in this Class?

Judge Real approved the following definition of a Class Member:

All purchasers and/or lessees of any 2006, 2007, 2008, or 2009 model year Toyota Prius vehicle originally factory equipped with genuine high intensity discharge ("HID") headlights who reside in the United States.

5. I'm still not sure if I am included.

If you are still not sure whether you are included, you can get more information. You can call 1-800-000-0000 or visit www.HIDsettlement.com or www.GirardGibbs.com/Prius.asp for more information.

SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide?

Toyota has agreed to extend its New Vehicle Limited Warranty to cover HID headlight repairs. In addition, cash reimbursements may be available to Class Members who spent money on HID headlight repairs. More details are provided in the next three sections.

7. How does the extended warranty work?

Beginning on _____, 2011, Toyota's New Vehicle Limited Warranty is extended for all 2006-2009 model year Toyota Prius vehicles with original, factory installed HID headlights. Repairs or replacements to the vehicles' HID bulbs and HID electronic control

Questions? Call (888) 000-0000 or visit www.GirardGibbs.com/Prius.asp or www.HIDsettlement.com

units (ECUs) will be covered under warranty if the vehicle is within both 5 years and 50,000 miles of the original purchase or lease date of the car. The rights and procedures generally available under the New Vehicle Limited Warranty will apply to HID headlight system repairs during this extended warranty period. The extended warranty is subject to the same terms and conditions of the New Vehicle Limited Warranty, as set forth in your Vehicle Owner's Warranty Information Booklet.

If your vehicle is outside the 5 years or 50,000 mile warranty period, but you can provide proof that the headlight problem began within 5 years and 50,000 miles, you will be entitled to warranty repairs. One example of proof would be to present a repair estimate done within the 5 year and 50,000 mile period.

If you obtain extended warranty coverage for HID headlight repairs, you give up the right to exclude yourself from this settlement.

8. Who can send in a claim for cash payments?

Any United States resident who purchased or leased a 2006-2009 model year Toyota Prius vehicle that was originally factory equipped with genuine high intensity discharge ("HID") headlights can send in a claim for cash reimbursements for money spent repairing or replacing a HID bulb or HID electronic control unit (ECU) for their Prius vehicle(s). Reimbursements generally will fall into the following 3 categories:

- (i) HID Electronic Control Units (ECUs). Class Members who spent money repairing or replacing a HID electronic control unit (ECU) before _____, will be entitled to full reimbursement (both parts and labor), provided they follow the steps in paragraph 9 for making a claim.
- (ii) HID Bulbs repaired or replaced within 5 years and 50,000 miles. Class Members who spent money repairing or replacing the HID bulb(s) will be entitled to full reimbursement (both parts and labor), provided they have not already received a full reimbursement and follow the steps in paragraph 9 for making a claim. *Even if you repaired/replaced your HID bulbs after 5 years or 50,000 miles, you fall into this category if you can show proof that your HID headlights first started having problems within 5 years and 50,000 miles.*
- (iii) HID Bulbs repaired or replaced after 5 years and 50,000 miles. Class Members who spent money repairing or replacing the HID bulb(s) after either 5 years or 50,000 miles elapsed from the original purchase or lease date, will not be automatically entitled to reimbursement, but should follow the steps in paragraph 9 and submit a claim because they may still receive a full or partial reimbursement. On the reverse side of the Claim Form, there is a list of factors that will be considered and there is a space for Class Members to write a letter explaining why they believe they should be reimbursed.

Reimbursements will only be paid after the court approves the settlement and all appeals, if

any, are resolved.

9. How do I send in a claim for a cash reimbursement?

To submit a claim for a cash reimbursement, do the following:

- (1) **Complete, sign, and date a Claim Form** (there is one enclosed with these materials and you can also get one at www.GirardGibbs.com/Prius.asp or www.HIDsettlement.com). Keep a copy of the completed Claim Form.
- (2) **Mail the Claim Form and your repair record(s)** no later than _____ to the address on the Claim Form. The information that must be listed on your records can be found on the Claim Form. Keep a copy of your repair records.

If you fail to mail in the Claim Form and supporting documents by the required deadline, you will not get paid. Sending in a Claim Form late or without documentation will be the same as doing nothing (see paragraph 23).

10. When do I get my reimbursement or learn whether I will receive a payment?

If the Claims Administrator determines your claim is to be paid in full, your reimbursement will be mailed to you after the settlement becomes final. The Court will hold a fairness hearing on _____, to decide whether to approve the settlement as fair, reasonable, and adequate. If Judge Real approves the settlement, there may be appeals which may delay the conclusion of the case. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Information about the progress of the case will be available at: www.GirardGibbs.com/Prius.asp or www.HIDsettlement.com.

If the Claims Administrator determines your claim should not be paid or should be paid only in part, you will be mailed a letter telling you the amount you are to receive, if any, and explaining how you can appeal the amount, if you wish to do so.

To check on the status of your claim, you can call 1-888-000-0000.

11. What am I giving up to get a cash reimbursement and stay in the Class.

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit about the same legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How do I get out of this settlement?

To exclude yourself from the settlement, you must send a letter by U.S. mail (or an express

mail carrier) saying that you want to be excluded from *Collado, et al. v. Toyota Motor Sales, U.S.A., Inc.*, Case No. CV 3:10-3113-R. Be sure to include your full name, address, telephone number, signature, model year and VIN of your Prius(es), and the approximate date(s) of purchase or lease. You must mail your exclusion request postmarked no later than _____, to:

SETTLEMENT ADMINISTRATOR
c/o Toyota Prius HID Headlight Exclusion Request
123 Street Ave.
City, CA, 12334

You cannot exclude yourself on the phone or by e-mail. If you submit your request to be excluded by U.S. mail or express mail, you will not get any benefits of the settlement and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

13. If I don't exclude myself, can I sue later?

No, not for the same legal claims at issue here.

14. If I exclude myself can I get the benefits of this Settlement?

No. If you exclude yourself from the Class you won't get any money or benefits from this settlement. If you exclude yourself, you should not submit a Claim Form to ask for money from the class action settlement. You cannot do both.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court has decided that the law firms Girard Gibbs LLP of San Francisco, California; Wasserman, Comden, Casselman, & Esenstein LLP of Los Angeles, California; Arias, Ozzello & Gignac LLP of Los Angeles, California; Initiative Legal Group, APC of Los Angeles, California, and Cohen, Milstein, Sellers & Toll of Washington, D.C. are qualified to represent you and all Class Members. Together these law firms are called "Class Counsel."

16. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own cost.

17. How will the lawyers be paid and will there be incentive payments?

Class Counsel has prosecuted this case on a contingency basis. They have not received any fees or reimbursement for any of the expenses associated with this case. Class Counsel will request fees and expenses from the Court. Any fees and expenses awarded by the Court will be paid

separately by Toyota. You won't have to pay these fees and expenses and any fees and expenses awarded will not affect your settlement amount.

SUPPORTING OR OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I like or dislike the settlement?

If you are a Class Member, you can tell the Court you like the settlement and it should be approved, or that you object to the settlement if you do not like a part of it. The Court will consider all comments from class members.

To object, you must send a letter saying that you are commenting on the settlement in *Collado, et al. v. Toyota Motor Sales, U.S.A., Inc.*, Case No. CV 3:10-3113-R, and you must include your full name, current address, telephone number, model year and VIN of your Prius(es), your factual and legal grounds for objecting, any documents supporting your objection, and your signature. Any Class Member objecting to the Settlement must provide a detailed list of any other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court in the previous five (5) years. If the Class Member or his or her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he, she or it shall affirmatively so state in the written materials provided with the objection. If you intend to appear at the fairness hearing through counsel, your comment must also state the identity of all attorneys representing you who will appear at the fairness hearing. Be sure to send your objection to these three different places set forth below such that it is *received* no later than _____:

No. 1 Court	No. 2 Class Counsel	No. 3 Defense Counsel
Clerk of the Court, Western Division, United States District Court for the Central District of California, 312 N. Spring Street, Los Angeles, CA 90012	GIRARD GIBBS LLP c/o Eric H. Gibbs 601 California Street, 14th Floor San Francisco, CA 94108	LOEB & LOEB LLP c/o Michael L. Mallow 10100 Santa Monica Blvd., Ste. 2200 Los Angeles, CA 90067

The filing of an objection allows Class Counsel or Counsel for Toyota to notice such objecting person for and take his or her deposition consistent with the Federal Rules of Civil Procedure at an agreed-upon location before the Final Approval Hearing, and to seek any documentary evidence or other tangible things that are relevant to the objection. Failure by an objector to comply with discovery requests may result in the Court striking said objector's objection and otherwise denying that person the opportunity to make an objection or be further heard. The Court reserves the right to tax the costs of any such discovery to the objector or the objector's counsel should the Court determine that the objection is frivolous or is made for an improper purpose.

If you do not submit a written comment on the proposed settlement or the application of Class

Counsel for incentive awards, attorney fees and expenses in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the fairness hearing and to appeal from any order or judgment of the Court concerning the matter.

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class and the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

FAIRNESS HEARING

20. When and where will the Court decide to approve the settlement?

The Court will hold a Fairness Hearing at ___ a.m. on _____, in Courtroom 8, Western Division, United States District Court for the Central District of California, 312 N. Spring Street, Los Angeles, California 90012. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Real may listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel or whether to approve incentive awards. After the hearing, the Court will decide whether to approve the settlement. We do not know how long it will take for the Court to make its decision.

21. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge Real may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you sent your written objection such that it is received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the hearing?

If you do not exclude yourself, you may ask the Court's permission to speak at the hearing concerning the proposed settlement or the application of Plaintiffs' counsel for attorney fees and expenses. To do so, you must send in a letter saying that it is your notice of your intention to appear at the fairness hearing in *Collado, et al. v. Toyota Motor Sales, U.S.A., Inc.*, Case No. CV 3:10-3113-R. The letter must state the position you intend to present at the hearing, state the identities of all attorneys who will represent you (if any), and must include your full name, current address, telephone number, model year and VIN of your Prius vehicle(s), and your signature. You must send your notice to the Clerk of the Court, Class Counsel, and defense counsel at the three addresses listed under question 20 above, such that it is *received* no later than _____. You may combine this notice and your comment (described under question 20) in a single letter. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you'll get no reimbursement from this settlement. You do not need to do anything now to preserve your ability to get repairs under the extended warranty, as long as you go in for the repairs before your Prius reaches the earlier of 5 years or 50,000 miles from its original purchase or lease date.

ADDITIONAL INFORMATION

24. Are there more details available?

Visit the website www.GirardGibbs.com/Prius.asp or www.HIDsettlement.com, where you can find extra claim forms and more information on this litigation and settlement. Updates regarding the case will be available at www.GirardGibbs.com/Prius.asp. You may also call the Claims Administrator at 1-888-000-0000.

EXHIBIT A-2

PRIUS HID HEADLIGHTS CLAIM FORM

*Collado v. Toyota Motor Sales, U.S.A., Inc., Case No. 2:10-cv-3113-R; and
Fixler v. Toyota Motor Sales, U.S.A., Inc., Case No. 2:10-cv-3124-R
Moore v. Toyota Motor Sales, U.S.A., Inc., Case No. BC419672*

FIVE STEPS FOR SUBMITTING A CLAIM:

(1) Verify Your Contact Information:

If your contact information is incorrect please correct it on the right:

Name: _____

Address: _____

City: _____

State: _____ Zip-code: _____

Telephone number: (____) _____

(2) Provide a repair receipt or other paperwork (original or copies):

(A) For repairs at a mechanic, your paperwork must show:

- The parts repaired or replaced (e.g., bulb or electronic control unit (ECU));
- The amount paid for repair;
- The date and vehicle mileage at the time of repair (mileage is not needed for ECU repairs); and
- The Vehicle ID Number (VIN).

(B) If you paid for parts only (e.g., bought bulbs and installed yourself), your paperwork must show:

- The amount paid and the date of purchase;
- The type of part purchased (e.g., bulb); and
- Proof of ownership or lease of a 2006-2009 Prius.

(3) For repairs to HID headlight bulbs done after 5 years or 50,000 miles, you can:

- Submit proof that the headlight first failed within 5 years and 50,000 miles, or
- Provide a statement as to why you should be reimbursed. The factors that will be considered, as well as a space to write your statement, are provided on the reverse side of this form.

(4) Sign & Date:

Signature

Date

(5) Mail Claim Form and Paperwork by _____ to:

*Prius Settlement Administrator
PO BOX 123
Anytown, ST 12345-9678*

For more information please view the Class Notice, call the Claims Administrator at (888) 123-4567
or visit www.PriusSettlement.com or www.GirardGibbs.com/Prius.asp.

EXHIBIT A-3

PRIUS HID HEADLIGHT CLASS ACTION SETTLEMENT
ARBITRATION REQUEST FORM

You submitted a claim reflecting a total of \$_____ in HID headlight repairs.

Your Preliminary Reimbursement Award in the Prius HID Headlight Class Action Settlement is \$_____.

You were awarded less than full reimbursement for the following reason(s):

YOUR OPTIONS:

(1) Accept the Preliminary Reimbursement Award listed above:

To accept this award either do nothing or, for faster processing, check the first box below and mail the form to the address below. If you accept the offer, you may not later contest the amount of the reimbursement award.

(2) Submit additional information:

If you have additional documents that contain the information missing from your original claim (listed above), you can attempt to "cure" your claim by checking the second box below and mailing the documents and this form to the address below within 30 days of receiving this letter. If the paperwork contains the needed information (and you are otherwise eligible) you may receive a greater or full reimbursement. If not, you will still have the option of requesting arbitration.

(3) Request arbitration:

You can request to have your claim reviewed by an arbitrator, who will decide whether to adjust your reimbursement amount. To request arbitration, you should check the third box below and mail the form to the address below within 30 days of receiving this letter. You will then receive additional information about arbitration in the mail and can also learn more at www.PriusSettlement.com or www.GirardGibbs.com/Prius.asp.

NOTE: *If you request arbitration and your reimbursement amount is not increased by the arbitrator, the arbitration cost of (\$_____) will be deducted from any reimbursement you receive.*

Check Only One Box:

- I accept the discretionary reimbursement offer.
- I am submitting additional information or documents.
- I request arbitration.

Mail To: Prius Claims Administrator
PO BOX 123
Anytown, ST 12345-9678

Signature

Date

For more information please view the Class Notice, call the Claims Administrator at (888) 123-4567 or visit www.HIDSettlement.com or www.GirardGibbs.com/Prius.asp.

EXHIBIT B

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CARLOS COLLADO, et al.

v.

TOYOTA MOTOR SALES, U.S.A., INC.

ELLIOT FIXLER

v.

TOYOTA MOTOR SALES, U.S.A., INC.

Case Nos. 2:10-cv-3113-R-RC
2:10-cv-03124-R-SS

**[PROPOSED] FINAL ORDER AND
JUDGMENT**

1 This matter came before the Court for hearing pursuant to the Order Certifying
2 Settlement Class and Directing Dissemination of Class Notice dated _____
3 (“Certification Order”), and on application of the parties for final approval of the
4 parties’ Settlement Agreement finalized December 30, 2010. Due and adequate
5 notice having been given of the proposed settlement as required in the Certification
6 Order, and the Court having considered all papers filed and proceedings had herein,
7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

8 1. Pursuant to this Court’s Certification Order, the Court certifies the
9 following settlement class (the “Class”) pursuant to Rule 23(b)(3) of the
10 Federal Rules of Civil Procedure:

11 All purchasers and/or lessees of any 2006, 2007, 2008, or 2009
12 model year Toyota Prius vehicle originally factory equipped with
13 genuine high intensity discharge (“HID”) headlights who reside in
14 the United States.

15 Excluded from the class are all claims for personal injury, property damage, and
16 subrogation. Also excluded from the class are Toyota Motor Sales, U.S.A. Inc.
17 and Toyota Motor Corporation; any affiliate, parent, or subsidiary of Toyota
18 Motor Sales, U.S.A. Inc. or Toyota Motor Corporation; any entity in which Toyota
19 Motor Sales, U.S.A. Inc. or Toyota Motor Corporation have a controlling interest;
20 any officer, director, or employee of Toyota Motor Sales, U.S.A. Inc. or Toyota
21 Motor Corporation; any successor or assign of Toyota or Toyota Motor
22 Corporation; any Judge to whom the Actions¹ are assigned; anyone who purchased
23 a class vehicle for the purpose of resale, and any owners or lessees of class
24 vehicles that were not manufactured for export specifically into the United States.

25 2. The Court hereby reaffirms its previous findings and conclusions, as
26 _____

27
28 ¹ All capitalized terms not otherwise defined herein shall take the meaning
assigned to them in the Settlement Agreement.

1 set forth in the Certification Order, that the Class meets all the requirements for
2 certification pursuant to Rule 23 of the Federal Rules of Civil Procedure.

3 3. The Court finds and concludes that notice has been given to all
4 members of the Class known and reasonably identifiable and it was the best notice
5 practicable under the circumstances and fully satisfied due process and the
6 requirements of Rule 23 of the Federal Rules of Civil Procedure. The Court
7 further finds that notice has been given to the appropriate federal and state
8 officials pursuant to 28 U.S.C. § 1715.

9 4. The Court approves the parties' Settlement Agreement and finds that
10 it is, in all respects, fair, reasonable, and adequate for the Class.

11 5. The Court hereby dismisses this action with prejudice and without costs,
12 except as might be awarded in connection with Class Counsel's application for
13 attorneys' fees and reimbursement of expenses, and for incentive awards to the named
14 Plaintiffs ("Fee Application").

15 6. The Court shall consider the Fee Application separately from its
16 consideration of the fairness, reasonableness, and adequacy of the Settlement
17 Agreement. Any order or proceedings relating to the Fee Application, or any
18 appeal from any order relating thereto or reversal or modification thereof, shall not
19 disturb or affect this Judgment or affect or delay the finality of this Judgment.

20 7. Upon the Effective Date of the Settlement Agreement, the Plaintiffs
21 and each Class Member shall be deemed to have, and by operation of this
22 Judgment shall have, released, waived, and discharged any and all legal claims or
23 causes of action of any nature whatsoever, including claims that have been or
24 could have been asserted against Toyota, Toyota Motor Corporation, and their
25 subsidiaries, affiliates, and suppliers, in the Actions or in any other complaint,
26 action, or litigation in any other court or forum regarding the Class Vehicle's
27 Headlight Parts as alleged in the Actions. Notwithstanding the foregoing, claims
28 for personal injuries or damage to property (other than to the Class Vehicle)

1 allegedly caused by a defect in the Headlight Parts and any claims of or rights to
2 subrogation are not released.

3 8. Upon the Effective Date, Toyota and Toyota Motor Corporation and
4 their past or present officers, directors, employees, agents, attorneys, predecessors,
5 successors, affiliates, subsidiaries, divisions, and assigns, shall be deemed to have,
6 and by operation of this Judgment shall have, released Class Counsel and each
7 current and former proposed class representative from any and all claims or causes
8 of action that were or could have been asserted pertaining solely to the filing and
9 prosecution of the litigation or settlement of these Actions.

10 9. Attached to this Judgment is a list setting forth the name of each
11 person who submitted a request for exclusion from the Class in compliance with
12 the procedures set in the Certification Order. The persons so identified shall be
13 neither entitled to benefits from the Settlement nor bound by this Judgment. All
14 Class Members who have not submitted such an exclusion request shall be bound
15 by this Judgment.

16 10. Without affecting the finality of this Judgment in any way, this Court
17 hereby retains continuing jurisdiction over (a) implementation of the Settlement;
18 (b) further proceedings, if necessary, on applications for attorneys' fees, expenses,
19 and costs in connection with the action and the settlement; and (c) the parties and
20 the Class Members for the purpose of construing, enforcing, and administering the
21 Settlement Agreement and this Judgment.

22
23 IT IS SO ORDERED.

24
25
26 Dated: _____

27 Hon. Manuel L. Real
28 United States District Court Judge