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15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **COUNTY OF LOS ANGELES**
17

18 Coordination Proceeding Special Title) Case No. JCCP4396
19 (Rule 1550(c)))
20 GENERAL MOTORS CASES) CERTIFIED CLASS ACTION
21 _____)
22 This Document Relates to:) **STIPULATION OF SETTLEMENT**
23 JASON ANDERSON, on behalf of himself)
and all others similarly situated,)
24 Plaintiff,)
25 v.)
26 GENERAL MOTORS CORPORATION)
27 Defendant.)
28 _____)

1 This Stipulation of Settlement (the "Agreement") between Plaintiff Jason
2 Anderson and the Class (as defined below) and defendant General Motors Corporation
3 ("GM") is intended to fully, finally and forever resolve, discharge and settle the lawsuit
4 styled *Jason Anderson v. General Motors Corporation*, pending in this Court under
5 JCCP 4396 (the "Action") and all matters raised therein, subject to the terms and
6 conditions hereof and approval by the Court.

7 **I. RECITALS.**

8 1.1. Plaintiff Anderson filed this Action individually and on behalf of a
9 proposed Class (further defined below) which includes California owners and lessees of
10 Model Year 1999-2003 Chevrolet Silverados equipped with 4.8 liter (LR4), 5.3 liter
11 (LM7), 6.0 liter (LQ4, LQ9), and 8.1 liter (L18) engines ("Class Vehicles"). Plaintiff
12 contends that GM violated the Unfair Competition Law ("UCL"), by creating an
13 "adjustment program" under the Motor Vehicle Warranty Adjustment Programs statute
14 ("MVWAP"), Civ. Code § 1795.90 *et seq.*, without providing Class Members with
15 notices and/or repair reimbursements under Civ. Code § 1795.92. Specifically, plaintiff
16 contends that GM created an "adjustment program" by offering certain owners and
17 lessees of Class Vehicles General Motors Protection Plans ("GMPPs") or other benefits
18 when they complained that their vehicles have or have had piston or piston pin noise at
19 initial start up that goes away shortly after the engine warms up ("Start Noise"). GM
20 denies that it has created an "adjustment program" under MVWAP, denies that it was
21 required to provide Class Members with notices and/or repair reimbursements and
22 denies that it has violated the UCL.

23 1.2. MVWAP defines the term "adjustment program" as follows:

24 "Adjustment program" means a program or policy that expands or extends the
25 consumer's warranty beyond its stated limit or under which a manufacturer
26 offers to pay for all or any part of the cost of repairing, or to reimburse
27 consumers for all or any part of the cost of repairing, any condition that may
28 substantially affect vehicle durability, reliability, or performance, other than
service provided under a safety or emission-related recall campaign.

1 “Adjustment program” does not include ad hoc adjustments made by a
2 manufacturer on a case-by-case basis. [Civ. Code § 1795.90(d)]

3 1.3. Plaintiff claims that the GMPP offers constituted an “adjustment
4 program” because the GMPPs “extend” or “enlarge” the GM limited new vehicle
5 warranty and, alternatively, because the GMPPs pay or reimburse repair expenses for
6 “any condition that may substantially affect vehicle durability, reliability or
7 performance.”

8 1.4. GM denies all allegations of wrongdoing asserted in the Action and denies
9 liability under any cause of action asserted therein. Specifically, GM contends that it
10 offered the GMPPs to a small number of customers on a case-by-case basis for purposes
11 of customer satisfaction, and that it did not create an “adjustment program” because the
12 GMPPs are not warranties, but instead are service contracts that do not extend or
13 enlarge the GM limited new vehicle warranty and do not pay or reimburse repair
14 expenses for the Start Noise which they were intended to address. GM further contends
15 that Start Noise has no adverse effect on the durability, reliability or performance of the
16 vehicle engine.

17 1.5. The Parties recognize that the outcome of the Action is uncertain, in that
18 the ultimate resolution of this Action would depend upon judicial construction of the
19 reach and applicability of provisions of the MVWAP that have not been interpreted by
20 any state appellate court, and that pursuing the Action to a litigated judgment and a
21 possible appeal under the circumstances would entail substantial cost, risk and delay.

22 1.6. Representative Plaintiff and Class Counsel have conducted an
23 investigation and evaluation of the factual and legal issues raised by the claims asserted
24 in the Action and believe that, in light of the cost, risk and delay of continued litigation
25 balanced against the benefits of the settlement set forth in this Agreement, that such
26 settlement is in the best interests of the, and is fair, reasonable and adequate, for the
27 Class as a whole.

1 up to the maximum of \$1,950,000.00 and agrees to pay the sum awarded by the Court
2 as provided in this Agreement as long as it does not exceed that sum.

3 2.4. "Authorized GM Dealer," unless otherwise specified, means any GM
4 dealer in California that is (or at the relevant time was) a signatory to an existing and
5 effective General Motors Corporation Dealer Sales and Service Agreement.

6 2.5. "Claim" means a claim to receive a cash payment or other settlement
7 benefit under paragraphs 3.1 through 3.6 of this Agreement. A Claim consists of a
8 Claim Form signed under penalty of perjury and any documentation required by
9 paragraphs 3.3, 3.4, 3.5 or 3.6 of this Agreement.

10 2.6. "Claim Deadline" means 45 days after the date that the Final Notice and
11 Claim Forms (defined below) are mailed to Class Members.

12 2.7. "Claim Form" means the forms attached hereto as Exhibits E-1, E-2 and
13 E-3, only one of which will be sent to each potential Class Member along with the Final
14 Notice as follows:

15 Exhibit E-1: Class Members who, according to GM or GMAC Insurance
16 records, *purchased* GMPPs within 90 days of retail delivery
17 of their Class Vehicle;

18 Exhibit E-2: Class Members who, according to GM or GMAC Insurance
19 records, *purchased* GMPPs more than 90 days after retail
20 delivery of their Class Vehicle;

21 Exhibit E-3: All other Class Members.

22 2.8. "Class" or "Class Members" are as described in the November 8, 2006
23 order certifying this Class Action, as follows: "All California owners and lessees of
24 1999 through 2003 model year Chevrolet Silverados equipped with a 4.8 liter (LR4),
25 5.3 liter (LM7), 6.0 liter (LQ4, LQ9), and 8.1 liter (L18) engines who: (1) have an
26 engine "knock, ping or slap noise" in their vehicles; (2) were not given notice of the
27 condition giving rise to or the terms and conditions of GM's Engine Knock Noise
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1 Adjustment Program.” For purposes of this Agreement, “knock, ping or slap noise” has
2 the same meaning as “Start Noise” or “Constant Noise” (defined below). Excluded
3 from the Class are those California owners and lessees of 1999 through 2003 model
4 year Chevrolet Silverados who timely requested to be excluded from the Class on or
5 prior to August 15, 2007. Subrogees, assignees and other third parties are not Class
6 Members, are not eligible to receive any benefits under this Agreement and are not
7 subject to any releases executed by or on behalf of the Representative Plaintiff or Class
8 Members.

9 2.9. “Class Action Settlement Notice” means the notice, substantially in the
10 form attached hereto as Exhibit C, provided to potential Class Members after issuance
11 of the Preliminary Approval Order.

12 2.10. “Class Counsel” means Girard Gibbs LLP, 601 California Street, 14th
13 Floor, San Francisco, California 94108.

14 2.11. “Class Vehicles” mean 1999 through 2003 model year Chevrolet
15 Silverados equipped with 4.8 liter (LR4), 5.3 liter (LM7), 6.0 liter (LQ4, LQ9) or 8.1
16 liter (L18) engines.

17 2.12. “Constant Noise” means piston or piston pin noise that is not “Start
18 Noise” (defined below), for example noise that continues after the engine warms up or
19 that begins after the engine has warmed up.

20 2.13. “Court,” unless specifically stated otherwise, means the Superior Court of
21 the State of California for the County of Los Angeles.

22 2.14. “Defendant’s Counsel” means Isaacs Clouse Crose & Oxford LLP, 21515
23 Hawthorne Boulevard, Suite 950, Torrance, California 90503.

24 2.15. “Documented Costs and Expenses” means the amount of reasonable and
25 documented out-of-pocket costs and expenses incurred by Plaintiff or Class Counsel,
26 shown by their application for reimbursement filed prior to the Fairness Hearing and
27 awarded by the Court, inclusive of past notice costs due to the Garden City Group of
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1 approximately \$93,000.00. Documented Costs and Expenses will not exceed the total
2 sum of \$215,000.00 in the aggregate without GM's approval.

3 2.16. "Effective Date" means the later of (a) the date upon which the time for
4 seeking appellate review of the Final Judgment (by appeal or otherwise) shall have
5 expired; or (b) the date upon which the time for seeking appellate review of any
6 appellate decision affirming the Final Judgment (by appeal or otherwise) shall have
7 expired and all appellate challenges to the Final Judgment shall have been dismissed
8 with prejudice without any person having any further right to seek appellate review
9 thereof (by appeal or otherwise).

10 2.17. "Fairness Hearing" means the hearing scheduled for a date approximately
11 75 days after the mailing of the Class Action Settlement Notice at which the Court will
12 consider whether to approve the Agreement as fair, reasonable, and adequate; will
13 consider the proposed Incentive Award to the Representative Plaintiff, the proposed
14 award of Attorneys' Fees to Class Counsel, and the proposed reimbursement of any
15 Documented Costs and Expenses to Class Counsel; will consider whether to enter the
16 Final Judgment; and will make such other rulings as are contemplated by this
17 Stipulation.

18 2.18. "Final Judgment" means the judgment, substantially in the form attached
19 hereto as Exhibit A, to be entered by the Court in the Action finally approving this
20 Agreement and dismissing the Action with prejudice.

21 2.19. "Final Notice" means the notice mailed to Class Members in substantially
22 the form annexed as Exhibit D within twenty-one (21) days of entry of Final Judgment
23 along with appropriate Claim Forms.

24 2.20. "GM" means Defendant General Motors Corporation.

25 2.21. "Incentive Award" means such incentive payment to the Representative
26 Plaintiff as may be awarded by the Court upon Class Counsel's request, in an amount
27 not to exceed \$7,500.00.

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1 2.22. "Limited Warranty Period" means the warranty period specified in the
2 Chevrolet New Vehicle Warranty (3 years or 36,000 miles, whichever comes first).

3 2.23. "Parties" or "Party" means the Representative Plaintiff and/or Defendant
4 GM.

5 2.24. "Preliminary Approval Order" means the Court's order preliminarily
6 approving the terms of this Agreement as fair, adequate, and reasonable, including the
7 Court's approval of the form and manner of giving notice to potential Class Members,
8 substantially in the form attached hereto as Exhibit B.

9 2.25. "Released Claims" means any and all claims, demands, causes of actions
10 or liabilities, including but not limited to those for alleged violations of any state or
11 federal statutes, rules or regulations, and all common law claims, including Unknown
12 Claims as defined herein, based on or related in any way to (a) Start Noise or Constant
13 Noise in Class Vehicles; or (b) the factual allegations and legal claims that were made
14 in the Action, including any claim that any repair arguably covered by a GMPP should
15 have been paid for, reimbursed or provided to Class Members pursuant to MVWAP.
16 Released Claims do not include claims for personal injury, or claims based on or related
17 to engine noise conditions in Class Vehicles other than Start Noise or Constant Noise.
18 Consistent with the express terms of this Agreement, subrogation claims are not being
19 released as part of this settlement.

20 2.26. "Representative Plaintiff" means Jason Anderson, the named plaintiff in
21 the Action.

22 2.27. "Start Noise" means piston or piston pin noise that occurs at initial engine
23 start-up and disappears shortly after the engine warms up

24 2.28. "Unknown Claims" means any Released Claim that Plaintiff or Class
25 Members do not know or suspect to exist at the time of the release provided for herein,
26 including without limitation those that, if known, might have affected the Class
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1 Member's settlement and release pursuant to the terms of this Agreement or the Class
2 Member's decision not to object to the settlement terms memorialized herein.

3 2.29. "Unreimbursed Repair Expenses" means the amount of any repair expense
4 or partial repair expense paid by the Class Member which is not and was not (a) paid for
5 or reimbursed under the terms of the Class Member's extended warranty, service
6 contract or GMPP, (b) payable or reimbursable under the terms thereof, and (c) paid for
7 or reimbursed by GM or any Authorized GM dealer.

8 2.30. "Valid Claim" means and refers to a Claim that has been deemed eligible
9 for payment or other relief in accordance with the terms of this Agreement.

10 **III. CLASS RELIEF, CLASS NOTICE AND CLAIMS ADMINISTRATION,**
11 **ATTORNEYS' FEES AND COSTS**

12 3.1. The following relief is available to Class Members who submit Valid
13 Claims.

14 3.2. Class Members can make Claims for multiple settlement benefits and
15 receive all benefits for which they are eligible, conditioned upon submission of a signed
16 and valid Claim Form and any required documents as further provided below. This
17 includes benefits for multiple Unreimbursed Repair Expenses, again conditioned on
18 eligibility and submission of a signed and valid Claim Form and any required
19 documents.

20 **3.3 Reimbursement of Purchase Price of GMPPs.**

21 By using available GM or GMAC Insurance records, GM will identify Class
22 Members who purchased General Motors Protection Plans ("GMPPs") for Class
23 Vehicles and determine which of them purchased their GMPPs (a) within 90 days of
24 retail delivery of their Class Vehicle and (b) more than 90 days thereafter. These Class
25 Members will be eligible for reimbursement of the purchase price of their GMPPs
26 subject to the provisions of Paragraphs A or B below if they (1) complete and return a
27 timely and valid Claim Form (in the form of Exhibits E-1 or E-2 hereto), and (2) in the
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1 case of Exhibit E-1 Claim Forms only, submit the required documentation described
2 below.

3 **A. GMPP Purchasers Within 90 Days of Retail Delivery.** GM will
4 reimburse each Class Member in this group for the purchase price
5 of the GMPP paid by the Class Member if the Class Member
6 completes, signs under penalty of perjury and returns an Exhibit E-
7 1 Claim Form and supplies appropriate documentation showing
8 that his or her Silverado has or had Start Noise by the Claim
9 Deadline.

10 **B. GMPP Purchasers More Than 90 Days After Retail Delivery.**
11 GM will reimburse each Class Member in this group for the
12 purchase price of the GMPP paid for by the Class Member if the
13 Class Member completes, signs under penalty of perjury and
14 returns a signed Exhibit E-2 Claim Form by the Claim Deadline.

15 **3.4. Reimbursement of Customer-Paid Start Noise Repair Expense.** For
16 each Class Member who during the Applicable Warranty Period incurred Unreimbursed
17 Repair Expenses for a repair to address concerns about Start Noise, upon timely receipt
18 of (i) the Class Member's completed, signed and valid Claim Form (E-1, E-2 or E-3)
19 attesting under penalty of perjury that he or she paid for an engine repair to address a
20 concern about Start Noise and (ii) appropriate documentation of the repair and repair
21 expense (such as a dealer or third-party repair order), GM will fully reimburse the Class
22 Member for the repair expense.

23 **3.5. Constant Noise Evaluation and Appropriate Repairs.**

24 (a) For each Class Member who completes, signs and returns a timely and
25 valid Claim Form, attesting under penalty of perjury that prior to the expiration of the
26 Limited Warranty Period the Class Member made inquiry or expressed concerns to an
27 authorized GM dealer or GM about Constant Noise and did not receive a repair, GM
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1 will, within twenty-one (21) days of the Effective Date mail the Class Member
2 instructions explaining how the Class Member may obtain an engine noise evaluation
3 from any authorized Chevrolet dealer in California. GM will, upon presentation of the
4 Class Vehicle to an authorized Chevrolet dealer, cause the dealer to provide a current
5 noise evaluation of the Class Vehicle at no cost to the Class Member.

6 (b) If the current noise evaluation confirms that the Class Vehicle has
7 Constant Noise, GM will offer (at the Class Member's option) repairs to address,
8 remedy or eliminate Constant Noise ("Constant Noise Repairs"), including where
9 needed replacement of appropriate components. Any Constant Noise Repair that is
10 accepted by the Class Member pursuant to this paragraph will be performed at no cost
11 to the Class Member.

12 **3.6. Reimbursement for Listed Engine Repairs.** For each Class Member
13 who completes, signs and returns a timely and valid Claim Form (E-1, E-2 or E-3)
14 attesting under penalty of perjury that (a) the Class Member made inquiry of or
15 expressed concerns to an authorized GM dealer or GM about Start Noise prior to
16 expiration of the Limited Warranty Period; and (b) the Class Member incurred
17 Unreimbursed Repair Expenses for any of the engine repairs listed below within 6 years
18 or 100,000 miles of retail delivery (whichever came first), GM will reimburse the Class
19 Member for 75 percent (75 %) of the repair expense shown on appropriate written
20 documentation of the repair such as a repair order. The engine repairs eligible for this
21 reimbursement shall include **only** Unreimbursed Repair Expenses for the following
22 engine components:

- 23 • cylinder block, heads, crankshaft and bearings
- 24 • crankshaft seals – front and rear
- 25 • camshaft and bearings
- 26 • connecting rods and pistons
- 27 • valve train (including valve seals, valve covers and internal parts)

- 1 • timing gears
- 2 • timing chain/belt and cover
- 3 • oil pump, oil pump housing, oil pan
- 4 • engine seals and gaskets
- 5 • lubricated internal engine parts
- 6 • water pump
- 7 • intake and exhaust manifolds
- 8 • flywheel
- 9 • harmonic balancer
- 10 • engine mounts

11 **3.7. GM's Right To Offset Prior Payments and Enforce Prior Settlements**
12 **and Releases.** GM shall have the right to reduce any amount to be reimbursed by any
13 amount previously paid by GM or any affiliate of GM for the same expense or that is or
14 was payable or reimbursable under the Class Member's extended warranty, service
15 contract, or GMPP. GM also shall have the right to enforce fully the terms of any
16 release, judgment, arbitration award or other adjudication obtained in connection with
17 any Class Member's prior claim concerning a Class Vehicle.

18 **3.8. Mailing of Class Action Settlement Notice.** Subject to the terms of the
19 Preliminary Approval Order, GM or its designee shall, within thirty (30) days of entry
20 of the Preliminary Approval Order cause the Class Action Settlement Notice to be sent
21 by first-class mail to all Class Members whose names and mailing addresses appear on
22 the vehicle registration data obtained from The Polk Company on or about May 30,
23 2007, which data shall be updated prior to mailing using the U.S. Postal Service's
24 NCOA (National Change of Address) database.

25 **3.9. Mailing of Final Notice and Claim Forms; Submission of Claims.** No
26 later than twenty-one (21) days after entry of Final Judgment, GM shall cause the Final
27 Notice, substantially in the form attached as Exhibit D, and the appropriate Claim
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1 Forms (substantially in the forms attached as Exhibits E-1 through E-3) to be sent by
2 first-class mail to all Class Members shown on the Class Action Settlement Notice
3 mailing list compiled for the mailing pursuant to paragraph 3.8 above, which data shall
4 be updated again prior to mailing using the U.S. Postal Service's NCOA (National
5 Change of Address) database. Any Class Member may submit a Claim Form to GM at
6 any time after receiving Final Notice and prior to the Claims Deadline.

7 **3.10. Claims Evaluation, Resolution and Payment.** GM agrees to process all
8 Claims submitted pursuant to this Agreement in good faith consistent with the terms of
9 this Agreement, and to disburse settlement payments to Class Members who submit
10 timely Valid Claims. GM will carry out these duties in accordance with the procedures
11 and guidelines set forth below. Consistent with the terms of this Agreement, Class
12 Counsel reserves the right to respond to Class Member inquiries, to use reasonable
13 efforts to resolve disputes, if any, in good faith with GM and, failing consensual
14 resolution, to move the Court for an order compelling compliance with the terms and
15 provisions of this Agreement.

16 **3.11. Claims Reporting, Processing and Resolution.**

17 (a) Within twenty-one (21) days of the Effective Date, GM shall do each of
18 the following:

19 (i) send Class Counsel a list of Valid Claims (i.e., Class Member's
20 name, address and VIN) (the "Valid Claims List") including the value of settlement
21 benefits under paragraphs 3.3 through 3.6 of this Agreement;

22 (ii) send Class Counsel a list of Claims that either have been denied or
23 reduced (pursuant to paragraph 3.7, above, or otherwise), and for each denied or
24 reduced Claim a clear description of the basis for the denial or reduction;

25 (iii) send each Class Member whose Claim has been denied or reduced a
26 written communication explaining the basis for the denial or reduction and informing
27 the Class Member of his/her/its option to challenge the denial or reduction (as set forth
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1 below), and furnish a copy of each such written communication and the Class Member's
2 Claim Form to Class Counsel; and

3 (iv) send all Class Members whose Claims are determined to be
4 deficient in one or more respects (e.g., because the Class Member forgot to sign the
5 Claim Form), a deficiency notice informing the Class Member that he/she/it has 21 days
6 after the receipt of that notice to cure the deficiency. If a Class Member fails to cure the
7 deficiency within 21 days after receipt of the notice to cure, GM may deny the Claim
8 and send the Class Member the written communication described in paragraph (ii)
9 above (with a copy to Class Counsel).

10 (b) A Class Member may challenge a Claim denial or reduction by notifying
11 GM and Class Counsel, by first-class mail or email, within 21 days after GM has mailed
12 the notification of claim denial or reduction to the Class Member, and providing GM
13 and Class Counsel a statement of the reason(s) the Class Member is disputing the Claim
14 denial or reduction. GM and Class Counsel shall meet and confer in a good faith effort
15 to resolve the Class Member's challenge.

16 (c) If, after good faith attempts at resolution, the Class Member, Class
17 Counsel and GM are not able to agree on a disposition of the Class Member's Claim,
18 the Class Member may instruct Class Counsel to submit the disputed Claim to Judge
19 West, or if Judge West is unavailable, to Judge Lichtman or another judicial officer of
20 the Los Angeles Superior Court to be agreed upon by the parties or assigned by the
21 Court, for final resolution. As a convenience to the Class Member, GM, Class Counsel
22 and the Court, the parties may combine all disputed Claims so they may be adjudicated
23 together in a single proceeding. Subject to the calendar conditions of the Court, GM
24 and Class Counsel agree to use their best efforts to submit any unresolved disputes to
25 the Court within seventy-five (75) days of the Effective Date.

1 **3.12. Payment of Valid Claims.**

2 (a) As soon as reasonably practicable, and in no event later than twenty-one
3 (21) days after the Effective Date, GM shall send, by first-class mail, to each Class
4 Member with a Valid Claim a settlement payment check in the amount of the Class
5 Member's Valid Claim.

6 (b) Class Members eligible for settlement payments who receive a deficiency
7 notice and who timely cure the deficiency will be sent a settlement check within fifteen
8 (15) days after the deficiency has been cured and GM has determined the Claim to be a
9 Valid Claim.

10 (c) Class Members eligible for settlement payments and who receive a notice
11 that their Claim has been reduced will be entitled to receive a settlement check, as
12 follows: (1) if the Class Member does not timely challenge the reduction, the Class
13 Member will be sent a settlement check in the amount of the reduced Claim within
14 thirty (30) days of the date the communication specified in paragraph 3.11(a)(ii) was
15 mailed to the Class Member; ALTERNATIVELY, (2) if the Class Member challenges
16 the reduction, the Class Member will be sent a settlement check within fifteen (15) days
17 after the date the Class Member's challenge is finally resolved and the amount of the
18 settlement payment to which the Class Member is entitled is finally determined either
19 through the meet and confer efforts of the Class Member, Class Counsel and GM, or by
20 order of the Court, as specified in paragraph 3.11 above.

21 **3.13. Costs of Class Notice and Claims Administration.** GM stipulates and
22 agrees that it will pay all notice and claims administration costs.

23 **3.14. Notice to Authorized Chevrolet Dealers in California.** GM shall
24 prepare an advisory, which GM will share with Class Counsel, informing authorized
25 Chevrolet dealers in California of the pertinent Settlement terms and procedures. GM
26 shall send the advisory to Chevrolet dealers in California within twenty-one (21) days of
27 the Effective Date.

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1 **3.15. Spanish Language Notices.** Class Counsel shall, by no later than the
2 date the Class Action Settlement Notice is mailed to Class Members, post English-
3 language and Spanish-language versions of the Class Action Settlement Notice (which
4 Spanish-language translation shall be paid for by GM as a claims administration
5 expense under paragraph 3.13 above) on Class Counsel's website, at:
6 www.GirardGibbs/SilveradoSettlement.com.

7 **3.16. Attorneys' Fees and Documented Costs and Expenses, and Incentive**
8 **Payment to Representative Plaintiff.** After an agreement was reached as to the
9 principal terms and conditions of this Agreement, and with the assistance of Judge
10 West, the Parties entered into discussions regarding an Incentive Award to the
11 Representative Plaintiff, Attorneys' Fees for Class Counsel, and reimbursement of
12 Class Counsel's Documented Costs and Expenses, as described herein. Pursuant to
13 those discussions, the Parties agree that, prior to the Fairness Hearing and entry of the
14 Final Judgment, Class Counsel may apply to the Court for an Incentive Award to
15 Representative Plaintiff and for an award of Attorneys' Fees. GM agrees not to oppose
16 either application provided that Class Counsel does not request an Incentive Award for
17 Representative Plaintiff in excess of \$7,500.00, and does not request a total and all-
18 inclusive Attorneys' Fees award in excess of \$1,950,000. GM also agrees not to oppose
19 an application for reimbursement of Class Counsel's Documented Costs and Expenses,
20 subject to reasonable documentation being provided to the Court, and provided that said
21 application does not request reimbursement of Document Costs and Expenses in excess
22 of \$215,000.

23 **3.17. GM's Payment Agreement.** Subject to the other terms of this
24 Agreement, GM agrees to pay the Incentive Award and the Attorneys' Fees awarded by
25 the Court provided that the Incentive Award does not exceed \$7,500.00, and the
26 Attorneys' Fees award does not exceed \$1,950,000.00. GM also agrees to reimburse
27 Class Counsel's Documented Costs and Expenses in the amount applied for and
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1 awarded by the Court, subject to the limitations set forth in paragraph 3.16, above.
2 Such payments will not reduce benefits available to Class Members nor will Class
3 Members be required to pay any portion of the Incentive Award, Attorneys' Fees or
4 Documented Costs and Expenses. The Class Notice will advise the Class Members of
5 Class Counsel's intent to seek an award of Attorneys' Fees and an Incentive Award the
6 Representative Plaintiff, including the amounts thereof. The amounts actually awarded
7 by the Court shall not affect the other terms of the settlement which shall remain in full
8 force and effect.

9 **3.18. Deposit of Funds.** Within five (5) business days of the Court granting
10 final approval of the Settlement, GM in full satisfaction of its monetary obligations to
11 Class Counsel will deposit all sums awarded as an Incentive Award for the
12 Representative Plaintiff, all sums awarded as Attorneys' Fees for Class Counsel, and all
13 sums awarded as reimbursement for Class Counsel's Documented Costs and Expenses,
14 into an interest-bearing bank account established at Union Bank of California, 44
15 Montgomery Street, San Francisco, California, or such other bank to be agreed upon by
16 the Parties. Within ten (10) days of the Settlement's Effective Date, and absent any
17 appeal by an objector from an order awarding an Incentive Award to the named plaintiff
18 or awarding Attorneys' Fees to Class Counsel, GM will transfer the sums deposited in
19 the Union Bank of California (or other agreed-upon) account, together with any accrued
20 interest, from the Union Bank of California (or other agreed-upon) account to an
21 Attorney-Client Trust Account established by Class Counsel as directed by Class
22 Counsel. In the event that the Settlement does not become effective, GM retains all
23 right to the amounts deposited in the Union Bank of California (or other agreed-upon)
24 account and may withdraw and retain the full amounts deposited, including any interest
25 earned. Notwithstanding the foregoing, in the event that a trial court ruling or appeal
26 results in the reduction of the Incentive Award, Documented Costs and Expenses or
27 Attorney's Fee Award, then GM on the later of ten days following the Effective Date or
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1 ten days following the final disposition of any appeal shall transfer the reduced
2 amount(s) awarded to Plaintiff and/or Class Counsel to Class Counsel's trust account,
3 together with a pro rata share of the interest earned, and GM shall receive the remaining
4 balance of the account, including a pro rata share of the interest earned.

5 **3.19. Limitation on GM's Liability.** GM shall have no liability or obligation
6 to pay any fees, expenses, costs or disbursements to, or incur any expense on behalf of,
7 any person, either directly or indirectly, in connection with this Action, the Agreement,
8 or the proposed settlement, other than the amounts expressly provided for in the
9 Agreement.

10 **IV. SETTLEMENT APPROVAL, RELEASE AND DEFAULT**

11 4.1. Promptly after execution of this Agreement, Plaintiff and GM will apply
12 to the Court for entry of the proposed Preliminary Approval Order, attached hereto as
13 Exhibit B, and setting of a hearing for the Court to consider (a) whether to make final its
14 certification of the Class for purposes of the Settlement but not for trial purposes; (b)
15 whether to grant final approval of the Settlement as fair, reasonable and adequate for the
16 Class as a whole; (c) whether to grant Class Counsel's application for Attorneys' Fees,
17 Documented Costs and Expenses and the Representative Plaintiff's Incentive Award
18 and, if so, in what amounts; and (d) any related matters as appropriate ("Fairness
19 Hearing").

20 4.2. GM shall cause the Class Action Settlement Notice to be printed and
21 mailed to Class Members in accordance with the terms of the Preliminary Approval
22 Order and paragraph 3.8 of this Agreement. No later than the day the motion for final
23 approval of the Settlement is to be filed under the Preliminary Approval Order, GM or
24 its designee will file an affidavit or declaration attesting it has mailed the Class Action
25 Settlement Notice to Class Members in accordance with the Preliminary Approval
26 Order.

1 4.3. In accordance with the Preliminary Approval Order or such other or
2 further order of the Court, Class Counsel will file a motion for final approval of the
3 Settlement and an application for Attorneys' Fees, Documented Costs and Expenses,
4 and an Incentive Award for the Representative Plaintiff, and the Parties will brief the
5 motion and application. GM may, but is not obligated to, join in the motion for final
6 approval of the Settlement.

7 4.4. The Parties will appear at the Fairness Hearing and present their
8 arguments in support of final approval of the Settlement and entry of the proposed Final
9 Judgment, and Class Counsel will present its arguments in support of an award of
10 Attorneys' Fees, Documented Costs and Expenses, and an Incentive Award for the
11 Representative Plaintiff. GM will not object to or oppose an award of Attorneys' Fees,
12 Documented Costs and Expenses and an Incentive Award for the Representative
13 Plaintiff if the amounts sought do not exceed the limits set forth in paragraphs 2.15, 3.16
14 and 3.17.

15 4.5. Representative Plaintiff and each Class Member stipulates and agrees that,
16 upon the Effective Date, he, she, or it shall be deemed to have, and for the consideration
17 provided for herein and by operation of the Final Judgment shall have, released, waived
18 and discharged his, her or its Released Claims as defined herein and shall have
19 expressly waived and relinquished, to the fullest extent permitted by law, the provisions,
20 rights, and benefits of section 1542 of the California Civil Code, and of any similar law
21 of any other state, which provides: "a general release does not extend to claims which
22 the creditor does not know or suspect to exist in his or her favor at the time of executing
23 the release, which if known by him or her must have materially affected his or her
24 settlement with the debtor." Representative Plaintiff and Class Members may hereafter
25 discover facts in addition to or different from those which he or she now knows or
26 believes to be true with respect to the subject matter of the Released Claims, but
27 Representative Plaintiff and Class Members, upon the Effective Date, shall be deemed
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1 to have, and by operation of law shall have, fully, finally and forever settled, released
2 and discharged any and all Released Claims, known or unknown, suspected or
3 unsuspected, contingent or non-contingent, whether or not concealed or hidden, that
4 now exist or heretofore may have existed upon any theory of law or equity now existing
5 or coming into existence in the future, including but not limited to, conduct that is
6 negligent, reckless, intentional, with or without malice, or a breach of any duty, law or
7 rule, without regard to the subsequent discovery or existence of such different or
8 additional facts.

9 4.6 GM agrees that, upon the Effective Date, it shall be deemed to have
10 released, waived and discharged any and all claims or causes of action, known or
11 unknown, against Representative Plaintiff Jason Anderson or Class Counsel based on or
12 in any way related to any of the allegations, acts, omissions, transactions, events or
13 other matters alleged, claimed or at issue in the Action, provided that this release shall
14 not extend to any claim for breach of this Agreement or violation of the Final Judgment
15 entered pursuant to the terms hereof.

16 **V. PRELIMINARY INJUNCTION PENDING FAIRNESS HEARING.**

17 5.1. Pending Court approval of this Agreement at the Fairness Hearing, all
18 potential Class Members who have not previously excluded themselves from the Class
19 shall be preliminarily enjoined and barred (i) from filing or commencing any lawsuit in
20 any jurisdiction based on or relating to the claims and causes of action, or the facts and
21 circumstances relating thereto, in this Action and/or the Released Claims; and (ii) from
22 filing or commencing any other lawsuit as a class action on behalf of Class Members
23 (including by seeking to amend a pending complaint to include class allegations or
24 seeking class certification in a pending action) based on or relating to the claims and
25 causes of action, or the facts and circumstances relating thereto, in this Action and/or
26 the Released Claims.

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1 **VI. OBJECTIONS TO SETTLEMENT**

2 6.1. Any Class Member who wishes to object to the Agreement, the proposed
3 settlement, the Incentive Award or the request for Attorneys' Fees and Expenses, must
4 serve a written objection that must be postmarked no later than forty-five (45) days after
5 the date of mailing of the Class Action Settlement Notice. The written objection must
6 be filed and served as follows:

7 Clerk of the Court	Class Counsel	GM's counsel
8 Clerk of the Court 9 Superior Court of the State of California 10 County of Los Angeles 11 Central Civil West Courthouse 12 600 S. Commonwealth Avenue 13 Los Angeles, CA 90005	14 Elizabeth Pritzker 15 Girard Gibbs LLP 16 601 California St., 14th Floor 17 San Francisco, CA 94108	18 Gregory R. Oxford 19 Isaacs Clouse Crose & Oxford LLP 20 21515 Hawthorne Blvd., Suite 950 21 Torrance, CA 90503

22 The written objection must include: (i) the objector's name, address and telephone
23 number; (ii) the Vehicle Identification Number of the vehicle that establishes that the
24 objector is a member of the Class; (iii) the name of this case and the case number,
25 (iv) the specific reason and basis for the objection, including any legal and factual
26 support the objector wishes to bring to the Court's attention and any evidence in support
27 of each objection.

28 6.2. If the objector intends to appear at the Fairness Hearing through counsel,
the comment must also state the following: (i) the identity of all attorneys representing
the objector who will appear at the fairness hearing, (ii) the identity and number of
Class Members represented by objector's counsel; (iii) the number of such represented
Class Members who have opted out of the Class and the Settlement; (iv) the number of
such represented Class Members who have remained in the Settlement and have not
objected; (v) the date the objector's counsel assumed representation for the objector, and
(vi) a list of the names of all cases where the objector's counsel has objected to a class
action settlement in the last three years. Objecting Class Members must also make
themselves available for deposition by Class Counsel and/or GM's counsel in their

1 county of residence, between the time the objection is filed and seven (7) days before
2 the date of the Fairness Hearing. To appeal from any provision of the order approving
3 the Settlement as fair, reasonable and adequate, the award of incentive payments, or to
4 the award of reasonable attorneys' fees and documented costs and expenses paid by
5 Defendant and awarded to Class Counsel, the objector must appear in person, or
6 through counsel, or seek leave of Court excusing such appearance prior to the fairness
7 hearing, or as otherwise may be permitted by the Court at the fairness hearing. In
8 addition, the objector must demonstrate compliance with paragraph 6.1 to show that he
9 or she is a member of the Class.

10 6.3. Class Members, or their attorneys, intending to make an appearance at the
11 Fairness Hearing, must deliver a Notice of Intention to Appear to Class Counsel and
12 Defendant's Counsel identified above, and have this Notice file-stamped by the Court,
13 no later than thirty (30) days before the Fairness Hearing. The Notice of Intention to
14 Appear must: (i) state how much time the Class Member and/or their attorney
15 anticipates needing to present the objection; (ii) identify, by name, address, telephone
16 number and detailed summary of testimony, any witnesses the Class Member and/or
17 their attorney intends to present any testimony from; and (iii) identify all exhibits the
18 Class Member and/or their attorney intends to offer in support of the objection and
19 attach complete copies of all such exhibits.

20 6.4. Any Class Member and/or their attorney who fails to comply with the
21 provisions of the foregoing paragraphs 6.1 through 6.3 shall be deemed to have waived
22 and forfeited any and all rights he or she may have to appear separately and/or object,
23 and shall be bound by all the terms of the Agreement.

24 VII. GENERAL PROVISIONS.

25 7.1. All Parties agree that this Agreement was drafted jointly by counsel for
26 the Parties at arm's length and that the Agreement including its Exhibits constitutes the
27 sole agreement between the Parties concerning the subject matter hereof. Further, the
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1 Parties intend and agree that this Agreement, including its Exhibits, is a fully integrated
2 and enforceable Agreement, and further stipulate and agree that: (i) there are no other
3 agreements, written or oral, between the Parties concerning this subject matter; (ii) no
4 representations, warranties or inducements have been made to any Party concerning the
5 Settlement or this Agreement other than are contained in the Agreement; and (iii) this
6 Agreement shall not be modified or amended except by a signed writing executed by or
7 on behalf of all Parties and approved by the Court.

8 7.2. The Parties expressly agree that the terms and provisions of this
9 Agreement are contractual and not a mere recital and shall survive the execution of this
10 Agreement and entry of the Final Judgment and shall continue in full force and effect
11 thereunder.

12 7.3. The Agreement will terminate at the sole option and discretion of GM or
13 Class Counsel if: (i) the Court, or any appellate court(s), rejects, modifies or denies
14 approval of any material portion of the Agreement or the proposed settlement (except
15 for the Incentive Award, Reimbursement of Designated Costs and Expenses and the
16 Award of Attorneys' Fees and Expenses as to which the provisions of paragraph 3.17
17 shall control), including, without limitation, the terms of relief, the findings of the
18 Court, the provisions relating to notice, the definition of the Class and/or the scope or
19 terms of the Released Claims; or (ii) the Court, or any appellate court(s), does not enter
20 or affirm, or alters or expands, any material portion of the Final Judgment. In such
21 event, this Agreement and all negotiations shall be without prejudice to the Parties and
22 shall not be admissible into evidence, and shall not be deemed or construed to be an
23 admission or confession by any of the Parties or any fact, matter or proposition of law.

24 7.4. If this Stipulation is not approved by the Court or the Settlement is
25 terminated or there is a failure to reach the Effective Date in accordance with the terms
26 of this Stipulation, the Parties and all Class Members will be restored to their respective
27 positions as of the date immediately preceding the commencement of settlement
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1 discussions in the Action, including their respective positions on class certification. In
2 such event, the terms and provisions of this Stipulation, will have no further force and
3 effect with respect to the Parties; neither the fact nor the terms of the Settlement will be
4 used in this Action or in any other proceeding for any purpose; and any Judgment or
5 order entered by the Court in accordance with the terms of this Stipulation will be
6 treated as vacated, nunc pro tunc. No order of the Court or modification or reversal on
7 appeal of any order of the Court concerning any Incentive or Attorneys' Fee Award or
8 Reimbursement of Documented Costs and Expenses will constitute grounds for
9 cancellation or termination of this Stipulation.

10 7.5. The Agreement shall be governed by and interpreted according to the laws
11 of the State of California without regard to its conflicts of law provisions.

12 7.6. If any disputes arise regarding the implementation or interpretation of this
13 Agreement, the Parties agree to use reasonable efforts to resolve the dispute, including
14 consultation or mediation with Judge West, failing which the parties agree to present the
15 dispute Judge Lichtman or another judicial officer of the Los Angeles Superior Court to
16 be agreed upon by the parties or assigned by the Court for final resolution.

17 7.7. Whenever the Agreement requires or contemplates that one Party shall or
18 may give notice to the other, notice shall be provided by facsimile and/or next-day
19 (excluding weekends and holidays) express delivery service as follows:

20 a. If to Defendant, then to:

21 L. Joseph Lines, III
22 General Motors Corporation
23 Mail Code 482-026-601
24 400 Renaissance Center
25 P.O. Box 400
26 Detroit, Michigan 48265-4000

Gregory R. Oxford
Isaacs Clouse Crose & Oxford LLP
21515 Hawthorne Boulevard, Suite 950
Torrance, California 90503
(310) 316-1990
(310) 316-1330 (FAX)

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b. If to Plaintiff, then to Class Counsel:

Elizabeth C. Pritzker
Girard Gibbs LLP
601 California St., 14th Floor
San Francisco, California 94108
(415) 981-4800
(415) 981-4846 (FAX)

7.8. The Parties reserve the right, subject to the Court's approval, to agree upon any reasonable extensions of time that might be necessary to carry out any of the provisions of the Agreement.

7.9. In no event shall the Agreement, any of its provisions or any negotiations, statements, or court proceedings relating hereto in any way be construed as, offered as, received as, or used as an admission of liability in any judicial, administrative, regulatory, arbitration or other proceeding. Further, this Agreement shall not be offered or admitted into evidence in any proceeding, except the proceeding to seek court approval of this settlement or in a proceeding to enforce the terms of the settlement.

7.10. The Parties, their successors and assigns, and their attorneys undertake to implement the terms of the Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of the Agreement.

7.11. The Parties, their successors and assigns, and their attorneys agree to cooperate fully with one another in seeking Court approval of the Agreement and to use their best efforts to effect the prompt consummation of the Agreement and the proposed settlement.

7.12. The Court will retain jurisdiction to the extent allowed by law with respect to implementation and enforcement of the terms of this Stipulation, and the Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement. All applications with respect to any aspect of the Settlement shall be presented to and determined by the Court.

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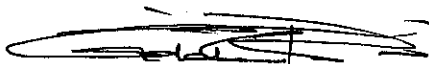
1 7.13. Each person executing this Agreement warrants that he or she has the
2 authority to do so.

3 7.14. The Agreement may be signed in counterparts, each of which shall
4 constitute a duplicate original.

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6 **APPROVED AND AGREED TO BY AND ON BEHALF OF
PLAINTIFF JASON ANDERSON AND THE CLASS**

7 Date: November 13, 2008

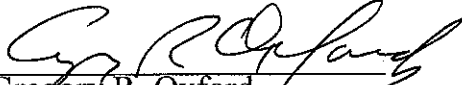
8 GIRARD GIBBS LLP

9
10 By: 
11 Elizabeth C. Pritzker
Attorney for Plaintiff
Jason Anderson and the Class

12
13 **APPROVED AND AGREED TO BY AND ON BEHALF OF
DEFENDANT GENERAL MOTORS CORPORATION**

14
15 Date: November 13, 2008

16 ISAACS CLOUSE CROSE & OXFORD LLP

17
18 By: 
19 Gregory R. Oxford
Attorney for Defendant
General Motors Corporation

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