

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT
BAUER V. TOYOTA MOTOR SALES, U.S.A., INC.
CASE NO. BC375017

In the Superior Court of California, Los Angeles County

IF YOU ARE A CURRENT OR FORMER OWNER OF A 2006 SCION XB,
PLEASE READ THIS ENTIRE NOTICE CAREFULLY AS IT CONTAINS
INFORMATION THAT COULD AFFECT YOUR LEGAL RIGHTS

The purpose of this notice is to inform you of a settlement of the above-titled class action lawsuit, in which the Plaintiff alleges that 2006 model-year Scion xBs are equipped with defective windshields that can crack with little or no impact. The alleged defect is sometimes referred to in this notice as the Windshield Cracking Condition. The Court has given its preliminary approval to the settlement and has ordered that this notice be made available to all Class Members so that they may consider their options.

This notice contains important information about how the settlement of this class-action lawsuit could affect your legal rights. This notice explains those rights, the effect the proposed settlement has on those rights, and what you must do to protect those rights. It also explains the proposed settlement benefits and explains that certain broad categories of claims you may have against Toyota and other Released Parties (defined below) will be released as part of the settlement.

More detailed information about this settlement can be found in the Settlement Agreement, which can be obtained by visiting www.xBWindshieldSettlement.com or by calling 1-866-985-0134. Other court documents have been filed with and may be obtained from the Clerk of Court, Los Angeles County Superior Court, 600 South Commonwealth Ave., Los Angeles, CA 90005.

This notice is not intended to be, and should not be construed as an expression of any opinion of the Court with respect to the merits of any of the claims or defenses asserted in the Action. If the settlement is not finally approved, then this notice will be of no further effect and the case would continue in litigation.

Your options are explained in detail in this notice, but are summarized as follows:

- 1. Do Nothing now and Remain in Class.** You may do nothing at this time, which would leave you in the Settlement Class and allow you to file a claim for benefits if the settlement is approved, and to receive the benefits of the settlement if you qualify. Settlement benefits are discussed below. In sum, the settlement provides that, for a period of six years or 60,000 miles from the date of original retail sale or lease of the vehicle (whichever occurs first) (referred to in this notice as the "Coverage Period"), eligible owners and lessees of 2006 model-year Scion xBs (referred to in this notice as "Class Vehicles") are entitled to **one** of the following benefits: (1) have **one** Genuine Toyota windshield replaced or repaired by an authorized Toyota dealer for free after the Effective Date of Settlement, provided you meet certain criteria, **or** (2) if you are an eligible Settlement Class Member who has already paid to repair or replace a cracked Genuine Toyota windshield covered by this settlement, you will be reimbursed for **one** such repair or replacement upon the submission of a valid Claim Form. Limitations and other important information can be found below.
- 2. Exclude yourself/Opt Out.** You may exclude yourself from the Settlement Class by "opting out" of it. If you exclude yourself from or opt out of the settlement, you will not be entitled to the benefits provided by the Settlement Agreement, but you will retain your right to sue Toyota for matters pertaining to this litigation. **To opt out, you must follow the instructions in this notice. Your request to opt out must be postmarked no later than June 30, 2010 (subject to change; see www.xBWindshieldSettlement.com for exact date).**
- 3. Object.** You may stay in the Class, but file an objection to the proposed settlement. To object, you must remain a member of the Settlement Class. **To file an objection, you must follow the instructions in this notice. Your objection must be postmarked no later than June 30, 2010 (subject to change; see www.xBWindshieldSettlement.com for exact date).**

WHAT IS THIS CASE ABOUT?

Plaintiff Justin Bauer filed suit in July 2007 against Toyota Motor Sales, U.S.A., Inc., alleging, among other things, that the windshields of 2006 model-year Scion xBs are affected by one or more defects that cause their windshields to have a propensity to crack under circumstances that would not cause non-defective windshields to crack (sometimes referred to in this notice as the "Windshield Cracking Condition"), and that Toyota's failure to disclose this information to the consuming public violated various statutes and duties. Toyota denied each and every one of Plaintiff's allegations, denied any wrongdoing of any kind, and asserted that it had a number of dispositive legal and factual defenses to those claims.

HOW DO I KNOW IF I AM A SETTLEMENT CLASS MEMBER?

You are a Settlement Class Member if you are a resident of the United States, the District of Columbia or a U.S. territory and you are or were a registered owner or lessee of a 2006 model-year Scion xB as of January 4, 2010.

The following persons are NOT Settlement Class members:

- persons who purchase or lease a 2006 model-year Scion xB after January 4, 2010;
- Toyota and its subsidiaries, affiliates, officers, directors and employees;
- persons who have claimed personal injuries as a result of the alleged windshield condition;
- persons who have filed separate, non-class legal actions against Toyota asserting claims relating to the alleged windshield condition;
- persons who have pursued a claim against, and reached a verdict against or settled with Toyota from individual claims substantially similar to those alleged in the Action relating to the alleged windshield condition; and
- persons who validly opt out of the settlement by timely filing a valid Request to Opt Out.

WHAT ARE THE BASIC TERMS OF THE SETTLEMENT AND HOW DO I APPLY TO RECEIVE THEM?

The detailed terms of the settlement are set forth in the Settlement Agreement, which has been filed with the Court. This is a summary of certain provisions of that agreement. Instructions on how to obtain additional information about the settlement are at the end of this notice.

A) Summary of Basic Benefits.

If the proposed settlement is approved, the windshield warranty for model-year 2006 Scion xB Class Vehicles will be extended to six years or 60,000 miles from the date of original retail sale or lease of the Class Vehicle, whichever is first. The Extended Warranty shall cover all cracks to Genuine Toyota windshields unless it is obvious that the crack was caused by something that would normally cause a windshield to crack (e.g., a collision with another vehicle or stationary object, a natural disaster, vandalism, a baseball, or the like). No diagnostic procedure (including but not limited to the "pen test" or its equivalent) --other than a visual inspection when seeking coverage under the replacement program-- shall be used to evaluate eligibility for coverage. Cracks in windshields that are not Genuine Toyota windshields are not within the Scope of the Extended Warranty.

Each Settlement Class Member is potentially eligible to seek **ONE** of the following two remedies **ONE** time:

1. **Reimbursement Program:** If you are a Settlement Class Member who paid to repair or replace a cracked Genuine Toyota windshield installed in a 2006 Scion xB *prior to* the Effective Date of Settlement (defined below), you may seek reimbursement for that expense provided that the repair or replacement occurred within the first six years or 60,000 miles from the date of original retail sale or lease of the Class Vehicle (whichever comes first) **and** you timely file a properly filled out Claim Form.
2. **Windshield Replacement Under the Extended Warranty:** If you seek to replace a cracked windshield in your 2006 Scion xB *after* the Effective Date of Settlement (defined below) but within the first six years or 60,000 miles from the date of original retail sale or lease of the Class Vehicle (whichever comes first) you may be eligible to have that windshield replaced for free under the Extended Warranty, provided you present your Class Vehicle to an authorized Toyota Dealer to determine whether you qualify for a free replacement under the Extended Warranty before replacing the windshield. Again, all windshield cracks to Genuine Toyota windshields in eligible Class Vehicles owned or leased by Settlement Class Members are covered under the settlement unless it is obvious that the crack was caused by something that would normally cause a windshield to crack (e.g., a collision with another vehicle or stationary object, a natural disaster, vandalism, a baseball, or the like).

Settlement Class Members are limited to one remedy per Class Vehicle. So, for example, if a Settlement Class Member who is a former owner of a 2006 model-year Scion xB seeks to be reimbursed for a Genuine Toyota windshield he/she paid to replace prior to the Effective Date of Settlement and a Settlement Class Member who is the current owner of that same Class Vehicle seeks to be reimbursed for the cost of replacing a Genuine Toyota windshield he/she paid to replace prior to the Effective Date of Settlement (or seeks a free windshield replacement under the terms of the Extended Warranty), both Settlement Class Members' claims would be honored provided those claims otherwise qualify under the terms of the settlement. Conversely, if one or both of the Settlement Class Members described in this example had borne the cost of repairing or replacing more than one Genuine Toyota windshield, neither Settlement Class Member would be eligible for reimbursement for any more than a single repair or replacement.

In addition to these benefits, Toyota has also agreed to pay for the costs of administering this settlement and to pay Class Counsel attorneys' fees and costs and an award to the Plaintiff in amounts to be determined by the Court, subject to the limitations discussed below. Neither the award of attorneys' fees and expenses nor the incentive award will reduce the benefits provided to the Settlement Class Members described above.

B) When is the Effective Date of Settlement and Why is it Important?

If the Settlement is approved by the Court, it will become effective when the Court's ruling is no longer subject to appeal or, if an appeal is taken, when and if the Court's ruling is finally approved in favor of the settlement. The time when the settlement becomes effective, if it does, is the "Effective Date of Settlement." Once the Effective Date of Settlement is determined, it will be posted on the settlement website (www.xBWindshieldSettlement.com) and will also be available by calling 1-866-985-0134.

The Effective Date of Settlement is important because it is the date after which an eligible Settlement Class Member who seeks to have his/her cracked Genuine Toyota windshield replaced in his/her 2006 Scion xB must first present that Class Vehicle to an authorized Toyota dealer so that the dealer may determine whether the Settlement Class Member's Class Vehicle and windshield qualifies for coverage under the replacement program. Settlement Class Members who replace their windshields after the Effective Date of Settlement without obtaining approval from an authorized Toyota dealer are not eligible to seek reimbursement for those expenses.

Because we do not know the date on which the Effective Date of Settlement will occur, it is your responsibility to check the settlement website at www.xBWindshieldSettlement.com or call 1-866-985-0134 for this information.

The Effective Date of Settlement will occur no earlier than August 24, 2010 (subject to change); please see www.xBWindshieldSettlement.com for exact date.

C) How and When Do I Submit a Claim for Reimbursement?

A Claim Form (including a release and an eligibility declaration) has been sent to Settlement Class Members via first class mail. You may obtain additional copies of the Claim Form by visiting www.xBWindshieldSettlement.com or by calling 1-866-985-0134. To be reimbursed for a repair or replacement of a qualifying cracked Genuine Toyota windshield that took place **(1)** prior to the Effective Date of Settlement, **and (2)** within the first six years or 60,000 miles of original retail sale or lease of the Class Vehicle (whichever comes first), you must fully complete and return the Claim Form along with all supporting documentation (discussed below). In the eligibility declaration, you must swear under penalty of perjury that you are seeking reimbursement for an expenditure made for a windshield repair to a 2006 model-year Scion xB and that you believe in good faith that your claim meets all the requirements for reimbursement.

If you do not receive a Claim Form with a pre-printed VIN, and you are not on the list of Settlement Class Members, you will also be required to submit proof of title and registration for the Class Vehicle on the date the windshield was repaired or replaced. The need to submit proof of title and registration does not apply to persons who submit a Claim Form with a preprinted VIN number.

In addition to filling out the Claim Form, to obtain reimbursement you must send either:

- (1.) A copy of a cancelled check or credit card statement showing the expenditure AND a copy of a repair order or receipt showing the expenditure was made for a windshield repair to a 2006 model-year Scion xB; or
- (2.) If no cancelled check or credit card statement is available, a copy of a repair order or receipt showing the expenditure was made for a windshield repair to a 2006 model-year Scion xB and that the receipt or work order was paid, and a statement under oath that the repair was paid for in cash or that you don't otherwise have a cancelled check or credit card statement and that you made reasonable efforts but were unable to obtain a copy; or
- (3.) If no repair order or receipt is available, a copy of a cancelled check or credit card statement showing the expenditure to an Automobile Glass Repair Facility, a statement from the repair facility indicating that a receipt or repair order is not available and a statement under oath that you don't have an original or copy of the repair order or receipt and that you made reasonable efforts but were unable to obtain a copy; or
- (4.) If no repair order or receipt is available, a copy of a cancelled check or credit card statement showing an expenditure to an Automobile Glass Repair Facility, a statement under oath that you don't have an original or copy of the repair order or receipt and that you made reasonable efforts but were unable to obtain a copy of the repair order or receipt, and evidence satisfactory to the Settlement Administrator indicating that a receipt or repair order is not available.
- (5.) If a Claimant is submitting documentation pursuant to (3) or (4) above (i.e., not submitting a receipt or repair order), the Settlement Administrator must have evidence which satisfies it that the expenditure was made to an Automobile Glass Repair Facility.

NOTE: All Claim Forms must be postmarked no later than September 23, 2010 – or thirty days after the Effective Date of Settlement, whichever is later -- and received by the Settlement Administrator no later than ten (10) days after that postmark. The September 23, 2010 date is subject to change; please see www.xBWindshieldSettlement.com for exact date. The deadline will be strictly applied. If the Court does not give its final approval to the Settlement Agreement following the Fairness Hearing, or if the settlement is appealed and appeal is successful, then the settlement will have no effect and any Claim Forms that have been submitted will be disregarded by the Settlement Administrator.

D) How Do I Obtain Coverage Under the Extended Warranty?

The Extended Warranty will take effect on the Effective Date of Settlement, estimated to be August 24, 2010. This date is subject to change. If you seek to have a cracked Genuine Toyota windshield replaced in a 2006 Scion xB *after* that date and within the first six years or 60,000 miles of original retail sale or lease of the Class Vehicle (whichever comes first), you must present your Class Vehicle to an authorized Toyota dealership to determine whether your windshield qualifies for coverage under the Extended Warranty. If an authorized Toyota dealer determines your windshield is eligible for replacement, it will be replaced once under the Extended Warranty, provided you have not been reimbursed for a previous replacement under this settlement and you are otherwise eligible.

NOTE: Settlement Class Members who have windshields replaced after the Effective Date of Settlement by anyone other than an authorized Toyota dealer shall not be reimbursed for the cost of that replacement.

If your Extended Warranty claim is denied, you may appeal the denial.

E) If A Toyota Dealer Denies my Extended Warranty Claim, How Do I Appeal That Decision?

If a dealer denies your Extended Warranty claim, the dealer will give you instructions about how to appeal that denial. You may also get this information from the settlement website (www.xBWindshieldSettlement.com) and/or by calling 1-866-985-0134. To appeal a denial of an Extended Warranty claim, you will be required to fill out and mail in a form that contains information so that your appeal can be processed. The appeal will be reviewed by and decisions will be made by the Settlement Administrator, who is a neutral third party. The option to appeal will not be available until after the Effective Date of the Settlement.

F) Who is Paying the Settlement Administration Expenses and the Attorneys' Fees, Costs and Other Payments?

In addition to the benefits described above, Toyota has agreed to pay all costs associated with the administration of this settlement, including the cost of this notice, mailings related to the claims process, and the fees of the Settlement Administrator. Toyota will also pay **(1)** an award of reasonable attorneys' fees and costs to Class Counsel; and **(2)** an additional monetary award for the time and effort the Plaintiff has expended on behalf of the Settlement Class.

Class Counsel has worked on this case on a wholly contingent fee basis and has not been paid any fees or expenses for their work. They intend to apply to the Court for a total award of no more than \$300,000 in attorneys' fees and costs and an incentive award to the Plaintiff who served as class representative in the amount of \$6,500. If approved by the Court, these fees, expenses and award to the Plaintiff will be paid by Toyota separately from the benefits made available to Settlement Class Members pursuant to the settlement. Neither the award of attorneys' fees and expenses nor the incentive award will reduce the benefits provided to the Settlement Class Members described above.

HOW WAS THIS SETTLEMENT REACHED?

Class Counsel conducted an investigation of the alleged Windshield Cracking Condition which included a review of documents produced by Toyota and multiple inspections of the Plaintiff's windshield by experts for Toyota and Plaintiff. After extensive arms-length discussions and negotiations between counsel for Toyota and Class Counsel over a one-year period, including two settlement conferences before the presiding Judge, the parties entered into a Settlement Agreement and Release ("Settlement Agreement"), which is subject to court approval. This settlement was reached after Class Counsel weighed the risks and benefits to the Settlement Class of this settlement compared with those related to continuing the litigation. In light of those considerations, Class Counsel determined that the settlement is fair, reasonable and adequate in light of all circumstances, and in the best interest of the Settlement Class. As a result, Class Counsel recommends the settlement.

Toyota has agreed to this settlement because, although it denies the claims asserted by Plaintiff, it wishes to avoid the uncertainty and expense of further protracted litigation and to put to rest a potential controversy with its valued customers.

The claims and potential claims that Settlement Class Members will be giving up in connection with this settlement include claims that, if there are any such claims, could be relatively unique to specific Class Members. For that reason, in considering whether to object to the settlement or to request exclusion from the Class as discussed below, each Settlement Class Member should carefully consider whether, despite all the foregoing considerations, the settlement is in his or her best interests.

WHAT ARE MY RIGHTS AND OPTIONS?

If you are a Settlement Class Member, you have the following options:

- 1. Remain in the Settlement Class.** If you meet the criteria for membership in the Settlement Class, you will remain a member of the Settlement Class unless you exclude yourself (or "opt out") by following the procedure set forth in section 3, below. As a member of the Settlement Class, you will be bound by the settlement and may be eligible to receive the benefits provided by the settlement if you satisfy the requirements described in this notice. **PLEASE NOTE: If you remain a Settlement Class Member and if the settlement is approved by the Court, this will result in a release and dismissal of your claims against Toyota and the other Released Parties.** A release means that all of the Court's orders will apply to you and will bind you. **A release also means you cannot sue, continue to sue, or be part of any other lawsuit against Toyota or the other Released Parties for claims related to the Windshield Cracking Condition. In no event, however, does the release apply to any claim for personal injury. Please see below for additional information about the nature and scope of the release.**

If you remain in the Settlement Class, Class Counsel will represent the interests of the class, the Court will protect those interests, and you will not be personally responsible for any of Class Counsel's fees or litigation expenses. If the proposed settlement is approved, you will be eligible to seek the benefits of the settlement, as described above.

- 2. Remain a Settlement Class Member and Object to the Settlement.** You may remain a member of the Settlement Class and, on your own or through an attorney retained by you at your expense, object to the proposed settlement in its entirety or any aspect of it. To do so, you or your attorney must file a written objection, which must contain the following: (i) your full name, current address, and telephone number, (ii) the model year of your Class Vehicle, as well as the Vehicle Identification Number, (iii) a statement of the position(s) you wish to assert, and (iv) the factual and legal grounds therefore. You must also provide copies of any other documents that you wish to submit in support of your position.

Objections and any supporting papers or brief, must be filed with the Clerk of the Superior Court and served on counsel for Toyota and Class Counsel no later than June 30, 2010 (subject to change; see www.xBWindshieldSettlement.com for exact date). Please serve Counsel for Toyota and Class Counsel at the following addresses:

| <u>Counsel for Toyota</u> | <u>Class Counsel</u> | <u>Clerk of the Court</u> |
|--|---|--|
| Kenneth R. Chiate Quinn Emanuel Urquhart & Sullivan, LLP 865 S. Figueroa St., 10th Floor Los Angeles, CA 90017 | Jeffrey L. Fazio Dina E. Micheletti Fazio Micheletti LLP 2410 Camino Ramon, Ste. 315 San Ramon, CA 94583 E-mail: info@fazmiclaw.com Website: www.fazmiclaw.com | Clerk of the Superior Court of Los Angeles 600 S. Commonwealth Avenue Los Angeles, California 90005 |

If you do not comply with these procedures by the deadline for objections, the Judge may decline to consider your objection at the Fairness Hearing, and to preclude you from otherwise contesting the approval of the proposed settlement or to appeal from any orders or judgments entered by the Court in connection with the settlement.

Filing an objection does not exclude you from the Settlement Class. If your objection is overruled, you will be bound by the terms of the settlement.

3. **Exclude Yourself from the Settlement Class.** You are not required to participate in this settlement and you may exclude yourself from the Settlement Class. If you exclude yourself (also called “opting out”), we will have no further contact with you regarding this lawsuit. If you opt out of the Settlement Class, you will lose any right you may have to participate in the settlement. You will also lose the right to have your objections to the proposed settlement considered by the Court before it rules on it. You will be free to pursue any claims you may have against Toyota and/or any of the other Released Parties on your own behalf, but you will not be represented by Class Counsel. **To opt out of the Settlement Class, you must submit a request for exclusion, which must contain:** (i) your full name and current address, (ii) the model year of your Class Vehicle as well as the Vehicle Identification Number, and (iii) a specific statement that you wish to be excluded from the Settlement Class (e.g., ‘Please exclude me from the Settlement Class’). **Requests for exclusion must be postmarked no later than June 30, 2010 (subject to change; see www.xBWindshieldSettlement.com for exact date) and sent to *Bauer v. Toyota Settlement Administrator*, P.O. Box 6103, Novato, CA 94948-6103.**

If you do not comply with these procedures by the deadline for exclusions, the Judge may preclude you from excluding yourself from the Settlement Class. If the Judge precludes you from excluding yourself, you will remain in the Settlement Class and your rights will be determined in this lawsuit by the Settlement Agreement if it is approved by the Court.

WHAT ARE THE LEGAL CONSEQUENCES OF THE SETTLEMENT AND WHAT AM I GIVING UP IF I REMAIN IN THE SETTLEMENT CLASS?

As discussed above, if the settlement is approved by the Court the Action will be dismissed with prejudice as to Plaintiff and Settlement Class Members and without prejudice as to others. **If you are a Settlement Class Member, this will result in a release and dismissal of your claims against Toyota and the Released Parties for all Released Claims related to the Windshield Cracking Condition.** “Released Parties” and “Released Claims” are defined in this section. **Please read it carefully.**

Once judgment of the Court in accordance with this settlement has been entered and all appeals resolved favorably to the judgment or, if no appellate review is sought, the time in which to do so has passed, the Plaintiff and the Settlement Class Members, as well as their respective heirs, executors, administrators, personal representatives, successors-in-interest, trustees, and assigns, shall be deemed to have, and by operation of the judgment shall have, fully, finally, and forever settled, released, relinquished, and discharged any and all Released Claims against the Released Parties (or any of them).

Here are further details of the release provided in the Settlement Agreement:

“**Released Parties**” means Toyota Motor Sales, U.S.A., Inc. (“TMS”), Toyota Motor Corporation and authorized Toyota distributors in Hawaii and U.S. Territories, and each of such foregoing entities’ present and former officers, directors, employees, agents, heirs, executors, administrators, successors, reorganized successors, spin-offs, assignees, subsidiaries, affiliates, parents, divisions, and predecessors, and further includes the suppliers, vendors, dealers, and sub-distributors of TMS, Toyota Motor Corporation and authorized Toyota distributors in Hawaii and U.S. Territories.

“**Released Claims**” shall collectively mean all claims, demands, rights, liabilities and causes of action relating to the Windshield Cracking Condition in Class Vehicles whatsoever that were or could have been brought by the Settlement Class in the Class Action, known or unknown, matured or unmatured, whether at law or in equity, whether before a local, state or federal court, tribunal, administrative agency or commission, and whether now liquidated or unliquidated, whether or not concealed or hidden, asserted or that might have been asserted, including under any federal, state or local consumer-protection statute or administrative rule or regulation, or under any other state or federal statute, rules, or regulations, by Plaintiff or any Settlement Class Member (together with their predecessors, successors, representatives, parents, subsidiaries and affiliates, and the heirs, executors, administrators, successors and assignees) against TMS or the Released Parties, arising out of, based upon, or related to the Windshield Cracking Condition in Class Vehicles, including any and all claims arising out of, based upon or related to the settlement or resolution of the Class Action, provided that nothing in this Release is intended to relieve TMS or the Released parties for liability for breach of the Settlement Agreement. “Released Claims” shall also include, but not be limited to, all claims or causes of action that relate to the design, testing, manufacture, distribution, sale, advertising, service or repair of Class Vehicles relating to the Windshield Cracking Condition. The “Released Claims” shall also include, but is not limited to, all claims made, or that could have been made, in tort or contract alleging breach of warranty or violation of California’s Unfair Competition Law, Consumer Legal Remedies Act or Song-Beverly Consumer Warranty Act as they pertain to the Windshield Cracking Condition in Class Vehicles. “Released Claims” shall include all claims in equity, including, but not limited to, restitution, rescission of contract, disgorgement of profits and injunctive relief as they pertain to the Windshield Cracking Condition in Class Vehicles. “Released Claims” shall include, but is not limited to, any causes of action that might be brought under any similar or comparable state laws in the United States, the District of Columbia or U.S. territories as they pertain to the Windshield Cracking Condition in Class Vehicles. “Released Claims” does not include any claims arising out of, based upon or related to personal injury or wrongful death, regardless of whether the claim is brought in an action or matter making allegations pertaining to the Windshield Cracking Condition or its effects, and regardless of whether such claims arose before or after the settlement. “Released Claims” also does not include claims arising out of a breach of this Settlement Agreement. Notwithstanding the foregoing, Released Claims do not include claims against dealers for the dealer’s own negligence or other conduct independent of Toyota’s in connection with the installation or repair of windshields in Class Vehicles.

The Settlement Agreement provides for the following release:

“The obligations under this Settlement Agreement shall be in full and final disposition of this action and of any and all Released Claims as against all Released Parties. On the Effective Date of Settlement, Plaintiff and the Settlement Class shall be deemed to have, and by operation of the Order and Final Judgment shall have fully, finally and forever released, relinquished, and discharged the Released Parties with respect to each and every Released Claim, including unknown claims and shall forever be enjoined from prosecuting any claim or action against any of the Released Parties with respect to each and every Released Claim or unknown claim.

The undersigned parties further understand and agree that, with respect to all such claims, causes of action, liabilities and/or demands against each other, this Settlement Agreement constitutes a general release. All parties have been advised of and fully understand the provisions of Section 1542 of the California Civil Code, and on that basis, expressly and specifically waive all rights under said statute and any law of any state or territory of the United States, federal law or principle of common law, or of international or foreign law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code. Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

TMS, the Released Parties, Plaintiff and/or Settlement Class Members may hereafter discover facts in addition to or different from those which they now know or believe to be true, but hereby stipulate and agree that upon the entry of the Order and Final Judgment, they do fully, finally, and forever settle and release any and all of the claims described in this paragraph, whether known or unknown, suspected or unsuspected, contingent or non contingent, whether or not concealed or hidden from existence, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such difference or additional facts. In no event, however, does Plaintiff or Settlement Class Members waive or intend to waive any claim for personal injury or wrongful death due to the Windshield Cracking Condition (other than a crack to the windshield itself) against TMS or the Released Parties, regardless of whether such claim arose before or after the settlement, and regardless of whether the claim is brought in an action or matter making allegations pertaining to the Windshield Cracking Condition. The Parties acknowledge that the foregoing waiver was bargained for and is a material element of the Settlement Agreement. The Parties also acknowledge that the foregoing waiver shall be null and void if (a) the Court does not grant final approval to the Settlement Agreement, (b) the approval of the Settlement Agreement or the settlement is reversed on appeal, or (c) the Final Order and Judgment is reversed on appeal.”

WHAT IS THE FAIRNESS HEARING, WHEN IS IT, AND WHAT ARE THE PROCEDURES FOR PARTICIPATING IN IT?

A Fairness Hearing will be held on July 15, 2010 (subject to change; see www.xBWindshieldSettlement.com for exact date), before the Honorable Emilie H. Elias, Department 324, at the Los Angeles Superior Courthouse, 600 S. Commonwealth Avenue, Los Angeles, California, 90005 (the “Fairness Hearing”). The purpose of the Fairness Hearing will be to determine, among other things: (i) whether the terms of the settlement are fair, reasonable, and adequate and should be approved by the Court; (ii) whether the Court should enter a Final Order approving the settlement and dismissing the claims against Toyota; (iii) whether the Court should approve the application for attorneys’ fees and expenses filed by Class Counsel; and (iv) whether the Court shall award an additional amount to the Plaintiff for the time and effort he put into bringing and prosecuting this action on behalf of the Settlement Class. We do not know how long it will take the Judge to make her decision.

The Settlement Class will be represented at the Fairness Hearing by Class Counsel. If you are a member of the Settlement Class and would like to speak at the Fairness Hearing to express your point of view about or object to the proposed settlement, you may appear personally or through a lawyer you retain at your expense. **To do so, you must file with the Clerk of the Court and serve upon Toyota and Class Counsel, at the addresses identified above, a Notice of Intention to Appear at the Fairness Hearing by June 30, 2010 (subject to change; see www.xBWindshieldSettlement.com for exact date). The Notice of Intention to Appear must include copies of any papers, exhibits, or other evidence that you (or your counsel) will present to the Court in connection with the Fairness Hearing. If you do not comply with these procedures, the Judge may preclude you from speaking at the Fairness Hearing.**

WHERE CAN I FIND ADDITIONAL INFORMATION?

This notice contains only a summary of the Action and the terms of the proposed settlement. The Settlement Agreement and related documents, as well as the pleadings in the Action, are on file in the office of the Clerk of the Superior Court of Los Angeles, 600 S. Commonwealth Avenue, Los Angeles, California 90005, and are available for review during normal business hours. You may also obtain a copy of the Settlement Agreement and other information about this litigation and settlement by visiting www.xBWindshieldSettlement.com or by calling 1-866-985-0134.

You may also seek the advice of your own attorney if you desire.

NOTE: All the dates referred to in this notice, including the date of the Fairness Hearing may be postponed or adjourned from time to time by the Court, without further notice. All such changes will be posted to the settlement website (www.xBWindshieldSettlement.com) and will be made available by phone (1-866-985-0134). Please check these sources periodically for the most up-to-date information.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK FOR INFORMATION ABOUT THIS CASE

By Order of the Superior Court of California for the County of Los Angeles.

Date: January 4, 2010

The Honorable Emilie H. Elias
/s/ Emilie H. Elias