

Class Action Settlement

January, 2008

Palace, et al. v. DaimlerChrysler Corp.

Case No. 01-CH-13168; Circuit Court of Cook County, Illinois.

Plaintiff and Class Representatives allege that DaimlerChrysler knowingly manufactured, marketed, distributed and sold, under the Chrysler, Dodge, and/or Plymouth names, Neon model vehicles, model years 1995 through 1998 that contained a defective head gasket, causing oil to leak from the engine and damaging the engine.

Additionally, Plaintiff alleges that despite DaimlerChrysler's knowledge of the defective head gasket, it continued to manufacture, market, distribute, and sell the vehicles, and has refused to recall or make satisfactory repairs to vehicles equipped with the part.

Plaintiff alleged a number of causes of action resulting from the alleged conduct of DaimlerChrysler, including, but not limited to: breach of warranty, fraud, and unjust enrichment. DaimlerChrysler denied Plaintiff's claims and that it is guilty of any wrongdoing.

However, after The Court denied DaimlerChrysler's motions to dismiss and for summary judgment, and just before setting the matter for trial, DaimlerChrysler settled the lawsuit. As part of the settlement, Neon owners received monetary reimbursement for head gasket repairs. The amount of such settlement is confidential.