SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

ELIZABETH B. LUNA, individually and on behalf of herself and all others similarly situated, CASE NO. RIC 445765

CLASS ACTION

Plaintiff,

v.

CORONA CARS, INC. dba CORONA NISSAN, a corporation and DOES 1 through 10,

Defendants.

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND SETTLEMENT HEARING

Judge: Gloria Conner Trask Dept.: 04

Complaint Filed: October 7, 2005

TO: All Persons who, between March 1, 2002 and June 27, 2007, purchased a vehicle from Corona Nissan and who signed a second or subsequent Retail Installment Sales Contract that was backdated to the date of the original Retail Installment Sales Contract.

PLEASE READ THIS NOTICE CAREFULLY. IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS LITIGATION AND YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT FUNDS TO BE PAID AS A RESULT OF THE PROPOSED SETTLEMENT DESCRIBED BELOW.

The purpose of this Notice is to inform you of a proposed settlement of a class action lawsuit (the "Class Action" or "Litigation") known as *Elizabeth Luna v. Corona Nissan* pending before the Honorable Gloria Connor Trask in the Superior Court for the State of California, County of Riverside (the "Court"). You are receiving this Notice because the records of Corona Nissan indicate that you purchased a vehicle from Corona Nissan during the Class Period and, therefore, you may fall within the class definition. Not all persons who receive this Notice will be Members of the Class and entitled to receive benefits under the Settlement. This Notice is given under California law and by order of the Court.

Additionally, this Notice is to inform you of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed settlement. The proposed settlement, the terms of which are summarized in this Notice, is contained in a Stipulation of Settlement dated June 27, 2007 that has been filed with the Court. The hearing to consider whether the proposed settlement should be approved (the "Settlement Hearing") will be held on October 12, 2007 at 8:30 a.m. in Department 04 of the Court, located at 4050 Main Street, Riverside, CA 92501.

I. THE CLASS

You may be a member of the class and entitled to share in the proceeds of the settlement as described below if you fit within the following definition (the "Class"):

All Persons who, between March 1, 2002 and the June 27, 2007, purchased a vehicle from Corona Nissan <u>and</u> who signed a second or subsequent Retail Installment Sales Contract that was backdated to the date of the original Retail Installment Sales Contract.

II. THE LITIGATION

A. Summary of the Litigation

This lawsuit concerns Corona Nissan's practice of "backdating" of Retail Installment Sales Contracts where a second or subsequent Retail Installment Sales Contract would be dated back to the date of the original Retail Installment Sales Contract. Plaintiff alleges this resulted in consumers paying more in interest payments than would have been required by law, without disclosure to consumers, and resulted in inaccurate financial disclosures. Plaintiff's complaint ("Complaint") contains claims based upon allegations of: (i) violation of the Consumers Legal Remedies Act, California Civil Code § 1750 *et seq.*; (ii) violation of California Business and Professions Code § 17200 *et seq.*; and (iii) violation of the Automobile Sales Finance Act, Civil Code section 2985.7, *et seq.* based on such backdating. The Complaint seeks damages, restitution, and injunctive relief. By agreement the lawsuit was certified to proceed on a settlement basis on behalf of a class as defined above.

Defendant alleges that its conduct was lawful and, therefore, this "backdating" practice is not actionable by plaintiff and all members of the class and that neither plaintiff nor any member of the class suffered any actionable damage.

B. Class Representative and Class Counsel

The Court has appointed Elizabeth Luna to act as class representative. The following law firm acts as counsel for the class ("Class Counsel"):

ROSNER & MANSFIELD, LLP Hallen D. Rosner Gregory T. Babbitt 10085 Carroll Canyon Road, Suite 100 San Diego, California 92131 Telephone: 858-348-1005

III. SETTLEMENT TERMS

If you fall within the definition of the class as set forth above (and by receiving this Notice, the parties have determined preliminarily that you *may* be a member of the Class) and you complete and timely return the enclosed Proof of Claim Form verifying that you are a Class Member, you may participate in this settlement and receive a check for \$90.00. This amount is an estimate of the average amount of additional interest you may have paid as a result of such backdating. Not all persons who receive this Notice will be Members of the Class and entitled to receive benefits under the Settlement.

The Court has preliminarily approved this settlement, finding it to provide adequate compensation for the Class Members' damages attributable to the alleged acts of Corona Nissan, subject to any objection that may be raised.

A. Release of All Claims by Class Members

Upon the Effective Date of the settlement, plaintiff and each Class Member, except those who timely and validly exclude themselves from the Class (as provided for in Section V, below), shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all "Released Claims", including all "Unknown Claims", against Defendant and all "Related Parties" arising out of such backdating, and shall forever be enjoined from prosecuting the "Released Claims." These terms are defined in the accompanying Proof of Claim Form. Subject to Court approval, this release shall apply to and bind all members of the Class who do not request exclusion, including those members of the Class who do not submit a Proof of Claim or who do not submit a timely or complete or accurate claim, and shall forever bar all claims of such members of the Class that are the subject of the above release.

B. Payments to Attorneys and Class Representative

As part of the final approval of the settlement, Class Counsel will be requesting the Court to approve reimbursement of attorneys' fees and expenses incurred prosecuting the claims of the class members in the amount of \$30,000. This does not reduce the amount of your recovery and was negotiated after the other terms of the settlement had been agreed to by the parties. The attorneys' fees and cost amount in prosecuting the class claims is subject to Court review and approval.

Additionally, the named class representative, who expended many hours prosecuting this case as the class representative, will be making an application to the Court for an award of \$1,000. This award is also subject to Court review and approval and also does not reduce the amount you receive in any way. These amounts were negotiated after all payments to the Settlement Class had been agreed to.

IV. HOW TO MAKE A CLAIM

To be entitled to these benefits, you must fill out and return the Proof of Claim Form, a copy of which is enclosed with this Notice. The completed Proof of Claim must be postmarked on or before October 4, 2007.

To ensure receipt of the claim, you should return your Proof of Claim Form by certified mail, return receipt requested. **The parties and/or their attorneys cannot assume responsibility for forms that are not received.** Each claim will be subject to review for the purpose of approving or challenging the validity of such claim. A settlement check will be provided to you by the Settlement Administrator if the settlement is finally approved by the Court and after receipt, processing, and verification of the Proof of Claim Forms. The Proof of Claim must be mailed to the Settlement Administrator at the following address:

Luna v. Corona Nissan Settlement Administrator c/o The Garden City Group, Inc. P.O. Box 9166 Dublin, OH 43017-4166

If you change your address or telephone number after returning a Proof of Claim Form, please immediately write to the Settlement Administrator and provide your name, new mailing address, including zip code, and telephone number.

V. OPTIONS REGARDING SETTLEMENT

A. If you decide to participate in the settlement, you need to do nothing *other than* complete the attached Proof of Claim Form and send it to the Settlement Administrator at address listed on the Proof of Claim Form postmarked no later than October 4, 2007. If you wish to communicate with or obtain information from Class Counsel, you may do so by writing to Class Counsel at the address set forth above. **PLEASE DO NOT CONTACT THE COURT.**

B. If you wish to object to the proposed settlement, you must file written objections by no later than September 4, 2007, along with an affidavit with some form of proof that you are a Class member, with the Court Clerk, located at 4050 Main Street, Riverside, California 92501. The Court will hold a fairness hearing on the date and time and in the Department set forth above to determine whether the proposed settlement of the Class Action should be granted final approval in light of any objections filed. If your objection is overruled, you will still be bound by the terms of the settlement. If you wish to appear at the hearing, you must also file a statement of your intention to do so with the Court Clerk at the above address. Copies of written objections and notices of intention to appear at the hearing *must* also be served upon:

Rosner & Mansfield, LLP	Kolar & Associates
Gregory T. Babbitt, Esq.	Victor P. Danhi, Esq.
10085 Carroll Canyon, 1st Floor	12241 Newport Avenue
San Diego, California 92131	Santa Ana, CA 92705

Objections must be **actually received** by both counsel by the September 4, 2007 deadline.

C. You may request to be excluded from the settlement. If you request to be excluded, you will not be bound by any of the above releases and may bring your own individual claim against Corona Nissan but you cannot submit a claim, receive any of the above benefits or object to the settlement. If you want to request exclusion, you must do so in writing and send the exclusion request to Class Counsel Rosner & Mansfield, LLP listed above no later than September 4, 2007.

This Notice provides only a summary of matters relating to this lawsuit. You may discuss this with your own attorney or appear at the fairness hearing through your own attorney. For more detailed information, you may also examine the Court's file regarding this litigation during regular business hours, at the office of the Clerk of the Riverside County Superior Court, 4050 Main Street, Riverside, California 92501.

DATED: July 19, 2007

/s/

Honorable Gloria Trask Judge of the Superior Court