

IN THE CIRCUIT COURT FOR KNOX COUNTY, STATE OF TENNESSEE

JEFFREY L. BRONSON, SANDRA J.
and DAVID A. DUTTON, CHRISTINE SIMMONS,
and JACK WHALEY,

Plaintiffs,

v.

TED RUSSEL FORD, INC.,
TED RUSSELL MANAGEMENT, INC.,
G.F. VAUGHAN TOBACCO COMPANY, INC.,
CM HOLDINGS, INC.

Defendants.

Case No.:
1-352-03

JURY DEMANDED

NOTICE OF CLASS ACTION SETTLEMENT

YOU MAY BE ENTITLED TO RECEIVE PAYMENT FROM THE SETTLEMENT OF A CLASS ACTION LAWSUIT AGAINST G. F. VAUGHAN TOBACCO COMPANY, INC.

THIS ANNOUNCEMENT APPLIES TO YOU BECAUSE ACCORDING TO STATE REGISTRATION RECORDS, YOU ARE AMONG A CLASS OF PERSONS WHO ARE CURRENT OWNERS OF A MARADA POWER BOAT, MANUFACTURED BY ARMADA MANUFACTURING COMPANY, CONTAINING AN ALTERED OR AMENDED HULL IDENTIFICATION NUMBER.

If the Settlement is approved, and you wish to receive payment, your Claim Form must be postmarked on or before **May 24, 2006**, and addressed to the Settlement Administrator at: **G.F. Vaughan Tobacco Company Litigation, c/o The Garden City Group, Inc., P.O. Box 9000 #6379, Merrick, NY 11566**. The Claim Form is attached.

Named Plaintiffs, Jeffrey I. Bronson, Sandra J. and David A. Dutton, Christine Simmons, and Jack Whaley, have commenced an action in the Circuit Court for Knox County, Tennessee against G. F. Vaughan Tobacco Company, Inc., Circuit Court No. 1-352-03, as a Class Action for themselves and all other persons who currently own Marada power boats with altered or amended Hull Identification Numbers.

Named Plaintiffs claim that Armada Manufacturing Company sold Marada power boats with altered or amended Hull Identification Numbers which misrepresented the model year of named Plaintiffs' boats. In addition, G. F. Vaughan Tobacco Company, Inc. has been deemed responsible for the debts and liabilities of Armada Manufacturing Company, which is no longer in existence.

Although G. F. Vaughan Tobacco Company, Inc. has denied liability, a conditional Settlement Agreement has been filed with the Court. If the Settlement Agreement is approved by the Court, the Defendant, G. F. Vaughan Tobacco Company, Inc., will pay the sum of \$3,900.00 per boat to current owners who originally purchased new Marada power boats with altered or amended Hull Identification Numbers from a dealer and \$1,750.00 per boat to current owners who purchased used Marada power boats with altered or amended Hull Identification Numbers from a dealer or from a private individual. In addition, if required by state regulatory authorities, G. F. Vaughan Tobacco Company, Inc. has agreed to pay the reasonable cost of having the Hull Identification Number changed to reflect the accurate model year for each boat. Under the suggested distribution of Settlement funds, the Settlement proceeds would be distributed as follows:

1. Plaintiffs' attorneys would be paid a reasonable fee for their services;
2. Expenses incurred by the Plaintiffs' attorneys would be paid;
3. A total of \$35,000.00 would be divided among the four named Plaintiffs as approved by the same;
4. A total of \$561,600.00 would be guaranteed by a Letter of Credit to be distributed as outlined above to current owners of Marada power boats with altered or amended Hull Identification Numbers. According to current registration records, since 1995 there were approximately 144 Marada power boats sold with altered or amended Hull Identification Numbers, one of which is owned by you.

Please take note of the following options available to you as a Class Member:

1. If you wish to receive payment of your share from the Settlement Agreement, if approved, please complete the attached Claim Form and return it as instructed by May 24, 2006.
2. If you do nothing, you will remain a member of the Class and will be bound by the outcome of the action, but you will not receive any part of the Settlement.
3. You may elect to be excluded from the Class, in which case you will not be bound by the outcome of the action nor will you receive any part of the Settlement. If you want to be excluded, you must send a written notice to the Settlement Administrator, which must be received by March 23, 2006.
4. If you want to remain a member of the Class but object to the proposed Settlement Agreement, you may file a written objection, which must be received by the Settlement Administrator by March 23, 2006.

If you have any questions, please call the Helpline at 1-800-325-9756, or send a detailed letter containing your question or request to the Settlement Administrator at:

G.F. Vaughan Tobacco Company Litigation
c/o The Garden City Group, Inc.
P.O. Box 9000 #6379
Merrick, NY 11566

On June 30, 2006, at the hour of 1:30 p.m., in the Knox County Courthouse, Knoxville, Tennessee, a Fairness Hearing will be held to determine whether the Settlement Agreement should be approved and, if approved, whether the proposed formula for distribution shall also be approved, modified, or rejected. The Settlement Agreement and proposed formula for distribution have been filed with the Court and may be inspected by contacting Plaintiffs' Counsel, Paine, Tarwater, Bickers, and Tillman, LLP, 800 South Gay Street, Suite 1100, Knoxville, Tennessee 37929.

This Notice is sent pursuant to Rule 23 of the Tennessee Rules of Civil Procedure and by Order of the Court.

Respectfully submitted February 1, 2006.

PAINE, TARWATER, BICKERS, AND TILLMAN, LLP

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