

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

ALLAPATTAH SERVICES, INC.,	:	CASE NO. 91-0986-CIV-GOLD/SIMONTON
et al.,	:	
	:	
Plaintiffs,	:	
	:	
vs.	:	
	:	
EXXON CORPORATION,	:	
	:	
Defendant.	:	

**NOTICE OF:
PROPOSED SETTLEMENT WITH EXXON CORPORATION;
HEARING TO CONSIDER THE MOTION TO APPROVE
THE PROPOSED SETTLEMENT AND TIME TO OBJECT TO SETTLEMENT; AND
TIME FOR INTERESTED PARTIES TO OBJECT TO PETITIONS FOR ATTORNEYS' FEES,
COSTS AND INCENTIVE AWARDS**

IF YOU ARE A MEMBER OF THE CLASS IN THE MATTER OF ALLAPATTAH SERVICES INC., ET AL. V. EXXON CORPORATION, ALSO KNOWN AS THE EXXON DISCOUNT FOR CASH ("DFC") CLASS ACTION LITIGATION, OR IF YOU HAVE ANY INTEREST IN THE PROCEEDS OF CLAIMS MADE IN THIS LITIGATION, PLEASE READ THIS NOTICE CAREFULLY. THE PROPOSED SETTLEMENT DISCUSSED IN THIS NOTICE AFFECTS THE RIGHTS OF ALL PARTIES WITH AN INTEREST IN THIS LITIGATION.

THE COURT HAS SCHEDULED A HEARING TO BEGIN AT 3:00 P.M. ON APRIL 5, 2006, TO CONSIDER THE MOTION TO APPROVE THE SETTLEMENT BASED ON THE TERMS DESCRIBED IN THIS NOTICE. AN INTERESTED PARTY WHO SEEKS TO OPPOSE THE SETTLEMENT MUST FILE OBJECTIONS TO IT WITH THE COURT POSTMARKED NO LATER THAN MARCH 24, 2006 AND MUST SIMULTANEOUSLY SEND A COPY TO THE ATTORNEYS OF RECORD IDENTIFIED IN THIS NOTICE.

THE COURT HAS ALSO EXTENDED THE TIME FOR CLASS MEMBERS TO OBJECT TO PETITIONS BY CLASS COUNSEL FOR AN AWARD OF ATTORNEYS' FEES AND COSTS AND THE TIME TO OBJECT TO THE PETITIONS BY THE CLASS REPRESENTATIVES FOR INCENTIVE AWARDS. SUCH OBJECTIONS MUST BE FILED WITH THE COURT NO LATER THAN MARCH 24, 2006. AT THE HEARING ON APRIL 5, 2006, THE COURT WILL ALSO HEAR ARGUMENT ON BOTH THE PROCEDURE AND SCHEDULE TO RESOLVE THE PETITIONS FOR ATTORNEYS' FEES, COSTS AND INCENTIVE AWARDS.

TABLE OF CONTENTS

	Page
1. Introduction	3
2. A Brief Summary of the DFC Case From Trial Through Appeals	6
3. The Claims Process.....	7
4. The District Court’s Rulings on Class Members’ Obligation for Payment of Attorneys’ Fees.....	10
5. Terms of the Proposed Settlement	10
6. Effect of Adoption of the Settlement Proposed.....	15
7. Cash Available from the Settlement Fund and Interest Income to Satisfy Claims and Support Claims Administration	17
8. Class Counsel Recommends Approval of the Settlement Proposal	19
9. Class Representatives Recommend Approval of the Settlement	21
10. Examples of Application of Settlement	21
11. Procedure for Consideration of the Settlement.....	24
12. Procedure for Consideration of Attorneys’ Fees, Costs, and Named Plaintiff Incentive Awards.	24
13. Additional Information.	25

1. Introduction

a. A Proposed Settlement of the DFC Class Action Will Be Considered by the Court

The attorneys who represent the Class of Exxon dealers in the Discount For Cash (“DFC”) class action litigation against Exxon Corporation (“Class counsel”) have agreed on behalf of the Class, subject to notice to the Class and final approval by the Court, to settle all claims against Exxon arising in this action in exchange for the payment by Exxon of \$1.075 billion (\$1,075,000,000) to establish a settlement fund to be disbursed as provided in this Notice. This settlement must first be approved by the Court.

The cash sum which Exxon proposes to pay and which Class counsel recommends accepting is less than all of the money Exxon could be required to pay if the Class were to prevail on every contested issue remaining unresolved through years more of litigation. Thus, acceptance of the proposal would require an allocation to interested parties of something less than one hundred percent of every asserted and unasserted claim. The reasons Class counsel recommends approval of the settlement is discussed in this Notice in an effort to allow interested parties to make an informed decision as to whether to support or oppose the proposed settlement.

Although the District Court has reviewed the form of this Notice and has strived to make certain that the disclosure herein is both complete and understandable, the form and content of this Notice was prepared by Class counsel as part of the process of obtaining approval from the District Court.

b. Preliminary Approval of the Proposed Settlement Has Been Given But Does Not Require Final Approval

In addition to approving the form of this Notice, the District Court also has given preliminary approval to the terms of the proposed settlement described in this Notice. This preliminary approval was given because the agreement appears on its face to be fair, reasonable and adequate. However, the Court will make an independent determination at the final fairness hearing. In determining whether the proposed settlement is fair, reasonable and adequate, the Court will consider support for the proposal and opposition to the proposal from those affected by its terms. Ultimately, however, the Court will make its own decision as to fairness of the proposal regardless of the existence of or magnitude of any support or opposition.

c. Petitions by Class Counsel for an Award of Attorneys’ Fees and Costs and the Class Representatives’ Petitions for Incentive Awards; the Opportunity to Object to These Petitions Has Been Reopened

Prior to announcement of the proposed settlement, Class Counsel had filed petitions for an award of attorneys’ fees (not to exceed one-third of the recovery) and an award of litigation costs and expenses (not to exceed .5% of any recovery). The Class Representatives had also filed petitions seeking incentive awards of 1.5% (in the aggregate to be divided among them) of any recovery. No Class Member filed an objection to the petitions for attorneys’ fees and costs or objected to the petitions by the Class Representatives for incentive awards.

EXHIBIT A

a. Example of Class Member With \$100,000 Claim in State Paying 6% Interest

	With settlement (certainty of recovery is ensured)	Without settlement (assumes no appeal and certainty of recovery, which is disputed for most claims)		
		6 months to payment	18 months to payment	36 months to payment
Total Claim Amount¹	\$100,000	\$101,235	\$103,706	\$107,412
– less 2% reduction	(\$2,000)	0	0	0
– less 5% reserve	(\$5,000)	0	0	0
– less attorneys’ fees	(\$31,300) ²	(\$33,745) ³	(\$34,569) ³	(\$35,804) ³
– less .5% litigation costs	(\$500)	(\$506)	(\$519)	(\$537)
– less 1.5% class rep award ⁴	<u>(\$1,500)</u>	<u>(\$1,519)</u>	<u>(\$1,556)</u>	<u>(\$1,611)</u>
Initial Payment	\$59,700	\$65,466	\$67,063	\$69,460
Potential 5% reserve payment	<u>\$0 to \$5,000</u>	n/a	n/a	n/a
Total Potential Payment	\$59,700 to \$64,700	\$65,466	\$67,063	\$69,460

¹ Assumes compensatory damages represent approximately 41% of claim (consistent with case-wide average).

² Assumes proposed 2% reduction in Class counsel’s fees, from 33 1/3% to 31 1/3%, to be utilized to increase the Settlement Fund. The Court may award a lesser percentage, which could minimize or eliminate any financial impact from the settlement.

³ This assumes that the District Court awards Class counsel a fee of one third of the total recovery. The Court may award a lesser percentage. One of the firms serving as Class counsel, Stearns Weaver Miller, has argued that the maximum fee should be less even if the settlement is not approved.

⁴ Estimated award.

b. Example of Class Member With \$100,000 Claim in State Paying 8% Interest

	With settlement (certainty of recovery is ensured)	Without settlement (assumes no appeal and certainty of recovery, which is disputed for most claims)		
		6 months to payment	18 months to payment	36 months to payment
Total Claim Amount⁵	\$100,000	\$101,647	\$104,941	\$109,882
– less 2% reduction	(\$2,000)	0	0	0
– less 5% reserve	(\$5,000)	0	0	0
– less attorneys' fees	(\$31,300) ⁶	(\$33,882) ⁷	(\$34,980) ⁷	(\$36,627) ⁷
– less .5% litigation costs	(\$500)	(\$508)	(\$525)	(\$549)
– less 1.5% class rep award ⁸	<u>(\$1,500)</u>	<u>(\$1,525)</u>	<u>(\$1,574)</u>	<u>(\$1,648)</u>
Initial Payment	\$59,700	\$65,732	\$67,862	\$71,057
Potential 5% reserve payment	<u>\$0 to \$5,000</u>	n/a	n/a	n/a
Total Potential Payment	\$59,700 to \$64,700	\$65,732	\$67,862	\$71,057

⁵ Assumes compensatory damages represent 41% of claim (consistent with case-wide average).

⁶ Assumes proposed 2% reduction in Class counsel's fees, from 33 1/3% to 31 1/3%, to be utilized to increase the Settlement Fund. The Court may award a lesser percentage, which could minimize or eliminate any financial impact from the settlement.

⁷ This assumes that the District Court awards Class counsel a fee of one third of the total recovery. The Court may award a lesser percentage. One of the firms serving as Class counsel, Stearns Weaver Miller, has argued that the maximum fee should be less even if the settlement is not approved.

⁸ Estimated award.

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