

**ALLAPATTAH V. EXXON CLASS ACTION LAWSUIT
2007 YEAR PAYMENTS**

The following information is provided regarding claimant payments received in connection with the settlement of the Discount for Cash opt-out class action lawsuit against Exxon (*Allapattah v. Exxon Corp.*, Case No. 91-0986-Civ-Gold, U.S. District Court, Southern District of Florida), referred to below as “Settlement Payments.” All claimants who receive a payment in 2007 will receive a Form 1099 from the Claims Administrator in January 2008, and will be provided with a similar document at that time.

Please note that neither the Claims Administrator, nor Class Counsel, nor the Special Master, nor the District Court, nor any person or firm retained by them in connection with the claims administration process may give you any advice regarding your tax reporting and payment obligations. Accordingly, it is very important that you seek independent tax advice regarding your tax obligations arising from a Settlement Payment from persons who will understand your particular circumstances, as we cannot answer any questions regarding your tax reporting and payment obligations. The only information we can provide you is that set forth herein.

Exxon’s conduct that resulted in Settlement Payments

In August 1982, Exxon rolled out a Discount for Cash program in which it imposed a 3% credit cost recovery fee on every credit card sale, while simultaneously promising dealers that wholesale prices for motor fuel (gasoline and diesel) would be reduced by an amount sufficient, on average, to offset that entire fee. This new charge and promised price reduction was purportedly to encourage Exxon dealers to charge customers two separate prices, one for cash sales and one for credit sales. This Discount for Cash program existed until August 28, 1994.

For a brief period, Exxon actually provided the wholesale price reduction. Beginning in March of 1983, however, Exxon carried out a secret plan to eliminate the wholesale price offset while falsely assuring dealers for the next 12 years that the price reduction was still built into the price.

The class action lawsuit against Exxon was brought on behalf of all direct-served dealers, and asserted that Exxon had breached its obligation to set the wholesale price of gasoline in a manner which, on average, would offset the cost to the dealer of the 3% credit card processing fee. A federal court jury found for the dealers, and determined that Exxon had breached its obligation and had overcharged all direct-served dealers on every gallon of motor fuel purchased during the period from March 1, 1983 until August 1, 1994, by the following cents per gallon amount:

Year	Cents per gallon damages	Year	Cents per gallon damages
1983	1.4	1989	1.18
1984	1.4	1990	1.33
1985	1.34	1991	1.24
1986	1.03	1992	1.32
1987	1.04	1993	1.35
1988	1.07	1994	1.33

After Exxon lost multiple appeals, it reached a settlement with the Class, and deposited \$1.075 billion into an account administered by the Court. Of this amount \$15 million was designated to provide a partial repayment of attorneys' fees to eligible claimants from Texas, Arkansas and Arizona, as discussed further below.

Calculation of Claimant's Compensatory Damages, Prejudgment Interest, and, Where Applicable, Award of Partial Attorneys' Fees in Texas, Arkansas and Arizona

Each claimant's gross compensatory damage recovery is calculated by multiplying the number of gallons of motor fuel purchased from Exxon each year by that year's cents per gallon damage figure to determine the annual damage incurred, then adding each annual damage figure to determine total compensatory damages.

In addition, each claimant has been awarded prejudgment interest based on the state interest laws in each state in which Exxon sold motor fuel to its direct served dealers. The calculation of prejudgment interest varies widely based on the many variations in state law. Prejudgment interest is calculated through October 31, 2005, after which no further interest accrues.

Based on state law in Texas, Arkansas and Arizona, claimants who operated stations in these three states were awarded an additional 10% of their recovery to partially offset the amount of attorneys' fees paid to Class Counsel.

The Claims Process

The District Court required each Class Member seeking to receive a Settlement Payment to file and pursue a claim in the Claims Administration Process. To recover money, a claimant is required to prove that a direct-served dealer sales agreement existed between the dealer and Exxon for the purchase of motor fuel, and must establish the dates that the dealer relationship existed pursuant to such a sales agreement. In those circumstances where the claimant is not the actual dealer, the claimant is also required to prove how he or she acquired the right to the claim from the dealer (e.g., by assignment or inheritance). The amount of fuel purchased by each station, the calculation of the cents per gallon overcharge, and the calculation of prejudgment interest is administratively determined without further proof.

Pursuant to the settlement with Exxon, which was approved by the District Court after notice to the class, the total damages and interest for each claim is permanently reduced by 2%. An additional 5% is withheld from each claim and is placed in reserve to ensure sufficient funds to pay all claims (this is known as the "5% reserve."). If sufficient funds remain at the end of the claims process, the 5% reserve will be refunded, possibly with interest. If this occurs, claimants will receive a separate check and a new Form 1099 for the tax year in which the payment is made.

Award of Class Counsel Attorneys' Fees, Costs and Incentive Awards to the Class Representatives

After notice to the class and opportunity to object, the District Court awarded incentive awards to the named Class Representatives in the amount of 1.5% of each claim, and the District Court awarded costs and expenses to be refunded to Class Counsel in the amount of .533% of each claim. The District Court also awarded attorneys' fees of 31.333333% of each claim to the law firms who previously served or are still serving as Class Counsel. The attorneys' fees are calculated by multiplying the 31.333333% against the total recovery after incentive awards and costs and expenses are subtracted.

The Form 1099

PLEASE BE ADVISED THAT CLAIMANTS MAY BE OBLIGATED TO REPORT AND PAY TAX WITH RESPECT TO A DIFFERENT AMOUNT THAN THAT REPORTED ON THEIR FORM 1099 TO THE INTERNAL REVENUE SERVICE AND STATE AND LOCAL TAXING AUTHORITIES. The Form 1099 reports only the amount of the net prejudgment interest payment (i.e., the amount of prejudgment interest received, with a proportional reduction for the Deductions listed above). The Form 1099 does NOT reflect the portion of a recovery that constitutes net compensatory damages. If you and/or your tax advisor determine that you are obligated to report the net compensatory damage portion of your recovery, you can determine that amount by subtracting the amount reported on your Form 1099 from the amount of your actual payment as set forth on your Award. The difference is the portion of your recovery representing net compensatory damages (damages minus associated deductions).

Joint Payees

Claimants receiving a Settlement Payment are permitted to designate one joint payee. With respect to those claims for which a joint payee was designated, a Form 1099 will be issued to the joint payee, which reports the same amount as the Form 1099 provided to the claimant. Each such joint payee should consult with a tax advisor to determine its tax reporting and payment obligations with respect to the Settlement Payment and the amount reported on the Form 1099.

Seek Professional Tax Assistance

As stated above, because of the wide variation in individual circumstances, we cannot provide any advice to you as to how the foregoing factors may affect your tax reporting and payment obligations. We can tell you that the Form 1099 information may deviate from what you are obligated to report to various taxing authorities and that you should seek and obtain professional tax assistance from a licensed professional in your state. Please do not contact the Claims Administrator, Class Counsel, States' Counsel, or the Special Master with any tax questions, as no tax advice is available, and inquiries of this nature detract from our ability to continue processing the thousands of claims that have not yet been adjudicated and paid. Court documents including the Notice of Settlement, the Order approving the Settlement and the Order awarding attorneys' fees and expenses are available, free of charge, at www.exxondealerattorneys.com. Thank you for your cooperation.