

PAUL PSENSKY on his behalf and for all others similarly situated	:	SUPERIOR COURT OF NEW JERSEY
	:	LAW DIVISION
	:	OCEAN COUNTY
Plaintiffs,	:	
	:	DOCKET NO. OCN-L-1593-03
-vs-	:	
	:	
ISLAND HONDA, INC.,	:	
ANDREW LIPPI, individually	:	
and JOHN DOE	:	
	:	
Defendants.	:	

**NOTICE OF CLASS ACTION AND SETTLEMENT**

From the Honorable Edward M. Oles, Presiding Judge, to:

**all purchasers of a motor vehicle from Island Honda, Inc. in a retail transaction during the year 2000, 2001, and 2002.**

This Notice is given to inform potential Class Members of a proposed settlement of claims. If you purchased one or more motor vehicles from Island Honda, Inc. during the year 2000, 2001, or 2002, you may be a Class Member and your rights may be affected.

**PLEASE READ THIS NOTICE CAREFULLY.  
THIS IS NOT A NOTICE OF A LAWSUIT AGAINST YOU.  
YOU MAY BE ENTITLED TO CERTAIN BENEFITS.**

If you are a Class Member and you do not timely file a request to be excluded from participation ("Exclusion Request") then, if the Court grants final approval of the proposed settlement, you will be deemed a "Settlement Class Member." **In order to claim benefits, you must submit a claim form to the Defendant as set forth in section III (b) of this notice.** If the Settlement Agreement becomes effective, Settlement Class Members will be given certain rights in exchange for giving up their claims regarding the Defendant's conduct in allegedly overcharging for title and registration and documentary fees. If you file an Exclusion Request in a timely manner, the terms of the Settlement Agreement will not bind you and you will not receive any benefits under it.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE A CLASS MEMBER AND THE COURT APPROVES THE SETTLEMENT AGREEMENT, YOU WILL BE ENTITLED TO PARTICIPATE UNLESS YOU CHOOSE TO FILE A TIMELY REQUEST TO BE EXCLUDED FROM PARTICIPATION.**

NOTICE IS HEREBY GIVEN, pursuant to Rule 4:32 of the New Jersey Court Rules and an Order of the Superior Court of New Jersey Law Division Ocean County (the "Court"), that a hearing will be held on **May 11, 2007 at 1:30 p.m.**, before the Honorable Edward M. Oles, in the Superior Court of New Jersey Law Division Ocean County, located at 118 Washington Street, Toms River, NJ 08754 . The purpose of the hearing (the "Fairness Hearing") will be to determine (1) whether the proposed settlement of certain claims against the Defendant, as set forth in the Settlement Agreement dated January 15, 2007, and on file with the Court (the "Settlement Agreement") is fair, adequate, reasonable, and in the best interests of the Settlement Class Members, and (2) whether a Judgment should be entered approving the Settlement Agreement and dismissing the pending claims against Defendants.

This Notice contains a summary of the terms of the Settlement Agreement between the Class Representative and Defendants. All terms not defined in this Notice will have the meaning given to them in the Settlement Agreement. For a more detailed statement of the matters involved in this lawsuit and the Settlement Agreement, you are referred to the pleadings, to the Settlement Agreement, and to other papers on file in the case, which may be inspected during regular business hours at the Superior Court of New Jersey Law Division Ocean County, located at 118 Washington St., Toms River, NJ 08754 . You may also obtain a copy of the Settlement Agreement through the sources listed later in this Notice.

## **I. CLASS CERTIFICATION DETERMINATION**

The parties have agreed to the certification of a class for settlement purposes only and the Court has entered an order certifying a settlement class. The Class Members are:

all purchasers of a motor vehicle from Island Honda in a retail transaction during the year 2000, 2001, and 2002.

In its preliminary order, the Court has named Plaintiff Paul Psensky as representative of the class (the "Class Representative"). Class Counsel is Ronald L. Lueddeke, Esq., 215 Morris Ave., Spring Lake, NJ 07762.

The Court has not ruled on the merits of the claims against Defendants or Defendants' defenses to those claims, nor has it made a final determination of the matters to be considered at the Fairness Hearing.

## **II. BACKGROUND OF CLAIMS AND RESPECTIVE VIEWS OF LITIGATION**

Island Honda, Inc. and Andrew F. Lippi were engaged in the automobile sales and service industry. Plaintiff alleges in his complaint that Defendants improperly overcharged for title and registration fees and documentary fees, charged unconscionably high prices for the documentary fees, and did not make required consumer disclosures regarding the fees charged. Plaintiff alleges in his complaint that Defendants' alleged actions constitute violations of the Truth in Consumer Contract, Warranty and Notice Act, the New Jersey Consumer Fraud Act, breach of

contract, and fraud;

Defendants deny each and every one of the allegations of Plaintiff's complaints, specifically denying the material allegations of liability and wrongdoing, and Defendants have asserted various legal, affirmative, and other defenses. Defendants also deny that they have violated any law, deny that they have breached any agreement with, or obligation to, Plaintiff and the Settlement Class, deny any liability to Plaintiff and the Settlement Class for any claims, causes of action, costs, expenses, attorneys' fees, or damages of any kind, and deny the allegations of wrongdoing in the Plaintiff's complaints.

Substantial arms-length settlement negotiations have taken place between the Parties. Plaintiff and his counsel have concluded, in light of the costs, risks, and delay of litigation, particularly in this complex putative class action litigation, that it would be in the best interest of Plaintiff and the Settlement Class to enter into this Settlement Agreement to assure a benefit to Plaintiff and the Settlement Class. Defendants' and their counsel have concluded (despite their belief that they are not liable for the claims asserted) that, in light of the costs, risks, and delay of litigation, particularly in this complex putative class action litigation, that it is appropriate to enter into this Settlement Agreement.

### **III. DESCRIPTION OF THE PROPOSED SETTLEMENT**

The complete terms and conditions of the proposed settlement are contained in the Settlement Agreement. The parties' obligations under the Settlement Agreement do not become effective until final judicial approval, including the expiration of time for the exhaustion of any appeals (the "Effective Date").

Defendants have agreed to incur reasonable costs involved in implementing the settlement, including the costs of distributing notice to Class Members, and the costs of processing Claim Forms, and the costs associated with the settlement claims process.

#### **A. Defendants' Obligations Under the Settlement Agreement**

Defendants agree to provide the following benefits to the Class Members:

(1) For all Class Members who purchased a motor vehicle from Island Honda in a retail transaction during the year 2000, 2001, and 2002, and who properly complete the claims process, the sum of \$125.00 shall be paid.

#### **B. The Claims Process**

If you are and wish to remain a member of the class, you must return the claim form to the Defendant Andrew Lippi within 30 days after the Claim Form and Certification is mailed to you.

No later than thirty (30) days after the Effective Date, Defendants shall distribute to Class Members the Claim Form and Certification via United States mail to all class members who requested it or who are known to be Class Members. Class Members will be deemed to have submitted a timely Claim Form and Certification if the Claim Form and Certification is received by Defendants and is

postmarked on or before a date thirty (30) days after the Claim Form and Certification is mailed by Defendants to class member (the "Return Date").

Defendants shall be entitled to challenge any Claim Form and Certification upon a reasonable belief that either: (a) the claimant is not a Class Member, (b) the claimant has submitted duplicative claims for benefits, and/or (c) the claimant has materially misstated any fact included on the Claim Form and Certification. In the event of a challenge, Defendants shall notify the claimant, Class Counsel, and the Court of the challenge. In all cases where such challenges are presented, the Court, in consultation with the Parties, shall determine procedures for resolving and ruling on the challenge(s). Defendants shall be entitled to withhold settlement benefits as to any persons for which there is a challenge while pending challenges to those benefits are in the process of being resolved by the Court.

### **C. Preliminary Approval of Proposed Settlement**

On January 18, 2007, the Court gave its preliminary approval of the Settlement Agreement, finding that its terms are within the range of reasonableness such that this Notice should be sent to Class Members.

### **D. Attorney Fees and Costs of Notice and Administration**

Class Counsel is entitled to an amount of attorneys' fees, costs, and expenses up to \$152,500.00 (the "Fee Amount"). Defendants agree that this is fair and reasonable and will not object to a fee and reimbursement of expenses request up to that amount.

Upon the Effective Date, Defendants will be obliged to provide benefits to Class Members at the times and to the extent stated in this Settlement Agreement. Distribution of such benefits will be administered by the Defendant Andrew Lippi. The Defendant shall bear the burden of the cost of the settlement claims process.

## **IV. FINAL JUDGMENT AND RELEASES**

### **A. Entry of Final Judgment**

If the Court enters final approval of the proposed settlement (including any modifications or amendments thereto agreed upon by Class Representative and Defendants), it will enter a Final Judgment. If the Court enters a Judgment, it will provide among other things, for the following:

- (1) final approval of the Settlement Agreement and a finding by the Court that the terms and conditions thereof are fair, reasonable, adequate, and in the best interests of the class;
- (2) a finding that the notice given to Class Members of the proposed settlement was the best notice practicable under the circumstances, and that it was given in accordance with the requirements of due process and Rule 4:32 of the New Jersey Court Rules;
- (3) an award to Class Counsel of reasonable attorney fees, costs, and expenses, as determined by the Court;
- (4) dismissal on the merits, and with prejudice to refiling, of the claims against Defendants in this lawsuit; and
- (5) a reservation of exclusive jurisdiction as to all matters related to the administration of the settlement and the Settlement Agreement.

## **B. Release of Class Claims Belonging to Settlement Class Members**

In consideration of the agreement by Defendants to provide the Class Benefits, Settlement Class Members will be deemed to release and discharge Defendants (as defined in the Settlement Agreement) from any liability for the "Claims." The Claims are

Any and all claims that were brought or could have been brought by the Class Representative or by one or more Class Members in this Court, or in any other state court, or in any federal court, or in or before any state or federal administrative agency, or in any other possible proceeding, challenging or contesting the Defendant's alleged practice of overcharging for title and registration fees, overcharging for documentary fees, and failing to make required consumer disclosures regarding such fees.

## **V. FAIRNESS HEARING AND CLASS MEMBERS' OPTIONS**

### **A. Participation in the Settlement as a Settlement Class Member**

If you are a Class Member and do nothing at this time, then you will be treated as a Settlement Class Member. If the Court approves the proposed settlement, Settlement Class Members will be entitled to receive Class Benefits. In addition, any Released Claims that the Settlement Class Members have against Defendants will be resolved by the settlement. Thus, if you are a Settlement Class Member and the proposed settlement is approved, then you will have the rights and responsibilities that result from the Court's Final Judgment.

### **B. Exclusion Requests**

A Class Member may elect to be excluded from the settlement. Any Class Member who elects to be excluded will not share in any Class Benefits or otherwise participate in the settlement, but he or she will not be barred by the Judgment from pursuing individual claims against Defendant in a separate lawsuit.

If you are a Class Member and you want to be excluded from the settlement, then you must expressly state your request to be excluded in a written request (the "Exclusion Request"). You must send the Exclusion Request to: Ronald L. Lueddeke, Esq., 215 Morris Ave., Spring Lake, NJ 07762 by First Class U.S. Mail or hand delivery. You must also include your full name, mailing address, telephone number, and signature in the Exclusion Request in order for it to be valid. The Exclusion Request must be postmarked no later than 14 days prior to the Fairness Hearing.

**IF THE EXCLUSION REQUEST DOES NOT CONTAIN YOUR REQUEST FOR EXCLUSION, FULL NAME, MAILING ADDRESS, TELEPHONE NUMBER, AND SIGNATURE, OR IF AN EXCLUSION REQUEST IS NOT TIMELY MAILED OR HAND DELIVERED, THEN IT SHALL BE AN INVALID EXCLUSION REQUEST. A CLASS MEMBER SENDING AN INVALID EXCLUSION REQUEST SHALL BE TREATED AS IF HE OR SHE DID NOT SEND ANY EXCLUSION REQUEST AT ALL, AND SHALL BE DEEMED TO BE A SETTLEMENT CLASS MEMBER IF THE COURT FINALLY CERTIFIES A CLASS AND APPROVES THE SETTLEMENT AGREEMENT.**

### **C. Objections by Settlement Class Members**

Any Class Member may present written objections, if he or she has any, explaining why the settlement should not be approved as fair, reasonable, adequate, or in the best interests of the Class Members, or why attorneys' fees, costs, and expenses should not be determined and awarded to Class Counsel in the manner contemplated by this Settlement Agreement. Written objections, including the objector's and his or her attorney's (if applicable) full name, address, telephone number, and signature, along with all reasons for objecting to the Settlement, and any other supporting papers, materials, or briefs, must be filed with the Court and must be mailed to the counsel for the Parties. Any such objections must be postmarked no later than 14 days prior to the Fairness Hearing.

The parties' addresses are:

For Defendants:

ANDREW F. LIPPI, ESQ.  
32 Driftwood Dr.  
Key West, FL 33040  
(305)923-6480  
Pro Se for Andrew F. Lippi

For Plaintiff:

RONALD L. LUEDDEKE, ESQ.  
215 Morris Ave.  
Spring Lake, New Jersey 07762  
(732)449-2884

**D. Appearance at the Fairness Hearing**

Any Class Member may appear at the Fairness Hearing upon written request received by the Court and counsel for the Parties at least 14 days prior to the Fairness Hearing. No Class Member or any other person shall be heard or entitled to object at the Fairness Hearing to the approval of the terms and conditions of the settlement, or the manner of determining and awarding attorneys' fees, costs, and expenses to Class Counsel, unless on or before the date 14 days prior to the Fairness Hearing, that person has filed with the Court and served, by hand, or mail upon counsel for the Parties, his or her written objections to the Settlement as described above, copies of any papers and briefs submitted by him or her, and/or a statement expressing the objector's intent to appear at the Fairness Hearing. Any Class Member who does not file written objections to the Settlement and/or provide written notice of his or her intent to appear at the Fairness Hearing, at least 14 days prior to the Fairness Hearing, will not be permitted to object to the Settlement at the Fairness Hearing, and shall be foreclosed from seeking review of the Settlement by appeal or otherwise.

**VII. EXAMINATION OF COURT PAPERS AND INQUIRIES BY CLASS MEMBERS**

The above is only a summary of the terms of the settlement. You may obtain a copy of the Settlement Agreement, Claim Form, or further information concerning the settlement, the Fairness Hearing, the Attorney Fee Hearing, and class benefits by contacting Ronald L. Lueddeke, Esq., 215 Morris Ave., Spring Lake, NJ 07762, (732) 449-2884.

You may seek the advice and guidance of your attorney if you desire. In any event, please **DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE FOR INFORMATION.**

BY ORDER OF THE COURT  
HONORABLE EDWARD M. OLES, J.S.C.  
Dated: January 18, 2007