

**IN THE UNITED STATES COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

TOM KOWA, on behalf of himself and a class of all other persons similarly situated,)	
)	Case No. 1:11-cv-07476
Plaintiff,)	Judge: Harry D. Leinenweber
-vs-)	Magistrate Judge: Maria Valdez
)	
THE AUTO CLUB GROUP,)	
a/k/a AAA Chicago,)	
a/k/a Chicago Motor Club,)	Oral Argument Requested
Defendant.)	

EXHIBIT A
Settlement Agreement

TO

**UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION
SETTLEMENT AGREEMENT, FOR CERTIFICATION OF A SETTLEMENT CLASS
AND FOR PERMISSION TO PROVIDE NOTICE TO THE CLASS**

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**TOM KOWA, on behalf of himself and a)
class of all other persons similarly)
situated,)**

Plaintiff,)

v.)

**THE AUTO CLUB GROUP, a/k/a AAA)
CHICAGO, a/k/a CHICAGO MOTOR)
CLUB,)**

Defendant.)

Case No. 1:11-cv-07476

Judge Harry D. Leinenweber

SETTLEMENT AGREEMENT AND RELEASE

Plaintiff Tom Kowa and Defendant The Auto Club Group hereby enter into this Settlement Agreement and Release in order to effect a full and final settlement and dismissal with prejudice of all claims against ACG alleged in the litigation captioned Kowa v. The Auto Club Group, Case No. 1:11-cv-07476 (N.D. Ill.) on the terms set forth herein. Capitalized terms shall have the meaning ascribed to them in Section II of this Settlement Agreement.

I. RECITALS

WHEREAS, Plaintiff filed the Litigation against ACG on or about October 21, 2011, alleging that he was deprived of a full year of membership benefits because when his membership with ACG was renewed approximately three (3) weeks after expiration, ACG set his next renewal date to one year from the prior expiration date instead of one year from the date of payment. Plaintiff asserted claims for breach of contract, unjust enrichment and violation of the Illinois Consumer Fraud Deceptive Practices Act on behalf of himself and a proposed class of “[a]ll current and former members of [ACG] who paid a full annual renewal fee to [ACG] after the expiration date of his/her prior membership term, and had his/her membership backdated to the prior expiration date.”

WHEREAS, on December 20, 2011, ACG filed an Answer and Affirmative Defenses to Plaintiff's Complaint, denying all material allegations therein and asserting a variety of affirmative defenses. ACG continues to deny all of the allegations in Plaintiff's Complaint and specifically denies that it has engaged in any wrongdoing whatsoever, that it has made any false or misleading statements, that it breached any agreements with Plaintiff or the putative class, that Plaintiff and the putative class were overcharged in any manner and that the action can properly be maintained as a class action.

WHEREAS, between December of 2011 and April of 2013, the Parties conducted extensive written and oral discovery, which included the exchange of thousands of pages of documents and audio recordings, as well as three (3) depositions of representatives of ACG and the deposition of Plaintiff.

WHEREAS, Plaintiff filed a Motion for Class Certification and produced expert reports related to his request for class certification on March 1, 2013.

WHEREAS, prior to the time for ACG to respond to Plaintiff's Motion for Class Certification and expert reports, the Parties began to discuss the possibility of settlement. The Parties then advised the Court that they had engaged in preliminary settlement discussions and requested that the Court enter a temporary stay and refer the Parties to mediation. On April 18, 2013, the Court entered an order referring the Parties to mediation.

WHEREAS, on June 7, 2013, the Parties engaged in a day-long mediation in Chicago, Illinois with the assistance of Hon. Edward A. Bobrick (Ret.) of JAMS. During the mediation, the Parties were able to agree on most of the material terms of a settlement, subject to certain contingencies.

WHEREAS, counsel for Plaintiff have made a thorough investigation of the facts and circumstances surrounding the allegations asserted in the Litigation and have engaged in, and continue to engage in, investigation and discovery of the claims asserted therein.

WHEREAS, Plaintiff and Class Counsel have examined the benefits to be obtained under the terms of this Settlement Agreement, have considered the risks associated with the continued prosecution of the Litigation and believe that it is in the best interests of the Settlement Class that the Litigation be resolved on the terms and conditions set forth in this Settlement Agreement. Counsel for Plaintiff reached that conclusion after considering the factual and legal issues presented in the Litigation, the substantial benefits that members of the Settlement Class will receive as a result of the Settlement Agreement, the risks and uncertainties of continued litigation, the expense that would be necessary to prosecute the Litigation through trial and any appeals that might be taken and the likelihood of success at trial.

WHEREAS, ACG denies each and every allegation of liability, wrongdoing and damages and further denies that the Litigation may be maintained as a class action except for settlement purposes. Nonetheless, without admitting or conceding any liability, damages or any wrongdoing whatsoever and without conceding the appropriateness of class treatment for claims asserted in any future complaint, ACG has agreed to settle the Litigation on the terms and conditions set forth in this Settlement Agreement solely to avoid the substantial expense, inconvenience, burden and disruption of continued litigation.

WHEREAS, the Parties agree and understand that neither this Settlement Agreement nor the Settlement it represents shall be construed as an admission by ACG of any wrongdoing whatsoever, including an admission of a violation of any statute or law or of liability on the claims or allegations in the Litigation.

WHEREAS, the Parties agree and understand that neither this Settlement Agreement nor the Settlement it represents shall be construed or admissible as an admission by ACG that Plaintiff's claims in this Litigation or any other similar claims in other proceedings are or would be suitable for class treatment if the Litigation proceeded through both litigation and trial.

WHEREAS, The Parties desire to compromise and settle all issues and claims that have been brought or could have been brought against the Released Parties arising out of or related to allegations of ACG's billing practices involving the "backdating" of memberships or the claims asserted in the Litigation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties hereto agree as follows, subject to preliminary and final approval from the Court:

II. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meaning set forth below. Where appropriate, terms used in the singular shall be deemed to include the plural and vice versa.

1. ACG. "ACG" shall mean The Auto Club Group, which includes AAA Auto Club South, AAA Chicago, AAA East Tennessee, AAA Michigan, AAA Minnesota/Iowa, AAA Nebraska, AAA North Dakota and AAA Wisconsin.

2. ACG Club. "ACG Club" shall mean the regional clubs or subsidiaries of ACG, namely AAA Auto Club South, AAA Chicago, AAA East Tennessee, AAA Michigan, AAA Minnesota/Iowa, AAA Nebraska, AAA North Dakota and AAA Wisconsin.

3. Attorneys' Fees and Expenses. "Attorneys' Fees and Expenses" means the total award of attorneys' fees, costs and expenses sought by Class Counsel and allowed by the Court.

4. CAFA Notices. “CAFA Notices” shall mean the notice of this Settlement to be served upon State and Federal regulatory authorities as required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.

5. Class Counsel. “Class Counsel” shall mean (a) Daniel C. Levin, Esq. and Charles E. Schaffer, Esq. of Levin, Fishbein, Sedran & Berman, (b) Christopher M. Ellis, Esq. and Shane M. Mendenhall, Esq. of Bolen Robinson & Ellis, LLP, (c) Eric D. Holland, Esq. and R. Seth Crompton, Esq. of Holland, Groves, Schneller & Stolze, LLC and (d) Christopher G. Hayes, Esq. of The Law Offices of Christopher G. Hayes.

6. Class Notice. “Class Notice” shall mean the Court-approved form of notice in substantially the same form as Exhibits A and B, which will notify the Settlement Class of preliminary approval of the Settlement and the scheduling of the Final Approval Hearing, among other things.

7. Court. “Court” shall mean The United States District Court for The Northern District of Illinois, Eastern Division.

8. Days. “Days” shall mean calendar days, except that, when computing any period of time prescribed or allowed by this Settlement Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. Further, when computing any period of time prescribed or allowed by this Settlement Agreement, the last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a Federal or State of Illinois legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or Federal or State of Illinois legal holiday

9. Defense Counsel. “Defense Counsel” shall mean Latham & Watkins LLP.

10. Effective Date. “Effective Date” shall mean the date defined in Section X below.

11. Final. “Final” shall have the meaning defined in Section X, Paragraph B below.

12. Final Approval. “Final Approval” shall mean the date on which the Court enters a Final Order and Judgment finally approving this Settlement Agreement.

13. Final Approval Hearing. “Final Approval Hearing” shall mean the hearing at which the Court will consider and finally decide whether to enter the Final Order and Judgment.

14. Final Order and Judgment. “Final Order and Judgment” shall mean that Court order that finally certifies the class described in Section III, Paragraph A below, approves this Settlement Agreement, approves payment of Attorneys’ Fees and Expenses, and makes such other final rulings as are contemplated by this Settlement Agreement, as defined in Section VIII below, except that any reduction to an award of Attorneys’ Fees and Expenses or to the Service Award shall not constitute a material alteration.

15. Litigation. “Litigation” shall mean Kowa v. The Auto Club Group, Case No. 1:11-cv-07476 (N.D. Ill.), which is pending before Honorable Harry D. Leinenweber in the United States District Court for the Northern District of Illinois, Eastern Division.

16. Mailed Notice. “Mailed Notice” shall mean the notice of the settlement provided to the Settlement Class by first class mail, postage pre-paid, which shall be without material alteration from Exhibit A.

17. Membership Handbook. “Membership Handbook” shall mean the booklet providing information to members of ACG and ACG Clubs regarding their memberships and which is made available at the branch offices for ACG Clubs and on ACG’s website.

18. Notice Program. “Notice Program” shall mean the program for disseminating the Class Notice to the Settlement Class, in accordance with the terms set forth in Section V below.

19. Notice Date. “Notice Date” shall mean the date upon which Mailed Notice is mailed to the Settlement Class in accordance with the terms set forth in Section V, Paragraph C below. If Mailed Notice is mailed to the Settlement Class over a period of days, the Notice Date shall be the date on which the last set of Mailed Notices are mailed.

20. Objection Date. “Objection Date” shall mean the date agreed upon by the Parties or otherwise ordered by the Court by which Settlement Class Members must submit any objection to the Settlement Agreement’s terms or provisions and submit any required statements, proof or other materials and/or argument.

21. Opt Out. “Opt Out” shall mean a member of the Settlement Class who properly and timely submits a Request for Exclusion from the Settlement Class as set forth in Section VI below.

22. Opt Out Deadline. “Opt Out Deadline” shall mean the date agreed upon by the Parties or otherwise ordered by the Court by which any member of the Settlement Class who does not wish to be included in the Settlement Class and participate in the Settlement must complete the acts necessary to properly effect such election to opt out.

23. Opt Out List. “Opt Out List” shall mean a written list prepared by Class Counsel of the names of all members of the Settlement Class who submit timely Requests for Exclusion.

24. Parties. “Parties” shall mean Plaintiff, Settlement Class Members, Class Counsel together with ACG. Plaintiff, Settlement Class Members and Class Counsel shall be referred to as one Party, with ACG being the other Party.

25. Person. “Person” shall mean an individual, corporation, partnership, limited partnership, limited liability company, association, member, joint stock company, estate, legal representative, trust, unincorporated association, any business or legal entity and such individual’s or entity’s spouse, heirs, predecessors, successors, representatives and assignees.

26. Plaintiff. “Plaintiff” shall mean Tom Kowa.

27. Preliminary Approval Date. “Preliminary Approval Date” means the date the Preliminary Approval Order has been executed and entered by the Court and received by counsel for the Parties.

28. Preliminary Approval Order. “Preliminary Approval Order” shall mean the order of the Court preliminarily approving this Settlement Agreement and conditionally certifying a provisional Settlement Class, in substantially the same form as Exhibit C.

29. Published Notice. “Published Notice” shall mean the notice published on the Settlement Website, which shall be without material alteration from Exhibit B.

30. Release. “Release” means the release and discharge, as of the Effective Date, by Plaintiff, Class Counsel and all Settlement Class Members (and their respective successors and assigns who have not excluded themselves from the Settlement Class) of the Release Parties of and from all Released Claims which shall include any and all claims, causes of

action, claims, rights, demands, actions, claims for damages, equitable, legal and/or administrative relief, interest, demands or rights, of any nature whatsoever, known or unknown, suspected or unsuspected, in law, in equity, or otherwise, whether class, individual, or otherwise in nature, including, but not limited to, those arising under state, federal, or other laws, rules, or regulations, that any Settlement Class Member ever had, now has or hereafter can, shall or may have, arising from or relating in any way to any conduct, agreement or omission occurring prior to the Effective Date concerning ACG's membership renewal practices..

31. Released Claims. means any and all claims, actions, causes of action, rights, demands, suits, debts, liens, contracts, agreements, offsets or liabilities, including but not limited to tort claims, claims for breach of contract, breach of the duty of good faith and fair dealing, breach of statutory duties, actual or constructive fraud, misrepresentations, fraudulent inducement, statutory and consumer fraud, breach of fiduciary duty, unfair business or trade practices, restitution, rescission, compensatory and punitive damages, injunctive or declaratory relief, attorneys' fees, interests, costs, penalties and any other claims, whether known or unknown, alleged or not alleged in the Litigation, suspected or unsuspected, contingent or matured, under federal, state or local law, which Plaintiff, Class Counsel and/or any Settlement Class Member had, now have or may in the future have with respect to any conduct, acts, omissions, facts, matters, transactions or oral or written statements or occurrences on or prior to the Preliminary Approval Date arising from or relating to allegations that a member who renewed his or her membership after expiration of the prior membership but within a certain time period but kept his or her prior expiration date was deprived of a full year of membership benefits, as asserted in the Litigation by Plaintiff and the Settlement Class Members, including, without limitation, causes of action for violations of the Illinois Consumer Fraud and Deceptive

Business Practices Act, breach of contract, unjust enrichment and similar claims under the consumer protection and/or deceptive trade practices acts and common law of other states, territories and the District of Columbia.

32. Released Parties. “Released Parties” means ACG, AAA Auto Club South, AAA Chicago, AAA East Tennessee, AAA Michigan, AAA Minnesota/Iowa, AAA Nebraska, AAA North Dakota and AAA Wisconsin and their affiliates and each of their respective past, present and future predecessors, successors, assigns, parents, subsidiaries, affiliates, joint venturers, partnerships, limited liability companies, corporations, unincorporated entities, divisions, groups, directors, officers, shareholders, members, employees, partners, agents, insurers and attorneys.

33. Releasing Parties. “Releasing Parties” means Plaintiff, on behalf of himself and all Settlement Class Members, Class Counsel, each of the Settlement Class Members and the respective heirs, administrators, representatives, attorneys, agents, partners, successors and assigns of each of Plaintiff, Class Counsel and the Settlement Class Members.

34. Renewal Notice. “Renewal Notice” shall mean the mailing sent by ACG or an ACG Club to members whose current memberships have expired and who have not paid their renewal dues prior to their expiration dates.

35. Request for Exclusion. “Request for Exclusion” shall mean any request by any member of the Settlement Class for exclusion from the Settlement Class in compliance with Section VI below.

36. Service Awards. “Service Awards” means compensation for Plaintiff, as defined in Section IV, Paragraph D below, for the time and effort undertaken in this Litigation, which shall be subject to Court approval.

37. Settlement. “Settlement” shall mean the agreement by Plaintiff and ACG to resolve the Litigation, the terms of which have been memorialized in this Settlement Agreement.

38. Settlement Agreement. “Settlement Agreement” shall mean this Settlement Agreement, including any amendment hereto pursuant to Section VIII, Paragraph A(15) below, and all the exhibits attached hereto.

39. Settlement Class. “Settlement Class” shall mean all Persons who at any time on or after November 1, 2005 and before the Preliminary Approval Date renewed their membership with ACG or an ACG Club and paid their renewal membership dues more than 15 days after expiration of their prior membership, but whose new membership term was deemed by ACG or an ACG Club to have begun on the prior expiration date, subject to the exclusions stated in Section III, Paragraph A(i) - A(iii) below.

40. Settlement Class Members. “Settlement Class Members” shall mean all Persons in the Settlement Class who do not exclude themselves pursuant to Section VI below.

41. Settlement Website. “Settlement Website” means Kowasettlement.com, which will be a dedicated website created and maintained by Epiq Systems and will contain relevant documents and information about the Settlement including this Settlement Agreement, the Published Notice and other documents that Class Counsel and Defense Counsel agree upon.

III. PRELIMINARY CERTIFICATION OF SETTLEMENT CLASS

A. The Parties stipulate to certification, for settlement purposes only, of the class defined as:

All Persons who, at any time between November 1, 2005 and the Preliminary Approval Date, renewed their memberships with ACG or an ACG Club and paid their renewal membership dues more than 15 days after expiration of their prior memberships, but whose new membership terms were deemed by ACG or an ACG Club to have begun on their prior expiration date.

Specifically excluded are the following Persons:

- (i) ACG and its subsidiaries and affiliates, employees, officers, directors, agents and representatives and their family members;
- (ii) Class Counsel;
- (iii) The judges who have presided over the Litigation; and
- (iv) All Persons who have timely elected to become Opt Outs from the Settlement Class in accordance with the Court's orders.

B. After execution of this Settlement Agreement, the Parties shall promptly move the Court for entry of a Preliminary Approval Order in substantially the same form as Exhibit C, which by its terms shall:

- 1. Preliminarily approve the terms of the Settlement Agreement;
- 2. Certify the Settlement Class for purposes of this Settlement Agreement only;
- 3. Find that the proposed Settlement is sufficiently fair, reasonable and adequate to warrant providing notice to the Settlement Class;
- 4. Approve the contents of the Class Notice and the Notice Program;
- 5. Find that the Notice Program (a) is reasonable and constitutes due, adequate and sufficient notice to all Persons entitled to receive notice, (b) is reasonably calculated, under the circumstances, to apprise the Settlement Class of the pendency of the Litigation and of their right to object to or to exclude themselves from the Settlement and (c) meets all applicable requirements of applicable law;
- 6. Require each member of the Settlement Class who wishes to exclude himself or herself from the Settlement Class to submit an appropriate, timely Request for Exclusion in accordance with the procedure outlined in Section VI below;

7. Preliminarily enjoin all members of the Settlement Class unless and until they have timely excluded themselves from the Settlement Class from (a) filing, commencing, prosecuting, intervening in or participating as plaintiff, claimant, participant or class member in any other lawsuit or administrative, regulatory, arbitration or other proceeding in any jurisdiction based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation and/or the Released Claims; (b) filing, commencing, participating in or prosecuting a lawsuit or administrative, regulatory, arbitration or other proceeding as a class action on behalf of any member of the Settlement Class who has not timely excluded himself or herself (including by seeking to amend a pending Complaint to include class allegations or seeking class certification in a pending action), based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation or the Released Claims; and (c) attempting to effect Opt Outs of a class of individuals in this lawsuit or any other lawsuit or administrative, regulatory, arbitration or other proceeding based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation or the Released Claims. This Settlement Agreement is not intended to prevent Settlement Class Members from participating in any action or investigation initiated by a State or Federal agency;

8. Order that any member of the Settlement Class who does not submit a timely, written Request for Exclusion from the Settlement Class (i.e., becomes an Opt Out) will be bound by all proceedings, orders and judgments in the Litigation, even if such Settlement Class Member has previously initiated or subsequently initiates individual litigation or other proceedings encompassed by the Release;

9. Require each Settlement Class Member who is not an Opt Out and who wishes to object to the fairness, reasonableness or adequacy of this Settlement Agreement or any part of the Settlement to file with the Court and serve on Class Counsel a statement of the objection in accordance with the procedures outlined in Section VII below;

10. Require any response to an objection shall be filed with the Court no later than fourteen (14) days prior to the Final Approval Hearing;

11. Specify that any Settlement Class Member who does not file a timely, written objection to the Settlement or who fails to otherwise comply with the requirements of Section VII below shall be foreclosed from seeking any adjudication or review of this Settlement by appeal or otherwise;

12. Require that any attorney hired by a Settlement Class Member will be at the Settlement Class Member's expense for the purpose of objecting to this Settlement Agreement or to any portion of the Settlement;

13. Require that any attorney hired by a Settlement Class Member for the purpose of objecting to the Settlement and who intends to make an appearance at the Final Approval Hearing to provide to Class Counsel and Defense Counsel and to file with the Clerk of the Court a notice of intention to appear no later than sixty (60) days after the Notice Date or as the Court may otherwise direct;

14. Require any Settlement Class Member who files and serves a written objection and who intends to make an appearance at the Final Approval Hearing to provide to Class Counsel and Defense Counsel and to file with the Clerk of the Court a notice of intention to appear no later than sixty (60) days after the Notice Date or as the Court otherwise may direct;

15. Direct that Class Counsel shall file their applications for the Attorneys' Fees and Expenses and Plaintiff's Service Awards in accordance with the terms set forth in Section IV, Paragraphs C and D;

16. Schedule a Final Approval Hearing to review comments regarding the proposed Settlement and to consider the fairness, reasonableness, and adequacy of the proposed Settlement and the application for an award of attorneys' fees and reimbursement of expenses, and to consider whether the Court should issue a Final Order and Judgment approving the Settlement, granting Class Counsel's application for fees and expenses, granting the incentive awards application by Plaintiff and dismissing the claims against ACG with prejudice; and

17. Contain any additional provisions agreeable to the Parties that might be necessary or advisable to implement the terms of this Settlement Agreement and the proposed settlement.

IV. SETTLEMENT TERMS

A. Subject to the terms of this Settlement Agreement, the following benefits will be provided to Settlement Class Members:

1. Settlement Class Members who are current members with ACG or an ACG Club will receive thirteen (13) months of membership, as opposed to twelve (12) months of membership, upon their first renewal with ACG or an ACG Club after the Effective Date.

2. Settlement Class Members who are former members with ACG or an ACG Club are entitled to receive the same benefit as current members described above in Paragraph A(1), provided that they first re-enroll with ACG or an ACG Club within two (2) years of the Effective Date. Former members who are re-enrolling in order to receive the benefits of this Settlement will not be charged a new member fee at the time of their re-enrollment.

3. The Parties acknowledge that the list of the Settlement Class was compiled pursuant to the mutually-agreed upon definition of the Settlement Class.

B. ACG will amend the disclosures in its Membership Handbook and Renewal Notices as follows:

1. Within six (6) months of the Effective Date and for a period of two (2) years thereafter, ACG and all ACG Clubs will include the following disclosure on the page of the Membership Handbook entitled “Renewing Your Membership:”

Prior to the expiration of your membership, you will receive one or more renewal notices. These notices will state the term of your next membership period, the names of the primary and associate members and the total dues to be paid. To renew your membership, please remit your dues before your current membership expires. If you pay your membership renewal within 60 days after expiration of your current membership term, your renewed membership will expire one year after the current term expires. If you pay your membership renewal more than 60 days after your current term expires, your new term will begin when payment is received and will expire no less than one year from the day payment is received.

2. Within six (6) months of the Effective Date and for a period of two (2) years thereafter, ACG and all ACG Clubs will include the following disclosure on the front of their Renewal Notices in 10-point type:

If you pay your membership renewal within 60 days after expiration of your current membership term, your renewed membership will expire one year after the current term expires. For renewal, cancellation and refund policies, please see AAA.com.

3. The foregoing will not preclude ACG from using membership materials printed before the Effective Date, irrespective of whether they contain the disclosure set forth in Paragraphs B(1) and B(2) above.

C. Class Counsel will petition the Court for an award of Attorneys’ Fees and Expenses in the amount not to exceed \$750,000. ACG will not oppose Class Counsel’s application for said award of fees and expenses. If approved by the Court, Class Counsel’s

Attorneys' Fees and Expenses will be paid no later than seven (7) days after Final Approval, subject to the other provisions of this Settlement Agreement and provided that Class Counsel has first provided ACG with completed W-9 forms and completed wire transfer forms. Class Counsel agrees to hold harmless and to return promptly with interest any monies paid in connection with this paragraph in the event that the Settlement is overturned on appeal or otherwise does not become Final. Class Counsel agrees that upon payment by ACG of the Attorneys' Fees and Expenses as directed by the Court, pursuant to the wire transfer information provided by Class Counsel, ACG's obligations to Class Counsel shall be fully satisfied and discharged, and Class Counsel shall have no further or other claim against ACG, including but not limited to a claim for enforcement of any attorneys' lien.

D. ACG agrees not to oppose an application for a Service Award not to exceed \$5,000 to Plaintiff. If approved by the Court, the Service Award will be paid no later than seven (7) days after Final Approval, provided that Plaintiff has first provided ACG with completed W-9 forms and completed wire transfer forms. Plaintiff agrees to hold harmless and to return promptly with interest any monies paid in connection with this paragraph in the event that the Settlement is overturned on appeal or otherwise does not become Final.

V. NOTIFICATION TO CLASS MEMBERS

A. The Parties agree that the following Notice Program provides reasonable notice to the Settlement Class.

B. ACG will bear all costs in providing Class Notice to the Settlement Class.

C. Within sixty (60) days of the entry of the Preliminary Approval Order, Epiq Systems, under the direction of ACG, will mail the Court-approved Mailed Notice (Exhibit A) to all individuals at their last known or readily ascertainable address by first-class mail, postage prepaid.

D. Within fourteen (14) days of the entry of the Preliminary Approval Order, Epiq Systems, under the direction of ACG, will cause the Settlement Website located at Kowasettlement.com to be updated to provide information and relevant documents related to this Settlement, including but not limited to, the following: applicable deadlines; Published Notice; Mailed Notice; FAQs and answers; orders of the Court pertaining to the Settlement; this Settlement Agreement; and contact addresses for questions. The Settlement Website shall be rendered inactive thirty (30) days after the Effective Date. Class Counsel and Defense Counsel shall agree on all information and documents to be posted on the Settlement Website.

E. Class Counsel, Defense Counsel and ACG will cooperate in the Notice Program by providing one another with information necessary to affect notice to the Settlement Class.

F. As appropriate, Class Counsel, ACG and/or Epiq Systems shall provide an affidavit to the Court attesting to the Notice Program and all measures undertaken to provide notice of the Settlement to the Settlement Class no later than twenty-one (21) days before the Final Approval Hearing.

VI. REQUESTS FOR EXCLUSION BY SETTLEMENT CLASS MEMBERS

A. The provisions of this paragraph shall apply to any Request for Exclusion. Any member of the Settlement Class may make a Request for Exclusion by mailing or delivering such request in writing to Class Counsel. Any Request for Exclusion must be postmarked or delivered not later than the Opt Out Deadline. Any Request for Exclusion must: (i) have the signature of the member of the Settlement Class, even if represented by counsel, (ii) state the name, address and telephone number of the Person requesting exclusion and (iii) contain a clear statement communicating that such Person elects to be excluded from the Settlement, does not wish to be a Settlement Class Member and elects to be excluded from any judgment entered

pursuant to the Settlement. A member of the Settlement Class may opt out on an individual basis only; so-called “mass” or “class” opt outs shall not be allowed.

B. Any member of the Settlement Class who submits a timely Request for Exclusion may not file an objection to the Settlement and shall be deemed to have waived any rights or benefits under this Settlement Agreement. If the Person requesting exclusion is represented by counsel, the Request for Exclusion shall also be signed by the attorney who represents him or her.

C. Not later than three (3) business days after the deadline for submission of Requests for Exclusion, Class Counsel shall provide an Opt Out List to Defense Counsel together with copies of each Request for Exclusion. Class Counsel and Defense Counsel shall submit the names appearing on the Opt Out List to the Court under seal at the time of the Final Approval Hearing.

D. Any member of the Settlement Class who has not timely and properly filed a written Request for Exclusion from the Settlement Class shall be bound by this Settlement and by all subsequent procedures, orders and judgments in this action.

E. Any member of the Settlement Class who elects to Opt Out of the Settlement Class pursuant to this Section shall not be entitled to relief under or be affected by the Settlement Agreement.

F. Class Counsel agree that they will not represent any Persons who opt out of the Settlement in asserting claims against ACG that are the subject of this Settlement Agreement.

VII. OBJECTIONS BY SETTLEMENT CLASS MEMBERS

A. Any Settlement Class Member who wishes to be heard at the Final Approval Hearing, or who wishes for any objection to be considered, must file a written notice of objection by the Objection Date. Such objection must (i) state the name, address and telephone number of

the Person objecting, (ii) contain a detailed statement of each objection asserted, including the grounds for objection and reasons for appearing and being heard, together with any documents such Person wishes to be considered in support of the objection and (iii) contain a statement regarding whether he or she intends to appear at the Final Approval Hearing, either with or without counsel. If the Settlement Class Member that is objecting to the Settlement is represented by counsel, the objection shall also be signed by that attorney.

B. The agreed-upon procedures and requirements for filing objections in connection with the Final Approval Hearing are intended to ensure the efficient administration of justice and the orderly presentation of any Settlement Class Members' objections to the Settlement Agreement, in accordance with such Settlement Class Members' due process rights. The Preliminary Approval Order and Class Notice will require all Settlement Class Members who have any objections to file such notice of objection or request to be heard with the Clerk of the Court, and serve by mail or hand delivery such notice of objection or request to be heard, including all papers or evidence in support thereof, upon one of the Class Counsel and Defense Counsel, at the addresses set forth in the Class Notice, no later than the Objection Date. The Preliminary Approval Order will further provide that objectors who fail to properly or timely file their objections with the Clerk of the Court, along with the required information and documentation set forth above, or to serve them as provided above, shall not be heard during the Final Approval Hearing, nor shall their objections be considered by the Court.

C. In accordance with law, only Settlement Class Members who have objected to the Settlement pursuant to the terms above may appeal any Final Order and Judgment. The proposed Final Order and Judgment shall provide that any Settlement Class Member who wishes to appeal the Final Order and Judgment, which appeal will delay the distribution of benefits to

the Settlement Class, may be required to post a bond as required by the Court in an amount to be determined by the Court as a condition of prosecuting such appeal.

**VIII. FINAL ORDER AND JUDGMENT, RELEASE,
DISMISSAL OF ACTION AND JURISDICTION OF COURT**

A. If this Settlement Agreement (including any modification thereto made with the consent of the Parties as provided for herein) is approved by the Court following the Final Approval Hearing scheduled by the Court in its Preliminary Approval Order, the Parties shall request the Court to enter a Final Order and Judgment pursuant to the Federal Rules of Civil Procedure and all applicable laws, that, among other things:

1. Finds that the Court has and retains personal jurisdiction over Plaintiff and all Settlement Class Members and that the Court has subject matter jurisdiction to approve this Settlement and Settlement Agreement and all exhibits thereto;

2. Certifies a Settlement Class solely for purposes of this Settlement;

3. Grants final approval to this Settlement Agreement as being fair, reasonable and adequate as to all Parties, consistent and in compliance with all requirements of due process and applicable law and in the best interests of all Parties and directs the Parties and their counsel to implement and consummate this Settlement Agreement in accordance with its terms and provisions;

4. Declares this Settlement Agreement and the Final Order and Judgment to be binding on and to have res judicata and preclusive effect in all pending and future lawsuits or other proceedings encompassed by the Release maintained by or on behalf of Plaintiff, Class Counsel and all other Settlement Class Members, as well as their agents, heirs, executors or administrators, successors and assigns;

5. Finds that the Notice Program implemented pursuant to this Settlement Agreement: (a) constituted reasonable notice; (b) constituted notice that was reasonably calculated under the circumstances to apprise Settlement Class Members of the pendency of the Litigation, of their right to object to or exclude themselves from the proposed Settlement, of their right to appear at the Final Approval Hearing and of their right to seek relief; (c) constituted reasonable, due, adequate and sufficient notice to all Persons entitled to receive notice; and (d) met all applicable requirements of due process and any other applicable law;

6. Finds that Class Counsel and Plaintiff adequately represented the Settlement Class for purposes of entering into and implementing the Settlement and Settlement Agreement;

7. Dismisses the Litigation now pending before the Court on the merits and with prejudice and without fees or costs except as provided herein, in accordance with the terms of the Final Order and Judgment as set forth herein;

8. Adjudges that Plaintiff and the Settlement Class have conclusively compromised, settled, dismissed and released any and all Released Claims against ACG and the Released Parties;

9. Approves payment of the Attorneys' Fee and Expenses to Class Counsel and Plaintiff's Service Awards in a manner consistent with Section IV, Paragraphs C and D above;

10. Without affecting the finality of the Final Order and Judgment for purposes of appeal, reserves jurisdiction over ACG, Plaintiff, Class Counsel and the Settlement Class Members as to all matters relating to the administration, consummation, enforcement and

interpretation of the terms of the Settlement and Final Order and Judgment and for any other necessary purposes;

11. Provides that upon the Effective Date, Plaintiff and all Settlement Class Members who have not been excluded from the Settlement Class shall be barred from asserting any Released Claims against ACG or any Released Parties, and any such Settlement Class Members shall have released any and all Released Claims as against ACG and all Released Parties;

12. Determines that the Settlement Agreement and the Settlement provided for herein and any proceedings taken pursuant thereto are not and should not in any event be offered or received as evidence of, a presumption, concession or an admission of liability or of any misrepresentation or omission in any statement or written document approved or made by ACG or any Released Parties or of the suitability of these or similar claims to class treatment in active litigation and trial; provided, however, that reference may be made to this Settlement Agreement and the Settlement provided for herein in such proceedings as may be necessary to effectuate the Agreement;

13. Bars and permanently enjoins all Settlement Class Members who have not been properly excluded from the Settlement Class from (a) filing, commencing, prosecuting, intervening in or participating (as class members or otherwise) in any other lawsuit or administrative, regulatory, arbitration or other proceeding in any jurisdiction based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation or the Released Claims and (b) organizing Settlement Class Members who have not been excluded from the class into a separate class for purposes of pursuing as a purported class action any lawsuit or arbitration or other proceeding (including by seeking to amend a pending

Complaint to include class allegations or seeking class certification in a pending action) based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation or the Released Claims, except that Settlement Class Members are not precluded from participating in any investigation or suit initiated by a state or federal agency;

14. Approves the Opt Out List and determines that the Opt Out List is a complete list of all members of the Settlement Class who have timely requested exclusion from the Settlement Class and, accordingly, shall neither share in nor be bound by the Final Order and Judgment; and

15. Authorizes the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications and expansions of this Agreement and all Exhibits hereto as (a) shall be consistent in all material respects with the Final Order and Judgment and (b) do not limit the rights of the Parties or Settlement Class Members.

B. As of the Effective Date, the Releasing Parties are deemed to have fully released and forever discharged the Released Parties of and from all Released Claims by operation of entry of the Final Order and Judgment and Order of Dismissal. Without in any way limiting the scope of the Release, this Release covers, without limitation, any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or any other counsel representing Plaintiff or Settlement Class Members, or any of them, in connection with or related in any manner to the Litigation, the Settlement, the administration of such Settlement and/or the Released Claims as well as any and all claims for Service Awards to Plaintiff.

C. Subject to Court approval, all Settlement Class Members who have not excluded themselves from the Settlement Class shall be bound by this Agreement and the Release and all

of their claims shall be dismissed with prejudice and released, irrespective of whether they received actual notice of the Litigation or this Settlement.

D. The Releasing Parties and the Released Parties expressly acknowledge that they are familiar with principles of law such as Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MIGHT HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Notwithstanding California or other law, the Releasing Parties and the Released Parties hereby expressly agree that the provisions, rights and benefits of Section 1542 and all similar federal or state laws, rights, rules or legal principles of any other jurisdiction that may be applicable herein are hereby knowingly and voluntarily waived, released and relinquished to the fullest extent permitted by law solely in connection with unknown claims that are the same as, substantially similar to, or overlap the Released Claims, and the Releasing Parties and the Released Parties hereby agree and acknowledge that this is an essential term of the Releases. In connection with the Releases, the Releasing Parties and the Released Parties acknowledge that they are aware that they may hereafter discover claims presently unknown and unsuspected or facts in addition to or different from those which they now know or believe to be true with respect to matters released herein, and that such claims, to the extent that they are the same as, substantially similar to, or overlap the Released Claims, are hereby released, relinquished and discharged.

E. Nothing in the Releases shall preclude any action to enforce the terms of this Agreement, including participation in any of the processes detailed herein.

IX. WITHDRAWAL FROM OR TERMINATION OF SETTLEMENT

A. Within fifteen (15) days after the occurrence of any of the following events and upon written notice to counsel for all Parties, a Party shall have the right to withdraw from the Settlement and terminate this Settlement Agreement:

1. If the Court fails to approve the Settlement Agreement as written or if on appeal the Court's approval is reversed or modified;

2. If the Court materially alters any of the terms of the Settlement Agreement; or

3. If the Preliminary Approval Order, as described in Section III above, or the Final Order and Judgment, as described in Section VIII above, is not entered by the Court or is reversed or modified on appeal, or otherwise fails for any reason. In the event of a withdrawal pursuant to this Paragraph, any certification of a Settlement Class will be vacated, without prejudice to any Party's position on the issue of class certification and the amenability of the claims asserted in the Litigation to class treatment, and the Parties shall be restored to their litigation position existing immediately before the execution of this Settlement Agreement.

B. If Settlement Class Members properly and timely submit requests for exclusion from the Settlement Class as set forth in Section VI above, thereby becoming Opt Outs and are in a number more than 1,000, then ACG may withdraw from the Settlement and terminate this Settlement Agreement. In that event, all of ACG's obligations under this Settlement Agreement shall cease to be of any force and effect; the certification of the Settlement Class shall be vacated without prejudice to ACG's position on the issue of class certification; and the Parties shall be restored to their litigation position existing immediately before the execution of this Settlement Agreement.

C. In order to elect to withdraw from the Settlement and terminate this Settlement Agreement on the basis set forth in Paragraph B above, ACG must notify Class Counsel in writing of its election to do so within ten (10) business days after being served with the Opt Out List from Class Counsel.

D. In the event that ACG exercises such right, Class Counsel shall have thirty (30) business days or such longer period as agreed to by the Parties to address the concerns of the Opt Outs. If through such efforts the total number of members of the Opt Out List subsequently becomes and remains fewer than 1,000, ACG shall withdraw its election to withdraw from the Settlement and terminate the Settlement Agreement. In no event, however, shall ACG have any further obligation under this Settlement Agreement to any Opt Out unless such Settlement Class Member withdraws his/her Request for Exclusion.

E. For purposes of this Section IX, Opt Outs shall not include (i) Persons who are specifically excluded from the Settlement Class under Section III, Paragraph A(i) - A(iii) of the Settlement Agreement, (ii) Opt Outs who elect to withdraw their Request for Exclusion and therefore become Settlement Class Members and (iii) Opt Outs who agree to sign an undertaking that they will not pursue an individual claim, class claim or any other claim that would otherwise be a Released Claim as defined in this Settlement Agreement.

F. In the event of withdrawal by ACG in accordance with the terms set forth in Paragraph B above, the Settlement Agreement shall be null and void, shall have no further force and effect with respect to any Party in the Litigation and shall not be offered in evidence or used in any litigation for any purpose, including the existence, certification or maintenance of any proposed or existing class or as evidence of or as an argument for the amenability of these or similar claims to class treatment. In the event of such withdrawal, this Settlement Agreement

and all negotiations, proceedings, documents prepared and statements made in connection herewith shall be without prejudice to ACG, Plaintiff and the Settlement Class Members and shall not be deemed or construed to be an admission or confession in any way by any Party of any fact, matter or proposition of law and shall not be used in any manner for any purpose, and the Parties to the Litigation shall stand in the same position as if this Settlement Agreement had not been negotiated, made or filed with the Court.

X. EFFECTIVE DATE

A. The Effective Date of this Settlement Agreement shall be fourteen (14) days after the date when each and all of the following conditions have occurred:

1. This Settlement Agreement has been fully executed by all Parties and their counsel;
2. Orders have been entered by the Court certifying the Settlement Class, granting preliminary approval of this Settlement Agreement and approving the form of Class Notice, all as provided above;
3. Class Notice has been sent by means of the Notice Program, as provided above;
4. The Court has entered a Final Order and Judgment finally approving this Settlement Agreement, as provided above;
5. ACG and all ACG Clubs have converted their membership databases to a uniform POC database system, which is scheduled to occur in June, 30 2014, but shall occur no later than October 1, 2014; and
6. The Final Order and Judgment has become Final as defined in Paragraph B below.

B. “Final,” when referring to a judgment or order means that (1) the judgment is a final, appealable judgment and (2) either (a) no appeal has been taken from the judgment as of the date on which all times to appeal therefrom have expired or (b) an appeal or other review proceeding of the judgment having been commenced, such appeal or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions or rehearing or re-argument, petitions for rehearing en banc, petitions for writ of certiorari, or otherwise, and such appeal or other review has been finally resolved in a manner that affirms the Final Order and Judgment in all material respects.

C. If, for any reason, this Settlement Agreement fails to become Final pursuant to the foregoing Paragraph B, the orders, judgment and dismissal to be entered pursuant to this Settlement Agreement shall be vacated, and the Parties will be returned to the status quo ante with respect to the Litigation as if this Settlement Agreement had never been entered into.

XI. REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Class Counsel, who are signatories hereof, represent and warrant that they have the authority, on behalf of Plaintiff, to execute, deliver, and perform this Settlement Agreement and to consummate all of the transactions contemplated hereby. This Settlement Agreement has been duly and validly executed and delivered by Class Counsel and Plaintiff and constitutes their legal valid and binding obligation.

B. ACG, through its undersigned attorneys, represents and warrants that it has the authority to execute, deliver, and perform this Settlement Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by ACG of this Settlement Agreement and the consummation by ACG of the actions contemplated hereby have been duly authorized by all necessary corporate action on the part of ACG. This Settlement

Agreement has been duly and validly executed and delivered by ACG and constitutes its legal, valid and binding obligation.

XII. ADDITIONAL PROVISIONS

A. This Settlement Agreement and the exhibits and related documents hereto as well as any payment of moneys or any other action taken by ACG pursuant to any provision of this Settlement Agreement are not and shall not at any time be construed or deemed to be or to evidence any admission against or concession by ACG with respect to any wrongdoing, fault or omission of any kind whatsoever, regardless of whether or not this Settlement Agreement results in entry of a Final Order and Judgment as contemplated herein. This Settlement Agreement shall not be offered or be admissible in evidence against the Parties or cited or referred to in any action or proceeding, except in an action or proceeding brought to enforce its terms. ACG denies any liability to Plaintiff and to all members of the Settlement Class. This provision shall survive the expiration or voiding of the Settlement Agreement.

B. This Settlement Agreement is entered into only for purposes of settlement. In the event that the Effective Date does not occur for any reason or the Final Order and Judgment is not entered, then this Settlement Agreement, including any Releases or dismissals hereunder, is canceled and null and void. In the event this Settlement Agreement is cancelled or deemed cancelled, no term or condition of this Settlement Agreement, or any draft thereof, or of the discussion, negotiation, documentation or other part or aspect of the Parties' settlement discussions shall have any effect, nor shall any such matter be admissible in evidence for any purpose, or used for any purposes whatsoever in the Litigation or in any other litigation, and all Parties shall be restored to their prior rights positions as if the mediation had never occurred and the Settlement Agreement had not been entered into.

C. The Parties stipulate to stay all proceedings in the Litigation until the approval of this Settlement Agreement has been finally determined, except the stay of proceedings shall not prevent the filing of any motions, affidavits and other matters necessary to obtain and preserve final judicial approval of this Settlement Agreement.

D. The headings of the sections and paragraphs of this Settlement Agreement are included for convenience only and shall not be deemed to constitute part of this Settlement Agreement or to affect its construction.

E. This Settlement Agreement, including all exhibits attached hereto, may not be modified or amended except in writing signed by all of the Parties or their counsel.

F. There shall be no waiver of any term or condition absent an express writing to that effect by the non-waiving Party. No waiver of any term or condition in this Settlement Agreement shall be construed as a waiver of a subsequent breach or failure of the same term or condition or waiver of any other term or condition of this Settlement Agreement.

G. In the event that there are any developments in the effectuation and administration of this Settlement Agreement that are not dealt with by the terms of this Settlement Agreement, then such matters shall be dealt with as agreed upon by the Parties, and failing agreement, as shall be ordered by the Court. The Parties shall execute all documents and use their best efforts to perform all acts necessary and proper to promptly effectuate the terms of this Settlement Agreement and to take all necessary or appropriate actions to obtain judicial approval of this Settlement Agreement in order to give this Settlement Agreement full force and effect. The executing of documents must take place prior to the date scheduled for the Preliminary Approval Hearing.

H. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

I. This Settlement Agreement shall be governed by and construed in accordance with the substantive laws of the State of Illinois, without giving effect to any choice or conflict of law provision, or rule that would cause the application of the laws of any other jurisdiction.

J. Except as otherwise provided in this Settlement Agreement, each party to this Settlement Agreement shall bear his or its own costs of the Litigation.

K. No Person shall have any claim against Plaintiff, Class Counsel, ACG, Defense Counsel, Epiq Systems or the Released Parties or their agents based on administration of the Settlement substantially in accordance with the terms of the Settlement Agreement or any order of the Court or any appellate court.

L. Plaintiff represents and warrants that no portion of any claim, right, demand, action or cause of action against the Released Parties that Plaintiff has or may have arising out of any allegations made in any of the actions comprising the Litigation or pertaining to any of the Released Claims, and no portion of any recovery or settlement to which Plaintiff may be entitled, has been assigned, transferred or conveyed by or for Plaintiff in any manner or is subject to an attorneys' lien; and no Person other than Plaintiff has any legal or equitable interest in the claims, demands, actions, or causes of action referred to in this Settlement Agreement as those of Plaintiff.

M. If any clause, provision or paragraph of this Settlement Agreement shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision or paragraph of this Settlement Agreement, and this

Settlement Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, paragraph or other provisions had not been contained herein.

N. The Parties to this Settlement Agreement reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extensions of time that might be necessary to carry out any of the provisions of this Settlement Agreement.

O. All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Agreement.

P. Within thirty (30) days after the Effective Date, Class Counsel and Defense Counsel will return all confidential material produced by one to the other in discovery or otherwise in connection with the Litigation.

Q. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Parties.

R. The determination of the terms of and the drafting of this Settlement Agreement, including its exhibits, has been by mutual agreement after negotiation, with consideration by and participation of all Parties and their counsel. Since this Settlement Agreement was drafted with the participation of all Parties and their counsel, the presumption that ambiguities shall be construed against the drafter does not apply. Each of the Parties was represented by competent and effective counsel throughout the course of settlement negotiations and in the drafting and execution of this Settlement Agreement, and there was no disparity in bargaining power among the Parties to this Settlement Agreement. In entering into this Settlement Agreement, none of the Parties relied on advice received from any other Party or any other Party's counsel.

S. Integrated Agreement:

1. All of the exhibits to this Settlement Agreement are material and integral parts hereof, and are fully incorporated herein by reference.

2. This Settlement Agreement and the exhibits thereto constitute the entire, fully integrated agreement among the Parties and cancel and supersede all prior written and unwritten agreements and understandings pertaining to the Settlement of the Litigation. The Parties acknowledge, stipulate and agree that no covenant, obligation, condition, representation, warranty, inducement, negotiation or understanding concerning any part of the subject matter of this Settlement Agreement has been made or relied on except as expressly set forth herein.

T. Any notice, request or instruction or other document to be given by any party to this Settlement Agreement to any other party to this Settlement Agreement (other than the Class Notice and CAFA Notices) shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid to the following addresses:

All Notices to Class Counsel or Plaintiff shall be sent to:

Christopher M. Ellis
Shane M. Mendenhall
Bolen Robinson & Ellis, LLP
202 S. Franklin Street, 2nd Floor
Decatur, Illinois 62523

Daniel C. Levin
Charles Schaffer
Levin, Fishbein, Sedran & Berman
510 Walnut Street, Suite 500
Philadelphia, Pennsylvania 19106

Eric D. Holland
R. Seth Crompton
Holland, Groves, Schneller & Stolze, LLC
300 N. Tucker Boulevard, Suite 801
St. Louis, Missouri 63101

Christopher G. Hayes
Law Office of Christopher G. Hayes
25 S. Church Street
West Chester, Pennsylvania 19382

All Notices to Defense Counsel or ACG shall be sent to:

Mark S. Mester
Kathleen P. Lally
Latham & Watkins LLP
233 S. Wacker Drive, Suite 5800
Chicago, Illinois 60606

The notice recipients and addresses designated above may be changed by written notice. Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of comments, objections, requests for exclusion, or other documents or filings received as a result of the Class Notice.

U. Plaintiff and Class Counsel hereby agree to not engage in any communications with the media or the press, on the internet, or in any public forum, orally or in writing, that relate to this Settlement or the Litigation other than statements that are fully consistent with the Class Notice.

V. The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement for the purpose of the administration and enforcement of this Settlement Agreement.

[The Remainder Of This Page Is Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed and caused this Settlement

Agreement to be executed by their duly authorized attorneys below.

Plaintiff:
Tom Kowa

BOLEN ROBINSON & ELLIS

Date: _____

Christopher Ellis
202 S. Franklin Street, 2nd Floor
Decatur, Illinois 62523
Telephone: (217) 429-4296
Facsimile: (217) 329-0034
Counsel for Plaintiff

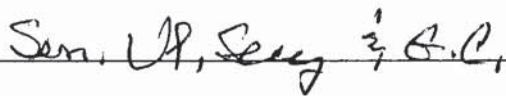
Defendant:
The Auto Club Group

Approved as to form:
LATHAM & WATKINS LLP

By: 

[Name]

Mark S. Mester
233 S. Wacker Drive, Suite 5800
Chicago, Illinois 60606
Telephone: (312) 876-7700
Facsimile: (312) 993-9767
Counsel for Defendant

Its: 

Date: 11 | 4 | 2013

IN WITNESS WHEREOF, the Parties have executed and caused this Settlement

Agreement to be executed by their duly authorized attorneys below.

Plaintiff:
Tom Kowa

BOLEN ROBINSON & ELLIS





Date: 11/5/13

Christopher Ellis
202 S. Franklin Street, 2nd Floor
Decatur, Illinois 62523
Telephone: (217) 429-4296
Facsimile: (217) 329-0034
Counsel for Plaintiff

Defendant:
The Auto Club Group

Approved as to form:
LATHAM & WATKINS LLP

By: _____
[Name]



Mark S. Mester
233 S. Wacker Drive, Suite 5800
Chicago, Illinois 60606
Telephone: (312) 876-7700
Facsimile: (312) 993-9767
Counsel for Defendant

Its: _____

Date: 11/4/2013

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TOM KOWA, on behalf of himself and a)
class of all other persons similarly)
situated,)
Plaintiff,)
v.)
THE AUTO CLUB GROUP, a/k/a AAA)
CHICAGO, a/k/a CHICAGO MOTOR)
CLUB,)
Defendant.)

Case No. 1:11-cv-07476

Judge Harry D. Leinenweber

EXHIBIT A
Short Form Notice (Postcard)

To

SETTLEMENT AGREEMENT AND RELEASE

LEGAL NOTICE

KOWA V. THE AUTO CLUB GROUP

Case No. 1:11-cv-07476

in the United States District Court for the Northern District of Illinois, Chicago, Illinois

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND
FINAL APPROVAL HEARING FOR COMPENSATION AND RELEASE OF CLAIMS**

If you are a current or former member of The Auto Club Group (“ACG”), including AAA Auto Club South, AAA Chicago, AAA East Tennessee, AAA Michigan, AAA Minnesota/Iowa, AAA Nebraska, AAA North Dakota and AAA Wisconsin (the “ACG Clubs”), and paid your renewal fee more than fifteen (15) days after the expiration date of your membership term and your new membership was deemed to have begun on the prior expiration date, you may be entitled to benefits.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiff, a member of AAA Chicago, filed the Litigation against ACG on or about October 21, 2011 alleging that current and former members of ACG or an ACG Club who paid a full annual renewal fee after the expiration date of their membership terms and had their memberships “backdated” to the prior expiration date were denied a full year of membership benefits in violation of state consumer production laws and the members’ contracts with ACG and ACG Clubs. ACG denied and continues to deny all allegations and denied and continues to deny any wrongdoing or liability. The Court has not decided who is right and who is wrong.

WHAT ARE THE TERMS OF THE SETTLEMENT?

Under the terms of the proposed settlement, each Settlement Class Member who is a current member of ACG or an ACG Club will receive thirteen (13) months of membership, as opposed to twelve (12) months of membership, upon their first renewal with ACG or an ACG Club after the Effective Date. Each Settlement Class Member who is a former member of ACG or an ACG Club is entitled to the same benefits as a current member, provided that he or she renews his or her membership with ACG or an ACG Club within two (2) years of the Effective Date. ACG has also agreed to certain injunctive relief. For more details, write to the address or visit the website identified below.

ARE YOU AFFECTED?

If you receive this notice, you have been identified as a member of the Settlement Class.

WHAT ARE MY LEGAL RIGHTS?

You have a choice of whether to stay in the Settlement Class or not, and you must decide now. If you **Stay In**, you will receive the benefits of the Settlement, you will be legally bound by its terms, and you won’t be able to sue ACG or an ACG Club, as part of any other lawsuit, for any claims

arising from or related to the allegations in Plaintiff’s Complaint. If you **Opt Out**, you will not receive benefits from the proposed Settlement, but you will keep your rights to sue ACG for these claims, and will not be bound by the terms of the Settlement. To Opt Out of the Settlement Class, you must act before [REDACTED], 20 [REDACTED]. If you wish to Opt Out of the Settlement Class visit Kowasettlement.com or call 1-866-329-9910 for more information. If you **Object**, you stay in the Settlement Class and can object to the Settlement. To object, you must act by [REDACTED], 20 [REDACTED].

WHO REPRESENTS ME?

The Court appointed Daniel C. Levin and Charles E. Schaffer of Levin, Fishbein, Sedran & Berman; Christopher M. Ellis and Shane M. Mendenhall of Bolen Robinson & Ellis, LLP; Eric D. Holland and R. Seth Crompton of Holland, Groves, Schneller & Stolze, LLC and Christopher G. Hayes of The Law Offices of Christopher G. Hayes to represent the Settlement Class. You may hire your own attorney, if you wish, at your own expense.

THE PROPOSED SETTLEMENT.

The Court, will hold a Final Approval Hearing on [REDACTED], 201 [REDACTED] at [REDACTED], to determine whether the proposed settlement is fair, reasonable, and adequate and to approve attorney’s fees and costs. The hearing is at the United States District Court for the Northern District of Illinois, Eastern Division, located at 219 South Dearborn Street, Chicago, Illinois 60604. If you are a member of the Settlement Class who did not Opt Out, you may write to the Court to object to the proposed settlement, and you may ask to speak at the hearing about the fairness of the proposed settlement.

HOW CAN I GET MORE INFORMATION?

If you have questions visit Kowasettlement.com, call 1-866-329-9910, or write to Kowa Settlement, P.O. Box 4028, Portland, OR 97208-4029.

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**TOM KOWA, on behalf of himself and a)
class of all other persons similarly)
situated,)
Plaintiff,)
v.)
THE AUTO CLUB GROUP, a/k/a AAA)
CHICAGO, a/k/a CHICAGO MOTOR)
CLUB,)
Defendant.)**

**Case No. 1:11-cv-07476
Judge Harry D. Leinenweber**

**EXHIBIT B
Long Form Notice**

To

SETTLEMENT AGREEMENT AND RELEASE

NOTICE OF PROPOSED SETTLEMENT AND HEARING
Kowa v. The Auto Club Group, Case No. 1:11-cv-07476 (N.D. Ill.)

If you are a current or former member of The Auto Club Group (“ACG”), including AAA Auto Club South, AAA Chicago, AAA East Tennessee, AAA Michigan, AAA Minnesota/Iowa, AAA Nebraska, AAA North Dakota and AAA Wisconsin (the “ACG Clubs”), and paid your renewal fee more than fifteen (15) days after the expiration date of your membership term and your new membership was deemed to have begun on the prior expiration date, you may be entitled to benefits.

IMPORTANT
PLEASE READ THIS NOTICE CAREFULLY

THIS NOTICE RELATES TO THE PENDENCY OF A CLASS ACTION LAWSUIT AND, IF YOU ARE A MEMBER OF THE SETTLEMENT, CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS UNDER THE SETTLEMENT OR TO OBJECT TO THE SETTLEMENT¹

The United States District Court for the Northern District of Illinois, Eastern Division, authorized this notice. It is not a solicitation from a lawyer. You are not being sued.

Your legal rights are affected whether or not you act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Exclude Yourself From The Settlement Class	If you exclude yourself from the Settlement, you will not be bound by the Settlement or judgment and will not be entitled to benefits. This is the only option that allows you to bring or be part of any other lawsuit against ACG or an ACG Club about the same legal claims that are or should have been advanced in this case. You must exclude yourself from the Settlement by _____.
Object	If you do not exclude yourself, you may write to the Court about why you do not like the Settlement or the request for Attorneys’ Fees and Expenses. You must send a written objection to the Court postmarked no later than _____.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Settlement Agreement and Release (“Settlement Agreement”) available from Class Counsel or online at Kowasettlement.com as detailed below.

<p>Attend The Hearing On _____ , 201__</p>	<p>You may ask to speak in Court about the fairness of the Settlement or the request for Attorneys’ Fees and Expenses.</p>
<p>Do Nothing</p>	<p>You will be eligible to receive the benefits detailed in the Settlement Agreement. You give up your right to sue ACG or an ACG Club on these claims later.</p>

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court still must decide whether to give final approval to the Settlement. Likewise, benefits to Settlement Class Members will be provided only if the Court grants Final Approval of the Settlement and after any appeals are resolved.

I. WHY DID I RECEIVE THIS NOTICE PACKAGE?

This Notice is to inform you of the settlement of a class action lawsuit entitled *Kowa v. The Auto Club Group*, Case No. 1:11-cv-07476 (N.D. Ill.) (“Litigation”) brought on behalf of certain members of ACG and pending before Judge Harry D. Leinenweber in the United States District Court for the Northern District of Illinois (“Court”). You need not live in Illinois to receive a benefit under the Settlement. The Court has granted preliminary approval of the Settlement and has set a final hearing to take place on _____, 201__ at _____ in the Everett McKinley Dirksen United States Courthouse located at 219 South Dearborn Street, Chicago, Illinois 60604 to determine if the settlement is fair, reasonable and adequate, and to consider the request by Class Counsel for Attorneys’ Fees and Expenses and Service Award for the Plaintiff. If the Court approves the Settlement and after any possible objections and appeals are resolved, you will be provided the benefits that the Settlement allows. You should understand that the process of Court approval may take a good deal of time. This Notice explains the lawsuit, the Settlement, your legal rights and options -- **and the deadlines to exercise them** -- the benefits available and who is eligible for them and how to receive them. If you are a Settlement Class Member, your legal rights are affected regardless of whether you act.

II. WHAT IS THIS LITIGATION ABOUT?

Plaintiff filed the Litigation against ACG on or about October 21, 2011, alleging that current and former members of ACG who paid a full annual renewal fee after the expiration date of their membership terms and had their memberships “backdated” to the prior expiration date were denied a full year of membership benefits. ACG denied and continues to deny all allegations and denied and continues to deny any wrongdoing or liability.

III. WHY IS THERE A SETTLEMENT?

The Court did not resolve the merits of the Litigation or decide in favor of Plaintiff or ACG. Instead, both sides agreed to a settlement. That way, they avoid the costs and risks of a

trial, and the people affected will receive compensation and/or benefits as outlined in the Settlement Agreement. Defendant denies all allegations of wrongdoing and liability and maintains that its conduct was and is lawful. Defendant is settling to avoid the substantial cost, inconvenience and disruption of litigation. Plaintiff and his attorneys believe that the Settlement is best for the Settlement Class, because it provides an appropriate recovery for the Settlement Class Members while avoiding the substantial risk, expense and delay of pursuing the case through trial and any additional appeals.

IV. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

The Settlement Class is defined as follows:

All Persons who, at any time between November 1, 2005 and the Preliminary Approval Date, renewed their memberships with ACG or an ACG Club and paid their renewal membership dues more than 15 days after expiration of their prior memberships, but whose new membership terms were deemed by ACG or an ACG Club to have begun on their prior expiration date.

Specifically excluded are the following Persons: (i) ACG and its subsidiaries and affiliates, employees, officers, directors, agents and representatives and their family members; (ii) Class Counsel; (iii) The judges who have presided over the Litigation; and (iv) All Persons who have timely elected to become Opt Outs from the Settlement Class in accordance with the Court's orders.

V. DO I NEED TO PROVE THAT I SUFFERED LOSSES, AND WHAT DOES THAT MEAN?

You do not need to provide anything. If the Settlement is approved and you do not exclude yourself from the Settlement Class, you will be eligible for the benefits of the Settlement.

VI. HOW DO I KNOW WHETHER THE LOSSES FOR WHICH I SUFFERED QUALIFIES ME FOR INCLUSION IN THE CLASS?

You have already been identified as a member of the Settlement Class.

VII. WHAT DOES THE SETTLEMENT PROVIDE?

A. Benefits To Settlement Class Members

1. If you are a current member with ACG or an ACG Club, you will receive thirteen (13) months of membership, as opposed to twelve (12) months of membership, upon your first renewal with ACG or an ACG Club after the Effective Date.

2. If you are a former member with ACG, you are entitled to receive the same benefit as current members provided that you first re-enroll for a membership with ACG or

an ACG Club within two years from the Effective Date. You will not be charged a new member fee if you are re-enrolling pursuant to this Settlement.

3. ACG has also agreed to provide more prominent disclosures regarding its renewal policy in its Membership Handbooks and its Renewal Notices.

B. Attorneys' Fees And Expenses And Service Award

Class Counsel will collectively request, as part of the final approval of the Settlement, that the Court approve a payment of up to \$750,000 in Attorneys' Fees and Expenses. Class Counsel will also request that the Court approve a Service Award of up to \$5,000 to the Plaintiff. ACG has agreed not to object to the applications for Attorneys' Fees and Expenses and the Service Award. Any Attorneys' Fees and Expenses and Service Awards will be awarded only as approved by the Court in amounts determined to be fair and reasonable.

A complete description of the Settlement is provided in the Settlement Agreement. You can obtain a copy of the Settlement Agreement by visiting Kowasettlement.com or by writing to Class Counsel at the address listed below.

VIII. WHAT IS THE EFFECT OF FINAL APPROVAL OF THE SETTLEMENT?

If the Court approves the Settlement, the Litigation will be dismissed, and ACG will provide the benefits described to the Settlement Class Members who have not excluded themselves from the Settlement Class. It also means that all the Court's orders will apply to you and legally bind you. After the Litigation is dismissed, no Settlement Class Member who did not request exclusion will be able to file his or her own lawsuit for recovery for any of the Released Claims. If you want to bring your own lawsuit, you must exclude yourself from this Settlement **by _____, 201_____.**

IX. WHAT ARE MY OPTIONS?

A. Exclude Yourself From The Settlement ("Opt Out")

To exclude yourself from the Settlement, you must send a letter by mail saying that you want to be excluded from *Kowa v. The Auto Club Group*, Case No. 1:11-cv-07476 (N.D. Ill.). You must include (1) your name, (2) your address, (3) your telephone number and (4) a signed statement indicating that you wish to be excluded from the *Kowa v. The Auto Club Group*, Case No. 1:11-cv-07476 (N.D. Ill.) Settlement. You must mail your exclusion request postmarked no later than _____ to Class Counsel at the address below.

You can't exclude yourself on the phone or by email. Exclusions shall be allowed on an individual basis only, and "mass" or "class" exclusions are not allowed. If you validly and timely request to be excluded from the Settlement Class, you will not get any Settlement benefits, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) ACG or an ACG Club in the future.

B. File Written Objections To The Settlement

If you are a member of the Settlement Class and you do not wish to be excluded, you can object to the Settlement, the Attorneys' Fees and Expenses or to the Service Award. If you object and the Settlement is approved, you will be barred from bringing your own lawsuit and you will be bound by the Final Order and Judgment entered in this Litigation. You may, but need not, enter an appearance through counsel of your choice. If you do retain counsel, however, you will be responsible for your own counsel's fees and costs, and in any event, ACG will have no responsibility for any such fees, costs or expenses.

If you chose to object, your objection must (i) state your name, address and telephone number, (ii) provide a detailed statement of each objection asserted, including the grounds for objection and reasons for appearing and being heard, together with any documents you wish to be considered in support of the objection and (iii) provide a statement regarding whether you intend to appear at the Final Approval Hearing, either with or without counsel. If you are represented by counsel, the objection must also be signed by your counsel. If you intend to appear at the Final Approval Hearing through counsel, the objection must also state the identity of all attorneys representing you who will appear at the Final Approval Hearing. In addition, any Settlement Class Members who intend to appear and address the Court at the Final Approval Hearing through counsel must, on or before _____, file with the Clerk of the Court a notice of appearance and, if necessary, a pro hac vice application.

You must mail your objection to each of the following, postmarked no later than _____.

COURT

Hon. Harry D. Leinenweber
United States District Court for the
Northern District of Illinois, Eastern Division
Everett McKinley Dirksen
United States Courthouse
219 South Dearborn Street
Chicago, IL 60604

CLASS COUNSEL

Daniel C. Levin, Esq.
Charles E. Schaffer, Esq.
Levin, Fishbein, Sedran & Berman
510 Walnut Street, Suite 500
Philadelphia, PA 19106

Christopher M. Ellis, Esq.
Shane M. Mendenhall, Esq.
Bolen Robinson & Ellis, LLP
202 South Franklin Street, 2nd Floor
Decatur, IL 62523

DEFENSE COUNSEL

Mark S. Mester, Esq.
Kathleen P. Lally, Esq.
Latham & Watkins LLP
233 South Wacker Drive, Suite 5800
Chicago, IL 60606

Settlement Class Members who do not timely make their objections in accordance with the procedures set forth above waive all objections and may not be heard at the Final Approval Hearing and do not have the right to appeal approval of the Settlement.

C. Do Nothing

If you do nothing, you will be eligible to receive the benefits of the Settlement Agreement. Note that if you are a former member, you will still need to re-enroll for a membership with ACG or and ACG Club within two (2) years in order to receive the full benefits of the Settlement Agreement. Unless you exclude yourself, you will be bound by the release provision contained in the Settlement Agreement and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendant about the legal issues in this case.

X. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be a part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer legally affects you.

XI. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

A hearing will be held before Judge Harry D. Leinenweber on _____, 201__ at _____ at the United States District Court for the Northern District of Illinois, Eastern Division located at 219 South Dearborn Street, Chicago, Illinois 60604. At this hearing, the Court will determine whether the Class was properly certified, whether the proposed Settlement is fair, adequate, and reasonable and whether to approve the Attorneys' Fees and Expenses and Service Awards. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel. This hearing may be continued or rescheduled by the Court without further notice. We do not know how long it will take the Court to give its decision.

XII. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. You are welcome to come at your own expense, and if you have not excluded yourself from the Settlement, you may ask the Court for permission to speak at the Final Approval Hearing concerning the Settlement, or

the application for Attorneys' Fees and Expenses or Service Award by following the instructions in question XIII below.

If you send an objection, you do not have to come to Court to have it considered by the Court. The Court, however, has the right to require you or your counsel to attend the Final Approval Hearing. If the Court requires you or your counsel's attendance, you or your attorney will be notified by the Court or by Class Counsel. You may also pay your own lawyer to attend, but it is not required.

XIII. MAY I SPEAK AT THE HEARING?

You may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Kowa v. The Auto Club Group*, Case No. 1:11-cv-07476 (N.D. Ill)." Be sure to include your name, address, telephone number and your signature and the case number. Your Notice of Intention to Appear must be postmarked no later than , 201 and be sent to the Class Counsel and Defense Counsel, at the four addresses listed in Section IX.B. of this Notice. You cannot speak at this hearing if you exclude yourself.

XIV. THE LAWYERS REPRESENTING YOU

Daniel C. Levin, Esq. and Charles E. Schaffer, Esq. of Levin, Fishbein, Sedran & Berman; Christopher M. Ellis, Esq. and Shane M. Mendenhall, Esq. of Bolen Robinson & Ellis, LLP; Eric D. Holland, Esq. and R. Seth Crompton, Esq. of Holland, Groves, Schneller & Stolze, LLC and Christopher G. Hayes, Esq. of The Law Offices of Christopher G. Hayes were lead counsel in *Kowa v. The Auto Club Group*, Case No. 1:11-cv-07476 (N.D. Ill.).

XV. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This Notice summarizes the proposed Settlement. More details are in a Settlement Agreement. You can obtain a copy of the Settlement Agreement by visiting Kowasettlement.com, calling 1-866-329-9910 or by writing to the Class Counsel at one of the following addresses:

Daniel C. Levin, Esq.
Charles E. Schaffer, Esq.
Levin, Fishbein, Sedran & Berman
510 Walnut Street, Suite 500
Philadelphia, PA 19106

Christopher M. Ellis, Esq.
Shane M. Mendenhall, Esq.
Bolen Robinson & Ellis, LLP
202 South Franklin Street, 2nd Floor
Decatur, IL 62523

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TOM KOWA, on behalf of himself and a)
class of all other persons similarly)
situated,)
Plaintiff,)
v.)
THE AUTO CLUB GROUP, a/k/a AAA)
CHICAGO, a/k/a CHICAGO MOTOR)
CLUB,)
Defendant.)

Case No. 1:11-cv-07476
Judge Harry D. Leinenweber

EXHIBIT C
Proposed Preliminary Approval Order

To

SETTLEMENT AGREEMENT AND RELEASE

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**TOM KOWA, on behalf of himself and a
class of all other persons similarly
situated,**)

Plaintiff,)

v.)

**THE AUTO CLUB GROUP, a/k/a AAA
CHICAGO, a/k/a CHICAGO MOTOR
CLUB,**)

Defendant.)

Case No. 1:11-cv-07476

Judge Harry D. Leinenweber

**[PROPOSED]
ORDER PRELIMINARILY APPROVING SETTLEMENT
AGREEMENT AND APPROVING NOTICE TO CLASS MEMBERS
("PRELIMINARY APPROVAL ORDER")**

Upon Plaintiff's Unopposed Motion for Preliminary Approval of Settlement Agreement and the Court having read and considered the motion, all supporting papers, the Settlement Agreement and Release ("Settlement Agreement")¹ and the statements of counsel, it is ORDERED that:

1. The Court preliminarily approves the Settlement Agreement subject to the Final Approval Hearing for the purposes of deciding whether to grant Final Approval to the Settlement.

2. For settlement purposes only, conditioned upon final certification of the proposed class and upon Final Judgment, the Court finds that the Litigation may be maintained on behalf of the following class:

¹ All capitalized terms, unless otherwise defined herein, have the same meaning as stated in the Settlement Agreement and Release. To the extent there is any conflict between the definitions of those terms, the definitions in the Settlement Agreement will control.

All Persons who, at any time between November 1, 2005 and the Preliminary Approval Date, renewed their memberships with ACG or an ACG Club and paid their renewal membership dues more than 15 days after expiration of their prior memberships, but whose new membership terms were deemed by ACG or an ACG Club to have begun on their prior expiration date.

Specifically excluded are the following Persons:

- (i) ACG and its subsidiaries and affiliates, employees, officers, directors, agents and representatives and their family members;
- (ii) Class Counsel;
- (iii) The judges who have presided over the Litigation; and
- (iv) All Persons who have timely elected to become Opt Outs from the Settlement Class in accordance with the Court's Order.

3. The Court appoints the following attorneys to act as Class Counsel for the Settlement Class: (a) Daniel C. Levin, Esq. and Charles E. Schaffer, Esq. of Levin, Fishbein, Sedran & Berman, Philadelphia; (b) Christopher M. Ellis, Esq. and Shane M. Mendenhall, Esq. of Bolen Robinson & Ellis, LLP; (c) Eric D. Holland, Esq. and R. Seth Crompton, Esq. of Holland, Groves, Schneller & Stolze, LLC; and (d) Christopher G. Hayes, Esq. of The Law Offices of Christopher G. Hayes.

4. The Court appoints Plaintiff as representative of the Settlement Class.

5. The Court finds that the Settlement Agreement and the proposed Settlement contained therein are preliminarily APPROVED as fair, reasonable, just and adequate and warrants providing notice to the Settlement Class. The Settlement Agreement is ADOPTED and made a part of this Order as fully set forth herein. This determination permitting notice to the Settlement Class is not a final finding, but is a determination that there is cause to submit the proposed Settlement Agreement to the Settlement Class and to hold a Final Approval Hearing to consider the fairness, reasonableness and adequacy of the proposed Settlement.

6. Notice shall be provided to the Settlement Class no later than sixty (60) days from the entry of this Order, in a form substantially the same as the Class Notice forms appended to the Settlement Agreement as Exhibits A and B and in substantially the same manner specified in the Settlement Agreement.

7. The Court finds that the manner and content of Class Notice (a) are reasonable and constitutes due, adequate and sufficient notice to all persons entitled to receive notice, (b) are reasonably calculated, under the circumstances, to apprise the Settlement Class of the pendency of the Litigation and of their right to object to or to exclude themselves from the Settlement and (c) meet all applicable requirements of applicable law. The proposed Notice Program contained in the Settlement Agreement is APPROVED and DEEMED to be adequate to protect the due process rights of the Settlement Class Members.

8. The Court orders any member of the Settlement Class who wishes to exclude himself or herself from the Settlement Class to submit an appropriate, timely request for exclusion, in accordance with the terms set forth in the Settlement Agreement, postmarked no later than sixty (60) days after the Notice Date, or as the Court may otherwise direct, to Class Counsel at the address on the Published Notice.

9. The Court orders that any Settlement Class Member who does not submit a timely, written request for exclusion from the Settlement Class (i.e., becomes an Opt Out) will be bound by all proceedings, orders and judgments in the Litigation, even if such Settlement Class Member has previously initiated or subsequently initiates individual litigation or other proceedings encompassed by the Release.

10. Any Settlement Class Member who is not an Opt Out may object to the fairness, reasonableness or adequacy of the Settlement Agreement, proposed Settlement or to the Attorneys' Fees and Expenses and Service Award. Such objection must be filed with the Court and served on Class Counsel no later than sixty (60) days after the Notice Date, or as the Court may otherwise direct, and must (a) state the name, address and telephone number of the person objecting, (b) contain a detailed statement of each objection asserted, including the grounds for objection and reasons for appearing and being heard, together with any documents such person wishes to be considered in support of the objection and (c) contain a statement regarding whether he or she intends to appear at the Final Approval Hearing, either with or without counsel. If the Settlement Class Member that is objecting to the Settlement is represented by counsel, the objection shall also be signed by that attorney. Any Settlement Class Member who does not state an objection to the Settlement or Settlement Agreement in the manner provided therein shall be deemed to have waived any such objection, including, without limitation, any assertion of objection to the Settlement or any provision of the Settlement Agreement, by appearance, appeal, collateral attack, or otherwise.

11. Any attorney hired by a Settlement Class Member for the purpose of objecting to the Settlement Agreement, the proposed Settlement or the Attorneys' Fees and Expenses will be at that individual Settlement Class Member's expense, and in any event, ACG shall bear no responsibility for such expenses, fees and costs. If such an attorney wishes to make an appearance at the Final Approval Hearing, he or she must provide to Class Counsel and Defense Counsel and must file with the Clerk of the Court a notice of intention to appear no later than sixty (60) days after the Notice Date, or as the Court may otherwise direct.

12. Any Settlement Class Member who files and serves a written objection and who intends to make an appearance at the Final Approval Hearing must provide to Class Counsel and Defense Counsel and must file with the Clerk of the Court a notice of intention to appear no later than sixty (60) days after the Notice Date, or as the Court may otherwise direct.

13. The Court orders that Class Counsel shall file their applications for Attorneys' Fees and Expenses and Plaintiff's Service Award in accordance with the terms set forth in the Settlement Agreement.

14. The Court orders Class Counsel to provide the Opt Out List to Defense Counsel no later than three (3) business days after the deadline for submission of Requests for Exclusion. Class Counsel and Defense Counsel shall jointly report the names appearing on the Opt Out List to the Court at the time of the Final Approval Hearing

15. A Final Approval Hearing shall be held at _____, to consider and finally determine:

(a) Whether the Settlement should be finally approved by the Court as fair, reasonable and adequate;

(b) Whether to grant Final Approval and certification of the Settlement Class for purposes of the Settlement;

(c) Whether Attorneys' Fees and Expenses should be awarded to Class Counsel as contemplated by the Settlement Agreement; and

(d) Whether Final Order and Judgment should be entered.

16. The Court reserves the right to adjourn or continue the Final Approval Hearing, or any further adjournment or continuance thereof, without further notice other than announcement

at the Final Approval Hearing or at the adjournment or continuance thereof, and to approve the settlement with modifications, if any, consented to by Class Counsel and Defense Counsel without further notice.

17. Supporting papers in support of the Final Approval of the Settlement and application of class counsel for an award of fees and expenses and any responses to any objections, shall be filed with the Court at least fourteen (14) days prior to the date set for the Final Approval Hearing. After the Final Approval Hearing, the Court may enter a Final Order and Judgment in accordance with the Settlement Agreement. If the Settlement Agreement is finally approved, the Court shall enter a Final Order and Judgment.

18. In the event that the Settlement reflected by the Settlement Agreement is not given Final Approval by the Court, or entry of a Final Order and Judgment as provided in the Settlement Agreement does not occur for any reason, or there is no final Settlement, or the Settlement Agreement is terminated pursuant to the Parties' agreement or orders of this Court upon application and good cause shown, then the Settlement Agreement, all drafts, negotiations, discussions and documentation relating thereto, and all orders entered by the Court in connection therewith, shall be null and void and shall be of no further force and effect, and shall not be used or referred to for any purpose in this Litigation or in any other proceeding. In such event, the Settlement Agreement and all negotiations and proceedings relating thereto shall be deemed withdrawn and shall be without prejudice to the rights of any and all parties thereto, who shall be restored to their respective positions as of the date of the execution of the Settlement Agreement.

19. All discovery and other pre-trial proceedings in this action are stayed and suspended, pending the Final Approval Hearing, except such actions as may be necessary to implement the Settlement Agreement and this Order.

20. Pending final determination of whether the Settlement Agreement should be finally approved, the Court enjoins Plaintiff and all Settlement Class Members unless and until they have timely excluded themselves from (a) filing, commencing, prosecuting, intervening in or participating as plaintiff, claimant or class member in any other lawsuit or administrative, regulatory, arbitration or other proceeding in any jurisdiction based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation and/or the Released Claims; (b) filing, commencing or prosecuting a lawsuit or administrative, regulatory, arbitration or other proceeding as a class action on behalf of any Settlement Class Members who have not timely excluded themselves (including by seeking to amend a pending Complaint to include class allegations or seeking class certification in a pending action), based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation or the Released Claims; and (c) attempting to effect Opt Outs of a class of individuals in any lawsuit or administrative, regulatory, arbitration or other proceeding based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Litigation or the Released Claims.

DONE and ORDERED this _____ day of _____, 20__.

By the Court:

Hon. Harry D. Leinenweber
United States District Court