

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PETER A. VASILAS, SCOTT DIAMOND,
ROBERT KASINDORF, and PAUL THOMAS, JR.
individually, and on behalf of all others similarly
situated,

Plaintiffs,

v.

SUBARU OF AMERICA, INC., SUBARU AUTO
LEASING LTD., FUJI HEAVY INDUSTRIES,
LTD. and SUBARU OF INDIANA AUTOMOTIVE,
INC.,

Defendants.

2007-CV- 2374 (GBD)

**NOTICE OF PROPOSED SETTLEMENT WITH SUBARU OF AMERICA, INC.,
SUBARU AUTO LEASING, LTD., SUBARU OF INDIANA AUTOMOTIVE, INC. AND
FUJI HEAVY INDUSTRIES LTD.**

**IF YOU PURCHASED OR LEASED A 2002 THROUGH 2007 SUBARU VEHICLE,
PLEASE READ THIS NOTICE CAREFULLY, AS IT AFFECTS YOUR LEGAL
RIGHTS.**

If you are a member of the group described, you may be a member of a proposed Settlement Class (the "Settlement Class") in the above-captioned lawsuit (the "Litigation") pending in the U.S. District Court for the Southern District of New York (the "Court") and you may be entitled to an extension of your vehicle's warranties, an extension of your lease contract or a refund.

The class representatives have agreed to settle all claims against Subaru of America, Inc. ("SOA"), Subaru Auto Leasing, Ltd. ("SAL"), Subaru of Indiana Automotive, Ltd. ("SIA") and Fuji Heavy Industries Ltd. ("FHI") (collectively "the Companies") in the Litigation in exchange for certain benefits to the members of the Settlement Class, which are described below. You may exclude yourself from the Settlement Class, meaning you will not receive Settlement benefits and will not be bound by the Settlement or the release of claims. A hearing is scheduled to consider the fairness of the proposed settlement (the "Fairness Hearing") and determine a reasonable fee and cost and expense award for counsel for the Settlement Class. The Fairness

Hearing will be held on _____, 2010, at 9:30 a.m., at the United States Courthouse, 500 Pearl Street, New York, New York 10017.

WHAT IS THE LITIGATION ABOUT?

Plaintiffs allege that odometers in certain Subaru vehicles overstate mileage actually driven. This alleged overstatement is claimed to diminish warranty coverage and reduce the miles available under vehicle leases. Plaintiffs seek relief for a purported nationwide class under the Federal Odometer Act and the express warranty. The Companies deny all allegations of wrongdoing asserted.

WHO IS INVOLVED?

The Court has conditionally certified the following Settlement Class:

All persons and entities who either bought or leased in the continental United States of America and Hawaii a Subaru vehicle, Model Years 2002 through 2007 (the "Class Vehicles").

The Settlement Class does not include: (a) all federal court judges who have presided over this case and their spouses and anyone within three degrees of consanguinity from those judges and their spouses, (b) all persons and entities who elect to exclude themselves from the Settlement Class, and (c) all persons and entities who have previously executed and delivered to the Companies releases of their claims, and (d) the Companies' employees, officers, directors, agents, and representatives and their family members.

THE PROPOSED SETTLEMENT

If the Settlement is approved, the following benefits will be provided to Settlement Class Members who have not excluded themselves:

- **Warranty Extension.** SOA will retroactively extend, by 5%, the mileage-based coverage periods of (a) original written warranties of SOA that came with the Class Vehicles when initially sold or leased, (b) Subaru Added Security Agreements, applicable to Class Vehicles, that were purchased before the Effective Date of the Settlement, and (c) original written warranties that came with the purchase of a Subaru Certified Pre-Owned Class Vehicle. This mileage extension does not effect the warranties' time limitations or other limitations or exclusions, and all warranties remain subject to all their other terms and conditions.
- **Reimbursement for Repairs.** SOA will reimburse Settlement Class Members the cost of "Otherwise Warranted" repairs of Class Vehicles that were made within the 5% extended mileage-based warranty period under this extended warranty, and would have been covered under the terms of the original written warranty.
- **Lease Extension.** SAL will increase by 5% the mileage limits of all Class Vehicles leased from SAL.
- **Reimbursement for Excess Mileage Charges.** SOA will reimburse Settlement Class Members who leased their Class Vehicles for any excess mileage charges they paid with respect to "excess" miles up to 5% over the allowed mileage. SOA will not refund any excess mileage charges already waived by your leasing company or not paid. If you leased your vehicle from SAL, you should receive your refund automatically. If you believe you are entitled to such a payment but have not received it within ninety days after the Court approves the Proposed

Settlement, you should file a claim with SOA. This Settlement consideration is described more fully in a longer notice that has been mailed directly to the members of the Settlement Class (the "Mailed Notice.") If you did not receive the Mailed Notice, you can access it and other information about the settlement at www.odometersettlement.com, or use the resources described below.

YOUR RIGHTS AND OPTIONS

- Members of the Settlement Class who agree with the proposed Settlement need do nothing. If the Court approves the Settlement, you will be entitled to the benefits of the Settlement to the extent they apply to you. You will also have released all claims you may have in connection with the allegations described against the Companies as well as all affiliates and other persons and companies associated with the Companies.

- To be excluded from the proposed settlement, you must submit a request for exclusion. You must send a signed letter or postcard, stating your name, address, telephone number, the year, model, and vehicle identification number of your Class Vehicle and a statement that you wish to be excluded from the Settlement Class to the SOA Customer Dealer Service-Odometer Settlement at Subaru Plaza, P.O. Box 6000, Cherry Hill, New Jersey 08034-6000. The exclusion request must be received by _____, 2010.

- The Court has scheduled a hearing to consider the proposed Settlement, the request for attorneys' fees and costs and expenses and other matters. The hearing will take place on _____, 2010, at 9:30 a.m. at the United States Courthouse, 500 Pearl Street, New York, New York 10007. At that hearing, the Court will determine (1) whether the proposed Settlement Class should be certified, (2) whether the proposed Settlement should be approved, (3) the amount of attorneys' fees and costs and expenses to award to Class Counsel and the amount of Incentive Awards, if any, to award to the Named Plaintiffs, and (4) any other matters appropriately before the Court. You may attend this hearing if you wish, but you do not have to attend in order to participate in the proposed settlement.

- Settlement Class Members who do not request to be excluded from the class may support or object to the terms of the proposed settlement, to Class Counsels' application for attorneys' fees and costs and expenses, and/or to the proposed Named Plaintiffs' Incentive Awards. You may do this in writing, and you may appear and be heard at the Fairness Hearing. To do any of this, you must comply with the procedures and deadlines that are described in the Mailed Notice. If you have not received the Mailed Notice, you should request it from one of the sources identified below. If these procedures and deadlines are not followed, you may lose significant legal rights, including, but not limited to, the right to have your objections heard.

At the Fairness Hearing, Class Counsel will request up to \$1.6 million in attorneys' fees and costs and expenses. Class Counsel also will ask the Court to approve a \$10,000 Incentive Award to each of the class representatives, Peter A. Vasilas, Scott Diamond and Paul Thomas, Jr. The Companies will not oppose Class Counsel's Fee and Expense Application for up to \$1.6 Million. Attorneys' fees, costs, expenses and the Incentive Awards will not reduce the amount of benefits due the Settlement Class, and will be paid separately by the Defendants.

For Complete Information and a Copy of the Mailed Notice:

Call: 800-345-6488

Or visit: www.odometersettlement.com

Or write to:

Christoph C. Heisenberg

TRAIGER & HINCKLEY LLP
501 Fifth Avenue, Suite 506
New York, New York 10017
Please do not contact the Court directly

EXHIBIT D