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JJB 11/8/06

ENDORSED FILED
SAN MATEO COUNTY

NOV 09 2006

Clerk of the Superior Court
By M. YOUNG
DEPUTY CLERK

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN MATEO

THE PEOPLE OF THE STATE OF CALIFORNIA, **Plaintiff,** **v.** **FOX RENT A CAR, INC., a California corporation; PAY LOW RENT A CAR, INC., a California corporation; MAM HOLDING, LLC, a Nevada company; CERTIFIED AUTO BODY, INC., a California corporation; BAYPORT CAR RENTAL, INC., a California corporation; MARK (MASOUD) MIRTORABI, an individual; MIKE (MANSOUR) JABERI, an individual; and ALLEN (ALI) REZAPOUR, an individual,** **Defendants.**	CASE NO.: CIV 458851 ~~[PROPOSED]~~ **JUDGMENT** AND CONSENT DECREE INCLUDING PERMANENT INJUNCTION. Date Action Filed: November 8, 2006 JJB 11/8/06

Plaintiff People of the State of California through Bill Lockyer, Attorney General, and James

P. Fox, District Attorney of the County of San Mateo, and defendants Fox Rent A Car, Inc., Pay Low Rent a Car, Inc., MAM Holding, LLC, Certified Auto Body, Inc., Bayport Car Rental, Inc., Mark (Masoud) Mirtorabi, Mike (Mansour) Jaberi, and Allen (Ali) Rezapour (hereafter collectively "Defendants"), appearing through their attorney Mark R. Mittelman, having stipulated to the entry of this Judgment without the taking of proof or trial; this Judgment not constituting evidence of or an admission regarding any issue alleged in the Complaint, or an adjudication of any issue of fact or law; the Court having considered the Stipulation to Entry of Judgment executed by the parties and filed herewith; and good cause appearing,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

JURISDICTION AND VENUE

1. This Court has jurisdiction of the subject matter of this action and of the parties. Venue as to all matters between the parties relating to this action is proper in this Court.

INJUNCTION

2. Pursuant to Business and Professions Code section 17203, Defendants Fox Rent A Car, Inc., Pay Low Rent a Car, Inc., MAM Holding, LLC, Certified Auto Body, Inc., Bayport Car Rental, Inc., Mike (Mansour) Jaberi, Mark (Masoud) Mirtorabi, and Allen (Ali) Rezapour, as well as their agents, employees, officers, representatives, successors, partners, assigns, and all persons acting in concert or participating with any of them (hereafter collectively "Fox"), are hereby immediately and permanently enjoined and restrained:

A. With respect to **Global Positioning System (GPS) Devices** and **Geographical Restrictions,** from directly or indirectly:

1. Obtaining, accessing or using any information relating to a renter's use of a vehicle when that information was secured using GPS or other electronic surveillance technology in any manner, except as follows:

a. When the equipment is used by Fox only for the purpose of locating a stolen, abandoned, or missing rental vehicle after one of the following:

i. The renter or law enforcement has informed Fox that the vehicle has been stolen or abandoned or is missing;

ii. The rental vehicle has not been returned within a week after the contracted return date plus any extension of that return date; or

iii. Fox has discovered that the rental vehicle has been stolen or abandoned and, if the vehicle has been stolen, Fox has reported the vehicle stolen to law enforcement by filing a stolen vehicle report. (The last part of the previous sentence shall not apply if law enforcement, per paragraph 1.A.i. above, has already informed Fox that the vehicle has been stolen or abandoned or is missing.)

b. In response to a specific request from law enforcement pursuant to a subpoena or search warrant.

c. As otherwise set forth in section 1936(o)(3)-(6) of the Civil Code.

2. Using GPS or other electronic surveillance technology to track a renter in order to impose surcharges, fines, penalties or any other charge relating to the renter's use of the vehicle.

3. Failing to keep records (in a manner at least as complete as that set forth in section 1936(o)(1)(B) of the Civil Code) of each time Fox uses GPS or other electronic surveillance technology to contact a vehicle, or failing to keep these records for three years from the time of such contact, or failing to make these records available to the offices of the Attorney General and District Attorney within seven days after receipt of a request for inspection.

4. Failing to ensure, if Fox uses GPS or other electronic surveillance technology, that renters are clearly and conspicuously informed, at every stage of the rental process other than telephone conversations – in advertisements (including all statements on Fox's website(s)), during the reservation process, and at the rental counter or self-service kiosk – (1) that GPS or similar devices may be present in Fox's cars, and (2) of the ways in which those devices may be used by Fox. In a telephone conversation, Fox must inform a renter about the presence of the devices if the renter raises the issue. If Fox lacks decisionmaking authority

over a particular stage or portion of a stage of the rental process, then, with respect to that stage or portion of a stage, Fox shall make best efforts to ensure that renters are clearly and conspicuously informed about the presence of the devices.

5. Failing to ensure, if Fox places geographical restrictions on where renters may drive Fox's vehicles, that renters are clearly and conspicuously informed, at every stage of the rental process – in advertisements, during the reservation process, and at the rental counter or self-service kiosk – that there are geographical restrictions on where a driver may take Fox's vehicle, and of what those restrictions are. If Fox lacks decisionmaking authority over a particular stage or portion of a stage of the rental process, then, with respect to that stage or portion of a stage, they shall make best efforts to ensure that renters are clearly and conspicuously informed of the existence and nature of these geographical restrictions.

B. With respect to **Renter's Liability Protection (RLP)**, from directly or indirectly:

1. Requiring renters to purchase RLP, or any other insurance or similar product (including but not limited to Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW)), as a condition of rental;

2. Offering for sale RLP or any other optional insurance or similar product (including but not limited to CDW or LDW), unless Fox ensures that renters are clearly and conspicuously informed, at every stage of the rental process – in advertisements (including all statements on Fox's website(s)), during the reservation process, and at the rental counter or self-service kiosk – (1) that they do not need to purchase RLP or any other insurance or similar product from Fox in order to rent a vehicle from Fox, and (2) that they may wish to check with their own insurance company and/or credit card company to determine whether they already possess the relevant coverage. That is, Fox must inform its customers and potential customers that the purchase of these products is

optional, and Fox is prohibited from using such statements as "Proof of Auto Liability Insurance must be produced at time of rental." If Fox lacks decisionmaking authority over a particular stage or portion of a stage of the rental process, then, with respect to that stage or portion of a stage, Fox shall use best efforts to ensure that renters are clearly and conspicuously informed that the purchase of these products is optional.

3. Offering for sale RLP or any other optional insurance or similar product (including but not limited to CDW or LDW) without requiring renters to affirmatively sign or initial the rental contract (or the electronic equivalent at a self-service kiosk) next to a clear and conspicuous description of the insurance or similar product being purchased, its price, and the fact that buying the coverage is optional, in order to purchase the product.

4. Failing to develop, maintain and employ either (1) a script or (2) an outline which Fox must use in presenting insurance and similar products to all renters (including those at self-service kiosks). The script or outline must convey clearly and conspicuously to all renters that the purchase of any insurance or similar product from Fox is entirely optional and that Fox will rent the vehicle to the renter even if the renter declines to purchase the products offered. The script or outline must also provide that if a customer communicates that he or she does not wish to purchase a particular type of coverage or coverages, Fox (including at its self-service kiosks) may not continue to discuss that type of coverage or coverages and may not raise the issue again later in the transaction. This provision shall not prevent Fox from later discussing the issue if (but only if) the renter or another member of the renter's party raises the issue. If a regular Fox customer at the rental counter informs a counter agent that he or she does not wish to hear the script or outline, the agent may terminate the presentation at that point.

5. Failing to maintain "CUSTOMER NOTICE" signs prominently displayed at all

rental locations, and clearly and conspicuously visible to all renters who come to all rental locations, that state under the heading "UNDER CALIFORNIA LAW" as follows:

a. As a first bullet point: "You do not have to purchase any insurance in order to rent a car.";

b. As a second bullet point: "The insurance we offer may duplicate coverage already provided by your auto insurance policy or your credit card. Feel free to use our telephone to check.";

c. As a third bullet point: "Fox Rent-A-Car rental agents are not qualified or authorized to evaluate the adequacy of your existing insurance coverage/policy."

6. Varying employees' or agents' compensation in any way directly or solely based on either (1) the number of renters to whom the employees or agents sell RLP or any other optional insurance or similar product (including but not limited to CDW or LDW), or (2) the amount of such coverage (i.e. premiums) sold.

C. With respect to **Damage to Vehicles**, from directly or indirectly:

1. Charging or making a claim against a renter for damage to a vehicle unless all of the following are true:

a. The damage is of a type for which the renter may be held liable;

b. The renter was explicitly given the opportunity to inspect the vehicle for damage at the commencement and after the completion of the rental – specifically, prior to taking possession of the rental vehicle, the renter was informed clearly and conspicuously, both orally and in a written statement on the vehicle-damage diagram sheet, of his or her right to inspect the vehicle for damage, and best efforts were made to inform the renter orally of this right at the time he or she returned the vehicle;

c. Fox inspected and can document the vehicle's condition immediately prior

to and immediately after the rental;

d. Fox pointed out the asserted damage to the renter at the time the renter returned the vehicle, and notified the renter of the cost of repair within twenty days of the end of the rental.

D. With respect to **Other Violations of Law**, from:

Otherwise violating section 17200 of the Business & Professions Code as to the conduct described herein, or section 1936 of the Civil Code.

3. Fox is additionally immediately and permanently enjoined as follows:

A. With respect to **Retention of Records**, to:

Continue to retain rental records for each renter, including the rental contract and copies of all written correspondence (U.S. Mail, electronic mail, etc.) and records of telephone conversations if any, for three years from completion of the rental period. Records must be kept in such a way that they can be made available to the offices of the District Attorney and Attorney General within seven days of the date of a request for inspection.

B. With respect to **Handling of Complaints**, to:

1. Maintain a system of handling complaints that ensures that complaints are addressed promptly and effectively, such that any complaint is investigated and the result of the investigation communicated to the complaining renter within seven days after Fox is are made aware of the complaint;

2. Maintain records of (1) all complaints, including complaints sent directly to corporate headquarters of Payless Car Rental, Inc. and forwarded to Fox, and (2) all correspondence, including electronic correspondence, and all records of telephone conversations, regarding those complaints, in a customer's file for at least three years from completion of the rental period;

3. Make records of complaints available to the offices of the District Attorney and Attorney General within seven days of the date of a request for inspection.

C. With respect to **Compliance with the Terms of This Judgment as to Third-Party**

Providers, to:

1. Ensure that any information or statement about Fox's policies or practices that is provided by Fox to a "third party provider" – i.e., any business that provides consumers links to or information about Fox – conforms with the terms of this Judgment.
2. Use best efforts to ensure that any information or statement about Fox's policies or practices that is provided by a "third-party provider" conforms with the terms of this Judgment – and to promptly notify counsel for the People if Fox learns of any nonconforming information or statement that Fox's best efforts have not been able to correct.

D. With respect to **Distribution of the Terms of this Judgment**, to:

1. Ensure that a copy of the injunctive terms of this Judgment (together with at least the first two pages and the last page of the Judgment) is provided to Payless Rental Car Systems, Inc., and that a copy of the injunctive terms of the Judgment that relate to the use of GPS (or similar) technology is provided to Air IQ U.S., Inc./Aircept.com, LLC, and to any other provider or former provider of GPS (or similar) tracking services to Fox.
2. Ensure that a copy of the injunctive terms of this Judgment or a training manual containing these terms is, on at least an annual basis, made available to and required to be read by each employee and representative, and each new hire, of Fox Rent A Car, Inc., Pay Low Rent a Car, Inc., MAM Holding, LLC, Bayport Car Rental, Inc., or Certified Auto Body, Inc., who has or will have direct contact with Fox's rental car customers, and that each employee or representative is given sufficient time, resources and opportunity at work to become familiar with and understand the injunctive terms of the Judgment. Fox, through its internal auditor, shall ensure that the terms of this Judgment are complied with on an ongoing basis, and at least annually with respect to each employee or other representative of Fox.

RESTITUTION

4. Defendants shall pay restitution to their customers pursuant to Business and Professions Code section 17203. As set forth in detail below, Defendants shall (1) make restitution in full, and in any event in an amount not less than $89,000, to those of their customers who were allegedly found through the use of GPS devices to have violated Fox's restrictions on where cars could be driven, and surcharged for that purported violation; (2) pay $350,000.00 toward restitution to those of their customers who were required or believed they were required to pay for Renter's Liability Protection coverage in order to rent a car between March 1, 2004 and August 31, 2005; and (3) directly make restitution in full to those of their customers who have made or who make a valid complaint, as determined by counsel for the People in their sole discretion in consultation with Defendants, to Fox or an outside agency (as specified below) during the period from January 1, 2003 until the date 90 days after of the date of entry of this Judgment regarding any other unlawful, unfair or deceptive act or practice committed by Fox.

A. All those customers who, through the use of a GPS device in Fox's vehicles, were assessed a surcharge for assertedly violating geographical restrictions shall have restored to them the full amount of the surcharge (including any tax thereon) that they paid and have not recovered. This restitution shall be accomplished as set forth in paragraph 6.A.1. below. Any questions as to eligibility for or amount of restitution due shall be determined by the People in their sole discretion after consultation with Defendants.

B. All those customers who believed that they were required to purchase Renter's Liability Protection (RLP) coverage in order to rent a car from Fox, and who purchased such coverage, as part of a rental concluding at any time between March 1, 2004 and August 31, 2005, shall be eligible to have restored to them up to the full amount of the RLP charge they paid (including any tax thereon). This restitution shall be effected according to the procedure set forth in paragraph 6.A.2. below. The restoration to consumers of RLP "premiums" paid shall not revoke, diminish or otherwise adversely affect any renter's RLP coverage that may still be in effect (i.e.,

in covering an accident that occurred during the rental). Any questions as to eligibility for or amount of restitution due a renter shall be determined by the People in their sole discretion, after consultation with Defendants.

C. All those customers who have submitted a complaint about Fox – on a subject other than geographical restrictions – to the California Attorney General's Office, to the San Mateo District Attorney's Office, to the Better Business Bureau, to Payless Corporate, or to Fox (including to Fox corporate headquarters, to any Fox office, or to Payless Rent A Car), at any time between January 1, 2003 and the date of entry of this Judgment, or who submit a complaint about Fox that is received by Fox or by counsel for the People within ninety (90) days of the date of entry of this Judgment – on a subject other than geographical restrictions or RLP – within 90 days after the date of entry of this Judgment (the "Miscellaneous Restitution Period"), shall be eligible to have restored to them all amounts not previously restored (including any taxes paid) that were obtained in violation of Business and Professions Code section 17200, as determined by the People in their sole discretion after consultation with Defendants. This restitution shall be carried out as set forth in paragraph 6.B.1. below.

5. Defendants shall provide funds for the foregoing restitution as follows:

A. On or before the date of entry of this Judgment, Defendants shall provide to counsel for the People (1) a certified check or cashier's check in the amount of $89,000.00, (eighty-nine thousand dollars) made payable to the "California Attorney General's Office," to be applied toward restitution of geographical surcharges as set forth in paragraph 4.A. above, (2) a certified check or cashier's check in the amount of $161,000.00 (one hundred sixty-one thousand dollars), made payable to the "California Attorney General's Office," to be applied toward restitution of RLP charges as set forth in paragraph 4.B. above, and (3) documents establishing that Defendants have opened a separate bank account, containing at least $25,000.00 (twenty-five thousand dollars), to be applied toward restitution of miscellaneous

charges that were the subject of customer complaints as set forth in paragraph 4.C. above.

B. On or before January 15, 2007, Defendants shall provide to counsel for the People an additional certified check or cashier's check in the amount of $189,000.00 (one hundred eighty-nine thousand dollars), made payable to the "California Attorney General's Office," to be applied toward restitution of RLP charges.

SETTLEMENT ADMINISTRATION

6. Restitution shall be effected (1) in part by a third-party Settlement Administrator selected by Plaintiff and engaged and compensated by Defendants, and (2) in part directly by Defendants.

A. The Settlement Administrator shall administer restitution as follows:

1. Geographic Restrictions

All Fox customers who, through the use of a GPS device in Fox's vehicles, were assessed a surcharge for assertedly violating geographical restrictions shall have restored to them the full amount of the surcharge (including any tax thereon) that they paid and have not recovered.

a. The California Attorney General's Office will transfer the $89,000.00 paid by Defendants, plus any applicable interest, to an interest-bearing account established by the Settlement Administrator to handle restitution related to surcharges for geographical violations (the "GPS Restitution Account").

b. The Settlement Administrator shall send a notice (the "GPS Notice") to each customer who was assessed a surcharge for assertedly violating geographical restrictions during the GPS Restitution Period, informing the customer that s/he may be entitled to restitution pursuant to this Judgment. The notice shall be printed on a "double postcard" and shall contain substantially the following language:

"The California Attorney General and the San Mateo County District Attorney have filed a judgment against Fox Rent A Car. The Judgment requires Fox Rent A Car to refund money to Fox customers who were charged extra for driving outside California, Nevada and Arizona. It is illegal under California law to charge a renter a "penalty" unrelated to the

cost to the company of the supposed violation. Fox's records show that you were charged $[AMOUNT] as this type of penalty when you returned your rented car to the company.

"Please sign and return the card below – and correct the address if necessary – so that we can ensure that we send your refund to the right person at the right address. If you return your card, you will receive a refund in the extra amount that you were charged (and have not already been reimbursed). This is true even if you did drive outside the three-state area.

"To find out more about this case, you can go to the Attorney General's website at http://ag.ca.gov/[____]. If you have any questions, you can call the Settlement Administrator, Rosenthal & Co., at 1-800-237-0343."

The Settlement Administrator shall provide the telephone support services referred to on the postcard. The postcard shall contain substantially the statement "COURT-ORDERED REFUND NOTICE TO FOX RENT A CAR CUSTOMERS (*PEOPLE v. FOX RENT A CAR*)" on the side of the postcard that contains the customer's address. General background information about the case, including copies of the settlement documents and a list of responses to FAQs, will be made available on the Attorney General's website.

c. Defendants shall provide the Settlement Administrator, within fourteen (14) days from the date of Entry of Judgment, with a database containing the name, amount paid as a surcharge for alleged geographic violation, address, telephone number, driver's license issuer and number, and email address (if available) of each Fox customer eligible to receive the GPS Notice. Prior to sending any GPS Notice, the Settlement Administrator shall check the name and address information supplied by Defendants against at least the National Change of Address database or an equivalent database and make all appropriate changes. If the Settlement Administrator cannot locate a current address for a given Notice recipient, the Settlement Administrator shall promptly notify the parties of this fact and shall, if supplied by either party with a current address, promptly mail

the Notice to that address.

d. The GPS Notification and Payment Schedule shall be as follows:

i. Notice to all recipients of the GPS Notice shall be sent no later than 30 days after entry of this Judgment (the "Mailing Date"). Any notices returned as undeliverable with a change of address notification shall be re-sent to the new address. Any notices returned as undeliverable without a change of address notification shall be checked by the Settlement Administrator using standard address-search resources, and remailed to eligible recipients for whom new addresses are found. The Settlement Administrator shall promptly notify the parties of any eligible recipient for whom a valid address has not been found and shall, if supplied by either party with a current address, promptly mail the Notice to that address.

ii. GPS Notice recipients shall be instructed to respond by the date 60 days after the Mailing Date (the "Claim Deadline"). Notwithstanding any other provision of this Judgment, a response received by the date 90 days after the Mailing Date shall be deemed timely.

iii. The Settlement Administrator shall send all checks for GPS restitution by the date 120 days after the Mailing Date.

e. If the amount in the "GPS Restitution Fund" account is insufficient fully to effect restitution to all customers entitled to restitution of geographical-violation surcharges, the Settlement Administrator shall promptly notify Defendants of the amount of the deficiency, and Defendants shall pay that amount into the GPS Restitution Fund within 14 days of receiving such notification.

2. Renter's Liability Protection

All Fox customers who believed they were compelled to purchase Renter's Liability Protection (RLP) coverage in order to rent a car from Fox, and who

purchased the coverage, with respect to rentals ending at any time between March 1, 2004 and August 31, 2005 inclusive (the "RLP Restitution Period"), shall have restored to them an amount up to that which they paid for RLP coverage (and have not recovered), as follows:

a. The California Attorney General's Office will transfer the amounts paid by Defendants toward restitution for RLP (a total of $350,000.00) to an interest-bearing account established by the Settlement Administrator to handle restitution related to unlawful sales of RLP coverage (the "RLP Restitution Account").

b. The Settlement Administrator shall send a notice (the "RLP Notice") to each person who purchased RLP during the RLP Restitution Period, informing the purchaser that s/he may be entitled to restitution pursuant to this Judgment. The notice shall be printed on a double-postcard and shall contain substantially the following language:

"The California Attorney General and the San Mateo County District Attorney have filed a judgment against Fox Rent A Car. The Judgment requires Fox to refund money to consumers who thought they had to pay for "Renter's Liability Protection" (RLP) insurance in order to rent a car. It is illegal under California law for a car rental company to require someone to purchase this kind of optional insurance. Fox's records show that you were charged $[AMOUNT] for RLP coverage when you rented from the company.

"If you purchased RLP because you thought you were required to, please fill out and send in the attached card. If you return your card with a check in the "Yes" box, you will be eligible for a refund, up to the amount that you paid for RLP (and have not already had refunded to you). This is true even if you made an insurance claim under the RLP coverage.

"To find out more about this case, you can go to the Attorney General's website at http://ag.ca.gov/ [____] . If you have any questions, you can call the Settlement Administrator, Rosenthal & Co., at 1-800-237-0343."

The Settlement Administrator shall provide the telephone support services referred to on the postcard. The postcard shall contain substantially the statement "COURT-ORDERED <u>REFUND NOTICE</u> TO FOX RENT A CAR CUSTOMERS (*PEOPLE v. FOX RENT A CAR*)" on the side of the

postcard that contains the customer's address. General background information about the case, including copies of the settlement documents and a list of responses to FAQs, will be made available on the Attorney General's website.

c. A Fox customer who was both surcharged for allegedly violating geographical restrictions and charged improperly for RLP shall be entitled to payment for each charge.

d. Defendants shall provide the Settlement Administrator, within fourteen (14) days from the date of entry of this Judgment, with a database containing the name, amount paid for RLP, address, phone number, driver's license number, and email address (if available) of each Fox customer eligible to receive the RLP Notice. Prior to sending any RLP Notice, the Settlement Administrator shall check the name and address information supplied by Defendants against at least the National Change of Address database or an equivalent database and make all appropriate changes. If the Settlement Administrator cannot locate a current address for a given Notice recipient, the Settlement Administrator shall promptly notify the parties of this fact and shall, if supplied by either party with a current address, promptly mail the Notice to that address.

e. The RLP Notification and Payment Schedule shall be as follows:

i. Notice to all recipients of the RLP Notice shall be sent no later than the Mailing Date set forth in paragraph 6.A.1.d.i above (i.e., 30 days after entry of this Judgment). Any notices returned as undeliverable with a change of address notification shall be re-sent to the new address. Any notices returned as undeliverable without a change of address notification shall be checked by the Settlement Administrator using standard address-search resources, and remailed to eligible recipients for whom new addresses are found. The Settlement

Administrator shall promptly notify the parties of any eligible recipient for whom a valid address has not been found and shall, if supplied by either party with a current address, promptly mail the Notice to that address.

ii. RLP Notice recipients shall be instructed to respond by the date 60 days after the Mailing Date (the "Claim Deadline"). Notwithstanding any other provision of this Judgment, a response received by the date 90 days after the Mailing Date shall be deemed timely.

iii. Restitution of RLP charges shall be in an amount up to the full amount paid for RLP (including tax) by responding recipients of the RLP notice. If the total claims by responding RLP Notice recipients do not exceed the amounts available from the RLP Restitution Fund (i.e., $350,000.00 plus applicable interest) then each responding claimant shall receive in restitution the full amount paid for RLP during the applicable rental(s). If the total claims by responding RLP Notice recipients exceed the amounts available from the RLP Restitution Fund, then each responding claimant shall receive in restitution a pro rata share of the amount available for distribution after applicable taxes, fees and other costs have been paid.

iv. Restitution checks shall be sent to responding RLP Notice recipients on or before the date 120 days after the Mailing Date.

3. The Settlement Administrator shall keep ongoing records of the name, address, phone number, driver's license number, email address (if available), date(s) notice sent to, date(s) response(s) received from, and date(s) restitution check(s) mailed to, all potential recipients of GPS and/or RLP restitution. No later than 90 days after the RLP Claim Deadline, the Settlement Administrator shall provide to Defendants and to Plaintiff a Report containing a final database of these data – i.e., including identifying and contact information for each claimant

paid, the date of payment, and the amount of the claim – as well as the Settlement Administrator's certification of its compliance with the procedures set forth in this Judgment except to the extent of any specifically described deficiencies in compliance.

4. Defendants shall be responsible for all costs incurred for administration of restitution under this Judgment.

5. Each check issued by the Settlement Administrator shall bear substantially the notation that "This check is void if not cashed within six months from the date printed on the check." Each check issued by the Settlement Administrator shall be accompanied by a Check Transmittal Letter setting out a brief description of the reasons for which restitution is being made and containing a clear and conspicuous reference to the "must-cash-by" date on the check. Within seven months after the date of issuance of the final restitution checks, the Settlement Administrator shall provide Plaintiff and Defendants with a report of the names and addresses of all claimants whose checks were not cashed within six months of issuance.

6. Any money remaining from the amounts paid by Defendants for restitution after reasonable attempts have been made to provide restitution to all eligible customers (the "Residual Amount") – including amounts contained in checks not cashed for six months – shall be distributed as set forth below. The money shall be paid to the Consumer Protection Prosecution Trust Fund previously created by the Stipulated Final Judgment and Permanent Injunction, filed on September 21, 1989, in the case of *People v. ITT Consumer Financial Corporation* (Alameda County Superior Court case number 656038-0). The Settlement Administrator shall deliver by express mail a bank check or certified check made out to "Consumer Protection Prosecution Trust Fund" to Seth E. Mermin, California Attorney General's Office, 455 Golden Gate Ave., 11th Floor, San Francisco, CA 94102.

B. Defendants shall administer restitution directly as follows:

1. Miscellaneous claims

All Fox customers who submitted a valid complaint about the company – on a subject other than geographical violations – to the California Attorney General's Office, to the San Mateo District Attorney's Office, to the Better Business Bureau, to Payless Corporate, or to Fox (including to Fox corporate headquarters, to any Fox office, or to Payless Rent A Car) at any time between January 1, 2003 and the date of entry of this Judgment, or who submit a valid complaint about Defendants – on a subject other than geographical violations or RLP – that is received by Fox or by counsel for the People within ninety (90) days of the date of entry of this Judgment, shall have restored to them all amounts not previously restored that were obtained in violation of Business and Professions Code section 17200.

a. Eligibility for this "Miscellaneous Restitution" shall be determined by counsel for the People in their sole discretion after consultation with Defendants.

b. Miscellaneous Restitution payments shall be made by check directly by Defendants to those customers, and in those amounts, determined by counsel for the People. Defendants shall make best efforts to locate all customers entitled to Miscellaneous Restitution, including but not limited to checking the National Change of Address database or an equivalent database, calling any available telephone numbers, and making use of any other reasonable means proposed by counsel for the People.

c. On at least a monthly basis, Defendants shall provide counsel for the People with the name, address, telephone number, driver's license number, and email address (if available), along with the amount and date of Miscellaneous Restitution paid to, each recipient of Miscellaneous Restitution. Defendants shall further provide to counsel for the People, on

at least a monthly basis, a bank statement showing the balance and activity of the separate bank account maintained for the purpose of effecting Miscellaneous Restitution. Defendants shall provide to counsel for the People a Final Miscellaneous Restitution Report containing a final compilation of this information no later than 150 days after the date of entry of this Judgment (i.e., 60 days after the date by which complaints must be received in order to be eligible for Miscellaneous Restitution).

d. Defendants shall ensure that the amount in the separate account is sufficient to effect restitution to all customers entitled to Miscellaneous Restitution. If at any time counsel for the People, in their sole discretion, determine that additional amounts must be paid into the separate account in order to effect full payment of Miscellaneous Restitution, Defendants shall pay those amounts into the separate account within 14 days of receiving notice from Plaintiff of the insufficiency.

e. Each check issued by Defendants in payment of Miscellaneous Restitution shall bear substantially the notation that "This check is void if not cashed within six months from the date printed on the check" and shall be accompanied by a Check Transmittal Letter setting out a brief description of the reasons for which restitution is being made and containing a clear and conspicuous reference to the "must-cash-by" date on the check.

CIVIL PENALTIES AND COSTS OF INVESTIGATION

7. Defendants shall pay civil penalties pursuant to Business and Professions Code section 17206. Defendants shall pay $200,000.00 in civil penalties and an additional $50,000.00 in costs of investigation and expenses. On or before January 15, 2007, Defendants shall provide to counsel for the People (1) certified checks or cashier's checks made out to the "Attorney General of California" in the amount of $25,000 (twenty-five thousand dollars) in payment of costs of investigation and expenses, and in the amount of $30,500 (thirty thousand five hundred dollars) in partial payment of civil penalties, and (2) certified checks or cashier's checks made out to the "San

Mateo County District Attorney" in the amount of $25,000 (twenty-five thousand dollars) in payment of costs of investigation and expenses, and in the amount of $30,500 (thirty thousand five hundred dollars) in partial payment of civil penalties.

8. On or before March 15, 2007, Defendants shall provide to counsel for the People (1) a certified check or cashier's check made out to the "Attorney General of California" in the amount of $69,500 (sixty-nine thousand five hundred dollars), and (2) a certified check or cashier's check made out to the "San Mateo County District Attorney" in the amount of $69,500 (sixty-nine thousand five hundred dollars), each in payment of the remaining amount of civil penalties.

SECURITY

9. On or before the date of entry of this Judgment, Defendants shall provide to counsel for the People two letters of credit (in a form approved by counsel or the People), one in the amount of $211,000.00 (two hundred eleven thousand dollars) and one in the amount of $139,000.00 (one hundred thirty-nine thousand dollars), as security for those amounts to be paid in January 2007 and March 2007 under the terms of this Judgment.

OTHER PROVISIONS

10. Defendants shall pay all court costs associated with their appearance in this action, including any fee for the filing of the Stipulation to Entry of Judgment. Except as otherwise provided herein, each party shall bear its own costs and expenses.

11. This Judgment shall be binding and effective upon entry by the Court, and the clerk is ordered to enter the Judgment immediately upon filing. This Judgment resolves the above-captioned action, and is meant to resolve all and only those matters set forth in the allegations of the Complaint filed in this action.

12. Any amount that Defendants owe under this Judgment, but which is not paid in accordance with the provisions of this Judgment, shall earn interest at the rate of 10 percent per annum commencing on entry of this Judgment, and (in addition to the People's rights under the Letters of Credit) is subject to all post-judgment remedies provided by law.

13. Neither Defendants nor anyone acting on their behalf shall state or imply or cause to be stated or implied that the Attorney General of California or the District Attorney of San

Mateo County or any state agency or officer has approved, sanctioned, or authorized any practice, act or conduct of the Defendants.

14. In the event that the Defendants, or any of them, fail to deliver any payment by the date and in the amount specified herein, the entire unpaid balance of all amounts due under the terms of this Judgment shall be immediately due and payable.

15. This Court shall retain jurisdiction over this matter for the purpose of enabling any party to this Judgment to apply to the Court at any time for such further orders or directions as may be necessary or appropriate for the construction or carrying out of this Judgment, for modification of the injunctive provisions of this Judgment, and for the People to apply at any time for enforcement of any provisions of this Judgment or for punishment of any violations of this Judgment. In addition to the foregoing, the Court also retains its Settlement Enforcement Jurisdiction under Calif. Code of Civil Procedure, § 664.6

GJB 11/8/06

Dated: 8 November, 2006

Gerald J. Buchwald
JUDGE OF THE SUPERIOR COURT
GERALD J. BUCHWALD