

LONG-FORM LEGAL NOTICE

TO: All persons who between April 21, 2007 and June 11, 2012 received a commercial text message from or on behalf of Lithia Motors, Inc.

IF YOU ARE A MEMBER OF THIS CLASS OF PERSONS, YOU SHOULD READ THIS NOTICE CAREFULLY BECAUSE IT WILL AFFECT YOUR LEGAL RIGHTS AND OBLIGATIONS

A settlement has been proposed in a class action lawsuit pending in the United States District Court, Western District of Washington, entitled *McClintic v. Lithia Motors, Inc.*, Case No. 2:11-cv-00859-RAJ. You should have already received, via U.S. mail, a shorter version of this notice (short-form notice) and a claim or exclusion form along with a postage-prepaid return envelope. This Long-Form Legal Notice provides more detailed information about the nature of the Lawsuit, the general terms of the proposed settlement, and your legal rights and obligations. You may also review the court documents available on this website (www.TextClassSettlement.com) for more information.

GENERAL BACKGROUND

Plaintiff Kevin McClintic filed a class action lawsuit against Lithia Motors, Inc. (“Lithia”), on behalf of the class of persons described above. The lawsuit alleges that Lithia violated Washington and federal law by transmitting text messages to cellular telephones of settlement class members without their express consent. Lithia denies any wrongdoing and any liability whatsoever, and no court or other entity has made any judgment or other determination of any liability.

The parties have determined that it is in their best interests to settle the lawsuit to avoid the expenses, inconveniences, and interferences with ongoing business operations that are associated with litigation. In addition, Judge Richard A. Jones of the Western District of Washington has determined that the Lawsuit should proceed as a class action for settlement purposes only, with Plaintiff Kevin McClintic as the class representative, and granted preliminary approval of the settlement, subject to a final settlement approval hearing discussed below.

THE PROPOSED SETTLEMENT

Lithia agrees to establish a settlement fund of \$2,500,000.00 and to make at least \$1,740,000 (the “Payment Fund”) of that sum available to make monetary payments to class members who submit a timely and valid claim or exclusion form and make a claim that is approved by the settlement administrator. Settlement Class Members submitting approved claims shall be paid approximately \$175.00 for each text message received. However, Settlement Class Members who received a second text after attempting to opt out from receiving text messages from Lithia will receive approximately \$500.00 for the second text message.

If the number of claims exceeds the Payment Fund, all payments will be reduced pro rata. If the number of claims is insufficient to exhaust the Payment Fund, all payments will be increased pro

rata. In the event that the Court orders an attorneys' fees award to the attorneys to the settlement class of less than Six Hundred Thousand Dollars (\$600,000), the Court orders an incentive award to the class representative of less than Ten Thousand Dollars (\$10,000), or class administration costs are lower than One Hundred and Fifty Thousand Dollars (\$150,000), the amount of approved settlement payments to Settlement Class Members will be increased pro rata. The value of any checks sent to Settlement Class Members that have not been negotiated (cashed) within sixty (60) days of the effective date of settlement will be distributed to the appropriate state agency responsible for unclaimed property, based on the state of last known residence of the class members who fail to negotiate checks.

Subject to Court approval, the class representative will be paid an incentive award of up to \$10,000 for his services as class representative and his efforts in bringing the lawsuit, and the attorneys for the settlement class will be paid up to \$600,000 total for their attorneys' fees and costs. The Court will make the final decision as to the amounts to be paid to the class representative and class counsel. Class counsel will make their motion for attorney fees, costs, and an incentive award available for your review on this website no later than July 10, 2012. You may review this motion and object to it if you wish.

DISMISSAL OF ACTION AND RELEASE OF ALL CLAIMS

If the Court approves the proposed settlement, it will enter a final and binding judgment in the Lawsuit as to all Settlement Class Members who do not request to exclude themselves from the settlement. The judgment will contain a release of all claims in the following form:

Upon the Effective Date of the Settlement, the Released Parties shall be released and forever discharged, to the fullest extent permissible by law, by each and all of the Settlement Class Members for any claim, cause of action, or damage that they asserted, may have asserted, or could have asserted against the Released Parties arising out of, or in any way related to the lawsuit or the receipt of or transmission of any text messages to any Settlement Class Member by or on behalf of any Released Party during the Class Period.

The "Released Parties" are Lithia Motors, Inc., DMEautomotive LLC (a vendor of Lithia and an intended beneficiary of the Settlement Agreement), and their respective parents, subsidiaries, affiliates, members, partners, related entities, predecessor or successor companies and any entity which shares common ownership or control, in whole or in part, with any of the foregoing, along with the present or former directors, officers, owners, managers, employees, representatives, assigns, vendors, and agents of any of them, whether in their individual or official capacities (specifically including, but not limited to, their attorneys, investigators, and representatives).

The Class Period means the period from and including April 21, 2007, until and through June 11, 2012, the date of the order granting preliminary approval of the settlement. This Release means that by participating in the settlement or by failing to timely exclude yourself from the settlement, you will be prohibited from suing any of the Released Parties for any claims relating to text messages you received that were sent on by or behalf of Lithia from April 21, 2007, until and through June 11, 2012.

FINAL SETTLEMENT APPROVAL HEARING

On October 11, 2012 at 2:00 p.m., the court will hold a final settlement approval hearing on the fairness of the proposed settlement. At the final settlement approval hearing, the Court will be available to hear any objections and arguments concerning the proposed settlement's fairness. The final settlement approval hearing will take place before the Honorable Richard A. Jones in Court Room No. 13106 (13th Floor) of the United States Courthouse, Western District of Washington, located at 700 Stewart Street, Seattle, WA 98101.

IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT

To participate in the settlement, you must complete a claim or exclusion form requesting participation in the settlement and providing your claim details. The claim or exclusion form was enclosed in the notice mailed to you, and is also available by contacting the Settlement Administrator at:

McClintic v. Lithia Motors, Inc.
c/o GCG
P.O. Box 9786
Dublin, OH 43017-5686
1-888-624-6705

The claim or exclusion form must be mailed to the Settlement Administrator postmarked no later than September 14, 2012 at the address above. The settlement administrator will verify the accuracy of information set forth in any submitted claim or exclusion form and determine whether you are entitled to a cash award. If you do not submit a valid and timely claim or exclusion form, you will not receive benefits under the settlement, but you will still be bound by the Settlement unless you exclude yourself.

IF YOU WANT TO EXCLUDE YOURSELF FROM THE SETTLEMENT

You must complete a claim or exclusion form, requesting to exclude yourself from the Settlement. The claim or exclusion form was enclosed in the notice mailed to you, and is also available by contacting the Settlement Administrator. If you want to be excluded, you must send the postage prepaid claim or exclusion form to the Settlement Administrator identified below, postmarked no later than September 14, 2012.

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If you timely request exclusion from the settlement, you will be excluded from the settlement, you will not be bound by the judgment entered in the Lawsuit, and you will not be precluded from prosecuting any timely individual claim against Lithia or any Released Party based on the conduct complained of in the Lawsuit.

HOW TO OBJECT TO THE SETTLEMENT

If you wish to participate in the settlement but object to some or all of it (including class counsel's motion for attorney fees), you must mail a written objection, postmarked no later than September 14, 2012, to the settlement administrator at the address set forth herein. Any written objections should state: (a) the full name and address of the person objecting," and (b) the basis of the objection. Settlement class members who fail to make objections in the manner specified above will be deemed to have waived any objections. If you submit a timely objection, you may also speak at the final settlement approval hearing, although it is not necessary to appear at the hearing or speak. Only settlement class members who sent timely written objections can speak at the final settlement approval hearing. You may, but need not, appear at the hearing through counsel of your choice. If you do, you will be responsible for your personal attorney's fees and costs.

ADDITIONAL INFORMATION

The above description of the lawsuit is general and does not cover all of the issues and proceedings that have occurred. In order to see the complete file, including the actual settlement agreement, you should visit the Administrative Office of the U.S. Courts, PACER Service Center, located at <http://pacer.psc.uscourts.gov/>. You may also visit or call the Clerk's office of the Western District of Washington located on the Floor of the United States Courthouse, 700 Stewart Street, Seattle, WA 98101. The phone number of the Clerk's office is (206) 370-8400. The Clerk will tell you how to obtain the file for inspection and copying at your own expense.

This notice is merely a summary of the terms of the Settlement. The complete terms and conditions are set forth in the Settlement Agreement, which is available from the Court's file. To fully understand the terms and conditions of settlement, the Court recommends that you read the Settlement Agreement, because it may contain language, terms, conditions and procedures that are not mentioned or explained in this notice. In the event of any conflict or disagreement between the language of this notice and the Settlement Agreement, the Settlement Agreement will control.

PLEASE DO NOT CONTACT THE COURT WITH ANY QUESTIONS ABOUT THE SETTLEMENT, THE COURT CANNOT ANSWER YOUR QUESTIONS.