

SETTLEMENT AGREEMENT

AND

MUTUAL GENERAL RELEASE

PREAMBLE

This Settlement Agreement and Mutual General Release (the “Agreement”) is entered into by and between Sony Electronics Inc., a Delaware corporation (“SEL”) and ABC Appliance, Inc. (dba ABC Warehouse) on the one hand, and David Date, Jr., both individually and in his capacity as representative of the settlement class defined below. This Agreement is made for the purpose of finally and completely settling all presently pending claims asserted in this lawsuit and/or known or unknown causes of action by and between the parties to this Agreement, as more fully described below.

1.0 DEFINITIONS

1.1 **ACTION** means the lawsuit titled *David Date, Jr. v. Sony Electronics Inc. et al.*, Case No. 02:07-cv-15474, currently pending in the United States District Court, Eastern District of Michigan.

1.2 **CLAIMS PERIOD** means the time period beginning one day after the last day on which SEL distributes Notice of the proposed settlement to the SETTLEMENT CLASS and continuing thereafter for 180 days.

1.3 **COURT** means the United States District Court, Eastern District of Michigan, the Honorable Paul D. Borman presiding.

1.4 **DEFENDANTS** means SEL and ABC Appliance, Inc., dba ABC Warehouse (“ABC”).

1.5 **MDL PROCEEDING** means Proceeding No. 1929 before the Judicial Panel on Multidistrict Litigation, and shall encompass any lawsuit that is or may in the future be subject to Proceeding No. 1929, including but not limited to all lawsuits identified on the docket sheet and Notice of Hearing attached hereto as Exhibit 1.

1.6 **DATE OF SETTLEMENT ORDER AND JUDGMENT** shall be the later of: (1) the day after the deadline for the filing of any appeal of the SETTLEMENT ORDER AND JUDGMENT, if no notice of appeal is filed; or (2) if any notice to appeal the SETTLEMENT ORDER AND JUDGMENT is filed, the day following the date on which the SETTLEMENT ORDER AND JUDGMENT is not subject to further judicial review or appeal, either by reason of affirmance by a court of last resort or by lapse of time or otherwise, provided that the SETTLEMENT ORDER AND JUDGMENT is not reversed or modified by the trial court or an appellate court.

1.7 **PARTIES** means Sony Electronics Inc., ABC Appliances, Inc., and David Date, Jr.

1.8 PLAINTIFF means David Date, Jr.

1.9 PLAINTIFF'S COUNSEL means attorneys with The Consumer Advocacy Center, P.C., Rosner & Mansfield, LLP and Liblang & Associates, P.C.

1.10 SETTLEMENT CLASS means all original United States end user consumers who, up to the date the COURT grants preliminary approval of this proposed settlement, purchased any TELEVISION. SETTLEMENT CLASS shall also include any person who received a TELEVISION as a gift directly from the original purchaser of the TELEVISION at retail. SETTLEMENT CLASS shall not include (a) any person or entity who purchased or acquired a TELEVISION for resale, (b) any person or entity who purchased or acquired a TELEVISION for commercial use, (c) any CLAIMS AGGREGATOR, (d) any person or entity who claims to be an assignee of rights associated with any of the TELEVISIONS, (e) any person who is an employee, director, officer or agent of Sony Electronics, or its direct or indirect parent or affiliated companies, or (f) any Judge of the COURT.

1.11 SETTLEMENT ORDER AND JUDGMENT means an order and judgment issued by the COURT as binding upon the PARTIES, granting final approval of this proposed settlement and Agreement, and finally disposing of the ACTION.

1.12 SONY BLU-RAY DISC PLAYER means a stand-alone Sony-brand Blu-ray Disc Player or a Sony Vaio computer that contains a Sony Blu-ray Disc Player but does not include any gaming device.

1.13 TELEVISION or TELEVISIONS means any or all of the following Sony-brand, rear-projection, high-definition television models: KDS-R50XBR1, KDS-R60XBR1, KDS-70Q006, and KDX-46Q005.

1.14 1080p DEVICE means any device that produces an output visual signal of 1080p and that can connect to a TELEVISION via an HDMI interface and deliver the 1080p visual signal to the TELEVISION.

1.15 CLAIMS AGGREGATOR means any person who attempts to obtain multiple benefits provided under this Agreement by purchasing or otherwise accumulating claims belonging to members of the SETTLEMENT CLASS who would otherwise be entitled to those benefits.

2.0 STATEMENT OF DISPUTE

This Agreement is entered into with respect to the following facts:

2.1 On April 2, 2007, PLAINTIFF filed a lawsuit against DEFENDANTS in the United States District Court for the Southern District of California, entitled *David Date, Jr. v. Sony Electronics Inc. et al.*, Case No. 07-cv-0592. Date subsequently filed an amended complaint on July 2, 2007. On December 17, 2007, the Southern District of California transferred this case to the Eastern District of Michigan, which assigned the ACTION Case No. 2:07-cv-15474, pursuant to 28 U.S.C. § 1404(a). Date subsequently filed a second amended complaint, a true copy of which is attached as Exhibit 2.

2.2 PLAINTIFF alleges to bring his lawsuit on behalf of himself and a putative class of “[a]ll persons who purchased one or more Sony Grand Wega televisions, Model KDS-R50XBR1 . . . and . . . KDS-R60XBR1, , KDS-70Q006, and KDX-46Q005, that [were] . . . warranted and advertised as capable of displaying 1080p resolution when [they] . . . were not.”

2.3 PLAINTIFF alleges in the Second Amended Complaint that DEFENDANTS represented and advertised that the TELEVISION models at issue had a 1080p display resolution, that such representations were misleading because the TELEVISIONS did not always display 1080p resolutions, were incapable of accepting input of 1080p signals, and could not accept and display video content at 1080p resolution via the TELEVISIONS’ PC or HDMI Input. PLAINTIFF further alleges that the TELEVISIONS are defective in that they are missing one or more components that would permit them “to accept input at a 1080p resolution.” PLAINTIFF further asserts that the ACTION should proceed as a class action, but no class has been certified, and PLAINTIFF has not moved for the certification of any class as of the date of this Agreement.

2.4 DEFENDANTS have denied any and all wrongdoing or liability to PLAINTIFF or members of the SETTLEMENT CLASS for the claims alleged, or that could have been alleged, in the ACTION and further denies that the ACTION should be treated as a class action, except for purposes of settlement.

2.5 PLAINTIFF’S COUNSEL have engaged in extensive settlement negotiations and an exchange of information since September of 2007 and have conducted confirmatory discovery into the facts and law relating to the claims asserted in the ACTION, and have analyzed and evaluated the merits of the contentions and defenses asserted in the ACTION and the impact of this proposed settlement upon PLAINTIFF and the individual members of the SETTLEMENT CLASS. PLAINTIFF and PLAINTIFF’S COUNSEL have further considered the risks and costs of further litigation, are satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate and that a settlement of the Action is in the best interest of members of the SETTLEMENT CLASS.

2.6 DEFENDANTS now wish to resolve the ACTION, on the terms and conditions of this Agreement, to avoid the inconvenience, interference with business operations, further expense, and risks inherent in litigation, and have determined that this proposed settlement is in their best interests.

3.0 TERMS OF SETTLEMENT

NOW AND THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement and of the releases and dismissal of claims as described below, the PARTIES agree as follows:

3.1 Benefits to the Settlement Class and Eligibility

3.1.1 Benefit I: \$90.00 Cash Payment

A SETTLEMENT CLASS member who, as of January 8, 2008, SEL identified in good faith as having contacted SEL regarding issues with the PC Input capability of his or her TELEVISION shall receive \$90.00 cash.

A SETTLEMENT CLASS member who is eligible for the \$90.00 cash payment is not prohibited from also qualifying for an e-credit provided under this Agreement, subject to the limitations of 3.1.5.

3.1.2 Benefit II: E-Credit For Past Purchase of 1080p Device

Eligible SETTLEMENT CLASS members may receive a single-use, freely transferable e-credit good towards the purchase of any item(s) available on the SonyStyle website at www.sonystyle.com, for the past purchase of a 1080p DEVICE.

To be eligible for an e-credit provided under this Subsection, a SETTLEMENT CLASS member (a) must have purchased a 1080p DEVICE on or before the date the COURT issues an order granting preliminary approval of this settlement, and (b) must provide to SEL proof of purchase of his or her TELEVISION(s) and of a 1080p DEVICE, in accordance with Section 3.2 below. If the 1080p DEVICE does not appear on the list titled "1080p Devices" attached to this Agreement as Exhibit 3, a SETTLEMENT CLASS member must also provide a copy of a valid specification sheet, screen print, or relevant cover and specification pages from a users' manual showing that the 1080p DEVICE outputs at 1080p via HDMI.

A SETTLEMENT CLASS member who is eligible for a benefit provided under this Subsection shall receive an e-credit in the amount of

\$180.00 if the member has a TELEVISION model KDS-70Q006 or KDX-46Q005. A SETTLEMENT CLASS member who is eligible for a benefit provided under this Subsection shall receive an e-credit in the amount of \$60.00 if the member has a TELEVISION model KDS-R50XBR1 or KDS-R60XBR1.

3.1.3 Benefit III: E-Credit for Future Purchase of a Sony Blu-ray Disc Player

Eligible SETTLEMENT CLASS members may receive a single-use, freely transferable e-credit good towards the purchase of any item(s) available on the SonyStyle website at www.sonymstyle.com if they purchase a SONY BLU-RAY DISC PLAYER in accordance with the provisions of this Subsection.

To be eligible for an e-credit provided under this Subsection, a SETTLEMENT CLASS member (a) must purchase a SONY BLU-RAY DISC PLAYER within the period beginning on the day after the COURT issues an order granting preliminary approval of this settlement and ending 30 days after the DATE OF SETTLEMENT ORDER AND JUDGMENT and (b) must provide to SEL proof of purchase of his or her TELEVISION(s), and of a SONY BLU-RAY DISC PLAYER, in accordance with Section 3.2 below.

A SETTLEMENT CLASS member who is eligible to receive a benefit provided under this Subsection shall receive an e-credit in the amount of \$75.00 if the member has a TELEVISION model KDS-70Q006 or KDX-46Q005. A SETTLEMENT CLASS member who is eligible for a benefit provided under this Subsection shall receive an e-credit in the amount of \$28.00 if the member has a TELEVISION model KDS-R50XBR1 or KDS-R60XBR1.

3.1.4 Shipment of Benefits, Shipment Costs, and Expiration of E-Credits

SEL shall provide the benefits described in Subsections 3.1.1 through 3.1.3 directly to the qualifying members of the SETTLEMENT CLASS. Within 45 days following the DATE OF SETTLEMENT ORDER AND JUDGMENT, SEL will automatically forward a \$90.00 check to all SETTLEMENT CLASS members who are eligible for Benefit I. Shipment of the e-credits shall be made within 6 weeks following (a) the DATE OF SETTLEMENT ORDER AND JUDGMENT, or (b) SEL's receipt of a properly completed and valid settlement claim form, whichever is later.

SEL shall pay for the costs to ship the e-credits to SETTLEMENT CLASS members. SEL shall also pay for the costs to ship the merchandise purchased with the e-credits by providing a shipping cost voucher to SETTLEMENT CLASS members who receive an e-credit.

All e-credits shall expire 365 days from the date the COURT issues the SETTLEMENT ORDER AND JUDGMENT.

3.1.5 One E-Credit Per Television

Each eligible SETTLEMENT CLASS member may receive one e-credit per TELEVISION purchased or received as a gift, regardless of the number of 1080p DEVICES or SONY BLU-RAY DISC PLAYERS the class member may own. This Subsection shall not limit a SETTLEMENT CLASS member's ability to receive a \$90.00 check, as set forth in Subsection 3.1.1 above.

3.1.6 SEL alone shall be exclusively responsible for providing the benefits described herein to PLAINTIFF, the SETTLEMENT CLASS, and PLAINTIFF'S COUNSEL.

3.2 **Proof-of-Purchase Requirements**

TELEVISION: Proof of purchase for the TELEVISION shall be satisfied by providing to SEL the unique serial number(s) affixed to his or her TELEVISION(s).

SONY BLU-RAY DISC PLAYER: If a SETTLEMENT CLASS member is applying for the e-credit set forth in Subsection 3.1.3, proof of purchase for the SONY BLU-RAY DISC PLAYER shall be satisfied by providing to SEL a legible and dated copy of the original receipt for the SONY BLU-RAY DISC PLAYER.

1080p DEVICE: Proof of purchase of a 1080p DEVICE shall be any of the following: (a) legible and dated copy of the original receipt identifying the 1080p DEVICE; (b) legible copy of a dated invoice marked "paid" that identifies the retail seller, the seller's address, and identifies the purchase of the 1080p DEVICE; (c) legible copy of a dated cancelled check contemporaneously identifying the purchase of the 1080p DEVICE; (d) legible copy of a dated credit card bill that identifies the purchase of the 1080p DEVICE; (e) legible copy of a dated shipping invoice identifying the 1080p DEVICE; or (f) a portion of the box originally holding the 1080p DEVICE that identifies the 1080p DEVICE and model number and a signed declaration attesting to the purchase date, the name and location of the retailer where the 1080p DEVICE was purchased, and that the

SETTLEMENT CLASS member was unable to locate the receipt for the 1080p DEVICE.

All proofs of purchase sent to SEL or the settlement claims administrator shall become the property of SEL, which will be responsible for disposal.

3.3 Claims Process

3.3.1 Obtaining a Settlement Benefit

SETTLEMENT CLASS members who are eligible for Benefit I need not make a claim for this benefit. SEL shall, within 45 days of the DATE OF SETTLEMENT ORDER AND JUDGMENT, mail a \$90.00 check to each SETTLEMENT CLASS member who is eligible for the benefit.

SETTLEMENT CLASS members who are eligible for Benefit II or Benefit III must complete a written settlement claim form to receive either of these benefits. Eligible members must submit the settlement claim form, along with all other required documentation, to the third-party administrator identified on the settlement claim form. The settlement claim form shall be substantially in the form of Exhibit 4 (“Claim Form”).

If a SETTLEMENT CLASS member has more than one TELEVISION and wishes to obtain one E-Credit per TELEVISION, that member must submit a valid Claim Form, along with all other required documentation for each TELEVISION.

SEL shall make the Claim Form available through the Settlement Website and by sending it along with the settlement notice to all SETTLEMENT CLASS members who can be identified by SEL in any records it maintains including warranty registration data, beginning no later than the date the notice begins to be disseminated to the SETTLEMENT CLASS.

3.3.2 Claims Period

To receive the benefit provided under Subsections 3.1.2 or 3.1.3, eligible SETTLEMENT CLASS members must submit a Claim Form within the CLAIMS PERIOD. All claims forms must be postmarked on or before the date that the CLAIMS PERIOD ends.

3.3.3 Determining Eligibility for Benefits

If SEL determines that a member of the SETTLEMENT CLASS does not qualify for any benefit provided under this Agreement, such determination shall not be a *per se* breach of this Agreement.

If SEL rejects a claim, it shall promptly provide notice of the rejection to the relevant SETTLEMENT CLASS member, but in no event later than 60 days after the DATE OF SETTLEMENT ORDER AND JUDGMENT or of the end of the CLAIMS PERIOD, whichever is later. The SETTLEMENT CLASS member shall then have 20 days from the date of the notice of rejection to cure the claim.

Within 60 days of the DATE OF SETTLEMENT ORDER AND JUDGMENT or of the end of the CLAIMS PERIOD, whichever is later, SEL shall provide to PLAINTIFF'S COUNSEL copies of all rejected claims and the bases for rejecting those claims. Within 15 days of receiving this information, PLAINTIFF'S COUNSEL may request a meeting with counsel for SEL, Heller Ehrman LLP, to raise any objections to the rejected claims. Within 15 days of such a request, the PARTIES' counsel shall meet and work in good faith to resolve any disputed claims. PLAINTIFF'S COUNSEL shall have 15 days from the conclusion of such meeting to submit any unresolved disputes to the Honorable Howard B. Wiener. Justice Wiener shall be the ultimate arbiter of all claims submitted to him in accordance with this Subsection. The meeting of counsel provided for under this Subsection may take place telephonically.

3.3.4 Selection and Duties of Claims Administrator

SEL may use one of the following entities to administer the settlement and claims process: (a) Young America, (b) Helgeson Enterprises, or, if neither is available, any other vendor mutually agreeable to the PARTIES. SEL will bear the costs of retaining the third-party administrator and administering the claims process.

The Claims Administrator shall be responsible for processing all Claim Forms and providing reports to counsel for the PARTIES upon reasonable request during the CLAIMS PERIOD, but no more frequently than once every two weeks. SEL shall cause the Claims Administrator to provide to SEL the information concerning rejected claims described in Subsection 3.3.3.

3.4 Compensation for Plaintiff

SEL shall pay PLAINTIFF an amount approved by the COURT but no more than \$5,000.00 plus costs, not to exceed \$1,600.00, that PLAINTIFF incurred in connection with the purchase of his TELEVISION or in connection with this case, including costs incurred to install his TELEVISION. Within 30 days after the DATE OF SETTLEMENT ORDER AND JUDGMENT, SEL shall distribute these funds to The Consumer Advocacy Center, P.C. Client Trust Account by wire transfer. It shall be the sole responsibility of PLAINTIFF'S COUNSEL thereafter to ensure that PLAINTIFF receives the funds provided under this Section. Nothing in this Section shall preclude PLAINTIFF's eligibility to receive any other benefit provided under Section 3.1.

3.5 Release of Claims

In consideration of the benefits provided under this Agreement, PLAINTIFF and members of the SETTLEMENT CLASS shall release claims against DEFENDANTS and others pursuant to Section 5.1 below.

3.6 Attorneys' Fees, Costs, and Expenses.

3.6.1 Amount

SEL agrees to pay PLAINTIFF'S COUNSEL attorneys' fees and costs approved by the COURT, not to exceed \$300,000.00 in attorneys' fees and \$25,000.00 in litigation expenses, which shall be shared between PLAINTIFF'S COUNSEL, as agreed between them. The attorneys' fees, costs, and expenses provided for under this Subsection shall be paid in lieu of any applicable fee-shifting statute.

Should the Court grant Final Approval to the terms expressed in this Agreement, and such Approval is upheld on appeal, PLAINTIFF'S COUNSEL do hereby waive any claim or right to an award by the COURT for attorneys' fees, costs and expenses that exceeds the amounts provided under this Subsection. Except as expressly provided above, PLAINTIFF and SEL shall each bear its own costs incurred in connection with the ACTION.

3.6.2 Disbursement and Allocation

Subject to the limitations set out in Subsections 3.6.1 and 3.6.3, SEL shall pay the attorneys' fees and litigation expenses approved by the COURT into an interest-bearing account within 15 business days after the COURT issues the SETTLEMENT ORDER AND JUDGMENT. The escrowed sum that the Court awards PLAINTIFF'S COUNSEL in attorneys' fees and litigation expenses, plus accrued interest on that sum, shall be dispersed to the Consumer Advocacy Center,

P.C. within 10 days following the DATE OF SETTLEMENT ORDER AND JUDGMENT. Any escrowed sum that exceeds the amount awarded to PLAINTIFF'S COUNSEL in attorneys' fees and litigation expenses, plus interest accrued thereon, shall be dispersed to SEL. If the COURT does not grant final approval of the proposed settlement, all escrowed sums, plus accrued interest, shall be dispersed to SEL.

PLAINTIFF'S COUNSEL are solely responsible for allocating such fees, costs and expenses among themselves. SEL shall have no responsibility for, no interest in, and no liability whatsoever with respect to the allocation amongst PLAINTIFF'S COUNSEL. If any dispute amongst PLAINTIFF'S COUNSEL arises relating to the allocation of attorneys' fees, costs or expenses, PLAINTIFF'S COUNSEL shall indemnify and hold SEL harmless from any and all liabilities, costs, and expenses that arise from such dispute.

3.6.3 Award in Excess of Agreed Amount and Right to Withdraw

SEL may, at its sole discretion, withdraw from the Agreement, before it becomes final, if: (a) any federal or state court orders SEL, in connection with this settlement or disposal of the ACTION, any lawsuit subject to the MDL PROCEEDINGS, or any other related lawsuit, to pay attorneys' fees, costs and expenses, to PLAINTIFF'S COUNSEL, or to any other person asserting a claim for attorneys' fees, costs and expenses, that exceed the amounts specified in Subsection 3.6.1; and (b) PLAINTIFF'S COUNSEL refuses to be solely responsible for fully reimbursing all such attorney's fees awarded in excess of what PLAINTIFF and SEL have agreed upon under this agreement.

If SEL elects to terminate this Agreement as provided under this Subsection, SEL shall notify PLAINTIFF'S COUNSEL of its election, and upon such election, the Agreement shall have no force and effect whatsoever, and shall not be used in the ACTION or in any other proceeding for any purpose whatsoever, and any judgment or order entered by the COURT pursuant to this Agreement shall be treated as vacated *nunc pro tunc*; the ACTION may continue, any order certifying a class for settlement purposes only or approving certification of a settlement class shall be vacated; and any other action taken pursuant to this Agreement shall be of no force or effect.

3.7 Non-disparagement Clause

Neither the PARTIES nor their respective counsel shall proactively discuss the settlement or this AGREEMENT with media and hereby agree not to disparage in public, PLAINTIFF, DEFENDANTS, any subsidiary or corporate affiliate of DEFENDANTS, or any counsel for the PARTIES, including describing the settlement as a recall. Nothing

in this Section shall prohibit the PARTIES' attorneys from posting details of the settlement on their respective web sites, provided that any such posting complies with the prohibition against disparaging DEFENDANTS as set forth in this Section.

3.8 Cooperation Clause

The PARTIES' counsel shall use their best efforts to cause the COURT to give preliminary approval to this proposed settlement and Agreement as promptly as practical, to take all steps contemplated by this Agreement to effectuate the settlement on the stated terms and conditions, to do all acts and execute and deliver all documents necessary to effect all provisions of this Agreement, and to cause the COURT to enter the SETTLEMENT ORDER AND JUDGMENT and to oppose any appeal thereof.

4.0 CLASS SETTLEMENT PROCEDURES

4.1 Requesting Preliminary Approval

As soon as practical after the signing of this Agreement, PLAINTIFF and SEL shall submit to the COURT a Joint Application requesting: preliminary approval of this proposed settlement and Agreement; approval of notice of the proposed settlement as described in Section 4.3 below; certification of the SETTLEMENT CLASS for settlement purposes only; and a hearing date to consider final approval of the settlement and any objections thereto.

4.2 Class Certification for Settlement Purposes Only

4.2.1 The Joint Application for preliminary approval of this proposed settlement and Agreement shall seek entry of an order, substantially in the form of Exhibit 5 ("Order Granting Preliminary Approval of Settlement of Class Action") that (a) certifies the SETTLEMENT CLASS in accordance with the definition set forth in Subsection 1.11 of this Agreement; (b) appoints PLAINTIFF as the SETTLEMENT CLASS representative; and (c) appoints PLAINTIFF'S COUNSEL as SETTLEMENT CLASS counsel, all for purposes of settlement only.

4.2.2 SEL acknowledges that class certification for settlement purposes only will facilitate settlement, and thus will not oppose the request for class certification for settlement purposes only as described in Subsection 4.2.1 above. In agreeing not to oppose class certification for settlement purposes only, SEL does not waive, and hereby reserves, any and all rights to oppose any request to certify a class in this ACTION if the COURT does not, for any reason, enter a SETTLEMENT ORDER AND JUDGMENT in this ACTION or in the event of termination of this Agreement for any reason.

4.2.3 The certification of the SETTLEMENT CLASS, the appointment of PLAINTIFF to act as representative of the SETTLEMENT CLASS, and the appointment of PLAINTIFF'S COUNSEL as SETTLEMENT CLASS counsel shall be binding only with respect to this proposed settlement and this Agreement. If the COURT does not, for any reason, enter a SETTLEMENT ORDER AND JUDGMENT in this ACTION or if this Agreement is terminated for any reason, the Order Granting Preliminary Approval of Settlement of Class Action, and all of its provisions, shall have no force or effect whatsoever, shall not be used in the ACTION or in any other proceeding for any purpose, and the ACTION shall revert to its status as it existed prior to the execution of this Agreement.

4.3 Notice of Settlement

SEL will provide notice of this proposed settlement and Agreement to the SETTLEMENT CLASS.

4.3.1 Form of Notice.

PLAINTIFF and SEL agree that the content of the notice provided to members of the SETTLEMENT CLASS concerning the proposed settlement and this AGREEMENT shall be in substantially the form of Exhibit 6 ("Settlement Notice") to this Agreement.

4.3.2 Method of Notice.

PLAINTIFF and SEL agree that the method of notice provided under this Subsection shall be by the following:

a. Website Postings:

SEL shall build and host, at its expense, a website on the Internet to provide information on the proposed settlement and claims process (the "Settlement Website"). The Settlement Website shall include a link to (1) the Settlement Notice; and (2) a downloadable version of the Claim Form. SEL shall establish the Settlement Website within 21 days of the COURT's entry of an order preliminarily approving the proposed settlement and will maintain the Settlement Website until the CLAIMS PERIOD ends. SEL shall post a link to the Settlement Website on its support website <http://esupport.sony.com> at the following locations: (1) on the main support home page for 2 weeks, beginning no later than 21 days after the COURT issues an order granting preliminary approval of the settlement; and (2) on the support home page for each TELEVISION model until the CLAIMS PERIOD ends.

b. E-mail:

If SEL has a SETTLEMENT CLASS member's e-mail address, SEL shall e-mail to that member the Settlement Notice and a downloadable version of the Claim Form. The e-mail will include a link to, or instructions on how to obtain access to, the Settlement Website.

c. U.S. Mail:

If SEL has a SETTLEMENT CLASS member's mailing address, SEL shall mail to that member a summary form of the Settlement Notice, which shall be in substantially the form of Exhibit 7 (the "Summary Settlement Notice"), but only if: (1) SEL does not have a SETTLEMENT CLASS member's e-mail address; or (2) SEL learns that a Settlement Notice it sent to a SETTLEMENT CLASS member via e-mail was undeliverable.

d. USA Today Advertisement:

SEL shall pay for and caused to be placed a one-eighth ($\frac{1}{8}$) page advertisement, which shall be in substantially the form of the Summary Settlement Notice, in the weekend edition of USA Today for two consecutive weeks. SEL will use its best efforts to cause the advertisement to be placed promptly after the COURT grants preliminary approval of the proposed settlement and in no event later than 45 days after the date the COURT grants preliminary approval of the proposed settlement.

4.3.3 If the COURT orders SEL to provide notice of this settlement by any method beyond that described under Subsection 4.3.2, SEL may, at its sole discretion, elect to terminate this Agreement and shall notify PLAINTIFF'S COUNSEL of its election. If SEL elects to terminate this Agreement as provided under this Subsection, the Agreement shall become null and void as provided under Section 4.8.

4.4 Request for Settlement Order and Judgment

Before the final approval or fairness hearing, SEL and PLAINTIFF shall move, either separately or jointly, for a Settlement Order and Judgment that: (a) grants final approval of this proposed settlement and this Agreement as final, fair, reasonable, adequate, and binding on all members of the SETTLEMENT CLASS who have not excluded themselves as provided below in Section 4.5; (b) orders the releases as set forth in Section 5.1, below; and (c) enters judgment in the ACTION.

4.5 Opting-Out of the Settlement

A member of the SETTLEMENT CLASS who elects not to be part of the SETTLEMENT CLASS must mail a valid opt-out notice to Lance Raphael of The Consumer Advocacy Center, P.C., all as more fully described in the Settlement Notice attached hereto as Exhibit 6. SETTLEMENT CLASS members shall have no less than 60 days from the date the COURT grants preliminary approval of the proposed settlement to opt-out of the proposed settlement. Every prospective member of the SETTLEMENT CLASS who opts out of the settlement pursuant to this section shall forego the benefits of this proposed settlement and shall not be bound by this Agreement.

Not later than 3 calendar days after the expiration of the opt-out period, PLAINTIFF'S COUNSEL shall prepare a list of the persons who have validly and timely opted out of the settlement and shall deliver that list to the COURT, and service the list on counsel for SEL.

Notwithstanding anything else contained in this Agreement, if more than 1% of the members of the SETTLEMENT CLASS opt out, then any party to this Agreement, at its sole discretion, may notify counsel for all other PARTIES of its election to terminate this Agreement. If any party elects to terminate this Agreement as provided under this section, the Agreement shall become null and void as provided under Section 4.8.

4.6 Objecting to Proposed Settlement

A member of the SETTLEMENT CLASS who wants to object to the proposed settlement must file a written objection with the Clerk of the COURT and serve copies upon PLAINTIFF'S COUNSEL and SEL's counsel, all as more fully described in the Settlement Notice attached hereto as Exhibit 6. SETTLEMENT CLASS members shall have no less than 60 days from the date the COURT grants preliminary approval of the proposed settlement to object to the proposed settlement. A prospective member of the SETTLEMENT CLASS who objects to the settlement pursuant to this section shall be bound by this Agreement, if the Court overrules the member's objection.

4.7 Right to Withdraw Before Settlement Becomes Final

4.7.1 SEL's Right to Withdraw

In addition to the right to withdraw provided under Subsection 3.6.3 above, SEL may, at its sole discretion, elect to terminate this Agreement at any time before it becomes final if any court issues an injunction against SEL or its attorneys from proceeding with this settlement in any jurisdiction. If SEL elects to terminate this Agreement as provided under this Subsection, SEL shall notify PLAINTIFF'S COUNSEL of its election, and upon such election, the Agreement shall become null and void as provided under Section 4.8.

4.7.2 Plaintiff's Right to Withdraw

PLAINTIFF may, at its sole discretion, elect to terminate this Agreement at any time before it becomes final if: (a) any court issues an injunction against PLAINTIFF or PLAINTIFF'S COUNSEL from proceeding with this settlement in any jurisdiction; and/or (b) the mediator, the Honorable Howard B. Wiener, determines that any material representations made by SEL during the negotiations of this proposed settlement were false.

If PLAINTIFF elects to terminate this Agreement as provided under this Subsection, PLAINTIFF shall notify counsel for SEL of his election, and upon such election, the Agreement shall become null and void as provided under Section 4.8.

4.8 Agreement is Null and Void if Terminated or Not Approved

This Agreement was entered into only for purposes of settlement. If the COURT does not, for any reason, (a) grant preliminary approval of this settlement, or (b) issue the SETTLEMENT ORDER AND JUDGMENT, or in the event of termination of this Agreement, the terms and provisions of the Agreement shall become null and void *ab initio*, shall have no force and effect whatsoever, and shall not be used in the ACTION or in any other proceeding for any purpose whatsoever, any judgment or order entered by the COURT pursuant to this Agreement, including any order certifying a class for settlement purposes only or approving certification of a settlement class, shall be treated as vacated *nunc pro tunc*, and any other action taken pursuant to this Agreement shall be of no force or effect.

5.0 MUTUAL GENERAL RELEASES

5.1 Release By Plaintiff and Settlement Class

Upon the DATE OF THE SETTLEMENT ORDER AND JUDGMENT, in exchange for the consideration specified herein and save and except for the rights, duties and obligations of this Agreement, PLAINTIFF and members of the SETTLEMENT CLASS (except any such person who filed a proper and timely request for exclusion from the SETTLEMENT CLASS) on behalf of themselves and any and all of their respective successors-in-interest, affiliates, assigns, heirs, insurers, executors, officers, directors, agents, employees, attorneys, including PLAINTIFF'S COUNSEL, parent companies, subsidiaries, administrators, principals, shareholders, representatives, partners, joint venturers, predecessors-in-interest, trusts, trustors, trustees, beneficiaries, and all others who may take any interest in the matter herein, jointly and severally, fully and forever release, acquit and discharge SEL, Sony Corporation of America, Sony Corporation, Sony Pictures Entertainment, Inc., Sony Computer Entertainment Inc., Sony Computer

Entertainment America Inc., ABC, all third-party vendors, retailers or other business entities in the manufacturing, marketing, or distribution chain for the TELEVISIONS (“Released Third Parties”) but only to the extent that any advertising by the Released Parties concerning the TELEVISIONS is consistent with the product specifications and marketing information provided by SEL to the Released Third Parties, and any and all of their respective successors-in-interest, affiliates, assigns, heirs, insurers, executors, officers, directors, agents, employees, attorneys, parent companies, subsidiaries, administrators, principals, shareholders, representatives, partners, joint venturers, predecessors-in-interest, trusts, trustors, trustees and beneficiaries and all others who may take any interest in the matter herein from all past, present and future claims, causes of action, demands, losses or damages of any kind, whether based on contract, tort, statutory or other legal or equitable theory of recovery, whether now known or unknown, suspected or unsuspected, existing, claimed to exist or which can ever hereinafter exist, arising out of the facts alleged in the ACTION, any lawsuit subject to the MDL PROCEEDINGS, or any other related lawsuit and that involve the TELEVISIONS’ (a) ability to provide 1080p display resolution or (b) inability to accept a 1080p input signal. Nothing in this Section shall release any claim asserted in the SXRDLitigation, Case No. 06-cv-5173 (RPP).

5.2 Release By Defendants and Settlement Class

Upon the DATE OF THE SETTLEMENT ORDER AND JUDGMENT, in exchange for the consideration specified herein and save and except for the rights, duties and obligations of this Agreement, DEFENDANTS and members of the SETTLEMENT CLASS (except any such person who filed a proper and timely request for exclusion from the SETTLEMENT CLASS), and any and all successors-in-interest, affiliates, assigns, heirs, insurers, executors, officers, directors, agents, employees, attorneys, parent companies, subsidiaries, administrators, principals, shareholders, representatives, partners, joint venturers, predecessors-in-interest, trusts, trustors, trustees and beneficiaries and all others who may take any interest in the matter herein, fully and forever releases, acquits and discharges PLAINTIFF, PLAINTIFF’S COUNSEL and other members of the SETTLEMENT CLASS (except any such person who filed a request for exclusion from the SETTLEMENT CLASS in accordance with Section 4.5), and any and all of their successors-in-interest, affiliates, assigns, heirs, insurers, executors, officers, directors, agents, employees, attorneys, parent companies, subsidiaries, administrators, principals, shareholders, representatives, partners, joint venturers, predecessors-in-interest, trusts, trustors, trustees and beneficiaries and all others who may take any interest in the matter herein from all past, present and future claims, causes of action, demands, losses or damages of any kind, whether based on contract, tort, statutory or other legal or equitable theory of recovery, whether now known or unknown, suspected or unsuspected, existing, claimed to exist or which can ever hereinafter exist, arising from the investigation, filing, or prosecution of the ACTION.

5.3 Obligations Under this Agreement Not Released

The mutual general releases contained herein shall not constitute a release of or relieve the PARTIES of any of their respective future obligations under this Agreement.

6.0 WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542

6.1 Waiver

The PARTIES to this Agreement acknowledge that the consideration exchanged in this Agreement is intended and shall release and discharge any claim and/or cause of action by them, or any of them, with regard to any unknown or future damage, loss or injury, as provided under Sections 5.1 and 5.2, and that they, and each of them, do hereby waive any rights under California Civil Code Section 1542 (or similar law of any other state or jurisdiction), which reads as follows:

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

The PARTIES acknowledge, warrant, and represent that they are familiar with Section 1542 of the California Civil Code (or similar law of any other state or jurisdiction) and that the effect and import of that provision has been fully explained to them by their respective counsel.

The PARTIES acknowledge that there is a risk that subsequent to the execution of this Agreement, one or more of the PARTIES will incur or suffer losses, damages, or injuries related to the subject matter of this Agreement, which are unknown and unanticipated at the time this Agreement is signed. The PARTIES, and each of them, hereby assume the above-mentioned risks and understand that this Agreement shall apply to all unknown or unanticipated claims, losses, damages or injuries relating to the subject matter of this Agreement, as well as those known and anticipated, and upon advice of legal counsel, the PARTIES, and each of them, do hereby waive any and all rights under Section 1542 relating to the subject matter of this Agreement. The PARTIES acknowledge that they fully understand that they may hereafter discover facts in addition to or different from those which they now know or believe to be true relating to the subject matter of this Agreement, but that it is their intention hereby to fully, finally and forever release all claims, obligations and matters released herein, known or unknown, suspected or unsuspected, which do exist, may exist in the future or heretofore have existed between the PARTIES relating to the subject matter of this Agreement, and that

in furtherance of such intention, the releases given herein shall be and remain in effect as full and complete releases of the matters released herein, notwithstanding the discovery or existence of any such additional or different facts.

6.2 Receipt of Legal Advice

The PARTIES each represent to the other that they have received legal advice from attorneys of their own choosing with respect to the advisability of making the settlement provided for in this Agreement, and with respect to the advisability of executing this Agreement, and/or that they have been advised of their right to seek such legal advice, that they have read this Agreement in its entirety and fully understand its contents, and that each is executing this Agreement as a free and voluntary act.

6.3 No Assignment of Released Claims

Each of the PARTIES hereto (“Releasing Party”) represents and warrants to each party to which it is giving a release (“Released Party”) that the Releasing Party has not heretofore assigned, hypothecated, or otherwise transferred, or attempted to assign, hypothecate or transfer, any claim or claims against the Released Parties and that there is no other person or legal entity that has not executed this Agreement as a Releasing Party that has any interest in any such claim or claims against the Released Parties. SEL hereby agrees to indemnify and hold harmless PLAINTIFF and PLAINTIFF agrees to indemnify and hold harmless DEFENDANTS from any and all liabilities, claims, demands, obligations, damages, costs, expenses and attorneys’ fees arising from or related to any such purportedly assigned claim.

7.0 GENERAL PROVISIONS

7.1 Entire Agreement

This Agreement is the entire Agreement between the PARTIES with respect to the claims and causes of action relating to the ACTION. This Agreement supersedes any prior or contemporaneous oral or written agreement and discussions between the PARTIES. This Agreement may be modified or amended only in writing reflecting the express consent of each of the PARTIES.

7.2 No Admission of Liability

This Agreement is a compromise of the ACTION which is being settled to avoid the cost, expense and disruption of litigation. This Agreement is the product of arm’s-length negotiations that was overseen by an independent mediator. By entering into this Agreement, DEFENDANTS are in no way admitting to any wrongdoing or liability to PLAINTIFF or to any member of the SETTLEMENT CLASS and deny any such wrongdoing or liability, nor are DEFENDANTS conceding the validity of any claim

asserted in the ACTION, in any lawsuit subject to the MDL PROCEEDINGS, or in any other related lawsuit. No PARTY shall use either the Agreement or any act performed or any document prepared or executed in relation to or in furtherance of this Agreement as an admission of, or evidence of, the validity of any released claim, or of any wrongdoing or liability of any of the other PARTIES.

This Agreement shall not be used as evidence in any court, judicial or non-judicial proceeding(s) concerning any lawsuit that now exists or may in the future exist between the PARTIES related to the ACTION except to enforce or comply with the terms of this Agreement, or as otherwise provided under this Section.

Nothing in this section shall preclude any of the PARTIES from submitting the Agreement and/or SETTLEMENT ORDER AND JUDGMENT in any action to support a defense or counterclaim based on *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

7.3 Authority to Enter Into This Agreement

Each of the PARTIES represents and warrants to the other that the person executing this Agreement on its behalf has full authority and capacity to execute this Agreement and to give the releases and other promises contained herein on behalf of that person or entity or any person or entity whom that person represents. Each of the PARTIES hereby represents and warrants that it has the right, power, legal capacity and authority to enter into and satisfy the terms of this Agreement, and that no further approval or consent of any person or entity is necessary to enter into and satisfy the terms of this Agreement. Each of the PARTIES hereby acknowledges that no other party or agent or attorney of any other party has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning this Agreement. Each of the PARTIES hereby acknowledges that it has not executed this instrument in reliance upon such promise, representation or warranty, if any, not contained herein.

7.4 Binding Effect

This Agreement shall be binding upon and inure to the benefit of each of the PARTIES hereto and their respective officers, directors, shareholders, agents, employees, heirs, insurers, successors, assigns and legal representatives.

7.5 Execution in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, together, shall be deemed to be one and the same instrument. Telefax signatures shall be deemed originals.

7.6 Waiver

No provisions hereof may be waived unless in writing and signed by the person or entity whose rights are thereby waived. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

7.7 Finality of Settlement

This proposed settlement and Agreement shall become final upon the DATE OF SETTLEMENT ORDER AND JUDGMENT. This Agreement shall be of no force and effect until it has been signed by each of the PARTIES.

7.8 Governing Law, Choice of Forum

This Agreement shall be subject to, construed in accordance with, governed by, and enforced pursuant to the laws of the State of California. The COURT shall retain jurisdiction to enforce any order it enters in connection with this proposed settlement and/or the Agreement.

If a dispute that arises out of, or relates to, this Agreement, the PARTIES agree that any action relating to such dispute shall be brought only, and exclusively, before this COURT. The PARTIES to this Agreement and their counsel agree to submit to the jurisdiction of the COURT with respect to any such dispute.

7.9 Interpretation of Agreement

The section titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference, and shall in no way be construed to define, limit, or extend the scope of this Agreement or the intent of any of its provisions. This Agreement shall be construed without regard to its drafter, and shall be construed as though the PARTIES participated equally in the drafting of this Agreement.

7.10 Severance

It is the belief of the PARTIES and their counsel that this Agreement does not contain any provision contrary to law. However, if any provision of this Agreement is found to be unenforceable, invalid, or illegal by a court of competent jurisdiction, then the remainder of the Agreement shall be considered valid and enforceable and shall remain in full force and effect.

7.11 Return of SEL Documents

Within 30 days from the DATE OF SETTLEMENT ORDER AND JUDGMENT, PLAINTIFF and PLAINTIFF'S COUNSEL shall (a) return to SEL all confidential

materials (including electronic documents) produced to them through discovery, including but not limited to any copies of such documents, whether in their possession or in the possession of any expert, consultant, or other person or entity retained by PLAINTIFF or his counsel for purposes of litigating this ACTION; or (b) provide to counsel for SEL a certification, attesting under penalty of perjury, that PLAINTIFF and his respective counsel have destroyed all such documents.

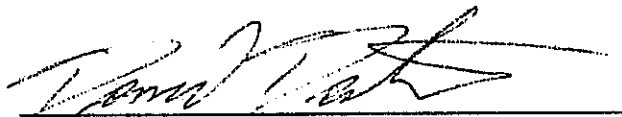
7.12 Modification of Time Periods and Dates Provided Under Agreement

The time periods and/or dates described in this Agreement with respect to the giving of notices and hearings are subject to approval and change by the COURT or by the written agreement of counsel, without notice to members of the SETTLEMENT CLASS. If the date for performance of any act required by or under this Agreement falls on a Saturday, Sunday or court holiday, that act may be performed on the next business day with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement.

IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below and agree that it shall take effect on the date it is executed by all of the undersigned.

APPROVED AND AGREED:

DATED: 3-11, 2008



David Date, Jr.

Individually and as Representative of the
SETTLEMENT CLASS

DATED: _____, 2008

Jeff Goldstein

Vice President, Home Products Division,
Sony Electronics Inc.

DATED: _____, 2008

Dave Dirven

Vice President, Operations
ABC Appliance, Inc.

materials (including electronic documents) produced to them through discovery, including but not limited to any copies of such documents, whether in their possession or in the possession of any expert, consultant, or other person or entity retained by PLAINTIFF or his counsel for purposes of litigating this ACTION; or (b) provide to counsel for SEL a certification, attesting under penalty of perjury, that PLAINTIFF and his respective counsel have destroyed all such documents.

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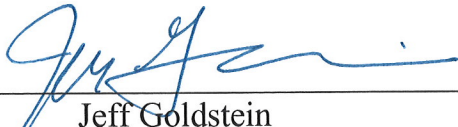
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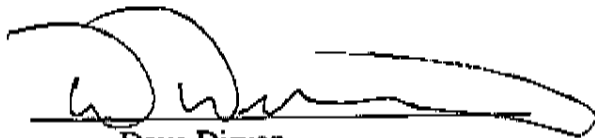
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SETTLEMENT CLASS

DATED: _____, 2008

Jeff Goldstein
Vice President, Home Products Division,
Sony Electronics Inc.

DATED: 3/12, 2008



Dave Dirven
Vice President, Operations
ABC Appliance, Inc.

APPROVED AS TO FORM:

DATED: 3-12, 2008

THE CONSUMER ADVOCACY CENTER, P.C.



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Settlement Class

ROSNER & MANSFIELD, LLP

DATED: _____, 2008

Alan Mansfield

Attorneys for Plaintiffs and the Plaintiff
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HELLER EHRMAN, LLP

DATED: _____, 2008

Nancy Sher Cohen

Attorneys Sony Electronics Inc.

LAW OFFICES OF HAROLD WOLKIND

DATED: _____, 2008

Harold Wolkind

Attorneys ABC Appliance, Inc.

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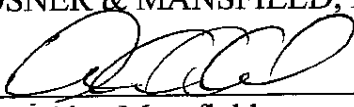
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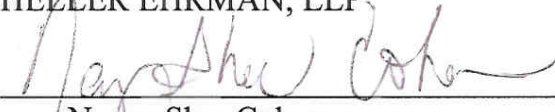
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