

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement") is made this ____ day of October, 2007, by and between Frances Gecker (the "Trustee"), not individually, but as Chapter 11 trustee of Automotive Professionals, Inc. (the "Debtor" or "API"), and the Dealerships listed in Exhibit A attached to this Agreement, ("Dealer"), and together with the Trustee, the ("Parties").

WHEREAS, on April 13, 2007 (the "Petition Date"), API filed its voluntary Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") initiating the bankruptcy case captioned *In re Automotive Professionals, Inc.* and docketed as Case No. 07 B 06720 (the "Bankruptcy Case"). On June 12, 2007, on the motion of the United States Trustee for the Northern District of Illinois (the "U.S. Trustee"), the Bankruptcy Court appointed the Trustee as the Chapter 11 trustee of the Debtor's estate.

WHEREAS, prior to the Petition Date, on the dates listed in Exhibit A, (and amended from time to time thereafter), Dealer and API entered into a certain Dealer Agreement (the "API/Dealer Agreement") pursuant to which, among other things, API agreed to serve as claims administrator and obligor under vehicle service contracts (the "VSCs") that were sold through the program known as the Automotive Protection Plan Program ("API Program"), which is administered by API. As indicated in Exhibit A attached, as of December 31, 2006, there were unexpired VSCs in the API Program.

WHEREAS, in connection with the API Program, and pursuant to the API/Dealer Agreement, API and certain of its affiliates established a claim reserve account at JP Morgan (the "Reserve Account"), as follows:

The respective Account Numbers listed in Exhibit A, were maintained in connection with all VSCs sold under the API Program. According to a Reserve Account Listing provided by Trustee, the total outstanding balance of funds on deposit in the respective Accounts as of July 31, 2007 was \$_____.

WHEREAS, prior to the Petition Date, on August 1, 2005, First Colonial Insurance Company ("FCIC") and API entered into an Administrative Agreement, ("Administrative Agreement"), pursuant to which API agreed to serve as administrator for FCIC of Automobile Vehicle Service products.

WHEREAS, on February 15, 2007, API executed an assignment for the benefit of creditors, and transferred its assets to the API Creditors' Trust, administered by Michael Kayman as Assignee (the "Assignee"). Subsequently, API ceased processing claims in connection with the API Program. In addition, the Assignee transferred the funds in the Accounts listed in Exhibit A (the "Settlement Account") to an account (the "LaSalle Account") at LaSalle Bank National Association ("LaSalle"). Accounting of the LaSalle Account allows the specific allocation of the funds deposited therein from the Settlement Accounts.

WHEREAS, the Trustee and LaSalle have entered into a settlement agreement in connection with their respective claims and defenses against each other, including their respective claims and defenses relating to the funds in the LaSalle Account (the "LaSalle Agreement"). Pursuant to the LaSalle Agreement, among other things, LaSalle has agreed to transfer and assign whatever rights, claims and interest it held in the funds that were in the LaSalle Account to the Trustee.

WHEREAS, the Bankruptcy Court, on July 25, 2007, entered an order approving the LaSalle Agreement.

WHEREAS, to preserve the integrity of the API Program, and to otherwise facilitate and serve the interests of consumers who purchased VSCs under the API Program, FCIC has established a servicing arrangement with CareGard Warranty Services, Inc. ("CareGard"), as an administrative agent, to perform claims administration in connection with the API Program.

WHEREAS, since February 12, 2007, Dealer has not had access to the funds in the Reserve Accounts, which, under the API/Dealer Agreement, were to be used to pay repair, replacement and cancellation costs associated with claims made by consumers participating in the API Program.

WHEREAS, since February 12, 2007 through July 31, 2007, Dealer has expended its own funds in connection with the payment and processing of claims tendered by participants in the API Program, will pay additional sums in order to procure an appropriate reinsurance coverage package for the outstanding API VSCs and incurred significant administrative costs associated with the implementation of the arrangement with CareGard.

WHEREAS, in an effort to minimize any further disruptions and inconveniences to consumers holding contracts issued under the API Program, and to resolve any issues regarding the disposition of the Reserve Accounts, the Parties have engaged in good faith, arms-length discussions with respect to resolving all of the respective rights, obligations, claims and defenses of Dealer, the Trustee, API and API's bankruptcy estate in connection with the API/Dealer Agreement and the subject matter thereof. In order to fully resolve all such rights, obligations, claims and defenses, and to protect the rights of the consumer purchasers of the VSCs, including the ongoing administration of the API Program, the Parties have elected to enter into this Settlement Agreement as being in the best interests of API's estate and Dealer, respectively.

NOW THEREFORE, in consideration of the mutual releases and additional consideration set forth herein, which each of the Parties agrees is good and valuable consideration for the various covenants and understandings set forth in this Settlement Agreement, it is hereby agreed by the Parties as follows:

1. Effective Date. This Agreement will become effective on the later of (a) the date that an order approving this Settlement Agreement becomes final and non-appealable, and (b) the

date that an order approving the LaSalle Agreement becomes final and non-appealable (such later date to be deemed the "Effective Date").

2. Subsequent Agreement. Trustee is authorized to and will execute an Agreement, subsequent to the Effective Date, identical in form to this Agreement with each of the respective Dealers as indicated in Exhibit A herein. Dealer and Trustee will agree prior to Effective Date what portion of the Reserve Account will be held by Trustee as an asset of API's bankruptcy estate, which amount will be not greater than ten (10) percent of the Reserve Account balance. The Parties acknowledge the Reserve Account consists of the total balance of the accounts listed in Exhibit A herein, as of July 31, 2007, that was allocated to the Accounts by the Trustee.

3. Reserve Accounts. Upon execution of the Agreement with Dealer, and as consideration for FCIC providing a vehicle service contract reimbursement insurance policy, naming the API bankruptcy estate as the Named Insured, Trustee will transfer to FCIC the sum of the Reserve Account Balance listed in Exhibit A, less the sum which will be held by the Trustee as an asset of API's bankruptcy estate, (the "Reserve Account Transfer"). The Trustee also will retain the accrued interest earned on the Reserve Account Transfer as an asset of API's bankruptcy estate. (The aggregate amount of funds transferred to FCIC is referred to herein as the "Transferred Funds.") If the Trustee and Dealer agree that the Estate can retain 10% of the Reserve Account balance, then Dealer shall have a general unsecured claim against the bankruptcy estate for the amount retained by the Trustee as an asset of API's bankruptcy estate.

4. Use of Transferred Funds and Periodic Reporting. Upon execution of the Reserve Account Transfer, FCIC will (1) issue a vehicle service contract reimbursement insurance policy to API bankruptcy estate to cover customer claims and cancellations, and (2) provide the Trustee, or her designated agent, with a report detailing all payments and claims processed under the API Program during the prior month, commencing on the tenth (10th) day of the second month following the Effective Date, and continuing on the tenth (10th) day of each succeeding month, until such time as the Trustee determines in her sole discretion that such reporting is no longer necessary.

5. Representations and Warranties by Dealer. Dealer hereby acknowledges and consents to the issuance of the vehicle service contract reimbursement insurance policy to the API bankruptcy estate.

6. Mutual Release. Effective upon the Effective Date, other than claims relating to the enforcement of this Settlement Agreement and as set forth herein, the Trustee, on behalf of the Trustee, any of the Trustee's successors and/or assigns, and API's bankruptcy estate, and Dealer, on behalf of itself, and any of its successors and/or assigns, each hereby releases, remises and discharges the other, and any and all of such Party's successors and/or assigns, officers, directors, principals, employees, attorneys, other professionals, agents and/or any other representatives from any and all claims and causes of action, known or unknown, from the beginning of time up through and including the Effective Date, including but not limited to all claims, counterclaims, defenses and affirmative defenses relating to the API/Dealer Agreement, the API Program, the VSCs, the Reserve Account, the LaSalle Account, and all claims relating to the relationships between and among any of Dealer, API, API's affiliates, and the Trustee.

7. Indemnification. Dealer agrees to hold harmless and indemnify the Trustee and API's bankruptcy estate from and against any and all claims, demands, fines, penalties, damages, obligations, and costs of any nature whatsoever, including the Trustee's attorneys' fees and costs incurred in connection therewith, asserted against the Trustee or API's bankruptcy estate in connection with this Settlement Agreement, the API/Dealer Agreement, the API Program, the VSCs, or the Reserve Account due to or arising out of any act by Dealer, its sub-agents, affiliates, officers, agents, representatives, or employees in violation of this Settlement Agreement, the API/Dealer Agreement, the API Program, the VSCs, or the Reserve Account or in violation of any applicable law or regulation.

8. Notice of the Agreement. Within five (5) business days after the execution of this Settlement Agreement, Dealer will provide the Trustee with a list of all states in which VSCs were sold, receipt of which the Trustee acknowledges. Within five (5) business days after the execution of this Settlement Agreement, the Trustee will file with the Bankruptcy Court a motion, pursuant to Fed. R. Bankr. P. 9019, seeking approval of this Settlement Agreement and the transactions and arrangements contemplated herein (the "Dealer Settlement Motion"). Notice of the Dealer Settlement Motion will be posted on the Bankruptcy Court-approved website maintained by the Trustee in the Bankruptcy Case, and provided to the U.S. Trustee, API and its affiliates, counsel for the Official Committee of Unsecured Creditors, API's twenty largest creditors as listed in the Petition, all parties that have requested notice of all pleadings filed in the Bankruptcy Case, and the Attorney General of each state in which VSCs were sold. Other than through posting on the Trustee's website for the Bankruptcy Case, separate notice of the Dealer Settlement Motion will not be provided to the consumer purchasers of the VSCs.

9. Authority. The Parties state that they have read and understand this Settlement Agreement, that they have had an opportunity to consult with their attorneys concerning the terms and conditions herein, and that they have entered into this Settlement Agreement for reasons of their own and not based upon representations of any other Party hereto, and that the person signing this Settlement Agreement on behalf of each of the Parties has full authorization to do so.

10. Costs. Each Party shall pay its own respective costs and attorneys' fees incurred in connection with this Settlement Agreement.

11. Entire Agreement. This Settlement Agreement constitutes the entire agreement and supersedes all prior written or oral agreements between the Parties. This Settlement Agreement may not be amended or modified except in writing by both Parties.

12. Counterparts. This Settlement Agreement may be executed by signatures on more than one counterpart. If so executed, the various counterparts shall be considered one instrument. A facsimile or electronic signature hereto shall have the same force and effect as an original signature.

13. No Admissions. Neither the execution of this Settlement Agreement nor the settlement of the matters herein between the Trustee and Dealer shall constitute an admission of liability by either the Trustee or Dealer.

14. Governing Law. This Settlement Agreement shall be construed under the internal laws (and not the laws of conflict) of the State of Illinois. This Settlement Agreement shall not be construed against either of the Parties but shall be given a reasonable interpretation. Should any part of this agreement be found void or unenforceable, the remaining portions of the agreement shall remain in full force and effect.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement.

**FRANCES GECKER, not individually, but as
Chapter 11 Trustee of Automotive Professionals, Inc.**

DEALER _____

By: _____
One of her attorneys

By: _____
Its:

Dated: _____

Dated: _____

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement") is made this ____ day of October, 2007, by and between Frances Gecker (the "Trustee"), not individually, but as Chapter 11 trustee of Automotive Professionals, Inc. (the "Debtor" or "API"), and the Dealerships listed in Exhibit A attached to this Agreement ("Dealer"), and together with the Trustee, the "Parties").

WHEREAS, on April 13, 2007 (the "Petition Date"), API filed its voluntary Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") initiating the bankruptcy case captioned *In re Automotive Professionals, Inc.* and docketed as Case No. 07 B 06720 (the "Bankruptcy Case"). On June 12, 2007, on the motion of the United States Trustee for the Northern District of Illinois (the "U.S. Trustee"), the Bankruptcy Court appointed the Trustee as the Chapter 11 trustee of the Debtor's estate.

WHEREAS, prior to the Petition Date, on the dates listed in Exhibit A, (and amended from time to time thereafter), Dealer and API entered into a certain Dealer Agreement (the "API/Dealer Agreement") pursuant to which, among other things, API agreed to serve as claims administrator and obligor under vehicle service contracts (the "VSCs") and guaranteed price refund agreements (the "GPRs") that were sold through the program known as the Automotive Protection Plan Program ("API Program"), which is administered by API. As indicated in Exhibit A, as of December 31, 2006, there were unexpired VSCs in the API Program.

WHEREAS, in connection with the API Program, and pursuant to the API/Dealer Agreement, API and certain of its affiliates established a claim reserve account at JP Morgan (the "Reserve Account"), as follows:

The respective Account Numbers listed in Exhibit A, were maintained in connection with all VSCs sold under the API Program. According to a Reserve Account Listing provided by Trustee, the total outstanding balance of funds on deposit in the respective Accounts as of July 31, 2007 was \$_____.

WHEREAS, prior to the Petition Date, on August 1, 2005, First Colonial Insurance Company ("FCIC") and API entered into an Administrative Agreement, ("Administrative Agreement"), pursuant to which API agreed to serve as administrator for FCIC of Automobile Vehicle Service products.

WHEREAS, on February 15, 2007, API executed an assignment for the benefit of creditors, and transferred its assets to the API Creditors' Trust, administered by Michael Kayman as Assignee (the "Assignee"). Subsequently, API ceased processing claims in connection with the API Program. In addition, the Assignee transferred the funds in Account No. 30002744 (the "Settlement Account") to an account (the "LaSalle Account") at LaSalle Bank National

Association (“LaSalle”). Accounting of the LaSalle Account allows the specific allocation of the funds deposited therein from the Settlement Accounts.

WHEREAS, the Trustee and LaSalle have entered into a settlement agreement in connection with their respective claims and defenses against each other, including their respective claims and defenses relating to the funds in the LaSalle Account (the “LaSalle Agreement”). Pursuant to the LaSalle Agreement, among other things, LaSalle has agreed to transfer and assign whatever rights, claims and interest it held in the funds that were in the LaSalle Account to the Trustee.

WHEREAS, the Bankruptcy Court, on July 25, 2007, entered an order approving the LaSalle Agreement.

WHEREAS, to preserve the integrity of the API Program, and to otherwise facilitate and serve the interests of consumers who purchased VSCs under the API Program, FCIC has established a servicing arrangement with CareGard Warranty Services, Inc. (“CareGard”), as an administrative agent, to perform claims administration in connection with the API Program.

WHEREAS, since February 12, 2007, Dealer has not had access to the funds in the Reserve Accounts, which, under the API/Dealer Agreement, were to be used to pay repair, replacement and cancellation costs associated with claims made by consumers participating in the API Program.

WHEREAS, since February 12, 2007 through July 31, 2007, Dealer has expended its own funds in connection with the payment and processing of claims tendered by participants in the API Program, will pay additional sums in order to procure an appropriate reinsurance coverage package for the outstanding API VSCs and GPRs, and incurred significant administrative costs associated with the implementation of the arrangement with CareGard.

WHEREAS, in an effort to minimize any further disruptions and inconveniences to consumers holding contracts issued under the API Program, and to resolve any issues regarding the disposition of the Reserve Accounts, the Parties have engaged in good faith, arms-length discussions with respect to resolving all of the respective rights, obligations, claims and defenses of Dealer, the Trustee, API and API’s bankruptcy estate in connection with the API/Dealer Agreement and the subject matter thereof. In order to fully resolve all such rights, obligations, claims and defenses, and to protect the rights of the consumer purchasers of the VSCs and GPRs, including the ongoing administration of the API Program, the Parties have elected to enter into this Settlement Agreement as being in the best interests of API’s estate and Dealer, respectively.

NOW THEREFORE, in consideration of the mutual releases and additional consideration set forth herein, which each of the Parties agrees is good and valuable consideration for the various covenants and understandings set forth in this Settlement Agreement, it is hereby agreed by the Parties as follows:

1. Effective Date. This Agreement will become effective on the later of (a) the date that an order approving this Settlement Agreement becomes final and non-appealable, and (b) the date that an order approving the LaSalle Agreement becomes final and non-appealable (such later date to be deemed the "Effective Date").

2. Subsequent Agreement. Trustee is authorized to and will execute an Agreement, subsequent to the Effective Date, identical in form to this Agreement with each of the respective Dealers as indicated in Exhibit A herein. Dealer and Trustee will agree prior to Effective Date what portion of the Reserve Account will be held by Trustee as an asset of API's bankruptcy estate, which amount will be not greater than ten (10) percent of the Reserve Account balance. The Parties acknowledge the Reserve Account consists of the total balance of the accounts listed in Exhibit A herein, as of July 31, 2007, that was allocated to the Accounts by the Trustee.

3. Reserve Accounts. Upon execution of the Agreement with Dealer, and as consideration for FCIC providing a vehicle service contract reimbursement insurance policy, naming the API bankruptcy estate as the Named Insured, Trustee will transfer to FCIC the sum of the Reserve Account Balance listed in Exhibit A, less the sum which will be held by the Trustee as an asset of API's bankruptcy estate, (the "Reserve Account Transfer"). The Trustee also will retain the accrued interest earned on the Reserve Account Transfer as an asset of API's bankruptcy estate. (The aggregate amount of funds transferred to FCIC is referred to herein as the "Transferred Funds.") If the Trustee and Dealer agree that the Estate can retain 10% of the Reserve Account balance, then Dealer shall have a general unsecured claim against the bankruptcy estate for the amount retained by the Trustee as an asset of API's bankruptcy estate.

4. Guaranteed Price Refunds. Trustee recognizes that Dealer will spend considerable funds in paying GPR'S to customers of Dealer who purchased GPR's. Dealer understands that no separate reserve accounts are available to Dealer for GPR's. Dealer shall have a general unsecured claim against the bankruptcy estate in an amount yet to be determined, which is the sum of refunds heretofore paid or to be paid by Dealer for GPR's.

5. Use of Transferred Funds and Periodic Reporting. Upon execution of the Reserve Account Transfer, FCIC will (1) issue a vehicle service contract reimbursement insurance policy to API bankruptcy estate to cover customer claims and cancellations, and (2) provide the Trustee, or her designated agent, with a report detailing all payments and claims processed under the API Program during the prior month, commencing on the tenth (10th) day of the second month following the Effective Date, and continuing on the tenth (10th) day of each succeeding month, until such time as the Trustee determines in her sole discretion that such reporting is no longer necessary.

6. Representations and Warranties by Dealer. Dealer hereby represents and warrants that it is currently administering the API Program in compliance with all applicable federal, state and local laws and regulations relating to the sale and administration of VSCs and GPRs, including maintaining insurance and/or cash reserves as necessary and/or required by law in connection therewith. In addition, Dealer hereby represents and warrants that, until the expiration of all VSCs and GPRs administered under the API Program, Dealer will:

- A. provide the Trustee with no less than 60 days' prior written notice of the employment of any administrative agent other than CareGard to administer claims under the API Program; and
- B. provide the Trustee with proof of insurance in connection with the administration of the API Program; and
- C. use commercially reasonable efforts to insure that CareGard (or any subsequently appointed and approved claims administrator) will comply with all applicable federal, state and local laws and regulations in connection with the administration of the API Program.

7. Mutual Release. Effective upon the Effective Date, other than claims relating to the enforcement of this Settlement Agreement and as set forth herein, the Trustee, on behalf of the Trustee, any of the Trustee's successors and/or assigns, and API's bankruptcy estate, and Dealer, on behalf of itself, and any of its successors and/or assigns, each hereby releases, remises and discharges the other, and any and all of such Party's successors and/or assigns, officers, directors, principals, employees, attorneys, other professionals, agents and/or any other representatives from any and all claims and causes of action, known or unknown, from the beginning of time up through and including the Effective Date, including but not limited to all claims, counterclaims, defenses and affirmative defenses relating to the API/Dealer Agreement, the API Program, the VSCs, the GPRs, the Reserve Account, the LaSalle Account, and all claims relating to the relationships between and among any of Dealer, API, API's affiliates, and the Trustee.

8. Indemnification. Dealer agrees to hold harmless and indemnify the Trustee and API's bankruptcy estate from and against any and all claims, demands, fines, penalties, damages, obligations, and costs of any nature whatsoever, including the Trustee's attorneys' fees and costs incurred in connection therewith, asserted against the Trustee or API's bankruptcy estate in connection with this Settlement Agreement, the API/Dealer Agreement, the API Program, the VSCs, or the Reserve Account due to or arising out of any act by Dealer, its sub-agents, affiliates, officers, agents, representatives, or employees in violation of this Settlement Agreement, the API/Dealer Agreement, the API Program, the VSCs, or the Reserve Account or in violation of any applicable law or regulation.

9. Notice of the Agreement. Within five (5) business days after the execution of this Settlement Agreement, Dealer will provide the Trustee with a list of all states in which VSCs and GPRs were sold, receipt of which the Trustee acknowledges. Within five (5) business days after the execution of this Settlement Agreement, the Trustee will file with the Bankruptcy Court a motion, pursuant to Fed. R. Bankr. P. 9019, seeking approval of this Settlement Agreement and the transactions and arrangements contemplated herein (the "Dealer Settlement Motion"). Notice of the Dealer Settlement Motion will be posted on the Bankruptcy Court-approved website maintained by the Trustee in the Bankruptcy Case, and provided to the U.S. Trustee, API and its affiliates, counsel for the Official Committee of Unsecured Creditors, API's twenty largest creditors as listed in the Petition, all parties that have requested notice of all pleadings

filed in the Bankruptcy Case, and the Attorney General of each state in which VSCs and GPRs were sold. Other than through posting on the Trustee's website for the Bankruptcy Case, separate notice of the Dealer Settlement Motion will not be provided to the consumer purchasers of the VSCs and GPRs.

10. Authority. The Parties state that they have read and understand this Settlement Agreement, that they have had an opportunity to consult with their attorneys concerning the terms and conditions herein, and that they have entered into this Settlement Agreement for reasons of their own and not based upon representations of any other Party hereto, and that the person signing this Settlement Agreement on behalf of each of the Parties has full authorization to do so.

11. Costs. Each Party shall pay its own respective costs and attorneys' fees incurred in connection with this Settlement Agreement.

12. Entire Agreement. This Settlement Agreement constitutes the entire agreement and supersedes all prior written or oral agreements between the Parties. This Settlement Agreement may not be amended or modified except in writing by both Parties.

13. Counterparts. This Settlement Agreement may be executed by signatures on more than one counterpart. If so executed, the various counterparts shall be considered one instrument. A facsimile or electronic signature hereto shall have the same force and effect as an original signature.

14. No Admissions. Neither the execution of this Settlement Agreement nor the settlement of the matters herein between the Trustee and Dealer shall constitute an admission of liability by either the Trustee or Dealer.

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15. Governing Law. This Settlement Agreement shall be construed under the internal laws (and not the laws of conflict) of the State of Illinois. This Settlement Agreement shall not be construed against either of the Parties but shall be given a reasonable interpretation. Should any part of this agreement be found void or unenforceable, the remaining portions of the agreement shall remain in full force and effect.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement.

**FRANCES GECKER, not individually, but as
Chapter 11 Trustee of Automotive Professionals, Inc.**

By: _____
One of her attorneys

By: _____
Its:

Dated: _____

Dated: _____