

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:) Chapter 11
)
AUTOMOTIVE PROFESSIONALS, INC.) Case No. 07-6720
)
Debtor.) Honorable Carol A. Doyle

**ORDER APPROVING TRUSTEE'S SETTLEMENT
WITH PREMIER DEALER SERVICES, INC.**

THIS MATTER COMING TO BE HEARD upon the motion (the "Motion") of Frances Gecker (the "Trustee"), not individually, but as Chapter 11 Trustee of the estate of Automotive Professionals, Inc. (the "Debtor"), for the entry of an order pursuant to 11 U.S.C. § 363(b) and Fed. R. Bankr. P. 9019, authorizing the Trustee to enter into a settlement agreement with Premier Dealer Services, Inc., as agent for and on behalf of the dealers identified in Exhibit A hereto (the "Dealers") as set forth in the Motion and Settlement Agreement attached hereto as Exhibit B (the "Settlement Agreement"); due written notice of the Motion having been served on all parties entitled thereto; the Court having heard the statements of counsel, and otherwise being fully advised of the premises, and the Court having jurisdiction over this core matter;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Trustee is authorized to enter into the Settlement Agreement, and all transfers set forth therein are hereby authorized.

3. Notice of the Motion is approved as sufficient

DATED:

January 22, 2008

ENTERED:

Carol A. Doyle
UNITED STATES BANKRUPTCY COURT

EXHIBIT A

Automotive Professionals, Inc.
 Reserve Analysis, LennorReserveAnalysis
 As of July 31, 2007

Divide	Divname	Refnum	Allocated Balance	JP Maxima	Lasalle Bank	Goldman Sachs	S&T Bank	Total Banks	Contri
NY83400	DCHLONG ISLAND SATURN LLC	30002514	60,338.96	7,003.86	-	53,335.13	-	80,338.96	943
NY83410	DCHLONG ISLAND SATURN LLC	30002514	25,594.47	2,970.88	-	22,623.60	-	25,594.47	400
NY86050	DCHLONG ISLAND SATURN LLC	30002514	28,729.79	3,334.81	-	25,394.99	-	28,729.79	449
CT15810	SATURN OF STAMFORD, INC	30002506	162,132.13	13,092.61	-	149,039.52	-	162,132.13	622
CT15960	PERKINS (DANI) SUBARU, INC	30002506	42,748.66	3,432.07	-	39,296.59	-	42,748.66	164
CT15980	HARBEN CHERYSLER-PLYMOUTH, INC	30002506	13,554.45	1,094.56	-	12,459.90	-	13,554.45	52
CT16630	PERKINS (DANI) CHEVROLET, INC	30002506	84,976.00	6,862.04	-	78,113.96	-	84,976.00	336
NY83380	SATURN OF WHITE PLAINS, INC	30002514	10,687.17	863.02	-	9,824.15	-	10,687.17	41
NY83390	SATURN OF LARCHMONT, INC	30002514	36,344.15	4,218.64	-	32,125.50	-	36,344.15	568
NY83430	KING PLAZA JEEP EAGLE, INC	30002508	15,740.60	1,827.09	-	13,913.51	-	15,740.60	246
NY83460	BARON AUTOMALL, INC	30002514	17,021.01	1,702.01	-	15,319.00	-	17,021.01	58
NY83470	OMNI AUTO GROUP, INC	30002508	4,926.94	571.89	-	4,355.04	-	4,926.94	77
NY83750	AIRPORT AUTO GROUP, INC	30002514	70,431.75	70,431.75	-	-	-	70,431.75	240
NY80290	JPT AUTOMOTIVE INC	30002514	10,557.72	1,225.49	-	9,332.23	-	10,557.72	165
NY86470	JPT AUTOMOTIVE	30002514	21,819.79	2,532.67	-	19,286.61	-	21,819.79	341
MD80610	NATIONAL AUTO INSPECTIONS, LLC	30002583	3,097.35	349.08	-	2,748.27	-	3,097.35	47
NY81410	MEMET MOTORS	30002586	51,823.62	53,623.62	-	-	-	51,823.62	72
NY81430	MEMET CHEVROLET LTD	30002587	171,328.08	-	171,328.08	-	171,328.08	849	
NY83780	SATURN OF NEWBURGH, INC	30002514	58,366.67	-	58,366.67	-	58,366.67	212	
NY83790	SATURN OF NEWBURGH, INC	30002514	38,839.61	4,508.30	-	34,331.31	-	38,839.61	607
NY84420	S & W MOTORS, INC	30002514	24,826.64	2,868.75	-	21,944.89	-	24,826.64	388
NY84380	WHITE PLAINS NISSAN, INC	30002510	29,369.65	3,409.08	-	25,960.58	-	29,369.65	459
NY84390	ACTION NISSAN	30002510	27,263.12	-	27,263.12	-	27,263.12	208	
CT16020	SCARPO (H P) & SONS	30002506	98,566.66	-	98,566.66	-	98,566.66	752	
NY61810	BLANCO & SON AUTO SALES LTD	30002515	5,995.24	484.13	-	5,511.13	-	5,995.24	23
NY62010	AUTO NETWORK OF LONG ISLAND LLC	30002515	55,975.88	55,975.88	-	-	-	55,975.88	65
NY62020	MINI AUTO SALES, INC	30002515	61,142.89	61,142.89	-	-	-	61,142.89	71
NY62380	LUXURY AUTOS OF GREAT NECK LLC	30002515	5,167.00	5,167.00	-	-	-	5,167.00	6
NY80370	TLL MOTORS, INC	30002514	16,362.18	16,362.18	-	-	-	16,362.18	19
NY82245	SLEESKY (R L) & SON	30002514	14,140.94	3,648.41	-	12,492.54	-	14,140.94	231
NY82800	CUMMINGS (M) MOTORS, INC	30002514	41,718.99	4,822.53	-	36,876.46	-	41,718.99	652
NY83460	ABELLER (PAUL) MOTORS LLC	30002514	25,146.57	2,938.88	-	22,207.68	-	25,146.57	393
NY84260	GARDEN CITY SAAB MOTORS CORPORATION	30002508	13,205.95	13,205.95	-	-	-	13,205.95	45
NY84900	SUNRISE AUTOMOTIVE LLC & OAKDALE IMPORTS LLC	30002508	5,118.89	394.18	-	4,724.72	-	5,118.89	80
NY85280	AUTO CONNECTION, INC	30002514	296,693.75	296,693.75	-	-	-	296,693.75	1,011
MI80580	GRAF MOTOR SALES, INC	30002498	5,758.76	668.45	-	5,090.31	-	5,758.76	99
OH80070	GRAF AUTO MALL, INC	30002666	37,063.14	-	37,063.14	-	37,063.14	176	
MI80590	WINK (BILLY) CHEVROLET	30002553	54,545.59	-	54,545.59	-	54,545.59	304	
OH80040	GRAF CHEVROLET-OLTTAWA, INC	30002486	180,272.60	-	180,272.60	-	180,272.60	396	
MI80640	LYNNES IMPORTS	30002652	2.65	-	2.65	-	2.65	41	
			1,978,834.39	559,971.41	498,864.79	820,998.19	1,978,834.39	12,290	

Automotive Professionals, Inc.
Reserve Analysis, LenmoreReserveAnalysis
As of July 31, 2007

divcode	divname	return	Allocated Balance	TD Balance	Leasing Bank	Goldman Sachs	S&I Bank	Total Banks	ContCont
NY85400	DCH LONG ISLAND SATURN LLC	30002314	60,338.96	7,003.84	-	53,335.13	-	60,338.96	943
NY85410	DCH LONG ISLAND SATURN LLC	30002314	25,394.47	2,970.88	-	22,623.60	-	25,594.47	400
NY86430	DCH LONG ISLAND SATURN LLC	30002314	28,729.79	3,334.81	-	25,394.99	-	28,729.79	449
CT15810	SATURN OF STAMFORD, INC	30002306	162,132.13	13,092.61	-	149,039.52	-	162,132.13	622
CT15960	PERKINS IDANI SUBARU, INC	30002306	42,748.66	3,452.07	-	39,296.59	-	42,748.66	164
CT15980	HEADEN CHRYSLER-PLYMOUTH, INC	30002306	13,534.45	1,034.45	-	12,459.90	-	13,534.45	52
CT16010	PERKINS IDANI CHEVROLET GEO, INC	30002306	84,976.00	6,862.04	-	78,113.96	-	84,976.00	326
CT16050	PERKINS IDANI CHEVROLET, INC	30002306	10,687.17	863.02	-	9,824.15	-	10,687.17	41
NY83880	SATURN OF WHITE PLAINS, INC	30002314	36,344.15	4,218.64	-	32,125.50	-	36,344.15	368
NY83990	SATURN OF LARCHMONT, INC	30002314	15,740.60	1,827.09	-	13,913.51	-	15,740.60	246
NY84150	KING PLAZA JEEP EA GLF, INC	30002308	17,021.01	17,021.01	-	-	-	17,021.01	58
NY85460	BARON AUTOMALL, INC	30002314	4,926.94	571.89	-	4,355.04	-	4,926.94	77
NY83470	DANI AUTO GROUP, INC	30002308	70,431.75	70,431.75	-	-	-	70,431.75	240
NY83750	AIRPORT AUTO GROUP, INC	30002314	10,557.72	1,225.49	-	9,332.23	-	10,557.72	165
NY80290	JPT AUTOMOTIVE INC	30002314	24,819.39	2,533.67	-	19,286.64	-	21,819.29	341
NY86470	JPT AUTOMOTIVE	30002314	3,607.35	349.03	-	2,658.27	-	3,007.35	47
MD80610	NATIONAL AUTO INSPECTIONS, LLC	30002353	51,623.62	51,623.52	-	-	-	51,623.62	72
NY81410	NEALET MOTORS	30002358	171,328.08	-	171,328.08	-	-	171,328.08	849
NY81420	NEALET CHEVROLET LTD	30002357	58,366.67	-	58,366.67	-	-	58,366.67	213
NY83780	SATURN OF NEWBURGH, INC	30002314	38,839.61	4,508.30	-	34,331.31	-	38,839.61	607
NY83790	SATURN OF NEWBURGH, INC	30002314	24,826.64	2,881.75	-	21,944.89	-	24,826.64	388
NY84120	S & W MOTORS, INC	30002314	29,369.65	3,499.68	-	25,960.58	-	29,369.65	439
NY84380	WHITE PLAINS NISSAN, INC	30002310	27,263.12	-	27,263.12	-	-	27,263.12	308
NY84390	ACTION NISSAN	30002306	98,566.66	-	98,566.66	-	-	98,566.66	732
CT16020	SCARPOHEP & SONS	30002306	5,963.24	484.13	-	5,411.11	-	5,993.24	23
NY84810	BIANCO & SON AUTO SALES LTD	30002315	55,975.88	55,975.88	-	-	-	55,975.88	65
NY83910	AUTO NETWORK OF LONG ISLAND LLC	30002315	61,142.89	61,142.89	-	-	-	61,142.89	71
NY62020	MINT AUTO SALES, INC	30002315	5,167.00	5,167.00	-	-	-	5,167.00	6
NY62380	LUXURY AUTOS OF GREAT NECK, LLC	30002314	16,362.18	16,362.18	-	-	-	16,362.18	19
NY80330	TLE MOTORS, INC	30002314	14,140.94	14,140.94	-	-	-	14,140.94	221
NY82240	SUPREMYOR, J & SON	30002314	41,718.98	4,842.53	-	36,876.46	-	41,718.98	652
NY82800	CUNNINGHAM MOTORS, INC	30002314	25,148.57	2,518.88	-	22,227.68	-	25,148.57	393
NY82460	MILLER PAUL MOTORS, LLC	30002314	13,205.95	12,205.95	-	1,004.18	-	13,205.95	45
NY82560	GARDEN CITY SAAB MOTORS CORPORATION	30002308	5,118.89	504.18	-	4,524.72	-	5,318.89	80
NY84900	SCNRISE AUTOMOTIVE LLC & OAKDALE IMPORTS, LLC	30002308	296,692.75	296,692.75	-	-	-	296,692.75	1,011
NY85280	AUTO CONNECTION, INC	30002314	5,758.76	668.45	-	5,090.31	-	5,758.76	99
MI80680	GRAFF MOTOR SALES, INC	30002498	51,726.89	-	51,726.89	-	-	51,726.89	176
OH80770	GRAFF AUTO MALL, INC	30002666	17,065.14	-	17,065.14	-	-	17,065.14	304
MI80890	WINN, BELL, CHEVROLET	30002353	54,545.59	-	54,545.59	-	-	54,545.59	396
OH80400	GRAFF CHEVROLET OTTAWA, INC	30002666	180,372.60	-	180,372.60	-	-	180,372.60	410
ND80640	LYNNE'S ENINITE	30002652	1,65	-	1,65	-	-	1,65	41
			1,978,834.39	658,971.41	498,864.79	820,998.19	-	1,978,834.39	12,290

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement") is made this ___th day of January, 2008, by and between Frances Czecker (the "Trustee"), not individually, but as Chapter 11 trustee of Automotive Professionals, Inc. (the "Debtor" or "API"), and Premier Dealer Services, Inc., on behalf of and as agent for the dealers (the "Dealers") listed in Exhibit 1 hereto ("PDS" 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 ("Trustee Appointment Date"), 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, on various dates prior to the Petition Date, the Dealers and API entered into certain Dealer Agreements (the "API/Dealer Agreements"), pursuant to which, among other things, API agreed to serve as claims administrator and obligor under vehicle service contracts (the "VSCs") that the Dealers sold through the program administered by API known as the Automotive Protection Plan Program ("API Program"). As indicated in Exhibit 1, as of July 31, 2007, there were approximately 12,290 unexpired VSCs in the API Program.

WHEREAS, in connection with the API Program, and pursuant to the API/Dealer Agreements, API and certain of its affiliates established multiple claim reserve accounts at JP Morgan, LaSalle Bank and Goldman Sachs as set forth in Exhibit 1 (the "Reserve Accounts"). According to the Trustee's records, as of July 31, 2007, the outstanding balance of funds on deposit in the Reserve Accounts was \$1,798,562.00.

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 Reserve Accounts 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 Reserve Accounts.

WHEREAS, the Trustee and LaSalle 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 agreed to transfer and assign whatever rights, claims and interest it held in the funds that were in the LaSalle Account to the Trustee. On July 25, 2007, the Bankruptcy Court 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, PDS has

established a servicing arrangement with the Dealers to perform claims administration in connection with the API Program as detailed in the Service Contract Repair Agreement attached hereto as Exhibit 2.

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

WHEREAS, PDS will procure a Contractual Liability Insurance Policy (the "GAIC Policy") from Great American Insurance Company ("GAIC") naming the Trustee as the Named Insured, which will indemnify API's bankruptcy estate from all claims and net cancellation liability related to the API Program. Other than with respect to Graff Ottawa, Lynnes Infinity, S&W Motors and Suresky & Sons, coverage under the GAIC Policy will become effective with respect to each of the Dealers on the date that the Transferred Funds allocated to such Dealer are transferred to PDS. Coverage under the GAIC Policy with respect to Graff Ottawa, Lynnes Infinity, S&W Motors and Suresky & Sons will become effective on the Effective Date, it being understood by the Parties that the funds allocated to such Dealers are GS Reserves, subject to the distribution provisions of paragraph 2.b. below.

WHEREAS, in an effort to minimize any further disruptions and inconveniences to dealers and 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, arm's-length discussions with respect to resolving all of the respective rights, obligations, claims and defenses of the Dealers, the Trustee, API and API's bankruptcy estate in connection with the API/Dealer Agreements and the subject matter thereof. In order to fully resolve all such rights, obligations, claims and defenses, and to protect the rights of 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, the Dealers and PDS, 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 date that an order approving this Settlement Agreement becomes final and non-appealable (the "Effective Date").

2.a. Reserve Accounts. Within five business days (5) of the Effective Date, and as consideration for GAIC providing the GAIC Policy, the Trustee will cause to be transferred to PDS funds (the "Transferred Funds") in an amount equal to the aggregate balance in the Reserve Accounts, as of July 31, 2007, as set forth in Exhibit 1 (the "Total Reserve Balance"), less (a) the outstanding balance, as of July 31, 2007, of the Reserve Accounts on deposit at Goldman Sachs, in which Goldman Sachs asserts a lien (the "GS Reserves"); (b) the outstanding balance, as of July 31, 2007, of the Reserve Accounts allocated to Account No. 30002514, in which the

Superintendent of the New York State Department of Insurance (the "Superintendent") may assert an interest (the "NYS Reserves"); and (c) an amount (the "Retained Amount") equal to 10% of the Total Reserve Balance less the sum of (i) the GS Reserves and (ii) the NYS Reserves. The Retained Amount, and the accrued interest earned to date on the unencumbered portion of the Reserve Accounts, will be held by the Trustee as an asset of API's bankruptcy estate. It is understood by the Parties that the initial distribution of Transferred Funds to PDS will total \$1,001,103.60, and the initial Retained Amount will equal \$111,233.73.

2.b. Trustee's Recovery of GS Reserves and/or NYS Reserves. To the extent that the Trustee is successful in recovering 100% of the GS Reserves and/or the NYS Reserves as set forth in Exhibit I hereto, free and clear of any claims, liens or interests asserted by Goldman Sachs or the Superintendent, respectively, such funds will be transferred to PDS, and retained by the Trustee, as the case may be, in the same manner and in the same proportion as set forth in paragraph 2.a. herein. Any transfers to PDS pursuant to this paragraph 2.b. will be made within fourteen (14) days after the later of the date that (a) an order becomes final and non-appealable, which order declares that the interest of API's bankruptcy estate in any such funds is superior to the claims, liens or interests asserted by Goldman Sachs or the Superintendent, respectively, in such funds; (b) the Trustee enters into an agreement, approved by a final, non-appealable order of the Bankruptcy Court, pursuant to which Goldman Sachs or the Superintendent, as the case may be, releases its claims, liens or interests in such funds, and (c) the Trustee's receipt of any such funds into the Trustee's operating account maintained in connection with the Trustee's administration of API's bankruptcy estate.

To the extent that the Trustee recovers less than 100% of the GS Reserves and/or the NYS Reserves as set forth in Exhibit I hereto, free and clear of any claims, liens or interests asserted by Goldman Sachs or the Superintendent, respectively, PDS shall within 14 days of the Trustee's written notification of such recovery elect whether the contracts and Dealers associated with such recovered funds shall be included within the scope of this Agreement. If PDS makes such election, such funds will be transferred to PDS, and retained by the Trustee, as the case may be, in the same manner and in the same proportion as set forth in paragraph 2.a. herein. If PDS fails to make such election, neither the funds recovered by the Trustee nor the contracts and Dealers associated with such funds shall be included within the scope of this Agreement.

2.c. General Unsecured Claim. PDS shall have a general unsecured claim against API's bankruptcy estate for the amount retained by the Trustee as an asset of API's bankruptcy estate pursuant to paragraph 2.a. and/or 2.b. herein.

3. Use of Transferred Funds and Periodic Reporting. Upon the delivery of the Transferred Funds to PDS, PDS will procure a Contractual Liability Insurance Policy naming the Trustee as the Named Insured, to cover valid repair claims and net cancellation claims under the VSCs. 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, PDS will provide the Trustee, or her designated agent, with a report detailing all payments and claims processed under the VSCs during the prior month.

Guaranteed Price Refund Contracts. Nothing in this Settlement Agreement shall, or shall be deemed to, obligate PDS to perform under guaranteed price refund contracts sold by the Dealers in connection with the API Program.

4. Representation and Warranties by PDS. PDS hereby represents and warrants that it will comply with all applicable federal, state and local laws and regulations in connection with the administration of the VSCs, including maintaining insurance and/or cash reserves as necessary and/or required by law in connection therewith. In addition, PDS hereby represents and warrants that, until the expiration of all VSCs insured by GAIC, PDS will:

- A. provide the Trustee with no less than 60 days' prior written notice of the employment of any administrative agent other than PDS to administer claims under the API/Dealer Agreements; and
- B. provide the Trustee with proof of insurance in connection with the administration of the VSCs.

5. Mutual Release. Effective upon the Effective Date, other than claims relating to the enforcement of this Settlement Agreement and as set forth herein, and PDS's unsecured claim against API's bankruptcy estate described in paragraph 2 above, the Trustee, on behalf of the Trustee, any of the Trustee's successors and/or assigns, and API's bankruptcy estate, and PDS, on behalf of itself, the Dealers, and any of their successors and/or assigns, each hereby releases, remises and discharges the other, and any and all of such Party's successors and/or assigns, affiliates, 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 Agreements, the VSCs, the Reserve Accounts, the LaSalle Account, and all claims relating to the relationship between and among any of PDS, the Dealers, API, API's affiliates, and the Trustee.

6. Indemnification. PDS agrees to hold harmless and indemnify the Trustee and API's bankruptcy estate from and against any and all claims, demands, 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 Agreements, the API Program, the VSCs or the Reserve Accounts.

7. Notice of the Agreement. The Trustee has filed with the Bankruptcy Court a motion, pursuant to 11 U.S.C. § 363 and Fed. R. Bankr. P. 9019, seeking approval of this Settlement Agreement and the transactions and arrangements contemplated herein (the "PDS Settlement Motion"). Notice of the PDS Settlement Motion has been 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, the Superintendent, 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 PDS Settlement Motion will not be provided to the consumer purchasers of the VSCs.

8. 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. PDS further states that it has full authorization to enter into this as agent for and on behalf of each of the Dealers.

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

10. 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.

11. 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.

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

13. 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.

PREMIER DEALER SERVICES, INC.

By: _____
One of her attorneys

By: _____
Its authorized representative

Dated: _____

Dated: _____

EXHIBIT 1

Automotive Professionals, Inc.
Reserve Analysis, LenmoreReserveAnalysis
As of July 31, 2007

dlrCode	dlrName	refund	Allocated Balance	IP Message	LaSalle Bank	Goldman Sachs	S&T Bank	Total Banks	Cont/Cl
NY85468	DCH LONG ISLAND SATURN LLC	30002514	60,338.96	7,003.84	-	53,335.13	-	60,338.96	943
NY85410	DCH LONG ISLAND SATURN LLC	30002514	25,394.47	2,970.88	-	22,623.60	-	25,394.47	400
NY80050	DCH LONG ISLAND SATURN LLC	30002514	28,729.79	3,334.81	-	25,394.99	-	28,729.79	449
CT15810	SATURN OF STAMFORD, INC.	30002506	162,132.13	13,692.61	-	149,039.52	-	162,132.13	622
CT15960	PERKINS (DAN) SUBARU, INC.	30002506	42,748.66	3,452.67	-	39,296.59	-	42,748.66	164
CT15980	HAMDEN CHRYSLER-PLYMOUTH, INC.	30002506	13,554.43	1,084.56	-	12,459.90	-	13,554.43	52
CT16040	PERKINS (DAN) CHEVROLET, INC.	30002506	84,976.60	6,862.04	-	78,113.96	-	84,976.60	326
CT16230	PERKINS (DAN) CHEVROLET, INC.	30002506	10,687.17	863.02	-	9,824.15	-	10,687.17	41
NY83880	SATURN OF WHITE PLAINS, INC.	30002514	35,344.13	4,218.64	-	32,125.50	-	36,344.13	368
NY83890	SATURN OF LARCHMONT, INC.	30002514	15,740.60	1,827.69	-	13,913.51	-	15,740.60	246
NY85150	KING PLAZA JEEP EAGLE, INC.	30002508	37,821.01	17,021.01	-	13,913.51	-	17,021.01	58
NY85460	BARDS AUTOMALL, INC.	30002514	4,926.64	571.89	-	4,355.04	-	4,926.64	77
NY85470	OMNI AUTO GROUP, INC.	30002508	70,431.75	70,431.75	-	-	-	70,431.75	240
NY85750	AIRPORT AUTO GROUP, INC.	30002514	10,557.72	1,254.49	-	9,332.23	-	10,557.72	165
NY80290	JPT AUTOMOTIVE INC.	30002514	21,819.29	2,532.67	-	19,286.61	-	21,819.29	341
NY86470	JPT AUTOMOTIVE	30002514	3,907.33	349.08	-	2,658.27	-	3,907.33	47
MD80610	NATIONAL AUTO INSPECTIONS LLC	30002506	51,623.62	51,623.62	-	-	-	51,623.62	72
NY81470	NEMET MOTORS	30002587	171,328.08	-	171,328.08	-	-	171,328.08	849
NY81420	NEMET CHEVROLET LTD	30002587	58,366.67	4,308.30	58,366.67	-	-	58,366.67	213
NY83780	SATURN OF NEWBURGH, INC.	30002514	38,839.61	4,308.30	-	34,331.31	-	38,839.61	607
NY83790	SATURN OF NEWBURGH, INC.	30002514	24,826.64	2,881.75	-	21,944.89	-	24,826.64	388
NY84120	S & W MOTORS, INC.	30002514	29,369.65	3,409.08	-	25,960.58	-	29,369.65	439
NY84380	WHITE PLAINS NISSAN, INC.	30002510	27,263.12	-	27,263.12	-	-	27,263.12	208
CT16050	SCARPO (P) & SONS	30002519	98,566.66	98,566.66	-	-	-	98,566.66	752
NY61810	BIANCO & SON'S AUTO SALES LTD	30002506	5,995.24	484.13	-	5,511.11	-	5,995.24	21
NY62010	AUTO NETWORK OF LONG ISLAND LLC	30002515	55,973.88	55,973.88	-	-	-	55,973.88	65
NY62020	KIWI AUTO SALES, INC.	30002515	61,142.89	61,142.89	-	-	-	61,142.89	71
NY62380	LUXURY AUTOS OF GREAT NECK LLC	30002515	5,167.09	5,167.09	-	-	-	5,167.09	5
NY80530	TLL MOTORS, INC.	30002514	16,362.18	16,362.18	-	-	-	16,362.18	19
NY82340	SCRESKY (R) T & SON	30002514	14,140.94	1,641.41	-	12,499.54	-	14,140.94	221
NY82800	CUNNINGHAM MOTORS, INC.	30002514	43,718.99	4,842.53	-	36,876.46	-	41,718.49	652
NY83460	MILLER (PAUC) MOTORS LLC	30002514	25,146.57	2,918.88	-	22,227.68	-	25,146.57	393
NY84200	GARDEN CITY SAAB MOTORS CORPORATION	30002508	13,205.95	13,205.95	-	-	-	13,205.95	45
NY84900	SUNRISE AUTOMOTIVE LLC & OAKDALE IMPOR IS LLC	30002514	5,118.89	594.18	-	4,524.72	-	5,118.89	80
ME85480	GRAFF MOTOR SALES, INC.	30002498	296,693.75	296,693.75	-	-	-	296,693.75	1,011
OH80370	GRAFF AUTO MALL, INC.	30002506	51,726.89	668.45	51,726.89	-	-	51,726.89	176
MI80090	WINK (BILL) CHEVROLET	30002553	37,065.14	-	37,065.14	-	-	37,065.14	304
OH80400	GRAFF CHEVROLET-OTTAWA, INC.	30002486	54,545.59	-	54,545.59	-	-	54,545.59	396
NY80640	LYNNES INFINITI	30002652	180,272.60	180,272.60	-	-	-	180,272.60	410
			2.65	2.65	-	-	-	2.65	41
			1,978,834.39	658,971.41	458,864.79	820,998.19	-	1,978,834.39	12,290