

NOTICE TO DEALERS

**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

**NOTICE OF MOTION TO APPROVE SETTLEMENT
AGREEMENT WITH OHIO INDEMNITY COMPANY**

On April 13, 2007, Automotive Professionals, Inc. (API) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On June 12, 2007, the United States Bankruptcy Court for the Northern District of Illinois approved the appointment of Frances Gecker (the Trustee) as the Chapter 11 Trustee for API.

As you know, despite the API Bankruptcy, Ohio Indemnity Company (OIC) is paying and will continue to pay all valid covered vehicle repair claims, Guaranteed Price Refund (GPR) claims, and certain cancellation charges arising under API vehicle service contracts (VSCs) backed by OIC. OIC has paid such claims with \$2,700,000 in proceeds of a letter of credit that API purchased to secure API's obligations to indemnify OIC in connection with those claims. For further information regarding payment of claims arising under OIC-Backed VSCs, please consult the Trustee's website at: <http://www.apibankruptcy.com>.

On October 23, 2008, the Trustee filed her Motion to Approve Settlement Agreement with Ohio Indemnity Company (Motion). A copy of the Motion is available and may be viewed on the Trustee's website: <http://www.apibankruptcy.com>.

On **December 2, 2008 at 11:15 a.m.**, the Trustee will appear before the Honorable Carol Doyle, Chief Bankruptcy Judge, in Court 742 at the United States Bankruptcy Court for the Northern District of Illinois, 219 South Dearborn, Chicago, Illinois to present the Motion which seeks approval of the Settlement Agreement and Release between the Trustee and OIC (Agreement). A copy of the Agreement is attached to the Motion and is available for review on the Trustee's website (<http://www.apibankruptcy.com>). The detailed terms of the settlement between the Trustee and OIC are fully set forth in the Agreement. To the extent this Notice conflicts with the Agreement, the Agreement controls.

In the Motion, the Trustee asks that the Bankruptcy Court approve the Agreement under which:

- (i) The Trustee has agreed that OIC may retain letter of credit proceeds totaling \$1,750,000 (including funds already expended by OIC) to pay all valid claims for repairs, GPRs and certain cancellation charges arising under OIC-Backed VSCs.

- (ii) OIC will pay API's estate \$950,000, the amount of letter of credit proceeds remaining after allocation of funds for OIC's payment of claims under OIC-Backed VSCs.
- (iii) API's estate will be reimbursed for its contribution of \$1,750,000 to fund the Agreement *pro rata* from the Dealer reserve accounts that API established in connection with the OIC-Backed VSCs (OIC-Related Reserve Accounts).
- (iv) All remaining funds the OIC-Related Reserve Accounts, totaling approximately \$281,062, will be made available for distribution to Dealers executing a release in form satisfactory to the Trustee in her sole discretion that releases OIC and its affiliates, the Trustee and the API bankruptcy estate from all claims relating to the relevant OIC-Related Reserve Account, any OIC-Backed VSCs and any GPRs sold in connection therewith.

A Schedule of OIC-Related Reserve Accounts reflecting the *pro rata* amount of the \$1,750,000 plus accrued interest to be allocated to each OIC Reserve Account, and the net amount remaining for distribution to Dealers, is attached hereto as Exhibit 1.

PLEASE TAKE NOTICE that objections, if any, to the Motion must be filed with the Bankruptcy Court and served so as to be received on or before November 24, 2008 at 4:00 p.m. Central Time (the "Objection Deadline") on counsel for the Trustee, Frances Gecker, Frank/Gecker LLP, 325 N. LaSalle St., Ste. 625, Chicago, Illinois 60610, tel: 312-276-1400, fax: 312-276-0035, fgecker@fgllp.com; and on counsel for OIC, Bruce L. Wald, Tishler & Wald, Ltd., 200 South Wacker Drive, Suite 3000, Chicago, Illinois 60606, Phone: 312-876-3800, Fax: 312-876-3816, bwald@tishlerandwald.com.

PLEASE TAKE FURTHER NOTICE that the relief requested in the Motion may be granted without further notice if no timely objection is filed and the hearing may be continued without further notice.

EXHIBIT 1

Automotive Professionals, Inc.
Ohio Indemnity Reserve Release Allocation
As of July 31, 2007

DirCode	Dealer Name	Reference Number	Total Reserve Balances	ContCnt	Allocation of Claims & Expenses per OIC Settlement	Amount to be Distributed to Dealers
CA60210(O)	PRESTIGE MOTORS	30002488	553.57	1	(492.00)	62.00
CA60210(O)	PRESTIGE MOTORS	30002712	6,400.75	15	(5,683.00)	718.00
CA80090(O)	CARS FOR YOU	30002486	-	1	-	-
CA80090(O)	CARS FOR YOU	30002715	9,940.37	15	(8,826.00)	1,114.00
CA80100(O)	REDDING IMPORTS	30002656	192.51	0	(171.00)	22.00
CA80100(O)	REDDING IMPORTS	30002712	-	NULL	-	-
CA80150(O)	WINNER CHEVROLET	30002487	-	2	-	-
CA80150(O)	WINNER CHEVROLET	30002712	9,137.91	21	(8,113.00)	1,025.00
CA80230(O)	HELSEY CHEVROLET	30002712	1,044.34	2	(927.00)	117.00
CA80470	GAESTEL (R. J.), INC.	30002712	5,656.80	13	(5,022.00)	635.00
CA80540(O)	SMITH CHEVROLET CO., INC.	30002717	342,569.12	567	(304,156.00)	38,413.00
CA80570(O)	FRIENDLY CHEVROLET INC. & BIGRESULTS.COM & SHOWCA	30002713	439,852.03	836	(390,530.00)	49,322.00
CA80580(O)	HERITAGE FORD, INC.	30002712	-	NULL	-	-
CA80590(O)	MARTENS CHEVROLET, INC.	30002715	35,380.37	53	(31,413.00)	3,967.00
CA80600(O)	VALLEY AUTO SALES & LEASING LLC	30002715	994.04	2	(883.00)	111.00
CA80660(O)	HUGHES (CURT) DODGE INC.	30002713	134,135.11	255	(119,094.00)	15,041.00
CA80670(O)	MATTHEWS (ALFRED), INC.	30002486	-	1	-	-
CA80670(O)	MATTHEWS (ALFRED), INC.	30002715	64,232.99	97	(57,030.00)	7,203.00
CA80690	MOTHER LODE MOTORS, INC.	30002714	24,440.68	49	(21,700.00)	2,741.00
CA80690	MOTHER LODE MOTORS, INC.	30002755	161,752.96	307	(143,615.00)	18,138.00
CA80710(O)	ATASCADERO FORD, INC.	30002746	279,949.83	492	(248,558.00)	31,392.00
CA80720(O)	MIRKOOSHESH, INC.	30002712	3,063.38	7	(2,720.00)	343.00
CA80740(O)	QUINN (JAMES CASEY)	30002712	1,740.56	4	(1,545.00)	196.00
CA80760(O)	SUNSET CHEVROLET OLDSMOBILE, INC.	30002712	9,273.89	21	(8,234.00)	1,040.00
CA80800	VS AUTOMOTIVE, INC.	30002715	-	NULL	-	-
CA80810	KALEL, INC.	30002712	435.14	1	(386.00)	49.00
CA80820(O)	UNIVERSAL CAR LEASING & SALES	30002712	16,535.27	38	(14,681.00)	1,854.00
CA80830	HILLTOP BUICK PONTIAC GMC TRUCK, INC.	30002712	-	NULL	-	-
CA80840	CARS BY PHONE	30002712	435.14	1	(386.00)	49.00
CA80850(O)	ENNS PONTIAC BUICK & GMC, INC.	30002487	-	1	-	-
CA80850	ENNS PONTIAC BUICK & GMC, INC.	30002712	10,878.46	25	(9,659.00)	1,219.00
CA80920	TAFT AUTOMOTIVE, INC.	30002712	-	NULL	-	-
CA80930	GENERATION MOTORS, INC.	30002713	188,379.79	358	(167,256.00)	21,124.00
CA80950	NOVATO CHEVROLET, INC.	30002712	435.14	1	(386.00)	49.00
MD80610	NATIONAL AUTO INSPECTIONS, LLC	29880008	741.93	5	(659.00)	83.00
MN15100(O)	MAPLEWOOD TOYOTA, INC.	30002506	1,853.60	7	(1,646.00)	208.00
MN15320(O)	AUTO SOLUTIONS LEASING & SALES, INC.	30002506	1,251.18	5	(1,111.00)	140.00
MN60060	WILKINS USED CARS LLC	29880009	-	NULL	-	-
MN60070	SNAZA - SKORDAHL AUTO SALES INC	29880009	-	NULL	-	-
MN80100(O)	AUSTIN FORD-LINCOLN-MERCURY	30002611	78,719.26	143	(69,892.00)	8,827.00

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DIrCode	Dealer Name	Reference Number	Total Reserve Balances	ContCt	Allocation of Claims & Expenses per OIC Settlement	Amount to be Distributed to Dealers
MN80110(O)	KOPPY, INC.	30002487	-	76	-	-
MN80150(O)	KREJCI FORD INC.	30002487	-	13	-	-
MN80180(O)	HAWKINS (THANE) POLAR CHEVROLET-MAZDA, INC.	30002487	-	93	-	-
MN80180(O)	HAWKINS (THANE) POLAR CHEVROLET-MAZDA, INC.	30002695	71,473.01	202	(63,459.00)	8,014.00
MN80210(O)	NANTIM SALES & LEASING, INC.	30002487	-	8	-	-
MN80220(O)	BURNSVILLE LINCOLN-MERCURY, INC.	30002699	3,860.35	21	(3,427.00)	433.00
MN80230(O)	BURNSVILLE CAR CO.	30002697	52,874.36	260	(46,945.00)	5,929.00
MN80330(O)	AUTOMOTIVE ENTERPRISES LLC	30002487	-	0	-	-
MN80360(O)	DAHL FORD LACROSSE, INC.	30002487	-	1	-	-
MN80360(O)	DAHL FORD LACROSSE, INC.	30002719	-	NULL	-	-
MN80370(O)	HERMAN MOTOR COMPANY	30002487	-	27	-	-
MN80400	WILKINS USED CARS, LLC	29880008	-	NULL	-	-
MO80040	CONSUMER PROTECTION SERVICES	30002672	18,657.89	51	(16,566.00)	2,092.00
NY61810	BIANCO AND SON AUTO SALES, LTD	29880009	2,421.23	8	(2,150.00)	271.00
NY62430	E-Z LOAN AUTO SALES	29880009	-	NULL	-	-
NY62440	PROGRESSIVE DEVICE SERVICES	29880009	-	NULL	-	-
NY80150	GARDEN SATURN, INC.	30002712	5,656.80	13	(5,022.00)	635.00
NY80730	SHEPARD BROS, INC.	30002712	-	NULL	-	-
NY81070	POUGHKEEPSIE CHEVROLET, INC	29880008	5,490.27	37	(4,875.00)	615.00
NY81410	NEMET MOTORS	29880008	7,122.52	48	(6,324.00)	799.00
NY81420	NEMET CHEVROLET, LTD	29880008	741.93	5	(659.00)	83.00
NY81740	HUNTINGTON CHEVROLET INC.	30002712	-	NULL	-	-
NY81910	LONG ISLAND SWEDISH AUTO INC.	29880008	148.39	1	(132.00)	16.00
NY82120(O)	GAULT CHEVROLET CO., INC.	30002514	63.68	1	(57.00)	7.00
NY82120	GAULT CHEVROLET CO INC	30002511	3,879.26	11	(3,444.00)	435.00
NY82140	LEGEND NISSAN, LTD	29880008	296.77	2	(263.00)	34.00
NY82170	J A B & COMPANY, INC.	30002712	2,175.69	5	(1,932.00)	244.00
NY82240	RI SURESKY & SON, INC.	30002712	6,527.08	15	(5,795.00)	732.00
NY82270	MIDDLE ISLAND MOTOR SALES, INC.	29880008	296.77	2	(263.00)	34.00
NY83040	AUTOMOTIVE CREDIT SERVICES	29880008	148.39	1	(132.00)	16.00
NY84400	NISSAN OF MIDDLETOWN	29880008	296.77	2	(263.00)	34.00
NY84900	SUNRISE AUTOMOTIVE LLC.	29880008	890.31	6	(790.00)	100.00
NY85400	DCH LONG ISLAND SATURN, LLC.	30002712	8,267.63	19	(7,341.00)	927.00
NY86340	SUNRISE VOLKSWAGEN	30002712	435.14	1	(386.00)	49.00
NY86380	PREMIER MOTORS, INC	29880008	-	NULL	-	-
NY86390	CHEVROLET SATURN OF HARLEM	29880006	2,273.10	8	(2,018.00)	255.00
NY86400	CENTURY MOTORS	29880008	-	NULL	-	-
NY86470	J.P.T. AUTOMOTIVE, INC	29880008	1,335.47	9	(1,186.00)	149.00
NY86500	CHAMPION MOTORS, INC	29880008	296.77	2	(263.00)	34.00
NY86510	WIDE WORLD OF CARS, LLC	29880008	-	NULL	-	-

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TX61370(O)	NEDERLAND CHEVROLET INC	30002488	5,456.67	12	(4,845.00)	612.00
			2,031,062.35	4,307	(1,803,313.00)	227,751.00