

## **SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

This Settlement Agreement and Mutual Release is made as of August 13, 2009 by, between and among SONY ELECTRONICS INC. on the one hand, and MARTIN HAPNER, and on behalf of himself and the SETTLEMENT CLASS he represents, on the other hand.

### **I. DEFINITIONS**

#### **A. AGREEMENT**

As used herein, the term "AGREEMENT" shall refer to this document and all of the Attachments hereto. Each Attachment hereto is incorporated into this document by reference as though fully set forth herein.

#### **B. PARTY**

As used herein, the term "PARTY" shall mean any of PLAINTIFFS or DEFENDANT as defined herein.

#### **C. DEFENDANT**

As used herein, "DEFENDANT" shall refer to SONY and all SONY AFFILIATED ENTITIES as defined herein.

#### **D. SONY**

As used herein, the term "SONY" or "Sony" shall refer to Sony Electronics Inc. and its predecessors (including companies it has purchased and absorbed), successors, subsidiaries, officers, directors, employees, attorneys, agents, insurers, and their respective assigns, and representatives.

#### **E. SONY AFFILIATED ENTITIES**

As used herein, the term "SONY AFFILIATED ENTITIES" shall refer to, and expressly includes, without limitation, Sony Corporation, Sony Corporation of America Inc., and their

predecessors (including companies that they have purchased and absorbed), successors, subsidiaries, affiliates, officers, directors, employees, attorneys, agents, insurers, and their respective assigns, representatives, heirs, executors and administrators.

**F. PLAINTIFFS**

As used herein, the term "PLAINTIFFS" shall refer to Martin Hapner, in his individual capacity and in his capacity as class representative, and the CLASS he represents.

**G. HAPNER ACTION**

As used herein, the term "HAPNER ACTION" shall mean the lawsuit captioned *Martin Hapner v. Sony Electronics Inc.*, Superior Court of California, San Diego County, Case No. 839244.

**H. VAIO GRX NOTEBOOKS**

As used herein, the term "VAIO GRX NOTEBOOKS" shall refer to Sony VAIO® GRX notebook computers in the 500 and 600 series, including, without limitation, and encompassing the following model numbers, as well as configure-to-order versions and sub-designations of those model numbers:

PCGGRX500  
PCGGRX510  
PCGGRX600

PCGGRX520  
PCGGRX550  
PCGGRX650

PCGGRX560  
PCGGRX570  
PCGGRX670

PCGGRX580  
PCGGRX590  
PCGGRX690

I. **PLAINTIFFS' COUNSEL/CLASS COUNSEL**

As used herein, the terms "PLAINTIFFS' COUNSEL" and "CLASS COUNSEL" shall refer to the following attorneys who are counsel in the HAPNER ACTION:

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**J. SONY'S COUNSEL**

As used herein, the term "SONY'S COUNSEL" shall refer to the following attorneys who are counsel for SONY in the HAPNER ACTION:

Luanne Sacks  
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**K. CLASS MEMBER/SETTLEMENT CLASS MEMBER**

As used herein, the terms "CLASS MEMBER" and "SETTLEMENT CLASS MEMBER" shall refer to each member of the CLASS.

**L. MOTHERBOARD FAILURE**

As used herein, the term "MOTHERBOARD FAILURE" shall refer to failure of a VAIO GRX NOTEBOOK to boot, inability to access installed memory, freezing, or other related symptoms.

**M. CLASS OR SETTLEMENT CLASS**

As used herein, the term “SETTLEMENT CLASS” or “CLASS” shall refer to:

All persons or entities in the United States who purchased, not for resale, or received as gifts any of the Sony VAIO Notebook computer models encompassed within the definition of VAIO GRX NOTEBOOKS herein. The Class does not include: (i) Sony, its affiliates, employees, officers and directors; (ii) persons or entities that distribute or sell the VAIO GRX NOTEBOOKS, (iii) persons or entities that sell, administer, or underwrite extended service plans for the VAIO GRX NOTEBOOKS and associated obligors; and (iv) the San Diego Superior Court presiding over the Lawsuit (the “Court”).

**N. CLASS NOTICE**

As used herein, the term “CLASS NOTICE” refers to the process specifically described in paragraphs III.13 through III.19 herein, for providing notice of settlement and this AGREEMENT to the SETTLEMENT CLASS.

**O. SETTLED CLAIM**

As used herein, the term “SETTLED CLAIM” refers to the alleged circumstances and events which PLAINTIFFS believe give rise to the claims asserted in the HAPNER ACTION, including, without limitation, allegedly improper design, manufacture, marketing and sale of the VAIO GRX NOTEBOOKS, alleged or claimed breaches of warranties, fraudulent concealment, negligent misrepresentation, breach of the covenant of good faith and fair dealing, breaches of California Business and Professions Code sections 17200 *et seq.* and 17500 *et seq.*, breaches of the Song Beverly Consumer Warranty Act (California Civil Code sections 1791 *et seq.*), violations of the Consumer Legal Remedies Act (California Civil Code section 1750 *et seq.*), and all events and matters that were alleged or could have been alleged in the HAPNER ACTION against DEFENDANT. “SETTLED CLAIMS” shall also refer to any and all claims, demands, damages, attorney’s fees, costs, remedies, actions, causes of action, suits in equity, including

those subsumed by California Civil Code section 1542, which PLAINTIFFS had or have, whether known or unknown, asserted or unasserted, direct, individual, class, representative, derivative or in any other capacity related to the claims which were or could have been asserted in the HAPNER ACTION. Solely with respect to any and all SETTLED CLAIMS, it is the intention of the PARTIES hereto that each of the PARTIES hereby expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California Civil Code and any and all provisions, rights, and benefits of any similar statute or law of California or of any other jurisdiction. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which, if known by him or her, must have materially affected his or her settlement with the debtor.

**P. PRELIMINARY APPROVAL DATE**

As used herein, the term PRELIMINARY APPROVAL DATE shall mean the date on which the San Diego Superior Court enters an order in substantially the form of Attachment B hereto.

**Q. EFFECTIVE DATE**

As used herein, the term "EFFECTIVE DATE" shall mean the date when the San Diego Superior Court's Judgment (Attachment A) granting final approval of this AGREEMENT and the settlement contained therein on behalf of the SETTLEMENT CLASS is final under California law, pursuant to the California Code of Civil Procedure, in that the time for the filing of any appeal or request for appellate review of said order has expired or all appeals or appellate procedures for review of said order have concluded.

## II. RECITALS

1. The HAPNER ACTION was filed on July 21, 2004. Hapner contended that all Sony VAIO® GRX notebook computers, including the VAIO GRX NOTEBOOKS that are subject to this AGREEMENT as well as those in the 700 series, suffer from defective memory socket solder joints. Specifically, Hapner alleged that the “memory slots [in GRX notebooks] were inherently defective and would cause a substantial number of the Vaio GRX laptops to shut down and require expensive repair, even with normal use.”

2. Based on this core allegation, Hapner asserted class claims on behalf of all GRX purchasers for: (1) Violation of the Unfair Competition Law (“UCL”), Business & Professions Code § 17200, et seq.; (2) the False Advertising Law (“FAL”), Business & Professions Code § 17500, et seq.; (3) the Consumers’ Legal Remedies Act (“CLRA”), Civil Code § 1750, et seq.; (4) Breach of Express and Implied Warranty; and (5) the Song Beverly Consumer Warranty Act (“Song Beverly”), Civil Code section 1790 et seq.

3. In his operative Third Amended Complaint, Hapner no longer sought to represent purchasers of the 700 series of the Sony VAIO® GRX notebook computers.

4. On July 22, 2008, the San Diego Superior Court issued an order certifying the following class and subclasses in the HAPNER ACTION:

All persons or entities in the United States who purchased, not for resale, Sony GRX 500 and 600 series notebook computers from authorized resellers that: (1) were manufactured in the Spring or Summer of 2002; and (2) contain motherboards that were manufactured in Japan. Excluded from this class are defendant, its affiliates, employees, officers and directors, persons or entities which distribute or sell the computers, and the Court.

Sub-Class A: All Class members who are “consumers” as defined by California Civil Code § 1761(d).

Sub-Class B: All Class members who purchased the notebook computers in the State of California, and who bought their computers primarily for personal, family or household purposes as defined by California Civil Code § 1791(a).

5. PLAINTIFFS have claimed, and continue to claim, that the contentions made in the HAPNER ACTION regarding alleged performance problems and potential defects in the VAIO GRX NOTEBOOKS have merit.

6. Nothing in this AGREEMENT may be construed as, or may be used as, an admission by PLAINTIFFS that any of the claims is without merit.

7. DEFENDANT denies all of the claims, contentions and each and every allegation made by the PLAINTIFFS regarding alleged performance problems and potential defects in the VAIO GRX NOTEBOOKS. Nothing in this AGREEMENT may constitute, may be construed as, or may be used as, an admission by DEFENDANT of any fault, wrongdoing or liability whatsoever.

8. Counsel for PLAINTIFFS and DEFENDANT have conducted sufficient discovery, investigation and research to reach this AGREEMENT. Said discovery has included, *inter alia*, depositions of SONY personnel, written responses by the PARTIES to interrogatories, document requests and requests for admissions, and production by SONY of sales data, marketing and customer service documents.

9. PLAINTIFFS recognize the substantial risks associated with further litigation through trial and through appeals. In this regard, PLAINTIFFS recognize the difficulty and expense in pursuing litigation of this type. In particular, PLAINTIFFS are aware of the following risks inherent in litigation: (1) the possibility that the Court will decertify the certified class; (2) the difficulty in establishing that the VAIO GRX NOTEBOOKS were defective, and therefore the difficulty in establishing DEFENDANT'S liability; (3) and the potential delay in

providing relief to the CLASS as a result of continued litigation and the likelihood of appeals and cross-appeals. PLAINTIFFS therefore deem it desirable and beneficial that the HAPNER ACTION be settled in the manner and upon the terms and conditions set forth herein.

10. DEFENDANT has concluded that further litigation likely would be protracted and expensive for all PARTIES and that settlement is desirable. DEFENDANT has taken into account that, although it believes an adverse judgment is unlikely, there is always uncertainty as to the outcome of litigation. DEFENDANT has also taken into account that the continued cost of litigation may exceed the amounts payable under this AGREEMENT. DEFENDANT therefore deems it desirable and beneficial that the HAPNER ACTION be settled in the manner and upon the terms and conditions set forth herein.

NOW THEREFORE, it is agreed by and between the undersigned that the HAPNER ACTION be settled and compromised as among PLAINTIFFS and DEFENDANT on a class-wide basis, conditioned upon approval of the appropriate court, on the terms and conditions described herein.

**III. PRELIMINARY APPROVAL, CLASS CERTIFICATION, CLASS NOTICE, CLAIMS PROCESS AND EXCLUSION**

**Preliminary Approval and Conditional Certification**

11. Each of the PARTIES hereby stipulates and agrees, solely for purposes of consummation and fulfillment of this AGREEMENT, to the certification of the SETTLEMENT CLASS as defined herein.

12. The PARTIES agree to present the AGREEMENT promptly to the San Diego Superior Court for preliminary approval. The PARTIES shall seek an Order certifying the

SETTLEMENT CLASS for settlement purposes only and preliminarily approving this AGREEMENT, substantially in the form of Attachment B hereto.

#### **Internet Notice**

13. Within twenty (20) calendar days following the PRELIMINARY APPROVAL DATE, SONY shall cause to be active a settlement website at a URL to be determined (the "SETTLEMENT WEBSITE"). SONY shall keep the website active through the EFFECTIVE DATE. The settlement website shall contain, link to, and/or provide for download of each of the following: (a) The Claim Form and Instructions contained in Attachment F hereto; (b) the Opt-out Form and Instructions contained in Attachment G hereto; and (c) the Case Description and Questions substantially in the form of Attachment H hereto; and (d) a final and fully executed copy of this Settlement Agreement. SONY shall update the SETTLEMENT WEBSITE as becomes necessary to reflect current information regarding the status of the settlement.

14. Within twenty (20) calendar days following the PRELIMINARY APPROVAL DATE, Sony shall cause a link to the SETTLEMENT WEBSITE to appear in the "Support Alerts" section of the front page of Sony's online support website, <http://esupport.sony.com/> with a heading of "Class Action Settlement Notification for the Sony VAIO® GRX 500 and GRX 600 Series". The hyperlink heading shall be displayed in the same font size, format and color as other notices appearing within the "Support Alerts" section of the page. This link shall appear for a period of two (2) weeks.

15. Within twenty (20) calendar days following the PRELIMINARY APPROVAL DATE, Sony shall cause a link to the settlement website to appear in the "Hot Topics" section of the United States Sony model home pages for the VAIO GRX NOTEBOOKS

with a heading of “Class Action Settlement Notification for the Sony VAIO® GRX 500 and GRX 600 Series.” The hyperlink heading shall be displayed in the same font size, format and color as other notices appearing within the “Hot Topics” sections of the pages. This link shall appear until 170 calendar days after the PRELIMINARY APPROVAL DATE.

16. PLAINTIFFS’ COUNSEL shall be permitted to post links to the settlement website from their own websites and may post announcements in the forums on [www.hardwareanalysis.com](http://www.hardwareanalysis.com) with the language contained in Attachment I, hereto. PLAINTIFFS and their counsel shall bear any cost associated with such postings.

**Mailed Notice**

17. Within twenty (20) calendar days following the PRELIMINARY APPROVAL DATE, SONY shall cause to be mailed a postcard summary notice of the settlement directed by first class mail to the CLASS MEMBERS at their last known addresses as reflected in SONY’S registration, customer service, and/or repair records. SONY shall run an electronic update of valid addresses through a national change of address database prior to sending the MAILED NOTICE. The postcard shall provide the website address for the SETTLEMENT WEBSITE and contain the language recited in Attachment C hereto.

**E-Mail Notice**

18. Within twenty (20) calendar days following the PRELIMINARY APPROVAL DATE, SONY shall cause to be transmitted a summary notice of the settlement to the CLASS MEMBERS at their last known e-mail addresses as reflected in SONY’S registration, customer service, and/or repair records. The notice shall provide the website address for the SETTLEMENT WEBSITE and contain the language recited in Attachment E hereto.

### **Publication Notice**

19. SONY shall place and caused to be published within twenty (20) calendar days following the PRELIMINARY APPROVAL DATE, a summary notice of the settlement in 1/8 page format in the national edition of USA Today. The notice shall provide the website address for the SETTLEMENT WEBSITE and contain the language recited in Attachment D hereto. Sony shall cause a second publication of the notice to appear within one week after the initial publication.

### **Claims Process**

20. CLASS MEMBERS will be required to complete the required claim form (Attachment F hereto) ("CLAIM FORM") that requires submission of the following: (i) CLASS MEMBER name and address; (ii) VAIO GRX NOTEBOOK model and serial number; (iii) date and place of purchase; (iv) attestation that VAIO GRX NOTEBOOK repair completed or repair estimate was due to MOTHERBOARD FAILURE and not due to accidental damage, misuse or abuse; (v) dated proof of purchase of the VAIO GRX NOTEBOOK and (vi) as applicable, dated evidence of eligible repair costs paid or repair estimate.

21. Dated Proof of Purchase shall be documented by one of the following: (i) copy of original receipt; (ii) copy of an invoice marked "paid"; (iii) copy of a canceled check contemporaneously identifying the purchase; (iv) copy of credit card bill that identifies the purchase; (v) copy of shipping invoice identifying the purchase; or (vi) other contemporaneously generated evidence confirming purchase of a VAIO GRX NOTEBOOK. Proof of purchase shall not be required if information concerning purchase (e.g., warranty registration or similar information) is readily accessible and obtainable from a database maintained by SONY and if

CLASS MEMBERS make notation on the CLAIM FORM where indicated that SONY should search such information.

22. Dated Proof of Repair shall be documented by one of the following, specifically identifying the motherboard replacement or memory socket resolder repair, date of repair, and name/address of the third-party servicer: (i) copy of original repair receipt; (ii) copy of an invoice marked "paid"; (iii) copy of a canceled check contemporaneously identifying the repair; or (iv) other contemporaneously generated evidence confirming an eligible repair of a VAIO GRX NOTEBOOK. Proof of repair shall not be required if information concerning the repair and cost of repair is readily accessible and obtainable from a database maintained by SONY and if CLASS MEMBERS make notation on the CLAIM FORM where indicated that SONY should search such information.

23. Dated Proof of a Repair Estimate shall be documented by a copy of the original written estimate received from a bona fide PC or electronics servicer specifically identifying the motherboard replacement or memory socket resolder repair, date of the estimate, and name/address of the servicer.

24. CLAIM FORMS will be available on the Internet through the SETTLEMENT WEBSITE and also will be available via mail and email from CLASS COUNSEL.

25. All CLAIM FORMS and documentation required by the AGREEMENT shall be postmarked or electronically submitted (as appropriate) to the address set forth in the CLAIM FORM Instructions (Attachment F hereto) on or before 170 days after the PRELIMINARY APPROVAL DATE.

26. Only CLASS MEMBERS who provide complete CLAIM FORMS and documentation, as required, sufficient to qualify for the benefit selected shall be entitled to compensation as set forth in this AGREEMENT.

27. Upon receipt of incomplete or non-complying claim submissions, SONY will send a letter or email to the address provided in the CLAIM FORM within thirty (30) days after the submission is received. Said communication will identify the general category or categories of deficiencies in the claim, invite the recipient to submit a complying claim, and remind the recipient of the claim submission deadline and of the fact that non-complying or incomplete claim submissions will not be honored. For incomplete or non-complying claims initially submitted more than 30 days before the claims submission deadline, the automated response sent by Sony will state that the deficiency must be corrected prior to the claims submission deadline. For incomplete or non-complying claims initially submitted within 30 day of the claims submission deadline, the automated response sent by Sony will state that the deficiency must be corrected within thirty (30) days of the date of the response (the "Thirty Day Period"). Only complete and complying claims submitted or postmarked on or before the expiration of the claims submission deadline set forth in the immediately preceding paragraph or within the Thirty Day Period will be eligible for benefits. SONY has no obligation to continue the claims administration process related to incomplete or non-complying claim submissions other than those set forth in this paragraph.

28. Within 15 calendar days of the close of the claims period, SONY shall provide a list to PLAINTIFFS' COUNSEL identifying all incomplete and non-complying claim submissions in response to which it contends no benefit shall be given and stating the basis for SONY'S contention that no benefits should be given. Upon request, SONY will provide to

PLAINTIFFS' COUNSEL all documentation forming the basis for its contention that no benefits should be provided in response to a particular claim or claims. In the event PLAINTIFFS' COUNSEL believe that benefits should be given in response to any claim or claims which SONY contends that no benefit should be given, the PARTIES shall informally attempt to resolve and reach agreement regarding such claims. In the event that no agreement is reached regarding a particular claim or claims, the matter will be submitted to the Hon. Howard B. Wiener (Ret.) of JAMS, and his determinations regarding eligibility for benefits shall be final and binding. Any such submission of disputed claims shall be made within 30 days of the close of the claims period. The PARTIES shall bear their own attorneys' fees and costs in connection with any such adjudication regardless of the outcome. PLAINTIFFS and DEFENDANT, respectively, shall each bear half the cost of any fees charged by the Hon. Howard B. Wiener (Ret.) and/or JAMS in connection with such adjudication.

#### **Objections and Requests for Exclusion**

29. Objections by CLASS MEMBERS must be filed with the San Diego Superior Court on or before the date specified in the Preliminary Approval Order of that Court.

30. Any person who wishes to be excluded from the CLASS must submit a written request for exclusion, postmarked or transmitted via courier or facsimile on or before the date eighty (80) days after the PRELIMINARY APPROVAL DATE.

31. Any person who wishes to be excluded may utilize the Opt-out Form and Instructions contained in Attachment G, which must be completed in full to be effective. Alternatively, a request for exclusion may be made by letter, which must set forth the following information to be effective: (a) The person's name and address; (b) a statement that such person is a member of the CLASS, and purchased or received as a gift a VAIO GRX NOTEBOOK and

its serial number, if available; and (c) a statement that such person is requesting exclusion from the CLASS.

32. Any request for exclusion shall be mailed by first class mail to CLASS COUNSEL and SONY'S COUNSEL at the addresses set forth in Section XXIII of this AGREEMENT.

33. CLASS COUNSEL shall file with the San Diego Superior Court all requests for exclusion from any CLASS MEMBER not less than ten (10) calendar days prior to the date of the final approval hearing.

#### **IV. SETTLEMENT FAIRNESS HEARING**

34. After preliminary approval of the settlement, notice to the CLASS and an opportunity for objection, a Settlement Fairness Hearing shall be held on a date 120 days after the PRELIMINARY APPROVAL DATE, or as soon thereafter as the San Diego Superior Court can hear the matter. In connection with the Settlement Fairness Hearing, the PARTIES shall file such papers with the court as their counsel or the Court determines to be necessary. Before the Settlement Fairness Hearings, proof of class notice shall be filed by SONY'S COUNSEL.

#### **V. JUDGMENT**

35. After final approval of the settlement and of this AGREEMENT is granted, the PARTIES shall obtain entry of a Judgment of Dismissal with prejudice of the HAPNER ACTION substantially in the form of Attachment A. It is expressly agreed by the PARTIES that the San Diego Superior Court will retain jurisdiction to enforce the terms of this AGREEMENT in the United States pursuant to California Code of Civil Procedure section 664.6.

**VI. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL,  
CANCELLATION AND TERMINATION**

36. This AGREEMENT is expressly conditioned on entry of and finality, under California law, of the San Diego Superior Court's Judgment of Dismissal, granting final approval of the settlement and of the fairness of this AGREEMENT on behalf of the SETTLEMENT CLASS. Upon the failure this condition, this AGREEMENT shall be cancelled and terminated unless each of the PARTIES hereto mutually agrees in writing to proceed with this AGREEMENT.

37. DEFENDANT shall have the right to WITHDRAW from this AGREEMENT at any time prior to the EFFECTIVE DATE if: (i) the Court determines that any class notice is required other than the notice provided for herein; (ii) the Court grants a fee application which would cause the total attorneys fees and costs payable by DEFENDANT and which would require PLAINTIFFS' COUNSEL to exceed the amount set forth in paragraph 48, herein; and/or (iii) if any court issues an injunction in any jurisdiction against DEFENDANT or SONY'S COUNSEL from proceeding with the settlement embodied in this AGREEMENT. DEFENDANT represents and warrants that it is not a party to any current negotiations for and agrees that it shall not voluntarily be a party to any agreement or court order that results in issuance of any injunction that would be the subject of this paragraph.

38. In the event this AGREEMENT is cancelled and terminated, all events, obligations, or duties set forth in this AGREEMENT also automatically shall be terminated and cancelled. In such event, the PARTIES shall also revert, and shall be deemed to have reverted to their respective status and position in the HAPNER ACTION immediately preceding execution

of this AGREEMENT and shall proceed as if this AGREEMENT and/or related orders concerning a proposed settlement and certification of a settlement class had not been executed.

39. In the event this AGREEMENT is cancelled or terminated, this AGREEMENT, all discussions concerning this AGREEMENT, all filings, draft documents and any other material related to this AGREEMENT shall be deemed confidential settlement materials which, pursuant to California Evidence Code § 1152 and Federal Rule of Evidence 408, cannot be used in evidence, or for any purpose, by a PARTY against or by any other PARTY.

40. In the event this AGREEMENT is cancelled, the PARTIES shall, within two (2) weeks of such cancellation, jointly move for a status conference with the San Diego Superior Court to be held on the first available date. At such status conferences, the PARTIES shall seek the Court's assistance in scheduling further proceedings.

#### **VII. CONSIDERATION FROM SONY**

41. In full, complete and final settlement and satisfaction of the HAPNER ACTION and all of PLAINTIFFS' SETTLED CLAIMS, and subject always to all of the terms, conditions and provisions of this AGREEMENT, SONY agrees to provide the consideration set forth herein.

**Compensation for repairs obtained or estimated**

42. All CLASS MEMBERS who, during the time periods set forth below, paid SONY or a third party service provider to replace the motherboard of their VAIO GRX NOTEBOOK and/or resolder the memory socket(s) due to a MOTHERBOARD FAILURE shall receive reimbursement of such documented and paid repair costs in the percentages of the repair cost set forth as follows:

Timing of Repair After Purchase	Percentage Reimbursement
12 months 1 day to 18 months	100%
18 months 1 day to 24 months	40%
24 months 1 day to 36 months	10%

43. All CLASS MEMBERS who, during the time periods set forth below, obtained a documented repair estimate to replace the motherboard of their VAIO GRX NOTEBOOK and/or resolder the memory socket(s) due to a MOTHERBOARD FAILURE, but opted to have no repair completed, shall receive payment in the amounts set forth as follows:

Timing of Estimate After Purchase	Payment Amount
12 months 1 day to 18 months	\$200
18 months 1 day to 24 months	\$55
24 months 1 day to 36 months	\$27.50

44. Payment to CLASS MEMBERS shall be made in the form of checks. All settlement checks issued will remain valid and negotiable for ninety (90) days from the date of issuance. All checks not cashed within that time may automatically be canceled. In such case,

the check holder's claim will be deemed null and void, notwithstanding the cancelation of the check.

**Compensation to Plaintiff Class Representative**

45. Plaintiff class representative MARTIN HAPNER shall receive \$3,000 as an incentive award in addition to any benefits to which he may otherwise be entitled to receive as a CLASS MEMBER.

**Date for Compensation**

46. Within 30 days of the EFFECTIVE DATE, SONY shall provide all benefits to CLASS MEMBERS who provided qualifying claim submissions and requested those benefits. In the case of disputed claims, any benefits found to owing as a result of the dispute resolution process set forth in Paragraph 28, above, shall be provided within 30 days of the resolution of that process.

**Prohibition Against Multiple Collection of Benefits**

47. CLASS MEMBERS may claim one benefit for one repair or estimated repair per VAIO GRX NOTEBOOK. Therefore, even though a CLASS MEMBER may provide claim forms and/or documentation to qualify for more than one benefit, benefits are strictly limited to one per CLASS MEMBER per VAIO GRX NOTEBOOK. CLASS MEMBERS with multiple VAIO GRX NOTEBOOKS may make one claim for each VAIO GRX NOTEBOOK bearing a separate serial number and must complete a separate claim form for each unit. Duplicate claims will not be honored.

**CLASS COUNSEL Fees and Costs**

48. The PARTIES agree to submit PLAINTIFFS/CLASS COUNSEL'S application for attorneys' fees and costs to the San Diego Superior Court for resolution

concurrent with the hearing on final approval. PLAINTIFFS and CLASS COUNSEL agree they will not request that the Court grant them more than a total of \$625,000 in attorneys' fees and costs. SONY will not oppose such motion.

49. Within 45 days after PRELIMINARY APPROVAL, SONY shall place \$625,000 in an interest-bearing escrow trust account. In the event the AGREEMENT is cancelled or terminated, all escrowed funds and interest shall revert to SONY. As of the EFFECTIVE DATE, PLAINTIFFS' COUNSEL shall be entitled to disbursement from the escrow trust account of attorneys' fees awards by the Court and applicable interest, with the remainder, if any, reverting to SONY.

50. Except as specifically set forth above, the PARTIES shall bear their own attorneys' fees, costs and expenses arising from or related to the HAPNER ACTION. PLAINTIFFS agree, covenant, and warrant that they will defend, indemnify and save harmless DEFENDANT from any loss, liability, claim, expense, demand, action or cause of action of any kind or character, including attorneys' fees, and all actual court costs and expenses arising from, connected with or relating to any lien, right or obligation relating to any claims or liens for legal services provided to PLAINTIFFS by any attorney or any other person, in connection with the HAPNER ACTION or this AGREEMENT.

#### **Cost of Notice and Administration of Compensation**

51. SONY shall bear the costs of furnishing CLASS NOTICE and administration of this settlement except as specifically described otherwise.

#### **VIII. RELEASE**

52. As of the EFFECTIVE DATE, PLAINTIFFS hereby fully release and forever discharge DEFENDANT and DEFENDANT hereby fully releases and forever discharge

PLAINTIFFS, from any and all injuries, demands, losses, damages, costs, loss of service, expenses, compensations, claims, suits, causes of action, attorneys' fees, obligations, or liabilities of any nature, type or description, related in any way to the SETTLED CLAIMS (as that term is defined herein). The PARTIES expressly waive and relinquish to the fullest extent possible, the provisions, rights and benefits of section 1542 of the California Civil Code and any other similar statute. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

#### **X. PROHIBITION ON PRESS RELEASES**

53. The PARTIES and their counsel agree they will not contact the press, issue any press releases, give any interviews or comment upon this settlement in any way other than as specifically provided in this AGREEMENT. The PARTIES and their counsel further agree that, if approached, they will say only that the HAPNER ACTION settled and that information about the settlement is available at the settlement website. Nothing in this provision shall limit in any way or affect CLASS COUNSEL'S ability to engage in full and frank discussions with CLASS MEMBERS and to respond fully to CLASS MEMBERS regarding the terms and reasons for the settlement.

#### **X. CONFIDENTIAL DOCUMENTS**

54. All of the PARTIES agree to cooperate and to work with one another to protect any confidential materials produced in discovery in the HAPNER ACTION. This includes, but is not limited to, promptly complying with all aspects of any protective order regarding such information.

**XI. AGREEMENT TO COOPERATE**

55. All of the PARTIES hereto agree to cooperate with one another to effectuate this AGREEMENT.

**XII. CHOICE OF LAW**

56. In determining the rights of the PARTIES hereto, this AGREEMENT shall be governed by, construed, and interpreted in accordance with the internal laws of the State of California, without regard to the conflict of laws principles thereof.

**XIII. WARRANTIES**

57. Each signatory to this AGREEMENT hereby warrants that (s)he has the authority to execute this AGREEMENT and thereby bind the respective party.

**XIV. BINDING EFFECT OF THE AGREEMENT**

58. The terms of this AGREEMENT shall inure to the benefit of, and be binding upon, the PARTIES and their respective heirs, legal representatives, executors, administrators, successors, and assigns.

**XV. INTEGRATION CLAUSE**

59. This AGREEMENT and its Attachments state the entire agreement of the PARTIES with respect to the matters discussed herein, and supersede all prior or contemporaneous oral or written understandings, agreements, statements or promises.

**XVI. MODIFICATIONS IN WRITING ONLY**

60. This AGREEMENT may not be amended or modified in any respect except by a written instrument duly executed by all of the PARTIES to this AGREEMENT or their counsel.

## **XVII. HEADINGS**

61. The headings and captions contained in this AGREEMENT are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this AGREEMENT or the intent of any provision thereof.

## **XVIII. COUNTERPARTS**

62. This AGREEMENT may be executed in one or more counterparts, each of which shall be an original, and this AGREEMENT is effective upon execution of at least one counterpart by each party to this AGREEMENT. Signatures transmitted by facsimile or other electronic means shall have the same force and effect as original signatures.

## **XIX. NO ADMISSIONS**

63. If this AGREEMENT does not become effective or is cancelled or terminated for any reason, it shall be deemed negotiation for settlement purposes only and will not be admissible in evidence or usable for any purposes whatsoever in the HAPNER ACTION or any proceedings between the PARTIES.

## **XX. TERMINOLOGY AND CONSTRUCTION**

64. All personal pronouns used in this AGREEMENT, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa.

## **XXI. AGREEMENT DRAFTED BY ALL PARTIES**

65. This AGREEMENT has been, and shall be construed to have been, drafted by all the PARTIES to it so that any rule which construes ambiguities against the drafter shall have no force or effect.

**XXII. NOTICES**

66. All Notices provided for herein shall be transmitted to the following:

Luanne Sacks  
John R. Hurley  
DLA PIPER LLP (US)  
555 Mission Street, Suite 2400  
San Francisco, CA 94105-2933  
Fax: 415-836-2501

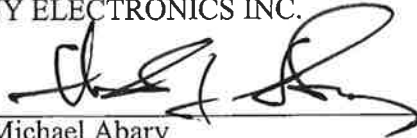
James C. Shah, Esq. SHEPHERD,  
FINKELMAN, MILLER & SHAH, LLP  
35 East State Street  
Media, PA 19063  
Fax: 610-891-9883

**XXIII. ATTACHMENTS**

- A. San Diego Superior Court Judgment and Order of Dismissal
- B. San Diego Superior Court [Proposed] Order Regarding Preliminary Approval of Class Action Settlement, Approval of Class Notice and Conditional Certification of Settlement Class
- C. Form of Mailed Notice
- D. Form of Publication Notice
- E. Form of Email Notice
- F. Claim Form and Instructions
- G. Opt-out Form and Instructions
- H. Case Descriptions and Questions
- I. Form of Notice for Internet Message Board

DATED: \_\_\_\_\_, 2009

SONY ELECTRONICS INC.

By   
Michael Abary  
Sr. Vice President

DATED: August 14, 2009

  
MARTIN HAPNER

APPROVED AS TO FORM:

DATED: August 14, 2009

DLA PIPER LLP (US)

By

  
LUANNE SACKS  
Attorneys for Defendant  
Sony Electronics Inc.

DATED: \_\_\_\_\_, 2009

SHEPHERD, FINKELMAN, MILLER &  
SHAH, LLP

By

James C. Shah  
James E. Miller  
Scott R. Shepherd  
Karen M. Leser

LAW OFFICES OF THOMAS D.  
MAURIELLO  
Thomas D. Mauriello

SEEGER WEISS, LLP  
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FELDMAN & ASSOCIATES  
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Anthony L. Vitullo, Esq.

KIESEL, BOUCHER & LARSON, LLP  
Paul R. Kiesel, Esq.

MALESOVAS & MARTIN, LLP  
John Malesovas, Esq.

Attorneys for Plaintiff Martin Hapner

APPROVED AS TO FORM:


DATED: \_\_\_\_\_, 2009

DLA PIPER LLP (US)

By \_\_\_\_\_  
LUANNE SACKS  
Attorneys for Defendant  
Sony Electronics Inc.

DATED: August 14, 2009

SHEPHERD, FINKELMAN, MILLER &  
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