

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

HARRY COOPER, DAVE GRIFFITHS, CLARENCE  
ELIASON, ELLIS JOHNSON, JAMES OWENS, JOHNS  
NIXON, CLAUDIA LEAL, DONALD SWENSON, DENNIS  
GARRISON, SABYASACHI BOSE, DEVON J. COLVIN,  
ROBERT J.MILLER, JULIE ELLIOT-JENSEN and  
TAMMY NEWMAN, individually and on behalf of all others  
similarly situated,

Master File No. 3:98-CV-2804-M

CLASS ACTION

Plaintiffs,

v.

PAUL E. KANA, KEVIN L. FIGGE, JAMES K. HOOFARD,  
JR., G. DEAN BOOTH, JR., SIDNEY H. CORDIER, BRIAN  
R. WILSON, CRUTTENDEN ROTH INC., JOSEPH THAL  
CO., INC. and GRANT THORNTON LLP,

Defendants.

**NOTICE OF PROPOSED SETTLEMENT OF  
CLASS ACTION, SETTLEMENT APPROVAL HEARING,  
AND REQUIREMENT OF SUBMITTING A PROOF OF CLAIM**

**TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF CPS SYSTEMS, INC. (“CPS”) DURING THE PERIOD OF MARCH 25, 1998 TO NOVEMBER 4, 1998 (THE “CLASS,” THE “CLASS PERIOD”), EXCLUDING DEFENDANTS HEREIN, THEIR IMMEDIATE FAMILY MEMBERS, ENTITIES IN WHICH ANY DEFENDANT HAS A CONTROLLING INTEREST OR IS RELATED OR AFFILIATED WITH ANY DEFENDANT, AND LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS OR ASSIGNS OF ALL SUCH EXCLUDED PARTIES**

PLEASE READ THIS NOTICE CAREFULLY IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS ACTION.

IF YOU ARE A MEMBER OF THE CLASS, YOU MAY BE ENTITLED TO RECEIVE PAYMENTS PURSUANT TO THE STIPULATION OF SETTLEMENT DESCRIBED HEREIN.

THIS NOTICE RELATES TO THE PENDENCY AND PROPOSED SETTLEMENT OF THIS LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHT TO SHARE IN THE PROCEEDS OF THE SETTLEMENT.

**IF YOU ARE A MEMBER OF THE CLASS AND YOU FAIL TO SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) IN A TIMELY MANNER, YOU WILL BE BARRED FROM ANY RECOVERY AGAINST DEFENDANTS.**

YOU ARE HEREBY NOTIFIED of: (1) the proposed settlement of Class claims asserted in the above-entitled Action; (2) a hearing to be held on May 19, 2003, at 3:30 p.m., in the courtroom of the Honorable Barbara M.G. Lynn, United States District Court, Northern District of Texas, Dallas Division, 1100 Commerce Street, Dallas, Texas 75242, (a) to determine whether the proposed settlement and plan of distribution is fair, reasonable and adequate and should be approved by the Court; (b) to determine whether judgment should be entered dismissing all claims and cross-claims against each of the Defendants on the merits, with prejudice, and without costs, and barring all claims against Defendants; (c) to consider the applications by Class Plaintiffs’ Counsel for awards of attorneys’ fees and expenses; and (3) your right, if you are a member of the Class, to file a Proof of Claim and share in the proceeds of the Settlement.

**CLAIMS DEADLINE: IN ORDER TO BE ELIGIBLE TO RECEIVE A PAYMENT AS A MEMBER OF THE CLASS, YOU MUST SUBMIT A PROOF OF CLAIM POSTMARKED ON OR BEFORE JUNE 30, 2003.**

**BROKERS, BANKS AND OTHER NOMINEES: PLEASE SEE INSTRUCTIONS CONTAINED IN SECTION XI BELOW.**

**I. DESCRIPTION OF THE LITIGATION**

This action is a class action (the “Action”) brought in the United States District Court, Northern District of Texas (the “Court”). Pursuant to a Stipulation of Settlement, dated February 14, 2003 (the “Settlement Stipulation”), Plaintiffs and all Defendants have agreed,

subject to Court approval, to settle the Action. Pursuant to the Settlement Stipulation, Defendants will make available a total amount of \$3,440,000 in cash for (1) recoverable losses for Plaintiffs and the Class as provided hereinafter; (2) Plaintiffs' attorneys' fees; (3) Plaintiffs' out of pocket expenses; and (4) costs of settlement notice and administration.

On or after November 30, 1998, several class action lawsuits were filed in the United States District Court for the Northern District of Texas, Dallas Division, on behalf of CPS Systems, Inc. ("CPS") common stock purchasers seeking to recover for violations of §§ 11, 12(2) and 15 of the Securities Act of 1933 and §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 against CPS, its officers and directors and the co-lead underwriters for its March 25, 1998 initial public offering. On March 24, 1999, the Court ordered consolidation of the above-referenced cases for all purposes under 3:98-CV-2804 (the "Action"). A Consolidated Amended Complaint ("Amended Complaint") was then filed on April 1, 1999 in the Action. On April 5, 1999, Harry Cooper, Dave Griffiths, Clarence Eliason, Ellis Johnson, James Owens, John Nixon, Claudia Leal, Donald Swenson, Dennis Garrison, Sabyasachi Bose and Devon J. Colvin were appointed "Lead Plaintiffs" pursuant to 15 U.C.S. §78u-4(a)(3)(B), and the Court approved their choice of Gilman and Pastor LLP and Shalov Stone & Bonner LLP as co-lead counsel and Claxton & Hill, P.C. as liaison counsel in the Action pursuant to 15 U.S.C. §78u-4(a)(3)(B)(v). The Amended Complaint named as defendants CPS, its officers and directors, Paul Kana, Kevin Figge, James Hoofard, G. Dean Booth, Sidney Cordier and Brian Wilson (collectively, the "Individual Defendants") and Josephthal & Co., Inc. and Cruttenden Roth Inc. (the "Underwriter Defendants"). The Amended Complaint alleged that Defendants made material misrepresentations and omissions in the Registration Statement and Prospectus for CPS's March 25, 1998 initial public offering of its common stock (the "IPO" or the "Offering") and during the Class Period concerning, among other things, the timing and amount of CPS's revenues and earnings. In the Amended Complaint, Lead Plaintiffs asserted claims under: (1) §10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder against CPS and the Individual Defendants; (2) §20(a) of the Securities Exchange Act of 1934 against the Individual Defendants; (3) §§11 and 12(2) of the Securities Act of 1933 against each of the Defendants; and (4) §15 of the Securities Act of 1933 against the Individual Defendants. The claims were asserted on behalf of a proposed class of all persons who (a) purchased CPS common stock on or traceable to the Offering, (b) purchased CPS stock in the Offering (the "Section 12" subclass) and/or (c) purchased CPS common stock from March 25, 1998 through November 4, 1998 (the "Class Period"). The Amended Complaint alleged that Defendants' false and misleading statements caused CPS's stock to be sold in the IPO and in the aftermarket at artificially inflated prices during the Class Period. The Complaint asserted that on November 4, 1998, it was revealed that CPS's revenues and earnings for its first two quarters of 1998 needed to be restated significantly downward in order to comply with applicable generally accepted accounting principles for revenue recognition. Following this announcement, the price of CPS stock collapsed and continued to decline thereafter.

Each of the Defendants thereafter filed motions to dismiss the Amended Complaint, which were extensively briefed by the parties during May through July, 1999. While the above-referenced motions to dismiss were still pending, several events transpired: (1) On November 3, 1999, Lead Plaintiffs Cooper and Griffiths filed a related case against the accounting firm of Grant Thornton (captioned and numbered *Cooper, et al., vs. Grant Thornton LLP*, Civil Action No. 3:99-CV-2510) on behalf of the aforementioned proposed class of purchasers of CPS stock for violations of §11 of the Securities Act of 1933, which was thereafter consolidated for all purposes into the Action on January 31, 2000; (2) On February 4, 2000, CPS filed a Notice of Chapter 11 Bankruptcy Stay/Suggestion of Bankruptcy; and (3) On February 7, 2000, this Action was reassigned to the Honorable Barbara M.G. Lynn, United States District Judge. The parties thereafter filed interim status reports. Grant Thornton filed a motion to dismiss, which was opposed by plaintiffs and briefed extensively. After oral argument, on September 7, 2000, the Court granted Defendants' motions to dismiss the Amended Complaint and the consolidated claims against Grant Thornton, but granted leave to file a Second Amended Complaint against each of the Defendants in the Action, including from that point forward, Grant Thornton. On October 30, 2000, Plaintiffs filed their Second Consolidated and Amended Complaint ("Second Amended Complaint"). Each of the Defendants thereafter filed a motion to dismiss, which were extensively briefed by the parties. The Court heard oral arguments thereon on May 30, 2001. On June 1, 2001, the Court denied Defendants' motions to dismiss the Second Amended Complaint, except as to claims against the Underwriter Defendants brought under §12(2) of the Securities Act of 1933 on behalf of purchasers of CPS stock in the aftermarket (and not in the IPO). Defendants thereafter filed Answers to the Second Amended Complaint, denying any wrongdoing or liability and asserting affirmative defenses.<sup>1</sup> On July 7, 2001, Lead Plaintiffs filed their Motion for, and Memorandum of Law In Support of, Class Certification. Defendants each opposed certification of the Class. After extensive class discovery, briefing and oral argument, on December 21, 2001, the Court entered an Order granting certification of the plaintiff class (the "Class"), which consists of "all persons or entities who purchased or otherwise acquired the common stock of CPS Systems, Inc. either through or traceable to the IPO or during the period of March 25, 1998 to November 4, 1998 and who were damaged thereby, and the subclass of purchasers who purchased CPS stock in the IPO and either sold that stock at a loss or did not sell the stock at all."<sup>2</sup> Class Notice was thereafter provided by both mail and publication.

During the pendency of the Motion for Class Certification, the parties explored the possibility of a settlement of the Action, participated in a full day mediation in Dallas, but were unable to reach agreement on the terms of a settlement at that time. Plaintiffs engaged in extensive informal and formal discovery, reviewing several thousands of pages of documents produced by, inter alia, CPS's bankruptcy trustee, the law firms of Haynes & Boone and Summit Law Group, Finova Capital, Rocky Mountain Capital Partners, Defendant Grant Thornton, the Underwriter Defendants, and various municipalities; conducting the depositions of Bert Hochfeld of Defendant Josephthal,

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<sup>1</sup> The Individual Defendants also asserted cross-claims against Grant Thornton. In a subsequently filed Amended Answer, Grant Thornton also asserted a cross-claim against the Individual Defendants.

<sup>2</sup> Excluded from the Class were Defendants, members of their immediate families, any individual or entity in which Defendants have or had a controlling interest or which is related to or affiliated with any of Defendants, and the legal representatives, heirs, successors, or assigns of all such excluded parties. Also excluded from the Class are certain individuals who already have submitted timely requests to be excluded from the Class.

Andre Schnabl of Defendant Grant Thornton, and Defendant Booth; and interviewing potential fact witnesses. In the midst of further discovery, the parties again explored the possibility of a Settlement of the Action, and participated in a full day mediation in Atlanta, wherein Plaintiffs and the Individual Defendants and the Underwriter Defendants agreed to the general terms of a settlement among those parties. Plaintiffs and Defendant Grant Thornton continued to pursue settlement negotiations, and later agreed to the general terms of a settlement. The parties thereafter worked toward the formulation and execution of the Settlement Stipulation, which set forth the full term and conditions of this proposed Settlement, and which was signed by all parties to this Action on February 14, 2003.

Class Counsel and counsel for each of Defendants have engaged in substantial arm's-length negotiations in an effort to resolve the Action, including two full day mediation sessions. Class Counsel recognize the expense and length of continued proceedings against Defendants necessary to prosecute the Action through trial and through appeals. Class Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as the Action, as well as the difficulties and delays inherent in such litigation. Class Counsel have concluded, in consultation with Lead Plaintiff, that the terms and conditions of the Settlement Stipulation are fair, reasonable, adequate and in the best interests of the Class.

Defendants vigorously deny any allegations of wrongdoing against them and deny that they are liable to any Member of the Class. Defendants have vigorously defended the Action and asserted various defenses against the Action. Defendants have concluded, however, that they should enter into the Settlement Stipulation because it will avoid the substantial expense, inconvenience, burden and distraction of continued litigation.

If you are a Member of the Class, you may be entitled to share in the proceeds of the Settlement.

If and when the Settlement becomes final, Plaintiffs and the Members of the Class (excluding any Class Member who already has filed a timely Request for Exclusion from the Class) will be barred or enjoined from commencing, prosecuting or continuing, either directly or indirectly, against Defendants and their Related Parties<sup>3</sup> any demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, asserted or that might have been asserted, including, without limitation, claims for negligence, gross negligence, negligent misrepresentation, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, violations of any state or federal statutes, rules or regulations, or any claims for contribution, subrogation, or indemnification, arising out of, based upon or related to the purchase or acquisition of CPS stock and the facts, transactions, occurrences, acts, disclosures and statements alleged in this Action (the "Released Claims").

## **II. STATEMENT OF PLAINTIFFS' RECOVERY**

Pursuant to the Settlement described herein, a Settlement Fund totaling Three Million Four Hundred Forty Thousand Dollars (\$3,440,000) in cash plus interest will be established. Plaintiffs' expert estimates that there were approximately 2,185,000 shares of CPS common stock purchased during the Class Period that were damaged as a result of the alleged wrongdoing described below. Plaintiffs' expert estimates that the average recovery per damaged share of CPS common stock under the Settlement will be \$1.57 per share, before the deduction of attorneys' fees and expenses as approved by the Court, and before deduction for costs of notice and administration. Depending on the number of claims filed, whether a Class member's shares were held at the end of the Class Period or sold prior to the end of the Class Period, and the prices at which their shares were purchased or sold, an individual Class Member may receive more or less than this average amount. A Class Member's distribution from the Settlement Fund will be governed by the Plan of Allocation, set forth in Section V.C., below, as approved by the Court.

## **III. STATEMENT OF POTENTIAL OUTCOME**

Defendants deny any wrongful conduct. Furthermore, Plaintiffs and Defendants substantially disagree as to the amount of damages, if any, that are attributable to Defendants' alleged wrongful conduct. Defendants vigorously disagree that there was any inflation per share or any damages attributable to their conduct. The figures set forth in this Notice are included solely for the purposes of this Settlement. In the view of Plaintiffs and their Counsel, if Plaintiffs prevailed on all of their claims against Defendants, the average amount of damages recoverable by each Member of the Class during the Class Period would be approximately \$ 4.13 per share, before the deduction of any Court-awarded fees and expenses and without regard to actual liability or other discounts.

## **IV. STATEMENT OF ATTORNEYS' FEES AND COSTS SOUGHT**

Class Counsel intend to apply for an award of attorneys' fees in an amount not to exceed thirty-three and one-third percent (33 1/3%) of the Settlement Fund, or \$1,146,667 in the aggregate, or \$0.52 per share, plus interest earned thereon, as well as reimbursement for the expenses incurred in the prosecution of the Action (excluding costs of notice and claims administration) in an amount not to exceed \$250,000, or approximately \$0.11 per share.

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<sup>3</sup> Defendants and each of their past or present subsidiaries, affiliates, directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, re-insurers, controlling shareholders, attorneys, accountants, auditors, banks, investment banks, underwriters, investment bankers, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, agents, sponsors, heirs, representatives, executors, administrators, related or affiliated entities, any entity in which any of the Defendants has a controlling interest, or any trust for the benefit of any member(s) of any of the Defendants or any member(s) of their respective families.

## **V. SUMMARY OF THE TERMS OF THE SETTLEMENT**

### **A. Definitions Used in this Notice**

1. The "Class" refers to: all persons or entities who purchased or otherwise acquired CPS common stock from March 25, 1998 to November 4, 1998, excluding Defendants, their immediate families, entities in which any Defendant has a controlling interest or is related to or affiliated with any Defendant and the legal representatives, heirs, successors, or assigns of all such excluded parties.
2. "Class Members" or "Members of the Class" means a person or entity who falls within the definition of the Class unless he or she (or the entity) already has exercised in a timely manner the right, pursuant to Rule 23(c)(2) of the Federal Rules of Civil Procedure, to be excluded from the Class.
3. "Class Period" means the period from March 25, 1998 through November 4, 1998, inclusive.
4. "Authorized Claimant" refers to any Member of the Class who submits a Proof of Claim on or before June 30, 2003, that is determined to be valid by Gilardi & Co. LLC (the "Settlement Administrator").
5. "Claimant" refers to any person or entity who submits a Proof of Claim.
6. The "Net Settlement Fund" refers to the Settlement Fund, less the amount that the Court awards Class Counsel as fees and expenses (including expert fees and expenses) and less costs for notice and administration.
7. "Shares" refers to shares of CPS common stock.

### **B. Settlement**

1. In consideration for the full settlement, satisfaction and compromise of the Released Claims, Defendants or their insurers on their behalf (as agreed in section 2.1 of the Stipulation and Agreement of Settlement) agree to make available an amount of Three Million Four Hundred Forty Thousand Dollars (\$3,440,000.00) (the "Settlement Fund") for recoverable losses; Plaintiffs' attorneys' fees; Plaintiffs' out-of-pocket expenses; and the costs of notice and administration. It should be noted that the Defendants or their insurers on their behalf (as agreed in section 2.1 of the Stipulation and Agreement of Settlement) are responsible solely for their own portion of the Settlement Fund, as set forth in the Stipulation and Agreement of Settlement.

2. The proceeds available for distribution to Authorized Claimants (the "Net Settlement Fund") shall be the Settlement Fund less the amount the Court awards Class Counsel as fees, expenses in this Action and the costs of notice and administration.

### **C. Plan of Allocation Among Class Members**

The Net Settlement Fund shall be paid to Authorized Claimants in accordance with the following formula:

1. "Eligible Shares" shall be shares of CPS common stock purchased or otherwise acquired during the Class Period;
2. The calculation of the "Eligible Amount" for CPS common stock during the Class Period (subject to paragraphs 4 and 5 below) shall be as follows:
  - (a) for shares purchased or otherwise acquired during the Class Period and not sold on or before November 4, 1998, the recognized loss shall be the purchase price, excluding commissions, taxes and fees, per share, less \$0.84 per share.
  - (b) for shares purchased or otherwise acquired during the Class Period and subsequently sold on or before November 4, 1998, the recognized loss shall be the amount by which the purchase price exceeds the sale price, excluding commissions, taxes and fees.
3. In processing the claims of Authorized Claimants, the first-in, first-out basis ("FIFO") will be applied to both purchases and sales. Each Authorized Claimant must show the number of shares of CPS stock held as of the close of business on March 24, 1998 and all purchases, other acquisitions and sales of Eligible Shares made through November 4, 1998. The sales of Eligible Shares will be matched in chronological order first against the shares so held on March 24, 1998 and then against the earliest in time purchases of Eligible Shares during the Class Period. Resulting match-ups which show a gain will be omitted in calculating the Eligible Amount of each Authorized Claimant's claim. For resulting match-ups that show an actual loss less than the Eligible Amount, the Eligible Amount will be limited to the actual loss.
4. In the event that the Net Settlement Fund is less than the aggregate of all Authorized Claimants' Eligible Amounts, each Authorized Claimant will receive a proportionate share of the Net Settlement Fund based upon the ratio of that Authorized Claimant's Eligible Amount to the aggregate of all Authorized Claimants' Eligible Amounts.
5. The determinations of the Settlement Administrator shall be subject to review and approval by the Court, as part of the Court's review and approval of a proposed order of distribution. Neither Defendants nor their counsel shall have any responsibility or liability with respect to the administration of the claims process by the Settlement Administrator, including determinations as to the claims of Class Members, nor shall they have any right to challenge any claims by Class Members to participate in distributions from the Net Settlement Fund.

The Plan of Allocation, and any modification thereof, shall be subject to the approval of the Court as fair, reasonable and adequate to the Members of the Class. Defendants take no position with respect to the Plan of Allocation and shall have no responsibility for its provisions or terms. The Plan of Allocation may be altered or amended by order of the Court only for good cause shown.

Following the calculation of each Authorized Claimant's recognized loss, Plaintiffs' Counsel expect to recommend to the Court that all available cash comprising the Net Settlement Fund shall be allocated so that each Authorized Claimant will receive a proportionate share of the Net Settlement Fund based upon a ratio of that Authorized Claimant's recognized loss to the aggregate of all Authorized Claimants' recognized losses. All Authorized Claimants' claims resulting in a proportionate share of the Net Settlement Fund less than \$5.00 in cash shall be eliminated.

#### **D. Claims Barred**

1. Payment in the manner set forth above shall be deemed conclusive against all the Members of the Class. Each Member of the Class who does not file a Proof of Claim or whose disputed Proof of Claim is not approved by the Court shall not receive any of the proceeds from the Settlement Stipulation, but otherwise shall be bound by all the terms of the Settlement Stipulation, including the terms of the judgment to be entered in the Action.

2. Upon approval by the Court of the Settlement Stipulation of this Action as provided for in the Settlement Stipulation (including any modification or amendment thereto approved by counsel for all Parties), judgments will be entered dismissing with prejudice the Action against the Defendants and permanently barring and enjoining Plaintiffs and Members of the Class from asserting any Released Claims against any of Defendants or any other Related Parties.

### **VI. TERMINATION**

Plaintiffs or Defendants may withdraw from the Settlement Stipulation under certain circumstances described in the Settlement Stipulation, in which event the Settlement Stipulation shall be automatically terminated. If the Court does not approve the Settlement Stipulation or if the Settlement Stipulation is otherwise terminated, then the rights and duties of each party to the Action shall revert to his, her or its respective status as of the date and time immediately before the execution of the Settlement Stipulation. Further, the amount remaining in the Settlement Fund (including accrued interest and any balance in the Escrow Account), less expenses paid or incurred in accordance with the Settlement Stipulation, shall be refunded by the Escrow Agent to Defendants, pro rata.

### **VII. COURT HEARING ON PROPOSED SETTLEMENT**

A. Pursuant to an Order of the Court entered March 11, 2003, a hearing (the "Hearing") shall be held on May 19, 2003, at 3:30 p.m. (or at any such adjourned time or times as the Court may without further notice direct) in the Courtroom of the Honorable Barbara M.G. Lynn, United States Courthouse, Northern District of Texas, Dallas Division, 1100 Commerce Street, Dallas, Texas 75242: (1) to consider the fairness, reasonableness and adequacy of and the granting of final approval of the proposed Settlement and Plan of Allocation of the Class claims; (2) to determine whether judgments should be entered pursuant to the Settlement Stipulation as described above; and (3) to consider the applications by Class Counsel for an award of attorneys' fees and expenses.

B. Any Class Member may appear at the Hearing in person or through counsel and be heard as to why the proposed Settlement and Plan of Allocation should or should not be approved as fair, reasonable and adequate, why judgments should or should not be entered thereon, or why Class Counsel should or should not be awarded attorneys' fees and expenses, or the amount of same, as requested, provided however, that no Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the Plan of Allocation, the judgments to be entered thereon approving the same, or the fees and expenses, unless on or before May 9, 2003 that person has served by hand or first class mail written objections and copies of any supporting papers and briefs upon

Plaintiffs' Co-Lead Counsel:

SHALOV STONE & BONNER LLP  
485 Seventh Avenue, Suite 1000  
New York, New York 10018  
Attn: Ralph M. Stone

and upon

Counsel for Defendants:

SCHREEDER, WHEELER & FLINT, LLP  
1600 The Candler Building  
127 Peachtree Street, N.E.  
Atlanta, GA 30303-1845  
Attn: Alexander J. Simmons, Jr.

**and** has filed said objections, papers, and briefs, showing due proof of service upon said Co-Lead Counsel and said counsel for Defendants, with the Clerk of the United States District Court for the Northern District of Texas: 1100 Commerce Street, Dallas, Texas 75242. At a minimum, the papers filed in support of any objection shall include a written statement signed by the objector and setting forth: (a) the name, address and telephone number of the objector; (b) the number or amount, and price, of shares of CPS common stock purchased or acquired during the Class Period, and the date of each such transaction with proof thereof; (c) the number or amount and price of shares of CPS common stock sold or otherwise disposed of during the Class Period and the date of each such transaction with proof thereof.

C. Any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all possible objections and shall forever be foreclosed from making any objections to the fairness, adequacy or reasonableness of the proposed Settlement, to the entry of the judgment contemplated by the proposed settlement, to the Plan of Allocation or the award of attorneys' fees and reimbursement of expenses to Class Counsel.

## **VIII. PROOFS OF CLAIM**

To receive any payments from the Settlement, you must complete, sign and submit the accompanying Proof of Claim form and send it, together with appropriate documentation of your transactions in CPS common stock to:

*CPS Securities Litigation*  
Settlement Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 5100  
Larkspur, CA 94977-5100

**TO BE CONSIDERED FOR PAYMENT FROM THE SETTLEMENT FUND, YOUR PROOF OF CLAIM MUST BE MAILED BY FIRST-CLASS MAIL AND POSTMARKED ON OR BEFORE JUNE 30, 2003.**

B. Any Member of the Class who has not received a Proof of Claim form (or desires additional copies thereof) may obtain copies by **writing** to the Settlement Administrator at the address given above, or by request via fax at 415-461-0412, or by utilizing the website at [www.gilardi.com](http://www.gilardi.com).

## **IX. RELEASES**

The Proof of Claim which each Member of the Class must sign and submit to participate in the Settlement Agreement contains a release. By signing the Proof of Claim, a Member of the Class agrees, effective immediately upon entry by the Court of a final judgment approving the Settlement Stipulation, to release Defendants and other Released Parties with respect to all Released Claims, subject to the finality of judgment.

**IF YOU HAVE NOT PREVIOUSLY OPTED OUT OF THE SETTLEMENT, BE ADVISED THAT EVEN IF YOU DO NOT SUBMIT A PROOF OF CLAIM, YOU WILL BE BOUND BY THE SETTLEMENT AND PERMANENTLY BARRED FROM BRINGING ANY CLAIM AGAINST ANY DEFENDANT CONCERNING THE FACTS UNDERLYING THIS ACTION.**

## **X. SPECIAL NOTICE TO BANKS, BROKERS AND OTHER NOMINEES**

If you were a nominee for any beneficial owner of CPS common stock during the Class Period, then, within ten (10) days after you receive this Notice and Proof of Claim ("the Notice"), you must either (1) provide the Claims Administrator with the names and addresses of such beneficial owners, **preferably on computer-generated mailing labels or, if there are more than 2,000, on a 3½" diskette, CD-ROM or ZIP/JAZ media**; or, in the alternative, (2) send a copy of the Notice to all beneficial owners by first-class mail and provide the Claims Administrator with written confirmation of having done so. Additional copies of the Notice may be requested **in writing** from the Claims Administrator. All correspondence should be addressed, as follows:

*CPS Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 5100  
Larkspur, CA 94977-5100

You are entitled to reimbursement of any reasonable expenses you actually incurred in connection with the foregoing upon submission of a request and the appropriate supporting documentation to the Claims Administrator.

## **XI. EXAMINATION OF PAPERS AND INQUIRIES**

For a more detailed statement of the matters involved in the Action and the Settlement thereof, reference is made to the pleadings, to the Settlement Stipulation and to other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of Texas: 1100 Commerce Street, Dallas, Texas 75242, during the business hours of each business day.

Inquiries regarding the Action or this Notice should be made by contacting:

*CPS Securities Litigation*  
Settlement Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 5100  
Larkspur, CA 94977-5100

All other inquiries by Members of the Class may be directed to the Co-Lead Counsel listed on page 5, above.

**DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.**

Dated: Dallas, Texas  
March 11, 2003

CLERK OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS