

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES**

SAM FANTAUZZO, on behalf of himself and all others similarly situated,) Case No. BC317078
Plaintiff,)
vs.)
RAZOR USA, LLC, and DOES 1-100,)
Defendants.)
)

**PLEASE READ THIS NOTICE CAREFULLY. IT IS A LEGAL DOCUMENT.
IT IS NOT A SOLICITATION FROM RAZOR USA LLC.**

I. WHY YOU SHOULD READ THIS NOTICE

Razor USA LLC (referred to as “Defendant”) has been sued in the above class action lawsuit by Sam Fantauzzo (“Plaintiff”). The purpose of this Notice is to inform you that the Court in this action preliminarily has approved a proposed settlement that (a) will provide benefits to all persons in the United States who are or were owners of a Razor E200, E200S, E300, or E300S electric scooter manufactured in February 2004 or earlier (referred to as the “Class,” defined in more detail below); and (b) will dismiss the lawsuit against Defendant and release certain claims that Class Members may have against it.

If you have received this Notice in the mail, addressed to you, Defendant’s records indicate that you may be a Member of the Class. This Notice describes the lawsuit; the proposed settlement; your options with regard to the settlement; the hearing the Court will hold on whether the settlement should be approved; and other matters. Please read the Notice carefully. Your rights may be affected by this litigation.

II. THE LAWSUIT

The lawsuit alleges that in or around late December 2003, Defendant became aware that some of its model E200 and E300 electric scooters had a defect that caused the motor to accelerate and propel the scooter forward even when the speed controller was in the off position (“the run-on problem”). Plaintiff alleges that Defendant inadequately informed its customers of this defect and that the notice that was given to customers was misleading. The lawsuit alleges that Defendant improperly placed the burden on customers to identify the defect, seek out the manufacturer and request parts to fix the defect. The lawsuit asserts claims under the California Consumers Legal Remedies Act, California Civil Code section 1770, and the California unfair-competition statute, California Business and Professions Code section 17200 et seq.

Defendant denies any wrongdoing or liability based on the allegations in this lawsuit. The Court has not ruled on the merits of any of the claims or defenses asserted by the parties to the lawsuit.

III. THE CLASS

The proposed settlement of the lawsuit will cover the following Class:

All Persons in the United States who are or were owners of Razor E200, E200S, E300, or E300S electric scooters with a manufacture date of February 2004 or earlier.

If you have received this Notice in the mail, addressed to you, Defendant's records indicate that you may be a Member of the Class.

IV. THE PROPOSED SETTLEMENT

A. Benefits Under The Proposed Settlement

1. Scooter Repair or Replacement

In separate proceedings, which encompass all scooters at issue in this lawsuit, Defendant has agreed to notify Class Members, in connection with a United States Consumer Product Safety Commission ("CPSC") recall, through direct mailing, the CPSC website, any CPSC notices, and its own website of a recall affecting the Razor E200 and E300 electric scooters manufactured on or before December 31, 2004. Class Members may then return the scooters to Defendant for a repair or a replacement scooter, at Defendant's election, in connection with a CPSC recall of all E200, E200S, E300, and E300S scooters manufactured on or before December 31, 2004, which will encompass scooters at issue in this lawsuit. The repaired or replacement scooter will include an upgraded speed controller. Class Members electing to participate in the CPSC recall will not incur any costs. To view the CPSC recall notice visit www.razor.com.

2. Reimbursement of Payment for Replacement Speed Controllers

To the extent that any Class Member paid Razor USA LLC for a replacement speed controller to fix a run-on problem, the settlement requires Defendant to provide refunds of those payments upon submission of a reasonably documented Claim Form. This is the only monetary relief recoverable through the proposed settlement.

3. Notification of Potential Defect and Recall of Potentially Defective Scooters

The settlement requires Defendant to place a notice on its website of a potential run-on problem with E200, E200S, E300, and E300S scooters manufactured in February 2004 or earlier. To view this notice, visit www.razor.com. In conjunction with the CPSC recall, Defendant agreed to provide a recall notice affecting these scooters to all retailers who received shipments of these scooters and to ask these retailers to return these scooters to Defendant for reimbursement and/or replacement.

4. Notice Costs and Claim Administration

Defendant will pay the cost of disseminating this Notice and all costs and expenses associated with receiving, processing, and paying claims for reimbursement of any payments to Razor USA LLC for replacement speed controllers to fix a run-on problem.

5. Attorneys' Fees and Expenses

As set forth in Section VIII below, Defendant will pay Class Counsel's attorneys' fees and expenses in an amount to be approved by the Court not to exceed \$325,000. The award of fees and expenses will not reduce the consideration to the Class.

B. Release Of Claims Under The Proposed Settlement

If you fall within the Class definition in Section III above, you need not do anything to remain in the Class for the settlement. You will be bound by all proceedings, orders, and judgments entered in connection with the settlement, whether favorable or unfavorable, and will be represented by Plaintiff and Class Counsel for purposes of the settlement. If you do not exclude yourself from the Class pursuant to the procedures in Section VII below and the settlement is approved, it will release any claims you may have against Razor USA LLC, its affiliates, officers, directors, shareholders, employees, agents, related entities, etc. related to allegations that Defendant failed to properly notify consumers of a potential defect in the speed controllers on E200, E200S, E300, and E300S scooters manufactured in February 2004 or earlier, misrepresented the nature of the potential defect, and failed to recall the potentially defective scooters. The proposed settlement does not release claims for personal injury or physical property damage, if any.

If you remain in the Class and the settlement is approved, you will be bound by this release whether or not you claim your benefits under the settlement. Therefore, if you remain in the Class, in order to receive your repair or replacement scooter in connection with the CPSC recall, you should contact Razor at 1-866-664-1409 (toll free). If you remain in the Class, in order to receive reimbursement for money paid to Razor for a replacement speed controller to fix a run-on problem, you should complete and submit the enclosed Claim Form by December 31, 2005.

V. HOW TO RETURN YOUR SCOOTER FOR REPAIR OR REPLACEMENT OR MAKE A CLAIM UNDER THE SETTLEMENT

To receive your repair or replacement scooter in connection with the CPSC recall, please contact Razor at 1-866-664-1409 (toll free). If you already participated in the CPSC recall, you do not need to do anything further.

To receive reimbursement for any money you previously paid to Razor for a replacement speed controller to fix a run-on problem, you must remain in the Class, complete the attached Claim Form, and mail it with your original signature, postmarked no later than December 31, 2005, to Defendant at the address set forth below (which is also printed on the form).

**Razor USA LLC
P.O. Box 3610
Cerritos, CA 90703**

If you do not complete and submit a valid Claim Form to Razor at the above address by **December 31, 2005**, your claim for reimbursement will be disallowed.

VI. CLASS REPRESENTATIVES AND CLASS COUNSEL

To act on behalf of the Class for purposes of the proposed settlement, the Court has appointed Plaintiff, an owner of one of the electric scooters at issue in this lawsuit, as the representative of the Class and the following law firms as Class Counsel: the San Francisco law firm of Girard Gibbs & De Bartolomeo LLP; and the Chicago law firm of Horwitz, Horwitz & Associates.

VII. HOW TO EXCLUDE YOURSELF FROM THE SETTLEMENT

If you are a Member of the Class, you may, if you wish, appear in this lawsuit through your own attorney at your own expense. You need not do so to participate in the settlement, however.

If you do not want to remain a Member of the Class and participate in the settlement (if approved), then you must mail or deliver, such that it is postmarked on or before **September 1, 2005**, a written request for exclusion to both Class Counsel and Defendant's attorneys at the following addresses:

Eric H. Gibbs
GIRARD GIBBS & De BARTOLOMEO LLP
601 California Street, Suite 1400
San Francisco, California 94108

Alexander F. MacKinnon
KIRKLAND & ELLIS LLP
777 South Figueroa Street
Los Angeles, California 90017

Class Counsel

Attorneys for Razor USA LLC

This request for exclusion must contain your name, address, and telephone number; be signed by you; and include the following statement: "I am opting out of participation in the proposed class in Fantauzzo v. Razor USA LLC, Case No. BC 317078, and I hereby exclude myself from participation in any settlement approved in that action."

If you exclude yourself from the Class, (1) you will not participate in the settlement; (2) you will not be bound by any further orders or judgments entered for or against the Class; (3) you will have no right to object to the settlement or be heard at any hearing scheduled for the Court's consideration of the settlement; and (4) your claims will not be released.

VIII. ATTORNEYS' FEES AND EXPENSES AND CLASS REPRESENTATIVE'S INCENTIVE AWARDS

From the inception of the lawsuit in June 2004 to the present, Class Counsel have not received any payment for their services in prosecuting the lawsuit, nor have they been reimbursed for any out-of-pocket expenses. If the Court approves the proposed settlement, Class Counsel will apply to the Court for an award of attorneys' fees and reimbursement of expenses and Defendant will pay Class Counsel's attorneys' fees and expenses as required by the Court. In addition, Class Counsel will ask the Court to award a \$1,500.00 incentive payment to the Class representative, in addition to the benefits to which he is entitled under the settlement, for his efforts in pursuing the lawsuit on behalf of the Class.

Any awards of attorneys' fees, expenses, and incentive payments will be paid separately from, and will not reduce, the benefits provided to Class Members under the settlement. Under no circumstances will Class Members be personally liable for any attorneys' fees or expenses of Class Counsel or the incentive payment to the Class representative.

IX. THE SETTLEMENT APPROVAL PROCEDURE

A hearing will be held on **October 20, 2005**, at **1:30 p.m.**, before the Honorable Carl J. West, Judge of the Superior Court, in Courtroom 311, Central Civil West Courthouse, Superior Court of California for the County of Los Angeles, 600 South Commonwealth Avenue, Los Angeles, California 90005 ("Fairness Hearing"). The purpose of the Fairness Hearing will be to determine: (a) whether the proposed settlement should be approved as fair, reasonable, and adequate; (b) whether Class Counsel's application for an award of attorneys' fees and expenses should be approved; (c) whether the application for an incentive award to the Class representative should be approved; and (d) whether the lawsuit and Class Members' claims should be dismissed with prejudice. The Court reserves the right to adjourn or continue the Fairness Hearing and approve changes to the Settlement Agreement without further notice to the Class.

You may attend the Fairness Hearing if you wish, but are not required to do so to participate in the settlement.

If you decide to remain in the Class, and you wish to comment in support of or in opposition to any aspect of the settlement or proceedings described in this Notice, you may do so by mailing or delivering your written comments, such that they are received on or before **September 16, 2005** by the Court and each of the following:

Eric H. Gibbs
GIRARD GIBBS & De BARTOLOMEO LLP
601 California Street, Suite 1400
San Francisco, California 94108

Alexander F. MacKinnon
KIRKLAND & ELLIS LLP
777 South Figueroa Street
Los Angeles, California 90017

Class Counsel

Attorneys for Razor USA LLC

Your written comments must contain your name, address, telephone number; be signed by you; and include the reference Fantauzzo v. Razor USA LLC, Case No. BC 317078.

If you wish to appear and present your comments orally at the Fairness Hearing, you may do so by mailing or delivering the following information in writing, such that it is received on or before **September 16, 2005** by the Court and each of the attorneys listed immediately above: a notice of your intention to appear and be heard, a statement of the position you intend to present at the Fairness Hearing, and any supporting arguments. You may combine this information in a single document, or you may submit the information in a single packet of separate documents. This document or documents must contain your name, address, telephone number; be signed by you; and include the reference Fantauzzo v. Razor USA LLC, Case No. BC 317078.

If you do not comply with the foregoing procedures and deadlines for submitting written comments or appearing at the Fairness Hearing, you will not be guaranteed to be heard at the Fairness Hearing; to contest or appeal from approval of the settlement or any awards of attorneys' fees,

expenses, or incentive payments; or to contest or appeal from any other orders or judgments of the Court entered in connection with the settlement.

If the settlement is not approved by the Court, the lawsuit will proceed. If there are further actions taken in the lawsuit that affect your rights, you will receive notice as determined by the Court.

X. HOW TO GET MORE INFORMATION

You can get more information by sending an e-mail to Class Counsel at RazorSettlement@girardgibbs.com, or writing to Class Counsel at Girard Gibbs & De Bartolomeo LLP, 601 California Street, Suite 1400, San Francisco, California 94108, or to Horwitz, Horwitz, & Associates, 25 East Washington, Suite 900, Chicago, Illinois 60602. Please include the reference Fantauzzo v. Razor USA LLC, Case No. BC 317078. Please do not contact the Court.

XI. EXAMINATION OF PAPERS

This Notice is a summary of the lawsuit and does not describe all details of the settlement. For full details of the matters discussed in this Notice, you may wish to review the Settlement Agreement dated **June 27, 2005**, on file with the Court. Complete copies of the Settlement Agreement and all other pleadings and papers filed in the lawsuit are available for inspection and copying during regular business hours at the office of the Clerk of the Court, Central Civil West Courthouse, Superior Court of California for the County of Los Angeles, 600 South Commonwealth Avenue, Los Angeles, California 90005.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: July 7, 2005

**BY ORDER OF THE SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**