

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Barbara Allen, Richard Dippold, Melvin Jones,
Donald McCarty, Richard Scates and Walter G.
West, individually and on behalf of all others
similarly situated,

Plaintiffs,

vs.

Honeywell Retirement Earnings Plan,
Honeywell Secured Benefit Plan, Plan
Administrator of Honeywell Retirement
Earnings Plan, and Plan Administrator of
Honeywell Secured Benefit Plan,

Defendants.

No. CV04-0424 PHX ROS

**Notice of Proposed Partial Settlement
of Class Action**

IF YOU WERE A PARTICIPANT IN THE RETIREMENT PLAN FOR EMPLOYEES OF THE GARRETT CORPORATION AND ITS PARTICIPATING SUBSIDIARIES AND THE GARRETT SEVERANCE PLAN, AND EARNED A VESTED BENEFIT UNDER THE SIGNAL COMPANIES, INC. RETIREMENT PLAN OR HELD A SECURED BENEFIT ACCOUNT IN THE SIGNAL COMPANIES, INC. SAVINGS PLAN, OR IF YOU ARE THE SURVIVING SPOUSE OR BENEFICIARY OF SUCH A PERSON, A PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

*A federal court has authorized this Notice.
This is not a solicitation from a lawyer.*

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

**YOU MUST SIGN AND RETURN THE ENCLOSED CLAIM FORM BY JANUARY 28, 2008
IN ORDER TO RECEIVE ADDITIONAL PENSION BENEFITS.**

TABLE OF CONTENTS

	Page
GENERAL OVERVIEW.....	3
1. WHY DID YOU RECEIVE THIS NOTICE?	4
2. WHAT IS THE LAWSUIT ABOUT?.....	4
3. WHO IS IN THE CLASS?	6
4. WHY IS THERE A PARTIAL SETTLEMENT?	6
5. WHAT ARE THE TERMS OF THE PARTIAL SETTLEMENT?	7
6. WHAT WILL YOU RECEIVE IF THE PARTIAL SETTLEMENT IS APPROVED?.....	8
7. WHAT MUST YOU DO TO RECEIVE ADDITIONAL PENSION BENEFITS?	9
8. WHEN WILL YOU RECEIVE ADDITIONAL PENSION BENEFITS?	10
9. DO YOU HAVE A LAWYER IN THIS CASE?.....	10
10. HOW WILL THE LAWYERS BE PAID?.....	10
11. WHAT IS THE PROCEDURE FOR APPROVING THE PARTIAL SETTLEMENT OR OBJECTING TO THE PARTIAL SETTLEMENT OR THE REQUEST FOR ATTORNEYS' FEES AND COSTS?.....	10
12. DO YOU HAVE TO ATTEND THE HEARING?	11
13. WHAT IS THE LEGAL EFFECT OF THE JUDGMENT AND RELEASE OF CLAIMS?	11
14. WHAT HAPPENS IF YOU DO NOTHING AT ALL?.....	11
15. WHERE CAN YOU GET MORE INFORMATION?	12

GENERAL OVERVIEW

- In March 2004, Barbara Allen, Richard Dippold, Melvin Jones, Donald McCarty, Richard Scates, and Walter West (“Plaintiffs”) filed suit against the Honeywell Retirement Earnings Plan (the “Retirement Plan”) and its Plan Administrator, and the Honeywell Secured Benefit Plan and its Plan Administrator (“Defendants”) on behalf of themselves and all other former participants in the Garrett Retirement Plan and the Garrett Severance Plan who became vested in the Signal Retirement Plan or held a Secured Benefit Account.
- Plaintiffs claimed that Defendants had violated certain provisions of the Employee Retirement Income Security Act (“ERISA”) and the Garrett Retirement Plan and the Signal Retirement Plan. Defendants denied and continue to deny that they violated ERISA or the terms of the retirement plans.
- In July 2005, the Court granted summary judgment to Plaintiffs on certain legal issues regarding some of their claims and dismissed some of their other claims. Following that decision, the parties continued to litigate the remaining claims and issues.
- In January 2007, the parties jointly retained two mediators, one with expertise in mediating complex class action litigation and the other with specialized expertise in ERISA matters. Beginning in April 2007, the parties and their attorneys participated in numerous meetings and phone calls with the mediators and with each other in an effort to settle their differences. As a result of these efforts, Plaintiffs and Defendants reached a partial settlement of this litigation (the “Partial Settlement”).
- The Court has reviewed the Partial Settlement and has given it preliminary approval. Before deciding whether to grant final approval of the Partial Settlement, the Court wishes to inform you of the general terms of the Partial Settlement, how the Partial Settlement may affect your rights, and what actions you need to take to participate in the provisions of the Partial Settlement that provide additional pension benefits.
- As explained more fully in this Notice, the Court has certified this case as a class action. If you fit the class definition (detailed at page 6 of this Notice), then you are a member of the Settlement Class and the Partial Settlement may affect your rights. This Notice explains the terms of the Partial Settlement to be presented to the Court for final approval.
- If the Court grants final approval to the Partial Settlement, you will be bound by the terms of the Partial Settlement as described further in this Notice. It is not possible to opt out of the Partial Settlement. If you believe that the Partial Settlement is unfair, however, you may object to the Partial Settlement as described in this Notice.
- If, after reviewing the terms of this Notice, you would like to obtain the additional pension benefits Defendants have agreed to provide to eligible Settlement Class members, you must complete the Claim Form enclosed with this Notice and return it to Class Counsel. If you do not complete and return the Claim Form within the time provided on the Claim Form, you will not be eligible to obtain these additional pension benefits, even if you otherwise satisfy the eligibility requirements under the Agreement. Submitting a Claim Form will not prejudice your right to object. You may file a Claim Form and still object to the Partial Settlement. However, whether or not you object to the Partial Settlement, if the Court approves the Partial Settlement, and you have not completed and returned the Claim Form in timely fashion, you will not be eligible to obtain additional pension benefits.
- The Court will hold a hearing to consider whether the Partial Settlement is fair, reasonable, and adequate, and to decide whether to give final approval to the Partial Settlement and whether to approve Class Counsel’s application for attorneys’ fees and costs. The hearing will be held at 9:00 a.m. on February 7, 2008, in the courtroom of the Honorable Roslyn O. Silver at the United States District Court for the District of

Arizona, Courtroom 604, Sandra Day O'Connor U.S. Courthouse, 401 W. Washington St., SPC 59, Phoenix, AZ 85003-2158. If the Partial Settlement is granted final approval by the Court after this hearing, the Court's judgment will be final and binding.

1. WHY DID YOU RECEIVE THIS NOTICE?

The parties in this case have reached a proposed Partial Settlement, which settles part of this lawsuit by providing Thirty Five Million Dollars (\$35,000,000) for additional pension benefits and attorneys' fees and costs together with additional valuable relief. This Notice explains the lawsuit, the proposed Partial Settlement, your legal rights under the Partial Settlement, the benefits that may be available as a result of the Partial Settlement, who is eligible for the additional benefits, and how to receive them.

The Court in charge of the case is the United States District Court for the District of Arizona. The case is entitled *Allen v. Honeywell Retirement Earnings Plan*, case number CV04-0424 PHX ROS. The Judge presiding over the case is Judge Roslyn O. Silver. The Named Plaintiffs are Barbara Allen, Richard Dippold, Melvin Jones, Donald McCarty, Richard Scates and Walter G. West. The Defendants are the Honeywell Retirement Earnings Plan (the "Retirement Plan"), the Honeywell Secured Benefit Plan, the Plan Administrator of Honeywell Retirement Earnings Plan and the Plan Administrator of Honeywell Secured Benefit Plan.

2. WHAT IS THE LAWSUIT ABOUT?

The lawsuit claims that Defendants violated the federal pension law known as the Employee Retirement Income Security Act ("ERISA") and the terms of the Garrett Retirement and Severance Plans and applicable successor plans by, among other things, reducing accrued pension benefits, failing to give notice of reductions in future pension benefit accruals, applying improper offsets that reduced pension benefits and failing to provide requested documents on a timely basis. On behalf of themselves and all Settlement Class members, Plaintiffs seek to have the Settlement Class members' benefits retroactively recalculated and paid with interest and also seek prospective increases in the amount of pension benefits and injunctive, declaratory and other equitable relief. Defendants have denied and continue to deny all claims in this lawsuit and contend that the plans fully comply with all legal requirements.

On July 19, 2005, the Court ruled in Plaintiffs' favor on some of their claims. Specifically, the Court ruled that:

- A. Defendants violated ERISA's "anti-cutback" rule by: i) increasing the interest rate used to project a portion of Secured Benefit Account ("SBA") balances to age 65 for purposes of calculating the SBA offset for participants who terminated their employment or retired before age 65, ii) applying a Social Security offset to benefits attributable to years of service worked prior to the adoption of the offset, and iii) eliminating the fractional reduction to the SBA offset for participants with more than 35 years of service; and
- B. Defendants violated the Signal Retirement Plan by applying an SBA offset to the minimum benefit formulas of Section 4.2(c)(i) of the Signal Retirement Plan, and that Defendants violated ERISA's "anti-cutback" rule and notice requirements by amending the Signal Retirement Plan to apply an SBA offset to the minimum benefit formulas.

The Partial Settlement does not resolve the claims described in paragraphs A and B above except that the Partial Settlement does resolve the claim that Defendants violated ERISA's anti-cutback rule by eliminating the fractional reduction to the SBA offset for participants with more than 35 years of service (the "Fractional Reduction Claim"). With the exception of the Fractional Reduction Claim, the claims described in paragraphs A and B above (the "Remaining Claims") are not resolved by the Partial Settlement and will continue to be fully litigated.

There are several issues yet to be decided by the Court with respect to the Remaining Claims. These include whether a remedy is available and what the remedy may be and whether certain defenses, such as the statute of limitations, bar some or all recovery for some or all of the Settlement Class members. In addition, Defendants intend to appeal the Court's July 19, 2005 rulings on these claims.

In its July 19, 2005 Order, the Court also dismissed Plaintiffs' claims that Defendants violated:

- C. ERISA's nonforfeitability provisions;
- D. ERISA's anti-backloading provisions;
- E. ERISA's notice and anti-cutback provisions by failing to notify participants of an amendment changing the Signal Retirement Plan to refer to the "Garrett Division" rather than "Garrett Corporation;"
- F. ERISA's notice provisions by failing to provide Plaintiffs with copies of benefit calculation worksheets upon request;
- G. ERISA's notice provisions by failing to adequately disclose certain information in the Retirement Plan's summary description;
- H. the terms of the Signal Retirement Plan by failing to apply the 1.25% minimum formula; and
- I. the terms of the Signal Retirement Plan by failing to apply a 3.5% interest projection rate for calculating the SBA offset of participants eligible to commence benefits on December 31, 1983.

In addition, several claims asserted by the Plaintiffs have not been decided by the Court. These are Plaintiffs' claims that Defendants violated:

- J. ERISA by adopting certain Retirement Plan amendments in 2000 that altered the manner in which the SBA offset was applied to participants' benefits;
- K. ERISA's anti-cutback and notice provisions, as well as the terms of the plan, by adopting an amendment charging administrative fees to participants' Secured Benefit Accounts;
- L. ERISA's written document requirement;
- M. ERISA's plan merger rules; and
- N. the terms of the Retirement Plan by adopting amendments increasing the interest rate used to project a portion of SBA balances to age 65 for purposes of calculating the SBA offset for participants who terminated their employment or retired before age 65 and applying a Social Security offset to benefits attributable to years of service worked prior to the adoption of the offset.

The Partial Settlement resolves all of the dismissed claims and all of the undecided claims described in paragraphs C through N above, as well as the Fractional Reduction Claim by providing Thirty Five Million Dollars (\$35,000,000) for additional pension benefits and attorneys' fees and costs together with additional valuable relief. If the Partial Settlement is approved, the parties will continue to litigate the Remaining Claims and if the Plaintiffs are ultimately successful on the Remaining Claims, the Settlement Class may recover additional relief, together with attorneys' fees and costs, of up to Five Hundred Million Dollars (\$500,000,000) (the "Cap Amount"). Any relief the Settlement Class receives on the Remaining Claims is in addition to the Thirty Five Million Dollars (\$35,000,000) and other relief that Defendants have agreed to under the Partial Settlement.

3. WHO IS IN THE CLASS?

On September 7, 2006, the Court entered an order certifying the lawsuit as a class action and appointing the Plaintiffs as the class representatives. On November 5, 2007, the Court amended this decision and conditionally certified the following Settlement Class:

All Participants and SBA Participants and every derivative claimant of a Participant or SBA Participant. For this purpose, the derivative claimants of a Participant and SBA Participant include, without limitation, any spouse, domestic partner, civil union partner, child, representative, heir, administrator, beneficiary, alternate payee, executor, conservator, attorney, and/or an assign of a Participant and SBA Participant. These derivative claimants are limited to the rights of and are subject to the defenses applicable against the Participant and SBA Participant from whom their claim derives.

“Participant” means a former participant in the Garrett Retirement Plan and the Garrett Severance Plan who (i) became a vested participant in the Signal Retirement Plan and the Garrett Secured Benefit Account, (ii) is, was or may become eligible for benefits under the Signal Retirement Plan, the Allied Signal Retirement Program and/or the Retirement Plan, and (iii) was alive on July 1, 2002, or had a surviving Beneficiary who was alive on July 1, 2002. A Participant does not include a former participant in the Garrett Retirement Plan and the Garrett Severance Plan with respect to whom the assets and liabilities were transferred to a pension plan maintained by a third party unrelated to Honeywell or its predecessor companies.

“Beneficiary” means the person (or persons) who is or was receiving or is or was entitled to receive survivor benefits after June 30, 2002 as the Participant’s beneficiary under the Garrett Retirement Plan, the Signal Retirement Plan, the Allied Signal Retirement Program or the Retirement Plan, as applicable, for purposes of the qualified joint and survivor annuity, the contingent annuity option, the period certain and life annuity option, the level income annuity option or the pre-retirement survivor annuity. For the avoidance of doubt, a person who is or was entitled to receive only additional death benefits under Section 4.9(e) of the Signal Retirement Plan, Section 7.4 of the Allied Signal Retirement Program or Section 6.09 of Supplement C to the Retirement Plan is not a Beneficiary for purposes of this Agreement.

“SBA Participant” means a former participant in the Garrett Severance Plan who became a vested participant in the Garrett Secured Benefit Account.

As part of the Partial Settlement, Defendants have agreed that they will not seek to decertify the Class nor appeal the Court’s class certification decision.

You are in the Settlement Class only if you meet one of the definitions set forth above. The fact that you received this Notice is not a guarantee that you are in the Settlement Class, that you are entitled to additional pension benefits under the Partial Settlement, or that you will recover any additional benefits on the Remaining Claims.

4. WHY IS THERE A PARTIAL SETTLEMENT?

This case was commenced in March 2004. The parties have engaged in vigorous litigation including numerous motions and extensive discovery. The Court has also issued numerous rulings. In January 2007, the parties jointly retained two mediators, one with expertise in large class action mediation and the other with specialized expertise in ERISA matters. Beginning in April 2007, the parties and their attorneys participated in

numerous meetings with the mediators and spent hundreds of hours in meetings, phone calls and in the preparation of written communications in an effort to reach the Partial Settlement.

As a result of these efforts, the parties are jointly proposing approval of the Partial Settlement in order to mitigate the uncertainties of continued litigation and to expedite the ultimate conclusion of the case by streamlining the claims remaining to be determined. The Class Representatives and Class Counsel think the Partial Settlement is fair and equitable and in the best interests of the Settlement Class members. In the absence of the Partial Settlement, it is possible that some or all of the Settlement Class members could recover nothing from this lawsuit because Defendants could be successful on appeal of the Remaining Claims or on their defenses that the Settlement Class is not entitled to relief. Under the terms of the Partial Settlement, all Participants or their eligible derivative claimants will be entitled to receive additional pension benefits, with the possibility of obtaining further additional benefits of up to five hundred million dollars (\$500,000,000) if the Settlement Class is successful on the Remaining Claims.

5. WHAT ARE THE TERMS OF THE PARTIAL SETTLEMENT?

The terms of the proposed Partial Settlement are summarized as follows:

A. Settlement Proceeds

Defendants have agreed to amend the Retirement Plan to provide for additional pension benefits and to pay attorneys' fees and costs with a total value of Thirty Five Million Dollars (\$35,000,000). This amount will be allocated as follows:

1. Additional Pension Benefits

Under the Partial Settlement, the Retirement Plan will be amended to provide the Settlement Class additional pension benefits with a value of \$35,000,000 less the amount the Court awards Class Counsel for attorneys' fees and costs. It is estimated that the Settlement Class will obtain additional benefits valued at not less than Twenty Six Million, Two Hundred Fifty Thousand Dollars (\$26,250,000). This amount is in addition to any benefits that you are currently entitled to or would be entitled to under the terms of the Retirement Plan as it currently exists or under any other pension plan sponsored by Honeywell. This amount could be more or less depending on the Court's ruling on Class Counsel's application for attorneys' fees. The Partial Settlement benefit that you receive or will be entitled to receive in the future will be 100% vested.

2. Attorneys' Fees and Costs

Under the Partial Settlement, the Retirement Plan will pay as an administrative expense the amount the Court awards to Class Counsel as attorneys' fees and actual costs and expenses incurred in the litigation of the case to date. As is routine in class action cases, Class Counsel is filing a motion for an award of attorneys' fees and expenses already incurred. Class Counsel is requesting that the Court award it attorneys' fees and expenses in the amount of Eight Million, Seven Hundred And Fifty Thousand Dollars (\$8,750,000), which represents 25% of the Partial Settlement proceeds.

Class Counsel has pursued these claims on behalf of Plaintiffs and the Settlement Class for many years without receiving any compensation for its services and has incurred substantial out-of-pocket expenses that have not been reimbursed. Class Counsel has undertaken substantial risks in pursuing this matter. It has done so with the understanding that, if it obtained a recovery for the class, its expenses would be reimbursed and it would receive fees from the proceeds recovered.

B. Elimination of Administrative Fees on Secured Benefit Accounts

As an additional benefit of the Partial Settlement, Defendants have agreed that Honeywell will not charge ordinary administrative fees on Secured Benefit Accounts for plan years beginning after December 31, 2007.

C. Special Incentive Payment to Class Representatives

In addition to the Thirty Five Million Dollar (\$35,000,000) Partial Settlement amount, Defendants have agreed to pay \$150,000 to be allocated among the six Named Plaintiffs for their significant efforts and time spent in pursuing this lawsuit, which helped to achieve the Partial Settlement.

D. Release of Claims

Regardless of whether you complete and return a Claim Form and obtain additional benefits, the Partial Settlement releases all claims that were asserted or could have been asserted by or on behalf of one or more of the Settlement Class members (a) pursuant to the administrative claims procedures of the Retirement Plan or the Secured Benefit Plan, and/or (b) in any court or other proceeding, including any claim for attorneys' fees or expenses, and that arise out of or relate to the Garrett Retirement Plan, the Signal Retirement Plan, the Allied Signal Retirement Program, the Retirement Plan, the Garrett Severance Plan, the Garrett Secured Benefit Account and/or the Secured Benefit Plan.

The Partial Settlement will not release the Remaining Claims or attorneys' fees and costs for litigation of the Remaining Claims that do not exceed the Cap Amount. The Partial Settlement also will not release a Settlement Class member's individual claims for benefits based on allegations that the Retirement Plan and/or Secured Benefit Plan made an individual mistake as to that individual's claim for benefits.

E. Remaining Claims

The Remaining Claims will continue to be litigated. Depending on the outcome of the litigation of the Remaining Claims, the Settlement Class may recover a total amount which together with any subsequent attorneys' fees and costs awarded by the Court will not exceed the Cap Amount of Five Hundred Million Dollars (\$500,000,000). Any recovery on the Remaining Claims will be in addition to the additional pension benefits and other relief provided under the Partial Settlement and described in detail below. For the Remaining Claims, Defendants will still be free to assert any and all of their defenses without regard to the Partial Settlement. Likewise, Plaintiffs will still be free to litigate the Remaining Claims as they see fit.

6. WHAT WILL YOU RECEIVE IF THE PARTIAL SETTLEMENT IS APPROVED?

A. Additional Benefits for Class Members With More Than 35 Years of Service

If you currently have more than 35 years of service, or have 35 years of service when your pension benefits begin to be paid, and the highest benefit payable to you when your benefits are or were calculated includes an SBA offset, and you submit a Claim Form, then you are entitled to receive a Fractional Reduction Settlement Benefit under the Partial Settlement. The Fractional Reduction Settlement Benefit is intended to result in a benefit increase of approximately 67.5% of the total potential value of the Fractional Reduction Claim. This estimate assumes the Court grants Class Counsel's application for attorneys' fees and costs.

Fractional Reduction Settlement Benefits will be determined based on each individual's actual pension benefits and SBA offset calculated under the current plan. If you are an active employee, your benefits will be determined based on agreed actuarial assumptions regarding your retirement. If you do not have 35 years of service on the date the Court enters final judgment on the Partial Settlement, you must have 35 years of service when your pension benefits begin to be paid in order to receive Fractional Reduction Benefits.

If you are the surviving Beneficiary of a deceased Participant who had 35 years of service, the highest benefit payable to the Participant includes an SBA offset, and you timely submit a Claim Form, then you are entitled to receive a Fractional Reduction Settlement Benefit under the Partial Settlement.

If you are the executor or administrator of the estate of a Participant or Beneficiary who died after June 30, 2002, or the qualified personal representative of a Participant or Beneficiary who died after June 30, 2002, the deceased Participant had 35 years of service, the highest benefit payable to the Participant includes an SBA offset, and you timely submit a Claim Form, then you are entitled to receive a Fractional Reduction Settlement Benefit under the Partial Settlement.

B. Additional Per Capita Benefits For Eligible Settlement Class Members, Including Settlement Class Members With More Than 35 Years of Service

All Participants, including Fractional Reduction Participants, who timely submit a Claim Form, will be entitled to share equally in additional pension benefits (“Per Capita Benefits”). The amount of Per Capita Benefits will be determined based on the overall number of eligible claimants who submit Claim Forms in timely fashion, the amount due Fractional Reduction Participants and the amount of Court awarded attorneys’ fees. It is not possible to determine the precise amount of such benefits before all Claim Forms have been submitted. The Partial Settlement provides that the full Thirty Five Million Dollars (\$35,000,000) will be paid out in the form of benefits, attorneys’ fees and costs. Any funds not claimed will be allocated equally as Per Capita Benefits among the eligible Participants who timely file Claim Forms.

If you are the surviving Beneficiary of a deceased Participant and you timely submit a Claim Form, then you are entitled to receive Per Capita Benefits under the Partial Settlement.

If you are the executor or administrator of the estate of a Participant or Beneficiary who died after June 30, 2002, or the qualified personal representative of a Participant or Beneficiary who died after June 30, 2002 and you timely submit a Claim Form, then you are entitled to receive Per Capita Benefits under the Partial Settlement.

C. Tax Free Rollover

If you receive a lump sum distribution of Per Capita Benefits, you will be entitled to roll over the additional pension benefits on a tax deferred basis to an IRA or other qualified retirement account.

D. Elimination Of Administrative Fees On Secured Benefit Accounts

If the Partial Settlement is approved, Honeywell will no longer charge ordinary administrative fees to your SBA accounts for plan years beginning after December 31, 2007. (Please note that administrative expenses for the plan year ending on December 31, 2007 may be reflected on your Secured Benefit Account statements in early 2008.)

7. WHAT MUST YOU DO TO RECEIVE ADDITIONAL PENSION BENEFITS?

If you are a Participant, Beneficiary, or one of their derivative claimants and wish to receive additional pension benefits pursuant to the Partial Settlement, you **must** complete and return the enclosed Claim Form to Class Counsel at the address listed on the Claim Form. Your completed Claim Form **must** be postmarked on or before **January 28, 2008**. **If you do not complete and timely return a Claim Form, you will not be entitled to receive any additional benefits pursuant to the Partial Settlement.**

Please read the instructions and complete the Claim Form carefully; the amount and form of the additional benefits you will receive may depend on the information you supply in the Claim Form. You may contact Class Counsel if you have any questions about the Claim Form or how to complete it. **Do not contact the Court with any questions.**

8. WHEN WILL YOU RECEIVE ADDITIONAL PENSION BENEFITS?

If you are eligible for additional benefits under the Partial Settlement, the date on which you will begin receiving settlement payments depends on when the Court finally approves the Partial Settlement and on your particular circumstances. The earliest date on which Fractional Reduction Benefits will be distributed is 90 days after the Court enters final judgment on the Partial Settlement if there is no appeal. The earliest date on which Per Capita Benefits will be distributed is 120 days after the Court enters final judgment on the Partial Settlement if there is no appeal. If you are not already in pay status, however, your benefits may not be distributed until you commence receiving benefits or your normal retirement date under the Retirement Plan. The Partial Settlement is not effective and no payments will be made if there is an appeal unless and until each appeal is resolved without altering any of the terms of the Partial Settlement. If there is an appeal, it could take a significant amount of time, perhaps more than a year or two, before an appeal would be decided. In the event of an appeal, please be patient.

9. DO YOU HAVE A LAWYER IN THIS CASE?

Yes. The Court appointed the law firm of Martin & Bonnett, P.L.L.C., 3300 N. Central Ave., Suite 1720, Phoenix, AZ 85012 as Class Counsel to represent all Settlement Class members.

10. HOW WILL THE LAWYERS BE PAID?

In connection with the Partial Settlement, the Court will award Class Counsel reasonable attorneys' fees and expenses out of the Partial Settlement proceeds. You will not owe any fees or expenses to the lawyers who have represented you as part of the Settlement Class. The attorneys' fees and expenses of Class Counsel, as awarded by the Court, will be paid only from the Partial Settlement and only if and after the Partial Settlement has been approved by the Court.

11. WHAT IS THE PROCEDURE FOR APPROVING THE PARTIAL SETTLEMENT OR OBJECTING TO THE PARTIAL SETTLEMENT OR THE REQUEST FOR ATTORNEYS' FEES AND COSTS?

The Court will hold a hearing on February 7, 2008 at 9:00 a.m. at the United States District Court for the District of Arizona, 401 W. Washington St., SPC 59, Phoenix, AZ 85003-2158 in Courtroom 604 to decide whether to approve the Partial Settlement. At the hearing, the Court will consider whether the settlement is fair, reasonable and adequate. If there are written objections, the Court will consider them. The Court will also consider Class Counsel's application for attorneys' fees and costs. After the hearing, the Court will decide whether to approve the Partial Settlement and the application for attorneys' fees and costs.

As a Settlement Class member, you may object to the proposed Partial Settlement or the application for attorneys' fees and costs. You may attend the hearing on the Partial Settlement in person or have a lawyer attend the hearing on your behalf at your own expense. **In order to make an objection or otherwise contest the approval of the terms and conditions of the Partial Settlement or the application for attorneys' fees and costs, you must file a written objection on or before January 24, 2008 along with the specific reasons, if any, for your objection, including any legal support you wish to bring to the Court's attention and any evidence you wish to introduce in support of the objection.**

No party will be heard in opposition to the Partial Settlement or the application for attorneys' fees and costs and no papers or briefs submitted by any such party will be accepted or considered unless within 14 days before the date of the hearing, on or before **January 24, 2008**, such party files with the Court his or her objection and the basis for such objection and mails copies to:

<p>Susan Martin, Esq. Martin & Bonnett, P.L.L.C. 3300 North Central Avenue Suite 1720 Phoenix, AZ 85012-2517</p> <p>Attorneys for Plaintiffs and Settlement Class members</p>	<p>Howard Shapiro, Esq. Proskauer Rose, LLP 909 Poydras Street Suite 1100 New Orleans, LA 70112</p> <p>Attorneys for Defendants</p>
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Any Settlement Class member who does not serve written objections in the manner provided above may be deemed to have waived such objections and may be forever foreclosed from making such objections.

12. DO YOU HAVE TO ATTEND THE HEARING?

No. Class Counsel will represent you and answer any questions the Court may have. You are welcome to come at your own expense. If you send a timely, written objection, the Court will consider it and you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but that is not necessary.

13. WHAT IS THE LEGAL EFFECT OF THE JUDGMENT AND RELEASE OF CLAIMS?

Whether or not you submit a Claim Form in timely fashion, you will be bound by the terms of the Partial Settlement, including the release of claims on page 8, if the Partial Settlement is finally approved by the Court.

14. WHAT HAPPENS IF YOU DO NOTHING AT ALL?

If you do nothing, you will not receive any additional pension benefits from the Partial Settlement, but you will still be bound by the Partial Settlement if the Court approves it.

15. WHERE CAN YOU GET MORE INFORMATION?

This Notice contains a summary of the Partial Settlement. The complete details of the Partial Settlement are set forth in the parties' agreement, which has been filed with the Court. You may examine the pleadings at the Clerk of Court's office.

Many of the pleadings are also available on the Court's website for registered users of the Court's electronic filing system through the Public Access to Court Electronic Records (PACER) program. PACER Logins are available to the public at: www.pacer.psc.uscourts.gov/register.html. The Court's website and electronic filing system may be accessed at: <http://www.azd.uscourts.gov/>.

DO NOT CALL THE COURT. Instead, direct any questions you have concerning the matters contained in this Notice in writing to:

**CLASS COUNSEL
MARTIN & BONNETT, P.L.L.C.
3300 N. CENTRAL AVE., SUITE 1720
PHOENIX, AZ 85012**

You may also listen to the answers to frequently asked questions by calling the following toll-free number: **1 (800) 918-4294**. Some additional information is also available through the Garrett Retirees Action Committee website, www.garrettaction.com. The Court does not endorse any of the information contained on this website.