

**UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF CONNECTICUT**

<b>SECURITIES AND EXCHANGE COMMISSION,</b>	:	
	:	
<b>Plaintiff,</b>	:	
	:	<b>Civil Action No.:</b>
	:	<b>08-CV-1354 (CFD)</b>
v.	:	
	:	
<b>UNITED RENTALS, INC.,</b>	:	
	:	
<b>Defendant.</b>	:	
	:	

**MOTION FOR ORDER APPROVING A FAIR FUND DISTRIBUTION TO  
INVESTORS AND APPOINTING A FUND ADMINISTRATOR**

Plaintiff, the United States Securities and Exchange Commission (the “Commission”), hereby submits this Motion for Order Approving a Fair Fund Distribution to Investors and Appointing a Fund Administrator in this matter. A Memorandum in Support of this Motion and a proposed Order have been contemporaneously filed herewith.

**WHEREFORE**, the Commission respectfully requests that this Court enter the attached Proposed Order and grant such other relief as the Court deems just and proper.

Dated: January 10, 2011

Respectfully submitted,

/s/Marsha C. Massey  
 Marsha C. Massey (Bar No. phv03290)  
 Lesley B. Atkins  
 Attorneys for Plaintiff  
 Division of Enforcement  
 U.S. Securities and Exchange Commission  
 100 F Street, NE Mail Stop 6030  
 Washington, DC 20549-6030  
 Tel: (202) 551-4452  
 Fax: (202) 772-9223  
 Email: masseym@sec.gov

**CERTIFICATE OF SERVICE**

I hereby certify that on January 10, 2011, a copy of foregoing MOTION FOR ORDER APPROVING A FAIR FUND DISTRIBUTION TO INVESTORS AND APPOINTING A FUND ADMINISTRATOR was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the court's CM/ECF System.

s/Marsha C. Massey  
Marsha C. Massey (Bar No. phv03290)  
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On April 4, 2008, the Commission filed a Complaint against John N. Milne, a former officer of URI, for his involvement in the fraudulent transactions at URI. On October 14, 2009, in *SEC v. Milne*, Case No. 3:08-cv-00505 (EBB), the Court entered Final Judgment against Milne and ordered him to pay disgorgement of \$6.25 million. To date, Milne has paid \$1 million into the Distribution Fund. Milne has until October 2012 to satisfy the remaining disgorgement balance due of \$5.25 million plus applicable post-judgment interest.

On August 12, 2009, the Commission filed a Complaint against Terex Corporation (“Terex”) alleging, among other things, that Terex aided and abetted URI’s fraudulent accounting scheme, involving two transactions, carried out between 2000 and 2002. By order dated August 19, 2009, in *SEC v. Terex Corporation*, Case No.3:09-cv-1281 (AWT), the Court entered Final Judgment against Terex pursuant to which Terex has paid a penalty and disgorgement of \$5,000,001 into the Distribution Fund.

The Commission has filed Complaints against two other defendants in this matter, Michael J. Nolan, a former CFO of URI, and Joseph F. Apuzzo, a former CFO of Terex, alleging securities laws violations relating to transactions at URI. Nolan has settled the SEC charges against him and is awaiting sentencing in a related criminal case involving the same conduct. The Commission’s case against Apuzzo is on-going. Any additional monies which may be paid by these defendants, as well as the additional monies to be paid by Milne, will be deposited in the Distribution Fund and made available to injured investors through subsequent distributions.

The Commission respectfully requests that the Court approve the establishment of a fair fund to distribute the disgorgement and penalty payments paid into the Distribution Fund to injured investors (“URI Fair Fund”) pursuant to the plan of distribution outlined below.<sup>1</sup>

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<sup>1</sup> The proposed Order submitted by the Commission with this Motion sets forth the URI Fair Fund plan of distribution.

## II. THE COMMISSION'S PROPOSED DISTRIBUTION PLAN

Pursuant to Section 308(a) of the Sarbanes Oxley Act of 2002, the Court is permitted, upon the Commission's motion, to include civil penalties in disgorgement distributions for the benefit of victims of securities law violations. Courts give the Commission significant discretion to design and set the parameters of a distribution plan. *See SEC v. Wang*, 944 F.2d 80 (2d Cir. 1991); *SEC v. Levine*, 881 F.2d 1165 (2d Cir. 1989). Consistent with this discretion, a court's review of the Commission's proposed plan to distribute the disgorgement and penalties obtained in its civil actions focuses on whether the plan is fair and reasonable. *See Official Committee of Unsecured Creditors of Worldcom, Inc. v. SEC*, 467 F.3d 73, 81 (2d Cir. 2006) ("unless the consent decree specifically provides otherwise[,] once the district court satisfies itself that the distribution of proceeds in a proposed SEC disgorgement plan is fair and reasonable, its review is at an end"), *citing Wang*, 944 F.2d at 85. The SEC's proposed plan for the Distribution Fund is a fair and reasonable allocation of the limited funds available, and should be approved.

In fashioning a distribution plan that would allocate the funds fairly and reasonably, in a manner proportional to the injury investors suffered from the fraud, the Commission is proposing a plan that will allocate a determined amount of loss for each Claimant who purchased or otherwise acquired the publicly traded securities of URI on or after February 28, 2001, and prior to August 30, 2004. This claims period is coextensive with the claims period in the plan of allocation approved by the Court in the related private securities class action captioned *In re United Rentals, Inc. Sec. Litig.* (3:04-cv-01615)("Class Action").<sup>2</sup> In both distribution plans, potential claimants are investors who purchased or otherwise acquired URI's publicly traded securities when they were overpriced as a result of the fraud ("fraud inflation"). The only

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<sup>2</sup> The court-approved distribution plan in the Class Action is attached to this Motion as Exhibit A.

difference between the Commission's distribution plan and the Class Action plan is the 90-day look-back provision that is required to be included in the Class Plan by the Private Securities Litigation Reform Act, which the Commission is not required to include.<sup>3</sup>

In fashioning a proposed plan, the Commission sought to minimize the expenses of the distribution and the burdens on potential claimants. Utilizing the existing mechanism of the pending Class Action distribution to facilitate the URI Fair Fund distribution will minimize distribution expenses and burdens on claimants, as it will not be necessary to re-notice and solicit new claims (with the exception of the investors who opted-out of the Class Action) or require investors to complete substantially duplicative claims forms.

The Commission understands that there are approximately three investors who opted out of the Class Action. Gilardi, the proposed Fund Administrator, is aware of the identity of these investors, and, if appointed, will send a letter notifying them and soliciting claims from them in order to determine their eligibility to participate in the distribution of the URI Fair Fund. If approved by the Court, the proposed distribution plan would be distributed to claimants simultaneously with a residual payment in the Class Action that is likely to occur in the first quarter of 2011.

### **III. THE COURT SHOULD APPOINT GILARDI TO BE THE FUND ADMINISTRATOR FOR THE URI DISTRIBUTION FUND**

The Commission sought and received bids to administer the URI Fair Fund distribution from three firms, including Gilardi, which is also the Claims Administrator overseeing the Class Action distribution. Based on those bids, the Commission recommends that

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<sup>3</sup> The 90-day look back provision of the PSLRA requires that the award of damages to a plaintiff in private actions shall not exceed the difference between the purchase price paid by the plaintiff and the average trading price of that security during the 90-day period beginning on the date of the corrective disclosure. Because the distribution of the SEC's Fair Fund is not subject to this limitation, the cap has not been applied.

the Court appoint Gilardi to handle the distribution of the URI Fair Fund. Gilardi will endeavor to distribute the URI Fair Fund simultaneously with its residual distribution of the class action settlement. Due to its work in the class distribution, Gilardi has compiled the names and addresses of the claimants in the private class action, and has already solicited claims from all of the potential claimants to the URI Fair Fund distribution. This will nearly eliminate the cost of additional noticing and solicitation of claims. Because Gilardi has already received claims and back-up materials from claimants, identified the opt outs, and has computed claims, the additional costs to distribute the URI Fair Fund is significantly reduced for Gilardi. Gilardi will endeavor to provide claimants with a single check covering the disbursements from both distributions, and will specifically identify the amount that each claimant has received from the URI Fair Fund in an accompanying transmittal letter. The follow-up distribution process is tentatively scheduled to commence in the first quarter of 2011. In administering the URI Fair Fund distribution, Gilardi has agreed to work with the Tax Administrator previously appointed by the Court in this case (Damasco & Associates LLP) to ensure income tax compliance by the URI Fair Fund. Finally, in the event that checks are issued with proceeds from the URI Fair Fund and remain uncashed after the initial distribution, Gilardi has agreed to undertake a good faith effort to locate and contact the intended recipients of the uncashed checks.

#### **IV. CONCLUSION**

The Commission submits that its proposed distribution plan for the URI Fair Fund should be approved as fair and reasonable. The plan directs the URI Fair Fund's proceeds to investors whose losses were caused by the fraudulent accounting practices alleged in this lawsuit, *i.e.*, investors who acquired publicly traded securities of URI when their price was inflated by the fraud, and held those securities until the revelation of the fraud reduced the value of their

investment. By seeking simultaneously to distribute the URI Fair Fund with the pending residual distribution in the Class Action, the Commission's proposed plan will expeditiously disburse the funds, potentially increase the number of investors who may receive a payment to offset their losses, and minimize the administrative expenses and burdens on claimants.

Accordingly, the Commission respectfully requests that the Court grant this Motion, and issue an Order which approves the Commission's plan to distribute the URI Fair Fund and appoints Gilardi to be the Fund Administrator to oversee the URI distribution.

Dated: January 10, 2011

Respectfully submitted,

/s/Marsha C. Massey  
Marsha C. Massey (Bar No. phv03290)  
Lesley B. Atkins  
Attorneys for Plaintiff  
Division of Enforcement  
U.S. Securities and Exchange Commission  
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Fax: (202) 772-9223  
Email: masseym@sec.gov

**CERTIFICATE OF SERVICE**

I hereby certify that on January 10, 2011, a copy of foregoing SECURITIES AND EXCHANGE COMMISSION'S MEMORANDUM OF LAW IN SUPPORT OF MOTION APPROVING A FAIR FUND DISTRIBUTION TO INVESTORS AND APPOINTING A FUND ADMINISTRATOR was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the court's CM/ECF System.

s/Marsha C. Massey  
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UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

In re UNITED RENTALS, INC. SECURITIES LITIGATION	)	Master File No. 3:04-cv-1615(CFD)
_____	)	
	)	<u>CLASS ACTION</u>
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
_____	)	

## NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED UNITED RENTALS, INC. ("UNITED RENTALS" OR THE "COMPANY") PUBLICLY TRADED SECURITIES BETWEEN FEBRUARY 28, 2001 AND AUGUST 30, 2004, INCLUSIVE (THE "CLASS PERIOD"), YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.

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

**Security and Time Period:** United Rentals publicly traded securities purchased or otherwise acquired between February 28, 2001 through August 30, 2004, inclusive.

**Settlement Fund:** \$27,500,000 in cash.

**Lead Plaintiff's Reasons for Settlement:** The principal reason for Lead Plaintiff's consent to the Settlement is to provide a benefit to the Class. This benefit must be compared to the risk that no recovery might be achieved after contested motions, a contested trial and likely appeals, possibly years into the future during which Defendants would have the opportunity to assert defenses to the claims asserted against them.

Lead Plaintiff's Counsel, on behalf of Lead Plaintiff, have conducted an extensive investigation relating to the claims and the underlying events and transactions alleged in the Consolidated Amended Complaint ("CAC"). Lead Plaintiff's Counsel's investigation included: (i) review of United Rentals' SEC filings, regulatory filings and reports, securities analysts' reports and advisories about United Rentals, press releases, and other public statements issued by United Rentals; (ii) review of media reports about United Rentals; (iii) interviews with persons who claimed to have knowledge of the alleged misconduct, some of whom were former employees of United Rentals; and (iv) review of pleadings and media reports concerning governmental inquiries related to United Rentals and certain of its former officers, including Messrs. Milne and Nolan.

While Lead Plaintiff believes that its claims have merit, Lead Plaintiff recognizes the expense of continued proceedings and that Lead Plaintiff and the Class might not have prevailed on all their claims. The claims advanced by the Class involve numerous complex legal and factual issues, as well as complicated accounting practices, which would require extensive expert testimony and would add considerably to the expense and duration of the litigation. The two sides vigorously disagree on both liability and the amount of money that could have been won if Lead Plaintiff prevailed at trial. The parties disagree about (1) the method for determining whether United Rentals publicly traded securities traded at artificially inflated prices during the relevant period; (2) the amount of any such inflation; (3) whether or the extent to which various facts alleged by Lead Plaintiff were materially false or in any way misleading; (4) the extent that various facts alleged by Lead Plaintiff influenced the trading price of United Rentals publicly traded securities during the relevant period; and (5) whether the facts alleged were material, false, misleading or otherwise actionable under the federal securities laws. This Settlement therefore enables the Class to recover without incurring any additional risk or costs. As a result, Lead Plaintiff believes this Settlement is a fair, reasonable, and adequate recovery for the Class.

**Defendants' Reasons for Settlement:** The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiff on behalf of the Class. The Defendants also have denied and continue to deny, among other things, the allegations that the prices of United Rentals publicly traded securities were artificially inflated or that any harm was caused by the alleged conduct described in the CAC.

Nonetheless, the Defendants have concluded that further conduct of the case would be protracted and expensive, and that it is desirable that the case be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation in order to limit further expense, inconvenience and distraction, to dispose of the burden of protracted litigation, and to permit the operation of the Defendants' businesses without further distraction and diversion caused by the continuation of the case. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as this litigation.

The Defendants have, therefore, determined that it is desirable and beneficial to them that the case be settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants entered into the Stipulation without in any way acknowledging any fault, liability, or wrongdoing of any kind.

**Statement of Recovery:** Your recovery will depend on the type and amount of United Rentals publicly traded securities purchased or acquired and the timing of your purchases, acquisitions and any sales. Depending on the number and type of eligible shares that participate in the Settlement and when those shares were purchased or acquired and sold, the estimated average recovery per share will be approximately \$0.57 per common share before deduction of Court-approved attorneys' fees and expenses, and the costs of administration. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's recognized claim as compared to the total recognized claims of all Class Members who submit acceptable Proof of Claim forms.

**Attorneys' Fees and Expenses:** Lead Plaintiff's Counsel will ask the Court for attorneys' fees not to exceed 25% of the Settlement Fund and expenses not to exceed \$350,000 to be paid from the Settlement Fund. In addition, the Lead Plaintiff may seek reimbursement for its time and expenses incurred in representing the Class. If the above amounts are requested and approved by

the Court, the average cost per common share will be \$0.15. Lead Plaintiff's Counsel have not received any payment for their work investigating the facts, conducting this litigation and negotiating this Settlement on behalf of the Lead Plaintiff and the Class.

**Deadlines:**

Submit Claim: May 18, 2009  
 Request Exclusion: April 24, 2009  
 File Objection: April 24, 2009

**Court Hearing on Fairness of Settlement:** May 22, 2009

**More Information:** [www.gilardi.com](http://www.gilardi.com) or

Claims Administrator:	Lead Plaintiff's Counsel:
<i>United Rentals Securities Litigation</i>	Rick Nelson
Claims Administrator	Shareholder Relations
c/o Gilardi & Co. LLC	c/o Coughlin Stoia Geller
P.O. Box 8040	Rudman & Robbins LLP
San Rafael, CA 94912-8040	655 West Broadway, Suite 1900
	San Diego, CA 92101

- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>SUBMIT A PROOF OF CLAIM AND RELEASE FORM</b>	This is the only way to get a payment. Doing so results in the release of your claims against the Defendants and the Released Parties.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to participate in another lawsuit against the Defendants and the other Released Parties relating to the Released Claims.
<b>OBJECT</b>	You may write to the Court if you don't like this Settlement, the Plan of Allocation or request for attorneys' fees and expenses.
<b>GO TO A HEARING</b>	You may ask to speak in Court about the fairness of the Settlement.
<b>DO NOTHING</b>	Get no payment. Give up your rights and release claims.

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

**BASIC INFORMATION**

**1. Why Did I Get This Notice Package?**

You or someone in your family may have purchased or otherwise acquired United Rentals publicly traded securities between February 28, 2001 and August 30, 2004, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Connecticut, and the case is known as *In re United Rentals, Inc. Securities Litigation*, Master File No. 3:04-cv-1615(CFD). The pension fund who sued is called the Lead Plaintiff, and the company and the individuals it sued, United Rentals, Wayland R. Hicks, Bradley S. Jacobs, John N. Milne, Michael J. Nolan and Joseph B. Sherk are called the Defendants.

**2. What Is This Lawsuit About?**

United Rentals describes itself as an equipment rental company with more than 730 rental locations in the United States, Canada and Mexico. In addition to renting equipment, the Company sells used rental equipment, acts as a dealer for new equipment and sells related merchandise and contractor supplies, parts and service.

This case was brought as a class action alleging that, during the Class Period, United Rentals' financial statements did not comply with Generally Accepted Accounting Principles ("GAAP"), because Defendants caused the Company to improperly account for its acquisitions. Lead Plaintiff also alleged that Defendants engaged in a number of other accounting manipulations, including "sales-lease back" and "trade package" transactions that resulted in the improper and premature recognition of revenues. Lead Plaintiff alleges that as a result of these misrepresentations and accounting manipulations, United Rentals publicly traded securities traded at artificially inflated prices during the Class Period, in violation of the federal securities laws, permitting certain of the Defendants to sell a total of nearly six million shares of their United Rentals stock at artificially inflated prices, and allowing United Rentals to raise hundreds of millions of dollars in debt and other financing on more favorable terms. United Rentals ultimately restated its financial statements for fiscal years 2002 and 2003. Defendants deny all of Lead Plaintiff's allegations and that they did

anything wrong. Defendants also deny that the Lead Plaintiff or the Class suffered damages or that the prices of United Rentals publicly traded securities were artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise.

### 3. Why Is This Action a Class Action?

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiff City of Pontiac Policemen's and Firemen's Retirement System) sue on behalf of people who have similar claims. Here, all these people are called a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Judge Christopher F. Droney is in charge of this class action.

### 4. Why Is There a Settlement?

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, these parties agreed to a Settlement. That way, they avoid the cost of a trial, and eligible Class Members who make a valid claim will get compensation. The Lead Plaintiff and its attorneys think the Settlement is best for all Class Members.

## WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

### 5. How Do I Know if I Am Part of the Settlement?

The Class includes ***all Persons who purchased or otherwise acquired United Rentals publicly traded securities between February 28, 2001 and August 30, 2004, inclusive, except those persons and entities that are excluded, as described below.***

### 6. What Are the Exceptions to Being Included?

You are not a Class Member if you are a Defendant, a director or executive officer of United Rentals, a member of the immediate family of any of the foregoing, an entity in which any Defendant has or had a controlling interest, or a legal representative, heir, successor, or assign of any such excluded Person.

If you sold United Rentals publicly traded securities between February 28, 2001 and August 30, 2004, inclusive, that alone does not make you a Class Member. You are a Class Member only if you ***purchased or otherwise acquired*** United Rentals publicly traded securities between February 28, 2001 and August 30, 2004, inclusive.

### 7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-866-967-6847, or Lead Plaintiff's Counsel listed in Question 25 for more information. Or you can fill out and return the claim form described in Question 10, to see if you qualify.

## THE SETTLEMENT BENEFITS — WHAT YOU GET

### 8. What Does the Settlement Provide?

Defendants have agreed to pay \$27,500,000 in cash to be divided among all eligible Class Members who send in valid claim forms, after payment of Court-approved fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice.

### 9. How Much Will My Payment Be?

Your share of the fund will depend on the number of valid claim forms that Class Members send in and how many shares of stock you purchased during the relevant period and when you bought and sold them. A claim will be calculated as follows:

#### COMMON STOCK

8/27/04 Closing Price:	\$20.39
8/30/04 Closing Price:	<u>\$16.00</u>
8/30/04 Price Decline:	\$ 4.39
8/30/04 Closing Price:	\$16.00
8/31/04 Closing Price:	<u>\$14.69</u>
8/31/04 Price Decline:	\$ 1.31
90 Day Look-Back Value:	\$15.94

#### Proposed Allocation:

- A. For shares of United Rentals common stock ***purchased or acquired on February 28, 2001 through August 29, 2004***, and
- sold prior to August 30, 2004, the claim per share is \$0;
  - sold on August 30, 2004, the claim per share is the lesser of (i) the Purchase Price less the Sales Price, (ii) the Purchase Price less \$15.94, or (iii) \$4.39 (8/30/04 Price Decline);
  - retained at the end of August 30, 2004, the claim per share is the lesser of (i) the Purchase Price less \$15.94, or (ii) \$5.70 (8/30/04 & 8/31/04 Price Declines).
- B. For shares of United Rentals common stock ***purchased or acquired on August 30, 2004***, and
- sold prior to August 31, 2004, the claim per share is \$0;
  - retained at the end of August 30, 2004, the claim per share is the lesser of (i) the Purchase Price less \$15.94, or (ii) \$1.31 (8/31/04 Price Decline).

**6.5% NOTES DUE 2/15/12 (CUSIP: 911365AN4)**

8/27/04 Closing Price:	\$980.00
8/30/04 Closing Price:	\$965.00
8/30/04 Price Decline:	\$ 15.00
8/30/04 Closing Price:	\$965.00
8/31/04 Closing Price:	\$950.00
8/31/04 Price Decline:	\$ 15.00
90 Day Look-Back Value:	\$975.08

**Proposed Allocation:**

- A. For United Rentals 6.5% notes due 2/15/12 ***purchased or acquired on February 28, 2001 through August 29, 2004***, and
- i) sold prior to August 30, 2004, the claim per note is \$0;
  - ii) sold on August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less the Sales Price, (ii) the Purchase Price less \$975.08, or (iii) \$15.00 (8/30/04 Price Decline);
  - iii) retained at the end of August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less \$975.08, or (ii) \$30.00 (8/30/04 & 8/31/04 Price Declines).
- B. For United Rentals 6.5% notes due 2/15/12 ***purchased or acquired on August 30, 2004***, and
- i) sold prior to August 31, 2004, the claim per note is \$0;
  - ii) retained at the end of August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less \$975.08, or (ii) \$15.00 (8/31/04 Price Decline).

**7.75% NOTES DUE 11/15/13 (CUSIP: 911365AL8)**

8/27/04 Closing Price:	\$982.50
8/30/04 Closing Price:	\$950.00
8/30/04 Price Decline:	\$ 32.50
8/30/04 Closing Price:	\$950.00
8/31/04 Closing Price:	\$930.00
8/31/04 Price Decline:	\$ 20.00
90 Day Look-Back Value:	\$954.54

**Proposed Allocation:**

- A. For United Rentals 7.75% notes due 11/15/13 ***purchased or acquired on February 28, 2001 through August 29 2004***, and
- i) sold prior to August 30, 2004, the claim per note is \$0;
  - ii) sold on August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less the Sales Price, (ii) the Purchase Price less \$954.54, or (iii) \$32.50 (8/30/04 Price Decline);
  - iii) retained at the end of August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less \$954.54, or (ii) \$52.50 (8/30/04 & 8/31/04 Price Declines).
- B. For United Rentals 7.75% notes due 11/15/13 ***purchased or acquired on August 30, 2004***, and
- i) sold prior to August 31, 2004, the claim per note is \$0;
  - ii) retained at the end of August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less \$954.54, or (ii) \$20.00 (8/31/04 Price Decline).

**7% NOTES DUE 2/15/14 (CUSIP: 911365AQ7)**

8/27/04 Closing Price:	\$942.50
8/30/04 Closing Price:	\$905.00
8/30/04 Price Decline:	\$ 37.50
8/30/04 Closing Price:	\$905.00
8/31/04 Closing Price:	\$885.00
8/31/04 Price Decline:	\$ 20.00
90 Day Look-Back Value:	\$910.25

**Proposed Allocation:**

- A. For United Rentals 7% notes due 2/15/14 ***purchased or acquired on February 28, 2001 through August 29, 2004***, and
- i) sold prior to August 30, 2004, the claim per note is \$0;
  - ii) sold on August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less the Sales Price, (ii) the Purchase Price less \$910.25, or (iii) \$37.50 (8/30/04 Price Decline);
  - iii) retained at the end of August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less \$910.25, or (ii) \$57.50 (8/30/04 & 8/31/04 Price Declines).

- B. For United Rentals 7% notes due 2/15/14 **purchased or acquired on August 30, 2004**, and
- i) sold prior to August 31, 2004, the claim per note is \$0;
  - ii) retained at the end of August 30, 2004, the claim per note is the lesser of (i) the Purchase Price less \$910.25, or (ii) \$20.00 (8/31/04 Price Decline).

**Note: The combined recovery for the notes shall not exceed 4% of the Net Settlement Fund.**

#### CALL OPTIONS

- A. For call options on United Rentals common stock **purchased or acquired from February 28, 2001 through August 30, 2004**, and
- i) **held** at the end of August 29, 2004 and/or August 30, 2004, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
  - ii) **not held** at the end of August 29, 2004 and/or August 30, 2004, the claim per call option is \$0.
- B. For call options on United Rentals common stock **written from February 28, 2001 through August 30, 2004**, the claim per call option is \$0.

#### PUT OPTIONS

- A. For put options on United Rentals common stock **written from February 28, 2001 through August 30, 2004**, and
- i) **held** at the end of August 29, 2004 and/or August 30, 2004, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;
  - ii) **not held** at the end of August 29, 2004 and/or August 30, 2004, the claim per put option is \$0.
- B. For put options on United Rentals common stock **purchased or acquired from February 28, 2001 through August 30, 2004**, the claim per put option is \$0.

**Note: In the case the option was exercised for United Rentals common stock, the amount paid, or proceeds received, upon the settlement of the option contract equals the intrinsic value of the option using United Rentals common stock's closing price on the date the option was exercised.**

**Note: The combined recovery for the put/call options shall not exceed 3% of the Net Settlement Fund.**

The payment you get will reflect your *pro rata* share after deduction of Court-approved fees and expenses. If claims are filed for 100% of the eligible United Rentals shares, the average distribution per common share would be \$0.57 before deduction of Court-approved fees and expenses. Historically, actual claim rates are less than 100% and result in higher distributions.

In the event a Class Member has more than one purchase or acquisition of United Rentals publicly traded securities, all purchases, acquisitions, and any sales shall be matched on a first-in, first-out ("FIFO") basis, and Class Period sales will be matched first against any United Rentals publicly traded securities held at the beginning of the Class Period and then against purchases in chronological order. A purchase or sale of United Rentals publicly traded securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

To the extent a claimant had a gain from his, her or its overall transactions in United Rentals publicly traded securities during the Class Period, the value of the recognized claim will be zero. Please note that the Plan of Allocation is separate from the Settlement and any decision by the Court regarding the Plan of Allocation will not affect the finality of approval of the Settlement. The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court, an objection filed by a Class Member, or a settlement with a Person or entity requesting exclusion from the Class, without further notice to the Class.

#### HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

##### 10. How Will I Get a Payment?

To qualify for payment, you must be an eligible Class Member and you must send in a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than May 18, 2009.

##### 11. When Will I Get My Payment?

The Court will hold a hearing on May 22, 2009, to decide whether to approve the Settlement. If Judge Droney approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their claim. Please be patient.

##### 12. What Am I Giving Up to Get a Payment or Stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case or that could have been asserted in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the release are included in the claim form that is enclosed. The following definitions apply to those releases:

"Released Claims" means all claims (including Unknown Claims) and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common or foreign law, including any claims under the Securities Exchange Act of 1934 and regulations promulgated thereunder, that Lead Plaintiff or any member of the Class asserted, or could have asserted, in the CAC as a result of purchasing, acquiring, selling, exercising, holding or voting, during the Class Period, any security issued by United Rentals (including, without limitation, all claims arising out of or related to any disclosures, public filings, registration

statements, proxy statements or other statements by United Rentals or any other Defendant), based upon or arising out of any facts, allegations or claims set forth in, or that could have been set forth in, the CAC.

“Released Defendants’ Claims” means any and all claims (including Unknown Claims) and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common or foreign law that Defendants, or the successors or assigns of any of them, could have asserted in the Action or any forum against Lead Plaintiff, any member of the Class or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action, excluding any claims for breaches of the Stipulation.

“Released Persons” means Defendants and the immediate family members, heirs, executors, administrators, successors, assigns, present and former employees, insurers and reinsurers, officers, directors, attorneys, legal representatives, and agents of each of them, and any person or entity which is or was related to or affiliated with any Defendant, or in which any Defendant has or had a controlling interest and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, employees, officers, directors, attorneys, assigns, and agents of each of them.

“Unknown Claims” means any and all claims, demands, rights, liabilities, and causes of action of every nature and description which Lead Plaintiff, any member of the Class or any Defendant does not know or suspect to exist in his, her or its favor at or after the time of the execution of the Stipulation which, if known by him, her or it, might have affected any decision by him, her or it with respect to the Settlement.

The Stipulation provides that, with respect to any and all Released Claims and Released Defendants’ Claims, Lead Plaintiff, the members of the Class and Defendants stipulate and agree that, upon the Effective Date, Lead Plaintiff and Defendants shall waive, and each member of the Class shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, the provisions, rights and benefits of §1542 of the California Civil Code, which provides as follows:

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.

Lead Plaintiff and Defendants shall expressly waive, and each member of the Class shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by the law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542.

The Stipulation further provides that Lead Plaintiff and the members of the Class may hereafter discover facts in addition to or different from those which they or any of them now know or believe to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff and the members of the Class shall have expressly fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

The Stipulation further provides that Lead Plaintiff acknowledges, and the members of the Class shall be deemed by operation of the Judgment to have acknowledged, that the waivers and releases described in the preceding two paragraphs, and the inclusion of “Unknown Claims” in the definitions of Released Claims and Released Defendants’ Claims, were separately bargained for and are key elements of the Settlement.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you don’t want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same Released Claims, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

#### **13. How Do I Get Out of the Class?**

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *In re United Rentals, Inc. Securities Litigation*, Master File No. 3:04-cv-1615(CFD). You must include your name, address, telephone number, number and type of shares of United Rentals publicly traded securities purchased or acquired between February 28, 2001 and August 30, 2004, inclusive, the number and type of shares sold during this time period, if any, and the dates of such purchases, acquisitions and sales. You must mail your exclusion request so that it is received no later than April 24, 2009 to:

*United Rentals Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

#### **14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?**

No. Unless you exclude yourself, you give up any right to sue the Defendants for the Released Claims. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is April 24, 2009.

**15. If I Exclude Myself, Can I Get Money from This Settlement?**

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit against the Defendants related to the Released Claims.

**THE LAWYERS REPRESENTING YOU****16. Do I Have a Lawyer in This Case?**

The law firm of Coughlin Stoia Geller Rudman & Robbins LLP represents you and other Class Members. These lawyers are called Lead Plaintiff's Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How Will the Lawyers Be Paid?**

Lead Plaintiffs' Counsel will ask the Court for attorneys' fees not to exceed 25% of the Settlement Fund and expenses up to \$350,000, which were advanced in connection with the Action. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. In addition, the Lead Plaintiff may seek reimbursement for its time and expenses incurred in representing the Class.

The attorneys' fees and expenses requested will be the only payment to Lead Plaintiff's Counsel and Lead Plaintiff for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Plaintiff's Counsel have not been paid for their services for conducting this Action on behalf of the Lead Plaintiff and the Class, or for their expenses. The fee requested will compensate Lead Plaintiff's Counsel for their work in creating the Settlement Fund and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you don't agree with the Settlement or some part of it.

**18. How Do I Tell the Court that I Don't Like the Settlement, the Plan of Allocation or Application for Attorneys' Fees?**

If you are a Class Member, you can object to the Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re United Rentals, Inc. Securities Litigation*, Master File No. 3:04-cv-1615(CFD). Be sure to include your name, address, telephone number, your signature, the number and type of shares of United Rentals publicly traded securities purchased, acquired and sold between February 28, 2001 and August 30, 2004, inclusive, and the reasons you object to the Settlement. Any objection to the Settlement must be mailed or delivered such that it is received by each of the following no later than April 24, 2009:

*Court:*

Clerk of the Court  
UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT  
UNITED STATES COURTHOUSE  
450 Main Street  
Hartford, CT 06103

*Lead Plaintiff's Counsel:*

COUGHLIN STOIA GELLER  
RUDMAN & ROBBINS LLP  
ELLEN GUSIKOFF STEWART  
655 West Broadway, Suite 1900  
San Diego, CA 92101

*Counsel for Defendants United Rentals, Inc.,* *Counsel Defendant John N. Milne:* *Counsel for Defendant Michael J. Nolan:*

*Wayland R. Hicks, Bradley S. Jacobs and Joseph Sherck:*

KRAMER LEVIN NAFTALIS &  
FRANKEL LLP

ALAN R. FRIEDMAN  
1177 Avenue of the Americas  
New York, NY 10036

SKADDEN, ARPS, SLATE,  
MEAGHER &  
FLOM LLP  
JOHN K. CARROLL  
Four Times Square  
New York, NY 10036

DEBEVOISE & PLIMPTON LLP  
JONATHAN R. TUTTLE  
555 13th Street, N.W.  
Washington, D.C. 06103

**19. What's the Difference Between Objecting and Excluding?**

Objecting is simply telling the Court that you don't like something about the Settlement. You can object **only if** you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S SETTLEMENT HEARING**

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

**20. When and Where Will the Court Decide Whether to Approve the Settlement?**

The Court will hold a settlement hearing at 10:00 a.m., on May 22, 2009, in the North Courtroom, 2<sup>nd</sup> Floor of the United States District Court for the District of Connecticut, United States Courthouse, 450 Main Street, Hartford, Connecticut 06103. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Droney will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay to Lead Plaintiff's Counsel (assuming the Settlement is approved). The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take. The Court may adjourn or continue the settlement hearing without further notice to the Class.

**21. Do I Have to Come to the Hearing?**

No. Lead Plaintiff's Counsel will answer questions Judge Droney may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

**22. May I Speak at the Hearing?**

You may ask the Court for permission to speak at the settlement hearing. To do so, you must send a letter saying that it is your intention to appear in *In re United Rentals, Inc. Securities Litigation*, Master File No. 3:04-cv-1615(CFD). Be sure to include your name, address, telephone number, your signature, and the number and type of shares of United Rentals publicly traded securities purchased or acquired between February 28, 2001 and August 30, 2004, inclusive. Your notice of intention to appear must be received no later than April 24, 2009, and be sent to the Clerk of the Court, Lead Plaintiff's Counsel, and Defendants' counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Class.

**IF YOU DO NOTHING**

**23. What Happens if I Do Nothing at All?**

If you do nothing, you'll get no money from this Settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the same issues in this case.

**GETTING MORE INFORMATION**

**24. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated January 22, 2009 ("Stipulation"). You can get a copy of the Stipulation by writing to Rick Nelson, c/o Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or from the Clerk's office at the United States District Court for the District of Connecticut, 450 Main Street, Hartford, Connecticut 06103, during regular business hours.

**25. How Do I Get More Information?**

You can call 1-619-231-1058 or write to Rick Nelson, c/o Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or visit the Claims Administrator's website at [www.gilardi.com](http://www.gilardi.com), or call the Claims Administrator toll-free at 1-866-967-6847.

**PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE**

**SPECIAL NOTICE TO NOMINEES**

If you hold any United Rentals publicly traded securities purchased or acquired between February 28, 2001 and August 30, 2004, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*United Rentals Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: February 2, 2009

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

**UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF CONNECTICUT**

<b>SECURITIES AND EXCHANGE COMMISSION,</b>	:	
	:	
<b>Plaintiff,</b>	:	
	:	<b>Civil Action No.:</b>
	:	<b>08-CV-1354 (CFD)</b>
<b>v.</b>	:	
	:	
<b>UNITED RENTALS, INC.,</b>	:	
	:	
<b>Defendant.</b>	:	
	:	

**ORDER APPROVING A FAIR FUND DISTRIBUTION TO INVESTORS AND  
APPOINTING A FUND ADMINISTRATOR**

This Court, having reviewed Plaintiff’s Motion for Order Approving a Fair Fund Distribution to Investors and Appointing a Fund Administrator filed by the United States Securities and Exchange Commission (“Commission”), and for good cause shown, IT IS HEREBY ORDERED THAT THE MOTION IS GRANTED; and IT IS FURTHER ORDERED:

1. That a fair fund shall be established (“URI Fair Fund”) to distribute the payment of disgorgement and civil penalties made by the defendant in this action and defendants in other, related actions, which have been deposited into a Court Registry Investment System (“CRIS”) account in the name of this action.

2. Gilardi & Co., LLC, 3301 Kerner Boulevard, San Rafael, California, is appointed to be the Fund Administrator to oversee the administration of claims, procedures, and distributions of the URI Fair Fund as provided in this Order.