

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE TO  
(RULE 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR SECTION 13(e)(1)  
OF THE SECURITIES EXCHANGE ACT OF 1934

CREDIT ACCEPTANCE CORPORATION  
(Name of Subject Company (Issuer))  
CREDIT ACCEPTANCE CORPORATION  
(Name of Filing Person (Offeror))  
COMMON STOCK, PAR VALUE \$.01 PER SHARE  
(Title of Class Securities)  
225310-10-1  
(CUSIP Number of Class of Securities)

CHARLES A. PEARCE  
VICE PRESIDENT -- GENERAL COUNSEL AND CORPORATE SECRETARY  
CREDIT ACCEPTANCE CORPORATION  
25505 WEST TWELVE MILE ROAD, SUITE 3000  
SOUTHFIELD, MI 48034-8339  
(248) 353-2700

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications on Behalf of Filing Persons)  
WITH A COPY TO:

MARK A. METZ, ESQ.  
DYKEMA GOSSETT PLLC  
400 RENAISSANCE CENTER  
DETROIT, MI 48243  
(313) 568-6800

CALCULATION OF FILING FEE

TRANSACTION

VALUATION\*.....  
\$44,200,000 -

AMOUNT OF

FILING

FEE\*\*.....  
\$3,576 -

\* Estimated for purposes of calculating the amount of the filing fee only. The amount assumes the purchase of a total of 2,600,000 shares of the outstanding common stock at a price of \$17.00 per share in cash.

\*\* The amount of the filing fee equals \$80.90 per \$1 million of the transaction value and is estimated in accordance with Rule 0-11 under the Securities Exchange Act of 1934.

[ ] Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A  
Form or Registration No.: N/A  
Filing Party: N/A  
Date Filed: N/A

[ ] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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This Tender Offer Statement on Schedule T0 ("Schedule T0") relates to the offer by Credit Acceptance Corporation, a Michigan corporation ("CAC"), to purchase up to 2,600,000 shares of its Common Stock, par value \$.01 per share (the "Shares"), at a price between \$12.50 and \$17.00 per Share, net to the seller in cash, without interest. The tender offer is being made upon and subject to the terms and conditions set forth in the Offer to Purchase, dated November 26, 2003 (the "Offer to Purchase"), and the related Letter of Transmittal (the "Letter of Transmittal"), which together, as each may be amended or supplemented from time to time, constitute the "Offer."

This Tender Offer Statement on Schedule T0 is intended to satisfy the reporting requirements of Rule 13e-4 under the Securities Exchange Act of 1934, as amended. The information contained in the Offer to Purchase and the Letter of Transmittal, copies of which are attached to this Schedule T0 as Exhibits (a)(1)(i) and (a)(1)(ii), respectively, is incorporated herein by reference in response to all of the items of this Schedule T0 as more particularly described below. Capitalized terms used herein but not otherwise defined have the meaning ascribed to such terms in the Offer to Purchase.

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the section of the Offer to Purchase captioned "Summary Term Sheet" is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The name of the issuer is Credit Acceptance Corporation. The address of CAC's principal executive offices is 25505 West Twelve Mile Road, Suite 3000, Southfield, MI 48034-8339. CAC's telephone number is (248) 353-2700.

(b) The information set forth in the section of the Offer to Purchase captioned "Section 11 -- Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares" is incorporated herein by reference.

(c) The information set forth in the section of the Offer to Purchase captioned "Section 8 -- Price Range of Shares; Dividends" is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) This Tender Offer Statement is filed by CAC, the subject company. CAC's business address is 25505 West Twelve Mile Road, Suite 3000, Southfield, MI 48034-8339. CAC's business telephone number is (248) 353-2700.

Pursuant to Instruction C to Schedule T0, the following persons are the directors and/or executive officers of CAC:

NAME POSITION -  
-----

Donald A  
Foss.....  
Director,  
Chairman of  
Board Brett A.  
Roberts.....  
Director, Chief  
Executive  
Officer Michael  
W. Knoblauch....  
Chief Operating  
Officer Keith P.  
McCluskey.....  
President David  
S.  
Simmet.....  
Chief  
Information  
Officer Douglas  
W. Busk.....  
Treasurer and  
Chief Financial  
Officer Vice  
President --  
General Counsel  
and Corporate  
Charles A.  
Pearce.....

Secretary Steven  
M.  
Jones.....  
Chief  
Administrative  
Officer Harry E.  
Craig.....  
Director Sam M.  
Lafata.....  
Director Daniel  
P.  
Leff.....  
Director Thomas  
N.  
Tryforos.....  
Director

The business address and telephone number of each of the above directors and executive officers is c/o Credit Acceptance Corporation, 25505 West Twelve Mile Road, Suite 3000, Southfield, MI 48034-8339, telephone number (248) 353-2700. Mr. Lafata has given notice that he is retiring from the Board as of November 28, 2003.

ITEM 4. TERMS OF THE TRANSACTION.

(a) The information set forth in the sections of the Offer to Purchase captioned "Summary Term Sheet," "Section 1 -- Number of Shares; Proration," "Section 3 -- Procedures for Tendering Shares," "Section 4 -- Withdrawal Rights," "Section 5 -- Purchase of Shares and Payment of Purchase Price" and "Section 13 -- U.S. Federal Income Tax Consequences" and in the Letter of Transmittal is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase captioned "Section 2 -- Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals -- Purpose of the Tender Offer" is incorporated herein by reference.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(e) The information set forth in the section of the Offer to Purchase captioned "Section 11 -- Interest of Directors and Executive Officers; Transactions and Agreements Concerning Shares" is incorporated herein by reference.

ITEM 6. PURPOSE OF THE TRANSACTION AND PLANS OR PROPOSALS.

(a) The information set forth in the section of the Offer to Purchase captioned "Section 2 -- Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals -- Purpose of the Tender Offer" is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase captioned "Section 2 -- Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals -- Certain Effects of the Tender Offer" is incorporated herein by reference.

(c) The information set forth in the section of the Offer to Purchase captioned "Section 2 -- Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals -- Plans and Proposals" is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) The information set forth in the section of the Offer to Purchase captioned "Section 9 -- Source and Amount of Funds" is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase captioned "Section 9 -- Source and Amount of Funds" is incorporated herein by reference.

(d) The information set forth in the section of the Offer to Purchase captioned "Section 9 -- Source and Amount of Funds" is incorporated herein by reference.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) The information set forth in the section of the Offer to Purchase captioned "Section 11 -- Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares" is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase captioned "Section 11 -- Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares" is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) The information set forth in the section of the Offer to Purchase captioned "Section 15 -- Fees and Expenses" is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

Not applicable.

ITEM 11. ADDITIONAL INFORMATION.

(a) The information set forth in the sections of the Offer to Purchase captioned "Section 11 -- Interest of Directors and Executive Officers; Transactions and Agreements Concerning Shares -- Agreements, Arrangements or Understandings" and "Section 12 -- Legal Matters; Regulatory Approvals" is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase and the related Letter of Transmittal is incorporated herein by reference.

ITEM 12. EXHIBITS.

- (a)(1)(i) Offer to Purchase.
- (a)(1)(ii) Letter of Transmittal.
- (a)(5)(i) Notice of Guaranteed Delivery.
- (a)(5)(ii) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(5)(iii) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(5)(iv) Form of Letter to Participants in the CAC 401(k) Profit Sharing Plan and Trust.
- (a)(5)(v) Press release dated November 26, 2003 announcing the commencement of the offer.
- (b)(i) Second Amended and Restated Credit Agreement, dated as of June 9, 2003, among CAC, certain of CAC's subsidiaries, Comerica Bank, as Administrative Agent and Collateral Agent, and the banks signatory thereto (incorporated by reference to CAC's Form 10-Q for the period ended June 30, 2003).
- (d)(1) Credit Acceptance Corporation 1992 Stock Option Plan, as amended and restated May 1999 (incorporated by reference to CAC's Form 10-Q for the period ended June 30, 1999).
- (d)(2) Credit Acceptance Corporation Director Stock Option Plan (incorporated by reference to CAC's Form 10-K for the year ended December 31, 2001).

ITEM 13. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not Applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CREDIT ACCEPTANCE CORPORATION

BY: /s/ BRETT A. ROBERTS

-----  
BRETT A. ROBERTS  
Chief Executive Officer

Dated: November 26, 2003

EXHIBIT INDEX

The following documents are filed as part of this report. Those exhibits previously filed and incorporated herein by reference are identified below. Exhibits not required for this report have been omitted. CAC's commission file number is 000-20202.

EXHIBIT NUMBER	DESCRIPTION - ----- -----
(a)(1)(i)	Offer to
Purchase. (a)	
(1)(ii)	Letter of
Transmittal.	
(a)(5)(i)	Notice of
Guaranteed	
Delivery. (a)	
(5)(ii)	Letter to
Brokers,	
Dealers,	
Commercial	
Banks, Trust	
Companies and	
Other	
Nominees. (a)	
(5)(iii)	Letter to
Clients for	
use by	
Brokers,	
Dealers,	
Commercial	
Banks, Trust	
Companies and	
Other	
Nominees. (a)	
(5)(iv)	Form
of Letter to	
Participants	
in the CAC	
401(k) Profit	
Sharing Plan	
and Trust.	
(a)(5)(v)	Press release
dated	
November 26,	
2003	
announcing	
the	
commencement	
of the offer.	
(b)(i)	Second
Amended and	
Restated	
Credit	
Agreement,	
dated as of	
June 9, 2003,	
among CAC,	
certain of	
CAC's	
subsidiaries,	
Comerica	
Bank, as	
Administrative	
Agent and	
Collateral	
Agent, and	
the banks	
signatory	
thereto	

(incorporated by reference to CAC's Form 10-Q for the period ended June 30, 2003). (d)(1)  
Credit  
Acceptance  
Corporation  
1992 Stock  
Option Plan,  
as amended  
and restated  
May 1999

(incorporated by reference to CAC's Form 10-Q for the period ended June 30, 1999).

(d)(2)  
Credit  
Acceptance  
Corporation  
Director  
Stock Option  
Plan  
(incorporated by reference to CAC's Form 10-K for the year ended December 31, 2001).

OFFER TO PURCHASE FOR CASH  
BY

CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 2,600,000 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE NOT GREATER THAN \$17.00  
NOR LESS THAN \$12.50 PER SHARE

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, JANUARY 6, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

Credit Acceptance Corporation, a Michigan corporation ("CAC"), is offering to purchase for cash up to 2,600,000 shares of its common stock, par value \$.01 per share, upon the terms and subject to the conditions set forth in this offer to purchase and the related letter of transmittal (which together, as they may be amended and supplemented from time to time, constitute the tender offer). Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, par value \$.01 per share, of CAC.

On the terms and subject to the conditions of the tender offer, we will determine the single per share price, not greater than \$17.00 nor less than \$12.50 per share, net to you in cash, without interest, that we will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares so tendered and the prices specified by the tendering shareholders. All shares acquired in the tender offer will be acquired at the same price. We will select the lowest purchase price that will allow us to purchase 2,600,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$17.00 nor less than \$12.50 per share. Only shares properly tendered at prices at or below the purchase price and not properly withdrawn will be purchased, on the terms and subject to the conditions of the tender offer. However, because of the "odd lot" priority, proration and conditional tender provisions described in this document, all of the shares tendered at or below the purchase price may not be purchased if more than the number of shares we seek are properly tendered. Shares not purchased in the tender offer will be returned to the tendering shareholders at our expense promptly after the expiration of the tender offer. See Section 1. To tender shares properly, you must properly complete and duly execute the letter of transmittal, including the section relating to the price at which you are tendering your shares.

We reserve the right, in our sole discretion, to purchase more than 2,600,000 shares in the tender offer, subject to applicable law.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

Our shares are listed and traded on the Nasdaq National Market under the symbol "CACC." On November 25, 2003, the last trading day prior to the commencement of the tender offer, the closing price of our shares on the Nasdaq National Market was \$13.83 per share. YOU ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES BEFORE DECIDING WHETHER AND AT WHICH PURCHASE PRICE OR PURCHASE PRICES TO TENDER YOUR SHARES. SEE SECTION 8.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER WE NOR OUR BOARD OF DIRECTORS OR INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS

TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOUR SHARES SHOULD BE TENDERED.

OUR DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED US THAT THEY DO NOT INTEND TO TENDER ANY SHARES IN THE TENDER OFFER. SEE SECTION 11.

Questions and requests for assistance may be directed to Georgeson Shareholder Communications, Inc., the information agent for the tender offer, at its address and telephone number set forth on the back cover page of this offer to purchase. Requests for additional copies of this offer to purchase, the letter of transmittal or the notice of guaranteed delivery, or any document incorporated herein by reference, may be directed to the information agent.

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November 26, 2003

IMPORTANT

If you wish to tender all or any part of your shares, you should either (1)(a) complete and sign a letter of transmittal, or a facsimile of it, according to the instructions in the letter of transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, to Computershare Trust Company of New York, the depositary for the tender offer, and mail or deliver the share certificates to the depositary together with any other documents required by the letter of transmittal, or (b) tender the shares according to the procedure for book-entry transfer described in Section 3, or (2) request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that person if you desire to tender your shares. If you desire to tender your shares and (1) your share certificates are not immediately available or cannot be delivered to the depositary, (2) you cannot comply with the procedure for book-entry transfer, or (3) your other required documents cannot be delivered to the depositary by the expiration of the tender offer, you must tender your shares according to the guaranteed delivery procedure described in Section 3.

If you wish to maximize the chance that your shares will be purchased by us, you should check the box in the section of the letter of transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer." You should understand that this election could result in your shares being purchased at the minimum price of \$12.50 per share.

The tender offer is not being made to (nor will any tender of shares be accepted from or on behalf of) holders in any jurisdiction in which the making of the tender offer or the acceptance of any tender of shares therein would not be in compliance with the laws of such jurisdiction. However, we may, at our discretion, take such action as we may deem necessary for us to make the tender offer in any such jurisdiction and extend the tender offer to holders in such jurisdiction.

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the tender offer or as to the price or prices at which you may choose to tender your shares. We have not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this document or in the letter of transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by us.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights the most material information in this document, but you should understand that it does not describe all of the details of the tender offer to the same extent described in this document. We urge you to read the entire document and the related letter of transmittal because they contain the full details of the tender offer. We have included references to the sections of this document where you will find a more complete discussion.

Who is offering to purchase my shares?.....

Credit Acceptance Corporation, which we refer to as "we," "us" or "CAC," is offering to purchase shares of its common stock, par value \$.01 per share, in a tender offer.

What will the purchase price for the shares be and what will be the form of payment?.....

We are conducting the tender offer through a procedure commonly called a modified "Dutch Auction." This procedure allows you to select the price within a price range specified by us at which you are willing to sell your shares. The price range for the tender offer is \$12.50 to \$17.00 per share. We will select the lowest purchase price that will allow us to buy 2,600,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not properly withdrawn. All shares we purchase will be purchased at the same purchase price, even if you have selected a lower purchase price, but we will not purchase any shares above the purchase price selected by us. If you wish to maximize the chance that your shares will be purchased, you should check the box under the caption "Shares Tendered at Price Determined Under the Tender Offer" in the letter of transmittal indicating that you will accept the purchase price selected by us. You should understand that this election could result in your shares being purchased at the minimum price of \$12.50 per share. If your shares are purchased in the tender offer, you will be paid the purchase price in cash, without interest, promptly after the expiration of the tender offer. Under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment. See Section 1.

How many shares will CAC purchase?.....

We will purchase 2,600,000 shares validly tendered in the tender offer, or such fewer number of shares as are properly tendered and not properly withdrawn prior to the expiration date. 2,600,000 shares represents approximately 6.2% of our outstanding common stock. We also expressly reserve the right to purchase an additional number of shares not to exceed 2% of the outstanding shares, and could decide to purchase more shares, subject to applicable legal requirements. As of November 25, 2003, there were 42,010,005 shares issued and outstanding. See Section 1. The tender offer is not conditioned on any minimum number of shares being tendered. See Section 7.

Why is CAC making the tender offer?.....

We believe that the tender offer is a prudent use of our financial resources given our business profile, assets and current market price, and that investing in our own shares is an attractive use of

capital and an efficient means to provide value to our shareholders. The tender offer also will provide increased liquidity to holders of shares and the opportunity for holders to sell shares without the usual transaction costs associated with open market sales. On November 20, 2003, the CAC Board of Directors authorized CAC to enter into the tender offer and approved spending up to \$45.0 million to repurchase the shares tendered. Depending on market conditions and the availability of capital, CAC's board may authorize additional repurchases pursuant to one or more tender offers. See Section 2. Pursuant to existing Board authority, management is also authorized to purchase an additional 500,000 shares in the future. However, further purchases prior to June 2004 may require the consent of the lenders under CAC's revolving credit facility.

How will CAC pay for the shares?.....

Assuming we purchase 2,600,000 shares in the tender offer at the maximum specified purchase price of \$17.00 per share, \$44.2 million will be required to purchase such shares. We anticipate that we will obtain all of the funds necessary to purchase shares tendered in the tender offer, and to pay related fees and expenses, from existing cash reserves and by borrowing under our \$135 million secured revolving credit facility. The tender offer is not conditioned upon the receipt of financing. See Sections 7 and 9.

Can I tender part of my shares at different prices?.....

Yes, you can elect to tender part of your shares at one price and an additional amount of shares at a second price. However, you cannot tender the same shares at different prices. If you tender some shares at one price and other shares at another price, you must use a separate letter of transmittal for each price. See Section 3.

How long do I have to tender my shares?.....

You may tender your shares until the tender offer expires. The tender offer will expire on Tuesday, January 6, 2004, at 5:00 p.m., New York City time, unless we extend it. See Section 1. We may choose to extend the tender offer for any reason, subject to applicable laws. See Section 14.

How will I be notified if CAC extends the tender offer?.....

We will issue a press release by 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date if we decide to extend the tender offer. See Section 14.

What will happen if I do not tender my shares?.....

Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in us and thus in our future earnings and assets, subject to our right to issue additional shares of common stock and other equity securities in the future. See Section 2.

Are there any conditions to the tender offer?.....

Yes. Our obligation to accept and pay for your tendered shares depends upon a number of conditions, including:

- No legal action shall be pending, or shall have been threatened or taken, that might adversely affect the tender offer.
- No commencement or escalation of a war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism.
- No significant decrease in the price of our common stock or in the price of equity securities generally and no adverse changes in the U.S. stock markets or credit markets shall have occurred during the tender offer.
- No one shall have proposed, announced or made a tender or exchange offer (other than this tender offer), merger, business combination or other similar transaction involving us.
- No one (including certain groups) shall have acquired, or proposed to acquire, beneficial ownership of more than 5% of the outstanding shares (other than anyone who publicly disclosed such ownership in a filing with the Securities and Exchange Commission prior to November 25, 2003). In addition, no new group shall have been formed which beneficially owns more than 5% of the outstanding shares. Finally, no one shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or made a public announcement reflecting an intent to acquire us or any of our subsidiaries or any of our respective assets or securities.
- No material adverse change in our business, condition (financial or otherwise), assets, income, operations, prospects or stock ownership shall have occurred during the tender offer. See Section 7.

How do I tender my shares?....

To tender your shares, prior to 5:00 p.m., New York City time, on Tuesday, January 6, 2004 (unless the tender offer is extended):

- you must deliver your share certificate(s) and a properly completed and duly executed letter of transmittal to the depository at the address appearing on the back cover page of this document; or
- the depository must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed letter of transmittal; or
- you must comply with the guaranteed delivery procedure.

If your shares are held through a broker, dealer, commercial bank or other nominee, you must request such broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. You may also contact the information agent

for assistance. See Section 3 and the instructions to the related letter of transmittal.

Shares held in the CAC 401(k) Profit Sharing Plan and Trust may be tendered at the discretion of ABN AMRO Trust Services Company, the trustee for the plan and owner of the shares.

Once I have tendered shares in the tender offer, can I withdraw my tender?.....

You may withdraw any shares you have tendered at any time before 5:00 p.m., New York City time, on Tuesday, January 6, 2004, unless we extend the tender offer, in which case you may withdraw tendered shares until the tender offer, as so extended, expires. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after January 26, 2004. See Section 4.

How do I withdraw shares I previously tendered?.....

You must deliver, on a timely basis, a written, telegraphic or facsimile notice of your withdrawal to the depositary at the address appearing on the back cover page of this document. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of these shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the depositary or if your shares have been tendered under the procedure for book-entry transfer set forth in Section 3. See Section 4.

Has CAC or its board of directors adopted a position on the tender offer?.....

Our board of directors has approved the tender offer. However, neither we nor our board of directors makes any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the price or prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which your shares should be tendered. See Section 2.

Will CAC's directors and executive officers tender shares in the tender offer?...

Our directors and executive officers have advised us that they do not plan to tender any shares in the tender offer. See Section 11.

Following the tender offer, will CAC continue as a public company?.....

We do not believe that our purchase of shares in the tender offer will cause our remaining shares to be delisted from the Nasdaq National Market or cause us to be eligible for deregistration under the Securities Exchange Act of 1934. It is a condition of our obligation to purchase shares pursuant to the tender offer that there not be any reasonable likelihood, as determined by us in our reasonable judgment, that these events will occur. See Section 7.

What happens if more than 2,600,000 shares are tendered in the tender offer?.....

We will purchase shares:

- first, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration date;
- second, after purchasing the shares from the "odd lot" holders, from all other shareholders who properly tender shares at or below the purchase price selected by us, on a pro rata basis, subject to the conditional tender provisions described in Section 6; and
- third, only if necessary to permit us to purchase 2,600,000 shares, from holders who have tendered shares subject to the condition that a specified minimum number of the holder's shares be purchased if any shares are purchased in the tender offer as described in Section 6 (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares. Therefore, all of the shares that you tender on a conditional basis in the tender offer may not be purchased even if they are tendered at or below the purchase price. See Section 1.

When will CAC pay for the shares I tender?.....

We will pay the purchase price, net to you in cash, without interest, for the shares we purchase promptly after the expiration of the tender offer and the acceptance of the shares for payment. In the event of proration, we do not expect to be able to commence payment for shares until approximately five business days after the expiration date. See Section 5.

What is the recent market price of my CAC shares?.....

On November 25, 2003, the last trading day prior to the commencement of the tender offer, the closing price of our shares on the Nasdaq National Market was \$13.83 per share. You are urged to obtain current market quotations for the shares before deciding whether and at which purchase price or purchase prices to tender your shares. See Section 8.

Will I have to pay brokerage commissions if I tender my shares?.....

If you are a registered shareholder and you tender your shares directly to the depositary, you will not incur any brokerage commissions. If you hold shares through a broker or bank, we urge you to consult your broker or bank to determine whether transaction costs are applicable. See Section 1 and Section 3.

What are the U.S. federal income tax consequences if I tender my shares?.....

Generally, you will be subject to U.S. federal income taxation when you receive cash from us in exchange for the shares you tender. In addition, the receipt of cash for your tendered shares will be treated either as (1) a sale or exchange eligible for

capital gains treatment, or (2) a dividend. Non-United States holders are urged to consult their tax advisors regarding the application of U.S. federal income tax withholding and backup withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure. See Section 13.

Will I have to pay any stock transfer tax if I tender my shares?.....

If you instruct the depository in the letter of transmittal to make the payment for the shares to the registered holder, you will not incur any stock transfer tax. See Section 5.

Whom can I talk to if I have questions?.....

The information agent can help answer your questions. The information agent is Georgeson Shareholder Communications, Inc. Its contact information is set forth on the back cover page of this document.

## FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this Offer to Purchase and in filings we have made with the Securities and Exchange Commission and may make such statements in future filings. We may also make forward-looking statements in our press releases or other public or shareholder communications. Our forward-looking statements are subject to risks and uncertainties and include information about our expectations and possible or assumed future results of operations. When we use any of the words "believes," "expects," "anticipates," "estimates" or similar expressions, we are making forward-looking statements.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of our forward-looking statements. These forward-looking statements represent our outlook only as of the date of this report. While we believe that our forward-looking statements are reasonable, actual results could differ materially since the statements are based on our current expectations, which are subject to risks and uncertainties. Factors that might cause such a difference include the following:

- increased competition from traditional financing sources and from non-traditional lenders,
- our potential inability to continue to obtain financing on acceptable terms,
- our potential inability to generate sufficient cash flow to service our debt and fund our future operations,
- adverse changes in applicable laws and regulations,
- adverse changes in economic conditions,
- adverse changes in the automobile or finance industries or in the non-prime consumer finance market,
- our potential inability to maintain or increase the volume of loans,
- our potential inability to accurately forecast and estimate future collections and historical collection rates,
- our potential inability to accurately estimate the residual values of the lease vehicles,
- an increase in the amount or severity of litigation against us,
- the loss of key management personnel,
- the effect of terrorist attacks and potential attacks, and
- the effect of war in Iraq.

Other factors not currently anticipated by management may also materially and adversely affect our results of operations. We do not undertake, and expressly disclaim any obligation, to update or alter our forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law. In addition, please refer to our reports on Form 10-K and Form 10-Q that are incorporated herein by reference for information on these and other risk factors. See Section 10.

## THE TENDER OFFER

### SECTION 1. NUMBER OF SHARES; PRORATION

GENERAL. Upon the terms and subject to the conditions of the tender offer, CAC will purchase 2,600,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the scheduled expiration date of the tender offer, at prices not greater than \$17.00 nor less than \$12.50 per share, net to the seller in cash, without interest.

The term "expiration date" means 5:00 p.m., New York City time, on Tuesday, January 6, 2004, unless and until CAC, in its sole discretion, shall have extended the period of time during which the tender offer will remain open, in which event the term "expiration date" shall refer to the latest time and date at which the tender offer, as so extended by CAC, shall expire. See Section 14 for a description of CAC's right to extend, delay, terminate or amend the tender offer. In accordance with the rules of the Securities and Exchange Commission, CAC may, and CAC expressly reserves the right to, purchase under the tender offer an additional number of shares not to exceed 2% of the outstanding shares without amending or extending the tender offer. See Section 14. In the event of an over-subscription of the tender offer as described below, shares tendered at or below the purchase price will be subject to proration, except for odd lots. Except as described herein, withdrawal rights expire on the expiration date.

If (1)(a) CAC increases the price to be paid for shares above \$17.00 per share or decreases the price to be paid for shares below \$12.50 per share, (b) CAC increases the number of shares being sought in the tender offer and the increase exceeds 2% of the outstanding shares, or (c) CAC decreases the number of shares being sought, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of any increase or decrease is first published, sent or given in the manner specified in Section 14, the tender offer will be extended until the expiration of ten business days from the date that notice of any increase or decrease is first published. For the purposes of the tender offer, a "business day" means any day other than a Saturday, Sunday or U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. See Section 7.

In accordance with Instruction 5 of the related letter of transmittal, shareholders desiring to tender shares must specify the price or prices, not greater than \$17.00 nor less than \$12.50 per share, at which they are willing to sell their shares to CAC under the tender offer. Alternatively, shareholders desiring to tender shares can choose not to specify a price and, instead, specify that they will sell their shares at the purchase price ultimately paid for shares properly tendered and not properly withdrawn in the tender offer, which could result in the tendering shareholder receiving a price per share as low as \$12.50 or as high as \$17.00. Promptly following the expiration date, CAC will, in its sole discretion, determine the purchase price that it will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering shareholders. CAC will select the lowest purchase price, not greater than \$17.00 nor less than \$12.50 per share, net to the seller in cash, without interest, that will enable it to purchase 2,600,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in the tender offer.

Only shares properly tendered at or below the purchase price and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the odd lot priority, proration and conditional tender provisions of the tender offer, all of the shares tendered at or below the purchase price will not be purchased if more than the number of shares CAC seeks are properly tendered at or below the purchase price. All shares tendered and not purchased under the tender offer, including shares tendered at prices greater than the purchase price and shares not purchased because of proration or conditional tenders, will be returned to the tendering shareholders at CAC's expense promptly after the expiration date. By following the instructions to the letter of transmittal, shareholders can specify one minimum price for a specified portion of their shares and a different minimum price for other specified

shares, but a separate letter of transmittal must be submitted for shares tendered at each price. Shareholders also can specify the order in which the specified portions will be purchased in the event that, as a result of the proration provisions or otherwise, some but not all of the tendered shares are purchased pursuant to the tender offer. In the event a shareholder does not designate the order and fewer than all shares are purchased due to proration, the order of shares purchased will be selected by the depositary.

If the number of shares properly tendered at or below the purchase price and not properly withdrawn prior to the expiration date is fewer than or equal to 2,600,000 shares, or such greater number of shares as CAC may elect to purchase, subject to applicable law, CAC will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

**PRIORITY OF PURCHASES.** Upon the terms and subject to the conditions of the tender offer, if greater than 2,600,000 shares, or such greater number of shares as CAC may elect to purchase, subject to applicable law, have been properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date, CAC will purchase properly tendered shares on the basis set forth below:

(1) First, CAC will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any odd lot holder (as defined below) who:

(a) tenders all shares owned beneficially or of record by that odd lot holder at a price at or below the purchase price (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference); and

(b) completes the section entitled "Odd Lots" in the related letter of transmittal and, if applicable, in the notice of guaranteed delivery.

(2) Second, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6, CAC will purchase all other shares properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date, on a pro rata basis.

(3) Third, only if necessary to permit us to purchase 2,600,000 shares (or such greater number of shares as CAC may elect to purchase), CAC will purchase shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that fewer than all shares tendered by a shareholder will be purchased or that, if a tender is conditioned upon the purchase of a specified number of shares, none of those shares will be purchased even though those shares were tendered at prices at or below the purchase price.

**ODD LOTS.** For purposes of the tender offer, the term "odd lots" shall mean all shares properly tendered prior to the expiration date at prices at or below the purchase price and not properly withdrawn by any person, referred to as an "odd lot holder," who owns beneficially or of record an aggregate of fewer than 100 shares and so certifies in the appropriate place on the letter of transmittal and, if applicable, on the notice of guaranteed delivery. To qualify for this preference, an odd lot holder must tender all shares owned beneficially or of record by the odd lot holder in accordance with the procedures described in Section 3. As set forth above, odd lots will be accepted for payment before proration, if any, of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts or share certificates representing fewer than 100 shares. By accepting the tender offer, an odd lot holder who holds shares in its name and tenders its shares directly to the depositary would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the odd lot holder's shares. Any odd lot holder wishing to tender all of its shares pursuant to the tender offer should

complete the section entitled "Odd Lots" in the letter of transmittal and, if applicable, in the notice of guaranteed delivery.

PRORATION. If proration of tendered shares is required, CAC will determine the proration factor as soon as practicable following the expiration date. Proration for each shareholder tendering shares, other than odd lot holders, shall be based on the ratio of the number of shares properly tendered and not properly withdrawn by the shareholder to the total number of shares properly tendered and not properly withdrawn by all shareholders, other than odd lot holders, at or below the purchase price, subject to conditional tenders. Because of the difficulty in determining the number of shares properly tendered, including shares tendered by guaranteed delivery procedures, as described in Section 3, and not properly withdrawn, and because of the odd lot procedure described above and the conditional tender procedure described in Section 6, CAC does not expect that it will be able to announce the final proration factor or commence payment for any shares purchased under the tender offer until five business days after the expiration date. The preliminary results of any proration will be announced by press release promptly after the expiration date. Shareholders may obtain preliminary proration information from the information agent and may be able to obtain this information from their brokers.

As described in Section 13, the number of shares that CAC will purchase from a shareholder under the tender offer may affect the U.S. federal income tax consequences to that shareholder and, therefore, may be relevant to that shareholder's decision whether or not to tender shares. The letter of transmittal affords each shareholder who tenders shares registered in such shareholder's name directly to the depository the opportunity to designate the order of priority in which shares tendered are to be purchased in the event of proration as well as the ability to condition such tender on a minimum number of shares being purchased. See Section 6.

This offer to purchase and the related letter of transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on CAC's shareholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

## SECTION 2. PURPOSE OF THE TENDER OFFER; CERTAIN EFFECTS OF THE TENDER OFFER; PLANS AND PROPOSALS

PURPOSE OF THE TENDER OFFER. CAC's management and its board of directors have evaluated CAC's operations, strategy and expectations for the future and believe that the tender offer is a prudent use of CAC's financial resources given its business profile, assets and current market price. CAC believes that its current financial resources and debt capacity exceed the financial requirements of its business.

CAC believes that the modified "Dutch Auction" tender offer set forth herein represents a mechanism to provide all shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of CAC's capital if they so elect. This format of repurchase provides a method for shareholders not participating to increase their relative percentage interest in CAC and its future operations at no additional cost. As a result, the board of directors believes that investing in CAC's own shares in this manner is an attractive use of capital and an efficient means to provide value to shareholders. The tender offer also provides shareholders (particularly those who, because of the size of their stockholdings, might not be able to sell their shares without potential disruption to the share price) with an opportunity to obtain liquidity with respect to their shares, without potential disruption to the share price and the usual transaction costs associated with market sales.

CAC has previously repurchased shares as a means of increasing shareholder value. In 1999, CAC began acquiring shares of its common stock in connection with a stock repurchase program announced in August 1999. That program authorized CAC to purchase up to 1.0 million common shares on the open market or pursuant to negotiated transactions at price levels CAC deems attractive. On each of February 7, 2000, June 7, 2000, July 13, 2000, November 10, 2000, and May 20, 2002, CAC's Board of Directors authorized increases in CAC's stock repurchase program of an additional 1.0 million shares. As of November 20, 2003, CAC has repurchased approximately 5.5 million shares of the 6.0 million shares

authorized to be repurchased under this program at a cost of \$32.5 million. The 6.0 million shares, which can be repurchased through the open market or in privately negotiated transactions, represent approximately 13.0% of the shares outstanding at the beginning of the program. On November 20, 2003, the CAC Board of Directors authorized CAC to enter into the tender offer and approved spending up to \$45 million to repurchase shares tendered. Depending on market conditions and the availability of capital, CAC's board may authorize additional repurchases, including repurchases pursuant to one or more tender offers.

After the tender offer is completed, CAC believes that its anticipated cash flow from operations, access to credit facilities and capital markets and financial condition will be adequate for its needs. Depending on the number of shares purchased in the tender offer, the result and prospects of CAC's business, prevailing economic and market conditions and the market price of the shares, CAC may continue its previously authorized repurchase program subsequent to the termination of the tender offer. However, Rule 13e-4 under the Securities Exchange Act of 1934, referred to herein as the "Exchange Act," prohibits CAC and its affiliates from purchasing any shares, other than in the tender offer, until at least 10 business days after the expiration date. In addition, further repurchases prior to June 2004 may require the consent of the lenders under CAC's revolving credit facility.

Neither CAC, the CAC Board of Directors nor the information agent makes any recommendation to any shareholder as to whether to tender or refrain from tendering any shares or as to the price or prices at which shareholders may choose to tender their shares. CAC has not authorized any person to make any recommendation. Shareholders should carefully evaluate all information in the tender offer, should consult their own investment and tax advisors, and should make their own decisions about whether to tender shares, and, if so, how many shares to tender and the price or prices at which to tender.

CAC's directors and executive officers have advised CAC that they do not intend to tender any shares in the tender offer. See Section 11.

**CERTAIN EFFECTS OF THE TENDER OFFER.** Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in CAC and thus in CAC's future earnings and assets, subject to CAC's right to issue additional shares of common stock and other equity securities in the future. Shareholders may be able to sell non-tendered shares in the future on the Nasdaq National Market or otherwise, at a net price higher or lower than the purchase price in the tender offer. CAC can give no assurance, however, as to the price at which a shareholder may be able to sell his or her shares in the future, which price may be higher or lower than the purchase price paid in the tender offer.

Shares that CAC acquires pursuant to the tender offer will be cancelled and will have the status of authorized but unissued shares.

The purchase of shares in the tender offer will reduce the number of shares that might otherwise trade publicly and is likely to reduce the number of CAC shareholders. As of November 25, 2003, there were 42,010,005 shares issued and outstanding. Assuming CAC acquires 2,600,000 shares in the tender offer, 39,410,005 shares will be outstanding immediately after the tender offer. This may reduce the volume of trading in the shares and make it more difficult to buy or sell significant amounts of the shares without materially affecting the market price. Nonetheless, CAC anticipates that there will be a sufficient number of shares outstanding and publicly traded following consummation of the tender offer to ensure a continued trading market for the shares.

CAC does not believe that the purchase of shares in the tender offer will cause the remaining shares to be delisted from the Nasdaq National Market. The tender offer is conditioned upon there not being any reasonable likelihood, in CAC's reasonable judgment, that the consummation of the tender offer and the purchase of shares will cause the shares to be delisted from the Nasdaq National Market. See Section 7.

The shares are registered under the Exchange Act, which requires, among other things, that CAC furnish information to its shareholders and to the Securities and Exchange Commission and comply with the Securities and Exchange Commission's proxy rules in connection with meetings of shareholders. CAC believes that the purchase of shares pursuant to the tender offer will not result in the shares becoming

eligible for deregistration under the Exchange Act. The tender offer is conditioned upon there not being any reasonable likelihood, in CAC's reasonable judgment, that the consummation of the tender offer and the purchase of shares will cause its common stock to be eligible for deregistration under the Exchange Act. See Section 7.

The shares are currently "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using the shares as collateral. CAC believes that, following the purchase of the shares pursuant to the tender offer, the shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin rules and regulations.

PLANS AND PROPOSALS. Except as disclosed elsewhere in this offer to purchase, or as may occur in the ordinary course of its business, CAC currently has no plans or proposals that relate to or would result in:

- an extraordinary transaction, such as a merger, reorganization or liquidation, involving CAC or any of its subsidiaries;
- a purchase, sale or transfer of a material amount of CAC's assets or any of its subsidiaries' assets;
- any material change in CAC's present dividend rate or policy, indebtedness or capitalization;
- any change in CAC's present board of directors or management, including, but not limited to, any plans or proposals to change the number or the term of directors, or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer;
- any other material change in CAC's corporate structure or business;
- a class of CAC's equity security being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotations system of a registered national securities association;
- a class of CAC's equity securities becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act;
- the suspension of CAC's obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- the acquisition by any person of additional securities of CAC, or the disposition of securities by CAC; or
- any changes in CAC's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of CAC.

CAC reserves the right to change its plans and intentions at any time, as it deems appropriate.

### SECTION 3. PROCEDURES FOR TENDERING SHARES

PROPER TENDER OF SHARES. For shares to be tendered properly under the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an "agent's message" (as defined below) or a specific acknowledgement in the case of a tender through the Automated Tender Offer Program (as described below) of The Depository Trust Company, referred to as the "book-entry transfer facility," and any other documents required by the letter of transmittal, must be received before 5:00 p.m., New York City time, on the expiration date by the depository at its address set forth on the back cover page of this offer to purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth below. In accordance with Instruction 5 of the letter of transmittal, shareholders desiring to tender shares in the tender offer must properly indicate in the section captioned (1) "Shares Tendered at Price Determined by Shareholder" on the letter of transmittal the price (in increments of \$0.50) at which shares are being tendered, or (2) "Shares Tendered at Price Determined Under the Tender Offer" in the letter of transmittal that the shareholder will accept the purchase price determined by CAC in accordance

with the terms of the tender offer. Shareholders who desire to tender shares at more than one price must complete a separate letter of transmittal for each price at which shares are tendered, provided that the same shares cannot be tendered (unless properly withdrawn previously in accordance with Section 4) at more than one price. To tender shares properly, one and only one price box must be checked in the appropriate section in each letter of transmittal.

If tendering shareholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the letter of transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer." Note that this election could result in the tendered shares being purchased at the minimum price of \$12.50 per share.

If tendering shareholders wish to indicate a specific price (in increments of \$0.50) at which their shares are being tendered, they must check a box under the section captioned "Shares Tendered at Price Determined by Shareholder." Tendering shareholders should be aware that this election could mean that none of their shares will be purchased if they check a box other than the box representing the lowest price.

In addition, odd lot holders who tender all shares must complete the section captioned "Odd Lots" in the letter of transmittal and, if applicable, in the notice of guaranteed delivery, to qualify for the preferential treatment available to odd lot holders as set forth in Section 1.

Shareholders may tender shares subject to the condition that all or a specified minimum number of their shares be purchased. Any shareholder desiring to make such a conditional tender should so indicate in the box captioned "Conditional Tender" on the letter of transmittal. It is the tendering shareholder's responsibility to determine the minimum number of shares to be purchased. SHAREHOLDERS SHOULD CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS WITH RESPECT TO THE EFFECT OF PRORATION OF THE TENDER OFFER AND THE ADVISABILITY OF MAKING A CONDITIONAL TENDER. See Section 6 and Section 13.

Shareholders who hold shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if they tender shares through the brokers or banks and not directly to the depository.

**SIGNATURE GUARANTEES AND METHOD OF DELIVERY.** No signature guarantee is required: (1) if the letter of transmittal is signed by the registered holder of the shares (which term, for purposes of this Section 3, shall include any participant in book-entry transfer facility, whose name appears on a security position listing as the owner of the shares) tendered therewith and the holder has not completed either the box captioned "Special Delivery Instructions" or the box captioned "Special Payment Instructions" in the letter of transmittal, or (2) if shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act, as amended. See Instruction 1 of the letter of transmittal. If a share certificate is registered in the name of a person other than the person executing a letter of transmittal, or if payment is to be made to a person other than the registered holder, then the certificate must be endorsed or accompanied by an appropriate stock power, in either case signed exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an eligible guarantor institution.

In all cases, payment for shares tendered and accepted for payment under the tender offer will be made only after timely receipt by the depository of share certificates or a timely confirmation of the book-entry transfer of the shares into the depository's account at the book-entry transfer facility as described above, a properly completed and duly executed letter of transmittal or a manually signed facsimile thereof, an agent's message in the case of a book-entry transfer, or a specific acknowledgment in the case of a tender through the Automated Tender Offer Program ("ATOP"), and any other documents required by the letter of transmittal.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY

MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

**BOOK-ENTRY DELIVERY.** The depositary will establish an account with respect to the shares for purposes of the tender offer at the book-entry transfer facility within two business days after the date of this offer to purchase, and any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the shares by causing the book-entry transfer facility to transfer shares into the depositary's account in accordance with the book-entry transfer facility's procedures for transfer. Although delivery of shares may be effected through a book-entry transfer into the depositary's account at the book-entry transfer facility, either (1) a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an agent's message in the case of book-entry transfer or a specific acknowledgement in the case of a tender through ATOP, and any other required documents must, in any case, be transmitted to and received by the depositary at its address set forth on the back cover page of this offer to purchase before the expiration date, or (2) the guaranteed delivery procedure described below must be followed. Delivery of the letter of transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the depositary.

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the depositary, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of the letter of transmittal and that CAC may enforce such agreement against such participant.

Participants in the book-entry transfer facility may tender their shares in accordance with ATOP to the extent it is available to them for the shares they wish to tender. A shareholder tendering through ATOP must expressly acknowledge that the shareholder has received and agreed to be bound by the letter of transmittal and that the letter of transmittal may be enforced against that shareholder.

**FEDERAL BACKUP WITHHOLDING TAX.** Under the United States federal backup withholding tax rules, as amended by the Jobs and Growth Tax Reconciliation Act of 2003, 28% of the gross proceeds payable to a shareholder or other payee under the tender offer must be withheld and remitted to the United States Treasury, unless the shareholder or other payee provides such person's taxpayer identification number (employer identification number or social security number) to the depositary and certifies under penalties of perjury that such number is correct or otherwise establishes an exemption. If the depositary is not provided with the correct taxpayer identification number or another adequate basis for exemption, the holder may be subject to certain penalties imposed by the Internal Revenue Service. Therefore, each tendering shareholder should complete and sign the Substitute Form W-9 included as part of the letter of transmittal in order to provide the information and certification necessary to avoid backup withholding, unless such shareholder otherwise establishes to the satisfaction of the depositary that the shareholder is not subject to backup withholding. Specified shareholders (including, among others, all corporations and certain foreign shareholders (in addition to foreign corporations)) are exempted from the backup withholding and reporting requirements rules. In order for a foreign shareholder to qualify as an exempt recipient, that shareholder must submit an IRS Form W-8BEN, signed under penalties of perjury, attesting to that shareholder's exempt status. The applicable form can be obtained from the information agent. See Instructions 14 and 15 of the letter of transmittal.

To prevent federal backup withholding tax equal to 28% of the gross payments made to shareholders for shares purchased under the tender offer, each shareholder who does not otherwise establish an exemption from such withholding must provide the depositary with the shareholder's correct taxpayer identification number and provide other information by completing the substitute Form W-9 included with the letter of transmittal. For a discussion of United States federal income tax consequences to tendering shareholders, see Section 13.

**FEDERAL INCOME TAX WITHHOLDING ON FOREIGN SHAREHOLDERS.** Even if a foreign shareholder has provided the required certification as described in the preceding paragraph to avoid backup withholding,

the depositary will withhold United States federal income taxes at a rate of 30% of the gross payment payable to a foreign shareholder or his or her agent unless the depositary determines that an exemption from, or a reduced rate of, withholding tax is available under a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business of the foreign shareholder within the United States or that such proceeds are subject to capital gains treatment. For this purpose, a foreign shareholder is any shareholder that is not a "United States holder" (as defined in Section 13). In order to obtain a reduced rate of withholding under a tax treaty, a foreign shareholder must deliver to the depositary before the payment a properly completed and executed IRS Form W-8BEN or any other equivalent form. In order to obtain an exemption from withholding on the grounds that the gross proceeds paid under the tender offer are effectively connected with the conduct of a trade or business within the United States, a foreign shareholder must deliver to the depositary a properly completed and executed IRS Form W-8ECI or any other equivalent form. A foreign shareholder may be eligible to obtain a refund of all or a portion of any tax withheld if such shareholder satisfies one of the "Section 302 tests" for capital gain treatment described in Section 13 or is otherwise able to establish that no withholding or a reduced amount of withholding is due. Federal backup withholding generally will not apply to amounts subject to the 30% or a treaty-reduced rate of federal income tax withholding.

Foreign shareholders are urged to consult their tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a reduction of or an exemption from withholding tax, and the refund procedure. See Instructions 14 and 15 of the letter of transmittal.

**GUARANTEED DELIVERY.** If a shareholder desires to tender shares under the tender offer and the shareholder's share certificates are not immediately available or cannot be delivered to the depositary before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach the depositary before the expiration date, the shares may nevertheless be tendered, provided that all of the following conditions are satisfied:

- the tender is made by or through an eligible guarantor institution;
- the depositary receives by hand, mail, overnight courier, telegram or facsimile transmission, before the expiration date, a properly completed and duly executed notice of guaranteed delivery in the form CAC has provided with this document, specifying the price at which shares are being tendered, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such notice of guaranteed delivery; and
- the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the depositary's account at the book-entry transfer facility, together with a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent's message, and any other documents required by the letter of transmittal, are received by the depositary within three business days after the date of receipt by the depositary of the notice of guaranteed delivery.

**RETURN OF UNPURCHASED SHARES.** If any tendered shares are not purchased under the tender offer or are properly withdrawn before the expiration date, or if fewer than all shares evidenced by share certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the tender offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering shareholder at the book-entry transfer facility, in each case without expense to the shareholder.

**DETERMINATION OF VALIDITY; REJECTION OF SHARES; WAIVER OF DEFECTS; NO OBLIGATION TO GIVE NOTICE OF DEFECTS.** All questions as to the number of shares to be accepted, the price to be paid for shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by CAC, in its sole discretion, and CAC's determination will be final and binding on all parties. CAC reserves the absolute right to reject any or all tenders of any shares that it

determines are not in proper form or the acceptance for payment of or payment for which CAC determines may be unlawful. CAC also reserves the absolute right to waive any of the conditions of the tender offer or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder, and CAC's interpretation of the terms of the tender offer will be final and binding on all parties. In the event a condition is waived with respect to any particular shareholder, the same condition will be waived with respect to all shareholders. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering shareholder or waived by CAC. None of CAC, the depository, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any tender or incur any liability for failure to give this notification.

**TENDERING SHAREHOLDER'S REPRESENTATION AND WARRANTY; CAC'S ACCEPTANCE CONSTITUTES AN AGREEMENT.** A tender of shares under any of the procedures described above will constitute the tendering shareholder's acceptance of the terms and conditions of the tender offer, as well as the tendering shareholder's representation and warranty to CAC that (1) the shareholder has a net long position in the shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 promulgated by the Securities and Exchange Commission under the Exchange Act, and (2) the tender of shares complies with Rule 14e-4. It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the period during which shares are accepted by lot (including any extensions thereof), the person so tendering (1) has a net long position equal to or greater than the amount tendered in (a) the subject securities, or (b) securities immediately convertible into, or exchangeable or exercisable for, the subject securities, and (2) will deliver or cause to be delivered the shares in accordance with the terms of the tender offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. CAC's acceptance for payment of shares tendered under the tender offer will constitute a binding agreement between the tendering shareholder and CAC upon the terms and conditions of the tender offer.

**LOST OR DESTROYED CERTIFICATES.** Shareholders whose share certificate for part or all of their shares has been lost, stolen, misplaced or destroyed may contact the depository, Computershare Trust Company of New York, at (800) 245-7630 for instructions as to obtaining a replacement share certificate. That share certificate will then be required to be submitted together with the letter of transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond will be required to be posted by the shareholder to secure against the risk that the share certificates may be subsequently recirculated. Shareholders are urged to contact the depository immediately in order to permit timely processing of this documentation. Share certificates, together with a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, including any signature guarantees, or an agent's message, and any other required documents must be delivered to the depository and not to CAC or the information agent. Any such documents delivered to CAC or the information agent will not be forwarded to the depository and, therefore, will not be deemed to be properly tendered.

#### SECTION 4. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section 4, tenders of shares under the tender offer are irrevocable. Shares tendered under the tender offer may be withdrawn at any time prior to the expiration date and, unless previously accepted for payment by CAC under the tender offer, also may be withdrawn at any time after January 26, 2004.

For a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the depository at its address set forth on the back cover page of this offer to purchase. Any such notice of withdrawal must specify the name of the tendering shareholder, the number of shares to be withdrawn and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the depository, then, before the release of the share certificates, the serial numbers shown on the share certificates must be submitted to the depository

and the signature(s) on the notice of withdrawal must be guaranteed by an eligible guarantor institution, unless the shares have been tendered for the account of an eligible guarantor institution.

If shares have been tendered under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility's procedures. All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by CAC, in its sole discretion, whose determination will be final and binding. None of CAC, the depository, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give this notification.

Withdrawals may not be rescinded and any shares properly withdrawn thereafter will be deemed not properly tendered for purposes of the tender offer, unless the withdrawn shares are properly re-tendered before the expiration date by following one of the procedures described in Section 3.

If CAC extends the tender offer, is delayed in its purchase of shares or is unable to purchase shares under the tender offer for any reason, then, without prejudice to CAC's rights under the tender offer, the depository may, subject to applicable law, retain tendered shares on behalf of CAC, and these shares may not be withdrawn except to the extent tendering shareholders are entitled to withdrawal rights as described in this Section 4.

#### SECTION 5. PURCHASE OF SHARES AND PAYMENT OF PURCHASE PRICE

Upon the terms and subject to the conditions of the tender offer, promptly following the expiration date, CAC (1) will determine the purchase price it will pay for shares properly tendered and not properly withdrawn before the expiration date, taking into account the number of shares so tendered and the prices specified by tendering shareholders, and (2) will accept for payment and pay for, and thereby purchase, shares properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date. For purposes of the tender offer, CAC will be deemed to have accepted for payment, and therefore purchased shares, that are properly tendered at or below the purchase price and not properly withdrawn, subject to the proration and conditional tender provisions of the tender offer, only when, as and if it gives oral or written notice to the depository of its acceptance of the shares for payment under the tender offer.

Upon the terms and subject to the conditions of the tender offer, promptly after the expiration date, CAC will accept for payment and pay a single per share purchase price not greater than \$17.00 nor less than \$12.50 per share for 2,600,000 shares, subject to increase or decrease as provided in Section 14, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn. In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made promptly, but only after timely receipt by the depository of:

- certificates for shares or of a timely book-entry confirmation of shares into the depository's account at the book-entry transfer facility;
- a properly completed and duly executed letter of transmittal, an agent's message in the case of book-entry transfer or a specific acknowledgement in the case of a tender through ATOP; and
- any other required documents.

CAC will pay for shares purchased under the tender offer by depositing the aggregate purchase price for these shares with the depository, which will act as agent for tendering shareholders for the purpose of receiving payment from CAC and transmitting payment to the tendering shareholders.

In the event of proration, CAC will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date; however, CAC does not expect to be able to announce the final results of any proration and commence payment for shares purchased until approximately five business days after the expiration date. Certificates for all shares tendered and not

purchased, including all shares tendered at prices greater than the purchase price and shares not purchased due to proration or conditional tenders, will be returned to the tendering shareholder, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the shares, at CAC's expense promptly after the expiration date or termination of the tender offer without expense to the tendering shareholders. Under no circumstances will interest on the purchase price be paid by CAC regardless of any delay in making the payment. In addition, if certain events occur, CAC may not be obligated to purchase shares under the tender offer. See Section 7.

CAC will pay all stock transfer taxes, if any, payable on the transfer to it of shares purchased under the tender offer. If, however, payment of the purchase price is to be made to any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the letter of transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted. See Instruction 8 of the letter of transmittal.

Any tendering shareholder or other payee who fails to complete fully, sign and return to the depository the substitute Form W-9 included with the letter of transmittal may be subject to U.S. federal income tax backup withholding of 28% of the gross proceeds paid to the shareholder or other payee under the tender offer. See Section 3. Also see Section 13 regarding United States federal income tax consequences for foreign shareholders.

#### SECTION 6. CONDITIONAL TENDER OF SHARES

Subject to the exceptions for odd lot holders, in the event of an over-subscription of the tender offer, shares tendered at or below the purchase price prior to the expiration date will be subject to proration. See Section 1. As discussed in Section 13, the number of shares to be purchased from a particular shareholder may affect the tax treatment of the purchase to the shareholder and the shareholder's decision whether to tender. Accordingly, a shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to a letter of transmittal must be purchased if any shares tendered are purchased. Any shareholder desiring to make a conditional tender must so indicate in the box captioned "Conditional Tender" in the letter of transmittal. Each shareholder is urged to consult with his or her own financial or tax advisor.

Any tendering shareholder wishing to make a conditional tender must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased. After the tender offer expires, if more than 2,600,000 shares (or such greater number of shares as CAC may elect to purchase) are properly tendered and not properly withdrawn and CAC must prorate its acceptance of and payment for tendered shares, CAC will calculate a preliminary proration percentage based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any shareholder (tendered pursuant to a letter of transmittal) below the minimum number specified, the tender will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a shareholder subject to a conditional tender pursuant to the letter of transmittal and regarded as withdrawn as a result of proration will be returned promptly after the expiration date without any expense to the shareholder.

After giving effect to these withdrawals, CAC will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders would otherwise be regarded as withdrawn and would cause the total number of shares to be purchased to fall below 2,600,000 (or such greater number of shares as CAC may elect to purchase) then, to the extent feasible, CAC will select enough of the conditional tenders that would otherwise have been withdrawn to permit CAC to purchase 2,600,000 shares (or such greater number of shares as CAC may elect to purchase). In selecting among the conditional tenders, CAC will select by random lot treating all tenders by a particular taxpayer as a single lot and will limit its purchase in each case to the designated minimum of shares to be

purchased. Conditional tenders will be selected by lot only from shareholders who tender all of their shares.

#### SECTION 7. CONDITIONS OF THE TENDER OFFER

Notwithstanding any other provision of the tender offer, CAC will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, or the purchase of and the payment for shares tendered, subject to Rule 13e-4(f) under the Exchange Act if, at any time on or after November 25, 2003 and before the expiration date, any of the following events shall have occurred (or shall have been determined by CAC to have occurred) that, in CAC's reasonable judgment and regardless of the circumstances giving rise to the event or events, makes it inadvisable to proceed with the tender offer or with acceptance for payment:

(1) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly (a) challenges the making of the tender offer, the acquisition of some or all of the shares under the tender offer or otherwise relates in any manner to the tender offer, or (b) in CAC's reasonable judgment, could materially and adversely affect the business, condition (financial or otherwise), income, operations or prospects of CAC and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of CAC or any of its subsidiaries or materially impair CAC's ability to purchase up to 2,600,000 shares in the tender offer;

(2) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the tender offer or CAC or any of its subsidiaries, by any court or any authority, agency or tribunal that, in CAC's reasonable judgment, would or might, directly or indirectly, (a) make the acceptance for payment of, or payment for, some or all of the shares illegal or otherwise restrict or prohibit completion of the tender offer, (b) delay or restrict the ability of CAC, or render CAC unable, to accept for payment or pay for some or all of the shares, or (c) materially and adversely affect the business, condition (financial or otherwise), income, operations or prospects of CAC and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of CAC or any of its subsidiaries;

(3) there shall have occurred (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (c) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, (d) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any disruption or adverse change in the financial or capital markets generally, that, in CAC's reasonable judgment, might affect, the extension of credit by banks or other lending institutions in the United States, (e) any significant decrease in the market price of the shares or any change in the general political, market, economic or financial conditions in the United States or abroad that could, in the reasonable judgment of CAC, have a material adverse effect on the business, condition (financial or otherwise), income, operations or prospects of CAC and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of CAC or any of its subsidiaries, (f) in the case of any of the foregoing existing at the time of the commencement of the tender offer, a material acceleration or worsening thereof, or (g) any decline in either the Dow Jones Industrial Average or the Standard and Poor's Index of 500 Industrial Companies by a material amount (including, without limitation, an amount greater than 10%) from the close of business on November 26, 2003;

(4) a tender or exchange offer for any or all of the shares (other than this tender offer), or any merger, acquisition, business combination or other similar transaction with or involving CAC or any subsidiary, has been proposed, announced or made by any person or has been publicly disclosed;

(5) CAC learns that (a) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the Commission on or before November 26, 2003), or (b) any entity, group or person who has filed a Schedule 13D or Schedule 13G with the Commission on or before November 26, 2003 has acquired or proposes to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the tender offer made hereby), beneficial ownership of an additional 2% or more of the outstanding shares;

(6) any person, entity or group has filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire CAC or any of its shares of common stock, or has made a public announcement reflecting an intent to acquire CAC or any of its subsidiaries or any of the respective assets or securities of CAC and its subsidiaries;

(7) any change or changes have occurred or are threatened in CAC or CAC's subsidiaries' business, condition (financial or otherwise), assets, income, operations, prospects or stock ownership that, in the reasonable judgment of CAC, materially impairs CAC's ability to purchase up to 2,600,000 shares in the tender offer; or

(8) there shall be any reasonable likelihood, as determined by CAC in its reasonable judgment, that the consummation of the tender offer and the purchase of the shares will cause the shares to be delisted from the Nasdaq National Market or to be eligible for deregistration under the Exchange Act.

The foregoing conditions are for the sole benefit of CAC and may be asserted by CAC regardless of the circumstances giving rise to any of these conditions, and may be waived by CAC, in whole or in part, at any time and from time to time, before the expiration date, in its sole discretion. CAC's failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted at any time and from time to time. In certain circumstances, if CAC waives any of the conditions described above, CAC may be required to extend the expiration date. Any determination or judgment by CAC concerning the events described above will be final and binding on all parties.

SECTION 8. PRICE RANGE OF SHARES; DIVIDENDS

The shares are traded and quoted on the Nasdaq National Market, under the trading symbol "CACC." The following table sets forth, for the fiscal quarters indicated, the high and low sales prices per share on the Nasdaq National Market, as applicable.

	HIGH	LOW		
Quarter.....			2001 First	
	\$ 6.88	\$4.50	Second	
Quarter.....	8.00	5.00	Third	
Quarter.....	12.00	7.12	Fourth	
Quarter.....	10.37	7.40	2002 First	
Quarter.....	\$12.04	\$8.50	Second	
Quarter.....	14.95	9.66	Third	
Quarter.....	13.45	7.22	Fourth	
Quarter.....	9.72	6.26	2003 First	
Quarter.....	\$ 6.79	\$4.75	Second	
Quarter.....	12.10	4.75	Third	
Quarter.....	12.59	8.35	Fourth Quarter (through November 25, 2003)	14.12 8.99

On November 25, 2003, the last trading day before the date of announcement of the tender offer, the reported sales price of the shares on the Nasdaq National Market was \$13.83 per share. Shareholders are urged to obtain current market quotations for the shares.

CAC has not paid any dividends on the common stock to date and currently anticipates that any earnings will be retained for the development of its business. Accordingly, no dividends are expected to be declared or paid on the shares for the foreseeable future.

SECTION 9. SOURCE AND AMOUNT OF FUNDS

Assuming CAC purchases 2,600,000 shares in the tender offer at the maximum specified purchase price of \$17.00 per share, \$44.2 million will be required to purchase such shares. CAC anticipates that it will obtain the funds necessary to purchase shares tendered in the tender offer, as well as to pay related fees and expenses, from available cash on hand and by borrowing under its \$135 million secured revolving credit facility. CAC intends to repay amounts borrowed under the revolving credit facility for the purchase of shares tendered in the tender offer with available cash flow or by refinancing through other available credit facilities. The tender offer is not conditioned upon the receipt of financing. See Section 7.

The revolving credit facility has been established pursuant to a Second Amended and Restated Credit Agreement, dated as of June 9, 2003, among CAC and certain subsidiaries, as borrowers, Comerica Bank, as agent, and the other lenders party thereto. The revolving credit facility matures on June 9, 2005, or such later date as extended under the terms of the credit agreement.

The agreement provides that, at CAC's discretion, interest is payable at either the eurodollar rate plus 140 basis points, or at the prime rate (4.0% as of September 30, 2003). The eurodollar borrowings may be fixed for periods of up to six months. Borrowings under the revolving credit facility are subject to a borrowing base limitation equal to 65% of advances to dealer-partners and leased vehicles (as reflected in the consolidated financial statements and related notes), less a hedging reserve (not exceeding \$1.0 million), the amount of letters of credit issued under the revolving credit facility, and the amount of other debt secured by the collateral which secures the revolving credit facility. Currently, the borrowing base limitation does not inhibit CAC's borrowing ability under the revolving credit facility. The credit

agreement has certain restrictive covenants, including a minimum required ratio of CAC's assets to debt, its liabilities to tangible net worth, and its earnings before interest, taxes and non-cash expenses to fixed charges. Additionally, the agreement requires that CAC maintain a specified minimum level of net worth. Borrowings under the credit agreement are secured by a lien on most of CAC's assets. CAC must pay annual and quarterly fees on the amount of the commitment.

The foregoing description is qualified in its entirety by reference to the credit agreement, which is an exhibit to the Schedule TO in which this document has been filed with the Commission.

#### SECTION 10. CERTAIN INFORMATION CONCERNING CAC

GENERAL. CAC, incorporated in Michigan in 1972, is a financial services company specializing in products and services for a network of automobile dealers. CAC provides participating dealers with financing sources for consumers with limited access to credit by offering "guaranteed credit approval." CAC delivers credit approvals through the Internet. Other services include marketing, sales training and a wholesale purchasing cooperative. Through its financing program, CAC helps consumers change their lives by providing an opportunity to strengthen and reestablish their credit standing by making timely monthly payments. CAC refers to participating dealers who share its commitment to changing customers' lives as "dealer-partners."

CAC was founded to service and collect retail installment contracts (referred to as Contracts or Loans) originated and funded by automobile dealerships owned by CAC's founder and current Chairman, Donald Foss. During the 1980's, CAC began to market this service to non-affiliated dealers and, at the same time, began to offer financing in the form of a cash payment to the dealer-partner secured by the future collections on the Loans serviced for that dealer-partner.

A customer who does not qualify for conventional automobile financing can purchase a vehicle from a CAC dealer-partner and finance the purchase through CAC. As payment for the vehicle the dealer-partner receives the following:

- a down payment from the customer;
- a cash advance from CAC; and
- after the advance has been recovered, the cash from payments made on the Loan, net of certain collection costs and CAC's servicing fee.

CAC's servicing fee is equal to a fixed percentage (typically 20%) of each payment collected. In addition, CAC receives fees for other products and services.

CAC helps change the lives of customers who do not qualify for conventional automobile financing by helping them obtain quality transportation and, equally important, rehabilitate their credit through the timely repayment of their Loan. CAC's program increases dealer-partners' profits in the following ways:

- CAC enables dealer-partners to sell cars to customers who may not be able to obtain financing without CAC's program. In addition, customers often become repeat customers by financing future vehicle purchases either through CAC's program or, after they have successfully rehabilitated their credit, through conventional financing.
- The ability to advertise "guaranteed credit approval" attracts many customers who mistakenly assume they do not qualify for conventional financing, but who can actually qualify.
- The customers attracted to dealer-partners by "guaranteed credit approval" often use other services the dealerships offer and refer friends and relatives to them.
- As part of CAC's unique business model, dealer-partners share in the profits not only from the sale of the vehicle, but also from its financing.

CAC has four reportable business segments: United States, United Kingdom, Automobile Leasing, and Other. As more fully described in CAC's quarterly and annual reports filed with the Securities and

Exchange Commission, CAC is currently liquidating its operations in all segments other than the United States.

CAC's address is 25505 West Twelve Mile Road, Suite 3000, Southfield, Michigan 48034 and its telephone number is 248-353-2700.

AVAILABLE INFORMATION. CAC is subject to the information requirements of the Exchange Act, and, in accordance therewith, files periodic reports and other information relating to its business, financial condition and other matters. CAC is required to disclose in these periodic reports certain information, as of particular dates, concerning the CAC directors and executive officers, their compensation, stock options granted to them, the principal holders of the securities of CAC and any material interest of such persons in transactions with CAC. Pursuant to Rule 13e-4(c)(2) under the Exchange Act, CAC has filed with the Securities and Exchange Commission an Issuer Tender Offer Statement on Schedule TO which includes additional information with respect to the tender offer. This material and other information may be inspected at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of this material can also be obtained by mail, upon payment of the Securities and Exchange Commission's customary charges, by writing to the Public Reference Section at 450 Fifth Street, N.W., Washington, D.C. 20549. The Securities and Exchange Commission also maintains a web site on the Internet at <http://www.sec.gov> that contains periodic reports and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission.

INCORPORATION BY REFERENCE. CAC's annual report on Form 10-K for the year ended December 31, 2002, its quarterly reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003, its Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 11, 2003, and all other documents filed by CAC with the Securities and Exchange Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof and prior to the earlier of the expiration date and the termination of the tender offer shall be deemed incorporated herein by reference and shall be deemed to be a part hereof from the date of filing of such documents and reports. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this offer to purchase, shall be deemed to be modified or superseded for purposes of this offer to purchase to the extent that a statement contained herein or in any subsequently filed document or report that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified shall not be deemed to constitute a part of this offer to purchase, except as so modified or superseded.

Shareholders can obtain any of the documents incorporated by reference in this document from CAC or from the Securities and Exchange Commission's web site at the address described above. Documents incorporated by reference are available from CAC without charge, excluding any exhibits to those documents. Shareholders can obtain documents incorporated by reference in this document by requesting them in writing or by telephone from CAC at 25505 West Twelve Mile Road, Suite 3000, Southfield, Michigan 48034; telephone: (248) 353-2700. Any shareholder requesting information should be sure to include his or her complete name and address in the request. If a shareholder requests any incorporated documents, CAC will mail them to you by first class mail, or another equally prompt means, within one business day after CAC receives your request.

#### SECTION 11. INTEREST OF DIRECTORS AND EXECUTIVE OFFICERS; TRANSACTIONS AND ARRANGEMENTS CONCERNING SHARES.

As of November 25, 2003, CAC had 42,010,005 issued and outstanding shares, excluding 6,977,174 shares of common stock reserved for issuance under its stock option plans, of which 4,205,362 shares are subject to outstanding options and 2,771,812 shares are currently reserved for issuance under the plans, none of which have been issued. The 2,600,000 shares that CAC is offering to purchase represent approximately 6.2% of the shares outstanding on November 25, 2003.

As of November 20, 2003, the directors and executive officers of CAC as a group (12 persons) beneficially owned 29,649,521 shares (which number includes 1,046,000 shares issuable upon exercise of options which are exercisable within 60 days of November 20, 2003), or 68.9% of the total outstanding shares on that date. CAC's directors and executive officers have advised CAC that they do not intend to tender any shares in the tender offer. If CAC purchases 2,600,000 shares in the tender offer, and none of the directors or executive officers tender shares in the tender offer, then after the purchase of shares, our directors and executive officers as a group would beneficially own approximately 73.3% of our total shares outstanding immediately after the tender offer.

The following table sets forth, as to each director or executive officer (i) the number of shares and percentage beneficially owned as of November 20, 2003 (including shares under exercisable options); and (ii) assuming CAC purchases 2,600,000 shares of common stock and that no director or executive officer



shares which are owned by a limited liability company in which he has an 80% interest.

- (e) Includes 140,000 shares which Mr. Simmet has the right to acquire upon exercise of employee stock options.
- (f) Shares are held by the Craig Living Trust as to which Mr. Craig is the trustee.
- (g) Shares are held by the Sam M. Lafata Revocable Living Trust as to which Mr. Lafata is the trustee.
- (h) The number of shares is based on information contained in a Schedule 13-G filed with the Securities and Exchange Commission by Mr. Thomas W. Smith, Mr. Thomas N. Tryforos, and Mr. Scott J. Vassalluzzo which reflect their beneficial ownership of shares of Common Stock as of December 31, 2002, adjusted for known activity through November 20, 2003. Mr. Smith, Mr. Tryforos and Mr. Vassalluzzo reported that they have shared voting and dispositive power over 4,076,500 shares. Mr. Smith reported that he may be deemed to have sole voting power and dispositive power over 727,500 shares, Mr. Tryforos reported that he has sole voting and dispositive power over

318,182 shares, and Mr. Vassalluzzo reported that he has sole voting and dispositive power over 63,850 shares. Mr. Smith's, Mr. Tryforos', and Mr. Vassalluzzo's business address is 323 Railroad Avenue, Greenwich, Connecticut 06830.

- (i) Includes a total of 1,046,000 shares which such persons have the right to acquire upon exercise of employee stock options.
- (j) The number of shares is based on information contained in a Schedule 13-G filed with the Securities and Exchange Commission by Dimensional Fund Advisors, Inc. which reflects its beneficial ownership of shares of Common Stock as of December 31, 2002, adjusted for known activity through November 20, 2003. Dimensional Fund Advisors' business address is 1299 Ocean Avenue, 11th Floor, Santa Monica, California 90401.

#### AGREEMENTS, ARRANGEMENTS OR UNDERSTANDINGS.

Pursuant to CAC's 1992 Stock Option Plan (the "1992 Plan"), CAC has reserved 8.0 million shares of its common stock for options to executive officers and other employees. Options are granted and become exercisable as determined at the date of the grant by the compensation committee of the board of directors. The exercise price of the options is no less than the fair market value on the date of the grant. Options under the 1992 Plan generally become exercisable over a three to five year period, or CAC's attainment of certain performance related criteria, or immediately upon a change of control. Options granted in 2000 to 2003 will vest only if certain performance targets are met. Nonvested performance options are forfeited upon termination of employment and otherwise expire ten years from the date of grant. Executive officers hold a total of 946,000 options.

Pursuant to CAC's Director Stock Option Plan (the "Director Plan"), CAC has reserved 200,000 shares of its common stock for options to members of its Board of Directors. The exercise of the options is equal to the fair market value on the date of grant. Options granted under this plan will vest only if CAC meets certain performance targets. Nonvested options are forfeited if the participant should cease to be a director and otherwise expire ten years from the date of grant. Directors hold a total of 100,000 options under this plan.

CAC also maintains the CAC 401(k) Profit Sharing Plan and Trust pursuant to which eligible employees may purchase shares at market prices. Eligible employees contribute to the plan by payroll deduction or by additional discretionary payments made to the trustee. These contributions are then used by the trustee of the plan to purchase shares.

Based on CAC's records and on information provided to CAC by its directors, executive officers, affiliates and subsidiaries, except as provided below, neither CAC nor any of its affiliates or subsidiaries nor, to the knowledge of CAC, any of CAC or its subsidiaries, directors or executive officers, nor any associates or subsidiaries of any of the foregoing, has effected any transactions involving the shares during the 60 days prior to November 25, 2003. Thomas N. Tryforos, a director of CAC, purchased a total of 23,600 shares of common stock in the open market as follows: September 26, 2003 -- 5,000 shares at \$11.75 per share; September 30, 2003 -- 8,032 shares at \$11.57 per share; and November 18, 2003 -- 10,568 shares at \$10.61 per share. On November 19, 2003, Scott J. Vassalluzzo, an associate of Mr. Tryforos, purchased 350 shares of common stock in the open market at \$10.14 per share.

There were no option grants to executive officers of CAC during 2003, but 13,500 options were granted to non-executive employees. Additionally, 65,933 shares of stock were repurchased by CAC during the last 60 days.

Except as otherwise described in this Offer to Purchase or as described in CAC's most recent proxy statement, neither CAC nor, to the best knowledge of CAC, any of CAC's affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship, whether or not legally enforceable, with any other person, relating, directly or indirectly, to the tender offer or with respect to any of CAC's securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of the securities, joint ventures, loan or option arrangements, puts or

calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations.

## SECTION 12. LEGAL MATTERS; REGULATORY APPROVALS

Except as described above, CAC is not aware of any license or regulatory permit material to its business that might be adversely affected by its acquisition of shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of shares by CAC as contemplated by the tender offer. Should any approval or other action be required, CAC presently contemplates that it will seek that approval or other action. CAC is unable to predict whether it will be required to delay the acceptance for payment of or payment for shares tendered under the tender offer pending the outcome of any such matter. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to its business and financial condition. The obligation of CAC under the tender offer to accept for payment and pay for shares is subject to conditions. See Section 7.

## SECTION 13. U.S. FEDERAL INCOME TAX CONSEQUENCES

**GENERAL.** The following summary describes the material United States federal income tax consequences relating to the tender offer. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder, administrative pronouncements and judicial decisions, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This summary addresses only shares that are held as capital assets within the meaning of Section 1221 of the Code and does not address all of the tax consequences that may be relevant to shareholders in light of their particular circumstances or to certain types of shareholders subject to special treatment under the Code, including, without limitation, certain financial institutions, dealers in securities or commodities, traders in securities who elect to apply a mark-to-market method of accounting, insurance companies, tax-exempt organizations, S corporations, expatriates of the United States, persons who are subject to alternative minimum tax, persons that have a "functional currency" other than the United States dollar, persons who hold shares as a position in a "straddle" or as a part of a "hedging," "conversion" or "constructive sale" transaction for United States federal income tax purposes or persons who received their shares through the exercise of employee stock options or otherwise as compensation. This summary also does not address the state, local or foreign tax consequences of participating in the tender offer. You should consult your tax advisor as to the particular tax consequences to you of participation in this tender offer. Those shareholders who do not participate in the tender offer should not incur any United States federal income tax liability from the tender offer.

In addition, except as otherwise specifically noted, this summary applies only to holders of shares that are "United States holders." For purposes of this discussion, a "United States holder" means a holder of shares that for United States federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation or other entity created or organized in the United States or under the laws of the United States or of any political subdivision thereof;
- an estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or
- a trust whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all of its substantial decisions.

Holders of shares who are not United States holders ("foreign shareholders") should consult their tax advisors regarding the United States federal income tax consequences and any applicable foreign tax

consequences of the tender offer and should also see Section 3 for a discussion of the applicable United States withholding rules and the potential for obtaining a refund of all or a portion of any tax withheld.

Shareholders are urged to consult their tax advisors to determine the particular tax consequences to them of participating in the tender offer.

**CHARACTERIZATION OF THE PURCHASE.** The purchase of a United States holder's shares by CAC under the tender offer will be a taxable transaction for United States federal income tax purposes. As a consequence of the purchase, a United States holder will, depending on the United States holder's particular circumstances, be treated either as having sold the United States holder's shares or as having received a distribution in respect of stock from CAC.

Under Section 302 of the Code, a United States holder whose shares are purchased by CAC under the tender offer will be treated as having sold its shares, and thus will recognize capital gain or loss if the purchase:

- results in a "complete termination" of the United States holder's equity interest in CAC;
- results in a "substantially disproportionate" redemption with respect to the United States holder; or
- is "not essentially equivalent to a dividend" with respect to the United States holder.

Each of these tests, referred to as the "Section 302 tests," is explained in more detail below.

**TREATMENT OF TENDER OFFER AS SALE OR EXCHANGE.** If a United States holder satisfies any of the Section 302 tests explained below, the United States holder will be treated as if it sold its shares to CAC and will recognize capital gain or loss equal to the difference between the amount of cash received under the tender offer and the United States holder's adjusted tax basis in the shares surrendered in exchange therefore. This gain or loss will be long-term capital gain or loss if the United States holder's holding period for the shares that were sold exceeds one year as of the date of purchase by CAC under the tender offer. Specified limitations apply to the deductibility of capital losses by United States holders. Gain or loss must be determined separately for each block of shares (shares acquired at the same cost in a single transaction) that is purchased by CAC from a United States holder under the tender offer. In certain circumstances, a holder may be able to designate, generally through its broker, which blocks of shares it wishes to tender under the tender offer if less than all of its shares are tendered under the tender offer, and the order in which different blocks will be purchased by CAC in the event of proration under the tender offer. This right of designation is not available, however, with respect to shares held in the CAC 401(k) Profit Sharing Plan and Trust. United States holders should consult their tax advisors concerning the mechanics and desirability of that designation.

**TREATMENT OF TENDER OFFER AS A DIVIDEND OR DISTRIBUTION.** If a United States holder does not satisfy any of the Section 302 tests explained below, the purchase of a United States holder's shares by CAC under the tender offer will not be treated as a sale or exchange under Section 302 of the Code with respect to the United States holder. Instead, the entire amount received by a United States holder with respect to the purchase of its shares by CAC under the tender offer will be treated as a distribution to the United States holder with respect to its shares under Section 301 of the Code, taxable as a dividend at ordinary income tax rates to the extent of the United States holder's share of the available current and accumulated earnings and profits (within the meaning of the Code) of CAC. To the extent the amount exceeds the United States holder's share of the available current and accumulated earnings and profits of CAC, the excess first will be treated as a tax-free return of capital to the extent of the United States holder's adjusted tax basis in its shares and any remainder will be treated as capital gain (which may be long-term capital gain as described above). To the extent that a purchase of a United States holder's shares by CAC under the tender offer is treated as the receipt by the United States holder of a dividend, the United States holder's remaining adjusted tax basis in the purchased shares will be added to any shares retained by the United States holder.

The recently enacted "Jobs and Growth Tax Reconciliation Act of 2003" significantly alters the treatment of dividends and long term capital gains of individuals. Under this legislation, dividends received

in taxable years beginning after 2002 and prior to 2009, and long term capital gains on sales and exchanges (and payments received) after May 6, 2003 and before January 1, 2009, by individuals are taxed at a maximum rate of 15%. The rate applicable to individuals with taxable income at or below \$28,400 (if single) or \$56,800 (if married and filing jointly) is 5% through the end of 2007 (0% in 2008). In order to qualify for the special rate for dividends, the shares must have been held for more than 60 days during the 120 day period beginning on the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend (in this case, prior to the repurchase date) and the taxpayer cannot be under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. As such, these changes may impact the tax consequences of this tender offer to certain United States holders.

**CONSTRUCTIVE OWNERSHIP OF STOCK AND OTHER ISSUES.** In applying each of the Section 302 tests explained below, United States holders must take into account not only shares that they actually own but also shares they are treated as owning under the constructive ownership rules of Section 318 of the Code. Under the constructive ownership rules, a United States holder is treated as owning any shares that are owned (actually and in some cases constructively) by certain related individuals and entities as well as shares that the United States holder has the right to acquire by exercise of an option. A shareholder in a corporation is treated as owning that shareholder's proportionate share of any stock owned, directly or indirectly, by that corporation only if the shareholder actually or constructively owns 50 percent or more of the value of the stock of the corporation. Due to the factual nature of the Section 302 tests explained below, United States holders should consult their tax advisors to determine whether the purchase of their shares under the tender offer qualifies for sale treatment in their particular circumstances.

Contemporaneous dispositions or acquisitions of stock by a shareholder or related individuals or entities may be deemed to be part of a single integrated transaction and may be taken into account in determining whether any of the three tests under Section 302 have been satisfied. Additionally, CAC cannot predict whether or the extent to which the tender offer will be oversubscribed. If the tender offer is oversubscribed, proration of tenders under the tender offer will cause CAC to accept fewer shares than are tendered. Therefore, no assurance can be given that CAC will purchase a sufficient number of a United States holder's shares under the tender offer to ensure that the United States holder receives sale treatment, rather than dividend treatment, for United States federal income tax purposes under the rules discussed below.

**SECTION 302 TESTS.** One of the following tests must be satisfied in order for the purchase of shares by CAC under the tender offer to be treated as a sale or exchange for federal income tax purposes:

**Complete Termination Test.** The purchase of a holder's shares by CAC under the tender offer will result in a "complete termination" of the holder's equity interest in CAC if all of the shares that are actually or constructively owned by the holder are sold under the tender offer, provided that no shares of any other class of stock in CAC are actually or constructively owned by the holder. If the tender offer is prorated, the shares not purchased due to such proration must be taken into account in determining whether a "complete termination" has occurred. With respect to shares owned by certain related individuals, the holder may be entitled to and may waive, in accordance with Section 302(c) of the Code, attribution of shares which otherwise would be considered as constructively owned by the holder. Holders wishing to satisfy the "complete termination" test through waiver of the constructive ownership rules should consult their tax advisors.

**Substantially Disproportionate Test.** The purchase of a holder's shares by CAC under the tender offer will result in a "substantially disproportionate" redemption with respect to the holder if, among other things, the percentage of the then outstanding voting stock actually and constructively owned by the holder immediately after the purchase is less than 80% of the percentage of such shares actually and constructively owned by the holder immediately before the purchase (treating as outstanding all shares purchased under the tender offer). For those holders who also own CAC common stock, the "substantially disproportionate" test will not be satisfied unless the holder's

ownership of common stock immediately after completion of the tender offer is less than 80 percent of that owned immediately before the completion of the tender offer.

Not Essentially Equivalent to a Dividend Test. The purchase of a holder's shares by CAC under the tender offer will be treated as "not essentially equivalent to a dividend" if the reduction in the holder's proportionate interest in CAC as a result of the purchase constitutes a "meaningful reduction" given the holder's particular circumstances. Whether the receipt of cash by a shareholder who sells shares under the tender offer will be "not essentially equivalent to a dividend" will depend upon the shareholder's particular facts and circumstances. The IRS has indicated in a published revenue ruling that the redemption of any amount of stock that is nonvoting, nonconvertible and limited and preferred as to dividends and in liquidation (such as the Cumulative Exchangeable Preferred Stock) represents a meaningful reduction of the shareholder's proportionate interest in the corporation if the shareholder does not own stock of any other class. Holders should consult their tax advisors as to the application of this test in their particular circumstances.

CORPORATE SHAREHOLDER DIVIDEND TREATMENT. In the case of a corporate United States holder, to the extent that any amounts received under the tender offer are treated as a dividend, such holder may be eligible for the dividends-received deduction. The dividends-received deduction is subject to certain limitations. In addition, in certain circumstances amounts received by a corporate United States holder pursuant to the tender offer that is treated as a dividend will constitute an "extraordinary dividend" under Section 1059 of the Code. Corporate United States holders should consult their own tax advisors as to the application of Section 1059 of the Code to the tender offer, and to the tax consequences of dividend treatment in their particular circumstances.

FOREIGN SHAREHOLDERS. Generally, the depository will withhold United States federal income tax at a rate of 30% from the gross proceeds paid under the tender offer to a foreign shareholder (as defined in Section 3) or his agent, unless the depository determines that an exemption from, or a reduced rate of, withholding tax is available under a tax treaty or that an exemption from withholding otherwise applies or that proceeds received by the foreign shareholder are entitled to capital gains treatment. See Section 3 for a discussion of the applicable United States withholding rules and the potential for a foreign shareholder being subject to reduced withholding and for obtaining a refund of all or a portion of any tax withheld. Foreign shareholders generally will not be subject to United States federal income or withholding tax on any gain realized on the purchase of shares by CAC in the tender offer unless (i) the gain is effectively connected with the conduct by such foreign shareholder of a trade or business in the United States (in which case the branch profits tax discussed below may also apply if the foreign shareholder is a corporation); or (ii) the foreign shareholder is an individual and is present in the United States for 183 days or more in the taxable year of such sale or exchange and certain other conditions are met; or (iii) CAC is or has been a U.S. real property holding corporation (a "USRPHC") for United States federal income tax purposes (which CAC does not believe that it has been, currently is, or will likely become) at any time within the shorter of the five-year period preceding the purchase and such foreign shareholder's holding period. Even if CAC were or were to become a USRPHC at any time during this period, gains realized upon the purchase pursuant to the tender offer by a foreign shareholder that did not directly or indirectly own more than 5% of the shares during this period generally would not be subject to United States federal income tax, provided that the shares are "regularly traded on an established securities market" (within the meaning of Section 897(c)(3) of the Code). CAC believes that the shares are and at the time the shares would be purchased pursuant to the tender offer will be considered to be "regularly traded on an established security market." If a foreign shareholder does not satisfy any of the Section 302 tests explained above, the purchase of a foreign shareholder's shares by CAC under the tender offer will not be treated as a sale or exchange under Section 302 of the Code with respect to the foreign shareholder. Instead, the entire amount received by the foreign shareholder with respect to the purchase of its shares by CAC under the tender offer will be treated as a distribution to the foreign shareholder with respect to its shares under Section 301 of the Code, and treated as a dividend to the extent of the foreign shareholder's allocable share of the available current and accumulated earnings and profits (within the meaning of the Code) of CAC. Dividends paid to foreign shareholders are subject to United States

withholding tax at a rate of 30% of the gross amount of the dividend or, if applicable, a lower treaty rate, unless the dividend is effectively connected with the conduct of a trade or business in the United States by a foreign shareholder (and, if certain tax treaties apply, is attributable to a United States permanent establishment maintained by such foreign shareholder) and an IRS form that is available from the depository is filled with CAC. A dividend that is effectively connected with the conduct of a trade or business in the United States by a foreign shareholder (and, if certain tax treaties apply, is attributable to a United States permanent establishment maintained by such foreign shareholder) will be exempt from the withholding tax described above and subject instead (i) to the United States federal income tax on net income that generally applies to United States persons and (ii) with respect to corporate holders under certain circumstances, a 30% (or, if applicable, a lower treaty rate) branch profits tax that in general is imposed on its "effectively connected earnings and profits" (within the meaning of the Code) for the taxable year, as adjusted for certain items.

**SHAREHOLDERS WHO DO NOT RECEIVE CASH UNDER THE TENDER OFFER.** Shareholders whose shares are not purchased by CAC under the tender offer should not incur any United States federal income tax liability as a result of the completion of the tender offer.

**BACKUP WITHHOLDING.** See Section 3 with respect to the application of United States federal backup withholding tax.

**TAX RETURN DISCLOSURE AND INVESTOR LIST REQUIREMENTS.** Treasury regulations generally require a shareholder that recognizes a loss in any single year on the exchange of shares pursuant to the tender offer that exceeds \$2 million for individuals, S-corporations, and trusts, \$10 million for partnerships that have only corporations as partners (\$2 million for all other partnerships), and \$10 million for corporations to disclose the transaction and certain other information on IRS Form 8886. The regulations also require "material advisors" to such a transaction maintain records (including participant lists) and furnish such records to the IRS on demand. Significant penalties may be imposed for failure to comply with these requirements.

Final regulations have been issued by the Treasury Department clarifying the types of transactions subject to these disclosure and list maintenance rules. As these rules are relatively new, it remains unclear how they will apply to a sale of shares pursuant to the tender offer. Shareholders should consult your tax advisors with regard to any possible disclosure obligations with respect to their exchange of shares.

Shareholders are urged to consult their tax advisor to determine the particular tax consequences to them of the tender offer, including without limitation the applicability and effect of the constructive ownership rules, any state, local and foreign tax laws, and any proposed changes in applicable tax laws.

#### **SECTION 14. EXTENSION OF THE TENDER OFFER; TERMINATION; AMENDMENT**

CAC expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by CAC to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of the extension to the depository and making a public announcement of the extension. CAC also expressly reserves the right, in its sole discretion, to terminate the tender offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 by giving oral or written notice of termination or postponement to the depository and making a public announcement of termination or postponement. CAC's reservation of the right to delay payment for shares that it has accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that CAC must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. Subject to compliance with applicable law, CAC further reserves the right, in its sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by CAC to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the tender

offer to holders of shares or by decreasing or increasing the number of shares being sought in the tender offer.

Amendments to the tender offer may be made at any time and from time to time effected by public announcement, the announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the tender offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of the change. Without limiting the manner in which CAC may choose to make a public announcement, except as required by applicable law, CAC shall have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release.

If CAC materially changes the terms of the tender offer or the information concerning the tender offer, CAC will extend the tender offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the Securities and Exchange Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of the terms or information. If (1) CAC increases or decreases the price to be paid for shares or increases or decreases the number of shares being sought in the tender offer and, if an increase in the number of shares being sought, such increase exceeds 2% of the outstanding shares, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that the notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 14, the tender offer will be extended until the expiration of such ten business day period.

#### SECTION 15. FEES AND EXPENSES

CAC has retained Georgeson Shareholder Communications, Inc. to act as information agent and Computershare Trust Company of New York to act as depositary in connection with the tender offer. The information agent may contact holders of shares by mail, telephone, telegraph and in person, and may request brokers, dealers, commercial banks, trust companies and other nominee shareholders to forward materials relating to the tender offer to beneficial owners. The information agent and depositary will receive reasonable and customary compensation for their services as information agent and depositary, will be reimbursed by CAC for specified reasonable out-of-pocket expenses, and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the U.S. federal securities laws.

ABN AMRO Trust Services Company is trustee of the CAC 401(k) Profit Sharing Plan and Trust and will receive reasonable and customary compensation for its services as trustee in connection with the tender offer and will be reimbursed for certain out-of-pocket costs.

No fees or commissions will be payable by CAC to brokers, dealers, commercial banks or trust companies (other than fees to the information agent and depositary) for soliciting tenders of shares under the tender offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if shareholders tender shares through such brokers or banks and not directly to the depositary. CAC, however, upon request, will reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of CAC, the information agent or the depositary for purposes of the tender offer. CAC will pay or cause to be paid all stock transfer taxes, if any, on its purchase of shares, except as otherwise provided in this document and Instruction 8 in the letter of transmittal.

## SECTION 16. MISCELLANEOUS

CAC is not aware of any jurisdiction where the making of the tender offer is not in compliance with applicable law. If CAC becomes aware of any jurisdiction where the making of the tender offer or the acceptance of shares pursuant thereto is not in compliance with applicable law, CAC will make a good faith effort to comply with the applicable law. If, after such good faith effort, CAC cannot comply with the applicable law, the tender offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in that jurisdiction.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, CAC has filed with the Securities and Exchange Commission an Issuer Tender Offer Statement on Schedule TO which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning CAC.

CAC has not authorized any person to make any recommendation on behalf of CAC as to whether shareholders should tender or refrain from tendering shares in the tender offer or as to the price or prices at which shareholders may choose to tender shares. CAC has not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this offer to purchase or in the letter of transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by CAC.

November 26, 2003

The letter of transmittal and share certificates and any other required documents should be sent or delivered by each shareholder, or that shareholder's broker, dealer, commercial bank, trust company or nominee, to the depository at one of its addresses set forth below.

The depository for the tender offer is:

(COMPUTERSHARE LOGO)

By Mail:  
Computershare Trust Company  
of New York  
Wall Street Station  
P.O. Box 1010  
New York, NY 10268-1010

By Facsimile Transmission:  
For Eligible Institutions Only:  
(212) 701-7636  
  
For Confirmation Only  
Telephone:  
(212) 701-7635

By Hand or Overnight Courier:  
Computershare Trust Company  
of New York  
Wall Street Plaza  
88 Pine Street, 19th Floor  
New York, NY 10005

Questions or requests for assistance or additional copies of this offer to purchase, the letter of transmittal and the notice of guaranteed delivery may be directed to the information agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

The information agent for the tender offer is:

(GEORGESON SHAREHOLDER LOGO)

17 State Street -- 10th Floor  
New York, NY 10004  
Banks and Brokers Call (212) 440-9800  
ALL OTHERS CALL TOLL-FREE (800) 213-0446

LETTER OF TRANSMITTAL  
TO TENDER SHARES OF COMMON STOCK  
PURSUANT TO THE  
OFFER TO PURCHASE FOR CASH DATED NOVEMBER 26, 2003  
BY

CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 2,600,000 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE NOT GREATER THAN \$17.00  
NOR LESS THAN \$12.50 PER SHARE

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, JANUARY 6, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

The Depositary for the Tender Offer is:

(CREDIT ACCEPTANCE CORPORATION LOGO)

By Mail:  
Computershare Trust Company  
of New York  
Wall Street Station  
P.O. Box 1010  
New York, NY 10268-1010

By Facsimile Transmission:  
For Eligible Institutions Only:  
(212) 701-7636  
  
For Confirmation Only Telephone:  
(212) 701-7635

By Hand or Overnight Courier:  
Computershare Trust Company  
of New York  
Wall Street Plaza  
88 Pine Street, 19th Floor  
New York, NY 10005

DELIVERY OF THIS LETTER OF TRANSMITTAL AND ALL OTHER DOCUMENTS TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY. DELIVERIES TO CREDIT ACCEPTANCE CORPORATION OR GEORGESON SHAREHOLDER COMMUNICATIONS, INC., THE INFORMATION AGENT, WILL NOT BE FORWARDED TO THE DEPOSITARY AND THEREFORE, WILL NOT CONSTITUTE VALID DELIVERY TO THE DEPOSITARY. DELIVERIES TO THE BOOK-ENTRY TRANSFER FACILITY WILL NOT CONSTITUTE VALID DELIVERY TO THE DEPOSITARY.

THE OFFER TO PURCHASE AND THIS ENTIRE LETTER OF TRANSMITTAL, INCLUDING THE ACCOMPANYING INSTRUCTIONS, SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used only if (1) certificates for shares are to be forwarded with it, or such certificates will be delivered under a Notice of Guaranteed Delivery previously sent to the Depositary (as defined in the Offer to Purchase), or (2) a tender of shares is to be made by book-entry transfer to the account maintained by the Depositary at The Depositary Trust Company, referred to as the "book-entry transfer facility," pursuant to Section 3 of the Offer to Purchase.

Shareholders who desire to tender shares under the tender offer and who cannot deliver the certificates for their shares or who are unable to comply with the procedures for book-entry transfer before the "expiration date" (as defined in Section 1 of the Offer to Purchase), and who cannot deliver all other documents required by this Letter of Transmittal to the Depositary before the expiration date, may tender their shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2.

Your attention is directed in particular to the following:

1. If you want to retain your shares, you do not need to take any action.
2. If you want to participate in the tender offer and wish to maximize the chance of having CAC accept for payment shares you are tendering hereby, you should check the box marked "Shares Tendered at Price Determined Under the Tender Offer" below and complete the other portions of this Letter of Transmittal as appropriate. You should understand that this election could result in your shares being purchased at the minimum price of \$12.50 per share.
3. If you wish to select a specific price at which you will be tendering your shares, you should select one of the boxes in the section captioned "Shares Tendered at Price Determined by Shareholder" below and complete the other portions of this Letter of Transmittal as appropriate.

IN ANY EVENT, YOUR BANK OR BROKER CAN ASSIST YOU IN COMPLETING THIS FORM. THE INSTRUCTIONS INCLUDED WITH THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED.

QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE OFFER TO  
PURCHASE OR  
THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE INFORMATION AGENT AT THE  
ADDRESS OR TOLL-FREE NUMBER INDICATED ON THE BACK COVER OF THIS LETTER OF  
TRANSMITTAL.





BOOK-ENTRY TRANSFER  
(SEE INSTRUCTION 2)

CHECK HERE IF SHARES ARE BEING TENDERED BY BOOK-ENTRY TRANSFER TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name(s) of Tendering Institution(s):  
-----

Account Number:  
-----

Transaction Code Number:  
-----

PRIOR GUARANTEED DELIVERY  
(SEE INSTRUCTION 2)

CHECK HERE IF SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s):  
-----

Window Ticket Number (if any):  
-----

Date of Execution of Notice of Guaranteed Delivery:  
-----

Name of Institution which Guaranteed Delivery:  
-----

Account Number (if delivered by Book-Entry Transfer):  
-----

Transaction Code Number:  
-----

CHECK HERE IF TENDER IS BEING MADE IN RESPECT OF LOST, MUTILATED OR DESTROYED CERTIFICATES. (SEE INSTRUCTION 16)

ODD LOTS  
(SEE INSTRUCTION 9)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, as of the close of business on November 26, 2003, and who continues to own, beneficially or of record, as of the expiration date, an aggregate of fewer than 100 shares.

The undersigned either (CHECK ONE BOX):

is the beneficial or record owner of an aggregate of fewer than 100 shares and is tendering all of those shares; or

is a broker, dealer, commercial bank, trust company or other nominee that:

(a) is tendering, for the beneficial owner(s) thereof, shares with respect to which it is the record owner; and

(b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares either (CHECK ONE BOX):

at the price per share indicated under "Shares Tendered at Price Determined by Shareholder" in Box A on page 6 of this Letter of Transmittal; or

at the purchase price, as the same shall be determined by CAC in accordance with the terms of the tender offer (persons checking this box should check Box B on page 6).

To Computershare Trust Company of New York:

The undersigned hereby tenders to Credit Acceptance Corporation, a Michigan corporation ("CAC"), the above-described shares of CAC common stock, par value \$0.01 per share, at the price per share indicated in this Letter of Transmittal, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in CAC's Offer to Purchase, dated November 26, 2003, receipt of which is hereby acknowledged, and in this Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer.

Subject to and effective on acceptance for payment of the shares tendered hereby in accordance with the terms of and subject to the conditions of the tender offer (including, if the tender offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, CAC all right, title and interest in and to all shares tendered hereby and orders the registration of all such shares if tendered by book-entry transfer that are purchased pursuant to the tender offer to or upon the order of CAC and hereby irrevocably constitutes and appoints the Depository as the true and lawful agent and attorney-in-fact of the undersigned with respect to such shares (with the full knowledge that the Depository also acts as the agent of CAC), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to:

(a) deliver certificates representing such shares, or transfer ownership of such shares on the account books maintained by the book-entry transfer facility, together, in either such case, with all accompanying evidences of transfer and authenticity, to or upon the order of CAC, upon receipt by the Depository, as the undersigned's agent, of the purchase price with respect to such shares;

(b) present certificates for such shares for cancellation and transfer on CAC's books; and

(c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, subject to the next paragraph, all in accordance with the terms and subject to the conditions of the tender offer.

The undersigned hereby covenants, represents and warrants to CAC that:

(a) the undersigned understands that tendering shares under any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the tender offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (ii) such tender of shares complies with Rule 14e-4 under the Exchange Act;

(b) when and to the extent CAC accepts the shares for purchase, CAC will acquire good, marketable and unencumbered title to them, free and clear of all security interests, liens, charges, encumbrances, conditional sales agreements or other obligations relating to their sale or transfer, and not subject to any adverse claim;

(c) on request, the undersigned will execute and deliver any additional documents the Depository or CAC deems necessary or desirable to complete the assignment, transfer and purchase of the shares tendered hereby; and

(d) the undersigned has read and agrees to all of the terms of the tender offer.

The name(s) and address(es) of the registered holder(s) should be printed, if they are not already printed above, exactly as they appear on the certificates representing shares tendered hereby. The certificate numbers, the number of shares represented by such certificates, and the number of shares that the undersigned wishes to tender, should be set forth in the appropriate boxes above. The price at which such shares are being tendered should be indicated in the box below.

The undersigned understands that CAC will, upon the terms and subject to the conditions of the tender offer, determine a single per share purchase price, not in excess of \$17.00 nor less than \$12.50 per share, that it will pay for shares properly tendered and not properly withdrawn prior to the expiration date under the tender offer, taking into account the number of shares so tendered and the prices specified (in increments of \$0.50) by tendering shareholders. The undersigned understands that CAC will select the lowest purchase price that will allow it to purchase 2,600,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$17.00 nor less than \$12.50 per share, under the tender offer, subject to its right to increase the total number of shares purchased to the extent permitted by law. The undersigned understands that all shares properly tendered at prices at or below the purchase price and not properly withdrawn will be purchased at the purchase price, net to the seller in cash, without interest, upon the terms and subject to the conditions of the tender offer, including its odd lot, proration and conditional tender provisions, and that CAC will return all other shares, including shares tendered at prices greater than the purchase price and not properly withdrawn and shares not purchased because of proration or conditional tenders, promptly following the expiration date.

The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, CAC may terminate or amend the tender offer or may postpone the acceptance for payment of, or the payment for, shares tendered or may accept for payment fewer than all of the shares tendered hereby. The undersigned understands that certificate(s) for any shares delivered herewith but not tendered or not purchased will be returned to the undersigned at the address indicated above. The undersigned recognizes that CAC has no obligation, under the "Special Payment Instructions," to transfer any certificate for shares from the name of its registered holder, or to order the registration or transfer of shares tendered by book-entry transfer, if CAC purchases none of the shares represented by such certificate or tendered by such book-entry transfer.

The undersigned understands that acceptance of shares by CAC for payment will constitute a binding agreement between the undersigned and CAC upon the terms and subject to the conditions of the tender offer. The undersigned acknowledges that no interest will be paid on the purchase price for tendered shares regardless of any extension of the tender offer or any delay in making such payment.

The check for the aggregate net purchase price for such of the tendered shares as are purchased by CAC will be issued to the order of the undersigned and mailed to the address indicated above unless otherwise indicated under either of the "Special Payment Instructions" or the "Special Delivery Instructions" boxes below.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned, and any obligations or duties of the undersigned under this Letter of Transmittal shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and legal representatives of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

PRICE PER SHARE AT WHICH SHARES ARE BEING TENDERED  
(SEE INSTRUCTION 5)

BOX A

SHARES TENDERED AT PRICE DETERMINED BY SHAREHOLDER

By checking one of the boxes below instead of the box under Box B, "Shares Tendered at Price Determined Under the Tender Offer," I hereby tender shares at the price checked. I understand this action could result in none of the shares being purchased if the purchase price determined by CAC for the shares is less than the price checked below. A shareholder who desires to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED (CHECK THE APPROPRIATE BOX TO INDICATE THE TENDER PRICE, NOT TO BE LESS THAN \$12.50 AND NOT TO EXCEED \$17.00):

\$12.50       \$13.50       \$14.50       \$15.50       \$16.50  
 \$13.00       \$14.00       \$15.00       \$16.00       \$17.00

Check the appropriate box above or, alternatively, check the box below under Box B, "Shares Tendered at Prices Determined Under the Tender Offer." Unless you check the box under Box B, if you do not check one and only one of the boxes above, you will not have validly tendered your shares.

OR  
BOX B

SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER

I want to maximize the chance of having CAC accept for purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the boxes in Box A, I hereby tender shares at, and am willing to accept, the purchase price determined by CAC in accordance with the terms of the tender offer. I understand this action could result in receiving a price per share as low as \$12.50.

YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED.

CONDITIONAL TENDER (SEE INSTRUCTION 6)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Section 6 thereof. Unless the minimum number of shares indicated below is purchased by CAC in the tender offer, none of the shares tendered by such shareholder will be purchased. It is the responsibility of the shareholder to calculate the minimum number of shares that must be purchased if any are purchased, and CAC urges shareholders to consult their own tax advisor before completing this section. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

Minimum number of shares that must be purchased, if any are purchased:  
\_\_\_\_\_ shares.

If, because of proration, the minimum number of shares designated will not be purchased, CAC may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked the box below.

The tendered shares represent all shares held by the undersigned.

SPECIAL PAYMENT INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 4, 7, 8 AND 11)

To be completed ONLY if certificates for shares not tendered, and/or any check for the purchase price are to be issued in the name of someone other than the undersigned, or if shares tendered hereby and delivered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than that designated above.

Issue  check:

share certificate(s) to:

Name(s):

-----  
(PLEASE PRINT)  
-----

Address:

-----  
(INCLUDE ZIP CODE)  
-----

-----  
(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)  
(SEE SUBSTITUTE FORM W-9 INCLUDED HEREWITH)  
-----

Credit shares delivered by book-entry transfer and not purchased to the account set forth below:

-----  
(ACCOUNT NUMBER)  
-----

SPECIAL DELIVERY INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 4, 7 AND 11)

To be completed ONLY if certificates for shares not tendered, and/or any check for the purchase price are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown above.

Send  check:

share certificate(s) to:

Name:

-----  
(PLEASE PRINT)  
-----

Address:

-----  
(INCLUDE ZIP CODE)  
-----

IMPORTANT  
SHAREHOLDER(S) SIGN HERE (SEE INSTRUCTIONS 1 AND 7)  
(PLEASE ALSO COMPLETE AND RETURN SUBSTITUTE FORM W-9 CONTAINED HEREIN)

X

X

SIGNATURE(S) OF HOLDER(S)

Dated:  
(Must be signed by the registered holder(s) exactly as the name(s) of such holder(s) appear(s) on certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) thereof by certificates and documents transmitted with this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 7.)

Name(s):  
-----  
(PLEASE PRINT)

Capacity (full title):  
-----

Address:  
-----  
-----  
(INCLUDE ZIP CODE)

-----  
(DAYTIME AREA CODE AND TELEPHONE NO.)

-----  
(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)  
(SEE SUBSTITUTE FORM W-9 INCLUDED HEREWITH)

GUARANTEE OF SIGNATURE(S)  
(IF REQUIRED -- SEE INSTRUCTIONS 1 AND 7)

Authorized Signature  
-----

Name(s):  
-----

Title  
-----

Name of Firm:  
-----  
NAME OF FIRM

Address:  
-----  
-----  
(INCLUDE ZIP CODE)

-----  
(DAYTIME AREA CODE AND TELEPHONE NO.)

Dated: -----

INSTRUCTIONS TO LETTER OF TRANSMITTAL  
FORMING PART OF THE TERMS OF THE TENDER OFFER

1. Guarantee of Signatures. No signature guarantee is required if either:

(a) this Letter of Transmittal is signed by the registered holder of the shares exactly as the name of the registered holder appears on the certificate, which term, for purposes of this document, shall include any participant in a book-entry transfer facility whose name appears on a security position listing as the owner of shares, tendered with this Letter of Transmittal, and payment and delivery are to be made directly to such registered holder unless such registered holder has completed either the box entitled "Special Payment Instructions" or "Special Delivery Instructions" above; or

(b) such shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act, each such entity, referred to as an "Eligible Institution."

In all other cases, signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. Shareholders may also need to have any certificates they deliver endorsed or accompanied by a stock power, and the signature on these documents may also need to be guaranteed. See Instruction 7.

2. Delivery of Letter of Transmittal and Certificates; Guaranteed Delivery Procedures. This Letter of Transmittal is to be used only if certificates are delivered with it to the Depository, or such certificates will be delivered under a Notice of Guaranteed Delivery previously sent to the Depository, or if tenders are to be made concurrently pursuant to the procedure for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase. Certificates for all physically tendered shares, or confirmation of a book-entry transfer into the Depository's account at the book-entry transfer facility of shares tendered electronically, together in each case with a properly completed and duly executed Letter of Transmittal or manually signed facsimile of it, or an Agent's Message (defined below), and any other documents required by this Letter of Transmittal, should be mailed or delivered to the Depository at the appropriate address set forth herein and must be received by the Depository before the expiration date. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH SUCH BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

The term "Agent's Message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in such book-entry transfer facility tendering the shares, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal, and that CAC may enforce such agreement against such participant.

Shareholders whose certificates are not immediately available or who cannot deliver certificates for their shares and all other required documents to the Depository before the expiration date, or whose shares cannot be delivered before the expiration date under the procedures for book-entry transfer, may tender their shares by or through any eligible guarantor institution by properly completing and duly executing and delivering a Notice of Guaranteed Delivery, or facsimile of it, and by otherwise complying with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Under such procedure, the certificates for all physically tendered shares or book-entry confirmation, as the case may be, as well as a properly completed and duly executed Letter of Transmittal, or manually signed facsimile of it, or an Agent's Message, and all other documents required by this Letter of Transmittal, must be received by the Depository within three business days after receipt by the Depository of such Notice of Guaranteed Delivery, all as provided in Section 3 of the Offer to Purchase.

The Notice of Guaranteed Delivery may be delivered by hand, facsimile transmission or mail to the Depository and must include, if necessary, a guarantee by an eligible guarantor institution in the form set

forth in such notice. For shares to be tendered validly under the guaranteed delivery procedure, the Depositary must receive the Notice of Guaranteed Delivery before the expiration date.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES FOR SHARES, IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY.

CAC will not accept any alternative or contingent tenders, nor will it purchase any fractional shares except as expressly provided in the Offer to Purchase. All tendering shareholders, by execution of this Letter of Transmittal, or a facsimile of it, waive any right to receive any notice of the acceptance of their tender.

3. Inadequate Space. If the space provided in the box captioned "Description of Shares Tendered" is inadequate, the certificate number and/or the number of shares should be listed on a separate signed schedule and attached to this Letter of Transmittal.

4. Partial Tenders and Unpurchased Shares. (Not applicable to shareholders who tender by book-entry transfer.) If fewer than all of the shares evidenced by any certificate(s) are to be tendered, fill in the number of shares which are to be tendered in the column entitled "Number of Shares Tendered" in the box entitled "Description of Shares Tendered" above. In such case, if any tendered shares are purchased, a new certificate for the remainder of the shares evidenced by the old certificate(s) will be issued and sent to the registered holder(s) thereof, unless otherwise specified in either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" in this Letter of Transmittal, promptly after the expiration date. Unless otherwise indicated, all shares represented by the certificates listed and delivered to the Depositary will be deemed to have been tendered.

5. Indication of Price at Which Shares are Being Tendered. For shares to be properly tendered, the shareholder must either (1) check the box indicating the price per share at which such shareholder is tendering shares in Box A above, titled "Shares Tendered at Price Determined by Shareholder" in this Letter of Transmittal; or (2) check the box above in Box B, captioned "Shares Tendered at Price Determined Under the Tender Offer" in order to maximize the chance of having CAC purchase all of the shares tendered (subject to the possibility of proration). Selecting Box B could result in the shareholder receiving a price per share as low as \$12.50. A shareholder may complete only Box A or Box B. If both Box A and Box B are completed, or neither Box A nor Box B are completed, there is no proper tender of shares. A shareholder wishing to tender portions of such shareholder's share holdings at different prices must complete a separate Letter of Transmittal for each price at which such shareholder wishes to tender each such portion of such shareholder's shares. To obtain additional copies of this Letter of Transmittal, contact the Information Agent (as defined in the Offer to Purchase) at the telephone number and address set forth on the back cover of this Letter of Transmittal. The same shares cannot be tendered more than once, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase.

6. Conditional Tenders. As described in Section 3 and Section 6 of the Offer to Purchase, shareholders may condition their tenders on all or a minimum number of their tendered shares being purchased. If CAC is to purchase less than all of the shares tendered before the expiration date and not properly withdrawn, the Depositary will perform a preliminary proration, and any shares tendered at or below the purchase price pursuant to a conditional tender for which the condition was not satisfied will automatically be regarded as withdrawn, subject to reinstatement if such conditionally tendered shares are subsequently selected by random lot for purchase subject to Sections 3 and 6 of the Offer to Purchase. **CONDITIONAL TENDERS WILL BE SELECTED BY RANDOM LOT ONLY FROM SHAREHOLDERS WHO TENDER ALL OF THEIR SHARES.** If conditional tenders would otherwise be so regarded as withdrawn and would cause the total number of shares to be purchased to fall below 2,600,000 then, to the extent feasible, CAC will select enough of such conditional tenders that would otherwise have been so withdrawn to permit CAC to purchase 2,600,000 shares. In selecting among such conditional

tenders, CAC will select by random lot and will limit its purchases in each case to the designated minimum number of shares to be purchased.

All tendered shares will be deemed unconditionally tendered unless the "Conditional Tender" box is completed. The conditional tender alternative is made available so that a shareholder may assure that the purchase of shares from the shareholder pursuant to the tender offer will be treated as a sale of the shares by the shareholder, rather than the payment of a dividend to the shareholder, for federal income tax purposes. It is the tendering shareholder's responsibility to calculate the minimum number of shares that must be purchased from the shareholder in order for the shareholder to qualify for sale (rather than dividend) treatment, and each shareholder is urged to consult with his or her own tax advisor. See Section 13 of the Offer to Purchase.

Any tendering shareholder wishing to make a conditional tender must calculate and appropriately indicate such minimum number of shares. Odd lot shares, which will not be subject to proration, cannot be conditionally tendered.

#### 7. Signatures on Letter of Transmittal, Stock Powers and Endorsements.

(a) If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

(b) If the shares tendered hereby are registered in the names of two or more joint holders, each such holder must sign this Letter of Transmittal.

(c) If any tendered shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal, or photocopies of it, as there are different registrations of certificates.

(d) When this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, no endorsements of certificate(s) representing such shares or separate stock powers are required unless payment is to be made or the certificates for shares not tendered or not purchased are to be issued to a person other than the registered holder(s). **SIGNATURE(S) ON SUCH CERTIFICATE(S) MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION.** If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) listed, or if payment is to be made or certificates for shares not tendered or not purchased are to be issued to a person other than the registered holder(s) thereof, the certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the certificate(s), and the signature(s) on such certificates or stock power(s) must be guaranteed by an Eligible Institution. See Instruction 1.

(e) If this Letter of Transmittal or any certificate(s) or stock power(s) are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, such person should so indicate when signing and must submit proper evidence to the Depository that is satisfactory to CAC of their authority so to act.

8. Stock Transfer Taxes. Except as provided in this Instruction 8, no stock transfer tax stamps or funds to cover such stamps need to accompany this Letter of Transmittal. CAC will pay or cause to be paid any stock transfer taxes payable on the transfer to it of shares purchased under the tender offer. However, if:

(a) payment of the purchase price is to be made to any person other than the registered holder(s); or

(b) certificates representing tendered shares are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal; or

(c) shares not tendered or not accepted for purchase are to be registered in the name(s) of any person(s) other than the registered holder(s),

then the Depositary will deduct from the purchase price the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person(s) or otherwise) payable on account of the transfer to such person, unless satisfactory evidence of the payment of such taxes or an exemption from them is submitted.

9. Odd Lots. As described in Section 1 of the Offer to Purchase, if CAC is to purchase fewer than all shares tendered before the expiration date and not properly withdrawn, the shares purchased first will consist of all shares tendered by any shareholder who owns, beneficially or of record, an aggregate of fewer than 100 shares and who tenders all of such holder's shares at or below the purchase price. This preference will not be available unless all of such holder's shares are tendered at or below the purchase price. This preference will not be available unless the box captioned "Odd Lots" is completed.

10. Order of Purchase in Event of Proration. As described in Section 1 of the Offer to Purchase, shareholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the federal income tax classification of any gain or loss on the shares purchased. See Sections 1 and 13 of the Offer to Purchase.

11. Special Payment and Delivery Instructions. If certificate(s) for shares not tendered or not purchased and/or check(s) are to be issued in the name of a person other than the signer of this Letter of Transmittal or if such certificates and/or check(s) are to be sent to someone other than the person signing this Letter of Transmittal or to the signer at a different address, the box captioned "Special Payment Instructions" and/or the box captioned "Special Delivery Instructions" on this Letter of Transmittal should be completed as applicable and signatures must be guaranteed as described in Instructions 1 and 7.

12. Irregularities. All questions as to the number of shares to be accepted, the price to be paid therefor and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares will be determined by CAC in its sole discretion, which determinations shall be final and binding on all parties. CAC reserves the absolute right to reject any or all tenders of shares it determines not be in proper form or the acceptance of which or payment for which may, in the opinion of CAC, be unlawful. CAC also reserves the absolute right to waive any of the conditions of the tender offer and any defect or irregularity in the tender of any particular shares or any particular shareholder, and CAC's interpretation of the terms of the tender offer, including these instructions, will be final and binding on all parties. In the event a condition is waived with respect to any particular shareholder, the same condition will be waived with respect to all shareholders. No tender of shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as CAC shall determine. None of CAC, the Depositary, the Information Agent or any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

13. Questions and Requests for Assistance and Additional Copies. Any questions or requests for assistance or for additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be directed to the Information Agent at the telephone number and address set forth on the back cover of this Letter of Transmittal. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

14. Tax Identification Number and Backup Withholding. Under the U.S. federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 28% of the gross proceeds payable to a shareholder or other payee pursuant to the tender offer must be withheld and remitted to the U.S. Internal Revenue Service ("IRS") unless the shareholder or other payee provides its taxpayer identification number ("TIN") (employer identification number or social security number) to the Depositary (as payer) and certifies under penalty of perjury that such number is correct. Therefore, each tendering shareholder should complete and sign the Substitute Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding,

unless such shareholder otherwise establishes to the satisfaction of the Depository that it is not subject to backup withholding. If the Depository is not provided with the correct TIN, the tendering shareholder also may be subject to penalties imposed by the IRS. The box in Part 3 of the form should be checked if the tendering shareholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is checked and the Depository is not provided with a TIN prior to payment, the Depository will withhold 28% on all such payments. If withholding results in an overpayment of taxes, a refund may be obtained. Certain "exempt recipients" (including, among others, certain Non-United States Holders (as defined below) and some corporations) are not subject to these backup withholding requirements. In order for a Non-United States Holder to qualify as an exempt recipient, that shareholder must submit an IRS Form W-8BEN (or other applicable IRS Form), signed under penalties of perjury, attesting to that shareholder's exempt status. Such statement can be obtained from the Depository.

15. Withholding on Non-United States Holders. Even if a Non-United States Holder (as defined below) has provided the required certification to avoid backup withholding, the Depository will withhold United States federal income taxes equal to 30% of the gross payments payable to a Non-United States Holder or such holder's agent unless the Depository determines that a reduced rate of withholding is available pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the Non-United States Holder's conduct of a trade or business within the United States. For this purpose, a "Non-United States Holder" is any shareholder that for United States federal income tax purposes is not (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or any State or division thereof (including the District of Columbia), (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income, or (iv) a trust (a) if a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all of the substantial decisions of the trust, or certain trusts considered U.S. persons for federal income tax purposes. In order to obtain a reduced rate of withholding pursuant to a tax treaty, a Non-United States Holder must deliver to the Depository before the payment a properly completed and executed IRS Form W-8BEN (or other applicable IRS Form). In order to obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to the Depository a properly completed and executed IRS Form W-8ECI. The Depository will determine a shareholder's status as a Non-United States Holder and eligibility for a reduced rate of, or an exemption from, withholding by reference to outstanding certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., IRS Form W-8BEN or IRS Form W-8ECI) unless facts and circumstances indicate that such reliance is not warranted. A Non-United States Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such Non-United States Holder meets those tests described in Section 13 of the Offer to Purchase that would characterize the exchange as a sale (as opposed to a dividend) or is otherwise able to establish that no tax or a reduced amount of tax is due.

NON-UNITED STATES HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF UNITED STATES FEDERAL INCOME TAX WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING TAX REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.

16. Lost, Stolen, Destroyed or Mutilated Certificates. If you are unable to locate the Certificate(s) representing your shares, contact the Depository at (800) 245-7630. The Depository will instruct you on the procedures to follow. This should occur promptly so that you can timely deliver your Letter of Transmittal and the required Certificate(s) to the Depository.

17. The CAC 401(k) Profit Sharing Plan and Trust. Participants in the CAC 401(k) Profit Sharing Plan and Trust may not use this Letter of Transmittal to direct the tender of shares held in their account under the plan. Participants in the CAC 401(k) Profit Sharing Plan and Trust are urged to carefully read the "Letter to Participants in the CAC 401(k) Profit Sharing Plan and Trust" sent to them.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A MANUALLY SIGNED PHOTOCOPY OF IT (TOGETHER WITH CERTIFICATE(S) FOR SHARES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) OR, IF APPLICABLE, THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY BEFORE 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

## IMPORTANT TAX INFORMATION

Under the Federal income tax law, a shareholder whose tendered Shares are accepted for payment is required by law to provide the Depository (as payer) with such shareholder's correct TIN on Substitute Form W-9 below. If such shareholder is an individual, the TIN is such shareholder's social security number. If the Depository is not provided with the correct TIN, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service and payments that are made to such shareholder with respect to Shares purchased pursuant to the tender offer may be subject to backup withholding of 28%.

Certain shareholders including, among others, certain corporations and certain foreign individuals, are not subject to these backup withholding and reporting requirements. In order for a Non-United States Holder to qualify as an exempt recipient, such shareholder must submit an appropriate Form W-8, signed under penalties of perjury, attesting to such shareholder's exempt status. The appropriate Form W-8 can be obtained from the Depository. Exempt shareholders should furnish their TIN, write "Exempt" on the face of the Substitute Form W-9, and sign, date and return the Substitute Form W-9 to the Information Agent. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions. A shareholder should consult his or her tax advisor as to such shareholder's qualification for an exemption from backup withholding and the procedure for obtaining such exemption.

If backup withholding applies, the Depository is required to withhold 28% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the Federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

### PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the tender offer, the shareholder is required to notify the Depository of such shareholder's correct TIN by completing the form below certifying that (a) the TIN provided on Substitute Form W-9 is correct (or that such shareholder is awaiting a TIN) and (b) that (i) such shareholder has not been notified by the Internal Revenue Service that such shareholder is subject to backup withholding as a result of a failure to report all interest or dividends or (ii) the Internal Revenue Service has notified such shareholder that such shareholder is no longer subject to backup withholding.

### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depository the social security number or employer identification number of the record holder of the Shares tendered hereby. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the shareholder should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9 and the Certificate of Awaiting Taxpayer Identification Number. If "Applied For" is written in Part I and the Depository is not provided with a TIN by the time for payment, the Depository will withhold 28% of all payments of the purchase price to such shareholder.



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----- Address  
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City, State,  
Zip Code -----  
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PART 3 --  
AWAITING TIN [  
] Please  
complete the  
Certificate of  
Authority  
Taxpayer  
Identification  
Numbers below.

PART 2 --  
CERTIFICATION  
Under penalties  
of perjury, I  
certify that:  
(1) The number  
shown on this  
form is my  
correct TIN (or  
I am waiting  
for a number to  
be issued to  
me); (2) I am  
not subject to  
backup  
withholding  
because: (a) I  
am exempt from  
backup  
withholding, or  
(b) I have not  
been notified  
by the Internal  
Revenue Service  
(the "IRS")  
that I am  
subject to  
backup  
withholding as  
a result of a  
failure to  
report all  
interest on  
dividends, or  
(c) the IRS has  
notified me  
that I am no  
longer subject  
to backup  
withholding;  
and (3) I am a  
U.S. person  
(including a  
U.S. resident  
alien). -----  
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CERTIFICATION  
INSTRUCTIONS--  
You must cross  
out item (2)  
above if you  
have been  
notified by the  
IRS that you  
are currently  
subject to  
backup

withholding because you have failed to report all interest and dividends on your tax return.

However, if after being notified by the IRS that you were subject to backup withholding, you received another notification from the IRS that you were no longer subject to backup

withholding, do not cross out item (2). (Also see the instructions in the enclosed guidelines.)

The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature: ----

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Date: -----

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NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THIS OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATION IF YOU ARE AWAITING (OR WILL SOON APPLY FOR) A TAXPAYER IDENTIFICATION NUMBER.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that, notwithstanding the information I provided in Part I of the Substitute Form W-9 (and the fact that I have completed this Certificate of Awaiting Taxpayer Identification Number), if I do not provide a correct taxpayer identification number to the Depository by the time of payment, 28% of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature: ----- Date: -----





be considered to be that of the first name listed.

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) YOU MUST SHOW YOUR INDIVIDUAL NAME, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION

NUMBER ON SUBSTITUTE FORM W-9

OBTAINING A NUMBER

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Card, or Form SS-4, Application for Employer Identification Number (for business and all other entities), at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on ALL payments include the following:

- An organization exempt from tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), any IRA, or a custodial account under Section 403(b)(7), if the account satisfies the requirements of Section 401(f)(2).
- The United States or any of its agencies or instrumentalities.
- A State, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency or instrumentality thereof.

Other payees that may be exempt from backup withholding include:

- A corporation.
- A foreign central bank of issue.
- A dealer in securities or commodities required to register in the U.S., the District of Columbia or a possession of the U.S.
- A real estate investment trust.
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A common trust fund operated by a bank under Section 584(a) of the Code.
- A financial institution.
- A middleman known in the investment community as a nominee or custodian.
- A trust exempt from tax under Section 664 or described in Section 4947(a)(1) of the Code.
- A futures commission merchant registered with the Commodity Futures Trading Commission.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under Section 1441 of the Code.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payment made by certain foreign organizations.
- Section 404(k) payments made by an ESOP.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. NOTE: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under Section 852 of the Code).
- Payments described in Section 6049(b)(5) of the Code to non-resident aliens.
- Payments on tax-free covenant bonds under Section 1451 of the Code.
- Payments made by certain foreign organizations.
- Payments made to a nominee.
- Mortgage or student loan interest paid to you.

EXEMPT PAYEES DESCRIBED ABOVE SHOULD FILE A FORM W-9 TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER. IF YOU ARE A NONRESIDENT ALIEN OR A FOREIGN ENTITY NOT SUBJECT TO BACKUP WITHHOLDING, FILE WITH A PAYER A COMPLETED INTERNAL REVENUE FORM W-8 (CERTIFICATE OF FOREIGN STATUS).

Certain payments other than interest, dividends, and patronage dividends that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under Sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A and 6050N of the Code and the regulations promulgated thereunder.

PRIVACY ACT NOTICE -- Section 6109 of the Internal Revenue Code requires you to provide the correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

#### PENALTIES

- (1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- (2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis that results in no imposition of backup withholding, you are subject to a penalty of \$500.
- (3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. -- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.
- (4) MISUSE OF TINs. -- If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

Questions and requests for assistance may be directed to the Information Agent at its addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal or other related tender offer materials may be obtained from the Information Agent. Shareholders may also contact their broker, dealer, commercial bank or trust company or other nominee for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

(GEORGESON SHAREHOLDER LOGO)

17 State Street -- 10th Floor  
New York, NY 10004  
Banks and Brokers Call (212) 440-9800  
All others call Toll-Free (800) 213-0446

NOTICE OF GUARANTEED DELIVERY

FOR  
TENDER OF SHARES OF COMMON STOCK  
OF

CREDIT ACCEPTANCE CORPORATION  
(NOT TO BE USED FOR SIGNATURE GUARANTEES)

As set forth in Section 3 of the Offer to Purchase, dated November 26, 2003, this Notice of Guaranteed Delivery, or a facsimile hereof, must be used to accept the tender offer if:

(a) certificates representing shares of common stock, par value \$0.01 per share, of Credit Acceptance Corporation, a Michigan corporation ("CAC"), cannot be delivered prior to the "expiration date" (as defined in Section 1 of the Offer to Purchase); or (b) the procedure for book-entry transfer cannot be completed before the expiration date; or (c) time will not permit a properly completed and duly executed Letter of Transmittal, or manually signed facsimile thereof, and all other required documents to reach the Depository referred to below before the expiration date.

This form or a facsimile of it, signed and properly completed, may be delivered by hand or transmitted by facsimile transmission or mailed to the Depository so that it is received by the Depository before the expiration date and must include a guarantee by "an eligible guarantor institution." See Section 3 of the Offer to Purchase.

The Depository for the Offer is:

(COMPUTERSHARE LOGO)

By Mail:  
Computershare Trust Company  
of New York  
Wall Street Station  
P.O. Box 1010  
New York, NY 10268-1010

By Facsimile Transmission:  
For Eligible Institutions Only:  
(212) 701-7636  
  
For Confirmation Only  
Telephone:  
(212) 701-7635

By Hand or Overnight Courier:  
Computershare Trust Company  
of New York  
Wall Street Plaza  
88 Pine Street, 19th Floor  
New York, NY 10005

Any questions or requests for assistance or additional copies may be directed to the Information Agent at its telephone number or address set forth below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

(GEORGESON SHAREHOLDER LOGO)

17 State Street -- 10th Floor  
New York, NY 10004  
Banks and Brokers Call (212) 440-9800  
ALL OTHERS CALL TOLL-FREE (800) 213-0446

FOR THIS NOTICE TO BE VALIDLY DELIVERED IT MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF THE ABOVE ADDRESSES PRIOR TO THE EXPIRATION DATE. DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

The undersigned hereby tenders the above described shares to CAC at the price per share indicated below, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, and the related Letter of Transmittal (which together constitute the "Offer"), receipt of which are hereby acknowledged.

BOX A

SHARES TENDERED AT PRICE DETERMINED BY SHAREHOLDER  
(SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking one of the boxes below instead of the box under Box B, "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by CAC for the shares is less than the price checked below. A shareholder who desires to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED (CHECK THE APPROPRIATE BOX TO INDICATE THE TENDER PRICE, NOT TO BE LESS THAN \$12.50 AND NOT TO EXCEED \$17.00)

\$12.50       \$13.50       \$14.50       \$15.50       \$16.50

\$13.00       \$14.00       \$15.00       \$16.00       \$17.00

Check the appropriate box above or, alternatively, check the box below under Box B, "Shares Tendered at Prices Determined Under the Tender Offer." Unless you check the box under Box B, if you do not check one and only one of the boxes above, you will not have validly tendered your shares.

BOX B

SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER  
(SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

The undersigned wants to maximize the chance of having CAC purchase all of the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the boxes in Box A, the undersigned hereby tenders shares at, is willing to accept, the purchase price determined by CAC in accordance with the terms of the Offer. This action could result in receiving a price per share as low as \$12.50.

YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED.

CONDITIONAL TENDER  
(SEE INSTRUCTION 6 TO THE LETTER OF TRANSMITTAL)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Section 6 thereof. Unless the minimum number of shares indicated below is purchased by CAC in the Offer, none of the shares tendered by such shareholder will be purchased. It is the responsibility of the shareholder to calculate the minimum number of shares that must be purchased if any are purchased, and CAC urges shareholders to consult their own tax advisor before completing this section. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

Minimum number of shares that must be purchased, if any are purchased:            shares.

If, because of proration, the minimum number of shares designated will not be purchased, CAC may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked the box below.

The tendered shares represent all shares held by the undersigned.

ODD LOTS  
(SEE INSTRUCTION 9 IN THE LETTER OF TRANSMITTAL)

To be completed only if shares are being tendered by or on behalf of a person owning beneficially or of record, as of the close of business on November 25, 2003, and who continues to own, beneficially or of record, as of the expiration date an aggregate of fewer than 100 shares.

The undersigned either (CHECK ONE BOX):

is the beneficial or of record an aggregate of fewer than 100 shares and is tendering all of those shares; or

is a broker, dealer, commercial bank, trust company or other nominee that: (a) is tendering, for the beneficial owner(s) thereof, shares with respect to which it is the record owner; and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares either (CHECK ONE BOX):

[ ] at the price per share indicated in Box A above under "Shares Tendered at Price Determined By Shareholder;" or

[ ] at the purchase price, as the same shall be determined by CAC in accordance with the terms of the Offer (persons checking this box should check Box B on page 2).

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Number of shares of common stock:  
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Name(s) of Record Holder(s):  
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Certificate Nos. (if available):  
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If shares will be delivered by book-entry  
Address:  
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Transfer, provide the following information:  
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Account Number:  
-----

Zip Code:  
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Area code and Tel. No.:  
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Signature(s):  
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Dated: \_\_\_\_\_, 2003

GUARANTEE  
(NOT TO BE USED FOR SIGNATURE GUARANTEES)

The undersigned is a firm or other entity that is a member in good standing of a registered national securities exchange, or a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office, branch or agency in the United States and represents that: (a) the above-named person(s) "own(s)" the shares tendered hereby within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (b) such tender of shares complies with Rule 14e-4, and guarantees that the Depository will receive (i) certificates for the shares tendered hereby in proper form for transfer, or (ii) confirmation that the shares tendered hereby have been delivered pursuant to the procedure for book-entry transfer (set forth in Section 3 of the Offer to Purchase) into the Depository's account at The Depository Trust Company, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of it), or an Agent's Message (as described in the Offer to Purchase), and any other documents required by the Letter of Transmittal, all within three trading days after the date the Depository receives this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates representing shares to the Depository within the time period set forth herein. Failure to do so could result in financial loss to such Eligible Institution.

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Name of Firm:

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Authorized Signature:

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Address:

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Title:

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Name:

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Zip Code:

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Please Type or Print:

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Area Code and Tel. No.:

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Dated: \_\_\_\_\_, 2003

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY. SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL

OFFER TO PURCHASE FOR CASH  
BY

CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 2,600,000 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE NOT GREATER THAN \$17.00  
NOR LESS THAN \$12.50 PER SHARE

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY  
TIME, ON TUESDAY, JANUARY 6, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

November 26, 2003

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

Credit Acceptance Corporation, a Michigan corporation ("CAC"), has appointed us to act as the Information Agent in connection with its offer to purchase for cash up to 2,600,000 shares of its common stock, par value \$0.01 per share, at a price, net to the seller in cash, without interest, not greater than \$17.00 nor less than \$12.50 per share, specified by its shareholders, upon the terms and subject to the conditions set forth in its Offer to Purchase, dated November 26, 2003, and in the related Letter of Transmittal (which together constitute the "Offer").

CAC will, upon the terms and subject to the conditions of the Offer, determine a single per share price, not greater than \$17.00 nor less than \$12.50 per share, that it will pay for shares properly tendered and not properly withdrawn under the Offer, taking into account the number of shares so tendered and the prices specified by tendering shareholders. CAC will select the lowest purchase price that will allow it to purchase 2,600,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn at a price not greater than \$17.00 nor less than \$12.50 per share, under the Offer. All shares properly tendered before the "expiration date" (as defined in Section 1 of the Offer to Purchase) at prices at or below the purchase price and not properly withdrawn will be purchased by CAC at the purchase price selected by CAC, net to the seller in cash, without interest, upon the terms and subject to the conditions of the Offer, including the odd lot, proration and conditional tender provisions thereof. Shares tendered at prices in excess of the purchase price and shares not purchased because of proration or conditional tenders will be returned at CAC's expense to the shareholders who tendered such shares promptly after the expiration date. CAC reserves the right, in its sole discretion, to purchase more than 2,600,000 shares under the Offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 2,600,000 shares (or such greater number of shares as CAC may elect to purchase pursuant to the tender offer in accordance with applicable law), CAC will, on the terms and subject to the conditions of the Offer, purchase at the purchase price selected by CAC all shares so tendered.

On the terms and subject to the conditions of the Offer, if at the expiration of the Offer more than 2,600,000 shares (or any such greater number of shares as CAC may elect to purchase) are properly tendered at or below the purchase price selected by CAC, then CAC will buy shares first from all shareholders who own beneficially or of record, an aggregate of fewer than 100 shares who properly tender all their shares at or below the purchase price selected by CAC and do not withdraw them before the expiration date. Second, the purchase of all of the shares tendered by odd lot holders, subject to the

conditional tender provisions in Section 6 of the Offer to Purchase, CAC will purchase all other shares properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date, on a pro rata basis, and third, only if necessary to permit CAC to purchase 2,600,000 shares (or such greater number of shares as CAC may elect to purchase), CAC will purchase shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price, by random lot, to the extent feasible.

THE OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

For your information and for forwarding to those of your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase, dated November 26, 2003;
2. The Letter of Transmittal for your use and for the information of your clients (together with accompanying instructions and Substitute Form W-9);
3. A letter to clients that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;
4. A Notice of Guaranteed Delivery to be used to accept the Offer if the share certificates and all other required documents cannot be delivered to the Depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date;
5. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9; and
6. A return envelope addressed to the Depository.

YOUR PROMPT ACTION IS REQUIRED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE TO OBTAIN THEIR INSTRUCTIONS. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, JANUARY 6, 2004, UNLESS THE OFFER IS EXTENDED.

CAC will not pay any fees or commissions to brokers, dealers, commercial banks, trust companies or any person (other than fees to the Information Agent and Depository as described in Section 15 of the Offer to Purchase) for soliciting tenders of shares under the tender offer. CAC will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies or other nominees for customary mailing and handling expenses incurred by them in forwarding any of the enclosed materials to the beneficial owners of shares held by you as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank, or trust company has been authorized to act as the agent of CAC, the Information Agent, or the Depository for purposes of the Offer. CAC will pay or cause to be paid all stock transfer taxes, if any, applicable to its purchase of shares, except as otherwise provided in the Offer to Purchase or Instruction 8 in the Letter of Transmittal.

For shares to be tendered properly under the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an "agent's message" (as defined in the Offer to Purchase), or a specific acknowledgement in the case of a tender through the Automated Tender Offer Program (as described in the Offer to Purchase) of the book-entry transfer facility (as defined in the Offer to Purchase), and any other documents required by the letter of transmittal, must be received before 5:00 p.m., New York City time, on the expiration date by the Depository at its address set forth on the back cover page of the offer to purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Holders of shares whose certificate(s) for such shares are not immediately available, holders who cannot deliver such certificate(s) and all other required documents to the Depositary or holders who cannot complete the procedures for book-entry transfer before the expiration date must tender their shares according to the procedure for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

Neither CAC or its board of directors or the Information Agent makes any recommendation to any shareholder as to whether to tender or refrain from tendering all or any shares or as to the price or prices at which to tender. Shareholders must make their own decision as to whether to tender shares and, if so, how many shares to tender and at which prices.

Any inquiries you may have with respect to the tender offer should be addressed to us, at the addresses and telephone number set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from by calling us toll free at (800) 213-0446.

Very truly yours,

GEORGESON SHAREHOLDER COMMUNICATIONS, INC.

Enclosures

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF CAC, THE INFORMATION AGENT OR THE DEPOSITARY, OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

OFFER TO PURCHASE FOR CASH  
BY  
CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 2,600,000 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE NOT GREATER THAN \$17.00  
NOR LESS THAN \$12.50 PER SHARE

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, JANUARY 6, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

November 26, 2003

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated November 26, 2003, and the related Letter of Transmittal (which together constitute the "Offer"), in connection with the Offer by Credit Acceptance Corporation, a Michigan corporation ("CAC"), to purchase up to 2,600,000 shares of its common stock, par value \$0.01 per share, at a price, net to the seller in cash, without interest, not greater than \$17.00 nor less than \$12.50 per share, specified by tendering shareholders, upon the terms and subject to the conditions of the Offer.

CAC will, upon the terms and subject to the conditions of the Offer, determine a single per share price, not greater than \$17.00 nor less than \$12.50 per share, that it will pay for shares properly tendered and not properly withdrawn under the Offer, taking into account the number of shares so tendered and the prices specified by tendering shareholders. CAC will select the lowest purchase price that will allow it to purchase 2,600,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at a price not greater than \$17.00 nor less than \$12.50 per share, under the Offer. All shares properly tendered prior to the "expiration date" (as defined in Section 1 of the Offer to Purchase) at prices at or below the purchase price and not properly withdrawn will be purchased at the purchase price, net to the seller in cash, without interest, upon the terms and subject to the conditions of the Offer including the odd lot, proration and conditional tender provisions. CAC will return promptly after the expiration date all shares, including shares tendered at prices greater than the purchase price and shares not purchased because of proration or conditional tenders. CAC reserves the right, in its sole discretion, to purchase more than 2,600,000 shares under the tender offer in accordance with applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 2,600,000 shares (or such greater number of shares as CAC may elect to purchase pursuant to the tender offer), CAC will, on the terms and subject to the conditions of the Offer, purchase at the purchase price selected by CAC all shares so tendered.

On the terms and subject to the conditions of the Offer, if at the expiration of the Offer more than 2,600,000 shares (or any such greater number of shares as CAC may elect to purchase) are properly tendered at or below the purchase price selected by CAC, then CAC will buy shares first from all shareholders who own beneficially or of record, an aggregate of fewer than 100 shares who properly tender all their shares at or below the purchase price selected by CAC and do not withdraw them before the expiration date. Second, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions in Section 6 of the Offer to Purchase, CAC will purchase all other shares properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date, on a pro rata basis, and third, only if necessary to permit CAC to purchase 2,600,000 shares (or such greater number of shares as CAC may elect to purchase), CAC will purchase

shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price, by random lot, to the extent feasible.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. WE ARE SENDING YOU THE LETTER OF TRANSMITTAL FOR YOUR INFORMATION ONLY; YOU CANNOT USE IT TO TENDER SHARES WE HOLD FOR YOUR ACCOUNT.

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account, and if you wish us to tender, the price(s), if any, at which you wish to do so, on the terms and subject to the conditions of the tender offer.

We call your attention to the following:

1. You may tender your shares at prices not greater than \$17.00 nor less than \$12.50 per share as indicated in the attached Instruction Form, net to you in cash, without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The Offer is not conditioned upon any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions set forth in Section 7 of the Offer to Purchase.
4. The Offer and withdrawal rights with respect to the Offer will expire at 5:00 p.m., New York City time, on Tuesday, January 6, 2004, unless CAC extends the Offer.
5. The Offer is for 2,600,000 shares, constituting approximately 6.2% of the shares outstanding as of November 25, 2003.
6. Tendering shareholders who are registered shareholders or who tender their shares directly to Computershare Trust Company of New York, the Depository for the tender offer, will not be obligated to pay any brokerage commissions or fees to CAC, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on CAC's purchase of shares under the tender offer.
7. If you own beneficially or of record an aggregate of fewer than 100 shares, and you instruct us to tender on your behalf all such shares at or below the purchase price before the expiration date and check the box captioned "Odd Lots" in the attached Instruction Form, CAC, upon the terms and subject to the conditions of the tender offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered at or below the purchase price and not properly withdrawn.
8. If you wish to tender portions of your shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.
9. If you wish to condition your tender upon the purchase of all shares tendered or upon CAC's purchase of a specified minimum number of the shares that you tender, you may elect to do so and thereby avoid possible proration of your tender. If because of proration, the minimum number of shares designated will not be purchased, CAC may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares. To elect such a condition, complete the section captioned "Conditional Tender" in the attached Instruction Form.
10. CAC's board of directors has approved the Offer. However, neither CAC nor any member of its board of directors, nor the Information Agent (as defined in the Offer to Purchase) makes any recommendation to shareholders as to whether they should tender or refrain from tendering their shares or as to the purchase price or purchase prices at which they may choose to tender their shares.

Shareholders must make their own decision as to whether to tender their shares and, if so, how many shares to tender and the purchase price or purchase prices at which their shares should be tendered. In doing so, shareholders should read carefully the information in the Offer to Purchase and in the related Letter of Transmittal, including CAC's reasons for making the tender offer. See Section 2 of the Offer to Purchase. Shareholders should discuss whether to tender their shares with their broker or other financial or tax advisor.

11. CAC's directors and executive officers have advised CAC that they do not intend to tender any shares in the Offer. See Section 11 of the Offer to Purchase.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form as promptly as possible. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

Terms used and not defined herein shall have the meanings ascribed to them in the Offer to Purchase.

YOUR PROMPT ACTION IS REQUESTED. YOUR INSTRUCTION FORM SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION DATE OF THE OFFER. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, JANUARY 6, 2004, UNLESS CAC EXTENDS THE OFFER. TENDERED SHARES MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE APPLICABLE EXPIRATION DATE.

The Offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

INSTRUCTIONS WITH RESPECT TO THE  
OFFER TO PURCHASE FOR CASH  
BY  
CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 2,600,000 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE NOT GREATER THAN \$17.00  
NOR LESS THAN \$12.50 PER SHARE

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated November 26, 2003, and the related Letter of Transmittal (which together constitute the "Offer") in connection with the offer by Credit Acceptance Corporation, a Michigan corporation ("CAC"), to purchase up to 2,600,000 shares of its common stock, par value \$0.01 per share, at a price, net to the seller in cash, without interest, not greater than \$17.00 nor less than \$12.50 per share, specified by the undersigned, upon the terms and subject to the conditions of the tender offer.

The undersigned hereby instruct(s) you to tender to CAC the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, at the price per share indicated below, under the terms and subject to the conditions of the tender offer.

AGGREGATE NUMBER OF SHARES TO BE TENDERED BY YOU FOR THE ACCOUNT OF THE UNDERSIGNED: \_\_\_\_\_ SHARES. Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.

PRICE PER SHARE AT WHICH SHARES ARE BEING TENDERED  
(SEE INSTRUCTION 5 IN THE LETTER OF TRANSMITTAL)

BOX A  
SHARES TENDERED AT PRICE DETERMINED BY SHAREHOLDER

By checking one of the boxes below instead of the box under Box B, "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by CAC for the shares is less than the price checked below. A shareholder who desires to tender shares at more than one price must complete a separate instruction letter for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED (CHECK THE APPROPRIATE BOX TO INDICATE THE TENDER PRICE, NOT TO BE LESS THAN \$12.50 AND NOT TO EXCEED \$17.00).

<input type="checkbox"/> \$12.50	<input type="checkbox"/> \$13.50	<input type="checkbox"/> \$14.50	<input type="checkbox"/> \$15.50	<input type="checkbox"/> \$16.50
<input type="checkbox"/> \$13.00	<input type="checkbox"/> \$14.00	<input type="checkbox"/> \$15.00	<input type="checkbox"/> \$16.00	<input type="checkbox"/> \$17.00

Check the appropriate box above or, alternatively, check the box below under Box B, "Shares Tendered at Prices Determined Under the Tender Offer." Unless you check the box under Box B, if you do not check one and only one of the boxes above, you will not have validly tendered your shares.

BOX B  
SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER

I want to maximize the chance of having CAC purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes in Box A, I hereby tender shares at, and am willing to accept, the purchase price determined by CAC in accordance with the terms of the Offer. This action could result in receiving a price per share as low as \$12.50.

YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED.

ODD LOTS  
(SEE INSTRUCTION 9 IN THE LETTER OF TRANSMITTAL)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, as of the close of business on November 25, 2003, and who continues to own, beneficially or of record, as of the expiration date, an aggregate of fewer than 100 shares.

The undersigned either (CHECK ONE BOX):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial or record owner of an aggregate of fewer than 100 shares and is tendering all of those shares

In addition, the undersigned is tendering shares either (CHECK ONE BOX):

- at the price per share indicated in Box A above under "Shares Tendered at Price Determined by Shareholder;" or
- at the purchase price, as the same shall be determined by CAC in accordance with the terms of the tender offer (persons checking this box should check Box B above).

CONDITIONAL TENDER  
(SEE INSTRUCTION 6 IN THE LETTER OF TRANSMITTAL)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Sections 6 thereof. Any shareholder desiring to make a conditional tender must so indicate in the box captioned "Conditional Tender" below. Unless the minimum number of shares indicated below is purchased by CAC in the tender offer, none of the shares tendered by such shareholder will be purchased. It is the responsibility of the shareholder to calculate the minimum number of shares that must be purchased if any are purchased, and CAC urges shareholders to consult their own tax advisor before completing this section. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

- Minimum number of shares that must be purchased, if any are purchased:  
\_\_\_\_\_ shares.

If, because of proration, the minimum number of shares designated will not be purchased, CAC may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked the box below.

[ ] The tendered shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE DELIVERY.

-----  
SIGN HERE

Account Number(s):  
-----

Signature(s):  
-----

Name(s):  
-----  
(PLEASE PRINT)

Address(es):  
-----  
(INCLUDING ZIP CODE)

Area Code/Phone Number(s): (\_\_\_\_)  
-----

Taxpayer Identification or Social Security Number(s):  
-----

Dated:  
-----, 2003

Form of Letter to Participants in the CAC 401(k) Profit Sharing Plan and Trust

To Participants in the CAC 401(k) Profit Sharing Plan and Trust:

ABN AMRO Trust Services Company ("ABN AMRO") is the Trustee of the Credit Acceptance Corporation 401(k) Profit Sharing Plan and Trust (the "Plan").

Enclosed with this letter is an Offer to Purchase by Credit Acceptance Corporation ("CAC") of up to 2,600,000 shares of its common stock, and documents related thereto. This tender offer will affect participants holding units of the CAC Stock Fund in the Plan as of the close of business on Tuesday, January 6, 2004, the scheduled expiration date of the tender offer. The details of the tender offer are explained in the enclosed documents.

THE INFORMATION IN THE ENCLOSED TENDER OFFER DOCUMENTS IS SENT TO YOU FOR YOUR INFORMATION ONLY. NO ACTION ON YOUR PART IS REQUIRED REGARDING THE OFFER TO TENDER SHARES HELD IN THE CAC STOCK FUND. On January 6, 2004, ABN AMRO will determine, based on the closing price of CAC's common stock on that date, whether it is in the best interests of Plan participants who hold units of the CAC Stock Fund the previous day, to tender or not tender shares held in the Stock Fund. ABN AMRO will determine that it is in the best interests of Plan participants to tender the shares if the publicly available closing price of CAC's common stock on January 5, 2004 at 4:00 p.m. New York City time is less than a price at which ABN AMRO may select to tender the shares, based on the terms as set forth in the enclosed documents.

If ABN AMRO determines that a tender is in the best interests of Plan participants, ALL shares of CAC stock held in the Stock Fund will be tendered. ABN AMRO will tender the shares at the lowest incremental tender price that is greater than the January 5, 2004 closing price. If ABN AMRO tenders the shares, the tender offer will be subject to the terms of the enclosed documents. If ABN AMRO determines that a tender is not in the best interests of Plan participants, no shares of CAC stock held in the Stock Fund will be tendered.

As a participant in the Plan, you may continue to trade in or out of the CAC Stock Fund during the tender offer period, but YOU WILL NOT HAVE THE OPPORTUNITY TO DIRECT SHARES HELD IN THE CAC STOCK FUND TO BE TENDERED IN THE OFFER.

ABN AMRO TRUST SERVICES COMPANY,  
Trustee

[CREDIT ACCEPTANCE LOGO]

SILVER TRIANGLE BUILDING  
25505 WEST TWELVE MILE ROAD - SUITE 3000  
SOUTHFIELD, MI 48034-8339  
(248) 353-2700  
WWW.CREDITACCEPTANCE.COM

NEWS RELEASE

FOR IMMEDIATE RELEASE

DATE: NOVEMBER 26, 2003

INVESTOR RELATIONS: DOUGLAS W. BUSK  
CHIEF FINANCIAL OFFICER  
(248) 353-2700 EXT. 432  
IR@CREDITACCEPTANCE.COM

NASDAQ SYMBOL: CACC

CREDIT ACCEPTANCE ANNOUNCES MODIFIED DUTCH AUCTION TENDER OFFER

SOUTHFIELD, MICHIGAN -- NOVEMBER 26, 2003 -- Credit Acceptance Corporation (NASDAQ:CACC) today announced that it has commenced a modified dutch auction tender offer to purchase up to 2,600,000 of its outstanding common stock at a price per share of \$12.50 to \$17.00. The tender offer will expire at 5:00 p.m., Eastern Standard Time, Tuesday, January 6, 2004, unless extended by Credit Acceptance. Tenders of shares must be made on or prior to the expiration of the tender offer and shares may be withdrawn at any time on or prior to the expiration of the tender offer. Credit Acceptance's obligation to purchase is subject to the conditions set forth in the offer to purchase and letter of transmittal documents being sent to shareholders.

Under the tender offer, shareholders of Credit Acceptance common stock will be invited to choose a price at which they are willing to sell their shares to the Credit Acceptance, within the range of \$12.50 to \$17.00 per share. Credit Acceptance will then select the lowest single purchase price that will allow it to buy up to 2,600,000 shares of stock, or such lesser number of shares as are properly tendered and not withdrawn. All shares acquired in the tender offer will be purchased at the same purchase price regardless of whether the shareholder selected a lower price. If more than the maximum number of shares sought is tendered, tendering shareholders owning fewer than 100 shares will have their shares purchased without proration and all other shares will be purchased on a pro rata basis, subject to the conditional tender provisions described in the Offer to Purchase. Shareholders whose shares are purchased in the tender offer will be paid the purchase price net in cash, without interest, promptly after the expiration of the tender offer. Shareholders whose shares are not purchased in the tender offer will have their shares returned to them, free of charge, promptly after the expiration of the tender offer. The offer is not contingent upon any minimum number of shares being tendered.

Credit Acceptance anticipates that it will obtain all of the funds necessary to purchase shares tendered in the tender offer, and to pay related fees and expenses, from existing cash reserves and by borrowing under its \$135 million revolving credit facility. The tender offer is not conditioned upon the receipt of financing.

As of November 25, 2003, Credit Acceptance had 42,010,005 shares outstanding. The closing price of Credit Acceptance's common stock on the Nasdaq on November 25, 2003, which was the last trading day prior to the commencement of the offer, was \$13.83 per share.

Georgeson Shareholder Communications, Inc. is the Information Agent for the offer and Computershare Trust Company of New York is the Depository. The Offer to Purchase, Letter of Transmittal and related documents are being mailed to registered shareholders and will also be made available for distribution to beneficial owners of Credit Acceptance common stock. Questions related to the offer and requests for copies of the Offer to Purchase, the Letter of Transmittal and related documents may be directed to Georgeson Shareholder Communications, Inc. at (800) 213-0446.

Neither Credit Acceptance nor its Board of Directors is making any recommendation whether shareholders should tender or refrain from tendering their shares or at what purchase price they should choose to tender their shares. Credit Acceptance's directors and executive officers have advised Credit Acceptance that they do not intend to tender any shares in the offer.

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of Credit Acceptance's common stock. The solicitation of offers to buy Credit Acceptance's common stock will only be made pursuant to the Offer to Purchase and related materials that Credit Acceptance will be distributing to its shareholders. Shareholders are urged to read Credit Acceptance's Tender Offer Statement on Schedule TO filed with the SEC in connection with the tender offer, which includes as exhibits the Offer to Purchase and the related Letter of Transmittal, as well as any amendments or supplements to the Statement when they become available, because they contain important information. Each of these documents has been or will be filed with the SEC, and shareholders may obtain them free of charge from the SEC at the SEC's Website (<http://www.sec.gov/>) or from Georgeson Shareholder Communications, Inc., the Information Agent for the tender offer, toll free at (800) 213-0446.

#### Description of Credit Acceptance Corporation

Credit Acceptance is a financial services company specializing in products and services for a network of automobile dealer-partners. Credit Acceptance provides its dealer-partners with financing sources for consumers with limited access to credit and delivers credit approvals instantly through the internet. Other dealer-partner services include marketing, sales training and a wholesale purchasing cooperative. Through its financing program, Credit Acceptance helps consumers change their lives by providing them an opportunity to strengthen and reestablish their credit standing by making timely monthly payments. Credit Acceptance is publicly traded on the NASDAQ National Market under the symbol CACC. For more information, visit [www.creditacceptance.com](http://www.creditacceptance.com).