

EXHIBIT 1

**In the United States District Court
for the Central District of California**

Vargas v. Ford Motor Co

Case No. 2:12-cv-08388-AB-FFM

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (“Settlement Agreement” or “Settlement”) is entered into this ___th day of March, 2017 by and among the named Plaintiffs: Omar Vargas, Robert Bertone, Michelle Harris, Sharon Heberling, Kevin Klipfel, Andrea Klipfel, Maureen Cusick, Eric Dufour, Abigail Fisher, Christi Groshong, Virginia Otte, Tonya Patze, Lindsay Schmidt, Patricia Schwenker, and Patricia Soltesiz, Joshua Bruno, Jason Porterfield, and Jamie Porterfield (collectively, the “Named Plaintiffs” or “Class Representatives” or “Plaintiffs”) and Defendant, Ford Motor Company (“Ford”), by and through their respective counsel.

RECITALS

WHEREAS, on or about September 28, 2012, an action entitled *Omar Vargas v. Ford Motor Company* was filed in the United States District Court for the Central District of California (“*Vargas*”). The case was initially assigned to the Honorable Audrey B. Collins, given the case number 2:12-cv-08388, and subsequently transferred to the calendar of the Honorable André Birotte Jr.;

WHEREAS, the *Vargas* complaint alleged causes of action against Ford for violating California’s and Florida’s consumer protection laws, breach of express warranty, and breach of implied warranty under the Song-Beverly Consumer Warranty Act. The complaint alleged that the PowerShift Transmission (“Transmission” or “DPS6”) installed in the 2011-2013 Ford Fiesta and the 2012-2013 Ford Focus is dangerously defective. Plaintiffs allege that the Transmission slips, bucks, kicks, and jerks, resulting in sudden or delayed acceleration of the vehicle. In the

Complaint, Plaintiffs sought certification of a nationwide class of current and former owners and lessees of vehicles equipped with such transmissions;

WHEREAS, another suit, entitled *Klipfel v. Ford Motor Co.*, No. 2:15-cv-02140-AB (FFMx) (“*Klipfel*”), was filed in the San Luis Obispo Superior Court and removed by Ford to the Central District of California and alleged similar claims to *Vargas* but expanded the scope of the class to include additional model year vehicles with the PowerShift Transmission (“Class Vehicles”). The operative First Amended Complaint in *Klipfel*, which was filed on May 20, 2015;

WHEREAS, additional actions alleging similar claims and a common nucleus of facts also have been filed in the Central District of California and in other districts around the country, including *Cusick, et al v. Ford Motor Company*, No. 2:15-cv-08831-AB-FFM (C.D. Cal.) (“*Cusick*”) and *Anderson v. Ford Motor Company*, No. 1:16-cv-01632 (N.D. Ill.) (collectively, the “Actions”);

WHEREAS, pursuant to the parties’ stipulation, on December 12, 2015, the Court consolidated the *Vargas* and *Klipfel* actions, with *Vargas* designated as the surviving action;

WHEREAS, pursuant to the parties’ stipulation, on February 22, 2017, the Court consolidated *Cusick* with *Vargas* for settlement purposes, with *Vargas* designated as the surviving action. The First Amended Complaint in *Cusick*, filed on February 22, 2016, was deemed the “Operative Complaint” for settlement purposes.

WHEREAS, the Settling Parties participated in significant discovery, including review of voluminous documents and related databases produced by Ford; numerous written discovery requests; discovery from various third parties in response to Plaintiffs’ subpoenas; the depositions of two (2) Ford personnel; the deposition of third party Getrag Transmission Corp. and the depositions of approximately four (4) of the Named Plaintiffs;

WHEREAS, Class Counsel conducted a thorough investigation and evaluation of the facts and law relating to the claims asserted to determine how best to serve the interests of the Named Plaintiffs and the Class;

WHEREAS, counsel for the Settling Parties conducted extensive arm's-length negotiations, including four (4) sessions in which Eric D. Green, Esquire participated as a mediator regarding the substance and procedure of a possible class settlement prior to entering into this Settlement Agreement;

WHEREAS, the Plaintiffs, as well as Class Counsel, believe the Released Claims have merit. The Plaintiffs and Class Counsel, however, recognize and acknowledge the expense and length of continued proceedings that would be necessary to prosecute the Released Claims against Ford through trial and appeals, and the importance of providing timely relief to Class Members whose vehicles are aging. The Plaintiffs and Class Counsel also have taken into account the uncertain outcome and risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. The Plaintiffs and Class Counsel are mindful of the inherent problems of proof under, and possible defenses to, the Released Claims. The Plaintiffs and Class Counsel believe that the proposed Settlement confers substantial benefits upon the Class. Based on their evaluation of all of these factors, the Plaintiffs and Class Counsel have determined that the Settlement is in the best interests of the Class and represents a fair, reasonable, and adequate resolution of the Litigation; and

WHEREAS, Ford denies any liability to the Plaintiffs and the Class. Ford has taken thorough discovery concerning the claims asserted by the Plaintiffs and believes it has meritorious defenses to all of the claims raised in this Litigation. Nevertheless, Ford recognizes and acknowledges the expense and length of continued proceedings that would be necessary to defend the Litigation through trial and appeals. In agreeing to enter into this Settlement, Ford also has taken into account the uncertain outcome and risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the Settling Parties that, subject to approval of the Court, the Litigation and the Released Claims shall be fully and finally compromised, settled, and released, and that the Litigation will be dismissed with prejudice subject to and upon the terms and conditions described below.

I. DEFINITIONS.

In addition to words and terms defined elsewhere in this Stipulation and Agreement of Settlement, the following words and terms shall have the definitions stated in this Article I.

A. “Action” or “Litigation.”

“Action,” “Actions” or “Litigation” means *Vargas v. Ford Motor Company*, No. 2:12-cv-08388-AB (FFMx) (C.D. Cal.); *Klipfel v. Ford Motor Co.*, No. 2:15-cv-02140-AB (FFMx); *Cusick, et al v. Ford Motor Company*, No. 2:15-cv-08831-AB-FFM (C.D. Cal.); and *Anderson v. Ford Motor Company*, No. 1:16-cv-01632 (N.D. Ill.).

B. “Approval Date.”

“Approval Date” means the date on which the Court issues the Final Order and Judgment described in Section III.F. below.

C. “Arbitration Claimant.”

“Arbitration Claimant” refers to any Class Member who has filed a claim with the Arbitrator as part of the Arbitration Program provided by this Settlement.

D. “Arbitration Administrator” and “Appellate Arbitration Administrator.”

“Arbitration Administrator” means the company retained by Ford and approved by Class Counsel to administer the Arbitration Program established by this Settlement. “Appellate Arbitration Administrator” means the company retained by Ford and approved by Class Counsel to administer the Appellate Arbitration Program established by this Settlement. Initially, the Arbitration Administrator shall be DeMars & Associates and the Appellate Arbitration Administrator shall be JAMS. Ford may retain other companies to perform the services initially provided by DeMars & Associates or by JAMS with the agreement of Lead Class Counsel, or, absent agreement, with the approval of the Court upon a showing of good cause.

E. “Arbitration Program” and “Appellate Arbitration Program.”

“Arbitration Program” means the arbitration program created by this Settlement and operated by the Arbitration Administrator. “Appellate Arbitration Program” means the appellate arbitration program created by this Settlement and presided over by arbitrators affiliated with the Appellate Arbitration Administrator.

F. “Arbitrator” and “Appellate Arbitrator.”

“Arbitrator” means an arbitrator affiliated with the Arbitration Administrator that presides over an arbitration under the Arbitration Program. “Appellate Arbitrator” means an arbitrator affiliated with the Appellate Arbitration Administrator that presides over an appeal of an arbitration award relating to a Vehicle Repurchase.

G. “Claim Form.”

“Claim Form” means the document a Class Member may submit to the Claims Administrator to seek relief under Sections II.B, II.C., or II.G. of this Settlement Agreement.

H. “Claimant.”

“Claimant” means a Class Member who has completed and submitted a Claim Form.

I. “Claims Administrator.”

“Claims Administrator” shall mean KCC, except that after the Effective Date Ford may retain a different Claims Administrator with the agreement of Lead Class Counsel or, absent agreement, with the approval of the Court on a showing of good cause.

J. “Class Counsel.”

“Class Counsel” means Lead Class Counsel Capstone Law APC (“Capstone”), and Co-Class Counsel Berger & Montague, P.C. (“B&M”) and Zimmerman Law Offices, P.C. (“Zimmerman”).

K. “Class Notice,” “Short Form Class Notice,” “Long Form Class Notice,” “Publication Notice.”

“Short Form Class Notice” means the notice of Settlement that will be mailed to the “Settlement Class Members,” as defined herein, in substantially the same form as Exhibit A.

“Long Form Class Notice” means the notice of Settlement that will be posted on the Settlement Website in substantially the same form as Exhibit B. “Class Notice” means the Short Form Class Notice and the Long Form Class Notice, separately or collectively. “Publication Notice” means a 1/8 page ad in the Marketplace/Legal Notice Section of USA Today that will be in substantially the same form as Exhibit C.

L. “Class,” “Class Members,” or “Settlement Class Members.”

“Class,” “Class Members” or “Settlement Class Members” means, for purposes of the Settlement only, a nationwide class of all current residents of the United States (including territories of the United States) who, prior to the Order Granting Preliminary Approval, purchased or leased new or used Class Vehicles that (1) were originally sold in the United States (including territories of the United States) and (2) were equipped with the PowerShift Transmission. Except as to the named plaintiffs in this Agreement and the *Anderson* plaintiffs, the class definition expressly excludes all owners or lessees of Class Vehicles who have filed and served litigation against Ford alleging problems with the PowerShift Transmission in Class Vehicles that was pending as of the Notice Date and who do not dismiss their actions before final judgment and affirmatively elect to opt-in to the Settlement. Owners or lessees of Class Vehicles who dismiss such litigation and affirmatively opt-in to the Settlement shall be members of the Class for all purposes. The class definition also expressly excludes (1) Ford’s officers, directors, employees, affiliates and affiliates’ officers, directors and employees; their distributors and distributors’ officers, directors, and employees; and Ford Dealers and Ford Dealers’ officers and directors; (2) judicial officers assigned to the Actions and their immediate family members, and any judicial officers who may hear an appeal on this matter; (3) all entities and natural persons who have previously executed and delivered to Ford releases of their claims based on the PowerShift Transmission; (4) all parties to litigation against Ford alleging problems with the PowerShift Transmission in Class Vehicles in which final judgment has been entered; and (5) all those otherwise in the Class who timely and properly exclude themselves from the Class as provided in this Settlement.

M. “Court.”

“Court” means the United States District Court for the Central District of California.

N. “Class Vehicles.”

“Class Vehicles” or a “Class Vehicle” means all 2012-2016 Ford Focus and 2011-2016 Ford Fiesta vehicles that (1) were originally sold in the United States (including United States territories) and (2) were equipped with a PowerShift Transmission.

O. “Customer Campaign 14M01.”

“Customer Campaign 14M01” means Ford’s Customer Satisfaction Campaign Program Number 14M01 that extended the limited warranty on the clutch, the transmission input shaft seals, and the transmission software calibration installed in certain Class Vehicles to a total of seven (7) years or 100,000 from the warranty start date, whichever occurs first, and provided a refund for owners who paid out-of-pocket expenses for fixes on the above Transmission parts.

P. “Customer Campaign 14M02.”

“Customer Campaign 14M02” means Ford’s Customer Satisfaction Campaign Program Number 14M02 that extended the warranty on the transmission control module installed in certain Class Vehicles to a total of ten (10) years or 150,000 from the warranty start date, whichever occurs first, and provided a refund for owners who paid out-of-pocket expenses for fixes to the transmission control module.

Q. “Defendant” or “Ford.”

“Defendant” or “Ford” means Ford Motor Company.

R. “Effective Date of Settlement” or “Effective Date.”

“Effective Date of Settlement” or “Effective Date” means the first business day after: (1) the Court enters the Final Order and Judgment, in all material respects similar to the form attached hereto as Exhibit F; and (2) all appellate rights with respect to the Final Order and Judgment have expired or have been exhausted in such a manner as to affirm the Final Order and Judgment. If any appeal has been taken from the Final Approval Order, the “Effective Date” means the date on which all appeals therefrom, including petitions for rehearing or reargument,

petitions for rehearing en banc and petitions for a writ of certiorari or any other form of review, have been fully disposed of in a manner that affirms the Final Approval Order. An appeal that challenges only attorneys fees, costs, or service awards shall extend the Effective Date only with respect to such attorneys fees, costs, or service awards.

S. “Fairness Hearing.”

The “Fairness Hearing” means the final hearing, held after the Preliminary Approval Order is issued, in which the Court will determine whether this Settlement Agreement should be finally approved as fair, reasonable, and adequate, and whether the proposed Final Order and Judgment should be entered, and if so, to determine the amount of attorneys’ fees and costs to be awarded to Class Counsel.

T. “Ford Dealer” or “Dealer.”

“Ford Dealer” or “Dealer” means any dealer authorized by Ford to sell, lease, and/or service Ford vehicles located in the United States (including territories of the United States).

U. “Lead Class Counsel.”

“Lead Class Counsel” means Capstone Law APC.

V. “Named Plaintiffs.”

“Named Plaintiffs” means the individuals who are identified as plaintiffs in the Actions.

W. “Notice Date.”

“Notice Date” means seven calendar days after the date on which the initial mailing of the Short Form Class Notice to all Class Members is complete.

X. “Operative Complaint.”

The “Operative Complaint” means the First Amended Complaint filed on May 20, 2016 in *Cusick v. Ford*.

Y. “PowerShift Transmission” or “Transmission.”

“PowerShift Transmission” or “Transmission” means the DPS6 PowerShift Dual-Clutch Transmission that Ford provided as an option for the Class Vehicles.

Z. “Preliminary Approval Date.”

“Preliminary Approval Date” means the date on which the Court issues the Preliminary Approval Order described in Section III.A. below in a form substantially the same as Exhibit E.

AA. “Proof of Ownership.”

“Proof of Ownership” means documentation establishing that the Class Member owned or leased the Class Vehicle at the time of each repair forming the basis for a claim under Sections II.B, II.C, or II.G. “Proof of Ownership” shall be established through one of the following three methods:

1. All repair records submitted in support of the claim identify the same Class Member as the person requesting the repairs; OR
2. Submission of a (a) vehicle title, vehicle purchase agreement, or vehicle lease agreement that identifies the Class Member as the vehicle owner, purchaser, or lessee at the time of the first repair that forms the basis of the claim, AND (b) vehicle registration identifying the same Class Member as the vehicle owner as of the date of the latest repair that forms the basis of the claim (or as of a later date); OR
3. For each repair that forms the basis for the claim, submission of either (a) a repair record that identifies the same Class Member as the person who requested the repair, OR (b) a vehicle registration that identifies the same Class Member as the vehicle owner as of the date of each repair.

BB. “Recall Program.”

“Recall Program” means a program initiated by Ford by which Ford offers to repair or replace, at no cost to vehicle owners, vehicle components in all vehicles covered by the program without regard to whether the vehicle has experienced a failure or malfunction. “Recall Program” does not include Technical Service Bulletins (“TSBs”), Special Service Messages (“SSMs”), or programs in which Ford extends the duration of vehicle warranties.

CC. “Released Claims.”

“Released Claims” means any and all claims, demands, actions, causes of action, and suits based in whole or in part on alleged defects in the PowerShift Transmission, including express and implied warranty, consumer protection, unjust enrichment, and lemon law claims, excluding personal injury and wrongful death claims, and excluding claims for damage to property other than Class Vehicles. “Released Claims” also includes all other claims, demands, actions, causes of action of any nature whatsoever, including, but not limited to, any claim for violations of federal, state, or other law (whether in contract, tort, or otherwise, including statutory and injunctive relief, common law, property, warranty and equitable claims), and also including Unknown Claims (as defined below) that could be asserted by the Class Members against the Released Parties in the Litigation, or in any other complaint, action, or litigation in any other court or forum, based upon an alleged defect of the PowerShift Transmission, excluding personal injury and wrongful death claims and claims for damage to property other than Class Vehicles.

DD. “Released Parties.”

“Released Parties” means Ford, Ford Dealers, their past or present directors, officers, employees, partners, principals, agents, heirs, executors, administrators, successors, reorganized successors, subsidiaries, divisions, parents, related or affiliated entities, underwriters, insurers, coinsurers, re-insurers, licensees, divisions, joint ventures, assigns, associates, attorneys, and controlling shareholders.

EE. “Service Visit.”

“Service Visit” means a trip taken by a Class Member to a Ford Dealer within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first, to inspect and/or repair a problem related to the PowerShift Transmission in a Class Vehicle. If a Class Member makes more than one trip to the Ford Dealer to address the same complained-about problem, each trip will count as a separate Service Visit. However, if the subsequent trips are to install components that were ordered during the initial visit, all trips will count as a single Service Visit.

FF. “Settlement” or “Class Action Settlement.”

“Settlement” means the settlement contemplated by this Stipulation and Agreement of Settlement.

GG. “Settlement Agreement.”

“Settlement Agreement” means this Stipulation and Agreement of Settlement.

HH. “Settlement Website.”

“Settlement Website” means the public website that will provide information and key filings regarding the Class Action Settlement, including FAQs and other materials educating Class Members on the content of the settlement and the approval process, and that will, after the Approval Date, allow a Class Member to complete and submit an online Claim Form to the Claims Administrator and to obtain a description of the remedies available to the Class.

II. “Settling Parties.”

“Settling Parties” means Named Plaintiffs and Ford.

JJ. “Software Flash.”

“Software Flash” includes software flashes, software reflashes, software updates, software resets and software calibrations made by a Ford Dealer to the PowerShift Transmission in a Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first, that was not performed as part of a safety or non-safety Recall Program. The Software Flash must be evidenced by a receipt or invoice from a Ford dealer showing that procedures with one or more of the following labor codes were performed on the Class Vehicle:

| | | | | |
|---------|---------|---------|----------|---------|
| 110333A | 131102A | 150090M | 160109C | 14M01DD |
| 110405A | 131104A | 150090N | 160109D | 14M01E |
| 110513A | 131108A | 150090P | 160129A | 14M01EE |
| 110524A | 131109A | 150090Q | MT131102 | 14M01GG |
| 110902A | 131110A | 150120H | R08101 | 14M01H |

| | | | | |
|---------|---------|---------|---------|--------|
| 120104A | 140131A | 150120L | R08102 | 14M01L |
| 130405A | 140131B | 150120M | R11021 | 14M01M |
| 130405B | 140131C | 150120N | 14M01A | 14M01N |
| 130405C | 140131D | 150120P | 14M01AA | 14M01P |
| 130406A | 140131E | 150120Q | 14M01BB | 14M01Q |
| 130904A | 150017A | 160044A | 14M01C | 14M02B |
| 130904B | 150090H | 160109A | 14M01CC | 14M02C |
| 130904C | 150090L | 160109B | 14M01D | 14M02D |

Ford may supplement this labor code list as necessary. If more than one Software Flash occurs during the same Service Visit, it shall be counted as a single Software Flash.

KK. “Transmission Hardware Replacement.”

“Transmission Hardware Replacement” means a replacement performed by a Ford Dealer of any of the following parts of the PowerShift Transmission: (1) 7B546 Disc Asy-Clutch; (2) 7Z369 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Out; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-CI/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and/or (10) 7515 Lever Asy-Clutch Rel. A “Transmission Hardware Replacement” must have been performed on a Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first, and cannot have been performed as part of any safety or non-safety Recall Program. If more than one Transmission Hardware Replacement occurs during the same Service Visit, it shall be counted as a single Transmission Hardware Replacement.

LL. “Unknown Claims.”

“Unknown Claims” means any and all Released Claims that any Class Member does not know to exist against any of the Released Parties and that, if known, might have affected his or her decision to enter into or to be bound by the terms of this Settlement. The Plaintiffs and Class

Members acknowledge that they may hereafter discover facts in addition to or different from those that they now know or believe to be true concerning the subject matter of this release, but nevertheless fully, finally, and forever settle and release any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, that may exist now, which may have already existed, or which may hereafter exist, based upon the alleged defect in the PowerShift Transmission in the Class Vehicles as described in Operative Complaint, without regard to subsequent discovery or existence of such different or additional facts concerning each of the Released Parties. The foregoing waiver includes, without limitation, an express waiver to the fullest extent permitted by law by the Plaintiffs and the Class Members of any and all rights under California Civil Code § 1542 or any similar law of any other state or of the United States, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MIGHT HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

MM. “Vehicle Repurchase.”

“Vehicle Repurchase” means the repurchase or replacement by Ford of a Class Vehicle owned or leased by a Class Member.

NN. “Vehicle Discount Certificate.”

“Vehicle Discount Certificate” means a non-transferable discount certificate which may be issued electronically and will be valid for a period of twelve months after it is issued.

II. SETTLEMENT CONSIDERATION.

In consideration for the Release provided for by the Settlement and for the dismissal of the Litigation with prejudice, under the terms of this Settlement Agreement, Ford agrees to provide consideration to the Class Members as follows.

A. Notice of Class Settlement.

Ford agrees to pay all expenses in connection with a notice program on the terms provided in Section III.

B. Cash Payments For Three or More Software Flashes.

Class Members with three or more Software Flashes performed while they owned or leased their Class Vehicle are eligible to receive a cash payment of \$50 for the third Software Flash and for each subsequent Software Flash performed while they owned or leased their Class Vehicle. Payments made under this section shall not exceed a total cumulative payment of \$600 per Class Member. Class Members who have previously received, or are at the time of the claim eligible for, a cash payment or Vehicle Discount Certificate pursuant to Section II.C are not eligible for a cash payment under this section with respect to the same Class Vehicle.

C. Cash Payments or Vehicle Discount Certificates For Three or More Transmission Hardware Replacements.

1. Cash Payment and Discount Certificate Value.

A Class Member who owns or leases a Class Vehicle that had three or more Transmission Hardware Replacements while that Class Member owned or leased the Class Vehicle is eligible to receive, at the Class Member's option, either (1) a cash payment from Ford, or (2) a Vehicle Discount Certificate, according to the following schedule based on the number of those Transmission Hardware Replacements performed on the Class Vehicle while the Vehicle was owned by that Class Member:

| Number of Transmission Hardware Replacement | Cash Payment | Discount Certificate Value |
|----------------------------------------------------|---------------------|-----------------------------------|
| For the 3 rd Replacement | \$200 | \$400 |
| For the 4 th Replacement | \$275 | \$550 |
| For the 5 th Replacement | \$350 | \$700 |
| For the 6 th Replacement | \$425 | \$850 |

| | | |
|-------------------------------------|-------|--------|
| For the 7 th Replacement | \$500 | \$1000 |
| For the 8 th Replacement | \$575 | \$1150 |

2. Multiple Transmission Hardware Repairs During Same Service Visit.

If more than one Transmission Hardware Replacement occurs during the same Service Visit, it shall be counted as a single Transmission Hardware Replacement.

3. Deduction for Prior Cash Payments Pursuant to Section II.B.

Class Members who have not previously received, and are not eligible for, cash payments under Section II.C may make claims for cash payments under Section II.B based on one or more Service Visits at which both a Software Flash and a Transmission Hardware Replacement were performed. However, a single Service Visit cannot be used to support both a claim for a cash payment under Section II.B. and a claim for a cash payment or Vehicle Discount Certificate under Section II.C. The Claims Administrator, in processing claims submitted pursuant to Section II.C., shall make whatever deductions are necessary to ensure that Service Visits are not double counted. See Sections II.F.6 and 7 below for examples of the intended application of this Section.

4. Unused and Expired Vehicle Discount Certificates.

Vehicle Discount Certificates expire twelve months after they are issued. However, the amount of any Vehicle Discount Certificate issued pursuant to Section II.C.1 shall be increased by the amount of any unused and expired vehicle discount certificates previously issued to the same Class Member for the same Class Vehicle.

5. Maximum Cash Payment and Discount Amounts.

Payments to Class Members under Section II.C.1 are capped at a cumulative total of \$2,325, which means that Class Members shall not receive any further cash payments beyond the eighth Transmission Hardware Replacement. Vehicle Discount Certificates are capped at a cumulative total of \$4,650, which means that a Class Member shall not receive a Vehicle Discount Certificate beyond the eighth Transmission Hardware Replacement. Class Members

may apply more than one valid Vehicle Discount Certificate toward the purchase or lease of a new Ford Vehicle from a Ford Dealer, but the maximum discount shall be \$4,650. However, a Class Member may use other valid discount offers from Ford or a Ford Dealer for an additional discount on top of the discount value of the Vehicle Discount Certificate(s).

6. Deduction from Vehicle Repurchase Award for Cash Payments or Vehicle Discount Certificates.

Class Members who receive a cash payment or a Vehicle Discount Certificate under II.B or II.C may still pursue claims in the Arbitration Program. However, any amount awarded by the Arbitrator for a Vehicle Repurchase shall be reduced by any cash payments made to the claimant pursuant to Sections II.B or II.C, or by the value of any used Vehicle Discount Certificates issued pursuant to Section II.C. Any amount awarded by the Arbitrator for a Vehicle Repurchase shall also be reduced by the value of any unused and unexpired Vehicle Discount Certificates, unless the Certificate is voided by the Arbitrator.

D. Timing and Submission of Claims Under Sections II.B and II.C.

1. To obtain a cash payment or Vehicle Discount Certificate as set forth in Sections II.B or II.C, a Class Member must submit a claim, via a Claim Form, to the Claims Administrator. Ford shall pay all claims that the Claims Administrator approves and finds to be timely submitted. In addition to email copies of Claim Forms and hardcopy Claim Forms, which may be submitted by mail to the Claims Administrator, the Settlement Website shall be designed to permit the submission of claims electronically. The electronic claim submission process shall include the use of a unique claim number for each Class Member to whom notice is mailed. Once the unique claim number is entered by a Class Member via the electronic claim submission process, portions of the electronic Claim Form shall be automatically

completed with the Class Member's name and Vehicle Identification Number ("VIN") based upon information previously obtained by the Claims Administrator from Ford and/or R.L. Polk & Co. (nka IHS Automotive).

2. Claims for cash payments under Sections II.B and II.C cannot be submitted prior to the Approval Date. Claim forms will not be made available until the Approval Date.
3. Claims for cash payments under Sections II.B and II.C based on three or more Software Flashes or Transmission Hardware Replacements performed prior to or on the Approval Date, along with supporting documentation, must be submitted online or postmarked within 180 days of the Approval Date. Other claims for cash payments under Sections II.B and II.C must be submitted online or postmarked within 180 days of the Software Flash or Transmission Hardware Replacement for which a cash payment is sought. Neither the Claims Administrator nor Ford shall have any obligation to pay any claims pursuant to Section II.B or II.C. that are not timely submitted.

E. Content of and Support for Claims Submitted Pursuant to Section II.B and II.C.

1. Claims for benefits under Section II.B or II.C must include repair orders, receipts, other documentation from a Ford Dealership, or state vehicle inspection reports (or some combination thereof) sufficient to establish for each Transmission Hardware Replacement or Software Flash on which the claim is based all of the following information:
 - a. The Vehicle Identification Number ("VIN") of the vehicle on which the Transmission Hardware Replacement or Software Flash repairs were performed;

- b. The name and address of the Ford Dealer that performed the Transmission Hardware Replacement or Software Flash repairs;
 - c. Whether the Transmission Hardware Replacement or Software Flash repairs were performed on the Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first; and
 - d. A description of the services rendered and parts provided.
- 2. Claims must also include documentation demonstrating the Class Member's Proof of Ownership at the time of each Transmission Hardware Replacement or Software Flash on which the claim is based.
 - 3. Claims must also include a declaration signed under penalty of perjury by the Class Member that attests to and affirms the authenticity of the documentation provided to support the claim and states that the Class Member actually owned or leased the Class Vehicle at the time of each Transmission Hardware Replacement or Software Flash on which the claim is based.
 - 4. Once a Class Member has submitted a claim pursuant to Section II.B or II.C. that was approved by the Claims Administrator, the Class Member may submit claims for subsequent Transmission Hardware Replacements or Software Flashes for the same Class Vehicle that are supported with the following documentation:
 - a. Repair orders, receipts, other documentation from a Ford Dealership, or state vehicle inspection reports (or some combination thereof) sufficient to establish for each subsequent Transmission Hardware Replacement or Software Flash all of the information set forth in Sections II.E.1.a.-d. above;

- b. Documentation establishing the Class Member's Proof of Ownership of the Class Vehicle at the time of the subsequent Transmission Hardware Replacement or Software Flash; and
- c. A declaration signed under penalty of perjury by the Class Member that attests to and affirms the authenticity of the documentation provided to support the claim and stating that the Class Member actually owned or leased the Class Vehicle at the time of each Transmission Hardware Replacement or Software Flash on which the claim is based.

F. Examples.

The following are examples of how the parties intend Sections II.B and II.C to be interpreted.

1. Class Member A experiences two Transmission Hardware Replacements and two Software Flashes while she owns a Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer and then sells the Class Vehicle to Class Member Z. Class Member Z experiences two Transmission Hardware Replacements and two Software Flashes while he owns the Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Neither Class Member A nor Class Member Z is entitled to any benefits under Sections II.B or II.C. Class Member Z later experiences a third Transmission Hardware Replacement and a Third Software Flash while he owns the Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Pursuant to Section II.C, Class Member Z is entitled to a cash payment of \$200, or a \$400 Vehicle Discount Certificate, provided he submits a claim and the required

documentation within 180 days of the third replacement. Class Member Z is not entitled to benefits under Section II.B, because he is eligible to seek a cash payment under Section II.C.

2. Class Member B experiences four Transmission Hardware Replacements while she owns a Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Class Member B submits a claim with the required documentation within 180 days of the Third Transmission Hardware Replacement. Class Member B is entitled to a cash payment of \$475 (\$200 for the third Transmission Hardware Replacement and \$275 for the fourth) or a Vehicle Discount Certificate in the amount of \$950 (\$400 for the third Transmission Hardware Replacement plus \$550 for the fourth). Class Member B elects the cash payment. Less than one year later, Class Member B experiences a fifth Transmission Hardware Replacement within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. She submits a timely claim with the required documentation. She is entitled to an additional cash payment of \$350 or a Vehicle Discount Certificate in the amount of \$700.
3. Class Member C experiences four Transmission Hardware Replacements while she owns a Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Class Member C would, upon timely submission of a claim and supporting documentation, be entitled to a cash payment of \$475 or a Vehicle Discount Certificate in the amount of \$950. However, Class Member C fails to submit a timely claim and is not entitled to either a cash payment or a Vehicle Discount Certificate. One year

later, Class Member C still owns the Class Vehicle and experiences a fifth Transmission Hardware Replacement within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Class Member C submits a timely claim with supporting documentation. She is entitled to a cash payment of \$350 or a Vehicle Discount Certificate in the amount of \$700.

4. Class Member D experiences three Transmission Hardware Replacements while she owns a Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Class Member D timely submits a claim with supporting documentation and elects to receive a Vehicle Discount Certificate in the amount of \$400. Class Member D fails to redeem the Vehicle Discount Certificate within twelve months. At that time, the Certificate expires and cannot be reissued. However, Class Member D still owns the Class Vehicle and then experiences a fourth Transmission Hardware Replacement within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer. Class Member D submits a claim with supporting documentation within 180 days of the fourth Transmission Hardware Replacement. She is entitled to a cash payment of \$275. Alternatively, she may elect a Vehicle Discount Certificate in the amount of \$950 (\$550 for the fourth Transmission Hardware Repair plus the amount of the unused and expired certificate).
5. Class Member E makes a trip to a Ford Dealer seeking repairs of a PowerShift Transmission problem. The Ford Dealer replaces “Part 7B546 Disc Asy-Clutch” and “Part 7Z396 Control Mod Trans (TCM)”. The Dealer orders “Part 7000 Transmission Asy-Aut,”

which is out of stock. Class Member E returns to the Dealer two weeks later to have “Part 7000 Transmission Asy-Aut” installed. The two trips to the Dealer are counted as one Service Visit, and all three Transmission Hardware Replacements are counted as a single Transmission Hardware Replacement. Therefore, Class Member E is not entitled to a cash payment.

6. Class Member F brings her Class Vehicle to a Dealer at 10,000 miles and within a year of delivery, complaining of transmission problems. The Dealer performs a Software Flash and replaces the clutch (Part 7B546 Disc Asy-Clutch). Three months later, Class Member F brings her vehicle back to the Dealer complaining of continuing transmission problems. Once again, the Dealer performs a software flash and replaces the clutch (Part 7B546 Disc Asy-Clutch). One year later, at 24,000 miles, the Dealer performs another Software Flash in an attempt to resolve Class Member F’s continuing concerns. Class Member F is entitled to \$50 under Section II.B. She makes a properly documented claim within 180 days of the third Software Flash and is paid \$50. A year later, at 50,000 miles, while Class Member F still owns the Class Vehicle, the Ford Dealer once again replaces the clutch (Part 7B546 Disc Asy-Clutch). Class Member F is now entitled to \$200 under Section II.C , but that payment must be reduced by the \$50 previously paid pursuant to Section II.B, because that payment was based in part on Service Visits at which both a Software Flash and a Transmission Hardware Replacement were performed. Class Member F makes a timely and properly documented claim and is paid \$150. Class Member F is no longer eligible for any cash payments under Section II.B, but she can make future claims under Section II.C if

additional Transmission Hardware Replacements are performed while she owns the Class Vehicle and within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer.

7. Prior to the Approval Date, Class Member G experienced five Software Flashes during five Service Visits, within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer and while Class Member G still owns the vehicle. No Transmission Hardware Replacements were performed during three of these Service Visits. However, on the fourth and fifth Service Visits, the Ford Dealer both performed a Software Flash and replaced her clutch (“Part 7B546 Disc Asy-Clutch”). As of the Approval Date, Class Member G is entitled to nothing pursuant to Section II.C, but she is entitled to \$150 pursuant to Section II.B (\$50 for the Software Flash performed on the third Service Visit, \$50 for the Software Flash performed on the fourth Service Visit, and \$50 for the Software Flash performed on the fifth Service Visit). She must make a claim for this payment within 180 days of the Approval Date. A year after the Effective Date, within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer and while Class Member G still owns the vehicle, a Ford Dealer once again replaces the clutch (“Part 7B546 Disc Asy-Clutch”). If Class Member G makes a claim within 180 days of this Service Visit, she is entitled to a cash payment of \$100 under Section II.C (\$200 less \$100 attributable to the portion of the payment she previously received under Section II.B. that was based in part on Service Visits that involved both Software Flashes and Transmission Hardware Replacements). The net effect is that Class Member G collects \$50 for the three Software Flashes that were performed

independently of the Transmission Hardware Replacements, and \$200 for the three Transmission Hardware Replacements that were accompanied by Software Flashes. Class Member G is not eligible for any further payments under Section II.B, but she is eligible for additional payments under Section II.C if she has additional Transmission Hardware Replacements within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer and while Class Member G still owns the vehicle.

G. Clutch Replacement And Extended Warranty For Vehicles Manufactured After June 5, 2013.

For Class Vehicles manufactured after June 5, 2013, which are not covered by Customer Campaign 14M01, if (1) the Class Member has replaced the clutch twice within the 5-year/60,000 mile powertrain warranty, and (2) a Ford Dealer performs the appropriate diagnostic procedures and determines based on these procedures that a third clutch replacement is necessary, the Class Member may claim reimbursement for the cost of the additional clutch replacement if all three replacements were performed by a Ford Dealer while the Class Member owned or leased the Class Vehicle and the third replacement is performed by a Ford Dealer within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first. This replacement clutch itself shall be warranted for 2 years from the date of the clutch installation. Claims for reimbursement under this section must be submitted to the Claims Administrator, along with supporting documentation, within 180 days of the additional clutch replacement. Claims for reimbursement under this section cannot be submitted prior to the Approval Date, however, and all claims for reimbursement for additional clutch replacements under this Section that were performed prior to or on the Approval Date must be submitted within 180 days of the Approval Date. The supporting documentation for claims for reimbursement under this section must include all of the following:

1. Repair orders, receipts, other documentation from a Ford Dealer, or state vehicle inspection reports (or some combination thereof) sufficient to establish for at least two replacements of the clutch (part number 7B546 Disc Asy-Clutch), all of the following information:
 - a. The Vehicle Identification Number (“VIN”) of the vehicle on which the clutch replacement was performed;
 - b. The name and address of the Ford Dealer(s) that replaced the clutch on each occasion;
 - c. Whether the clutch replacement was performed on the Class Vehicle within 5 years/60,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first; and
 - d. A description of the services rendered and parts provided in connection with each clutch replacement.
2. Repair orders, receipts, other documentation from a Ford Dealer, or state vehicle inspection reports (or some combination thereof) sufficient to establish for an additional replacement of the clutch (part number 7B546 Disc Asy-Clutch), all of the following information:
 - a. The Vehicle Identification Number (“VIN”) of the vehicle on which the clutch replacement was performed;
 - b. The name and address of the Ford Dealer that replaced the clutch;
 - c. Whether the clutch replacement was performed on the Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first;
 - d. A description of the services rendered and parts provided in connection with the clutch replacement;
 - e. Information sufficient to establish that the appropriate diagnostic procedures specified in Ford’s Service Manual or in applicable

Technical Service Bulletins were performed and that based on the results the Ford Dealer determined that a clutch replacement was necessary; and

- f. The documented and unreimbursed amounts paid by the Class Member to a Ford Dealer for the parts and labor for the clutch replacement. Class Members shall not be reimbursed for consequential damages such as lost revenue/profits, lost employee time from loss of use of the Class Vehicle, or towing charges or other costs of transporting the vehicle to or from the place of repair.
3. Documentation demonstrating the Class Member's Proof of Ownership of the Class Vehicle at the time of each clutch replacement on which the claim is based.
4. A declaration signed under penalty of perjury by the Class Member that attests to and affirms the authenticity of the documentation provided to support the claim and stating that the Class Member actually owned or leased the Class Vehicle at the time of each clutch replacement on which the claim is based.

H. Submission of Documentation in Support of Claims.

For each claim for cash payments, Vehicle Discount Certificates, or reimbursement submitted pursuant to Section II.B., II.C., or II.G., Class Members must submit a hard copy or a scanned copy of all required documents to the Claims Administrator by mail, through the Settlement Website, or via email, and these documents shall be retained by the Claims Administrator until the end of the claims administration period.

I. Rejected Claims and Claim Investigation.

The Claims Administrator may reject any claim submitted pursuant to Section II.B., II.C or II.G. that does not include the required information and documentation specified above. The Claims Administrator may investigate any claim, including by requesting further documentation

when necessary, in order to determine whether the claim should be approved. If the Claims Administrator rejects the claim, it will advise the Class Member of the reason for the rejection (e.g., missing information, ineligibility for a payment or discount certificate, etc.). If the claim is rejected due to missing information and the original claim was submitted by the applicable deadline noted above, the Claims Administrator will give the Class Member one opportunity to resubmit the claim within 30 days with additional information.

J. Inadvertent Submissions.

In the event a Class Member inadvertently submits a claim to the Claims Administrator that pursuant to this agreement is within the jurisdiction of the Arbitration Administrator, the Claims Administrator shall provide notice to the Claimant of the inadvertent submission and provide the claim directly to the Arbitration Administrator on the Class Member's behalf, as long as the claim was timely submitted to the Claims Administrator and the Class Member complied with the notice requirements set forth in section II.N.4, below. Any inadvertent submission made within the applicable arbitration deadlines shall be considered timely submitted.

K. Approved Claims.

Approved claims for cash payments will be paid by prepaid card, which will be issued subject to Terms and Conditions substantially similar to those attached as Exhibit G. Any unused balance on a prepaid card will expire six months after the card is issued.

L. Pre-Sale Disclosure Statement.

Ford shall provide Ford Dealers with the following language that Dealers may use to inform prospective purchasers of DPS6 transmission-equipped vehicles of the characteristics of the DPS6 transmission:

The PowerShift 6-Speed, dual-clutch automatic transmission is designed to offer drivers both enhanced fuel efficiency and fun to drive performance. This transmission's dual-clutch technology uses electronically shifted clutches to operate two separate transmissions all in a small lightweight package. Since the clutch and gear operation is derived from a manual transmission, the

PowerShift automatic transmission will drive, sound, and feel similar to a manual transmission minus the required user-inputs. For example, the transmission may exhibit mechanical noises, firm gear shifts and/or light clutch vibrations when accelerating slowly as the clutches automatically engage. These are all considered to be normal and expected driving characteristics.

M. Clarifications to Customer Campaign 14M01.

Ford shall clarify to Ford Dealers that Customer Campaign 14M01 does not require a seal leak for repairs to be performed for excessive shudder at light acceleration.

N. The Arbitration Program.

Class Members may pursue binding arbitration for claims seeking a Vehicle Repurchase based in whole or in part on alleged defects in the PowerShift Transmission under the terms described below. The arbitrator shall follow the rules of arbitration attached as Exhibit H. Except as specifically noted below, Ford shall bear all costs and fees associated with the Arbitration program, irrespective of whether the Arbitration Claimant prevails in the Arbitration. No appeals from the Arbitrator's decisions and no requests for judicial review shall be allowed except as permitted by this Settlement.

1. Claims for Vehicle Repurchase.

Class members are entitled to binding arbitration of claims for Vehicle Repurchases based in whole or in part on alleged defects in the PowerShift Transmission, subject to the following terms and conditions.

a. Applicable Law.

Except as modified by Sections II.N.1.b-h, and by Sections II.N.2 and II.N.3, the Arbitrator shall apply the lemon law of the state where the Arbitration Claimant took delivery of the vehicle and shall award a Vehicle Repurchase if, considering Transmission and non-Transmission defects, a Vehicle Repurchase is required by applicable lemon law.

b. Final Repair Attempt.

If the Class Member has had no more than three (3) transmission repair attempts, Ford must be given a final opportunity to repair the Class Vehicle, free of charge to the Class Member. If the Class Member has had four (4) or more transmission repair attempts, or if the Class Member has sold or returned the Class Vehicle prior to filing the request for Arbitration, the Class Member has no obligation to provide Ford with any additional repair attempts.

c. Requests for Arbitration By Class Members Who Have Sold Class Vehicles or Returned Leased Class Vehicles.

Class Members who, prior to the Approval Date, have sold their Class Vehicles or returned leased Class Vehicles will only be entitled to arbitration of claims for Vehicle Repurchases based in whole or in part on alleged defects in the PowerShift Transmission in those Class Vehicles if (1) the lemon law of the state where the Arbitration Claimant took delivery of the vehicle allows vehicle owners or lessees to pursue Vehicle Repurchase claims after they have sold or returned their vehicles; and (2) the request for Arbitration is filed before the expiration of the applicable state statute of limitations for such a claim or 180 days after the Approval Date, whichever is earlier.

Class Members who sell Class Vehicles or return leased Class Vehicles on or after the Approval Date will only be entitled to arbitration of claims for Vehicle Repurchases based in whole or in part on alleged defects in the PowerShift Transmission in those Class Vehicles if (1) the lemon law of the state where the Arbitration Claimant took delivery of the vehicle allows vehicle owners or lessees to pursue Vehicle Repurchase claims after they have sold or returned their vehicles; and (2) the request for Arbitration is filed before the expiration of the applicable state statute of limitations for such a claim or 180 days after the date on which the Class Member sold or returned the Class Vehicle, whichever is earlier.

d. Extension of Statute of Limitations For Class Members Who Still Own or Lease Class Vehicles At The Time Of An Arbitration Hearing.

Regardless of the applicable state law governing the claims of an Arbitration Claimant who still owns or leases a Class Vehicle as of the time of an Arbitration Hearing, the Statute of Limitations for a Vehicle Repurchase claim brought by such a Claimant that is based in whole or in part on alleged defects in the PowerShift Transmission shall be six (6) years after delivery of the Class Vehicle to the first retail purchaser, or 180 days after the Approval Date, whichever is later.

- e. Vehicle Repurchase Permitted For Class Members Who Still Own or Lease Class Vehicles At The Time of an Arbitration Hearing, Even When Not Available Under State Law.

Even if an Arbitration Claimant who still owns or leases a Class Vehicle at the time of an Arbitration Hearing is not entitled to a Vehicle Repurchase under the applicable lemon law, the Arbitrator may award a Vehicle Repurchase if the notice requirements and statute of limitations conditions established by this Agreement are satisfied and the following conditions are met:

- i. During the period when the Class Vehicle was owned or leased by the Arbitration Claimant and within 5 years or 60,000 miles of delivery of the vehicle to the first retail customer (whichever occurs first), the Class Vehicle was repaired on four (4) separate Service Visits and on each Service Visit the Claimant received a Transmission Hardware Replacement, and:
- ii. The transmission continues to malfunction.

The requisite four Transmission Hardware Replacements may be for unrelated conditions or malfunctions.

- f. Repurchase Amount.

If the Arbitrator determines that a Vehicle Repurchase is required by the applicable lemon law, the Arbitrator shall award repurchase or replacement according to the terms of state law. If the Arbitrator determines that a Vehicle Repurchase is not required by the applicable lemon law, but is required under Section II.N.1.d, the Arbitrator shall award a repurchase on the

terms set forth in the rules of arbitration attached as Exhibit H. In either case, any amount awarded by the arbitrator shall be reduced by any cash payments made to the claimant pursuant to Sections II.B or II.C, or by the value of any used Vehicle Discount Certificates issued pursuant to Section II.C. Any amount awarded by the Arbitrator for a Vehicle Repurchase shall also be reduced by the value of any unused and unexpired Vehicle Discount Certificates, unless the Certificate is voided by the Arbitrator.

g. Arbitration Appeal.

The Arbitrator's decision with respect to a Vehicle Repurchase shall be final and binding with no right of appeal by Ford. However, Arbitration Claimants who do not prevail on a claim for a Vehicle Repurchase are entitled to appeal the Arbitrator's award to an Appellate Arbitrator. The Arbitration Claimant seeking appeal must advance the entire cost of the appeal proceeding as set by the Appellate Arbitration Administrator. If the Arbitration Claimant prevails on appeal, Ford shall reimburse all fees and costs charged by the Appellate Arbitration Administrator. The Arbitration Claimant shall not be entitled to reimbursement of fees and costs if Ford prevails on appeal. No other appeals or requests for judicial review shall be allowed.

h. Attorney Fees.

An Arbitrator may award reasonable attorneys' fees incurred in pursuing a claim for a Vehicle Repurchase to an Arbitration Claimant who prevails on such a claim. Fees awarded shall be reasonable and shall not exceed \$6,000 total, including any attorneys' fees incurred during the initial arbitration and any Arbitration Appeal. No fees may be awarded for pursuing or prevailing on any claims other than Vehicle Repurchase claims.

i. Prior BBB Arbitration and Second Arbitration.

Class Members who were denied a Vehicle Repurchase by the BBB Auto Line before the Effective Date may still submit Vehicle Repurchase claims to the Arbitration Program, provided no lawsuit has been filed. All Class Members may resubmit denied Vehicle Repurchase claims for a second arbitration if a subsequent Transmission Hardware Replacement has been performed

at a Ford Dealer, subject to the applicable statute of limitations established by this Settlement Agreement.

2. Claims Alleging Breach of New Vehicle Limited Warranty, or Extensions Thereof.

Class Members who do not qualify for a Vehicle Repurchase but claim a breach of Ford's New Vehicle Limited Warranty, or any extensions of that warranty, based in whole or in part on Transmission defects may submit these claims to the Arbitrator. If a breach is established, the Arbitrator may, as appropriate, order a repair, or reimbursement for any amounts paid by the Class Member for a repair, or may order Ford to provide a Ford extended service plan for the Class Vehicle. No other relief may be awarded under this section. Such claims must be filed within the statute of limitations for express warranty claims established by the law of the state where Class Members purchased their vehicles. The Arbitrator may not award attorney fees for pursuing a claim for breach of Ford's New Vehicle Limited Warranty or any extension of that warranty.

3. Civil Penalties and Punitive Damages.

Notwithstanding any provision of state law to the contrary, the Arbitrator may not award civil penalties or punitive damages to any Arbitration Claimant.

4. Notice.

To file any arbitration claim, Class Members must first give direct notice to Ford of their intent to proceed to arbitration and the nature of the claim(s) they intend to pursue in arbitration. This notice must be given at least ten days before the filing of an arbitration claim. Notice may be given via telephone at 1-888-260-4563 or through the Settlement website. During this ten-day period, Ford may contact the Class Member or, if the Class Member is represented, the Class Member's counsel, in an attempt to resolve the matter. If a Class Member accepts monetary compensation offered by Ford in an attempt to resolve the matter, the amount of that compensation shall be deducted from any award later ordered by the Arbitrator.

O. Administration of the Settlement.

Ford will retain the Claims Administrator to administer the program described above and will bear all costs and expenses related to the administration of the Settlement.

Promptly after the Preliminary Approval Date and prior to mailing the Short Form Class Notice, the Claims Administrator will establish a Settlement Website and a toll-free telephone number to provide information to Class Members concerning the Settlement, including, but not limited to, relevant Settlement deadlines and dates, the Long Form Class Notice, Claim Forms (when available), administration of the claim process, the status of the Settlement approval process, and applicable Settlement deadlines. The Settlement Website shall permit Class Members to submit their claims electronically beginning shortly after the Approval Date, although the Claims Administrator will not begin reviewing and processing claims until after the Effective Date. The Claims Administrator shall also establish a toll-free telephone number that Class Members may call for information and a mailing address to which Class Members can send Claim Forms. The Claims Administrator shall also make arrangements for the Publication Notice.

The Claims Administrator shall provide regular updates to Class Counsel and Ford concerning the number of claims received by the Claims Administrator, the number of claims reviewed by the Claims Administrator, the number of approval letters sent and the value of each approved claim, the total dollar amount of claims approved, the number of denial letters sent and the basis for each rejected claim, and the number of additional claims still undergoing processing. Class Counsel or Ford may request information specific to one or more claims processed by the Claims Administrator to evaluate and assess the claim administration process or any concerns raised by a specific Class Member. The Claims Administrator shall provide Class Counsel and Ford with the e-mail addresses and other contact information for Class Members who submit claims.

P. Attorneys' Fees and Expenses.

Ford will pay Plaintiffs' counsel reasonable attorneys' fees, costs and expenses as approved by the Court, separate and apart from the consideration flowing to the Class, not to

exceed a total of \$8,856,500. Lead Class Counsel will apply on behalf of all counsel for Plaintiffs to the Court for an award of attorneys' fees and expenses to be paid by Ford of no more than this amount, covering all legal services provided by Plaintiffs' counsel in the past and future to Plaintiffs and the Class Members in connection with the Litigation, the Settlement of the Litigation, any appeal in connection with the Settlement, and implementation of the Settlement Agreement (the "Fee and Expense Application"), except for any fees awarded by Arbitrators pursuant to the Arbitration Program, which is separate from the requested attorneys' fees and expenses identified here. The Court will determine what amount of fees and expenses shall be awarded and issue an Order stating the amount of fees and expenses to be awarded. The amount of fees to be awarded shall be determined by California law in effect on the date this agreement is executed. The parties expressly agree that any change in the law regarding attorneys' fees, including entitlement to fees or timing of payment, shall not affect application of this provision.

Lead Class Counsel shall make all determinations regarding the allocation of fees and expenses among Plaintiffs' counsel. Should any counsel other than Lead Class Counsel petition the Court for an award of attorneys' fees, costs, or expenses, Lead Class Counsel will oppose such petition. Ford shall not be required to pay any amounts of money to such counsel.. Any appeal of only the award of attorneys' fees and costs will not affect the Parties and Claims Administrator's obligations under the Order Granting Final Approval. This means that an appeal of only the attorneys' fees and costs will not extend the Effective Date or otherwise delay implementation of any Settlement benefits.

Within 14 business days after the Effective Date of Settlement, Ford shall pay the amount awarded by the Court for attorneys' fees and expenses to Lead Class Counsel who shall distribute the attorneys' fees among all counsel at their discretion.

Lead Class Counsel must provide Ford with a completed W-9 form for the first payee of attorneys' fees and costs. Any order or proceedings relating to the Fee and Expense Application, or any appeal solely from any order related thereto or reversal or modification thereof, will not

operate to terminate or cancel this Settlement Agreement, or affect or delay the finality of the Judgment approving this Settlement Agreement.

Q. Service Award for Named Plaintiffs.

As part of their motion seeking final approval of the Settlement at the Fairness Hearing, Plaintiffs intend to seek service awards for the Class Representatives in the following amounts, subject to Court approval:

A. Vargas Action:

- a. Omar Vargas - \$10,000
- b. Michelle Harris - \$7,500
- c. Sharon Heberling - \$7,500
- d. Robert Bertone - \$7,500

B. Klipfel Action:

- a. Kevin Klipfel - \$5,000 (Fiesta Class Vehicle)
- b. Andrea Klipfel - \$5,000 (Focus Class Vehicle)

C. Cusick Action:

- a. Maureen Cusick - \$5,000
- b. Eric Dufour - \$5,000
- c. Abigail Fisher - \$5,000
- d. Christi Groshong - \$5,000
- e. Virginia Otte - \$5,000
- f. Tonya Patze - \$5,000
- g. Lindsay Schmidt - \$5,000
- h. Patricia Schwenker - \$5,000
- i. Patricia Soltesiz - \$5,000
- j. Joshua Bruno - \$5,000
- k. Jason and Jamie Porterfield - \$5,000

D. Anderson Action:

- a. Each Named Plaintiff - \$1,000 (\$46,000 total) in consideration for release of their claims and dismissal of their action with prejudice

Ford will pay to the Claims Administrator, promptly after the Effective Date, the total amount of service awards approved by the Court. The Claims Administrator will distribute the amount to each Named Plaintiff in accordance with the Court's order.

III. SETTLEMENT APPROVAL PROCESS.

A. Preliminary Approval of Settlement.

In a reasonable time after the execution of this Settlement Agreement, counsel for Plaintiffs shall present this Settlement Agreement to the Court, along with a motion requesting that the Court issue a Preliminary Approval Order substantially in the form attached as Exhibit E, which shall include, among other things, the following:

1. Preliminary certification under Federal Rule of Civil Procedure 23, for settlement purposes only, of the Class;
2. Preliminary approval of the Settlement memorialized in this Settlement Agreement as fair, reasonable and adequate;
3. Approval of the Short Form Class Notice, the Long Form Class Notice, and the Publication Notice, containing the language contained in Exhibits A, B and C, respectively, or materially the same language;
4. A direction to Ford to distribute, at its expense, the Short Form Class Notice in the form approved by the Court to Class Members; a direction to Ford to publish, at its expense, the Publication Notice in the form approved by the Court; a direction to Ford to establish the Settlement Website as contemplated by this Settlement Agreement; a direction that each potential Class Member who wishes to be excluded from the Class must respond to the Class Notice in accordance with the instructions set forth in the Class Notice; a direction to each owner or lessee of a Class Vehicle with a pending lawsuit against Ford alleging problems with the PowerShift Transmission in a Class Vehicle in

which final judgment has not yet been entered of the right to opt-in to the Settlement, and a direction that their opt-in forms must be received by the date set forth in the Preliminary Approval Order;

5. A finding that the Short Form Class Notice, the Long Form Class Notice, and the Publication Notice together constitute the best notice practicable under the circumstances, including individual notice to all Class Members who can be identified with reasonable effort, and constitutes valid, due, and sufficient notice to Class Members in full compliance with the requirements of applicable law, including the due process clause of the United States Constitution;
6. A direction that, pending final determination of the joint application for approval of this Settlement Agreement, all proceedings in this Litigation other than settlement approval proceedings shall be stayed;
7. A direction that any Class Member who has not properly and timely requested exclusion from the Class will be bound by the Final Order and Judgment;
8. The scheduling of a final hearing to determine whether this Settlement Agreement should be approved as fair, reasonable, and adequate and whether the proposed Final Order and Judgment should be entered (the “Fairness Hearing”);
9. A direction that Ford shall tabulate communications from prospective Class Members asking to be excluded from the Class and shall report the names and addresses of such entities and natural persons to the Court and to Class Counsel no less than seven days before the Fairness Hearing;
10. A direction that Class Counsel shall file a Fee and Expense Application and Plaintiffs’ Service Award application approximately 14 days prior to the date set forth in the Preliminary Approval Order as the deadline for the objections; and that Class Counsel shall file any supplemental brief in support of final

approval of the Settlement Agreement no later than seven days prior to the Fairness Hearing;

11. A direction that any Class Member who wishes to object to the proposed Settlement Agreement, the proposed Final Order and Judgment, the Fee and Expense Application, and/or Plaintiffs' Service Award must file and serve such objections no later than the date set forth in the Preliminary Approval Order, together with copies of all papers in support of his/her/its position as provided in Section III.D.2 of the Settlement Agreement. The Long Form Class Notice shall state that the Court will not consider the objections of any Class Member who has not properly served copies of his/her/its objections on a timely basis or complied with the requirements of Section III.D.2 of the Settlement Agreement.
12. A provision ordering that all Class Members and their representatives who do not timely exclude themselves from the Settlement are preliminarily enjoined from filing, commencing, prosecuting, maintaining, intervening in, participating in, conducting, or continuing, individually, as class members or otherwise, any lawsuit (including putative class actions), arbitration, remediation, administrative or regulatory proceeding or order in any jurisdiction, asserting any claims based on alleged defects in the PowerShift Transmission or asserting any Released Claims. This preliminary injunction shall not include any claims for non-binding mediation or arbitration filed with the Better Business Bureau pursuant to the provisions in Ford's New Vehicle Limited Warranty.

B. Notice to Attorneys General.

In compliance with the attorney general notification provision of the Class Action Fairness Act, 28 U.S.C. § 1715, within ten days after the motion for Preliminary Approval Order is filed, Ford shall provide notice of this proposed Settlement to the Attorney General of the

United States, and the attorneys general of each state or territory in which a Class Member resides. The notice will include: (1) a copy of the Operative Complaint; (2) a copy of this Settlement Agreement and its exhibits; and (3) a reasonable estimate of the number of class members in each state/territory and their percentage representation in the Class. Ford will provide copies of such notifications to Class Counsel at the time of their submission to the attorneys general.

C. Notice to Class Members.

The Claims Administrator will mail, by first-class mail at Ford's expense, the Short Form Class Notice containing the language in Exhibit A, and substantially in the same form as in Exhibit A. As soon as is practicable after the preliminary approval of the Settlement, the Claims Administrator will obtain from Ford and HIS Automotive (formerly R.L. Polk) the name and last known address of each potential member of the Class. Lead Class Counsel may request that, to the extent permitted by law, this information also shall be provided to Lead Class Counsel, who agree to use the list for the limited purpose of informing Class members of the Settlement and their rights thereunder and for no other purpose. Ford does not oppose this request. Prior to mailing the Short Form Class Notice, the last known address of potential Class Members will be checked and updated going back four years through the use of the National Change of Address Database. Thereafter, the Claims Administrator shall send a copy of the Short Form Class Notice by first-class mail to each Class Member so identified, and each copy of the Short Form Class Notice shall include a claim number unique to the recipient. The Claims Administrator shall use its best efforts to complete the initial mailing of the Short Form Class Notice to potential Class Members within 75 days after the Preliminary Approval Date.

If any Short Form Class Notice mailed to any potential Class Member is returned to the Claims Administrator as undeliverable, then the Claims Administrator shall perform a reasonable search (e.g., the National Change of Address Database) for a more current name and/or address for the potential Class Member and (provided that a more current name and/or address can be found through such a search) re-send the returned Short Form Class Notice to the potential Class

Member by first-class mail. In the event that any Short Form Class Notice mailed to a potential Class Member is returned as undeliverable a second time, then no further mailing shall be required. The Claims Administrator will promptly log each Short Form Class Notice that is returned as undeliverable and provide copies of the log to Class Counsel. The Claims Administrator shall cause, by the Notice Date, a one-time publication of the Publication Notice, substantially in the form attached as Exhibit C, to appear in the Marketplace/Legal Notice Section of USA Today. Defendant shall bear the cost of the publication of the Publication Notice.

D. Response to Notice.

1. Objection to Settlement.

Any Class Member who intends to object to the fairness of the Settlement Agreement must, by the date specified in the Preliminary Approval Order and recited in the Class Notice (which shall be no later than 130 days after the Preliminary Approval Date), file any such objection with the Court and provide copies of the objection to: (1) Jordan Lurie, Tarek Zohdy, Cody Padgett, Karen Wallace, Capstone Law APC, 1875 Century Park East, Suite 1000, Los Angeles, CA, 90067; and (2) Krista L. Lenart, Dykema Gossett PLLC, 2723 South State Street, Suite 400, Ann Arbor, MI 48104. Any objection to the Settlement Agreement must be individually and personally signed by the Class Member (if the Class Member is represented by counsel, the objection additionally must be signed by such counsel), and must include:

- a. The objector's full name, address, and telephone number;
- b. The model, model year, and vehicle identification number of the Class Member's Class Vehicle, along with proof that the objector has owned or leased a Class Vehicle (e.g., a true copy of a vehicle title, registration, or license receipt);
- c. A written statement of all grounds for the objection accompanied by any legal support for such objection;

- d. Copies of any papers, briefs, or other documents upon which the objection is based;
- e. A list of all cases in which the objector and/or his or her counsel has filed or in any way participated in—financially or otherwise—objections to a class action settlement in the preceding five years;
- f. The name, address, email address, and telephone number of all attorneys representing the objector; and
- g. A statement indicating whether the objector and/or his or her counsel intends to appear at the Fairness Hearing, and if so, a list of all persons, if any, who will be called to testify in support of the objection.

Any member of the Class who does not file a timely written objection to the Settlement and notice of his or her intent to appear at the Fairness Hearing or who fails to otherwise comply with the requirements of this section, shall be foreclosed from seeking any adjudication or review of the Settlement by appeal or otherwise.

2. Requests for Exclusion and Opt-ins.

Any Class Member who wishes to be excluded from the Class must submit a request for exclusion (“Request for Exclusion”) to the Claims Administrator at the address specified in the Class Notice by the date specified in the Preliminary Approval Order and recited in the Class Notice (which shall be no later than 130 days after the Preliminary Approval Date). Class Members who wish to be excluded from the Class must do so with respect to all Class Vehicles they own(ed) or lease(d); Class Members may not exclude themselves from the Class with respect to some Class Vehicles and include themselves in the Class with respect to other Class Vehicles. To be effective, the Request for Exclusion must be sent via first-class U.S. mail to the specified address and must:

- a. Include the Class Member’s full name, address, and telephone number;

- b. Identify the model, model year, and vehicle identification number of the Class Member's Class Vehicle(s);
- c. Specifically and unambiguously state his/her/its desire to be excluded from the Class in *Vargas v. Ford Motor Co.*; and
- d. Be individually and personally signed by the Class Member (if the Class Member is represented by counsel, the Request for Exclusion additionally must be signed by such counsel).

Any Class Member who fails to submit a timely and complete Request for Exclusion sent to the proper address, shall be subject to and bound by this Settlement Agreement and every order or judgment entered pursuant to this Settlement Agreement. Any purported Request for Exclusion sent to such address that is ambiguous or internally inconsistent with respect to the Class Member's desire to be excluded from the Class will be deemed invalid unless determined otherwise by the Court. The Claims Administrator will receive purported Requests for Exclusion and will follow guidelines developed jointly by Class Counsel and Ford's counsel for determining whether they meet the requirements of a Request for Exclusion. Any communications from Class Members (whether styled as an exclusion request, an objection, or a comment) as to which it is not readily apparent whether the Class Member meant to exclude himself/herself from the Class will be evaluated jointly by Class Counsel and Ford's counsel, who will make a good faith evaluation, if possible. Any uncertainties about whether a Class Member is requesting exclusion from the Class will be resolved by the Court.

The Claims Administrator will maintain a list of all Requests for Exclusion, and shall report the names and addresses of all such entities and natural persons requesting exclusion to the Court, Ford's counsel, and Class Counsel seven days prior to the Fairness Hearing, and the list of entities and natural persons deemed by the Court to have excluded themselves from the Class will be attached as an exhibit to the Final Order and Judgment.

The Claims Administrator will also maintain a list of all owners or lessees of Class Vehicles with lawsuits against Ford alleging problems with the PowerShift Transmission in

Class Vehicles pending on the Notice Date in which final judgment has not yet been entered who opt in to the Settlement pursuant to Section I.L. above.

E. Fairness Hearing.

On the date set forth in the Preliminary Approval Order, which shall be approximately one month after the deadline for submitting objections and Requests for Exclusion, a Fairness Hearing will be held at which the Court will consider: (1) whether to finally certify the Settlement Class; (2) whether to approve the Settlement Agreement as fair, reasonable, and adequate; (3) whether to approve the application for a Service Award for the Named Plaintiffs; and (4) whether to approve Class Counsel's Fee and Expense Application.

F. Final Order and Judgment.

If this Settlement Agreement is finally approved by the Court, a Final Order and Judgment directing the entry of judgment pursuant to Fed. R. Civ. P. 54(b) shall be entered substantially in the form attached as Exhibit F, as follows:

1. Certifying the Class solely for purposes of this Settlement Agreement;
2. Approving the Settlement Agreement as fair, reasonable, and adequate as it applies to the Class;
3. Declaring the Settlement Agreement to be binding on Ford and the Plaintiffs, as well as all Members of the Class;
4. Dismissing on the merits and with prejudice the *Vargas*, *Klipfel*, and *Cusick* actions;
5. Forever discharging the Released Parties from all Released Claims;
6. Indicating the amount of the Service Award for the Named Plaintiffs;
7. Indicating the amount of attorneys' fees and expenses to be awarded to Plaintiffs' counsel;
8. Providing that all Class Members who did not request exclusion from the Class shall be permanently enjoined from commencing or prosecuting any

action, suit, proceeding, claim, or cause of action asserting the Released Claims in any court or before any tribunal; and

9. Providing that all Class Members who have not made their objections to the Settlement in the manner provided in the Notice are deemed to have waived any objections by appeal, collateral attack, or otherwise.

G. Withdrawal from Settlement.

Either party shall have the option to withdraw from this Settlement Agreement, and to render it null and void, if any of the following occurs:

1. Any objections to the proposed Settlement are sustained and such objection results in changes to the agreement that the withdrawing party deems in good faith to be material (e.g., because it increases the cost of the settlement, or deprives the withdrawing party of a material benefit of the Settlement);
2. Any attorney general is allowed to intervene in the action and such intervention results in changes to the agreement that the withdrawing party deems in good faith to be material (e.g., because it increases the cost of the settlement, or deprives the withdrawing party of a material benefit of the Settlement);
3. The preliminary or final approval of the Settlement Agreement is not obtained without modification and any modification required by the Court for approval (including any modification that increases the attorney fees or service awards agreed to herein) is deemed in good faith to be material and is not agreed to by the withdrawing party (e.g., because it increases the cost of the settlement, or deprives the withdrawing party of a significant benefit of the Settlement); and
4. Entry of the Final Order and Judgment described in this Settlement is reversed or substantially modified by an appellate court. However, a

reversal or modification of an order awarding reasonable attorneys' fees and expenses shall not be a basis for withdrawal, provided that the amount of fees and expenses ultimately awarded does not exceed the amounts set forth in this Agreement.

Ford shall, in addition, have the option to withdraw from this Settlement Agreement, and to render it null and void, if Class Members collectively owning or leasing 75,000 or more Class Vehicles exclude themselves from the Settlement.

If any state or federal trial court sustains a collateral attack on this settlement, Ford and Lead Counsel shall cooperate in attempting to reverse that ruling on appeal. If that ruling is affirmed on appeal by a state appellate court or by a federal Circuit Court of Appeal, either party, at its option, may withdraw from this Agreement.

To withdraw from the Settlement Agreement under this Section, the withdrawing party must provide written notice to the other party's lead counsel and to the Court. In the event either party withdraws from the Settlement, this Settlement Agreement shall be null and void, shall have no further force and effect with respect to any party in the Litigation, and shall not be offered in evidence or used in any litigation for any purpose, including the existence, certification, or maintenance of any purported class. In the event of such withdrawal, this Settlement Agreement and all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Settling Parties, and shall not be deemed or construed to be an admission or confession by any party of any fact, matter, or proposition of law, and shall not be used in any manner for any purpose, and all parties to the Litigation shall stand in the same position as if this Settlement Agreement had not been negotiated, made, or filed with the Court. Upon withdrawal, either party may elect to move the Court to vacate any and all orders entered pursuant to the provisions of this Settlement Agreement.

H. Released Claims.

1. Class Members' Claims.

Upon the Effective Date of the Settlement, and except for the rights and entitlements created by this Settlement, including those under Section II herein, the Plaintiffs and each Class Member shall be deemed to have, and by operation of the Final Order and Judgment shall have, released, waived, and discharged the Released Parties from his, her, or its Released Claims as defined above, except with respect to claims that qualify for the Arbitration Program. This release, and the rights and entitlements created by this Settlement, including those under Section II herein, will run with the vehicle if the Class Member sells the Class Vehicle.

2. Total Satisfaction of Released Claims.

Any benefits offered or obtained pursuant to the Settlement Agreement are in full, complete, and total satisfaction of all of the Released Claims against the Released Parties, the Benefits are sufficient and adequate consideration for each and every term of this Release, and this Release shall be irrevocably binding upon Class Representatives and Class Members who do not opt out of the Class.

3. Dismissal of *Anderson*.

Within 14 days of the Effective Date, Class Counsel shall secure the dismissal with prejudice of the *Anderson* litigation.

4. Release Not Conditioned on Claim or Payment.

The Release shall be effective with respect to all Class Members, regardless of whether those Class Members ultimately file a Claim or receive compensation under this Settlement Agreement.

5. Basis for Entering Release.

Class Counsel acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and that they execute this Settlement Agreement freely, voluntarily, and without being pressured or influenced by, or relying on any statements, representations, promises, or inducements made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this

Settlement Agreement. Class Representatives acknowledge, agree, and specifically represent and warrant that they have discussed with Class Counsel the terms of this Settlement Agreement and have received legal advice with respect to the advisability of entering into this Settlement Agreement and the Release, and the legal effect of this Settlement Agreement and the Release. The representations and warranties made throughout the Settlement Agreement shall survive the execution of the Settlement Agreement and shall be binding upon the respective heirs, representatives, successors and assigns of the Parties.

I. Material Term.

Class Representatives and Class Counsel hereby agree and acknowledge that Section III.H. was separately bargained for and constitutes a key, material term of the Settlement Agreement that shall be reflected in the Final Approval Order.

J. Agreement to Cooperate to Effectuate Settlement.

Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement. The persons signing this Settlement Agreement on behalf of each Party warrants that he/she is authorized to sign this Settlement Agreement on behalf of that Party.

The Parties and their respective counsel will cooperate with each other, act in good faith, and use their best efforts to effect the implementation of the Settlement Agreement and advance the Arbitration Program. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Class Action Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

The Parties further agree to make all reasonable efforts to ensure the timely and expeditious administration and implementation of the Settlement Agreement and to minimize the costs and expenses incurred therein.

K. Modification of the Agreement.

The terms and provisions of this Settlement Agreement may be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however, that after entry of the Final Approval Order, the Parties may by written agreement effect such amendments, modifications, or expansions of this Settlement Agreement and its implementing documents (including all exhibits hereto) without further notice to the Class or approval by the Court if such changes are consistent with the Court's Final Approval Order and do not limit the rights of Class Members under this Settlement Agreement.

IV. MISCELLANEOUS PROVISIONS.

A. Class Certification.

The Parties agree that for the purposes of this Settlement only, certification of the Class as defined above in Paragraph I.L. is appropriate pursuant to Fed. R. Civ. P. 23(b)(3).

B. Effect of Exhibits.

The exhibits to this Settlement Agreement are an integral part of the Settlement and are expressly incorporated and made a part of this Settlement Agreement.

C. No Admission.

This Settlement Agreement is for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement, nor any action taken hereunder, shall constitute, or be construed as, any admission of the validity of any claim or any fact alleged in the Litigation or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Ford or any admissions by Ford of any claim or allegation made in any action or proceeding against Ford. If this Settlement Agreement is terminated and becomes null and void, the class action portions of this Settlement shall have no further force and effect with respect to any party to the Litigation and shall not be offered in evidence or used in the Litigation or any other proceeding. This Settlement Agreement shall not be offered or be admissible in evidence against Ford or cited or referred to in any action or proceeding, except in an action or proceeding brought to enforce its terms. Information provided by Ford to the Plaintiffs and Class Counsel in

connection with settlement negotiations is for settlement purposes only and shall not be used or disclosed for any other purpose whatsoever.

D. Return of Confidential Documents.

Upon the Effective Date, all documents and information marked or designated as Confidential and all Protected Documents, as defined in and subject to the Protective Order, signed by Magistrate Judge Frederick F. Mumm on June 14, 2013, or any previous or subsequent protective order entered in this Litigation, shall be returned or disposed of within the time frame and according to the procedures set forth in the Protective Order.

E. Entire Agreement.

This Settlement Agreement represents the entire agreement and understanding among the Settling Parties and supersedes all prior proposals, negotiations, agreements, and understandings relating to the subject matter of this Settlement Agreement. The Settling Parties acknowledge, stipulate, and agree that no covenant, obligation, condition, representation, warranty, inducement, negotiation, or understanding concerning any part or all of the subject matter of this Settlement Agreement has been made or relied on except as expressly set forth in this Settlement Agreement. No modification or waiver of any provisions of this Settlement Agreement shall in any event be effective unless the same shall be in writing and signed by the person against whom enforcement of the Settlement Agreement is sought.

F. Counterparts.

This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original as against any party who has signed it, and all of which shall be deemed a single agreement.

G. Arm's-Length Negotiations.

The Settling Parties have negotiated all of the terms and conditions of this Settlement Agreement at arm's length. All terms, conditions, and exhibits in their exact form are material and necessary to this Settlement Agreement and have been relied upon by the Settling Parties in entering into this Settlement Agreement. All Settling Parties have participated in the drafting of

this agreement and it is not to be construed in favor of or against any of the Settling Parties.

H. Continuing Jurisdiction.

The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement, including all Class Members, for the purpose of the administration, interpretation and enforcement of this Settlement Agreement.

I. Dispute Resolution.

Any dispute between Lead Counsel and Ford regarding the interpretation of any provision of this agreement (other than those which the Settlement Agreement shall be resolved otherwise) shall be presented to the mediator, Eric D. Green before it is presented to the Court.

J. Binding Effect of Settlement Agreement.

This Settlement Agreement shall be binding upon and inure to the benefit of the Settling Parties and their representatives, heirs, successors, and assigns.

K. Nullification.

In the event any one or more of the provisions contained in this Settlement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions if Ford and Class Counsel, on behalf of the Settling Parties, mutually elect to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Settlement Agreement.

L. Extensions of Time.

The Settling Parties may agree upon a reasonable extension of time for deadlines and dates reflected in this Settlement Agreement, without further notice (subject to Court approval as to Court dates).

M. Service or Notice.

Whenever, under the terms of this Settlement Agreement, a person is required to provide service or written notice to Ford or Class Counsel, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their

successors give notice to the other Settling Parties in writing:

As to Plaintiffs:

Jordan L. Lurie
Tarek H. Zohdy
Cody R. Padgett
Karen L. Wallace
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA, 90067
(310) 556-4811

As to Ford:

John M. Thomas
Krista L. Lenart
Dykema Gossett PLLC
2723 South State Street
Suite 400
Ann Arbor, MI 48104

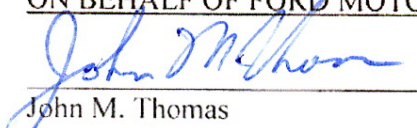
N. Authority to Execute Settlement Agreement.


Each counsel or other person executing this Settlement Agreement or any of its exhibits on behalf of any party hereto warrants that such person has the authority to do so.

IN WITNESS HEREOF, the Settling Parties have caused this Settlement Agreement to be executed, by their duly authorized attorneys, as of March 24, 2017.

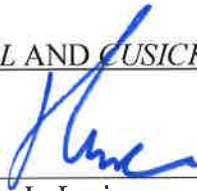
APPROVED AS TO FORM AND CONTENT:

ON BEHALF OF FORD MOTOR COMPANY


John M. Thomas
Attorney for Ford Motor Company
DYKEMA GOSSETT PLLC
2723 South State Street
Ann Arbor, MI 48104
Date: 3/22/17


Ford Motor Company
By: Craig M. Halseth
Counsel, Litigation
Ford Motor Company
Date: 3/22/17

ON BEHALF OF THE *VARGAS, KLIPFEL* AND *CUSICK* PLAINTIFFS



Jordan L. Lurie
Tarek H. Zohdy
Cody R. Padgett
Karen L. Wallace
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA, 90067

Russell D. Paul
Eric Lechtzin

Lane L. Vines
Berger & Montague, P.C.
1622 Locust Street
Philadelphia, PA 19103

ON BEHALF OF THE *ANDERSON* PLAINTIFFS

Thomas Zimmerman
Zimmerman Law Offices, P.C.
77 W. Washington Street, Suite 1220
Chicago, Illinois 60602

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Philadelphia, PA 19103

ON BEHALF OF THE ANDERSON PLAINTIFFS



Thomas Zimmerman
Zimmerman Law Offices, P.C.
77 W. Washington Street, Suite 1220
Chicago, Illinois 60602

By: _____
Title: _____
For Ford Motor Company

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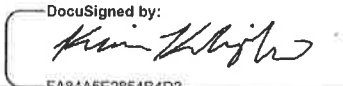
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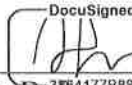
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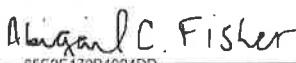
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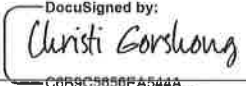
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Abigail Fisher

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Christi Groshong

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Virginia Otte

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Tonya Patze

By: _____ Date: _____
Lindsay Schmidt

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Patricia Schwenker

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Patricia Soltesiz

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Joshua Bruno

✓ By: _____ Date: _____
Jason Porterfield

By: _____ Date: _____
Jamie Porterfield

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Virginia Otte

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Tonya Patze

Date: 3/16/2017

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Lindsay Schmidt

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Patricia Schwenker

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Jamie Porterfield

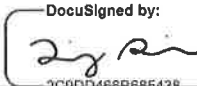
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Jason Porterfield

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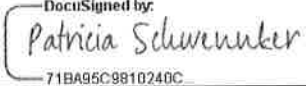
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Tonya Patze

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Lindsay Schmidt

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Patricia Schwenker

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Joshua Bruno

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Patricia Soltész

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Patricia Soltész
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Date: _____

By: _____
Joshua Bruno

Date: _____

By: _____
Jason Porterfield

Date: _____

By: _____
Jamie Porterfield

Date: _____

By: 
Joshua Bruno

Date: March 7th, 2017

By: _____
Virginia Otte

Date: _____

By: _____
Patricia Schwennker

Date: _____

By: _____
Jason Porterfield

Date: _____

By: _____
Jamie Porterfield

Date: _____

By: _____
Abigail Fisher

Date: _____

By: _____
Virginia Otte

Date: _____

By: _____
Tonya Patze

Date: _____

By: _____
Lindsay Schmidt

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Patricia Schwenker

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By: _____
Patricia Soltesiz

Date: _____

By: _____
Joshua Bruno

Date: _____

By:  _____
Jason Porterfield

Date: 3/21/2017

By:  _____
Jamie Porterfield

Date: 3/21/2017

EXHIBIT A

Kurtzman Carson Consultants / Settlement Administrator
P.O. Box -----
Los Angeles, CA 90067

Ford Focus/Fiesta Transmission Settlement

This is an official court notice from the United States District Court, Central District of California
Vargas v. Ford Motor Co., Case. No. 2:12-cv-08388-AB-FFM

John Q. Public
Main Street
Anytown, XX XXXXX

If you purchased/leased a Ford Focus (2012-2016 models) or Ford Fiesta (2011-2016 models) equipped with a **PowerShift dual-clutch automatic transmission**, you might be eligible for settlement benefits.

To protect your rights and for information on how to obtain settlement benefits you must go to
www.FordTransmissionSettlement.com or call 1.800.123.4567.

Vargas v. Ford Motor Co., Case. No. 2:12-cv-08388-AB-FFM
United States District Court for the Central District of California

*Please see reverse side for more information.

EXHIBIT A - PAGE 056

Official Court Notice of Class Action Settlement

If you purchased/leased a Ford Focus (2012-2016 models) or Ford Fiesta (2011-2016 models) equipped with a PowerShift dual-clutch automatic transmission, you might be eligible for the following benefits, among others:

- **Repurchase** of your vehicle through an arbitration procedure
- **Cash Payments** totaling up to **\$2,325**
- **Discount Certificates** of up to **\$4,650** toward a new car purchase

To protect your rights and for information on how to obtain settlement benefits you must go to www.FordTransmissionSettlement.com or call **(800) 123-4567**.

Legal Notice of Class Action Settlement

EXHIBIT A - PAGE 057

*Please see inside for more information.

#1110

This Notice concerns the proposed settlement of class action lawsuit against Ford Motor Company (the "Settlement"). The lawsuit alleges that certain Ford Focus and Fiesta vehicles are equipped with defective PowerShift Dual-Clutch Automatic (DPS6) Transmissions ("PowerShift Transmission") that may slip, buck, kick, or jerk, and result in sudden or delayed vehicle acceleration. Ford denies that it has violated any laws, denies that it has engaged in any wrongdoing, and denies that there is any safety hazard or defect. The parties agreed to resolve these issues before they were decided by the Court.

You are receiving this mailing because Ford's records show that you are a current or former owner/lessee of a 2012-2016 Ford Focus or a 2011-2016 Ford Fiesta with a PowerShift Transmission (the "Class Vehicles") and are likely to be included in the Settlement. You will be required to take action to protect your rights or to obtain benefits within the time limits provided by the Settlement and the Orders of the Court. For more important information regarding the Settlement, including how to protect your rights and claim your benefits, go to **URL / 1-800-xxx-xxxx**.

What benefits does the Settlement provide?

- If your vehicle's transmission is malfunctioning, you may be entitled to a repair or a repurchase of your vehicle, through an expedited binding arbitration program created by the Settlement.
- If an authorized Ford dealer performed three or more transmission software flashes on your vehicle, you may be entitled to cash payments ranging from \$50 to \$600, depending on the number of service visits.
- If an authorized Ford dealer replaced three or more qualifying hardware parts in your PowerShift Transmission while you owned the vehicle, you may be entitled to cash payments ranging from \$200 to \$2,325 or Vehicle Discount Certificates ranging in value from \$400 to \$4,650, depending on the number of service visits.
- If you paid for a repair to the Powershift Transmission that you think should have been covered by warranty, you may be entitled to be reimbursed.
- If your vehicle was manufactured after June 5, 2013, and two or more clutch replacements were performed on your vehicle under warranty, and you had to pay for a clutch replacement after warranty, you may qualify for reimbursement.

**To learn more about the terms of the Settlement and your rights,
go to www.FordTransmissionSettlement.com or call (800) 123-4567**

What are my options?

#1111

- If you do nothing, you will be part of the Settlement and you will be able to claim benefits if the Settlement is approved by the Court. However, going forward, you will not be able to sue Ford with respect to any issues relating to the PowerShift Transmission in your vehicle.
- If you do not want to be part of the Settlement, you can exclude yourself in writing by **[date]** in accordance with the terms of Settlement. If you exclude yourself from the Settlement, you will be able to sue Ford with respect to issues relating to the PowerShift Transmission, but you will not get any benefits provided by the Settlement.
- If you do not exclude yourself, you can object to all or part of the Settlement by **[date]** in accordance with the terms of the Settlement.
- If you have pending litigation against Ford alleging problems with the PowerShift Transmission in Class Vehicles, you are not a part of this Settlement. If final judgment has not yet been entered in your litigation, you have the right to opt-in to the Settlement by **[date]**. Please consult your attorney before you take action.

When will I get my benefits?

No benefits will be available, and no claims will be accepted, unless and until the Court approves the Settlement. The Court will hold a fairness hearing on [date] to determine whether to approve the Settlement and to decide the fees and costs for attorneys representing the class and the class representative incentive awards. Plaintiffs' application for attorneys' fees and costs will be filed by [Date]. Please check the website for additional information. You are not required to appear at the fairness hearing, but you may. If you choose to appear, you may hire an attorney to appear for you, at your expense. If and when the Settlement is approved, if you have not timely excluded yourself from it, you will need to submit the appropriate claim forms and supporting documents to the Settlement Administrator or to the Arbitration Administrator to claim your benefits. You may do so through [URL]. If the Settlement is challenged on appeal, claims can be submitted but benefits will not be available until the appeal is resolved.

The Long Form Class Notice and details regarding Settlement benefits and the options available to you are available online at the Settlement website www.FordTransmissionSettlement.com or by phone at xxx-xxx-xxxx. Please review these details carefully and consider consulting an attorney.

Please check the Settlement website periodically for more information concerning the status of the Settlement, when benefits will become available, and how and when to submit claims and/or begin arbitration.

To protect your rights and for information on how to obtain settlement benefits you must go to

www.FordTransmissionSettlement.com or call 1.800.123.4567.

Claim ID No. _____

EXHIBIT B

OFFICIAL COURT-APPROVED LEGAL NOTICE**UNITED STATES DISTRICT COURT****FOR THE CENTRAL DISTRICT OF CALIFORNIA*****Vargas, et al. v. Ford Motor Co., Case No. 2:12-cv-8388-AB-FFMx******Klipfel, et al. v. Ford Motor Co., Case No. 2:15-cv-2140-AB-FFMx******Cusick, et al. v. Ford Motor Co., Case No. 2:15-cv-8831-AB-FFMx*****LONG FORM NOTICE OF CLASS ACTION SETTLEMENT****FORD FOCUS AND FORD FIESTA POWERSHIFT TRANSMISSION SETTLEMENT**

A federal court authorized this Notice. This is not a solicitation from a lawyer. Please read this Notice carefully; it affects your legal rights. This Notice is only a summary of the claims and benefits of the Settlement in the above referenced litigation. More detailed information can be found at www.FordTransmissionSettlement.com

Ford Motor Company ("Ford") has agreed to a proposed Settlement ("Settlement") to resolve the three cases referenced above, relating to alleged problems with the PowerShift Dual-Clutch Automatic (DPS6) Transmission ("PowerShift Transmission") in certain Ford vehicles. By agreeing to settle, Ford does not admit any wrongdoing. The proposed Settlement will not become final unless and until it is approved by the Court following a Fairness Hearing to be held on _____, 2017.

You are a member of a proposed Settlement Class ("Class Member") if you are a past or current owner or lessee of a 2012-2016 Ford Focus or a 2011-2016 Ford Fiesta equipped with a PowerShift Transmission ("Class Vehicle"). Owners or lessees with pending lawsuits against Ford based on alleged problems with the PowerShift Transmission in Class Vehicles are automatically excluded from participating in the Settlement, but if they dismiss their lawsuits before final judgment, they can choose to become class members by opting in to the Settlement. Other exclusions apply, as discussed below in the "Understanding The Settlement" section.

You must decide now whether you want to be part of the proposed Settlement or whether you would like to exclude yourself from the proposed Settlement and preserve your right to sue Ford individually for problems with your PowerShift Transmission. If you decide to be part of the proposed Settlement, and if the Court approves the proposed Settlement, you will be entitled to the benefits described below. However, you will give up any right you may have, now or in the future, to sue Ford based on problems with your PowerShift Transmission (except that you will retain your right to sue for personal injury or damage to property other than the Class Vehicle itself that you claim were caused by defects in the Powershift Transmission). If you decide to exclude yourself from the Settlement, you will not be entitled to the benefits of the Settlement, but you will retain your right to sue Ford individually for problems you have with your PowerShift Transmission. Please read this Notice carefully before you make your decision. If you have any questions, please contact Class Counsel identified below or visit www.FordTransmissionSettlement.com.

SETTLEMENT BENEFITS

To decide whether you wish to be part of the Settlement, you should understand the benefits offered by the Settlement. These benefits are described in this section.

Questions?

Visit www.xxxxxxxxxx.com Or call Class Counsel Do Not Call the Court.

1. Cash Payments or Vehicle Purchase Discounts For Three (3) Or More Visits for Transmission Hardware Replacements

If you are a Class Member and:

- (a) You had three or more repair visits to an authorized Ford Dealer,
- (b) During each visit a qualifying hardware part in your PowerShift Transmission was replaced,
- (c) You owned or leased the Class Vehicle when each repair visit occurred, and
- (d) Each repair visit occurred within seven years or 100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first,

then you are entitled to either a cash payment or a discount certificate, at your option. The discount certificate can be used toward the purchase of a new Ford vehicle. The hardware parts that qualify for this benefit are the following (unless they were replaced as part of a safety or non-safety Recall program): (1) 7B546 Disc Asy-Clutch; (2) 7Z369 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Aut; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-Cl/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and (10) 7515 Lever Asy-Clutch Rel. Please check your repair orders to identify the replacement part numbers (although there may be a prefix or suffix surrounding the part number).

This Settlement benefit is available to you even for services performed under warranty, meaning you do not need to have paid out-of-pocket to qualify. But you must have documentation to support your claim, as described below in the “Understanding the Settlement” section.

| Number of Service Visits for Transmission Hardware Replacements | Cash Payment | Discount Certificate Value |
|------------------------------------------------------------------------|---------------------|-----------------------------------|
| For the 3 rd Visit | \$200 | \$400 |
| For the 4 th Visit | \$275 | \$550 |
| For the 5 th Visit | \$350 | \$700 |
| For the 6 th Visit | \$425 | \$850 |
| For the 7 th Visit | \$500 | \$1,000 |
| For the 8 th Visit | \$575 | \$1,150 |
| Maximum Amount You May Collect | \$2,325 | \$4,650 |

2. Cash Payment for Three (3) or More Software Flashes

If you are a Class Member and:

- (a) You had three or more Service Visits to an authorized Ford Dealer,
- (b) During each visit a transmission Software Flash was performed on your vehicle,
- (c) You owned or leased the vehicle during each visit, and
- (d) Each repair visit occurred within seven years or 100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first,

then you are entitled to a cash payment of **\$50** for each visit to a Ford Dealer where a Software Flash was performed, starting with the third Service Visit, for a maximum total payment of \$600. Your repair orders should identify any Software Flashes performed. This benefit is available to you even for Software Flashes performed under warranty, meaning that you do not

need to have paid out-of-pocket to qualify, except that Software Flashes performed as part of a safety or non-safety recall program to not qualify for this benefit. You must have documentation to support your claim, as described below in the “Understanding the Settlement” section. If you have received a payment for Transmission Hardware Replacement, or if you are eligible for such a payment, this benefit is not available to you.

3. Vehicle Repurchase or Vehicle Replacement

This Settlement provides an expedited, binding Arbitration to determine whether Ford should repurchase or replace your Class Vehicle. Your eligibility for a repurchase or replacement, however, may depend upon your state’s lemon law. In some respects, the Settlement makes it easier for Class Members to obtain a repurchase or replacement compared to state lemon laws, and in some circumstances it requires Ford to repurchase Class Vehicles even when state lemon law would not require Ford to do so. In nearly every case, Class Members will have their lemon law claims resolved on the merits more quickly in Arbitration than through a court action.

- The Arbitrator may award a repurchase or replacement if the Arbitrator finds that you are entitled under the provisions of the state lemon law where you took delivery of your Class Vehicle (“your state’s lemon law”).
- Even if you are not entitled to a repurchase or replacement under your state’s lemon law, the Arbitrator may also award you a repurchase if your vehicle is still malfunctioning and has been subject to at least four (4) repair visits each of which visit involved the replacement of one of the ten hardware parts listed in Section 1 above and each visit occurred while you owned your vehicle and within five (5) years or 60,000 miles of delivery of the vehicle to the first retail customer (whichever occurs first).
- Be advised that, before your claim can proceed in Arbitration, you must provide notice to Ford as directed in the “Understanding the Settlement” section below and satisfy the listed requirements. You must also have documentation to support your claim.

Under the Arbitration Program:

- Ford will pay for the costs of Arbitration;
- A repurchase or replacement claim may be submitted up to 6 years after the original sale to the first buyer or 6 months after the Approval Date of the Settlement, whichever is later;
- If your claims were denied by the Better Business Bureau or another arbitrator prior to the Approval Date, you can submit them to this Arbitration Program;
- If you choose to use an attorney, Ford will pay up to \$6,000 in attorneys’ fees if you win in Arbitration (you are not obligated to pay Ford’s attorneys’ fees if you lose);
- You have the right to appeal the initial Arbitration decision to a second Arbitrator, if you advance the costs of the appeal, but you do not have the right to seek further review with a court;
- You are not entitled to civil penalties or punitive damages.

Other limitations and qualifications may apply. Please consult the “Understanding the Settlement” section below, an attorney, or contact Class Counsel if you have questions.

4. Compensation for Warranty Repairs

If you do not qualify for a repurchase or replacement, you may still seek relief through the Arbitration Program for breach of the New Vehicle Limited Warranty (or extension thereof, including Customer Service Programs) for repairs to the PowerShift Transmission. These claims include requesting repair of your Class Vehicle’s Powershit Transmission or reimbursement for out-of-pocket costs paid for repairs that should have been covered by warranty. Ford will pay for the cost of Arbitration. If your claim is successful, the Arbitrator may order the repair of your Class Vehicle, reimbursement for the amounts you paid to

repair your PowerShift Transmission that should have been paid by Ford under the New Vehicle Limited Warranty (or extensions thereof), or an extended service plan issued by Ford for your vehicle.

5. Replacement Clutch, Reimbursement, and Extended Warranty for Class Vehicles Manufactured after June 5, 2013

If your vehicle was manufactured after June 5, 2013, you had two clutch replacements within 5 years/60,000 miles of delivery of the Class Vehicle to the first retail customer, a Ford Dealer determines you need an additional clutch replacement, **and** you pay for the additional clutch replacement, you are entitled to:

- Reimbursement of out-of-pocket costs for the additional clutch replacement (or additional replacements thereafter) if the additional replacement(s) occurred within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer; and
- A new 2-year warranty on the replacement clutch.

Your claim must be supported by adequate documentation, as described below in the “Understanding the Settlement” section.

WHAT YOU MUST DO NOW

You must decide now if you want to be part of the proposed Settlement so that if the Court approves it you can take advantage of the benefits described above, or whether you want to exclude yourself from the Settlement and retain your right to sue Ford. If you do not exclude yourself, you can file objections to the proposed Settlement. Your options, and how to exercise them, are described below.

| | | |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| I Want To Be Part of The Proposed Settlement | If you have not filed a lawsuit against Ford based on alleged problems with your PowerShift Transmission, and you want to be part of the Settlement, you do not need to do anything. If the Court approves the Settlement, you will be able to claim your benefits by following the procedures described below. However, you will give up your individual right to sue Ford for any problems relating to your PowerShift Transmission. | No Deadline |
| | If you have filed a lawsuit against Ford based on alleged problems with your PowerShift Transmission , and you want to be part of the Settlement, you must dismiss your lawsuit before final judgment and submit the appropriate opt-in form to the Claims Administrator no later than the date listed. The form is available on the Settlement Website or by calling the Claims Administrator at 1-xxx-xxx-xxxx. By electing to become part of the Settlement, you will be giving up your individual right to sue Ford for any problems relating to your PowerShift Transmission. If final judgment has already been entered in your lawsuit, you are excluded from the Class and cannot be part of the Settlement. | [opt out date] |
| I Want to Exclude Myself | If you currently have a pending lawsuit against Ford based on alleged problems with your PowerShift Transmission , and if you do not want to be part of the settlement, you do not need to do anything. You are automatically excluded from the lawsuit unless you choose to opt in. You will <u>not</u> be entitled to any of the Settlement benefits, but you will keep your individual right to continue to sue Ford for problems relating to your PowerShift Transmission. | No Deadline |

| | | |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| | <p>If you have not filed a lawsuit against Ford based on alleged problems with your PowerShift Transmission, and if you do not want to be part of the Settlement, you may exclude yourself or opt out of the proposed Settlement by submitting a request to do so in writing. In that request, you must state your name, address, and telephone number, along with the model, model year, and VIN number of your vehicle. You must also specifically and unambiguously state your desire to be excluded from the Class in <i>Vargas v. Ford Motor Co.</i>, and you must sign and date the request. If you are represented by counsel, your counsel must also sign the Request for Exclusion. You must mail this request to the Claims Administrator at the following address: [Address]</p> <p>Your request must be postmarked no later than the date indicated. If you wish to exclude yourself from the Class, you must do so with respect to all Class Vehicles you own(ed) or lease(d). If you choose to exclude yourself, you will not be entitled to any of the Settlement benefits, but you will keep your individual right to sue Ford for problems relating to your PowerShift Transmission. See Question 48 below for additional details regarding Requests for Exclusion.</p> | [Date] |
| I Want to Object | <p>If you elect to be part of the Settlement, you may object to it by writing to the Court explaining why you object. The process you must follow for filing and serving objections is described below in the Understanding the Settlement section.</p> | [Date] |
| I Want to Appear in the Litigation or Attend the Fairness Hearing | <p>A Final Fairness Hearing, during which the Court will be asked to grant final approval of the Settlement, will be held on _____, ____ at ____ in Courtroom ____ at _____. At that hearing, the Court will also consider an award of attorneys' fees and costs to Class Counsel and service awards to the named Plaintiffs. Plaintiffs will request attorneys' fees, unopposed by Ford, by [deadline for filing fee motion]. That request will be posted on [URL].</p> <p>You are not required to make a formal appearance in the lawsuit in order to participate in the proposed Settlement, but, if you elect to be part of the Settlement, you may appear on your own or through your own lawyer. You may also ask to speak in Court at the Fairness Hearing about the proposed Settlement if you file a timely objection and submit a timely notice of your intention to appear at the Fairness Hearing. Instructions are below in the "Understanding the Settlement" section.</p> | [Deadline for filing notice to appear.] |

CLAIMING YOUR BENEFITS

Claims for benefits cannot be submitted until after the Court grants final approval of the Settlement, and (as explained below) certain claims must be submitted within 180 days of the date the Court grants final approval (the "Approval Date"). However, no claims will be processed, and no benefits will be paid or available, until the Effective Date. The Effective Date is the date on which all appeals from the order approving the Settlement have been resolved. Once they are known, the Approval Date and the Effective Date of the Settlement will be posted at www.xxxx.xxxx, or can be obtained by calling 800-xxx-xxx.

After the Settlement is approved, and if you have not excluded yourself from the Settlement, you may claim your benefits as follows:

| <u>ACTION</u> | <u>PROCEDURE</u> |
|----------------------|-------------------------|
|----------------------|-------------------------|

| <u>ACTION</u> | <u>PROCEDURE</u> |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>I Want to Submit a Claim for a Cash Payment or a Vehicle Discount for a Transmission Hardware Replacement</p> | <p>If you had three or more Service Visits to an authorized Ford Dealer to replace a qualifying hardware part in your PowerShift Transmission (a “Transmission Hardware Replacement”) while you owned or leased the Class Vehicle and within seven years or 100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first, you may submit a claim to the Claims Administrator by using claim forms that will be available on the Settlement Website, or by calling the Claims Administrator, after the Approval Date. Alternatively, you may submit claims electronically through that website, using links that will become active after the Approval Date.</p> <p>You may choose to receive a cash payment OR a vehicle discount toward the purchase of a new Ford vehicle.</p> <p>As explained more fully below in the “Understanding the Settlement” section, you must support your claim with certain documentation such as repair orders or receipts or other documents that establish the following: (1) the Vehicle Identification Number (“VIN”); (2) the date of the repair and your vehicle’s mileage at the time of the repair; (3) the name and address of the dealer that performed the repair; (4) a description of the repair and services rendered; and (5) proof you owned the vehicle at the time of each repair on which your claim is based. For repairs performed prior to the Approval Date of the Settlement, you must submit a claim within 180 days of the Effective Date or 180 days of the repair date, whichever is later. (When available, the Approval Date will be posted at www.xxxxx.com or can be obtained by calling the Claims Administrator.)</p> <p>For repairs performed after the Approval Date of the Settlement, you must submit claims within 180 days of the repair.</p> |
| <p>I Want to Submit a Claim for a Cash Payment for Software Flashes</p> | <p>If you had three or more service visits to an authorized Ford Dealer to perform Software Flashes on your vehicle while you owned or leased the vehicle and within seven years or 100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first, you may submit a claim to the Claims Administrator by using claim forms that will be available on this website, or by calling the Claims Administrator, after the Approval Date. Alternatively, you may submit claims electronically through this website, using links that will become active after final approval.</p> <p>As explained more fully below in the “Understanding the Settlement” section, you must support your claim with certain documentation such as repair orders or receipts or other documents that establish the following: (1) the Vehicle Identification Number (“VIN”); (2) the date of the Software Flash and your vehicle’s mileage at the time of the Software Flash; (3) the name and address of the dealer that performed the Software Flash; (4) a description of the repair and services rendered; and (5) proof you owned the vehicle at the time of each Software Flash on which your claim is based.</p> <p>For Software Flashes performed prior to the Approval Date, you must submit a claim within 180 days of the Approval Date or 180 days of the repair date, whichever is later. (When available, the Approval Date will be posted at www.xxxxx.com or can be obtained by calling the Claims Administrator.)</p> <p>For Software Flashes performed after the Effective Date of the Settlement, you must submit claims within 180 days of the repair.</p> |
| <p>I Want to Arbitrate a Claim for a Repurchase or Replacement or for Breach of Ford’s New</p> | <p>Requests to arbitrate claims for repurchase or replacement, or for breach of warranty, may be filed with CAP-Motors after the Approval Date, but no arbitration proceedings will begin until the Effective Date. (When available, the Approval Date and the Effective Date will be posted at www.xxxxx.com or can be obtained by calling the Claims Administrator.) Appropriate forms will be available on the CAP-Motors website, www.xxxxx.xxxx.</p> <p>Before filing a claim with CAP-Motors for a vehicle repurchase or replacement, you must provide notice</p> |

| <u>ACTION</u> | <u>PROCEDURE</u> |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle Limited Warranty | <p>to Ford at least ten days before you file your request for arbitration. During this time, Ford may contact you to try to resolve the matter. Furthermore, if a Ford Dealer has made no more than three repair attempts on the transmission, Ford is entitled make one final attempt to fix the problem, at no charge to you, before you go to Arbitration. If your vehicle has been subject to four (4) or more repair visits, you are not obligated to provide Ford with any additional repair attempts.</p> <p>Ford will pay all Arbitration costs. However, if you decide to appeal the arbitration judgment, you will need to advance the costs of the appeal. If your appeal is successful, Ford will reimburse the costs of the appeal.</p> <p>Your claim must include documentation supporting your claims such as repair orders or receipts and proof of ownership at the time of each repair.</p> |
| I Want to Submit a Claim for Reimbursement for a Clutch Replacement | <p>If (1) your vehicle was manufactured after June 5, 2013, (2) you had two clutch replacements performed by a Ford Dealer while you owned or leased the Class Vehicle and within 5 years or 60,000 miles of delivery of the Class Vehicle to the first retail customer (whichever occurs first), (3) a Ford Dealer performs appropriate diagnostic procedures and determines you need an additional clutch replacement, and (4) you pay for the additional clutch replacement, then you are entitled to reimbursement of out-of-pocket costs for the additional clutch replacement if it is performed within 7 years or 100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever comes first.</p> <p>After the Approval Date, you may submit a claim to the Claims Administrator using claim forms that will be available on the Settlement Website after Final Approval. Alternatively, you may submit claims electronically through that website, using links that will become active after the Approval Date.</p> <p>As explained more fully below in the “Understanding the Settlement” section, you must support your claim with certain documentation such as repair orders or receipts or other documents that establish the following: (1) the VIN; (2) the dates the clutches were replaced and your vehicle’s mileage when the clutches were replaced; (3) the name and address of the Ford Dealer(s) that replaced the clutches; (4) a description of the clutch replacements and other services rendered; (5) that diagnostic procedures were performed by the Ford Dealer which showed that a post-warranty clutch replacement was necessary; (6) the amount you paid for the post-warranty clutch replacement; and (7) proof you owned the vehicle at the time of each clutch replacement.</p> <p>Claims for reimbursement for post-warranty clutch replacements under this Section that were performed prior to or on the Approval Date must be submitted within 180 days of the Approval Date.</p> <p>Claims for reimbursement for post-warranty clutch replacements under this Section that were performed after the Approval Date must be submitted within 180 days of the replacement. (When available, the Approval Date will be posted at www.xxxx.com or can be obtained by calling the Claims Administrator.)</p> |

Timeline For Receiving Benefits

Please be advised that, while you may submit claims or requests for arbitration on or after the Approval Date (the date when the Court enters an order finally approving the proposed settlement), **your claim will not be processed until the Effective Date (the date after all appeals are resolved). The Effective Date could be months or even years after the Approval Date.**

Please check the Settlement Website regularly for updates and for news about when your claims can be filed and processed, and when arbitration can be commenced.

Contact Information

For copies of settlement documents, or for further information on how to submit claims for cash payments or Vehicle Discount Certificates to the Claims Administrator, go to [URL] or call the Claims Administrator at 1xxx-xxx-xxxx. For further information on how to submit claims for arbitration, go to [DeMars website URL] or call CAP-Motors at 1xxx-xxx-xxxx. For all other questions, contact Lead Class Counsel:

Lead Class Counsel

Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: (XXX)XXX-XXXX
Email:

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, FORD, OR FORD'S ATTORNEYS WITH INQUIRIES

UNDERSTANDING THE SETTLEMENT

CHAPTER 1: BASIC QUESTIONS

1. Why am I getting this Notice?

You are not being sued. The Court in charge of this litigation authorized this Notice because you may be a member of the Settlement Class. The Notice explains the proposed Settlement and helps you understand all of your options before the Court decides whether or not to approve the Settlement.

Your receipt of Settlement benefits, including cash payments, depends on the Court's final approval of the Settlement and the resolution of any appeals in favor of approval of the Settlement.

Please be patient and check the Settlement Website [website address] regularly. Do not contact Ford Dealers regarding the details of this Settlement, because they will not have any information that is not on the Settlement Website.

2. What is this lawsuit about?

This Settlement resolves litigation against Ford alleging that Ford defectively designed the PowerShift Dual-Clutch Automatic Transmission in certain 2011-2016 Ford Fiesta and 2012-2016 Ford Focus vehicles ("Class Vehicles").

The Actions allege that the PowerShift Transmission in the Class Vehicles was defectively designed and manufactured by Ford, causing it to slip, buck, kick, and/or jerk, resulting in the sudden or delayed acceleration of the vehicle. Plaintiffs have asserted nationwide claims under federal and state express and implied warranty laws and under consumer protection statutes.

You can read the operative complaint by visiting [URL]. Ford denies that it has violated any law, denies that it engaged in any wrongdoing, and denies that Class Vehicles' PowerShift Transmission is defective in any way. The parties agreed to resolve these matters before these issues were decided by the Court.

This settlement does not involve claims of personal injury or property damage to any property other than the Class Vehicles.

3. Why is there a Settlement?

A settlement is an agreement between a plaintiff (or multiple plaintiffs) and a defendant (in this case Ford) to resolve a lawsuit. Settlements end all or part of a lawsuit without a trial and without the court or a jury ruling in favor of either side. All parties in the lawsuit agree to a settlement to avoid the cost and risk of further litigation, including a potential trial, and to afford Class Members benefits in exchange for releasing the defendant from liability. This proposed Settlement does not necessarily mean that Ford broke any laws or did anything wrong, and the Court did not decide which side was right. The Court has simply found the parties' Settlement to be, at least preliminarily, fair and reasonable to Class Members. As part of preliminarily approving the Settlement, the Court also authorized this Notice to be posted on a website that can be accessed by all Class Members.

The Notice summarizes the Settlement's key terms, including benefits to Class Members, Arbitration procedures, and the rights and obligations of all parties. If there is any conflict between this Notice and the Settlement Agreement, which is also accessible on the Settlement Website, the Settlement Agreement governs. Terms that are defined in the Settlement Agreement have the same meaning in this Notice.

4. How was this Settlement reached?

Plaintiffs and Ford reached this Settlement after four private mediation sessions conducted by experienced and highly-respected mediator Eric D. Green. During these mediations, Plaintiffs' counsel and Ford's counsel engaged in extensive arms'-length negotiations. The parties first reached a settlement on the relief for the Class following the third mediation, then participated in a separate mediation to negotiate attorneys' fees. An agreement was reached thereafter. Both sides then negotiated the final terms of the Settlement Agreement, which was submitted to the Court for approval.

5. What vehicles are included in the Settlement?

This Settlement covers 2011-2016 Ford Fiesta and 2012-2016 Ford Focus vehicles that are equipped with a PowerShift Transmission and were originally sold in the United States and its territories. They are called "Class Vehicles" in the Settlement and this Notice.

6. What options do I have now?

You may exclude yourself from this Settlement, you may write to object to the Settlement, or you may do nothing. If you are an owner or lessee of a Class Vehicle with a pending lawsuit against Ford based on alleged problems with your PowerShift Transmission and final judgment has not yet been entered in your lawsuit, you are excluded from the Settlement but can choose to opt in to the Settlement.

Please consult the chart on pages - on how to exercise each option, as well as the time by which you must do so.

7. Why is this a class action?

A class action is a representative action or lawsuit in which one or more plaintiffs (also called "class representatives") sue a defendant on behalf of other, unnamed people with similar claims. All of these people together are the "Class" or "Class Members" if the Court approves this procedural form. Once approved, the Court resolves the issues for all Class Members, except for those who opt out of the Class. To opt out means that you choose to exclude yourself from the Class. If you opt out, you will be denied any benefits under the Settlement. The opt-out process is described in Questions 48-52 of this Notice.

8. What am I giving up in exchange for receiving the Settlement's benefits?

If the Settlement becomes final and you have not opted out, you will be eligible for the benefits described in this Notice. In exchange for having those benefits available to you, you will give up your right to sue Ford and related parties for claims based on problems with the PowerShift Transmission.

The Settlement does not resolve claims related to wrongful death, personal injury, or property damage unrelated to the Class Vehicle itself.

CHAPTER 2: WHO IS IN THE SETTLEMENT?

9. How do I know if I am part of the Settlement?

You are a Class Member if you are a person, entity, or organization who currently resides in the United States (including its territories), and on or before [Date of Preliminary Approval Order], you purchase(d), or lease(d) a 2011-2016 Ford Fiesta or 2012-2016 Ford Focus equipped with a PowerShift Transmission that was originally sold by Ford in the United States or its territories.

The following are not included in the Settlement: (1) owners or lessees of Class Vehicles who have filed and served litigation against Ford alleging problems with the PowerShift Transmission in Class Vehicles that was pending as of the Notice Date and who do not dismiss their actions before final judgment and affirmatively elect to opt in to the Settlement; (2) Ford's officers, directors, employees, affiliates and affiliates' officers, directors and employees, their distributors and distributors' officers, directors, and employees, and Ford Dealers and Ford Dealers' officers and directors; (3) judicial officers and immediate family members assigned to the Actions or any judicial officers who may hear the appeal; (4) all parties to litigation against Ford alleging problems with the PowerShift Transmission in Class Vehicles in which final judgment has been entered; and (5) all entities and natural persons who have previously executed and delivered to Ford releases of their claims based on the PowerShift Transmission.

However, if you have a pending lawsuit against Ford in which final judgment has not yet been entered, you have the opportunity to opt-in to the Settlement. (See Question 10 below.)

10. What if I am a plaintiff in a pending suit against Ford alleging problems with the PowerShift Transmission in the Class Vehicles?

If you are a plaintiff in a pending individual lawsuit against Ford based on alleged problems with your PowerShift Transmission and final judgment has not yet been entered in your lawsuit, you are automatically excluded from the Class. You may choose to participate in this Settlement instead by dismissing your lawsuit before final judgment (by filing a request for dismissal before the opt-in deadline) and submitting an opt-in form (available at www.FordTransmissionSettlement.com) by [opt-in date]. Before you opt in, consult your own lawyer to determine how participation in this Settlement will affect your rights in your pending lawsuit. Plaintiffs and Class Counsel will bear no responsibility for any adverse consequences that may result from your decision to dismiss your pending lawsuit.

11. Am I still eligible for benefits if I purchased my Class Vehicle from a private owner?

If you purchased your Class Vehicle from a private owner, you are eligible for benefits just as you would be if you had purchased your vehicle directly from a Ford Dealer. This means that you are eligible for benefits under this Settlement whether you purchased your Class Vehicle from a private owner, a Ford Dealer, or a third-party dealership (like CarMax) as long as you meet the other Settlement requirements.

CHAPTER 3 – SETTLEMENT BENEFITS/ CASH PAYMENTS OR VEHICLE DISCOUNT CERTIFICATES

12. How do I qualify for Cash Payments or a Vehicle Discount Certificate for Transmission Hardware Replacements?

You may obtain cash payments or a Vehicle Discount Certificate (“Certificate”) toward the purchase of a new Ford vehicle if, while you owned or leased the Class Vehicle, you made **three (3) or more** Service Visits to authorized Ford Dealers where during each visit a qualifying transmission part was replaced within seven (7) years or 100,000 from the vehicle’s delivery to the first retail customer, whichever occurs first.

Those qualifying parts are as follows: (1) 7B546 Disc Asy-Clutch; (2) 7Z369 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Aut; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-Cl/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and (10) 7515 Lever Asy-Clutch Rel. Please review your repair orders to match the part replaced, and be aware that your invoices may have a prefix and/or suffix surrounding the base part numbers identified above.

This benefit is available to you even if the services were performed under warranty, which means that you need not have paid out-of-pocket for the services or repairs. This benefit is to compensate you for the inconvenience of having to take your car in to a Ford Dealer for multiple repairs. The benefit is not available, however, for repairs performed as part of any safety or non-safety Recall Program.

13. How much would I be entitled to receive for three or more Service Visits for Transmission Hardware Replacements under the Settlement?

You are entitled to the following payments or Vehicle Discount Certificates (in lieu of cash) for each valid claim for a Transmission Hardware Replacement:

| Number of Service Visits for Transmission Hardware Replacement | Cash Payment | Discount Certificate Value |
|----------------------------------------------------------------|--------------|----------------------------|
| For the 3rd Visit | \$200 | \$400 |
| For the 4th Visit | \$275 | \$550 |
| For the 5th Visit | \$350 | \$700 |
| For the 6th Visit | \$425 | \$850 |
| For the 7th Visit | \$500 | \$1000 |
| For the 8th Visit | \$575 | \$1150 |

Payments to Class Members are capped at a total of \$2,325 for cash payments or \$4,650 for the value of the Certificate(s). This means that Class Members cannot receive any further cash payments or Certificates beyond the eighth visit for a Transmission Hardware Replacement.

14. Can I receive an additional payment if I had another visit for a Transmission Hardware Replacement after Final Approval of the Settlement?

You may claim additional payments or Certificates even if you have already received a payment. So long as your claim is valid and you have documented proof of an additional Transmission Hardware Replacement while you owned or leased the Class

Vehicle and within 7-years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first, you are entitled to receive additional cash payments or Certificates, up to the maximum amounts identified above.

15. What can I do with a Vehicle Discount Certificate?

A Vehicle Discount Certificate is a discount coupon that you may apply toward the purchase of a Ford vehicle from an authorized Ford Dealer. The amount stated on the Certificate will be deducted from the vehicle's purchase price.

You can apply multiple Certificates toward your purchase, so long as the Certificates have not expired. The Certificate cannot be redeemed for cash or used at a non-Ford Dealer. The Certificates may be used in conjunction with other discounts offered by Ford or a Ford Dealer.

16. How long do I have to use the Vehicle Discount Certificate?

A Vehicle Discount Certificate expires within twelve (12) months of issuance. If a new Certificate is later issued to you, the amount of the later Certificate will be increased by the amount of any expired and unused Certificates.

For example, say you submitted a valid claim and received a Certificate worth \$400 that was issued on December 1, 2017, and that you let the certificate expire on December 1, 2018. In January 2019, you had another visit for a Transmission Part Replacement, submitted another valid claim, and the Claims Administrator issues you another Certificate. The new certificate will be worth \$950 (\$550 plus the value of the unused and expired certificate).

17. How do I qualify for payments for Software Flashes?

You may obtain cash payments for Software Flashes if you made **three (3) or more** Service Visits to authorized Ford Dealers where a Software Flash was performed while you owned or leased the Class Vehicle and within seven (7) years or 100,000 from the vehicle's delivery to the first retail customer, whichever comes first. A Software Flash may be a reflash, an update, a reset, a reboot, or a similar type of service performed on your vehicle's software. Your repair order should indicate whether a Software Flash was performed, identified by one of the following labor codes:

| | | | | |
|---------|---------|---------|----------|---------|
| 110333A | 131102A | 150090M | 160109C | 14M01DD |
| 110405A | 131104A | 150090N | 160109D | 14M01E |
| 110513A | 131108A | 150090P | 160129A | 14M01EE |
| 110524A | 131109A | 150090Q | MT131102 | 14M01GG |
| 110902A | 131110A | 150120H | R08101 | 14M01H |
| 120104A | 140131A | 150120L | R08102 | 14M01L |
| 130405A | 140131B | 150120M | R11021 | 14M01M |
| 130405B | 140131C | 150120N | 14M01A | 14M01N |
| 130405C | 140131D | 150120P | 14M01AA | 14M01P |
| 130406A | 140131E | 150120Q | 14M01BB | 14M01Q |
| 130904A | 150017A | 160044A | 14M01C | 14M02B |
| 130904B | 150090H | 160109A | 14M01CC | 14M02C |
| 130904C | 150090L | 160109B | 14M01D | 14M02D |

18. How much cash can I receive for Software Flashes?

You may obtain a cash payment of \$50 for the third Service Visit at which a Software Flash was performed by a Ford Dealer while you owned or leased the Class Vehicle and within seven (7) years or 100,000 from the vehicle's delivery to the first retail customer, whichever comes first. You may obtain an additional cash payment of \$50 for each subsequent Service Visit after the third Service Visit at which a Software Flash was performed by a Ford Dealer while you owned or leased the Class Vehicle

and within seven (7) years or 100,000 from the vehicle's delivery to the first retail customer, whichever comes first, up to a total cumulative payment of \$600.

19. Can I get cash payments for both Transmission Hardware Replacements and Software Flashes?

If you receive a cash payment or Vehicle Discount Certificate for a Transmission Hardware Replacement, you are **not** eligible also to collect a cash payment for a Software Flash, and you will **not** be eligible for future payments for Software Flashes. In addition, if you received a payment for three or more Software Flashes and then (1) had an additional repair that qualifies for a Transmission Hardware Replacement payment, (2) you submit a claim for that payment, and (3) the claim is awarded, the Software Flash payment will be deducted from the Transmission Hardware Replacement award. See Question 20.

20. If I qualify for a Transmission Hardware Replacement, am I still eligible for payments for Software Flashes done on the same Service Visits?

You cannot get payments for Software Flashes if they were performed in the same Service Visits that qualify you for a Transmission Hardware Replacement. For example, you received a \$50 payment for three Software Flashes and two of the Software Flashes were performed on the same Service Visit as a Transmission Hardware Replacement. You then have another Service Visit with a third Transmission Hardware Replacement that qualifies you for a payment. You can submit a claim for the third Transmission Hardware Replacement. For that claim, however, you would receive a total of \$150 (\$200 for the Transmission Hardware Replacement minus \$50 for the prior Software Flash payment).

21. What if I can't figure out what payments I qualify for?

Review your receipts and repair orders carefully. If you cannot determine which benefits, if any, you qualify for, contact Class Counsel at [phone].

The Claim Process for Transmission Hardware Replacements or Software Flashes

22. How do I make a claim for Transmission Hardware Replacements or for Software Flashes?

If you are eligible to receive a benefit for a Transmission Hardware Replacement or for a Software Flash, you can submit a claim online at [website] or by mail by filling out the claim form available online at [website].

Please follow the instructions on the website. You will need to provide additional documents to support your claim. (See the next question.)

23. What supporting documents do I need to submit to make a claim for Transmission Hardware Replacements or for Software Flashes?

To make a claim for a cash payment or Vehicle Discount Certificate, you will need to submit repair orders, receipts, other documentation from a Ford Dealership, or state vehicle inspection reports (or some combination thereof) sufficient to establish for each Transmission Hardware Replacement or Software Flash on which the claim is based all of the following information:

1. The Vehicle Identification Number ("VIN") of the vehicle on which the Transmission Hardware Replacement or Software Flash repairs were performed;

2. The name and address of the Ford Dealer that performed the Transmission Hardware Replacement or Software Flash repairs;
3. Whether the Transmission Hardware Replacement or Software Flash repairs were performed on the Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first; AND
4. A description of the services rendered and parts provided.

Thus, if you are submitting a claim for a payment for your Class Vehicle's third Transmission Hardware Replacement, you must submit documentation that establishes the above information for all three service visits during which Transmission Hardware Replacements were performed.

You must also provide documentation showing that you were the owner or lessee of the Class Vehicle at the time of each Transmission Hardware Replacement or Software Flash on which your claim is based. You can prove ownership in one of three ways:

1. All repair records submitted in support of your claim identify you as the person requesting the repairs; OR
2. You submit a vehicle title, vehicle purchase agreement, or vehicle lease agreement that identifies you as the vehicle owner, purchaser, or lessee at the time of the first repair that forms the basis of the claim, AND a vehicle registration that identifies you as the vehicle owner as of the date of the latest repair that forms the basis of your claim (or as of a later date); OR
3. For each repair that forms the basis for your claim, you submit either (a) a repair record that identifies you as the person who requested the repair, OR (b) a vehicle registration that identifies you as the vehicle owner as of the date of each repair.

Your documents must be submitted with the signed claim form, on which you will attest under penalty of perjury that the documents are authentic and that you owned or leased the Class Vehicle at the time of all repairs on which your claim is based.

If you already submitted documents to support a previous claim for a qualifying Transmission Hardware Replacement or Software Flash and you are seeking compensation for an additional Transmission Hardware Replacement or Software Flash, you will only need to provide documents sufficient to establish that the subsequent Transmission Hardware Replacement or Software Flash is eligible for reimbursement, and that you owned or leased the Class Vehicle at the time of the subsequent Transmission Hardware Replacement or Software Flash.

24. What is the deadline to make a claim for Transmission Hardware Replacements or for Software Flashes?

If you already qualify for cash payment or a Vehicle Discount Certificate on the Approval Date, you have 180 days from that date to submit your claim. When available, the Approval Date will be posted on the Settlement website, www.xxxxxx.com. If your qualifying third Service Visit for a Transmission Hardware Replacement or Software Flash occurs after the Court finally approves the Settlement, or if you had additional Service Visits after the Approval Date even if you already submitted claims for benefits, you have 180 days from your Service Visit to submit a claim for Transmission Hardware Replacements or Software Flashes performed on that Service Visit.

25. When will I receive my cash payment or Vehicle Discount Certificate?

Although you may submit your claim after the Court grants final approval, the Claims Administrator will not be allowed to process your claim and issue a payment until after any appeal is resolved, which is when the Settlement takes legal effect (the "Effective Date"). You should monitor [\[URL\]](#) for updates as to the Effective Date and other timing issues.

26. What are my options if the Claims Administrator denies my claim for a Cash Payment or Vehicle Discount Certificate?

If your claim is rejected, the Claims Administrator will tell you why. If it was rejected because you failed to submit all the required documents, the Claims Administrator will give you one opportunity to resubmit the claim within 30 days.

Repurchase or Replacement in Arbitration

27. What if I want Ford to repurchase or replace my car? What are my options?

Under the Settlement, you may file a claim in the Arbitration Program seeking to have Ford repurchase or replace your Class Vehicle. Please carefully review the following to make sure you qualify for the Arbitration Program.

Your eligibility to claim a repurchase may depend on the lemon law of your state. Please consult an attorney to determine whether your state's lemon law authorizes a repurchase for your Class Vehicle. You may also qualify for a repurchase if you do not qualify under your state's lemon laws under certain circumstances. (See Question 33.)

28. What is the Arbitration Program?

The Arbitration Program is a dispute resolution program created by the Settlement for Class Members to resolve their vehicle repurchase claims and/or claims for breach of Ford's New Vehicle Limited Warranty ("Warranty"). You may file a claim in the Arbitration Program after fulfilling the notice requirements (described below). An arbitrator, a qualified and disinterested third-party, will decide the merits of your claims. Ford will pay the costs of the Arbitration Program, which, at the outset, is administered by CAP-Motors of DeMars & Associates.

Please read the Arbitration Rules carefully for more detail on the Arbitration. The Arbitration Rules are available on the Settlement website, www.xxxxxxx.com.

29. What are the benefits to me of filing a claim in the Arbitration Program?

The Arbitration Program benefits Class Members in numerous ways. The Settlement makes it easier in some respects for you to establish your claim that Ford should repurchase your vehicle. The Settlement extends the time within which your claim must be filed as compared to litigation. Under the Arbitration Program, a repurchase claim may be submitted up to 6 years after delivery of the Class Vehicle to the first retail customer or 6 months after the Approval Date of the Settlement, whichever is later, if you still own or lease the Class Vehicle. Arbitration provides a speedy, efficient, and inexpensive way to resolve your repurchase claims and Ford will pay all costs associated with the Arbitration, including your filing fees. Claims should typically be resolved within 30-60 days. In contrast, litigation seeking repurchase could take years. If you prevail on a repurchase claim, Ford will pay for attorneys' fees up to \$6,000. Finally, the Arbitration Program provides Class Members, but not Ford, with the right to appeal the initial arbitration decision to a second appellate arbitration panel.

30. What must I do before submitting a claim to the Arbitration Program?

To participate in the Arbitration Program, you must provide formal notice to Ford of your intent to arbitrate, and of the nature of the claim(s) you intend to pursue in arbitration, at least ten days before you submit a claim for arbitration. You may give direct notice to Ford by calling 1-888-260-4563 or by filling out the applicable form on the Settlement Website, www.xxxxxxx.com.

31. What happens after Ford receives Notice of my claim?

Upon receipt of your Notice, Ford may contact you or your attorney in an effort to resolve your claims before you submit your claim to Arbitration. If you have tried to get your vehicle fixed on three or fewer occasions, you must give Ford a fourth opportunity to fix your vehicle. If you have had four (4) or more transmission repair attempts, or if you sold or returned the Class Vehicle prior to filing the request for Arbitration, you are under no obligation to try to resolve the claim with Ford yourself and can wait until your scheduled Arbitration.

32. How do I know if I qualify to file a claim in Arbitration for repurchase or replacement?

If you are a current owner or lessee of a Class Vehicle and seek to have Ford repurchase or replace your Class vehicle based in whole or in part on alleged defects in the PowerShift Transmission under the Arbitration Program, you must file your claim within six (6) years after the original sale or lease of the vehicle to the first retail customer. Please review the procedure set forth in Questions 30 and 31 regarding how to submit a claim.

If you sold your Class Vehicle or returned your leased Class Vehicle **before the Approval Date**, you may be entitled to arbitration for a Vehicle Repurchase if (1) the lemon law of the state where you took delivery of the vehicle allows a claim for repurchase after you've sold or returned your vehicle; and (2) you file your claim for Arbitration either before the applicable statute of limitations expires or 180 days after the Approval Date, whichever is earlier.

Similarly, if you sell your Class Vehicle or return a leased Class Vehicle **on or after the Approval Date** but before filing a claim for Arbitration, you may be entitled to arbitration of claims for a Vehicle Repurchase if (1) the lemon law of the state where you took delivery of the vehicle allows for repurchase after you've sold or returned the vehicle; and (2) you file your claim for Arbitration before the applicable state statute of limitations expires or 180 days after the date on which the Class Member sold or returned the Class Vehicle, whichever is earlier.

Please consult an attorney to confirm your rights under your state's lemon law.

33. What does the Arbitrator need from me to award a repurchase or replacement?

You must submit proof of ownership of your vehicle at all relevant times. In addition, you must submit repairs orders or other documentation sufficient, at the discretion of the Arbitrator, to support your claims. If the Arbitrator decides that your documentation supports a repurchase or replacement under your state's lemon law, he or she may issue an award directing Ford to repurchase or replace your Class Vehicle. Please consult an attorney to determine what you would need to prove under your state's lemon law. If you have already sold or return your Class Vehicle, you may be eligible to obtain a repurchase if your state's lemon law provides for such a repurchase. Please consult an attorney to determine your eligibility for a repurchase remedy for a sold or returned vehicle under this Settlement.

The Arbitrator may also award a repurchase under the Arbitration Program if, while you owned or leased your vehicle, it was repaired on four (4) occasions, on each occasion an authorized Ford Dealer performed a Transmission Hardware Replacement within 5 years/60,000 miles of the initial sale or lease of your vehicle to the first retail customer, and the Transmission still malfunctions. The four (4) Transmission Hardware Replacements do not need to be for the same part. To obtain a repurchase or replacement under the Arbitration Program, you must provide proof, in the form of receipts and/or repair orders, of the repairs performed on your Class Vehicle, along with proof that you were the owner or lessee of the Class Vehicle at the time of each repair.

34. How much would I get if the Arbitrator awards a repurchase?

If the Arbitrator awards a repurchase, the repurchase amount will be based on your state's lemon law. No punitive damages or civil penalties may be awarded. If you received a cash payment for a Transmission Hardware Replacement or Software Flash from the Claims Administrator, that cash amount will be deducted from the repurchase amount.

If the Arbitrator determines that you are not eligible for a repurchase based on your state's lemon law, but that you are eligible for a repurchase under the Arbitration Rules, the following conditions apply:

- You must still own or lease the Class Vehicle;
- If you received a cash payment for a Transmission Hardware Replacement or Software Flash from the Claims Administrator, that amount will be deducted from the repurchase award;
- If you received a Vehicle Discount Certificate, the face value of any used Certificate will be deducted from the repurchase award and any unused Certificate will be cancelled;
- Ford will refund the actual amount of all payments you made for your vehicle (not including any modifications or additions after the vehicle's purchase or lease), including finance charges, less a reasonable allowance for use. Ford will also provide the pay-off amount to the lienholder or lessor in accordance with the financing or lease agreement.
- If the vehicle being repurchased is covered by a Ford Extended Service Plan that you purchased, that plan will be cancelled and its pro-rated cost refunded. If the vehicle is covered by a non-Ford service contract, you will be responsible for obtaining any refund that may be available from the issuer of that non-Ford plan.
- Ford will also refund sales tax, original license fees, original registration fees, and original title fees.
- You will be charged for your use of the vehicle in accordance with the following formula: $(\text{The mileage on your vehicle's odometer at the time of the third Transmission Hardware Replacement} \div 120,000) \times \text{Purchase Price}$.
- No punitive damages or civil penalties may be awarded.

35. Can I still submit a claim for a repurchase if I leased my car? How much would I get?

If you leased the vehicle and an arbitrator determines that you are eligible for repurchase, Ford will refund the payments you made to the lending institution or lessor plus net trade-in and cash down payment (not including rebates, if any), less a reasonable allowance for use. Ford will also provide the pay-off amount to the lienholder or lessor in accordance with the financing or lease agreement. As with purchased vehicles, Ford will also refund sales tax, original license fees, original registration fees, and original title fees for your leased vehicle.

36. What if I choose a replacement vehicle?

The terms under which a replacement vehicle is provided will be based on your state's lemon law.

37. Will I get attorneys' fees if I win on the repurchase or replacement?

If you choose to use an attorney, the Arbitrator may award reasonable attorneys' fees to you if you succeed on your repurchase or replacement claim, but such fees may not exceed \$6,000.

38. What can I do if I lose the Arbitration?

If you lose your Arbitration, you have the opportunity to appeal that decision with the Appellate Arbitration Administrator, which is run by a different administrator (JAMS rather than CAP-Motors). However, if you decide to appeal, you must pay the costs of the Arbitration Appeal to proceed. If you win on appeal, Ford will refund you the costs of the Arbitration Appeal. However, if Ford wins the appeal, you will not be reimbursed for those costs. Ford does not have a right to appeal, and neither you nor Ford may ask another arbitrator, tribunal, or court to review the decision from the Arbitration Appeal.

39. What if I received another Transmission Hardware Replacement after losing my Arbitration? Am I permitted to pursue a second arbitration?

If you had another Transmission Hardware Replacement by a Ford Dealer after losing your Arbitration, you may file a Second Arbitration, subject to the same rules as the initial Arbitration.

40. What if an arbitrator for the Better Business Bureau or another administrator already denied my claim for repurchase before the preliminary approval of this Settlement?

If an arbitrator with the Better Business Bureau Auto Line denied a previous claim filed by you for a repurchase, you are still entitled to file a claim in this Arbitration Program, subject to the Arbitration Rules.

Limited Warranty Arbitration

41. How do I qualify for the New Vehicle Limited Warranty Arbitration?

To qualify for Arbitration for a breach of Ford's New Vehicle Limited Warranty, you must be a Class Member and follow the procedures for initiating the Arbitration set forth in Questions 30 and 31.

You may proceed with a New Vehicle Limited Warranty Arbitration if you claim that Ford failed to repair a PowerShift Transmission failure or malfunction as required by Ford's New Vehicle Limited Warranty ("Warranty"), or any extensions of that Warranty, or if a Ford Dealer charged you for a transmission repair of your Class Vehicle that you claim should have been paid for by Ford under that Warranty.

42. What can I get from a New Vehicle Limited Warranty Arbitration?

The Arbitrator may award repairs under warranty or reimbursement. If you are having transmission problems that should have been, but were not, repaired under Ford's New Vehicle Limited Warranty, or any extension of that warranty, the Arbitrator may require Ford to make such repairs.

If you have paid for a transmission repair that should have been paid for by Ford under the Warranty, or any extension of that warranty, the Arbitrator may order Ford to reimburse you for the amount you paid that should have been paid by Ford. The Arbitrator may award reimbursement for money you paid for the repair of defects covered by the Ford New Vehicle Limited Warranty, or any extension of that warranty, only if Ford or its dealer declined to repair the defects under warranty or to reimburse under the warranty's emergency repair provisions.

43. What is the Arbitrator barred from awarding under the New Vehicle Limited Warranty Arbitration?

The Arbitrator may not award reimbursement or repairs in New Vehicle Limited Warranty Arbitration for the following:

- maintenance and wear items not covered by Ford's New Vehicle Limited Warranty;
- damage caused by alterations to or modifications of the vehicle after it leaves the control of Ford;
- damage caused by tampering with the vehicle, its emissions systems, or other parts that affect these systems; and
- damage caused by the installation or use of a non-Ford part or of any part designed for "off-road" use installed after the vehicle leaves the control of Ford.

The Arbitrator also may not award attorney fees, civil penalties or punitive damages in New Vehicle Limited Warranty Arbitration.

44. What are the differences between the Repurchase/Replacement Arbitration and the New Vehicle Limited Warranty Arbitration?

While Ford will cover the cost of Arbitration for both types of arbitration, in the New Vehicle Limited Warranty Arbitration there is no extension of the statute of limitations on the breach of express warranty claim, no award of attorneys' fees to a prevailing Class Member, and no right to appeal for Class Members.

Clutch Replacement

45. How do I qualify for reimbursement of what I paid for a replacement clutch?

If (1) your vehicle was manufactured after June 5, 2013, (2) you had two clutch replacements performed by a Ford Dealer while you owned or leased the Class Vehicle and within 5 years or 60,000 miles of delivery of the Class Vehicle to the first retail customer (whichever occurs first), (3) a Ford Dealer performs appropriate diagnostic procedures and determines you need an additional clutch replacement, and (4) you pay for the additional clutch replacement, then you are entitled to reimbursement of out-of-pocket costs for the additional clutch replacement if it is performed while you owned or leased the Class Vehicle and within 7 years or 100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever comes first.

46. How do I submit my claim for reimbursement of what I paid for a replacement clutch, and what documents do I need to support my claim?

If you qualify to be reimbursed for what you paid for a replacement clutch, you must submit your claim to the Claims Administrator through the Settlement website or by submitting forms available on the website or by calling xxx-xxx-xxxx. You must support your claim with repair orders, receipts, other documentation from a Ford Dealer, or state vehicle inspection reports (or some combination thereof) sufficient to establish for at least two replacements of the clutch (part number 7B546 Disc Asy-Clutch), all of the following information:

1. The Vehicle Identification Number ("VIN") of the vehicle on which the clutch replacement was performed;
2. The name and address of the Ford Dealer(s) that replaced the clutch on each occasion;
3. Whether the clutch replacement was performed on the Class Vehicle within 5 years/60,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first; and
4. A description of the services rendered and parts provided in connection with each clutch replacement.

You must also support your claim with repair orders, receipts, other documentation from a Ford Dealer, or state vehicle inspection reports (or some combination thereof) sufficient to establish for an additional replacement of the clutch (part number 7B546 Disc Asy-Clutch), all of the following information:

1. The Vehicle Identification Number ("VIN") of the vehicle on which the clutch replacement was performed;
2. The name and address of the Ford Dealer that replaced the clutch;
3. Whether the clutch replacement was performed on the Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first;
4. A description of the services rendered and parts provided in connection with the clutch replacement;
5. Information sufficient to establish that the appropriate diagnostic procedures specified in Ford's Service Manual or in applicable Technical Service Bulletins were performed and that based on the results the Ford Dealer determined that a clutch replacement was necessary; and
6. The documented and unreimbursed amounts paid by the Class Member to a Ford Dealer for the parts and labor for the clutch replacement. Class Members shall not be reimbursed for consequential damages such as lost revenue/profits, lost employee time from loss of use of the Class Vehicle, or towing charges or other costs of transporting the vehicle to or from the place of repair.

You must also submit documentation demonstrating your Proof of Ownership of the Class Vehicle at the time of each clutch replacement on which the claim is based. You can prove ownership using the methods described in question 23, above. Finally, you must submit a claim form which includes a declaration signed under penalty of perjury that attests to and affirms the authenticity of the documentation provided to support the claim and states that you actually owned or leased the Class Vehicle at the time of each clutch replacement on which the claim is based.

If you qualify for reimbursement for a clutch replacement on the Approval Date, you must submit your claim within 180 days of the Approval Date. If you qualify for reimbursement at a later date, you must submit your claim within 180 days of the clutch replacement for which you are seeking reimbursement.

CHAPTER 4: UNDERSTANDING THE CLASS ACTION PROCESS

47. When will the action get finally approved?

The Court has set a date of _____ at [time] for the Final Fairness Hearing. The hearing will take place at Federal District Court, Central District of California, 350 West First Street, Los Angeles, CA 90012 - Courtroom 7B. At the Final Fairness Hearing, the Court will consider arguments and evidence as to whether the Settlement is fair, reasonable, and adequate as to Class Members and should be finally approved. We anticipate that the Court will decide whether to approve the Settlement soon after the Final Fairness Hearing. You should monitor the Settlement website for the latest information on the status of the settlement.

48. What if I don't want to participate in the Settlement?

If you do not want to receive benefits from the Settlement and want to retain your right to sue Ford about problems with your Class Vehicle's PowerShift Transmission, then you must actively remove yourself from the Settlement Class. You may do this by asking in writing to be excluded from or opt out of the Settlement. You must mail a letter or other written document to the Claims Administrator. Your request must include:

- Your name, address, and telephone number;
- The model, model year, and VIN number of your Class Vehicle(s);
- A specific and unambiguous statement that you desire to be excluded from the Class in *Vargas v. Ford Motor Co.*; and
- Your personal signature and the date you signed (and if you are represented by counsel, your counsel must sign the Request for Exclusion as well).

You must mail your exclusion request, postmarked no later than [Date], to KCC [address]. If you wish to exclude yourself from the Class, you must do so with respect to all Class Vehicles you own(ed) or lease(d). You cannot exclude yourself from the Class with respect to some Class Vehicles and include yourself in the Class with respect to other Class Vehicles.

49. What if I have a pending lawsuit but want to opt-in?

If you want to receive benefits from the Settlement but already have a pending lawsuit against Ford based on alleged problems with your PowerShift Transmission, and final judgment has not yet been entered in your lawsuit, then you must act to participate in the Settlement Class. Please consult your attorney regarding the consequences to your pending lawsuit of opting in before you choose. By opting in, you will lose the right to continue with your own lawsuit.

To opt in, you must dismiss your lawsuit before final judgment and complete the opt-in form available on the Web Site. You may also request a form by calling 1-800-xxx-xxxx. Alternatively, you may submit a written request to opt-in. That written request must include the following information:

- Your name, address, and telephone number;
- The make, model, model year, and VIN number of your vehicle;

- Your pending's lawsuit's title, case number, and court;
- An unambiguous statement that you are opting in to the Settlement in *Vargas v. Ford Motor Company*; and
- Your personal signature and the date you signed

You must mail your request to opt-in, postmarked no later than [Date], to KCC [address].

50. If I am part of the Settlement, can I sue Ford for the same claims later?

If you elect to participate in the Settlement, you cannot sue Ford for any claims based in whole or in part on any alleged problems with the PowerShift transmission (except that you may still pursue claims for personal injury or property damage).

51. If I am not part of the Settlement, can I still get the benefits from the Settlement?

If you elect to exclude yourself, you will not be entitled to any benefits from the Settlement.

52. If I opt out and pursue my own case, can I get a larger recovery?

The laws of most states provide for various remedies, including actual damages, punitive damages, and rescission, if a claim is proved at trial and upheld on appeal. No result can be predicted with certainty, and all alternative legal actions take additional time and may be subject to offsets or deductions for attorneys' fees and costs. This Settlement is designed to provide benefits that are certain, not subject to the delay and risk of trial and appeal, and not reduced by fees or costs.

53. Do I have a lawyer in this case?

The Court has appointed the following lawyers as Class Counsel, without charge to you. They are:

| Lead Class Counsel | Class Counsel | Class Counsel |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Jordan L. Lurie Tarek H. Zohdy Cody R. Padgett Karen L. Wallace Capstone Law APC 1875 Century Park East, Suite 1000 Los Angeles, CA 90067 Tel: XXXXXXXXXX | Russell D. Paul Berger&Montague,P.C. 1622 Locust Street Philadelphia, PA 19103 Tel: XXXXXXXXXX | Thomas A. Zimmerman, Jr. Zimmerman Law Offices, P.C. 77 W. Washington Street Suite 1220 Chicago, Illinois 60602 |

You may hire your own lawyer, at your own expense to represent you in the Settlement.

54. Who will pay the lawyers?

Class Counsel represents you at no charge to you. Ford will pay their attorneys' fees and costs of up to \$8,856,500, in addition to the benefits it is providing to Class Members in the Settlement. On [Date], before the deadline to object or opt-out, Class Counsel will make a written request for the Court's approval for an award for attorneys' fees and costs as well as service awards for the Class Representatives. Class Members will have an opportunity to comment on or object to this request. The Court must approve the award of attorneys' fees and costs, and service awards to be paid by Ford.

Any attorneys' fees and costs, and service awards approved by the Court will be paid separately by Ford and will not reduce benefits to Class Members.

Class Counsel plan to request the following service awards: \$10,000 for Omar Vargas; \$7,500 each for Michelle Harris, Sharon Heberling, and Robert Bertone; \$5,000 each for Kevin Klipfel, Andrea Klipfel, Maureen Cusick, Eric Dufour, Abigail Fisher, Christi Groshong, Virginia Otte, Tonya Patze, Lindsay Schmidt, Patricia Schwennker, Patricia Soltesiz, Joshua Bruno, and Jason and Jamie Porterfield; and \$1,000 (\$46,000 total) to each Named Plaintiff in the Anderson action.

55. Can I tell the Court if I do not like the Settlement?

If you do not exclude yourself from the Settlement, you (or your attorney) may object in writing to the Court. The Court will consider your views. To comment on or to object to the Settlement, you or your attorney must submit your written objection to the Court, and include the following:

- Your name, address, and telephone number;
- The model, model year, and vehicle identification number of your Class Vehicle, along with proof that you have owned or leased a Class Vehicle (e.g., a true copy of a vehicle title, registration, or license receipt);
- A written statement of all grounds for the objection accompanied by any legal support for such objection;
- Copies of any papers, briefs, or other documents upon which the objection is based;
- A list of all cases in which you and/or your counsel has filed or in any way participated in—financially or otherwise—objections to a class action settlement in the preceding five years;
- The name, address, email address, and telephone number of all attorneys representing you;
- A statement indicating whether you and/or your counsel intends to appear at the Fairness Hearing, and if so, a list of all persons, if any, who will be called to testify in support of the objection; and
- Your signature and the date you signed (and if you are represented by counsel, your counsel must also sign the objection).

You must mail your objection to the three addresses below, postmarked no later than [objection deadline date].

| Court | Class Counsel | Defense Counsel |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Clerk of the Court/ Judge Andre Birotte, Jr. United States Courthouse for the Central District of California 350 West First Street Los Angeles, CA 90012 | Jordan L. Lurie Tarek H. Zohdy Cody R. Padgett Karen L. Wallace Capstone Law APC 1875 Century Park East, Suite 1000 Los Angeles, CA 90067 | John M. Thomas Krista Lenart Dykema Gossett PLLC 2723 South State Street, Suite 400 Ann Arbor, Michigan 48104 |

In addition, you may appear at the Final Fairness Hearing if you submit a written notice of your intent to appear with your objection.

56. What is the difference between objecting to the Settlement and opting out?

You can object only if you participate in the Class. If you opt out and therefore elect not to be part of the Settlement, you have no right to object to the Settlement because the case no longer affects you.

57. Do I have to attend the Final Fairness Hearing?

You do not have to attend the Final Fairness Hearing. Class Counsel will answer any questions the Court may have. You are welcome to attend at your own expense. If you timely file an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also have your own lawyer attend at your expense, but it is not required.

58. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. The Court will determine whether to grant you permission. To ask for permission from the Court, you must send a letter that states it is your “Notice of Intention to Appear in *Vargas v. Ford Motor Co.*” Be sure to include your name, address, telephone number, your signature, and the date. Your notice of intention to appear must be postmarked no later than [Date] and sent to the addresses listed in Question 55.

59. How do I get more information?

This Long Form Class Notice summarizes the proposed Settlement. More details, including the actual Settlement Agreement, are available at [URL]. You may also contact Class Counsel [phone number/email] for more information.

EXHIBIT C

Legal Notice of Class Action Settlement

Vargas v. Ford Motor Co., Case. No. 2:12-cv-08388-AB-FFM
United States District Court for the Central District of California

If you purchased/leased a Ford Focus (2012-2016 models) or Ford Fiesta (2011-2016 models) equipped with a PowerShift dual-clutch automatic transmission, this Notice provides information of a proposed class action settlement that could affect your legal rights.

What is this Notice about? This Notice concerns the proposed settlement of class action lawsuit against Ford Motor Company (the “Settlement”). The lawsuit alleges that certain Ford Focus and Fiesta vehicles are equipped with defective PowerShift Dual-Clutch Automatic (DPS6) Transmission (“PowerShift Transmission”) that may slip, buck, kick, or jerk, and result in sudden or delayed vehicle acceleration. Ford denies that it has violated any laws, denies that it has engaged in any wrongdoing, and denies that there is any safety hazard or defect. The parties agreed to resolve these issues before they were decided by the Court. If you are a current or former owner/lessee of a 2012-2016 Ford Focus or a 2011-2016 Ford Fiesta with a PowerShift Transmission (the “Class Vehicles”), you must take action to protect your rights or to obtain benefits within the time limits provided by the Settlement and the Orders of the Court. For more important information regarding the Settlement, including how to protect your rights and claim your benefits, go to **www.FordTransmissionSettlement.com** or call **1-800-xxx-xxxx**.

What benefits does the Settlement provide?

- If your vehicle’s transmission is malfunctioning, you may be entitled to a repair or a repurchase of your vehicle, through an expedited binding arbitration program created by the Settlement.
- If an authorized Ford dealer performed three or more transmission software flashes on your vehicle, you may be entitled to cash payments ranging from \$50 to \$600, depending on the number of service visits.
- If an authorized Ford dealer replaced three or more qualifying hardware parts in your PowerShift Transmission while you owned the vehicle, you may be entitled to cash payments ranging from \$200 to \$2,325 or Vehicle Discount Certificates ranging in value from \$400 to \$4,650, depending on the number of service visits.
- If you paid for a repair to the PowerShift Transmission that you think should have been covered by warranty, you may be entitled to be reimbursed.
- If your vehicle was manufactured after June 5, 2013, and two or more clutch replacements were performed on your vehicle under warranty, and you had to pay for a clutch replacement after warranty, you may qualify for reimbursement.

What are my options?

- If you are current or former owner/lessee of a Class Vehicle and do nothing, you will likely be part of the Settlement and you will be able to claim benefits if the Settlement is approved by the Court. However, going forward, you will not be able to sue Ford with respect to any issues relating to the PowerShift Transmission in your vehicle.
- If you are current or former owner/lessee of a Class Vehicle and do not want to be part of the Settlement, you can exclude yourself in writing by **[date]** in accordance with the terms of Settlement. If you exclude yourself from the Settlement, you will be able to sue Ford with respect to issues relating to the PowerShift Transmission, but you will not get any benefits provided by the Settlement.
- If you do not exclude yourself, you can object to all or part of the Settlement by **[date]** in accordance with the terms of the Settlement.
- If you have pending litigation against Ford alleging problems with the PowerShift Transmission in Class Vehicles, you are not a part of this Settlement. You have the right to opt-in to the Settlement by **[date]**. Please consult your attorney before you take action.

When will I get my benefits?

No benefits will be available, and no claims will be accepted, unless and until the Court approves the Settlement. The Court will hold a fairness hearing on **[date]** to determine whether to approve the Settlement and to decide the fees and costs for attorneys representing the class and the class representative incentive awards. Plaintiffs' application for attorneys' fees and costs will be filed by [Date]. Please check the website for additional information. You are not required to appear at the fairness hearing, but you may. If you choose to appear, you may hire an attorney to appear for you, at your expense. If and when the Settlement is approved, if you have not timely excluded yourself from it, you will need to submit the appropriate claim forms and supporting documents to the Claims Administrator or to the Arbitration Administrator to claim your benefits. You may do so through [URL]. If the Settlement is challenged on appeal, claims can be submitted but benefits will not be available until the appeal is resolved. The Long Form Class Notice and details regarding Settlement benefits and the options available to you are available online at the Settlement website www.FordTransmissionSettlement.com or by phone at xxx-xxx-xxxx. Please review these details carefully and consider consulting an attorney. Please check the Settlement website periodically for more information concerning the status of the Settlement, when benefits will become available, and how and when to submit claims or begin arbitration.

 To protect your rights and for information on how to obtain settlement benefits you must go to **www.FordTransmissionSettlement.com** or call 1.800.123.4567.

PLEASE DO NOT CALL THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

Dated: _____ 2017

By Order of the United States District Court for the Central District of California

EXHIBIT D

Vargas v. Ford Motor Co.
Case No. 2:12-cv-08388-AB-FFM

OPT-IN FORM

NOTICE TO all individuals and entities with pending litigation against Ford based on problems with PowerShift Transmissions installed in 2012-2016 Ford Focus and 2011-2016 Ford Fiesta vehicles ("**Litigants**"). By default, **Litigants** are excluded from participating in the settlement. However, if you are a **Litigant** and would nevertheless like to participate in the settlement, you can do so by filing a request to dismiss your lawsuit before final judgment and completing and returning this form by [Opt-out/objection deadline]. Please consult your attorney before filling out this form, as Plaintiffs and Class Counsel are not responsible for any adverse consequences resulting from your voluntary dismissal of your action.

Complete This Form If You Want To Opt In To The Settlement

Your Name:

Case Name:

Case Number:

City, State Where Case Is Pending:

Case Filing Date:

Date of Filing of Request For Dismissal (or Date When Case Was Dismissed, If Applicable):

Vehicle Model and Year:

Vehicle Identification Number (VIN):

Vargas v. Ford Motor Co.
Case No. 2:12-cv-08388-AB-FFM

OPT-IN FORM

I understand that, by consenting to join the action, if the Court grants final approval of the settlement, I will fully release Ford from any and all claims, demands, actions, causes of action, and suits based in whole or in part on alleged defects in the PowerShift Transmission, including express and implied warranty, consumer protection, unjust enrichment, and lemon law claims, excluding personal injury and wrongful death claims, and claims for damage to property other than Class Vehicles.

Date: _____

Signature

EXHIBIT E

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA—WESTERN DIVISION

OMAR VARGAS, ROBERT
BERTONE, MICHELLE HARRIS,
and SHARON HEBERLING
individually, and on behalf of a class
of similarly situated individuals,

Plaintiffs,

v.

FORD MOTOR COMPANY,
Defendant.

Case No.: CV12-08388 AB (FFMx)

CLASS ACTION

Hon. André Birotte Jr.

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: April 24, 2017
Time: 10:00 am
Place: Courtroom 7B

1 This Court conducted a hearing on April 24, 2017 regarding Plaintiffs’
2 Motion for Preliminary Approval of Class Action Settlement. Lead Class Counsel
3 Capstone Law APC appeared on behalf of Plaintiffs Omar Vargas, Michelle
4 Harris, Sharon Heberling, Robert Bertone, Kevin Klipfel, Andrea Klipfel,
5 Maureen Cusick, Eric Dufour, Abigail Fisher, Christie Groshong, Virginia Otte,
6 Tonya Patze , Lindsay Schmidt, Patricia Schwenker, Patricia Soltesiz, Joshua
7 Bruno, Jason Porterfield, and Jamie Porterfield.¹ Dykema Gossett PLLC appeared
8 on behalf of Defendant Ford Motor Company (collectively with Plaintiffs, the
9 “Parties”).

10 Having considered the Settlement Agreement (“Settlement” or “Settlement
11 Agreement”), Plaintiffs’ Motion for Preliminary Approval (“Motion”), all
12 accompanying declarations and exhibits thereto, and all of the legal authorities and
13 documents submitted in support of the Motion, and GOOD CAUSE appearing, IT
14 IS HEREBY ORDERED that the Motion for Preliminary Approval of Class
15 Action Settlement is GRANTED, subject to the following findings and orders:

16 1. The Order incorporates by reference the definitions of the
17 Settlement Agreement, and all terms defined therein shall have the same
18 meaning as set forth in the Settlement Agreement.

19 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §
20 1332(d)(2)(A).

21 3. Plaintiffs have made a sufficient showing that a Class, as defined
22 herein, should be preliminarily certified for settlement purposes only, subject to
23 the Final Approval Hearing. The Court finds that the requirements of Rule 23 of
24 the Federal Rules of Civil Procedure for the preliminary approval of the

25 ¹ The Court entered an order consolidating the instant case with *Klipfel v.*
26 *Ford Motor Co.*, No. 2:15-cv-02140 AB(FFMx) on December 12, 2015. The
27 Court entered an order consolidating *Cusick v. Ford Motor Co.*, No. 2:15-cv-
08831 AB (FFMx) with the instant case on February 22, 2017.

1 Settlement and conditional certification of the proposed Class are met.

2 4. Pursuant to Federal Rule of Civil Procedure 23(b)(3), the Court
3 preliminarily certifies for purposes of effectuating the settlement only, a Class
4 consisting of:

5 All current residents of the United States (including
6 territories of the United States) who, prior to the
7 Preliminary Approval Date, purchased or leased new or
8 used Class Vehicles that (1) were originally sold in the
9 United States (including territories of the United States)
and (2) were equipped with the PowerShift
Transmission.

10 The Class definition expressly excludes:

11 (1) except as to the Named Plaintiffs in this Litigation
12 and the *Anderson* plaintiffs, all owners or lessees of
13 Class Vehicles who have filed and served litigation
14 against Ford alleging problems with the PowerShift
15 Transmission in Class Vehicles that was pending as of
the Notice Date and who do not dismiss their actions
before final judgment and affirmatively elect to opt-in
to the Settlement. Owners or lessees of Class Vehicles
who dismiss such litigation and affirmatively opt-in to
the Settlement shall be members of the Class for all
purposes; (2) Ford's officers, directors, employees,
17 affiliates and affiliates' officers, directors and
employees; their distributors and distributors' officers,
18 directors, and employees; and Ford Dealers and Ford
Dealers' officers and directors; (3) judicial officers
19 assigned to the Actions and their immediate family
members, and any judicial officers who may hear an
20 appeal on this matter; (4) all entities and natural
persons who have previously executed and delivered to
21 Ford releases of their claims based on the PowerShift
Transmission; (5) all parties to litigation against Ford
22 alleging problems with the PowerShift Transmission in
Class Vehicles in which final judgment has been
23 entered; and (6) all those otherwise in the Class who
24 timely and properly exclude themselves from the Class
as provided in the Settlement.

25 5. The Court preliminarily appoints Plaintiffs Omar Vargas, Michelle
26 Harris, Sharon Heberling, Robert Bertone, Kevin Klipfel, Andrea Klipfel,
27 Maureen Cusick, Eric Dufour, Abigail Fisher, Christie Groshong, Virginia Otte,
28

1 Tonya Patze , Lindsay Schmidt, Patricia Schwenker, Patricia Soltesiz, Joshua
2 Bruno, Jason Porterfield, and Jamie Porterfield as the Class Representatives of
3 the Class.

4 6. The Court preliminarily appoints Capstone Law APC, Berger &
5 Montague, P.C. and Zimmerman Law Offices, P.C. as Class Counsel, and
6 preliminarily appoints Capstone Law APC as Lead Class Counsel. The Court
7 finds that Class Counsel have demonstrable experience litigating consumer and
8 other class actions, and will serve as adequate counsel for the Class.

9 7. The conditional certification of this action as a class action is for
10 settlement purposes only and the appointment of Class Counsel shall be
11 terminated and without further force or effect and without prejudice to any party
12 in connection with any future proceedings in these actions, including any future
13 motion with respect to class certification, if:

14 a. the Court does not give final approval to the Settlement
15 Agreement and enter the Final Order and Judgment
16 substantially in the form appended to the Settlement
17 Agreement; or

18 b. this Court's approval of the Settlement and/or entry of the
19 Final Order and Judgment are reversed on appeal.

20 8. The Court has reviewed the Settlement and preliminarily finds that
21 its terms appear sufficiently fair, reasonable, and adequate to warrant
22 dissemination of notice of the proposed Settlement to the Class and the
23 scheduling of a final Fairness Hearing. The Court finds that the Parties entered
24 into the Settlement in good faith, following arm's length negotiations between
25 their respective counsel.

26 9. The Court finds that the Class Notice, including the Short Form
27 Class Notice, the Long Form Class Notice, and the Publication Notice attached
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as Exhibits A, B, and C to the Settlement Agreement, and the Settlement Agreement's provisions for disseminating those materials and information, satisfy the notice requirements under Federal Rule of Civil Procedure Rule 23 and due process, and are hereby approved. The Class Notice (a) provides the best notice practicable under the circumstances; (b) is reasonably calculated, under the circumstances, to apprise the Class of the pendency of the action, the terms of the proposed Settlement, and of their right to exclude themselves from, or object to, the proposed Settlement; (c) is reasonable and constitutes due, adequate, and sufficient notice to all persons entitled to receive notice; and (d) fully complies with United States law. Defendant may format the Class Notice in such a way as to minimize the cost of the mailing, so long as Class Members can reasonably read it and Class Counsel approves all changes and formatting.

10. The Court reserves the right to approve the Settlement with such modifications as may be agreed to by the Parties and without further notice to Members of the Class. The Parties shall be permitted to, by agreement, change the notices to reflect operative hearing and opt-out dates or other presently unknown data and make non-substantive corrections or changes to the notices to the Class and other Settlement documents without seeking further approval of the Court.

11. The Court hereby appoints Kurtzman Carson Consultants ("KCC") as the Claims Administrator to administer the Settlement in accordance with the Settlement Agreement and the Parties' instructions.

12. The Court directs that within 75 days of the Preliminary Approval Date, the Claims Administrator shall send the Short Form Class Notice of the proposed Settlement to the Class in accordance with the provisions of the Settlement Agreement. As set forth in the Settlement Agreement, Defendant shall bear all costs associated with providing Class Notice.

1 13. The Court further directs the Claims Administrator to establish a
2 Settlement Website in accordance with the Settlement Agreement and in
3 consultation with Class Counsel and Defendant.

4 14. The Court directs that by the Notice Date, the Claims Administrator
5 shall cause a one-time publication of the Publication Notice, substantially in the
6 form attached as Exhibit C to the Settlement Agreement, to appear in the
7 Marketplace/Legal Notice Section of USA Today. Defendant shall bear the cost
8 of the publication of the Publication Notice.

9 15. If it has not done so already, Ford shall provide to the Attorney
10 General of the United States and the attorneys general of the states and territories
11 in which the Class Members reside the information specified in 28 U.S.C. § 1715
12 by the deadline established in that statute.

13 16. Each potential Class Member who wishes to be excluded from the
14 Class must submit a Request for Exclusion to the Claims Administrator at the
15 address specified in the Class Notice. Such Requests for Exclusion must be
16 postmarked no later than 130 days after the Preliminary Approval Date. Class
17 Members who wish to be excluded from the Class must do so with respect to all
18 Class Vehicles they own(ed) or lease(d); Class Members may not exclude
19 themselves from the Class with respect to some Class Vehicles and include
20 themselves in the Class with respect to other Class Vehicles. To be effective, a
21 Request for Exclusion must be sent via first-class U.S. mail to the specified
22 address and must:

- 23 a. include the Class Member's full name, address, and telephone
24 number;
25 b. identify the model, model year, and vehicle identification of
26 the Class Vehicle;
27 c. specifically and unambiguously state his, her or its desire to
28

1 be excluded from the class in *Vargas v. Ford Motor*
2 *Company*;

- 3 d. be individually and personally signed by the Class Member (if
4 the Class Member is represented by counsel, the Request for
5 Exclusion must be signed by such counsel).

6 17. Any Class Member who fails to submit a timely and completed
7 Request for Exclusion to the required address, or communicate his, her or its
8 intention regarding membership in the Class in an ambiguous manner, shall be
9 subject to and bound by all proceedings, orders, and judgments of this Court
10 pertaining to the Class pursuant to the Settlement Agreement unless determined
11 otherwise by the Court.

12 18. The Claims Administrator shall tabulate Requests for Exclusion
13 from prospective Class Members and shall report the name and addresses of such
14 entities and natural persons to the Court and the Parties no later than seven days
15 before the Fairness Hearing.

16 19. Except for the Named Plaintiffs and the named plaintiffs in
17 *Anderson v. Ford Motor Company*, No. 1:16-cv-01632 (N.D. Ill.), owners or
18 lessees of the Class Vehicles with lawsuits alleging defective PowerShift
19 Transmissions pending against Defendant as of the Notice Date in which final
20 judgment has not yet been entered are excluded from the Class as set forth in
21 Paragraph 4 above, but have an opportunity to opt in to the Class. To opt in, the
22 prospective Class Member must dismiss his, her, or its lawsuit before final
23 judgment and complete an opt-in form (available via the Settlement Website or
24 by phone request to the Claims Administrator), or otherwise must submit, a
25 written statement unambiguously stating that he, she, or it wishes to opt in to the
26 Settlement. The completed opt-in form or written opt-in statement must be
27 submitted via United States Postal Service first-class mail to the Claims
28

1 Administrator's address specified in the Class Notice, and must be postmarked
2 no later than 130 days after the Preliminary Approval Date. To be effective, the
3 written opt-in request must:

- 4 a. include the prospective Class Member's full name, address,
5 and telephone number;
- 6 b. identify the model, model year, and vehicle identification of
7 the Class Vehicle;
- 8 c. specify the case name, case number, venue (name of court or
9 arbitration service) of the pending litigation to which the
10 prospective Class Member is currently a party;
- 11 d. specifically and unambiguously state his, her or its desire to
12 be included in the class in *Vargas v. Ford Motor Company*;
13 and
- 14 e. be individually and personally signed by the Class Member
15 and, (if the Class Member is represented by counsel), the Opt-
16 In Request must be signed by such counsel.

17 20. Any Class Member who intends to object to the fairness of the
18 Settlement Agreement (including Class Counsel's Fee and Expense Application,
19 discussed below) must file any such objection with the Court, and provide copies
20 of the objection to: (i) Lead Class Counsel Jordan Lurie and Tarek Zohdy of
21 Capstone Law APC, 1875 Century Park East, Suite 1000, Los Angeles, CA
22 90067; and (ii) Krista L. Lenart of Dykema Gossett PLLC, 2723 South State
23 Street Suite 400, Ann Arbor, MI 48104. To be considered timely, any such
24 objection must be filed with the Court and postmarked to the attorneys listed
25 above no later than 130 days after the Preliminary Approval Date. Any
26 objection to the Settlement must be individually and personally signed by the
27 Class Member (if the Class Member is represented by counsel, the objection
28

1 additionally must be signed by such counsel), and must include:

- 2 a. the Class Member's full name, address, and telephone
- 3 number;
- 4 b. the model, model year, and vehicle identification of the Class
- 5 Vehicle;
- 6 c. a written statement of all grounds for the objection
- 7 accompanied by any legal support for such objection;
- 8 d. copies of any papers, briefs, or other documents upon which
- 9 the objection is based;
- 10 e. a list of all cases in which the objector and/or his/her counsel
- 11 has filed or in any way participated in—financially or
- 12 otherwise—objections to a class action settlement in the
- 13 preceding five years;
- 14 f. the name, address, email address, and telephone number of all
- 15 attorneys representing the objector; and
- 16 g. a statement indicating whether the objector intends to appear
- 17 at the Fairness Hearing, and, if so, a list of all persons, if any,
- 18 who will be called upon to testify in support of the objection.

19 Any member of the Class who does not properly file a timely written
20 objection to the Settlement and notice of his or her intent to appear at the
21 Fairness Hearing or who fails to otherwise comply with the requirements of this
22 section, shall be foreclosed from seeking any adjudication or review of the
23 Settlement by appeal, collateral attack, or otherwise.

24 21. Plaintiffs' and/or Defendant's supplemental briefs in support of Final
25 Approval and/or respective Replies, if any, to any Class Member's comments or
26 objections shall be filed no later than seven days prior to the Fairness Hearing.

27 22. Lead Class Counsel's application, on behalf of all Plaintiffs'

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Counsel for attorneys' fees, costs and expenses, and on behalf of the Class representatives for service awards, as set forth in the Settlement Agreement, shall be filed no later than 14 days before the objection/opt-out deadline. Plaintiffs' Counsel shall seek no more than a combined \$8,856,500 in attorneys' fees and expenses in this application, and will seek no more than the amount of Service Awards for each Plaintiff as set forth in the Settlement Agreement. Plaintiffs' motion for final approval of class action settlement shall be filed no later than seven days before the objection/opt-out deadline.

23. By seven days prior to the Fairness Hearing, the Claims Administrator shall provide a declaration attesting to its compliance with its notice obligations. The declaration shall include

- a. The total number of Class Notices mailed;
- b. a sample copy of the Short Form Class Notice;
- c. a description of the process by which the Claims Administrator obtained a mailing list for the Short Form Class Notice;
- d. the number of Short Form Class Notices mailed and the range of dates within which such Notices were mailed;
- e. the number of Short Form Notices returned to Ford by the United States Postal Office; and
- f. confirmation of the publication of the Publication Notice.

24. In accordance with Rule 23(e)(2) of the Federal Rules of Civil Procedure and 28 U.S.C. § 1715(d), a hearing (the "Fairness Hearing") shall be held on _____, 2017, at ____:____ a.m. before the undersigned at the United States Federal Courthouse, Courtroom 7B, located at 350 West First Street, Los Angeles, CA 90012, for the purposes of determining whether the proposed Settlement is fair and reasonable and adequate and should be approved by the

1 Court via entry of a Final Judgment and Order in substantially the same form as
2 Exhibit F to the Settlement Agreement, and if so, what amount of reasonable
3 attorneys' fees and reasonable costs shall be awarded to Class Counsel, and
4 whether service awards shall also be awarded.

5 25. Pending final determination regarding approval of the Settlement,
6 all further proceedings in this consolidated Action other than Settlement
7 approval proceedings are hereby stayed.

8 26. The Court further orders that all Class Members and their
9 representatives who do not timely exclude themselves from the Settlement are
10 preliminarily enjoined from filing, commencing, prosecuting, maintaining,
11 intervening in, participating in, conducting, or continuing, individually, as class
12 members or otherwise, any lawsuit (including putative class actions), arbitration,
13 remediation, administrative or regulatory proceeding or order in any jurisdiction,
14 asserting any claims based on alleged defects in the PowerShift Transmission or
15 asserting any Released Claims. This injunction shall not cover any claims for
16 non-binding mediation or arbitration filed with the Better Business Bureau
17 pursuant to the provisions in Ford's New Vehicle Limited Warranty or claims for
18 benefits under this Settlement, including claims filed in the Arbitration Program.

19 **IT IS SO ORDERED.**

20 Dated: April __, 2017

21 _____
22 The Hon. André Birotte Jr
23 United States District Judge
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EXHIBIT F

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8 UNITED STATES DISTRICT COURT
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10 CENTRAL DISTRICT OF CALIFORNIA—WESTERN DIVISION

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12 OMAR VARGAS, ROBERT
13 BERTONE, MICHELLE HARRIS,
14 and SHARON HEBERLING
individually, and on behalf of a class
of similarly situated individuals,

15 Plaintiffs,

16 v.

17
18 FORD MOTOR COMPANY,
19 Defendant.
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Case No.: CV12-08388 AB (FFMx)

CLASS ACTION

Hon. André Birotte Jr.

**[PROPOSED] FINAL ORDER AND
JUDGMENT**

Date:

Time: 10:00 am

Place: Courtroom 7B

On _____, 2017, the Court entered a Preliminary Approval Order that preliminarily approved the proposed Settlement Agreement in this Litigation and specified the manner in which Ford Motor Company (“Ford”) was to provide Class Notice to the Class. All capitalized terms used herein shall have the same meaning as defined in the Settlement Agreement, which was filed with the Court on ____ [Dkt. __] and is incorporated by reference.

Following the dissemination of the Class Notice, all Class Members were given an opportunity to request exclusion from the Class or object to the Settlement Agreement (including Class Counsel’s request for attorneys’ fees and expenses and the Class Representatives’ collective application for a Service Award). Prospective Class Members who had a pending suit against Ford as of the Notice Date were given an opportunity to opt-in.

A Fairness Hearing was held on _____, 2017, at which time all interested persons were given a full opportunity to state any objections to the Settlement Agreement or to Class Counsel’s request for attorneys’ fees and expenses and the Class Representatives’ collective application for Service Awards. The Fairness Hearing was held more than 90 days after Ford provided notice of the proposed Settlement to federal and state-level attorneys general as required by 28 U.S.C. § 1715(b), thus complying with 28 U.S.C. § 1715(d).

Having read and fully considered the Settlement Agreement and all submissions made in connection with it, the Court finds that the Settlement Agreement is fair, reasonable and adequate and should be finally approved and the Litigation dismissed with prejudice as to all Class Members who have not excluded themselves from the Class, and without prejudice as to all persons who timely and validly excluded themselves from the Class. Accordingly,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1 1. This Court has both subject matter jurisdiction and personal
2 jurisdiction as to this action and all Parties before it, including all Class Members.
3 The Court certifies the following Class for purposes of settlement only:

4 All current residents of the United States (including
5 territories of the United States) who, prior to the
6 Preliminary Approval Order, purchased or leased new
7 or used Class Vehicles that (1) were originally sold in
8 the United States (including territories of the United
9 States) and (2) were equipped with the PowerShift
10 Transmission.

11 Excluded from the Class are:

12 (1) except as to the Named Plaintiffs in this Litigation
13 and the *Anderson* plaintiffs, all owners or lessees of
14 Class Vehicles who have filed and served litigation
15 against Ford alleging problems with the PowerShift
16 Transmission in Class Vehicles that was pending as of
17 [insert Notice Date] and who do not dismiss their
18 actions before final judgment and affirmatively elect to
19 opt-in to the Settlement (Owners or lessees of Class
20 Vehicles who dismiss such litigation and affirmatively
21 opt-in to the Settlement shall be members of the Class
22 for all purposes); (2) Ford's officers, directors,
23 employees, affiliates and affiliates' officers, directors
24 and employees; their distributors and distributors'
25 officers, directors, and employees; and Ford Dealers
26 and Ford Dealers' officers and directors; (3) judicial
27 officers assigned to the Actions and their immediate
28 family members, and any judicial officers who may
hear an appeal on this matter; (4) all entities and natural
persons who have previously executed and delivered to
Ford releases of their claims based on the PowerShift
Transmission; (5) all parties to litigation against Ford
alleging problems with the PowerShift Transmission in
Class Vehicles in which final judgment has been
entered, and (6) all those otherwise in the Class who
timely and properly exclude themselves from the Class
as provided in this Settlement.

2. The Class certified for the purposes of settlement satisfies all of the requirements of Federal Rules of Civil Procedure 23(a) and 23(b)(3).

3. The Court appoints and finally approves Plaintiffs Omar Vargas, Michelle Harris, Sharon Heberling, Robert Bertone, Kevin Klipfel, Andrea Klipfel, Maureen Cusick, Eric Dufour, Abigail Fisher, Christie Groshong, Virginia Otte, Tonya Patze, Lindsay Schmidt, Patricia Schwenker, Patricia Soltesiz, Joshua Bruno, Jason Porterfield, and Jamie Porterfield as representatives of the above-described Class.

4. The Court finds that Capstone Law APC, Berger & Montague, P.C. and Zimmerman Law Group have demonstrable experience litigating consumer and other class actions. The Court hereby appoints and finally approves said law firms as Class Counsel and designates Capstone Law APC as Lead Class Counsel.

5. The Court finds that the mailing of the Short Form Class Notice to the Class, publication of the Publication Notice, and posting of the Long Form Class Notice to the Settlement Website has been completed in conformity with the Settlement Agreement and the Preliminary Approval Order. These forms of notice, taken together, provided adequate notice of the proceedings, including the proposed settlement terms as set forth in the Settlement Agreement. The Class Notice fully satisfied due process requirements and the requirements of Rule 23 of the Federal Rules of Civil Procedure. As executed the Class Notice was the best notice practicable under the circumstances.

6. The Court finds that appropriate notice was given by Defendant to all “appropriate State and Federal Officials” pursuant to 28 U.S.C. §1715(a), and that no objections were filed.

7. The Court hereby finally approves the terms set forth in the Settlement Agreement and finds that the Settlement is, in all respects, fair,

1 reasonable and adequate, and directs the Parties to effectuate all remaining
2 provisions of the Settlement Agreement according to its terms. The Court finds
3 that the Settlement Agreement has been reached as a result of informed and non-
4 collusive, arm's-length negotiations. The Court further finds that Plaintiffs and
5 Defendant have conducted extensive investigation and research into the factual
6 and legal aspects of Plaintiffs' claims, and their attorneys were able to
7 reasonably evaluate their respective positions.

8 8. The Court also finds that the Parties, by settling now, will avoid
9 additional and potentially substantial litigation costs, as well as delay and risks if
10 the Parties were to continue to litigate the case. Additionally, after considering
11 the prospective and monetary relief provided as part of the Settlement in light of
12 the challenges posed by continued litigation, the Court concludes that Class
13 Counsel secured fair, reasonable and adequate relief for Class Members.

14 9. The Settlement Agreement is not an admission of fault by Defendant
15 or by any other Released Party, nor is this Final Order and Judgment a finding on
16 the validity of any allegations or of any wrongdoing by Defendant or any other
17 Released Party. Neither this Final Order and Judgment, the Settlement
18 Agreement, nor any document referred to herein, nor any action taken to carry out
19 the Settlement Agreement, may be construed as, or may be used as, an admission
20 of any fault, wrongdoing, omission, concession, or liability whatsoever by or
21 against Defendant or any of the other Released Parties.

22 10. The Settlement Agreement shall be fully, finally, and forever
23 binding on Ford and all Plaintiffs, including all members of the Class who did
24 not opt out of this Settlement and have not been otherwise excluded pursuant to
25 the Settlement Agreement.

26 11. Having granted final approval to this Settlement, the Court
27 dismisses on the merits and with prejudice *Vargas v. Ford Motor Co.*, No. 2:12-
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1 cv-08388-AB (FFMx) (C.D. Cal.) and each and every action transferred and
2 consolidated with it, including *Klipfel v. Ford Motor Co.*, No. 2:14-cv-02140-AB
3 (FFMx) (C.D. Cal.), and *Cusick v. Ford Motor Company*, Case No. 2:15-cv-
4 08831-AB (C.D. Cal.). In accordance with the Settlement, the plaintiffs in
5 *Anderson v. Ford Motor Co.*, No. 1:16-cv-01632 (N.D. Ill.) are obligated to
6 dismiss that action with prejudice. In addition, the Court also dismisses all
7 claims which any Class Member alleged or could have alleged in any complaint,
8 action, or litigation, based upon the Transmission defect in the Class Vehicles.

9 12. All Class Members were given a full and fair opportunity to
10 participate in the Fairness Hearing, and all Class Members who asked to be
11 heard were heard. The objections of _____ are hereby overruled. Members of
12 the Class also have had a full and fair opportunity to exclude themselves from
13 the proposed Settlement and the Class. Attached hereto as Exhibit A is a list
14 setting forth the name of each person who has requested exclusion from the
15 Class under the procedures set forth in the Preliminary Approval Order.

16 13. Having granted final approval to this Settlement, the Named
17 Plaintiffs and each Class Member hereby forever discharge the Released Parties
18 from all Released Claims.

19 14. To effectuate the Settlement, the Court hereby orders that all Class
20 Members who did not timely exclude themselves from the Settlement are barred,
21 enjoined, and forever restrained from commencing, prosecuting or asserting any
22 Released Claims against any Released Parties as set forth in Paragraph 13 above,
23 except that Class Members may continue to pursue claims in the Arbitration
24 Program as set forth in the Settlement Agreement and the Arbitration Rules.

25 15. The Court hereby finds that all Class Members who have not made
26 their objections to the Settlement in the manner provided in the Class Notice are
27 deemed to have waived any objections by appeal, collateral attack or otherwise.
28

1 16. The Court has considered Plaintiffs' Motion for Attorneys' Fees,
2 Costs, and Service Awards separate from its consideration of the fairness,
3 reasonableness and adequacy of the Settlement Agreement. Any order or
4 proceedings relating to the Motion for Attorneys' Fees, Costs, and Service
5 Awards, or any appeal from any order relating thereto or reversal or modification
6 thereof, shall not disturb or affect this Final Order and Judgment or affect or
7 delay its finality.

8 17. The Court awards _____ in fees and _____ in costs and
9 expenses. Lead Class Counsel are to allocate the fees and cost reimbursement
10 according to the Court-approved fee allocation agreement among Class Counsel.

11 18. The Court also approves and awards \$10,000 to Plaintiff Omar
12 Vargas, \$7,500 to Plaintiffs Michelle Harris, Sharon Heberling, Robert Bertone
13 and \$5,000 to Plaintiffs Kevin Klipfel, Andrea Klipfel, Maureen Cusick, Eric
14 Dufour, Abigail Fisher, Christie Groshong, Virginia Otte, Tonya Patze, Lindsay
15 Schmidt, Patricia Schwenker, Patricia Soltesiz, Joshua Bruno, Jason Porterfield,
16 Jamie Porterfield for their services on behalf of the Class and \$1,000 for each of
17 the Plaintiffs in *Anderson v. Ford Motor Co.*, No. 1:16-cv-01632 (N.D. Ill.) for
18 their dismissal of their action with prejudice, and accordingly orders Defendant
19 to pay those amounts to the Claims Administrator for distribution to those Class
20 Representatives.

21 19. If either (a) the Effective Date of the Settlement does not occur for
22 any reason whatsoever, or (b) the Settlement Agreement becomes null and void
23 pursuant to the terms of the Settlement Agreement, this Final Order and
24 Judgment shall be deemed vacated and shall have no force or effect whatsoever.

25 20. Without affecting the finality of the Final Order and Judgment in
26 any way, the Court retains continuing and exclusive jurisdiction over the Parties,
27 including the Class Members, to enforce the terms of the Final Order and
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Judgment, and shall have continuing jurisdiction over the construction, interpretation, implementation, and enforcement of the Settlement Agreement.

IT IS SO ORDERED, ADJUDGED, AND DECREED.

Dated: _____, 2017

The Hon. André Birotte Jr
United States District Judge

EXHIBIT G

Loyalty Award and Promotion Prepaid Card Agreement

IMPORTANT INFORMATION — DO NOT DISCARD

1. GENERAL INFORMATION

This is the Loyalty, Award and Promotion Prepaid Card Agreement governing the Loyalty, Award and Promotion Card issued by Bank of America, N.A. ("Agreement").

Please read this Agreement carefully and keep it for your records. Please sign the Loyalty, Award and Promotion Card ("Card") immediately. By accepting and using the Card, you agree to be bound by this Agreement. Loyalty, Award and Promotion Prepaid Card or "Card" means the Card issued by Bank of America, N.A. "You" means the person who has received the Card. "We," "us," "our," and "Bank" means Bank of America, N.A., its successors, affiliates or assignees. The Card remains the property of Bank and must be surrendered upon demand. The Card is nontransferable and it may be cancelled, repossessed or revoked at any time without prior notice subject to applicable law. The Card is a payment card that can be used (until the expiration or cancellation of the Card) at retail establishments that have agreed to accept MasterCard® or Visa® debit cards. The Card can also be used to obtain cash or make balance inquiries at any ATM or office of financial institution that displays the MasterCard or Visa logos. This Card is issued for loyalty, award or promotional purposes and is not a gift card. The Card is not a credit card. When you use the Card, the amount available on the Card will be reduced by the amount of the purchase until it reaches zero. The Card will be subject to the fees set forth in the Schedule of Bank Fees included in the card package. No additional funds may be added to the Card. Your ability to make purchases with the Card will end on the expiration date of the Card or cancellation of the Card. You will not be entitled to receive any amount that remains on the Card at that time. The Card does not constitute a checking, savings or other bank account and is not connected in any way to any other account you may have. You will not receive any interest on the funds on

the Card. The funds on the Card are FDIC-insured. The Card was provided to you at the request of a commercial entity (the "Sponsor") to provide funds for your use. The payment from the Sponsor to you, including the amount of the payment and ownership of the funds are matters between you and the Sponsor and we are not responsible for resolving any disputes between you and the Sponsor. For purposes of this Agreement, our business days are Monday through Friday, excluding bank holidays.

2. ACTIVATION, TYPES OF AVAILABLE TRANSACTIONS AND LIMITS ON TRANSACTIONS

Card Activation. You must activate the Card and select a Personal Identification Number ("PIN") by going online at www.bankofamerica.com/commercialprepaidcard or by calling us toll free at 1.866.213.8564 before you can use the Card.

Point-of-Sale Transactions. You may use the Card to purchase goods and services at merchants that have agreed to accept Visa or MasterCard debit cards by use of your signature. You may also use your Card for purchases at POS terminals that require a PIN. If your purchase amount is greater than the amount on the Card, most merchants will permit you to pay the difference with alternative methods. You must inform the merchant **before** beginning your transaction and you must know the amount on the Card. You do not have the right to stop payment on any point-of-sale transaction originated by the use of the Card. You agree that we are not responsible for the quality, safety, legality or any other aspect of any goods or services purchased with the Card, if any merchant refuses to accept the Card, or for any other actions of the merchant. You will resolve disputes directly with the merchant on purchases made using the Card, and accept a credit to the Card as the method of refund.

Cash Access

If applicable to your Sponsor's program, you may use your Card and PIN to obtain cash or make balance inquiries at any Automated Teller Machine ("ATM") displaying the Visa

or MasterCard logos. You may also use your Card to obtain cash at offices of financial institutions that accept Visa and MasterCard branded Cards, including our banking centers (an Over the Counter, or OTC, transaction). We will assess fees for ATM and OTC withdrawals as set forth in the Schedule of Bank Fees.

Minimum and Maximum ATM or Cash Transactions

For security reasons, there may be limits on the amount, number or type of transactions that you can make using your Card, and we may restrict access to your Card if we notice suspicious activity. Most ATMs require that cash withdrawals be made in multiples of a dollar amount (e.g. \$10 or \$20). In addition, some ATM operators have maximum amounts that may be withdrawn at a machine in one transaction. Additionally, if allowed by your Sponsor, some merchants will accept a transaction for an amount greater than the goods or services purchased, and will refund the difference to you in cash. Many merchants limit the amount of cash that may be obtained in connection with a purchase transaction.

Cash limit

When you use your Card at ATMs, we may apply a daily limit to the amount you are authorized to withdraw from your Card during each day – a "cash limit" which will be set forth in the documents provided with your Card.

For all cardholders the cash limit is the total amount you are authorized to withdraw each day from your prepaid Card at ATMs using your Card. Your cash limit also includes: (a) purchases of money orders, cashier's checks, or other similar instruments and other things of value and (b) cash you obtain from a financial institution. Please note that some ATMs may not be able to dispense the full amount of your cash limit in a single transaction in which case you may need to perform more than one transaction.

Services Available at ATMs

You authorize us to act on the instructions you give us through ATMs. Different services are available at Bank of America ATMs than at non-Bank of America ATMs and fees may apply for use of ATMs. From time to time we

may amend, add or delete services available at Bank of America ATMs and we may place or change limits on the number or dollar amount of transactions you may make. Some transactions may not be available, or may not be immediately available, to all cardholders at some ATMs.

a. Bank of America ATMs. A Bank of America ATM is an ATM that prominently displays the Bank of America name and logo on the ATM. These ATMs are generally available 24 hours a day, seven days a week, except during routine systems maintenance and occasional system down time. At some locations, business hours may restrict access. Specific hours of operation are shown at an ATM with restricted access. You may use your Card at Bank of America ATMs to perform the following transactions:

- Withdraw funds from your prepaid account; and
- Obtain balance information about your prepaid account.

b. Non-Bank of America ATMs. A non-Bank of America ATM is an ATM that does not prominently display the Bank of America name and logo on the ATM. These ATMs may be owned by us, by one of our affiliates or by someone else. When you use a non-Bank of America ATM, you may be charged a fee by the ATM operator or any network used and you may be charged a fee for a balance inquiry even if you do not complete a transaction. You may use your Card at non-Bank of America ATMs to perform the following transactions:

- Withdraw funds from your prepaid account; and

- Obtain balance information about your prepaid account.

Remaining Amount. You may check the remaining amount on the Card at any time at no charge by calling 866.213.8564 or visiting www.bankofamerica.com/commercialprepaidcard. A history of account transactions also is available at this web site address.

Foreign Transactions/Fees. If you use your Card to purchase goods or services in a foreign currency or in U.S. dollars with a foreign merchant (a "Foreign Transaction"), we will assess an International Transaction Fee. Please note that Foreign Transactions include U.S. internet

transactions made in the U.S. but with a foreign merchant. If the Foreign Transaction is made in U.S. dollars, the International Transaction Fee will be the percentage of that U.S. dollar amount as disclosed in the Schedule of Bank Fees. If the Foreign Transaction is made in a foreign currency, Visa or MasterCard will convert the transaction into a U.S. dollar amount, and the International Transaction Fee will be the percentage of that U.S. dollar amount as disclosed in the Schedule of Bank Fees. If you use your Card to obtain foreign currency from an ATM, the applicable payment network will convert the transaction into a U.S. dollar amount, and the International ATM Currency Conversion Fee will be a percentage of the transaction amount, plus a per transaction charge at a non-partner ATM as disclosed in the Schedule of Bank Fees; other ATM fees may apply per the Schedule of Bank Fees. Any International Transaction Fee will be shown in your Account history. The currency conversion rate used by Visa will be either (1) a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may differ from the rate Visa receives, or (2) a government-mandated rate in effect for the central processing date. The currency conversion rate used by MasterCard will be either (1) a wholesale market rate selected by MasterCard, or (2) a government-mandated rate. The rate used by Visa or MasterCard on the processing date may differ from the rate on the date of your transaction.

Legal Transactions. You agree that you will only use the Card for transactions that are legal. For example, internet gambling transactions may be illegal in your state. Display of a Visa, MasterCard or other logo by an on-line merchant does not mean that the transaction is legal where you conduct it. You agree that we may decline transactions we believe may be illegal or in violation of the applicable network rules or for any other reason in our sole discretion. You also agree that if we do not decline the transaction, we may charge the Card and we are not liable to you if you engage in an illegal transaction.

Authorized Use of Card. If you permit someone else to use your Card, we will treat this as if you have authorized such use and you will be responsible for any transactions initiated by such person(s) with the Card.

Negative Balances. The amount on the Card will be reduced by the amount of your transactions plus applicable fees. We are not required to authorize or pay any transaction that will create a negative amount on the Card. If you attempt to use the Card for more than the then current available amount on the Card, we may refuse to authorize or we may return the transaction. However, if we do authorize or pay a transaction in excess of the amount on the Card, you agree to pay us on demand the amount of any negative balance. If you fail to make any required payment, we have the right to initiate collection proceedings against you and/or report your failure to consumer reporting agencies in compliance with applicable law.

Terminal Receipts. You usually can get a receipt at the time you make any transaction with the Card at an ATM, OTC, or point-of-sale terminal except that you may not get a receipt if the amount of the transaction is \$15 or less. ATM receipts are not final because each transaction is subject to verification by us. If the receipt and our records conflict, our records will govern.

3. TELEPHONE NUMBER AND ADDRESS TO PROVIDE NOTIFICATION IN THE EVENT OF A LOST CARD OR UNAUTHORIZED TRANSACTIONS

Tell us AT ONCE if the Card has been lost or stolen. If you believe that the Card has been lost or stolen: Call toll free 1.866.213.8564, 24 hours a day, 7 days a week, or write to: Bank of America, PO BOX 8488, Gray, TN 37615-8488 Customer service representatives are available at 1.866.213.8564, 24 hours a day, 7 days a week.

4. EXPIRATION OF THE CARD

The Card will expire at 12:00 midnight, Eastern Time, on the Expiration Date set forth on the front of the Card.

After the Expiration Date, you will not be able to use the Card, you will lose all rights in or to the Card, and you agree that you will have no right to any amount remaining on the Card.

5. "ZERO LIABILITY" POLICY; BANK'S LIABILITY; ERROR RESOLUTION PROCEDURES

a. Bank of America's "Zero Liability" Policy for Unauthorized Transactions.

Under the Bank of America "zero liability" policy, you may incur no liability and the Card will not be charged for unauthorized use of the Card up to the amount of the unauthorized transaction, provided you notify us within a reasonable time of the loss or theft of the Card or Card number or its unauthorized use, and subject to the following terms and conditions:

Excluded transactions. Our zero liability policy does not apply to any unauthorized electronic fund transfer that does not involve use of the Card or Card number.

"Unauthorized" defined. A transaction is considered "unauthorized" if it is initiated by someone other than you (the cardholder) without your actual or apparent authority, and you receive no benefit from the transaction.

A transaction is not considered "unauthorized" if 1) you furnish the Card, Card number or other identifying information to another person and expressly or implicitly give that individual authority to perform one or more transactions, and the person then exceeds that authority, or 2) for any other reason we conclude that the facts and circumstances do not reasonably support a claim of unauthorized use.

"Reasonable" time defined. Reasonable time will be determined in our sole discretion based on the circumstances but will not be less than 60 days from the transaction date.

Other considerations. We may deny you the benefit of this policy 1) if we ask you for a written statement, affidavit or other information in support of the claim, and

you do not provide it within the time requested or within a reasonable time if no date is stated, or 2) under any other unusual circumstances where we believe denial is appropriate.

Limitation of our Liability. Our liability under this policy is limited to reimbursing you for the amount of your loss up to the face amount of any unauthorized transaction covered by this policy. We are not liable for any claims of special, indirect or consequential damages.

b. Our Liability.

Our Failure to Complete a Transaction. Unless otherwise provided by this Agreement, if we do not complete a transaction arising from the use of the Card on time or in the correct amount according to this Agreement, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (a) If, through no fault of ours, the amount on the Card is insufficient to complete the transaction; or
- (b) If, through no fault of ours, the funds on your Card are not available because the funds are uncollected, or subject to legal process; or
- (c) If the point-of-sale terminal was not working properly and you knew about the breakdown when you started the transaction; or
- (d) If the machine where you are making the transaction does not have enough cash; or
- (e) If the ATM, terminal or system was not working properly and you knew about the breakdown when you started the transaction; or
- (f) If circumstances beyond our control (such as power outages, equipment failures, fire or flood) prevent the transaction, despite reasonable precautions that we have taken; or
- (g) If your Card or PIN has been reported to be, or suspected of being, lost or stolen, and we have taken action to prevent transactions with the Card or PIN, or

(h) If we have reason to believe that the transaction is unauthorized, suspicious, or fraudulent; or

(i) If you attempt to complete an impermissible transaction at a merchant; or

(j) If you attempt to complete a transaction contrary to the terms and conditions of this Agreement.

c. Error Resolution Procedures.

In Case of Errors or Questions About Your Transactions:

Telephone us at 1.866.213.8564 or write to Bank of America, PO BOX 8488, Gray, TN 37615-8488. Call or write us as soon as you can in case of errors or questions about transactions arising from the use of the Card. We must hear from you no later than 60 days after the date of the transaction in question.

- (a) Tell us your name and Card account number.
- (b) Describe the error or the transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (c) Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit the Card within 10 business days for the amount you think is in error, so that you will have the use of that amount during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit the Card. For errors involving: (i) Cards issued less than 30 days, (ii) point-of-sale, or (iii) foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For Cards issued less than 30 days, we may take up to 20 business days to credit the Card for the amount you think is in error. We will tell you

the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of documents that were used in the investigation.

d. Limitation of the Bank's Liability.

In no event will we be liable for any claims of special, indirect or consequential damages.

6. DISCLOSURE OF INFORMATION TO THIRD PARTIES

From time to time, subject to any applicable financial privacy laws or other laws or regulations, we may provide information about you and the Card (a) where it is necessary to complete transactions; (b) to anyone who we reasonably believe is conducting a legitimate credit inquiry, including without limitation, inquiries to verify the existence or condition of your Card for a third party such as a lender, merchant or credit bureau; (c) in response to any subpoena, court or administrative order, process, or other legal reporting requirements which we believe requires our compliance; (d) in connection with collection of indebtedness or to report losses incurred by us; (e) in compliance with any agreement between us and a professional, regulatory or disciplinary body; (f) in connection with potential sales of business; (g) to carefully selected service providers who help us meet your needs providing or offering our services; (h) to our employees, auditors, affiliates, or attorneys as needed; and (i) as otherwise provided or allowed by law and the Bank's privacy policy.

7. NO PREAUTHORIZED TRANSACTIONS ALLOWED

You may not make preauthorized regular payments through the use of the Card.

8. SECURITY

a. Confidentiality of your PIN. You agree not to disclose to anyone the PIN furnished by us or selected by you to be used with the Card.

b. ATM Safety.

Please refer to the safety tips found on the mailer that came with your Card for using your Card at ATMs.

NOTICE: As part of the security system to help protect your Card and PIN, we may use hidden cameras and other security devices at some ATMs to determine who is using a Card at an ATM.

9. RECORDING AND MONITORING TELEPHONE CALLS

We may record or monitor telephone calls between you and us. We need not remind you of our recording or monitoring before each call unless required to do so by law.

10. GOVERNING LAW/SEVERABILITY

This Agreement will be governed by the laws and regulations of the United States and, to the extent not so covered, by the laws and regulations of the State of North Carolina. A determination that any part of this Agreement is invalid or unenforceable will not affect the remainder of this Agreement.

11. YOUR CANCELLATION OF THE CARD

Prior to the expiration date of the Card, you can contact us and request a check for the amount remaining on the Card. If you make such a request, the Card will be canceled.

12. ELIGIBILITY FOR AND AVAILABILITY OF THE CARD

Only individuals who can lawfully enter into and form contracts under applicable law and have reached the age of majority may have a Card. We may refuse to provide a Card to anyone, at any time, in our sole discretion.

13. TERMINATION

We, in our sole discretion, may terminate this Agreement, your access to your Card, or your access to our site for any reason. We will provide you any notice required by applicable law. If any funds remain on your Card, we will pay them to you by issuing a check. We may terminate this Agreement immediately, without prior notice, if you commit any fraudulent, illegal or impermissible acts or provide false information to us, in which event we may withhold from any payment to you any amount we reasonable believe you owe as a result of any wrongful conduct in connection with your Card or our site. You acknowledge and agree that we may set off the amount of any outstanding fees or payment due to us prior to issuing any authorized refunds.

Bank of America, N.A. Member FDIC.

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**Loyalty, Award and
Promotion Prepaid Card
Cardholder Agreement**

Effective Date: November 1, 2015



DPP-045928

EXHIBIT H

CONSUMER ARBITRATION PROGRAM FOR FORD MOTOR COMPANY POWERSHIFT DPS6 TRANSMISSION

GUIDE AND RULES FOR ARBITRATION

I. GENERAL INFORMATION

As a part of the settlement of class action litigation against Ford Motor Company (“Ford”) involving 2011-2016 Ford Fiesta and 2012-2016 Ford Focus vehicles (“Class vehicles”) equipped with PowerShift transmissions (also known as DPS6 transmissions), you are entitled to arbitrate certain claims based on alleged defects in your PowerShift transmission (the “Program”).¹ In an arbitration, a dispute is submitted to an impartial person known as an Arbitrator to make a final decision.

This document sets forth the rules that determine whether you are eligible for arbitration and the rules and procedures that the Arbitrator must apply to determine if you are entitled to relief.² As explained below, depending on the repair history of your Class vehicle, the Arbitrator may award (1) repurchase or replacement of your Class vehicle; (2) repairs to transmission defects covered by Ford’s New Vehicle Limited Warranty or extensions of that warranty; and (3) reimbursement of out-of-pocket expenses incurred to repair transmission defects that should have been paid by Ford pursuant to Ford’s New Vehicle Limited Warranty or extensions of that warranty.

You should read this guide in its entirety. Otherwise, you may not fully understand your rights and responsibilities under the Program. If, after reviewing the Program details, you are still unsure about your rights to arbitration, you may contact the Program Administrator or Class counsel. Their contact information is listed on the last page of this guide.

II. ADMINISTRATION

A. CAP-Motors & Associates, Ltd.

DeMars Associates, Ltd. (DeMars”) administers the Program through its process known as the Consumer Arbitration Program for Motor Vehicles (CAP-Motors). CAP-Motors is responsible for the overall administration of the Program, including collecting necessary

¹ The litigation includes *Vargas, et al. v. Ford Motor Co.*, Case No. 2:12-cv-08388-AB-FFMx (C.D. Cal.), *Klipfel, et al. v. Ford Motor Co.*, Case No. 2:15-cv-2140-AB-FFMx (C.D. Cal.), *Cusick, et al. v. Ford Motor Co.*, Case No. 2:15-cv-8831-AB-FFMx (C.D. Cal.), and *Anderson v. Ford Motor Company*, No. 1:16-cv-01632 (N.D. Ill.).

² The settlement provides other benefits in addition to this arbitration program. Those additional benefits are administered by the Settlement Administrator. Further information about these benefits is available on the Settlement Website, www.FordTransmissionSettlement.com.

documents, facilitating pre-arbitration settlement efforts, and, when needed, scheduling the arbitration hearing and providing you with an impartial, qualified Arbitrator. CAP-Motors does not decide cases. CAP-Motors provides a forum for hearing and resolving your dispute using an impartial Arbitrator.

Program fees, including the Arbitrator's fees, are paid by Ford. If you appeal the Arbitrator's decision, you will be responsible for any fees associated with your appeal. However, if you succeed on appeal, Ford will refund those fees.

DeMars & Associates, Ltd., CAP-Motors and the Arbitrators are exempt from civil liability as a result of any act or omission in connection with the arbitration conducted under the Program. The parties are prohibited from calling the Arbitrator or any employee or agent of CAP-Motors as a witness or expert in any proceeding involving the parties related to a dispute subject to this Program. Further, no party can subpoena any notes or other materials generated by the Arbitrator.

B. Program Timeline

The arbitration hearing of an eligible consumer claim will take place within thirty (30) days from the date CAP-Motors receives a claim. The 30-day timeline can be extended in any of the following circumstances:

- 1) For ten (10) days if you have not attempted to seek resolution directly from Ford;
- 2) If the delay is due to your failure to promptly provide your:
 - name,
 - address,
 - vehicle make and model information,
 - vehicle identification number, or
 - a statement summarizing the defect or concern being reported;
- 3) For a period not to exceed thirty (30) days to permit CAP-Motors the opportunity to respond to an Arbitrator's request for additional information, including an independent vehicle inspection by an Automotive Service Excellence (ASE) certified technician.

III. WHO QUALIFIES FOR THE ARBITRATION PROGRAM?

In order to qualify for the Program, you must meet all of the following criteria:

1. You are a current or former owner or lessee of a new or used 2011-2016 Ford Fiesta or a new or used 2012-2016 Ford Focus;
2. Prior to receiving notice of the Settlement, you did not file a lawsuit against

Ford alleging problems with the PowerShift Transmission in Class Vehicles or, if you did file such a lawsuit, you opted-in to the Settlement and dismissed your lawsuit;

3. You have not opted out of the Settlement;
4. You have not previously executed and delivered to Ford releases of claims based on the PowerShift Transmission;
5. At least ten (10) days prior to filing a claim for arbitration, you gave direct notice to Ford by calling 1-888-260-4563 or submitting a notice form through the Settlement Website; and
6. One of the following is true:
 - a. You claim that Ford failed to repair a transmission failure or malfunction in your Class vehicle as required by Ford's New Vehicle Limited Warranty, or any extensions of that warranty; or
 - b. You claim that a Ford Dealer charged you for a transmission repair to your Class vehicle that should have been paid for by Ford pursuant to Ford's New Vehicle Limited Warranty, or any extensions of that warranty, or
 - c. You seek to have Ford repurchase or replace your Class Vehicle based in whole or in part on alleged defects in the PowerShift Transmission.

No other claims, including claims for personal injury or collision damage, are eligible for arbitration.

IV. RULES OF ARBITRATION

This section sets forth the rules the Arbitrator must follow to resolve your claims.

A. Claims for Repurchase or Replacement.

1. State Lemon Law Claim. Most states have "lemon laws" that require manufacturers to repurchase or replace a vehicle if it malfunctions or fails and a manufacturer is unable to repair it within a reasonable time or within a reasonable number of repair attempts. An Arbitrator may award a repurchase or replacement of your Class vehicle if the Arbitrator finds that you are entitled to a repurchase or replacement under the provisions of the lemon law for the state where you took delivery of your vehicle ("your state's lemon law"). The items and amounts to be refunded or the terms under which your vehicle is replaced, including deductions for use, shall be determined by your state's lemon law. Applicable provisions of state lemon law shall apply

except as follows:

- a. Regardless of the statute of limitations for a lemon law claim, your claim for repurchase or replacement will be deemed timely if you still own or lease your vehicle and the claim is filed within six (6) years after the delivery of your vehicle to the first retail customer. If you sell your vehicle or return a leased vehicle before filing a claim for Arbitration, you must file your claim for Arbitration before the applicable statute of limitations expires and within 180 days after the date on which you sold or returned the vehicle.
 - b. If you made a claim for cash payments to the Settlement Administrator, any amount awarded by the Arbitrator for a repurchase under this provision shall be reduced by any cash payments awarded to you by the Settlement Administrator (other than cash payments awarded by the Settlement Administrator to reimburse you for clutch repairs).
 - c. If you made a claim for a Vehicle Discount Certificate to the Settlement Administrator, any amount awarded by the Arbitrator for a repurchase under this provision shall be reduced by the face value of any Vehicle Discount Certificates that you used to purchase a new Ford Vehicle. Any award by the Arbitrator for a repurchase shall also cancel any unused and unexpired Vehicle Discount Certificate issued to you.
 - d. If you accepted any monetary compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute, the amount of that compensation shall be deducted from any award later ordered by the Arbitrator.
 - e. No punitive damages or civil penalties may be awarded.
 - f. If you elect to be represented by an attorney, the Arbitrator may award reasonable attorney fees to you if you succeed on your repurchase or replacement claim, but such fees may not exceed \$6,000.
2. Repurchase Claim Based on Transmission Hardware Replacements. Regardless of your state's lemon law, or if your state has no lemon law, the Arbitrator may also award a repurchase under the Program if (i.) you still own or lease your vehicle, (ii.) while you owned or leased your vehicle, it was repaired on four (4) occasions and on each of those occasions an authorized Ford Dealer performed a Transmission Hardware Replacement within 5 years/60,000 miles of delivery of the vehicle to the first retail customer (whichever occurs first), and (iii.) the transmission still malfunctions.³ The

³ A Transmission Hardware Replacement is defined to mean replacement by a Ford Dealer, within 5 years or 60,000 miles of the initial sale or lease of your vehicle to its first retail

four (4) Transmission Hardware Replacements do not need to be for the same part. Claims for repurchase under this provision must also be filed within six (6) years after delivery of your vehicle to the first retail customer. If the Arbitrator determines that you are eligible for a repurchase under this provision but not under your state's lemon law (or if your state has no lemon law), the following conditions apply:

- a. If you made a claim for cash payments to the Settlement Administrator pursuant to the Settlement Agreement, any amount you are awarded by the Arbitrator for a repurchase under this provision shall be reduced by any cash payments already awarded to you by the Settlement Administrator (other than cash payments made by the Settlement Administrator to reimburse you for clutch repairs).
 - b. If you made a claim for a Vehicle Discount Certificate to the Settlement Administrator, any amount awarded to you by the Arbitrator for a repurchase under this provision shall be reduced by the face value of any unexpired Vehicle Discount Certificates that you used to purchase a new Ford Vehicle. Any award by the Arbitrator for a repurchase shall also cancel any unused and unexpired Vehicle Discount Certificate issued to you.
 - c. Ford will refund the actual amount of all payments you made for your vehicle (not including any modifications or additions after the vehicle's purchase or lease), including finance charges, less a reasonable allowance for use.
- If you leased the vehicle, Ford will refund the payments you made to the lending institution or lessor, plus net trade-in and cash down payment (not including rebates, if any), and less a reasonable allowance for use. For both purchased and leased vehicles, Ford will also provide the pay-off amount to the lienholder or lessor in accordance with the financing or lease agreement.
- d. If the vehicle being repurchased is covered by a Ford Extended Service Plan that you purchased, that plan will be cancelled and its pro-rated cost refunded. If the vehicle is covered by a non-Ford service contract, you will

customer, whichever comes first, any of the following parts of the PowerShift Transmission: (1) 7B546 Disc Asy-Clutch; (2) 7Z396 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Aut; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-Cl/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and/or (10) 7515 Lever Asy-Clutch Rel. Parts replaced as part of a safety or non-safety recall do not count as Transmission Hardware Replacements.

be responsible for obtaining any refund that may be available from the issuer of that non-Ford plan.

e. Ford will also refund sales tax, original license fees, original registration fees, and original title fees.

f. A portion of your use of the vehicle will be deducted according to the following formula: $(\text{The mileage on your vehicle's odometer at the time of the third Transmission Hardware Replacement} \div 120,000) \times \text{Purchase Price}$.

g. If you accepted any monetary compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute, the amount of that compensation shall be deducted from any award to you later ordered by the Arbitrator.

h. No punitive damages or civil penalties may be awarded.

i. If you elect to be represented by an attorney, the Arbitrator may award reasonable attorney fees to you if you succeed on your repurchase or replacement claim, but such fees may not exceed \$6,000.

3. Timing: You may submit a claim seeking repurchase up to six (6) years after delivery of your vehicle to the first retail customer or six (6) months after the Effective Date of the Settlement, whichever is later. Under the Program, claims submitted to arbitration should ordinarily be resolved within 30-60 days.
4. Additional Opportunity for Ford to Repair. If your Class vehicle had no more than three (3) total repair attempts, you must first provide Ford with an opportunity to perform a single, additional repair at no charge to you. If the vehicle had four (4) or more repair attempts, you have no obligation to provide Ford with any additional opportunities to repair.
5. Documentation Required. You must submit proof that you owned your vehicle at all relevant times. In addition, you must submit repairs orders or other documentation sufficient, at the discretion of the Arbitrator, to support your claims.
6. Prior Arbitration. If prior to the Effective Date of the Settlement xxxx xx, 2017, you were denied an arbitration claim under any other arbitration program, such as the Better Business Bureau ("BBB"), you may nevertheless submit a claim under this Program.
7. Second Arbitration. If your claim for repurchase was denied under this Program (for example, you had fewer than three (3) repairs), but you have

subsequently incurred additional Transmission Hardware Replacements (as defined above), you are eligible for a second arbitration at no cost to you.

8. Appeal. You may appeal the Arbitrator's decision within thirty (30) days of that decision, but you are responsible for the fee for the appeal. If you prevail on the appeal, Ford will reimburse the fee. The appeal will be determined by a neutral third party assigned through JAMS (Judicial Arbitration and Mediation Service). Information about filing an appeal will be provided with the Arbitrator's decision.

B. Claims for Repairs or Reimbursement Based on Breach of Ford's New Vehicle Limited Warranty or Extensions of that Warranty.

1. Repairs. If you are having transmission problems with your vehicle that should have been, but were not, repaired under Ford's New Vehicle Limited Warranty, or any extension of that warranty, the Arbitrator may require Ford to make such repairs. However, the Arbitrator may not order a change in the vehicle's options or its design.⁴
2. Reimbursement. If you have paid for a transmission repair, the Arbitrator may order Ford to reimburse you for any amount you paid that should have been paid by Ford pursuant to Ford's New Vehicle Limited Warranty or any extensions of that warranty. The Arbitrator may award reimbursement for money paid for the repair of defects covered by the Ford New Vehicle Limited Warranty, or any extension of that warranty, only if Ford or its dealer declined to repair the defects under warranty or to reimburse under the warranty's emergency repair provisions.
3. Exclusions. The Arbitrator may not award reimbursement or repairs under this provision for the following:
 - maintenance and wear items not covered by the New Vehicle Limited Warranty;
 - damage caused by alterations or modifications of the vehicle after it leaves the control of Ford;
 - damage caused by tampering with the vehicle, its emissions systems, or other parts that affect these systems; and

⁴ As of the date these Rules were established, Ford had issued two programs which extended the warranty on certain components of the PowerShift Transmission: Program 14MO1 (which extended the warranty on the input shaft seal, clutch assembly and firmware to 7 years/100,000 miles for excessive transmission clutch shudder during light acceleration) and Program 14MO2 (which extended the warranty on the Transmission Control Module to 10 years/150,000 miles).

- damage caused by the installation or use of a non-Ford part or of any part designed for “off-road” use installed after the vehicle leaves the control of Ford.
4. If you accepted any compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute, the amount of that compensation shall be deducted from any award to you later ordered by the Arbitrator.
 5. Time Within Which Claims Must Be Made. You must make claims for reimbursement or repair within the statute of limitations for breach of express warranty in the state where you took delivery of your vehicle.
 6. Attorney Fees. The Arbitrator may not award attorneys’ fees for pursuing a claim for repairs or reimbursement under this section.
 7. Finality. The Arbitrator’s decision with respect to repairs and reimbursements under this Section is final and binding on both parties with no right of appeal.

V. ARBITRATION PROCEDURES

1. **Beginning Arbitration.** To begin arbitration, you must submit the appropriate forms to CAP-Motors. The forms are available from CAP-Motors at www.____ or on the Settlement Website. When CAP-Motors receives your forms, CAP-Motors will assign a case number and set a date for a document review to determine eligibility. This review is for eligibility only. It is not a hearing on the merits of the case. The document review will take place unless CAP-Motors is notified that a settlement agreement has been reached between you and Ford. If your claim is initially deemed ineligible because it does not meet the Program’s criteria, as outlined in Section III, above, CAP-Motors will notify you in writing. If you believe the initial ineligibility determination was made in error, an Arbitrator will consider a written appeal if your application and supporting appeal documents are received within thirty (30) days from the date you received (?) the ineligible notice letter.

When you file your forms you will be asked if you prefer:

1. An review of documents only, with no oral presentations;
2. An online hearing with oral presentations provided via a WebEx scheduled meeting;
3. A telephone conference hearing with oral presentations; or
4. An in-person hearing.

You may change your decision regarding your preferred meeting type at any time, but at least two weeks' notice is required to facilitate the scheduling of an in-person hearing.

CAP-Motors provides the parties with the following information:

- a) the identity of the assigned Arbitrator;
 - b) the scheduled arbitration hearing date, time, and location;
 - c) a notice that if one party fails to appear at the agreed upon time and place, the presentation by the other party may still be allowed;
 - d) a request to the consumer that the vehicle be brought to the in-person arbitration hearing for inspection by the Arbitrator together with proof of current liability and collision insurance. No inspection is available in a documents-only review, but you may submit photos and videos. In a WebEx hearing, the Arbitrator may request that you make a video or photo presentation at the time of the hearing.
 - e) the applicable Program forms.
2. **Pre-Arbitration Hearing Information Form.** Each party is required to complete a Pre-Arbitration Hearing Information Form ("Form") and send it to CAP-Motors. The Form requests information necessary to resolve the dispute such as:
- a) whether you will be represented by an attorney;
 - b) whether you will be using an interpreter;
 - c) any change or additional information to your written statement regarding the alleged defect or other complaint being reported;
 - d) any change or additional information to Ford's written summary of its position;
 - e) any witnesses to be called by a party;
 - f) any documents the parties want the Arbitrator to review that have not already been included;
 - g) whether a party wants the Arbitrator to inspect or test-drive the vehicle at an in-person hearing, or wants to request an independent vehicle inspection by an ASE certified mechanic;
 - h) if a test drive is requested, proof of insurance coverage on the vehicle; and

i) completed usage calculation worksheet.

CAP-Motors must receive the signed Form from each party at least seven (7) days prior to the arbitration hearing. If the Form is not received by the deadline, the hearing will still take place and the Arbitrator will take into consideration the fact that the Form was not received.

The parties must provide a written list of witnesses, other than rebuttal witnesses, at least five (5) days prior to the arbitration hearing. Except for rebuttal evidence, any document not attached to the Form, or otherwise supplied to CAP-Motors at least seven (7) days prior to the arbitration hearing, may be excluded from evidence. The Arbitrator makes this decision. The Arbitrator's decision is final.

3. **Appointment of Arbitrator.** A single Arbitrator will be assigned by CAP-Motors to hear and decide the arbitration dispute. CAP-Motors will provide the Arbitrator with all relevant documents that have been submitted to CAP-Motors by the parties before the arbitration hearing at least five (5) days prior to the hearing.
4. **Arbitrator Disclosure and Challenge Procedure.** A person appointed as an Arbitrator shall disclose to CAP-Motors any circumstance likely to affect his or her impartiality. This may include any bias or any financial or personal interest in the result of the arbitration. This may also include any past or present relationship with the parties or their representatives. If this information is received from the Arbitrator or another source, CAP-Motors shall communicate the information to the parties and the Arbitrator. If a party objects to the assigned Arbitrator, it must send a letter stating the objection, and the reason for the objection, within seven (7) days from the date of the letter assigning the Arbitrator. If CAP-Motors receives a written objection about the assigned Arbitrator, CAP-Motors shall determine whether the Arbitrator should be disqualified and shall inform the parties of its decision. This decision shall be final and binding.
5. **Arbitrator Vacancies.** If for any reason the Arbitrator becomes unwilling or unable to perform his or her duties, CAP-Motors may declare the position vacant and appoint a new Arbitrator.
6. **Date, Time and Place of Arbitration Hearing.** CAP-Motors shall set the date, time, and place for each hearing upon consulting with the Arbitrator. When the arbitration is in-person, the hearing will be held at an independent site reasonably convenient to you. You should bring the vehicle to the arbitration hearing, together with proof of current liability and collision insurance.

7. **Withdrawal of Your Claim.** You may withdraw your claim up to five (5) days prior to the arbitration hearing date. If the claim is withdrawn, the case file will be closed and notice will be submitted to CAP-Motors. If you decide to file another claim, you must contact CAP-Motors, who will determine if you are eligible to file another claim. Withdrawing your claim shall be the same as if you had never filed it.
8. **Representation by Attorney.** You may be represented by an attorney. You must include the attorney's name, address, and telephone number on the Pre-Arbitration Hearing Information Form. All representatives must have settlement authority.
9. **Evidence.** The parties may provide testimony and documents related to the dispute. The parties shall provide any evidence the Arbitrator may reasonably decide is necessary to understand and decide the dispute. The Arbitrator may receive and consider the statements of witnesses by affidavit, which is a signed, written statement. The Arbitrator shall give the information the weight the Arbitrator decides is appropriate after consideration of any objection about relevancy made by the other side.

The Arbitrator shall judge the relevance of the evidence presented. Legal rules of evidence do not apply. Evidence shall be taken in the presence of all the parties. An exception will be made where a party does not attend after being notified of the date, time, and place of the hearing or has waived the right to attend. The hearing may proceed under these circumstances. All documents submitted by the parties to CAP-Motors and to each other prior to the hearing shall be made a part of the case file, unless excluded by the Arbitrator as irrelevant or redundant.

Whenever possible, evidence is labeled and placed in the case file. The Arbitrator will include a written summary of any other evidence in the case file. All evidence included in the case file will be sent to CAP-Motors following the hearing.

Again, you should bring your vehicle to the arbitration hearing together with proof of current liability and collision insurance. If you feel your vehicle is not capable of being safely operated, you will need to advise CAP-Motors prior to an in-person hearing, along with an explanation. You may be requested to trailer the vehicle to the hearing at your own expense. If you prevail at the arbitration, the Arbitrator may include the costs of trailering your vehicle. The Arbitrator may inspect your vehicle if requested by a party or if the Arbitrator decides it is necessary.

Additionally, at his or her discretion, the Arbitrator may test-drive the vehicle. The parties must be present for such inspection or ride, unless a party waives

its right to be present. The Arbitrator will include information from the test drive in the case file. In the event the vehicle is not made available for inspection at the hearing and the Arbitrator determines an inspection is necessary, the Arbitrator may choose to delay rendering a decision in the matter for up to thirty (30) days or until such time as the vehicle is made available for inspection.

10. **Communication with Arbitrator.** There shall be no direct communication between the parties and Arbitrator other than at the oral hearing, except as specifically permitted within this guide. Any other oral or written communication from the parties to the Arbitrator shall be sent to CAP-Motors. CAP-Motors will forward the communication to the Arbitrator.

11. **Attendance at the Arbitration Hearing.** Arbitration hearings shall be open to the public, but Arbitrators may exclude anyone who is disrupting the hearing.

12. **Oral Presentations and Arbitration in the Absence of a Party.** The Program allows for oral presentations by both parties to the dispute. Each party has the right to be present for the other party's oral presentation. If one party fails to appear at the time set for the hearing, the Arbitrator may still allow the presentation by the other party.

Should a party fail to appear at the scheduled time, the Arbitrator, at his or her discretion, may either decide the dispute or give the absent party an opportunity to rebut any contradictory evidence or submit additional information before a decision is made. The Arbitrator has the authority to make a decision whether or not an oral presentation is made.

Ford and CAP-Motors shall take all steps necessary to ensure that the Program, the Program Staff, and Arbitrators, are sufficiently insulated from Ford, so that the decision of the Arbitrator and the performance of the Program Staff are not influenced by Ford.

13. **Preparation for Arbitration Hearing.** All parties should come to the hearing prepared to present testimony, documents, and other evidence about the dispute. This will include information about what you are asking the Arbitrator to award. You should bring with you to the hearing your copies of every document you have submitted to the Program and to the other side, and every document you have received from the Program and the other side.

14. **Order of Proceedings at the Arbitration Hearing.**

- a) The arbitration hearing will be opened by:
 - the filing of the oath of the Arbitrator via WebEx or in-person;

- the recording of the date, time, and place of the hearing;
- the name of the case; and
- the names and addresses of parties, attorneys, and witnesses present.

CAP-Motors will send a copy of the case file to you approximately one (1) week before the hearing. You should bring your copy of this case file to the hearing. The Arbitrator will record a description of the exhibits.

- b) The Arbitrator may, at the beginning of the hearing, ask for statements clarifying the issues involved and condition of the vehicle.
- c) The Arbitrator shall administer an oath or affirmation to all persons present who will give testimony.
- d) The Arbitrator will limit the oral presentation to two (2) hours for each side of the dispute for a total of up to four (4) hours. The Arbitrator may extend the oral presentation time at his/her discretion.
- e) You or your attorney will present, uninterrupted, testimony and documents to support your claim.
- f) Ford's representative(s) or attorney(s) will have the opportunity to question you and your witnesses about their testimony after each one testifies.
- g) Ford will then present, uninterrupted, testimony and documents supporting its defense.
- h) You or your attorney will have the opportunity to question Ford's witnesses about their testimony after each one testifies.
- i) The Arbitrator may question any witness at any time during the hearing.
- j) After all testimony, the Arbitrator will decide whether he/she will inspect and/or test-drive the vehicle, if the vehicle is capable of being safely operated. After the inspection and/or test-drive is conducted, and all persons have returned to the hearing room, the parties will have the opportunity to offer additional testimony about it on the record.
- k) Each party shall then have an opportunity to make a brief closing statement.

The Arbitrator has the discretion to vary this procedure but shall give a full and equal opportunity to all parties for the presentation of any material and relevant evidence.

15. **Post-hearing Filing of Documents or Other Evidence.** If the Arbitrator directs that documents or other evidence be submitted to the Arbitrator after the arbitration hearing, they shall be filed with CAP-Motors. CAP-Motors will send the documents to the Arbitrator. The Arbitrator shall set a deadline for the documents to be submitted.
16. **Closing of Arbitration Hearing.** The Arbitrator shall specifically ask all parties whether they have any additional evidence to offer or witnesses to be heard. Upon receiving negative replies or, if satisfied that the record is complete, the Arbitrator shall declare the arbitration hearing closed.
17. **Scope of Decision.** The Arbitrator will render a fair decision based upon the information gathered by the Program, the information provided by the parties, and the Rules of Arbitration set forth above. The decision is based solely upon the case file, documents, and testimony presented during the hearing, and the test-drive and vehicle inspection, if any. The decision of the Arbitrator is final and binding upon both parties, unless you appeal. (See “Post Decision Proceedings” below). Requests for rehearing are not considered by the Arbitrator, or CAP-Motors, except for technical corrections. (See “Technical Corrections” below.)
18. **Time and Form of Decision.** The decision will be made promptly by the Arbitrator, but no less than ten (10) days from the date of closing the arbitration hearing. The decision will be in writing, will include a brief statement of the reasons for the decision, and will be signed by the Arbitrator. Decisions are to be made within forty (40) days of your application to the program, unless the Arbitrator defers the decision for more information, which shall not exceed thirty (30) additional days.
19. **Delivery of Decision to Parties.** The parties will be mailed a copy of the Arbitrator’s decision via first class mail to the party or its attorney's last known address. Parties are entitled to receive copies of all the Program's records related to the dispute, at a reasonable cost.
20. **Post-Decision Proceedings, Appeal, and Compliance.** The decision of the Arbitrator is binding on Ford once you accept it. If you reject the decision, you may appeal, but you must pay the fee for the appeal. If you prevail on the appeal, Ford will reimburse the fee. The appeal will be determined by a neutral third party assigned by JAMS.

You can accept the Arbitrator’s award by signing the appropriate form and submitting it to the Arbitrator. You will be deemed to have accepted the order unless you file an appeal, and pay the required fee, within thirty (30) days of your receipt of the Arbitrator’s decision. If you do not file an appeal, Ford must comply with the decision within thirty (30) days of the date it receives

notice that you have accepted the award. Compliance occurs on the date you receive the relief specified in the decision. Approximately ten (10) days after the thirty (30) days for compliance has passed, CAP-Motors will contact you to determine if the award was completed to your satisfaction.

If Ford fails to carry out a further repair award within the specified time frame, or if you assert that the further repair attempt has not resolved the concern(s), you may contact CAP-Motors to request that the Arbitrator reconsider the decision. CAP-Motors will investigate the dispute and treat it as a new dispute. However, all phases of the process will be expedited to the extent possible, and if reasonably possible, the same Arbitrator will decide the dispute.

21. **Technical Corrections.** Either party may request that the Arbitrator make a technical correction to the decision by filing a written request with CAP-Motors. CAP-Motors will send a copy of the request to all opposing parties within ten (10) days after receipt of the written decision. Technical corrections shall be limited to arithmetic errors, corrections of a party's name or information regarding the vehicle, and typographical or spelling errors. Technical correction of a decision shall not extend the time for appeal or compliance by Ford.
22. **Special Accommodations.** Persons needing special accommodations to participate in the arbitration hearing should contact CAP-Motors no later than ten (10) days prior to the conference or hearing date. If hearing impaired, contact CAP-Motors via TTY Relay Service at 800-947-3529. An interpreter will be provided by CAP-Motors upon request.
23. **Continuing Review.** The Program is subject to Demars' own internal audit, and review requirements. Class counsel and Ford shall continue to monitor the Program and shall mutually agree on revisions to the Program and to the Arbitration Procedures , as necessary.

If you have any questions or are uncertain about any part of this Program, please contact CAP-Motors:

CAP-Motors & Associates, Ltd.
P.O. Box 925
Haslet, TX 76052-0925(800) 279-5343
info@demarsassociates.com

You may also contact Lead Class counsel:

Capstone Law APC