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20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

22 Gary Guthrie, Stephanie Crain, Chad
23 Hinton, Julio Zelaya, Anna Gilinets,
24 Marcy Knysz, Lester Woo, and Amy
25 Bradshaw, *on behalf of themselves and all*
26 *others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,
Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**PLAINTIFFS' NOTICE OF MOTION
AND MOTION FOR
FINAL APPROVAL OF THE
PARTIES' CLASS ACTION
SETTLEMENT AGREEMENT;
MEMORANDUM OF POINTS AND
AUTHORITIES**

Date: August 5, 2024
Judge: Hon. David O. Carter
Time: 8:30 a.m.
Courtroom: 10A

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on August 5, 2024, at 8:30 a.m., or as soon thereafter as the matter may be heard, before the Honorable David O. Carter, District Judge of the United States District Court for the Central District of California, in Courtroom 10A, Ronald Reagan Federal Building and United States Courthouse, 411 West Fourth Street, Santa Ana, California 90012, Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw (“Plaintiffs”) will, and hereby do move for an order of the Court to grant final approval of the Parties’ Class Action Settlement Agreement and affirm its conditional certification of the Settlement Class.

This Motion is based on this notice; the accompanying memorandum of points and authorities; the declarations from JND Legal Administration, Sergei Lemberg, Stephen Taylor, Joshua Markovits, and the named Plaintiffs; the exhibits attached hereto (including the Settlement Agreement); and all other papers filed and proceedings held in this Action.

DATED: July 22, 2024

By: /s/ Trinette G. Kent
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1 **I. INTRODUCTION**

2 Plaintiffs seek final approval of the Class Action Settlement between Plaintiffs
3 and Defendant Mazda Motor of America, Inc. (“MNAO”). The Settlement provides
4 numerous forms of relief to current and former owners and lessees of approximately
5 86,000 Class Vehicles.¹ Class Vehicles contain Skyactiv-G 2.5T engines which can
6 contain defective valve stem seals which cause excessive engine oil consumption (the
7 alleged “Valve Stem Seal Defect”). Under the Settlement, Class Vehicles that have
8 manifested an oil consumption issue are entitled to a repair of the defect in the form of
9 a redesigned valve stem seal (the “Repair Program” or “Program”). Second, the
10 Settlement extends the Mazda Powertrain Limited Warranties for all Settlement Class
11 Vehicles, whether an oil consumption issue has occurred or not, to 84 months/84,000
12 miles, from the earlier of 60 months/60,000 miles. Third, MNAO will fully reimburse
13 Settlement Class Members who submit approved claims for out-of-pocket costs for oil
14 purchased and oil changes performed before the normal oil change interval. The value
15 of the repair and the warranty extension to the Settlement Class alone is \$105,250.08²
16 (Report of Susan K. Thompson & Brian S. Repucci of Hemming Morse, LLC (Lemberg
17 Decl. Ex. A and the “HM Report”) ¶¶ 25-35). Moreover, there is no aggregate cap on
18 the amount of payments MNAO is required to make under this settlement for warranty
19 covered repairs or for reimbursement for oil and oil changes.

20 The benefits provided in the Settlement were only achieved after nearly two years
21 of adversarial litigation against a well-funded defendant and highly competent defense
22 counsel. After conducting extensive pre-suit investigations, briefing two motions to

23 ¹ The “Class Vehicles” or “Settlement Class Vehicles” are the following year and
24 model Mazda vehicles: 2021-2022 Mazda CX-30, 2021 CX-5, 2021 CX-9, 2021-2022
25 Mazda3, and 2021 Mazda6 Class Vehicles equipped with a 2.5L turbocharged engine
26 and valve stem seals in the impacted VIN production range. *Settlement Agreement*,
Art I(P).

² MNAO does not endorse the valuation proposed by Plaintiffs’ expert here or
otherwise throughout the Motion for Final Approval.

1 dismiss, and engaging in written, documentary, and oral discovery in preparation for
2 class certification, the parties were well informed as to the strengths and weaknesses of
3 the case. This knowledge informed the Parties' mediation sessions with Hon. Dickran
4 M. Tevrizian (Ret.) of JAMS, which resulted in the exceptional Settlement.

5 Given the results achieved and consideration of the Rule 23 factors for approval
6 of class settlements in the Ninth Circuit, Plaintiffs respectfully request the Court grant
7 final approval to the Settlement.

8 **II. BACKGROUND ON THE VALVE STEM SEAL DEFECT**

9 Plaintiffs allege that Class Vehicles have defective valve stem seals in their
10 uniform Skyactiv-G 2.5T turbo engines that causes the Class Vehicles to consume an
11 excessive amount of engine oil in between regular oil change intervals. (Dkt. No. 84
12 (Third Amended Complaint ("TAC")) ¶¶ 2, 114-120).

13 The alleged defect was caused by an October 2020 design change to the "exhaust
14 valve seals" in the impacted Class Vehicles' engines where Mazda had "changed the
15 lip of the seal." Ward Tr.³ 8:12-25, 9:7-15, 12:8-22. Because of the design change,
16 when Mazda installed the Class Vehicles' exhaust valve seals "they were susceptible
17 to getting scratched" "as they went over the tip of the exhaust valve stem." *Id.* As a
18 result, oil could leak past the seal on the exhaust side and "into the exhaust manifold,
19 not the combustion chamber." Ward Tr. 71:25-72:25. By July 2021 MNAO
20 "confirm[ed] that the design change had caused the oil consumption to increase." *Id.* at
21 Tr. 20:4-8

22 The redesigned valve stem seals were installed in approximately 86,000 Class
23 Vehicles. Ward Tr. 23:5-8, 42:8-43:14.

24 In October and November 2021, MNAO issued technical service bulletin No. 01-
25 012/21 to its dealerships. At the time, MNAO had not diagnosed the cause of the defect.

26 _____
³ "Ward Tr." refers to excerpts from the deposition transcript of Jerry Ward, Senior
Manager for Product Quality at MNAO, attached as Exhibit A to the Declaration of
Sergei Lemberg.

1 MNAO acknowledged the Class Vehicles’ oil consumption issues but advised dealers
2 to only top off the engine oil. TAC ¶¶ 127-134. Thus, when the Complaint and First
3 Amended Class Action Complaint were filed in April and July 2022, Mazda was not
4 repairing the defect.

5 In October 2022, six months after Plaintiffs initiated this action, Mazda issued a
6 53-page technical service bulletin to its dealers providing for a repair where dealerships
7 could install redesigned valve stem seals but only for vehicles that had current – as in
8 the day the repair was attempted – low oil. TAC ¶ 139. This repair was performed with
9 “a special tool that [Mazda Corporation] developed specific to be able to perform this
10 repair” to install the redesigned part. Ward Tr. 44:1-9. Because the engine remained in
11 the vehicle during the repair, it is a “more streamlined and simple process for
12 technicians to be able to perform” and a “much better experience for [Mazda]
13 customers and much shorter downtime of the vehicle to be able to perform that repair.”

13 *Id.*

14 Plaintiffs subsequently confirmed with Mazda that the repair is effective and
15 dramatically reduces the Class Vehicles’ oil consumption issues. Following the
16 implementation of the redesigned parts, Mazda has tracked the effectiveness of the
17 repair by comparing how often the low engine oil light appeared for unrepaired vehicles
18 and repaired vehicles. Ward. Tr. 53:9-54:10. While at least 68% of Class Vehicles
19 with the original parts had their low engine oil light appear before they were due for oil
20 changes, that figure has plummeted to approximately 12.9% for vehicles that have
21 obtained the redesigned part. (Lemberg Decl. ¶ 15). The latter figure is consistent with
22 the rate of oil consumption for non-defective subject vehicles with 2.5L turbocharged
23 engines. Ward Tr. 60:14-61:9, 61:18-24, 68:25-69:6. Moreover, as more repairs are
24 completed, it is expected that the figure will continue to decline. Ward Tr. 67:15-19.

25 Under the Settlement, Mazda has begun and will continue to provide this Valve
26 Stem Seal repair to *all* affected Class Vehicles with a history of oil consumption issues
without the need to show their vehicles’ engine oil level is currently low. Specifically,

1 under the old version of the guidance, MNAO directed its dealers to “Confirm with the
2 oil level gauge that the engine oil has actually decreased. If the engine oil has NOT
3 decreased, this TSB is not applicable.” TSB 01-003/23 (issued 01/31/2023). However,
4 as part of the Settlement dealerships now provide, and have been instructed to provide
5 through a Special Service Program, the repair to all Class Vehicles that have manifested
6 any excessive oil issue, regardless of their vehicle’s current oil level. To wit, updated
7 guidance issued to dealerships instructs them to replace the valve stem seals under the
8 following circumstances:

9 (1) the Engine Oil Level Warning Light has illuminated with Diagnostic
10 Trouble Code (“DTC”) P250F:00, signifying low engine oil level, before the
11 regular oil change interval of 7,500 miles or 1 year;

12 (2) qualifying vehicles enrolled with the Mazda Connected Services
13 MyMazda mobile application that have recorded a “Low Engine Oil Level”
14 alert in the application before the regular oil change interval of 7,500 miles or
15 1 year;

16 (3) documented previous refilling of oil (either by a dealer or service station
17 or the customer) before the engine oil level warning light came on in between
18 regular oil change interval of 7,500 miles or 1 year; or

19 (4) if neither 1, 2 nor 3 applies, a failed excessive oil consumption test
20 performed at an authorized Mazda dealer and at no cost to the customer. (If
21 the vehicle fails the oil consumption test, the dealer should perform the valve
22 stem seal replacement at no cost to the customer).

23 Additionally, as part of the Settlement, Mazda dealers are directed to tell Class
24 Vehicle owners unprompted that “they are eligible to receive a replacement of the
25 affected valve stem seals” when servicing the vehicles for any reason for the year
26 following initiation of the program if the Engine Oil Level Warning Light has
illuminated with Diagnostic Trouble Code (“DTC”) P250F:00, signifying low engine
oil level, before the regular oil change interval of 7,500 miles or 1 year, or Class
Vehicles enrolled with the Mazda Connected Services MyMazda mobile application
have recorded a “Low Engine Oil Level” alert in the application before the regular oil
change interval of 7,500 miles or 1 year. *Settlement Agreement*, Art. II(A)(2)&(4).

1 **III. PROCEDURAL HISTORY**

2 Prior to initiating this action, Class Counsel conducted an extensive pre-suit
3 investigation which included analyzing the cause of Class Vehicles’ oil consumption,
4 consulting with an automotive expert, identifying the Defect and the affected Class
5 Vehicle models, interviewing Class Vehicle owners and lessees, reviewing documents
6 published by Mazda and made available to NHTSA, investigating vehicle owner
7 complaints, and analyzing potential legal claims. (Lemberg Decl. ¶ 10).

8 On April 18, 2022, Plaintiff Gary Guthrie – a Washington purchaser of a 2021
9 Mazda CX-30 who alleges he was not made aware of the Defect at the time of sale and
10 was initially denied repairs regarding the Defect – filed a Class Action Complaint in
11 the Superior Court of the State of California, County of Orange, against Mazda,
12 bringing fraudulent concealment, unjust enrichment, consumer protection and breach
13 of warranty claims on behalf of himself and nationwide and Washington classes of
14 purchases and lessees of 2021 Mazda CX-30, CX-5, CX-9, Mazda3, and Mazda6
vehicles. (Dkt. No. 1-1).

15 On May 25, 2022, Mazda removed the state case to this Court (Dkt. No. 1) and
16 then moved to dismiss the Complaint for failure to state a claim on July 7, 2022. (Dkt.
17 No. 12).

18 On July 18, 2022, Plaintiffs filed a First Amended Class Action Complaint which
19 added Plaintiffs Stephanie Crain, Chad Hinton and Julio Zelaya, and Florida and
20 Tennessee state classes and claims in addition to the nationwide and Washington
21 classes and claims. (Dkt. No. 14 (“FAC”)). When the FAC was filed, Mazda was not
22 repairing the defect and was instructing Mazda dealers to top off engine oil in Class
Vehicles between oil changes. *Id.* ¶¶ 80-88.

23 Mazda again moved to dismiss the FAC for failure to state a claim on August 15,
24 2022. (Dkt. No. 18). Plaintiffs opposed the motion to dismiss the FAC on September
25 26, 2022. (Dkt. No. 23).

26 On October 3, 2022, the Parties filed their Rule 26(f) Report. (Dkt. No. 28).

1 On October 17, 2022, the Court held a hearing on Mazda’s motion to dismiss the
2 FAC and ordered the Plaintiffs to file a Second Amended Class Action Complaint. (Dkt.
3 No. 36).

4 On October 31, 2023, Plaintiffs filed a Second Amended Class Action Complaint
5 (“SAC”) which added Plaintiffs Anna Gilinets, Marcy Knysz and Lester Woo, and
6 California and Illinois state classes and claims in addition to the nationwide and Florida,
7 Tennessee and Washington classes. (Dkt. No. 39).

8 Mazda moved to dismiss the SAC for failure to state a claim on December 2,
9 2022. (Dkt. No. 46). Plaintiffs opposed the motion to dismiss on January 11, 2023. (Dkt.
10 No. 51).

11 On January 16, 2023, the Parties filed an updated Rule 26(f) Report. (Dkt. No.
12 53).

13 On January 26, 2023, Plaintiffs moved for appointment of Lemberg Law, LLC
14 as interim Class Counsel (Dkt. No. 55) which the Court granted on April 7, 2023 (Dkt.
15 No. 66). On the same day, Plaintiffs moved to intervene and to stay *Heinz v. Mazda*
16 *Motor of America, Inc.*, a later-filed case originally filed in the Eastern District of
17 California which raises substantially similar claims based on the same Defect. 2:23-cv-
18 05420-DOC-DFM (ECF No. 10). *Heinz* was subsequently transferred to this Court and
19 stayed pending resolution of this action.

20 On January 30, 2023, the Court held a Scheduling Conference and hearing on
21 Mazda’s motion to dismiss the SAC and took the motion under submission. (Dkt. No.
22 56).

23 On February 1, 2023, the Court entered the Scheduling Order. (Dkt. No. 57).

24 The Parties then engaged in discovery. Plaintiffs served interrogatories and
25 requests for the production of documents on Mazda regarding the individual and class
26 claims and the requirements of Rule 23. (Lemberg Decl. ¶ 11). Plaintiffs received
document productions from Defendant and repeatedly conferred with Defendant
regarding the scope of its production and need for additional discovery. Plaintiffs later

1 conducted a Rule 30(b)(6) deposition of Defendant regarding the merits, class issues,
2 and the efficacy of the redesigned valve stem seals. *Id.*

3 On May 1, 2023, the Parties attended an in-person mediation before Judge
4 Tevrizian. (Lemberg Decl. ¶ 16). The mediation was productive and a settlement in
5 principle as to the benefits for the Class was reached and memorialized in a term sheet
6 and the Settlement Agreement. *Id.*

7 On November 21, 2023, Plaintiffs filed a Third Amended Class Action
8 Complaint (“TAC”), the operative complaint, which added Plaintiff Amy Bradshaw
9 and North Carolina state class and claims. (Dkt. No. 84). Mazda filed its Answer on
10 December 5, 2023. (Dkt. No. 86).

11 On January 22, 2024, Plaintiffs moved for preliminary approval of the Parties’
12 Class Action Settlement Agreement. (Dkt. No. 91). The Court granted the motion and,
13 on March 14, 2024, the Order Granting Preliminary Approval (“PAO”) entered. (Dkt.
14 No. 102).

14 **IV. TERMS OF THE SETTLEMENT**

15 1. Repair Program

16 As part of the Settlement and following preliminary approval, MNAO instituted
17 the Repair Program to repair Settlement Class Vehicles and replace qualifying vehicles’
18 valve stem seals with non-defective parts. *Settlement Agreement*, Art. II(A). The
19 Program will last for the entirety of Class Vehicles’ extended Powertrain Limited
20 Warranty period of 84 months or 84,000 miles, whichever comes first (discussed
21 below). *Id.* Art. II(A)(6-7).

22 As stated above, under the Program, any Class Vehicle that has excessive oil
23 consumption as shown by one of the following will automatically qualify for the repair:
24 (1) the Engine Oil Level Waning Light has illuminated with Diagnostic Trouble Code
25 (“DTC”) P250F:00, signifying low engine oil level, before the regular oil change
26 interval of 7,500 miles or 1 year; (2) Class Vehicles enrolled with the Mazda Connected
Services MyMazda mobile application have recorded a “Low Engine Oil Level” alert

1 in the application before the regular oil change interval of 7,500 miles or 1 year; or (3)
2 documented previous refilling of oil (either by a dealer or service station or the
3 customer) before the engine oil level warning light came on in between regular oil
4 change interval of 7,500 miles or 1 year (documented proof can include but is not
5 limited to repair orders or invoices from dealers or service stations or a receipt for the
6 purchase of engine oil). *Settlement Agreement*, Art. II(A)(2).

7 Based on data produced by Mazda, 58,789 Settlement Class Vehicles, or
8 approximately 68% of all Class Vehicles, have had their Low Engine Oil Level light
9 illuminate before the regular oil change interval. (Lemberg Decl. ¶ 15).

10 For those vehicles that cannot show prior excessive oil consumption by any of
11 the above means, an oil consumption test can be performed at an MNAO authorized
12 dealer and at MNAO's cost. *Settlement Agreement*, Art. II(A)(2).

13 MNAO will provide a loaner vehicle to any Class Vehicle owner or lessee during
14 the period of an evaluation or repair under the Program, subject to availability.
15 *Settlement Agreement*, Art. II(A)(5).

16 Moreover, Class Vehicle owners will be made aware of the Program via multiple
17 means. Class Notice has been mailed to Class Members setting forth the benefits under
18 the Settlement. In addition, during the initial one-year period after the Program begins,
19 MNAO authorized dealers servicing Class Vehicles for any reason will check whether
20 DTC P250F:00 code is stored in the vehicle memory, and if so, will advise the Class
21 Vehicle owner or lessee if they are eligible to receive replacement valve stem seals
22 under the Program. *Settlement Agreement*, Art. II(A)(4).

23 Plaintiffs retained Hemming Morse, LLC, to provide an expert opinion of the
24 value of the benefits to the various settlement components. The total value of the Repair
25 portion of the settlement is at least \$46,413, 916. (HM Report ¶¶ 28-35). The value of
26 the free oil consumption tests, assuming 27,327 Settlement Class Members need one,

1 is \$4,645,590. (HM Report ¶¶ 36-41).⁴

2 2. Powertrain Limited Warranty Extension

3 The Settlement Agreement provides Settlement Class Members with a warranty
4 extension which expands the coverage period for the Powertrain Limited Warranty by
5 an additional 24 months or 24,000 miles, from the earlier of 60 months or 60,000 miles
6 to 84 months or 84,000 miles. *Settlement Agreement*, Art. I(S), II(B). The extended
7 Powertrain Limited Warranty “covers all qualifying repairs under the Powertrain
8 Limited Warranty including and is not limited to repairs arising from the defective
9 Valve Stem Seals.” *Id.*, Art. II(B)(1-2).

10 Mazda’s Powertrain Limited Warranty sets forth the covered powertrain
11 components:

12 Engine - Cylinder Block, Cylinder Head, and All Internal Lubricated Parts
13 (Piston engines); Timing gears; Timing chain/belt and tensioner; Timing
14 chain/belt front cover and gaskets; Flywheel; Valve Covers and Gaskets;
15 Oil Pan; Oil Pump; Intake Manifold and Gaskets; Exhaust Manifold and
16 Gaskets; Turbocharger Housing and All Internal Parts; Supercharger
17 Housing and All Internal Parts; Water Pump and Gaskets; Thermostat and
18 Gaskets; Fuel Pump; Seals and Gaskets;

19 Transmission and transaxle - Transmission Case and All Internal Parts
20 Transmission and transaxle; Torque converter; Clutch Pressure Plate;
21 Transmission Mounts; Transfer Case and All Internal Parts;
22 Transmission/Transaxle Control Module;

23 Front/Rear Drive System - Final Drive Housing and all Internally Lubricated
24 Parts; Rear Axle Housing (Differential) and all Internally Lubricated Parts;
25 Manual and Automatic Hub (4×4); Front Wheel Hubs and Bearing (FWD
26 or AWD only); Rear Axle/Hub Bearings (RWD or AWD only);
Axle/Drive Shafts; Universal Joints; Constant Velocity Joints; Propeller
shaft (RWD or AWD only); Seals and Gaskets.

(Lemberg Decl. ¶ 18; Lemberg Decl., Exhibit B (2021 Mazda Warranty Booklet) at p.

⁴ MNAO does not endorse the valuations for the various settlement components and warranty extension and reserves the right to assert its own valuations should the need arise.

1 19). Among the other covered components, the Powertrain Limited Warranty covers
2 engine “seals and gaskets” and the “exhaust manifold and gaskets.” *Id.*

3 The extended warranty is fully transferable to subsequent owners or lessees of
4 Class Vehicles. *Settlement Agreement*, Art. II(B)(4). The value of the warranty
5 extension to the Settlement Class is \$58,836,174. (HM Report ¶¶ 24-27).

6 3. Reimbursement of Out-of-Pocket Costs for Excessive Oil Consumption

7 Settlement Class Members that submit qualifying and timely claims are entitled
8 to dollar-for-dollar reimbursement of out-of-pocket expenses for (1) oil changes
9 performed more frequently than the normal interval of 7,500 miles or 1 year or (2)
10 additional engine oil purchased in between the normal interval of 7,500 miles or 1 year.
11 *Settlement Agreement*, Art. II(C)(1-2). These reimbursements will be provided
12 irrespective of whether the oil change or engine oil purchase out-of-pocket expense was
13 incurred at an MNAO authorized dealership, a non-MNAO affiliated service station or
14 dealership or elsewhere. *Id.*, Art. II(C)(3).

14 4. The Release

15 The release provided in the Settlement is narrowly tailored to the factual claims
16 in this litigation. Class Members who do not timely exclude shall release claims relating
17 to the defective valve stem seals of Class Vehicles. *Settlement Agreement*, Art. I(N),
18 VIII(D). The valve stem seals “means the component which, in part, controls oil
19 leakage into the exhaust manifold and, prior to September 13, 2021, were installed in
20 Class Vehicles’ 2.5L turbocharged engine.” *Id.* Art. I(R); *see, e.g., Spann v. J.C. Penney*
21 *Corp.*, 314 F.R.D. 312, 327–28 (C.D. Cal. 2016) (“With this understanding of the
22 release, *i.e.*, that it does not apply to claims other than those related to the subject matter
23 of the litigation, the court finds that the release adequately balances fairness to absent
24 class members and recovery for plaintiffs with defendants’ business interest in ending
25 this litigation with finality.”)

26 Released Claims do not include claims for personal injuries, wrongful death,
property damage (other than damage to the Settlement Class Vehicles) or subrogation.

1 *Settlement Agreement*, Art. I(N). Moreover, the Settlement specifically provides that
2 any claims that may arise from a future National Highway Traffic Safety
3 Administration (“NHTSA”) recall are not released. *Id.*

4 **V. NOTICE PROCESS**

5 On January 29, 2024, and in compliance with the Class Action Fairness Act
6 (“CAFA”), 28 U.S.C. § 1715, JND compiled a CD-ROM containing all required
7 documents and mailed it to 52 federal and state officials. (Declaration of Bronyn Heubach
8 (“Heubach Decl.”), Director at JND Legal Administration (“JND”) ¶¶ 4-5 & Ex. A).

9 Following preliminary approval, on March 21, 2024, MNAO provided the
10 Settlement Administrator with a list of Vehicle Identification Numbers (“VINs”) compiled
11 for the Settlement Class Vehicles. (Heubach Decl. ¶ 6). JND worked with Experian to
12 acquire potential Settlement Class Members’ contact information from the Departments
13 of Motor Vehicles (“DMVs”) for all current and previous owners and registered lessees of
14 the Settlement Class Vehicles. *Id.* ¶ 7. The data JND received from the DMVs included
15 Class Members in all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S.
16 Virgin Islands. *Id.* JND analyzed, de-duplicated, and standardized the data received from
17 the DMVs and loaded it into a secure, case-specific database for the matter. *Id.* ¶ 8. JND
18 performed advanced address research using the USPS National Change of Address
19 database to obtain the most current mailing address information for potential Class
20 Members. *Id.*

21 On May 13, 2024, JND mailed 103,859 postcard notices via first-class mail to
22 potential class members associated with the 86,093 unique and eligible VINs. *Id.* ¶ 9.
23 JND mailed notice to an additional 86 potential Class Members who had ten or more
24 Settlement Class Vehicles, so called “Bulk Filer Notices.” *Id.*

25 Notices returned with a forwarding address were promptly re-mailed to the
26 forwarding address. *Id.* ¶ 10. For Notices returned without a forwarding address, JND
conducted advanced address research using skip-trace tools to identify addresses and
re-mail. *Id.* As of July 19, 2024 only 3,015 Settlement Class Member records remain

1 undeliverable, resulting in a 97% deliverable rate. *Id.* ¶ 11. This is an excellent
2 percentage, showing that the approved Notice Plan was successful. *See, e.g.*, Judges’
3 Class Action Notice and Claims Process Checklist and Plain Language Guide at 3
4 (Federal Judicial Center 2010) (“It is reasonable to reach between 70-95%” of the
5 class).

6 On May 13, 2024, JND launched the Settlement Website.
7 (www.MazdaValveStemSealSettlement.com & Heubach Decl. ¶ 12). The settlement
8 website allows Settlement Class Members to obtain detailed information about the case,
9 the Settlement and its benefits, applicable dates and deadlines, procedures and deadlines
10 for objecting, opting out and/or submitting a claim for reimbursement, the Class
11 Members’ rights, and to review and download documents. The website also includes a
12 VIN lookup module that allow users to enter a VIN and receive confirmation of whether
13 the entered VIN is for a Settlement Class Vehicle. *Id.* As of July 19, 2024, there have
14 been 13,476 unique visitors to the website and 40,643 website pages presented. *Id.* ¶
15 24.

16 Also on May 13, 2024, JND launched a toll-free telephone number that class
17 members may call to obtain information. *Id.* ¶ 13. Pre-recorded answers were available
18 24-hours a day and live agents were available to answer frequently asked questions
19 during business hours. *Id.* As of July 19, 2024, there have been 925 calls, of which 220
20 callers spoke with a live operator. *Id.* JND also established a dedicated email address,
21 info@MazdaValveStemSealSettlement.com. As of July 19, 2024 JND has received 562
22 emails to this email inbox and responded to each one. *Id.* ¶ 14.

23 **VI. CLAIMS, OBJECTIONS AND REQUESTS FOR EXCLUSIONS**

24 As of July 19, 2024, JND has received 761 oil related reimbursement claims *Id.*
25 ¶ 17. Since the claim filing deadline has not passed, these numbers are preliminary.
26 The claims received are subject to continued review and auditing by JND as claims
processing is still ongoing. *Id.*

The deadline for Settlement Class Members to object or exclude themselves was

1 June 27, 2024 (May 13, 2024 (the notice day) + 45 days). JND received eight requests
2 for exclusion, one of which was untimely. (Heubach Decl. ¶ 16).

3 Three class members submitted objections: Farina, Young and Farr. Those
4 objections are addressed in a separate brief.

5 ARGUMENT

6 I. STANDARD

7 “When presented with a motion for final approval of a class action settlement, a
8 court first evaluates whether certification of a settlement class is appropriate under
9 Federal Rule of Civil Procedure 23(a) and (b).” *In re McKinsey & Co., Inc. Nat’l*
10 *Prescription Opiate Consultant Litig.*, 2024 WL 414319, at *1 (N.D. Cal. Feb. 2,
11 2024). A class may be certified under Rule 23(a) if four requirements are met: (1)
12 numerosity, (2) commonality, (3) typicality, and (4) adequacy of representation. *See*
13 *Fed. R. Civ. P. 23(a)(1)-(4)*. In addition, certification of a Rule 23(b)(3) settlement
14 class requires that (1) “the questions of law or fact common to class members
15 predominate over any questions affecting only individual members,” and that (2) “a
16 class action [be] superior to any other available methods for fairly and efficiently
17 adjudicating the controversy.” *Fed. R. Civ. P. 23(b)(3)*.

18 If Rule 23(a) and (b) are satisfied, the Court considers whether the settlement is
19 “fair, reasonable and adequate.” *Fed. R. Civ. P. 23(e)(2)*. Final approval of a class action
20 settlement asks the court to “evaluate the fairness of a settlement as a whole,” and find
21 that the settlement is ““fair, reasonable, and adequate.”” *Lane v. Facebook, Inc.*, 696
22 F.3d 811, 818-19 (9th Cir. 2012) (*quoting Fed. R. Civ. P. 23(e)(2)*); *id.* at 819 (“the
23 question whether a settlement is fundamentally fair within the meaning of Rule 23(e)
24 is different from the question whether the settlement is perfect in the estimation of the
25 reviewing court”). “To make this determination, the Court must consider” the factors
26 set forth in *Fed. R. Civ. P. 23(e)(2)* and whether:

(A) the class representatives and class counsel have adequately represented the
class;

(B) the proposal was negotiated at arm’s length;

1 (C) the relief provided for the class is adequate, taking into account:

2 (i) the costs, risks, and delay of trial and appeal;

3 (ii) the effectiveness of any proposed method of distributing relief to the
4 class, including the method of processing class-member claims;

5 (iii) the terms of any proposed award of attorneys' fees, including timing
6 of payment; and

(iv) any agreement required to be identified under Rule 23(e)(3); and

(D) the proposal treats class members equitably relative to each other.

7 *Ochinero v. Ladera Lending, Inc.*, 2021 WL 4460334, at *4 (C.D. Cal. July 19, 2021).

8 “Before Congress codified these factors in 2018, the Ninth Circuit instructed
9 district courts to apply the following factors in determining whether a settlement
10 agreement was fair, reasonable, and adequate: ‘[1] the strength of plaintiffs’ case; [2]
11 the risk, expense, complexity, and likely duration of further litigation; [3] the risk of
12 maintaining class action status throughout the trial; [4] the amount offered in
13 settlement; [5] the extent of discovery completed, and the stage of the proceedings; [6]
14 the experience and views of counsel; [7] the presence of a governmental participant;
15 and [8] the reaction of the class members to the proposed settlement.’” *In re ConAgra*
16 *Foods, Inc.*, 2022 WL 17243625, at *6 (C.D. Cal. Nov. 14, 2022) (*quoting Roes, 1-2 v.*
17 *SFBSC Mgmt., LLC*, 944 F.3d 1035, 1048 (9th Cir. 2019). The Court may still consider
18 these factors in addition to the inquiry mandated by Rule 23(e). *Id.* n. 2. Factors 1-5
19 are largely subsumed in the Rule 23(e)(2) analysis.

20 Finally, where, as here, a settlement is reached prior to formal class certification,
21 “such agreements must withstand an even higher level of scrutiny for evidence of
22 collusion or other conflicts of interest than is ordinarily required under Rule 23(e)
23 before securing the court’s approval as fair.” *In re Bluetooth Headset Prod. Liab. Litig.*,
24 654 F.3d 935, 946 (9th Cir. 2011).

1 **II. THE COURT SHOULD AFFIRM ITS PRELIMINARY**
2 **CERTIFICATION OF THE SETTLEMENT CLASS**

3 The Settlement Class the Court preliminarily approved is:

4 All persons and entities who purchased or leased a Settlement Class
5 Vehicle in the United States of America, including the District of
6 Columbia, Puerto Rico, and the U.S. Virgin Islands.

7 (Dkt. No. 102 ¶ 5). The Court should affirm that ruling as the Rule 23(a) & (b)
8 requirements are met. *See Chambers v. Whirlpool Corp.*, 214 F. Supp. 3d 877 (C.D.
9 Cal. 2016) (reconfirming the certification set forth in the preliminary approval order
10 “[b]ecause the circumstances have not changed” since that order);

11 Rule 23(a)(1) - The class consists of the owners or lessees of more than 86,000
12 Class Vehicles. Joinder of these claims is impractical therefore numerosity is met.

13 Rule 23(a)(2) - common issues of fact and law include: (1) whether the Class
14 Vehicles suffer from the Valve Stem Seal Defect; (2) whether the alleged defect is
15 material; (3) whether Defendant had knowledge of the alleged defect at the time of sale;
16 (4) whether Defendant had a duty to disclose the alleged defect and concealed the
17 alleged defect; and (5) whether Defendant’s conduct violates the consumer protection
18 statutes alleged and the express and implied warranties. Answers to these questions will
19 resolve the allegations for the whole Class “in one stroke.” *Wal-Mart Stores, Inc. v.*
20 *Dukes*, 564 U.S. 338, 131 S. Ct. 2541, 2545 (2011). As such, the commonality
21 requirement is satisfied.

22 Rule 23(a)(3) – Plaintiffs are purchasers or lessees of Class Vehicles. (*See*
23 *Declaration of Amy Bradshaw (“Bradshaw Decl.”) ¶ 3; Declaration of Stephanie Crain*
24 *(“Crain Decl.”) ¶ 3; Declaration of Anna Gilinets (“Gilinets Decl.”) ¶ 3; Declaration of*
25 *Gary Guthrie (“Guthrie Decl.”) ¶ 3; Declaration of Chad Hinton (“Hinton Decl.”) ¶ 3;*
26 *Declaration of Marcy Knysz (“Knysz Decl.”) ¶ 3; Declaration of Lester Woo (“Woo*
Decl.”) ¶ 3; Declaration of Julio Zelaya (“Zelaya Decl.”) ¶ 3). They each bring the same
type of claims based on the same Valve Stem Defect and legal theories. Because
Plaintiffs’ claims arise from and challenge the same course of conduct, typicality is

1 satisfied. *Wolin v. Jaguar Land Rover N. Am., LLC*, 617 F.3d 1168, 1175 (9th Cir.
2 2010).

3 Rule 23(a)(4) - Adequacy has two components: (i) whether the named-plaintiffs
4 and their counsel have any conflicts of interest with other class members, and (ii)
5 whether the plaintiff and her counsel will prosecute the action vigorously on behalf of
6 the class. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1998). There are no
7 conflicts of interest between Plaintiffs (or their counsel) and the other members of the
8 Settlement Class, as they are all seeking recovery under the same legal theories for the
9 same injuries. (Bradshaw Decl. ¶¶ 3, 10; Crain Decl. ¶¶ 3, 8; Gilinets Decl. ¶¶ 3, 8;
10 Guthrie Decl. ¶¶ 3, 8; Hinton Decl. ¶¶ 3, 8; Knysz Decl. ¶¶ 3, 8; Woo Decl. ¶¶ 3, 9;
11 Zelaya Decl. ¶¶ 3, 7). Plaintiffs understand their claims, and their role as class
12 representatives litigating this case on behalf of others as well as themselves. (Bradshaw
13 Decl. ¶¶ 8-11; Crain Decl. ¶¶ 5-9; Gilinets Decl. ¶¶ 5-9; Guthrie Decl. ¶¶ 5-9; Hinton
14 Decl. ¶¶ 5-9; Knysz Decl. ¶¶ 5-9; Woo Decl. ¶¶ 6-10; Zelaya Decl. ¶¶ 4-8). Further,
15 Plaintiffs' counsel has extensive experience litigating consumer class actions including
16 automotive defect cases and have been appointed class counsel in numerous other cases.
17 (Lemberg Decl. ¶¶ 4-5; Taylor Decl. ¶¶ 4-5; Markovits Decl. ¶¶ 6-7). Based on their
18 experience and track record, Plaintiffs' counsel is clearly adequate to represent the
19 Settlement Class. Plaintiffs and Class Counsel's interests align to secure the best relief
20 accomplished.

21 Rule 23(b) - Predominance is satisfied because the core of Plaintiffs' claims are
22 whether the Class Vehicles have similarly defective valve stem seals in their uniform
23 engines, whether MNAO had a duty to disclose the alleged defect at the time of sale,
24 whether Defendant knowingly concealed the alleged defect, whether the alleged defect
25 rendered the Class Vehicles unmerchantable, whether Defendant had an obligation to
26 repair the alleged defect under its warranties, and whether the members of the Classes
suffered an economic loss as a result of Defendant's conduct. These questions can be

1 answered based on common evidence. Pre-sale knowledge and the existence of the
2 alleged defect the Class can established through Defendant’s internal records applicable
3 to all Class Members. Moreover, class members will rely upon the same uniform
4 warranty language to support their warranty claims. These common issues “are more
5 prevalent or important than the non-common, aggregation-defeating, individual
6 issues.” *Tyson Foods, Inc. v. Bouaphakeo*, 577 U.S. 442, 453 (2016); *see Wolin*, 617
7 F.3d at 1173 (“Common issues predominate such as whether Land Rover was aware of
8 the existence of the alleged defect, whether Land Rover had a duty to disclose its
9 knowledge and whether it violated consumer protection laws when it failed to do so.”).

10 Superiority is satisfied because a class action is the “most efficient and effective
11 means of resolving” the class claims. *Wolin*, 617 F.3d at 1175-76. It is neither
12 economically feasible nor judicially efficient for tens of thousands of Settlement Class
13 Members to pursue their own claims against MNAO on an individual basis. *Deposit*
14 *Guar. Nat’l Bank v. Roper*, 445 U.S. 326, 338-39, 100 S. Ct. 1166 (1980). Instead, this
15 Settlement provides repair, warranty extensions and reimbursement for out-of-pocket
16 expenses to class members in one proceeding. *See Amchem*, 521 U.S. at 617.

17 Because the requirements of Rule 23(a) & (b) are met, the Court should affirm
18 its preliminary holding and certify the Settlement Class.

19 **III. THE RULE 23(E)(2) FACTORS SUPPORT A FINDING THAT THE**
20 **SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

21 **A. Rule 23(e)(2)(A)&(B) – the Class Representatives and Counsel have**
22 **More than Adequately Represented the Class and the Settlement**
23 **Agreement Is the Result Arm’s-Length Negotiations**

24 Before and after filing the Complaint, Class Counsel devoted substantial time to
25 investigating and developing the factual and legal allegations including reviewing
26 publicly available sources of technical information and complaints, interviewing class
members, and analyzing the Valve Stem Seal Defect and through expert consultation.
(Lemberg Decl. ¶¶ 10-13). Plaintiffs served interrogatories and requests for the
production of documents on Defendant. *Id.* Plaintiffs received numerous internal

1 documents from Defendant outlining, *inter alia*, Defendant’s investigation into the root
2 cause of the alleged defect, the scope of the alleged defect, and Defendant’s repair
3 regarding the alleged defect including the efficacy of the repair. *Id.* Plaintiffs deposed
4 a Rule 30(b)(6) witness regarding the same areas and to confirm that the redesigned
5 valve stem seals correct the alleged defect. *Id.* The adequacy of counsel is also evident
6 in the substantial value of the settlement achieved for the class.

7 At the same time, the Plaintiffs have also more than demonstrated their adequacy.
8 They have actively participated here, and they have made important contributions,
9 including collecting and providing information to their counsel and pursuing this matter
10 as a class action on behalf of others as well as themselves. (Bradshaw Decl. ¶¶ 9-11;
11 Crain Decl. ¶¶ 6-9; Gilinets Decl. ¶¶ 6-9; Guthrie Decl. ¶¶ 6-9; Hinton Decl. ¶¶ 6-9;
12 Knysz Decl. ¶¶ 6-9; Woo Decl. ¶¶ 7-10; Zelaya Decl. ¶¶ 5-8).

13 The Settlement is the result of arm’s-length negotiations among experienced
14 counsel. *In re High-Tech Employee Antitrust Litig.*, 2013 WL 6328811, at *1 (N.D.
15 Cal. Oct. 30, 2013) (settlement arrived through informed negotiation before neutral
16 “entitled to an initial presumption of fairness”); *see also Rodriguez v. West Publ’g*
17 *Corp.*, 563 F.3d 948, 965 (9th Cir. 2009) (“We put a good deal of stock in the product
18 of an arms-length, non-collusive, negotiated resolution . . .”). The Settlement was
19 agreed after Plaintiffs conducted an extensive pre-filing investigation, briefed two
20 motions to dismiss, and conducted discovery on the merits and class certification issues.
21 Additionally, the settlement negotiations took place before a well-respected mediator
22 and a former judge for the U.S. District Court for the Central District of California. That
23 the Settlement was arrived at only after such arm’s-length negotiations weighs in favor
24 of approval. *In re AMF Bowling*, 334 F. Supp. 2d 462, 465 (S.D.N.Y. 2004) (the
25 participation of a respected mediator “gives [the court] confidence that [the
26 negotiations] were conducted in an arm’s-length, non-collusive manner”); *In re*
WorldCom, Inc. ERISA Litig., 2004 WL 2338151, at *6 (S.D.N.Y. Oct. 18, 2004)
(finding the fact that “[a] respected and dedicated judicial officer presided over the

1 lengthy discussions from which this settlement emerged” belied any suggestion of
2 collusion in the negotiating process).

3 **B. Rule 23(e)(2)(C) - The Relief Provided for the Class is More than**
4 **Adequate**

5 The Settlement provides Class Members with significant value including the
6 Repair Program (valued at \$46,413,916 by Plaintiffs’ expert), the extended Powertrain
7 Limited Warranties (valued at \$58,836,174 by Plaintiffs’ expert), and reimbursement
8 of out-of-pocket expenses for excessive oil consumption.

9 This relief exceeds or is comparable to similar settlements for oil consumption
10 issues which have been approved. *See, e.g., Bang v. BMW of North America, LLC*, No.
11 2:15-cv-06945-MCA-SCM (D.N.J., Sept. 11, 2018) (ECF Nos. 111 & 122) (approving
12 oil consumption class action where relief to class consisted of replacement of allegedly
13 defective engine causing oil consumption if vehicle failed two oil consumption tests
14 and if class member contributes towards the cost of the replacement; reimbursement of
15 certain out-of-pocket costs for oil consumption; and coupons for additional oil changes
16 and batteries and a discount towards the purchase of a separate BMW model); *Yaeger*
17 *v. Subaru of Am., Inc.*, 2016 WL 4541861, at *3-4 (D.N.J. Aug. 31, 2016) (approving
18 oil consumption class action where relief to the class was repair; extended warranty to
19 cover only repairs needed to correct engine oil consumption; and reimbursement of out-
20 of-pocket expenses); *Asghari v. Volkswagen Grp. of Am., Inc.*, 2015 WL 12732462, at
21 *7, 21 (C.D. Cal. May 29, 2015) (granting final approval to oil consumption class action
22 where relief to the class was repair or reimbursement for those who had already paid
23 for repair out-of-pocket; extended warranty to cover repairs needed to correct engine
24 oil consumption; and reimbursement of out-of-pocket expense). Notably, the relief here
25 includes a repair free of charge, covers most of the class if they have had the engine oil
26 warning light activate prematurely, and provides for extended warranty coverage for
the entire powertrain.

1 The method of distribution (Rule 23(e)(2)(C)(ii)) provides that all Class Vehicle
2 owners receive the extended powertrain warranty automatically. Class members whose
3 vehicles manifest an oil consumption issue (shown by, *e.g.*, when the engine oil warning
4 light triggers before the Mazda recommended interval for regular oil service of 7,500
5 miles or 1 year which occurred for at least 58,789 vehicles) can get the repair by visiting
6 an authorized Mazda dealership. They have been notified of this through the Notice
7 and must be affirmatively told they qualify if they visit a Mazda dealership for the first
8 year of the Program. Further, all class members that paid out of pocket for excessive
9 oil refills or oil changes before the Mazda recommended interval for regular oil service
10 of 7,500 miles or 1 year can submit claims for reimbursement whether or not they still
11 possess the vehicle by submitting a simple claim form to the Settlement Administrator
12 and can do so on the Settlement Website.

13 Considering Rule 23(e)(2)(C)(ii), Class Members receive the above relief now,
14 without the risk of receiving nothing or even the delay of further litigation. So that
15 Class Members could get relief as soon as possible, Class Counsel negotiated for the
16 Repair Program to begin following preliminary approval (*Settlement Agreement*, Art.
17 II(A)) and sought to move for enforcement of the Parties' term sheet when confronted
18 with delay in finalizing the Settlement Agreement (Dkt. No. 89 p. 9). Although
19 Plaintiffs believe they would ultimately prevail on their claims absent this Settlement,
20 there are considerable risks inherent in litigation and the facts at issue in this case. *See*
21 *Shahbazian v. Fast Auto Loans, Inc.*, 2019 WL 8955420, at *6 (C.D. Cal. June 20,
22 2019) (recognizing "the uncertainty and risks inherent in litigation and potential
23 appeals"). For instance, Mazda contends that the Valve Stem Seal Defect is not covered
24 by its warranties and thus it has no obligation to repair the alleged defect and the express
25 warranty claims fail; the Class Vehicles were purportedly merchantable
26 notwithstanding the alleged defect; it had no pre-sale knowledge of the alleged defect
and in any event did not have a duty to disclose the alleged defect to Class Vehicle
owners and lessees; and has asserted other defenses to the state law claims for various

1 other reasons. (Dkt. No. 46 at pp. 6-23). While Plaintiffs disagree with these assertions
2 (*see, e.g.*, Dkt. No. 51), they illustrate the risk of additional litigation. Resolving the
3 claims absent settlement will take significant delay.

4 The terms of the proposed fee award (Rule 23(e)(2)(C)(iii)) supports approval.
5 The Settlement Agreement did not set any fee and cost amount nor is it contingent on
6 any particular amount. The Agreement only provides that the Defendant will pay
7 attorneys' fees and costs as awarded by the Court and reserved the right to oppose any
8 application of any amount. *Settlement Agreement*, Art. VIII(C). After the Settlement
9 Agreement was preliminary approved and before Plaintiffs moved for fees, the Parties
10 agreed to mediation before the Judge Tevrizian in an attempt to resolve Class Counsel's
11 fees and costs. (Lemberg Decl. ¶ 20). After the Parties reached an impasse, Judge
12 Tevrizian made a mediator's proposal of \$2,035,000 which the Parties accepted. *Id.*
13 Thus, relief to the Settlement Class was negotiated on its own merits and independent
14 of the fee amount. The agreement to pay attorney's fees and costs was arrived at later,
15 after a contentious mediation and as a result of an independent mediator's proposal and
16 remains subject to Court approval. *See, e.g., In Re Ring LLC Priv. Litig.*, 2024 WL
17 2845978, at *6 (C.D. Cal. May 28, 2024) ("Finally, the Court notes that the parties'
18 separately negotiated arrangement regarding attorneys' fees warrants significant
19 deference.") (*citing In re Apple Computer, Inc. Deriv. Litig.*, 2008 WL 4820784, at *2
20 (N.D. Cal. Nov. 5, 2008). Accordingly, the fee terms here further support approval.

21 Finally, the Settlement Agreement and the May 10, 2024, Stipulation, are the
22 only agreements connected to the settlement. (Rule 23(e)(2)(C)(iv) & (e)(3)).

23 **C. Rule 23(e)(2)(D) - The Settlement Treats Class Members Equitably**
24 **Relative to Each Other**

25 This factor is satisfied because all purchasers and lessees of Settlement Class
26 Vehicles are entitled to the Repair Program, warranty extension and can be reimbursed
for their actual out of pocket costs with qualifying claims. While the amounts paid for
reimbursement may be different, that is solely related to each member's loss (the

1 amount paid out of pocket) and is equitable. Class Members who no longer possess a
2 Class Vehicle would not receive the same relief through the warranty extension or
3 potentially the Repair Program, however, that does not create an inequitable situation
4 defeating approval. *Milligan v. Toyota Motor Sales, U.S.A., Inc.*, 2012 WL 10277179,
5 at *4 (N.D. Cal. Jan. 6, 2012) (that some members may have sold their vehicle and
6 would not derive benefit from a warranty extension does not defeat certification as
7 “differences directed to damages do not necessarily defeat class certification, and must
8 be considered in the larger context of the class’ interests”). Here, such persons (which
9 include Plaintiff Amy Bradshaw who terminated her lease but paid out of pocket for oil
10 changes (Bradshaw Decl. ¶¶ 5, 7)) (1) may recover qualifying out-of-pocket costs and
11 (2) have had an opportunity to exempt themselves from the Class itself. *Milligan, supra*.
12 The Settlement provides Class Members various forms of relief which treats them
equitably relative to each other.

13 **IV. THE NINTH CIRUCIT FACTORS SUPPORT A FINDING THAT THE**
14 **SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

15 The remaining Ninth Circuit factors (experience and views of counsel; presence
16 of a governmental participant; and reaction of the class) support approval.

17 **A. The Experience and Views of Counsel**

18 “Courts give weight to counsels’ opinions regarding the fairness of a settlement,
19 when it is negotiated by experienced counsel.” *see Clesceri v. Beach City Investigations*
20 *& Protective Servs., Inc.*, 2011 WL 320998, at *10 (C.D. Cal. Jan. 27, 2011). Class
21 Counsel believe the Settlement is fair, reasonable, and adequate based on their
22 extensive experience litigating class actions, including automotive defect class actions.
(Lemberg Decl. ¶¶ 4-5, 17; Taylor Decl. ¶¶ 4-8, 10; Markovits Decl. ¶¶ 5-10).

23 **B. Presence of a Governmental Participant**

24 There is no governmental participant involved in this litigation. This factor is
25 therefore inapplicable. *E.g., Mendoza v. Hyundai Motor Co.*, 2017 WL 342059, at * 7
26 (N.D. Cal. Jan. 23, 2017).

1 **C. Reaction of the Class**

2 “The absence of a large number of objections to a proposed class action
3 settlement raises a strong presumption that the terms of a proposed class settlement
4 action are favorable to the class members.” *Zakikhani v. Hyundai Motor Co.*, 2023 WL
5 4544774, at *5 (C.D. Cal. May 5, 2023) (quoting *Nat’l Rural Telecomm. Coop.*, 221
6 F.R.D. 221 F.R.D. 523, 529 (C.D. Cal. 2004)). There are over 86,000 Settlement Class
7 Members, only three submitted objections and seven have opted out. This response
8 from the class and desire to stay in and obtain benefits shows “members
9 overwhelmingly support the settlement, which supports approval.” *Id.*

10 **V. THE SETTLEMENT IS NOT THE PRODUCT OF COLLUSION**

11 Collusion among settling parties can be found explicitly or in “more subtle signs
12 that class counsel have allowed pursuit of their own self-interests and that of certain
13 class members to infect the negotiations.” *Bluetooth*, 654 F.3d at 947. Subtle signs of
14 collusion include (1) “when counsel receive a disproportionate distribution of the
15 settlement,” (2) “when the parties negotiate a ‘clear sailing’ arrangement providing for
16 the payment of attorneys’ fees separate and apart from class funds,” and (3) “when the
17 parties arrange for fees not awarded to revert to defendants rather than be added to the
18 class fund.” *Id.* (internal citations and quotation marks omitted). A mediator’s
19 involvement in the settlement supports the argument that a settlement is non-collusive.
20 *Wallace v. Countrywide Home Loans, Inc.*, 2015 WL 13284517, at *7 (C.D. Cal. Apr.
21 17, 2015) (citing *Satchell v. Fed. Exp. Corp.*, 2007 WL 1114010, at *4 (N.D. Cal. Apr.
22 13, 2007)).

23 Here, the Settlement was reached after mediation sessions with Hon. Dickran M.
24 Tevrizian. Moreover, the Settlement does not include a clear sailing provision.
25 *Settlement Agreement*, Art. VIII(C). After reaching agreement on the benefits to the
26 Class, the parties agreed that Class Counsel would file their motion for fees and costs
which Defendant could oppose on any grounds available to it. *Id.* ¶ 4. The Settlement
also protects the Classes’ interest by providing that the fee awarded by the Court shall

1 be separately paid by Defendant and shall not reduce the benefits provided to the Class.
2 *Id.* ¶ 7. Only following preliminary approval did the Parties negotiate regarding fees
3 during which they accepted before Judge Tevrizian’s proposal. Resolving the fee
4 question after the Settlement Agreement was executed and preliminary approved,
5 provided every incentive for Class Counsel to maximize relief to the Class with due
6 concern for the risks of litigation and is strong evidence of a lack of collusion. *See D.S.*
7 *v. Washington State Dep’t of Child., Youth, & Fams.*, 2022 WL 4366186, at *2 (W.D.
8 Wash. Sept. 21, 2022) (clear sailing concerns not present where “the Settlement
9 Agreement contained no agreed amount for attorneys’ fees that Defendants promised
10 not to challenge [. . .] negotiations as to attorneys’ fees did not begin until the
11 Settlement Agreement was already signed”); *Zakikhani*, 2023 WL 4544774, at *7-8 (no
12 clear sailing or collusive settlement where the agreement did not provide for a set
13 amount of fees and defendant could challenge requested fees and parties reached an
14 agreement on fees following preliminary approval).

15 Nor does the relation of the amount of fees to recovery to the Class make the
16 Settlement collusive. Class Counsel seek fees and expenses of \$2,035,000, which is
17 approximately 3.4% of the value of the warranty extension benefit alone. *See Bravo v.*
18 *Gale Triangle, Inc.*, 2017 WL 708766, at *13 (C.D. Cal. Feb. 16, 2017) (finding
19 Plaintiffs’ requested fees equal to approximately one-half the net recovery to the Class
20 Members “does not suggest collusion.”); *Contreras v. Armstrong Flooring*, 2021 WL
21 4352299, at *8 (C.D. Cal. July 6, 2021) (“the Court is not concerned about collusion
22 based on Class Counsel’s fee request” equal to 25% of settlement fund); *Banh v. Am.*
23 *Honda Motor Co.*, 2021 WL 3468113, at *6 (C.D. Cal. June 3, 2021) (no evidence of
24 collusion where there was no clear sailing provision, “attorneys’ fees will not diminish
25 the benefits awarded to class members,” and the settlement was reached after numerous
26 mediations).

1 **VI. DIRECT NOTICE WAS GIVEN TO ALL CLASS MEMBERS IN A**
2 **REASONABLE MANNER**

3 Before approving a class settlement, “[t]he court must direct notice in a
4 reasonable manner to all class members who would be bound by the proposal.” Fed. R.
5 Civ. P. 23(e)(1). Where the settlement class is certified under Rule 23(b)(3), the notice
6 must be the “best notice that is practicable under the circumstances, including
7 individual notice to all members who can be identified through reasonable effort.” Fed.
8 R. Civ. P. 23(c)(2)(B). *See Rannis v. Recchia*, 380 F. App’x 646, 650 (9th Cir. 2010)
9 (Rule 23(c)(2)(B) “does not necessarily require that every in-state class member
10 ‘actually receive[]’ notice.”) (*quoting Silber v. Mabon*, 18 F.3d 1449, 1453-54 (9th Cir.
11 1994)). As to the contents of the notice, it must “generally describe[] the terms of the
12 settlement in sufficient detail to alert those with adverse viewpoints to investigate and
13 to come forward and be heard.” *Churchill Vill., L.L.C. v. Gen. Elec.*, 361 F.3d 566, 575
14 (9th Cir. 2004) (citation omitted).

15 The Court previously recognized that the notice plan proposed by the parties
16 was “best notice practicable under the circumstances and is reasonably calculated to
17 apprise the Settlement Class” of this matter and their rights. (Dkt. No. 102 ¶ 12). As
18 discussed *supra* § V, the Settlement Administrator implemented the Class Notice plan,
19 by providing notice through U.S. mail, and dedicated settlement websites. The mailed
20 notice reached 97% of potential class members and was effective. Accordingly, the
21 Court should find that the notice plan satisfies Rule 23 and comports with due process.

22 **CONCLUSION**

23 For the reasons set forth above, Plaintiffs respectfully request that the Court
24 grant final approval of the Settlement.
25
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1 DATED: July 22, 2024

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By: /s/ Sergei Lemberg
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Attorneys for Plaintiffs and Class Counsel

The undersigned, counsel of record for Plaintiffs, certifies that this brief contains 8,275 words.

DATED: July 22, 2024

By: /s/ Sergei Lemberg
Sergei Lemberg

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CERTIFICATE OF SERVICE

I, the undersigned, certify and declare that I am over the age of 18 years, and not a party to the above-entitled cause. I hereby certify that on July 22, 2024, a copy of the foregoing was filed electronically. Notice of this filing was sent by operation of the Court’s electronic filing system to all parties indicated on the electronic filing receipt. All other parties will be served by regular U.S. Mail. Parties may access this filing through the Court’s electronic filing system.

By: /s/ Trinette G. Kent
Trinette G. Kent
Lemberg Law, LLC
Attorney for Plaintiffs

GUTHRIE, ET AL., V. MAZDA MOTOR OF AMERICA, INC. D/B/A MAZDA NORTH AMERICAN OPERATIONS

SETTLEMENT AGREEMENT

Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo and Amy Bradshaw (identified hereafter by their respective surnames and collectively as “Plaintiffs” or proposed “Class Representatives”), individually and as representatives of the Class (defined below), and Defendant Mazda Motor of America, Inc. d/b/a Mazda North American Operations (“MNAO” or “Defendant” and, with the Plaintiffs, the “Parties”), by and through their counsel, enter into this Settlement Agreement (“Settlement Agreement” or “Agreement”), providing for settlement (“Settlement”) of all claims that were asserted or that could have been asserted in the Action described below, pursuant to the terms and conditions set forth below, and subject to the approval of the Court in the Action.

RECITALS

WHEREAS, the putative class action case captioned *Guthrie, et al. v. Mazda Motor of America, Inc.*, No. 8:22-cv-01055 (C.D. Cal.), concerns claims for relief on behalf of Plaintiffs and other consumers nationwide similarly situated seeking damages and other relief in connection with the purchase or lease of certain MNAO vehicles (hereinafter, the “Action”);

WHEREAS, Guthrie filed the class action complaint (the “Guthrie Complaint”) in the Superior Court of the State of California, Orange County, on April 19, 2022;

WHEREAS, pursuant to 28 U.S.C. § 1441(b) and the Class Action Fairness Act, 28 U.S.C. §§ 1332(d) & 1453(b) (“CAFA”), MNAO removed the matter to the United States District Court for the Central District of California on May 25, 2022;

WHEREAS, on July 7, 2022, MNAO moved to dismiss the Guthrie Complaint;

WHEREAS, on July 18, 2022, Plaintiffs filed a First Amended Class Action Complaint (“FAC”) which added Plaintiffs Crain, Hinton and Zelaya;

WHEREAS, on August 15, 2022, MNAO moved to dismiss Plaintiffs’ FAC;

WHEREAS, on October 31, 2022, Plaintiffs filed a Second Amended Class Action Complaint (“SAC”), which added Plaintiffs Gilinets, Knysz and Woo;

WHEREAS, on December 2, 2022, MNAO moved to dismiss Plaintiffs’ SAC;

WHEREAS, on January 30, 2023, the Parties appeared before the Court for a scheduling conference and hearing on MNAO’s motion to dismiss the SAC;

WHEREAS, on February 1, 2023, the Court entered a scheduling order (Dkt. No. 57);

WHEREAS, on April 7, 2023, the Court appointed Plaintiffs’ counsel, Lemberg Law, as Interim Class Counsel;

WHEREAS, on November 21, 2023, Plaintiffs filed a Third Amended Class Action Complaint (TAC”), which added Plaintiff Bradshaw;

WHEREAS, the Action arises from Plaintiffs’ allegations that certain Mazda vehicles were manufactured, marketed, distributed, sold, and/or leased containing defective valve stem seals which causes excessive oil consumption (the “Valve Stem Seal Defect” or the “alleged defect”);

WHEREAS, MNAO denies and continues to deny Plaintiffs’ allegations, any wrongdoing, and any liability to Plaintiffs or other Class Members, and maintains that it has numerous meritorious defenses to Plaintiffs’ claims;

WHEREAS, the Parties have engaged in discovery, have exchanged extensive documentation, and Plaintiffs have taken testimony from MNAO’s 30(b)(6) witness concerning the alleged defect, its root cause, the countermeasures developed to remedy the alleged defect, and the scope of affected vehicles and customers;

WHEREAS, counsel for the Parties met and conferred numerous times regarding Plaintiffs' allegations, MNAO's defenses, and potential resolution of the Action;

WHEREAS, the Parties engaged in mediation on May 1, 2023, with the Honorable Dickran Tevrizian (Ret.) of JAMS in Los Angeles, California, concerning potential resolution of claims that have been or could have been brought in the Action on behalf of Plaintiffs and Class Members against MNAO;

WHEREAS, following the mediation session with former U.S. District Court Judge Dickran Tevrizian (Ret.) of the Central District of California, in May 2023, the Parties continued to negotiate the terms of a potential nationwide class settlement with the assistance and participation of Judge Tevrizian;

WHEREAS, the Parties having agreed to a nationwide class settlement resolving the claims that have been or could have been brought in the Action against MNAO and having reduced that agreement to this Settlement Agreement;

WHEREAS, Plaintiffs and Interim Class Counsel have conducted a thorough investigation of the law and facts relating to the matter set forth in the Action;

WHEREAS, Interim Class Counsel, with the assistance of experts, and MNAO have engaged in extensive discussion of the issues presented in the Action and in arm's-length negotiations of the possible terms of settlement of Plaintiffs' and putative Class Members' claims;

WHEREAS, as set forth above and further below, Plaintiffs have taken thorough discovery from MNAO, including deposition of a corporate designee;

WHEREAS, after analyzing the relevant facts and applicable law, taking into account the burdens, risks, uncertainties, time, and expense of litigation, as well as the merits of the terms set

forth herein, Plaintiffs and Interim Class Counsel have concluded that the terms set forth in this Settlement Agreement are fair, reasonable, adequate, and in the best interests of the Class;

WHEREAS, MNAO has concluded that resolving the claims settled under the terms of this Settlement Agreement on a classwide basis is desirable to reduce the time, risk, and expense of defending multiple claims and multiple party litigation, and to resolve finally and completely the claims of Plaintiffs and Class Members without any admission of wrongdoing or liability;

NOW, THEREFORE, Plaintiffs, Interim Class Counsel, and MNAO stipulate and agree to the terms and conditions set forth herein, which are subject to the Court's approval under Federal Rule of Civil Procedure 23(e).

I. DEFINITIONS

A. "Action" or "Lawsuit"

"Action" or "Lawsuit" refers to Civil Action No. 8:22-cv-01055, entitled *Guthrie, et al. v. Mazda Motor of America, Inc.*, pending in the United States District Court for the Central District of California.

B. "Business Day"

"Business Day" means any day except any Saturday, any Sunday, or any day on which banking institutions are authorized or required by law or other governmental action to close.

C. "Claim Administrator"

The "Claim Administrator" will be JND Legal Administration.

D. "Claim" or "Claim for Reimbursement"

"Claim" or "Claim for Reimbursement" shall mean the timely submission of the required fully executed Claim Form and accompanying Proof of Oil Change Expense or Additional Engine

Oil Purchase in which a Settlement Class Member seeks to claim reimbursement available under, and in the manner provided by, the terms of this Settlement Agreement.

E. “Claim Form”

“Claim Form” refers to the form that must be fully completed and executed in order to request reimbursement under the terms of this Settlement Agreement, substantially in the form attached hereto as Exhibit 1.

F. “Class Counsel” or “Plaintiffs’ Counsel”

“Class Counsel” or “Plaintiffs’ Counsel” shall mean Lemberg Law LLC.

G. “Class Notice Plan”

“Class Notice Plan” means the plan for disseminating Class Notice to the Settlement Class as set forth in Section IV of this Settlement Agreement and includes any further notice provisions agreed upon by the Parties and/or ordered by the Court.

H. “Court”

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

I. “Defense Counsel”

“Defense Counsel” shall mean Jahmy S. Graham, Esq. and other counsel from Nelson Mullins Riley and Scarborough LLP.

J. “Effective Date”

“Effective Date” means the first business day after (1) the Court enters a Final Order and Judgment approving the Classwide Settlement, substantially in the form attached hereto as Exhibit 2, and (2) all appellate rights with respect to said Final Order and Judgment, other than those related solely to any award of attorneys’ fees, costs/expenses or service awards/payments, have expired or been exhausted in such a manner as to affirm the Final Order and Judgment.

K. “Final Order and Judgment”

The “Final Order and Judgment” means the Final Order and Judgment approving the Settlement Agreement and dismissing the Action with prejudice as to Defendant.

L. “Notice Date”

“Notice Date” means the date by which Notice of this Settlement is to be sent to the Settlement Class. The Notice Date shall be within sixty (60) days after the Court enters a Preliminary Approval Order, substantially in the form attached hereto as Exhibit 3.

M. “Proof(s) of Oil Change Expense or Additional Engine Oil Purchase”

“Proof(s) of Oil Change Expense or Additional Engine Oil Purchase” shall refer to the documents submitted in support of a Settlement Class Member’s Claim for reimbursement of out-of-pocket expenses incurred for an oil change performed more frequently than the normal interval of 7,500 miles or 1 year or the purchase of engine oil in between the normal interval related to the alleged defect. Such Proof(s) of Oil Change Expense or Additional Engine Oil Purchase may take the form of an original or legible copies of oil change or engine oil purchase invoices, receipt or similar record identifying the date and price of the oil change and/or replacement oil.

N. “Released Claims” or “Settled Claims”

“Released Claims” or “Settled Claims” means any and all claims, causes of action, demands, debts, suits, liabilities, obligations, damages, entitlements, losses, actions, rights of action and remedies of any kind, nature and description, whether known or unknown, asserted or unasserted, foreseen or unforeseen, regardless of any legal or equitable theory, existing now or arising in the future, by Plaintiffs and any and all Settlement Class Members (including their successors, heirs, assigns and representatives) which in any way relate to the defective valve stem seals of Class Vehicles (defined below), including but not limited to all matters that were or could have been asserted in the Action, and all claims, causes of action, demands, debts, suits, liabilities,

obligations, damages, entitlements, losses, actions, rights of action and remedies of any kind, nature and description, arising under any state, federal or local statute, law, rule and/or regulation, under any federal, state or local consumer protection, consumer fraud, unfair business practices or deceptive trade practices statutes or laws, under common law, and under any legal or equitable theories whatsoever including tort, contract, products liability, negligence, fraud, misrepresentation, concealment, consumer protection, restitution, quasi-contract, unjust enrichment, express and/or implied warranty, the Uniform Commercial Code and any federal, state or local derivations thereof, any state Lemon Laws, secret warranty and/or any other theory of liability and/or recovery, whether in law or in equity, and for any and all injuries, losses, damages, remedies, recoveries or entitlements of any kind, nature and description, in law or in equity, under statutory and/or common law, including, but not limited to, compensatory damages, economic losses or damages, exemplary damages, punitive damages, statutory damages, statutory penalties or rights, restitution, unjust enrichment, and any other legal, declaratory and/or equitable relief. “Released Claims” does not include claims for damage to property other than to the Class Vehicle itself, subrogation, personal injury or wrongful death, or claims derivative of such claims, nor does this Settlement Agreement revive any such claims. “Released Claims” also does not include any claims that arise from any future National Highway Traffic Safety Administration (“NHTSA”) recall or voluntary recall unrelated to the Valve Stem Seal Defect.

O. “Released Parties”

“Released Parties” shall mean Mazda Motor of America, Inc. d/b/a Mazda North American Operations (“MNAO”), Mazda Motor Corporation (“MC”), all designers, manufacturers, assemblers, distributors, importers, retailers, marketers, advertisers, testers, inspectors, sellers, suppliers, component suppliers, lessors, warrantors, authorized dealers, repairers and servicers of

the Class Vehicles and each of their component parts and systems, all of their past and present directors, officers, shareholders, principals, partners, employees, agents, servants, assigns and representatives, and all of the aforementioned persons' and entities' attorneys, insurers, trustees, vendors, contractors, heirs, executors, administrators, successor companies, parent companies, subsidiary companies, affiliated companies, divisions, trustees and representatives.

P. "Class Vehicles" or "Settlement Class Vehicle(s)"

Class Vehicles or Settlement Class Vehicles means the following model year and model Mazda vehicles equipped with a 2.5L turbocharged engine and valve stem seals within the impacted VIN production range distributed by MNAO for sale or lease in the United States of America, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands:

Model Year 2021 Mazda3 (Japan built)

Model Year 2021 & 2022 Mazda3 (Mexico built)

Model Year 2021 & 2022 CX-30 (Mexico built)

Model Year 2021 Mazda6

Model Year 2021 CX5

Model Year 2021 CX9

Q. "Settlement Class" or "Settlement Class Members"

"Settlement Class" or "Settlement Class Members" refers to: All persons and entities who purchased or leased a Settlement Class Vehicle, as defined in Section I(P) of this Agreement, in the United States of America, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Excluded from the Settlement Class are (a) anyone claiming personal injury, property damage and/or subrogation; (b) all Judges, court staff, and/or mediators or arbitrators who have presided over the Action and their spouses; (c) all current employees, officers, directors, agents

and representatives of Defendant, and their family members; (d) any affiliate, parent or subsidiary of Defendant and any entity in which Defendant has a controlling interest; (e) anyone acting as a used car dealer; (f) anyone who purchased a Settlement Class Vehicle for the purpose of commercial resale; (g) anyone who purchased a Settlement Class Vehicle with salvaged title and/or any insurance company who acquired a Settlement Class Vehicle as a result of a total loss; (h) any insurer of a Settlement Class Vehicle; (i) issuers of extended vehicle warranties and service contracts; (j) any Settlement Class Member who, prior to the date of this Agreement, settled with and released Defendant or any Released Parties from any Released Claims, and (k) any Settlement Class Member that files a timely and proper Request for Exclusion from the Settlement Class.

R. “Valve Stem Seal(s)”

The affected “Valve Stem Seal(s)” means the component which, in part, controls oil leakage into the exhaust manifold and, prior to September 13, 2021, were installed in Class Vehicles’ 2.5L turbocharged engine.

S. “Extended Warranty” or “Warranty Extension”

“Extended Warranty” or “Warranty Extension” refers to the extension of Mazda Powertrain Limited Warranty from 60 months and 60,000 miles, whichever comes first, to 84 months and 84,000 miles, whichever comes first for all Class Vehicles, as set forth more fully in Section II(B).

II. SETTLEMENT CONSIDERATION

In consideration for the full and complete Release of all Released Claims against all Released Parties, and the dismissal of the Action with prejudice, Defendant agrees to provide the following consideration to the Settlement Class:

A. Repair Program Benefit

1. MNAO will institute a Repair Program (the “Program”) to repair Settlement Class Vehicles and replace the vehicles’ Valve Stem Seals with different (countermeasure) valve stem seals as set forth herein.

2. Under the Program, MNAO will repair Class Vehicles and replace the valve stem seals with non-defective parts pursuant to the repair set forth in Technical Service Bulletin (“TSB”) 01-003/23 under a new TSB as set forth herein, and/or as in a Special Service Program or Campaign (“SSP”) of any Class Vehicle that has excessive oil consumption (*i.e.*, defect manifestation) as shown by (1) the Engine Oil Level Warning Light has illuminated with Diagnostic Trouble Code (“DTC”) P250F:00, signifying low engine oil level, before the regular oil change interval of 7,500 miles or 1 year; (2) Class Vehicles enrolled with the Mazda Connected Services MyMazda mobile application have recorded a “Low Engine Oil Level” alert in the application before the regular oil change interval of 7,500 miles or 1 year; or (3) documented previous refilling of oil (either by a dealer or service station or the customer) before the engine oil level warning light came on in between regular oil change interval of 7,500 miles or 1 year (documented proof can include but is not limited to repair orders or invoices from dealers or service stations or a receipt for the purchase of engine oil with documented proof that the refilling occurred before the regular oil change interval), or (4) if neither 1, 2 nor 3, a failed excessive oil consumption test performed at an MNAO authorized dealer and at MNAO’s cost. Within 30 business days after the Court grants preliminary approval of the proposed classwide settlement, Mazda will issue a revised TSB to its authorized dealers such that technicians should perform the repair if any of the conditions 1-4 above are met.

3. Under the Program, MNAO and its authorized dealerships may give repair priority to older or higher mileage Class Vehicles over newer or lower mileage Class Vehicles unless a

newer or lower mileage vehicle has manifested excessive oil consumption through item 1, 2 or 3 in Section II(A)(2) of this Agreement and the older or higher mileage vehicle has not.

4. Under the Program, during the initial one-year period after the Program begins, MNAO authorized dealers servicing Class Vehicles for any reason will check whether DTC P250F:00 code is stored in the vehicle memory. If the code is stored in memory, the MNAO authorized dealer will advise the Class Vehicle owner or lessee if they are eligible to receive replacement valve stem seals under the Program.

5. Under the Program, MNAO will provide a loaner vehicle to any Class Vehicle owner or lessee during the period of an evaluation or repair under the Program, subject to normal dealer availability of loaner vehicles.

6. The Program will commence reasonably promptly under the circumstances after the Court grants preliminary approval of the classwide Settlement. For example, the timing of the start of providing class notice will depend on the time necessary to identify or otherwise gather addresses or other contact information for Class Members.

7. The Program will last for the entirety of Class Vehicles' extended warranty period of 84 months or 84,000 miles, whichever comes first.

8. Settlement Class Vehicle owners or lessees shall not be required to present the Long Form Notice, Claim Form, or any other Settlement-related document to receive benefits under the Program.

B. Warranty Extension Benefit

1. MNAO will extend coverage of Class Vehicles' Powertrain Limited Warranty, covering materials and workmanship defects in powertrain components (generally the Engine, the Transmission and Transaxle and the Front/Rear Drive System as set forth in the Powertrain

Limited Warranty) from 60 months and 60,000 miles, whichever comes first, to 84 months and 84,000 miles, whichever comes first.

2. The Warranty Extension covers all qualifying repairs under the Powertrain Limited Warranty including and is not limited to repairs arising from the defective Valve Stem Seals.

3. The Warranty Extension is subject to the same terms and conditions set forth in the Class Vehicle's Powertrain Limited Warranty, except that repairs to or replacement of defective Valve Stem Seals under this Agreement are permissible pursuant to the terms set forth in this Agreement.

4. The Warranty Extension will, to the extent not expired, be fully transferable to subsequent owners or lessees of Class Vehicles.

5. Defendant shall not be responsible for, and the Warranty Extension will not cover, repair or replacement work performed on a Settlement Class Vehicle by an independent service center that is not an authorized MNAO dealer.

C. Reimbursement for Out-of-Pocket Costs for Excessive Oil Consumption

1. Class Vehicle owners or lessees that submit qualifying and timely Claims will be entitled to reimbursement of certain past oil change expenses and the purchase of additional engine oil in between oil change intervals.

2. If a current or former owner or lessee of a Class Vehicle incurred and paid out-of-pocket costs for an (1) oil change performed more frequently than the normal interval of 7,500 miles or 1 year or (2) additional engine oil in between the normal interval of 7,500 miles or 1 year, they will be entitled to receive dollar-for-dollar reimbursement of the paid cost of the oil change or engine oil purchase.

3. Oil change and engine oil purchase reimbursements will be provided irrespective of whether the oil change or engine oil purchase out-of-pocket expense was incurred at an MNAO authorized dealership, an non-MNAO affiliated service station or dealership or elsewhere.

4. To qualify for reimbursement of past paid out-of-pocket expenses under Section II(C), Settlement Class Members must timely comply with the following requirements:

(a) Any Claim for Reimbursement must contain the required completed and signed Claim Form, together with all required Proof(s) of Oil Change Expense or Additional Engine Oil Purchase and must be mailed to the Claim Administrator, post-marked no later than seventy-five (75) days after date of Final Approval and Judgment.

(b) Each Claim for Reimbursement shall require a properly completed Claim Form, signed under penalty of perjury, and accompanied by the appropriate Proof of Oil Change Expense or Additional Engine Oil Purchase demonstrating, among other things, that the claimant is a Settlement Class Member, the vehicle is a Class Vehicle, the oil change service was incurred for an oil change performed more frequently than the normal interval of 7,500 miles or 1 year, or that additional engine oil was purchased in between the normal interval, and proof of payment including the amount paid; and

(c) If the claimant is not a person to whom the Claim Form was addressed, and/or the vehicle with respect to which a Claim is made is not the vehicle identified by VIN number on the mailed Claim Form, the Claim shall contain proof that the claimant is a Settlement Class Member and that the vehicle is a Class Vehicle.

5. The Claim Administrator's denial of any Claim shall be binding and non-appealable, except that a Settlement Class Member may seek attorney review of said denial by so requesting it from the Claim Administrator within fourteen (14) days of the date of mailing of the

decision. If attorney review is timely requested, Class Counsel and Defense Counsel will confer and attempt to resolve any disputed denial by the Claim Administrator in good faith.

III. CLAIMS ADMINISTRATION

A. Claims for Reimbursement Shall Be Administered by the Claim Administrator.

Defendant shall be responsible for the costs of Class Notice and Claim Administration under this Settlement Agreement. The Parties retain the right to audit and review the claim handling by the Claim Administrator, and the Claim Administrator shall report to both Parties jointly.

B. Administration

1. For each approved Reimbursement Claim, the Claim Administrator, on behalf of Defendant, shall mail or send to the Settlement Class Member, at the address listed on the Claim Form, a reimbursement check, electronic monetary transfer or monetary payment card depending on the Settlement Class Member preference and Settlement Administrator's procedures, to be sent within seventy-five (75) days of the date of receipt of the Claim, or within seventy-five (75) days of the Effective Date, whichever is later.

2. Disputes as to the sufficiency of the Proof of Oil Change Expense or Additional Engine Oil Purchase submitted in support of the Claim Form shall be submitted to and resolved by the Claim Administrator. In the event the Claim Administrator makes a preliminary determination that the Proof of Oil Change Expense or Additional Engine Oil Purchase submitted is insufficient, the Claim Administrator will send the Settlement Class Member a letter advising of the deficiencies. The Settlement Class Member will have thirty (30) days to cure the deficiencies or the claim will be denied.

IV. NOTICE

A. To Attorneys General:

In compliance with the Attorney General notification provision of the Class Action Fairness Act, 28 U.S.C. § 1715, the Claim Administrator shall provide notice of this proposed Settlement to the Attorney General of the United States, and the Attorneys General of each state (or jurisdiction within the U.S., including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which a known Settlement Class Member resides.

B. To the Settlement Class:

1. On an agreed upon date with the Claim Administrator within sixty (60) days after entry of the Preliminary Approval Order, the Claim Administrator shall cause individual Class Notice, substantially in the forms attached hereto as Exhibit 4 (the long form notice and mailer postcard), together with the Claim Form, substantially in the form attached hereto as Exhibit 1, to be disseminated. The postcard notice in Exhibit 4 is to be sent by first class mail, to the current or last known addresses of all reasonably identifiable Settlement Class Members from the class list provided by Defendant to the Claim Administrator. The Claim Form will be available electronically on the Settlement website, but may also be sent by first class mail to Class Members who request a printed Claim Form. The class list (or any contact information for Class Members) provided to the Claim Administrator or otherwise in connection with this Action shall not be used for any other purpose than to effectuate class notice or the administration of class claims, and shall not be used for any other purpose whatsoever, including contact by any party or counsel for the purpose of solicitation or otherwise regarding other matters, potential litigation, or issues unrelated to the Action and the Valve Stem Seal Defect. The Claim Administrator may format the Class Notice in such a way as to minimize the cost of the mailing, so long as Settlement Class Members can reasonably read it and Defense Counsel and Class Counsel approves all changes and

formatting. The Claim Administrator shall be responsible for dissemination of the Class Notice and Claim Form.

2. For purposes of identifying Settlement Class Members, the Claim Administrator may obtain from Polk/IHS Markit or Experian the names and current or last known addresses of Settlement Class Vehicle owners and lessees that can reasonably be obtained, and the VINs of Class Vehicles, to the extent such information has not or cannot be provided by Defendant.

3. Prior to mailing the Class Notice, an address search through the United States Postal Service's National Change of Address database will be conducted to update the address information for Settlement Class Vehicle owners and lessees. For each individual Class Notice that is returned as undeliverable, the Claim Administrator shall re-mail all Class Notices where a forwarding address has been provided. For the remaining undeliverable notice packets where no forwarding address is provided, the Claim Administrator shall perform an advanced address search (e.g., a skip trace) and re-mail any undeliverable to the extent any new and current addresses are located.

4. The Claim Administrator shall diligently, and/or as reasonably requested by Class Counsel or Defense Counsel, report to Class Counsel and Defense Counsel the number of individual Class Notices originally mailed to Settlement Class Members, the number of individual Class Notices initially returned as undeliverable, the number of additional individual Class Notices mailed after receipt of a forwarding address, and the number of those additional individual Class Notices returned as undeliverable.

5. The Claim Administrator shall, upon request, provide Class Counsel and Defense Counsel with the names and addresses of all Settlement Class Members to whom the Claim Administrator sent a Class Notice pursuant to this section, subject to Section IV.B.1 above

(regarding no contact by any party for solicitation or otherwise regarding other matters, potential litigation, or issues unrelated to the Action and the Valve Stem Seal Defect).

6. The Claim Administrator shall implement a Settlement website containing:
 - (a) The information contained in the long form notice in Exhibit 4 and that notice;
 - (b) instructions on how to submit a Claim for reimbursement online or by mail;
 - (c) instructions on how to contact the Claim Administrator, Defense Counsel and Class Counsel for assistance;
 - (d) a copy of the Claim Form, Class Notice, this Settlement Agreement and other pertinent documents to be agreed upon by counsel for the Parties; and
 - (e) relevant deadlines, the date/time of the final fairness hearing and any other relevant information agreed upon by counsel for the Parties.

7. No later than ten (10) days after the Notice Date, the Claim Administrator shall provide an affidavit or declaration to Class Counsel and Defense Counsel, attesting that the Class Notice was disseminated in a manner consistent with the terms of this Agreement or those required by the Court.

C. By MNAO and the Settlement Administrator:

1. Reasonably promptly after entry of the Preliminary Approval of Class Settlement, MNAO will revise the operative TSB to notify dealers and the Settlement Administrator will identify Class Members and send Class Notice to notify Settlement Class Members about the availability and/or terms of (1) the Program to repair and replace Valve Stem Seals in Class Vehicles and (2) the Warranty Extension.

2. The Class Notice shall be by first class mail to the last known address of all Settlement Class Members.

V. RESPONSE TO NOTICE

A. Objection to Settlement

1. Any Settlement Class Member who intends to object to the fairness of this Settlement Agreement must, by the date specified in the Preliminary Approval Order and recited in the Class Notice, which date shall be approximately forty-five (45) days after the Notice Date, file any such objection via the Court's electronic filing system, and if not filed via the Court's electronic system, must mail the objection to the Court and the following persons, by first-class mail postmarked no later than forty-five (45) days after the Notice Date: Sergei Lemberg, Lemberg Law, LLC, 43 Danbury Road, 3rd Floor, Wilton, Connecticut 06897 on behalf of Class Counsel; Jahmy S. Graham, Nelson Mullins Riley and Scarborough LLP, 19191 South Vermont Avenue, Torrance, CA 90502, on behalf of Defense Counsel; and the Claim Administrator at Mazda Excessive Oil Consumption Settlement, c/o JND Legal Administration, PO Box 91414, Seattle, WA 98111.

2. Any objecting Settlement Class Member must include with his or her objection:
- (a) the objector's full name, address, and telephone number;
 - (b) the model, model year and Vehicle Identification Number of the Class Vehicle, along with proof that the objector has owned or leased the Class Vehicle (i.e., 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 and are pertinent to the objection; and
 - (e) a list of all other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court in the United States in the previous five years, including the full case name with jurisdiction in which it was filed and the docket number. If the Settlement Class Member or his, her or its counsel has not objected to any other class action settlement in the United

States in the previous five years, he/she/it shall affirmatively so state in the objection.

3. Moreover, subject to the approval of the Court, any objecting Settlement Class Member may appear, in person or by counsel, at the final fairness hearing to explain why the proposed Settlement should not be approved as fair, reasonable, and adequate, or to object to any motion for Class Counsel Fees and Expenses or Class Representative service awards. In order to appear, the objecting Settlement Class Member must, by the objection deadline, file with the Clerk of the Court and serve upon all counsel designated in the Notice a notice of intention to appear at the fairness hearing. The notice of intention to appear must include copies of any papers, exhibits, or other evidence and identity of witnesses that the objecting Settlement Class Member (or the objecting Settlement Class Member's counsel) intends to present to the Court in connection with the fairness hearing. Any Settlement Class Member who does not provide a notice of intention to appear in accordance with the deadlines and other specifications set forth in the Notice, or who has not filed an objection in accordance with the deadlines and other specifications set forth in the Settlement Agreement and the Notice, may be deemed to have waived any objections to the Settlement and any adjudication or review of the Settlement, by appeal or otherwise.

B. Request for Exclusion from the Settlement

1. Any Settlement Class Member who wishes to be excluded from the Settlement Class must submit a request for exclusion ("Request for Exclusion") to the Claim Administrator at the address specified in the Class Notice by the date specified in the Preliminary Approval Order and recited in the Class Notice. To be effective, the Request for Exclusion must:

- (a) include the Settlement Class Member's full name, address and telephone number;
- (b) identify the model, model year and VIN of the Class Vehicle;

- (c) state that he/she/it is or was a present or former owner or lessee of a Settlement Class Vehicle; and
- (d) specifically and unambiguously state his/her desire to be excluded from the Settlement Class.

2. Any Request for Exclusion must be postmarked on or before the deadline set by the Court, which date shall be approximately forty-five (45) days after the Notice Date. Any Settlement 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, the Release and every order or judgment entered relating to this Settlement Agreement.

3. The Claim Administrator will receive purported Requests for Exclusion and will consult with Class Counsel and Defense Counsel in determining whether they meet the requirements of a Request for Exclusion. Any communications from Settlement Class Members (whether styled as an exclusion request, an objection or a comment) as to which it is not readily apparent whether the Settlement Class Member meant to exclude himself/herself from the Settlement Class will be evaluated jointly by counsel for the Parties, who will make a good faith evaluation, if possible. Any uncertainties about whether a Settlement Class Member is requesting exclusion from the Settlement Class will be submitted to the Court for resolution. The Claim Administrator will maintain a database of all Requests for Exclusion, and will send the original written communications memorializing those Requests for Exclusion to Class Counsel and Defense Counsel. The Claim Administrator shall report the names and addresses of all such persons and entities requesting exclusion to the Court, Class Counsel and Defense Counsel within eighteen (18) days prior to the Final Hearing, and the list of persons and entities deemed by the Court to have excluded themselves from the Settlement Class will be attached as an exhibit to the Final Order and Judgment.

VI. WITHDRAWAL FROM SETTLEMENT

1. Plaintiffs or Defendant shall have the option to withdraw from this Settlement Agreement, and to render it null and void, if any of the following occurs:

- a) Any objection to the proposed Settlement is sustained and such objection results in changes to this Agreement that the withdrawing party deems in good faith to be material (e.g., because it substantially increases the costs of the Settlement, or deprives the withdrawing party of a material benefit of the Settlement; a mere delay of the approval and/or implementation of the Settlement including a delay due to an appeal procedure, if any, or occurrences outside the control of the Parties or the Court (such as Force Majeure, a national or global pandemic, or the like), shall not be deemed material);
- b) The preliminary or final approval of this Classwide Settlement is not obtained without modification, and any modification required by the Court for approval is not agreed to by the Parties, and the withdrawing party deems any required modification in good faith to be material (e.g., because it substantially increases the cost of the Settlement, or deprives the withdrawing party of a material benefit of the Settlement; a mere delay of the approval and/or implementation of the Settlement including a delay due to an appeal procedure, if any, or occurrences outside the control of the Parties or the Court (such as Force Majeure, a national or global pandemic, or the like), shall not be deemed material);
- c) Entry of the Final Order and Judgment described in this Agreement is vacated by the Court or reversed or substantially modified by an appellate court, except that a reversal or modification of an order awarding reasonable attorneys' fees and costs and expenses, if any, shall not be a basis for withdrawal; or
- d) The Defendant shall, in addition, have the option to withdraw from this Settlement Agreement, and to render it null and void, if more than ten percent (10%) of the persons and entities

identified as being members of the Settlement Class exclude themselves from the Settlement Class in accordance with the provisions of part V(B) of this Settlement Agreement.

2. To withdraw from this Settlement Agreement under this paragraph, the withdrawing party must provide written notice to the other party's counsel and to the Court within ten (10) business days of receipt of any order or notice of the Court modifying, adding or altering any of the material terms or conditions of this Agreement. 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 Action, and shall not be offered in evidence or used in the Action or any other 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 inadmissible as evidence and without prejudice to the Defendant and Plaintiffs, 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 Action 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.

3. A change in law, or change of interpretation of present law, that affects this Settlement shall not be grounds for withdrawal from the Settlement.

VII. ADMINISTRATIVE OBLIGATIONS

1. In connection with the administration of the Settlement, the Claim Administrator shall maintain a record of all contacts from Settlement Class Members regarding the Settlement,

any Claims submitted pursuant to the Settlement Agreement and any responses thereto. The Claim Administrator, on a monthly basis, shall provide to Class Counsel and Defense Counsel summary information concerning the number of claims made, number of claims validated, number of returned claims for incompleteness, and total dollar amount of payouts on claims made, the number of claims rejected and the total dollar amount of claims rejected, such that Class Counsel and Defense Counsel may inspect and monitor the claims process.

2. Except as otherwise stated in this Agreement, all expenses incurred in administering this Settlement Agreement, including, without limitation, the cost of the Class Notice, and the cost of distributing and administering the benefits of the Settlement Agreement, shall be paid by Defendant.

VIII. SETTLEMENT APPROVAL PROCESS

A. Preliminary Approval of Settlement

Promptly after the execution of this Settlement Agreement, Class Counsel 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 3.

B. Final Approval of Settlement

1. If this Classwide Settlement is preliminarily approved by the Court, Class Counsel shall present a motion requesting that the Court issue a Final Order and Judgment directing the entry of judgment pursuant to Fed. R. Civ. P. 54(b) substantially in the form attached as Exhibit 2.

2. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement

Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. Such best efforts shall include taking all reasonable steps to secure entry of a Final Order and Judgment, as well as supporting the Settlement and the terms of this Settlement Agreement through any appeal.

C. Plaintiffs' Application for Attorneys' Fees and Service Awards

1. Class Counsel may apply to the Court for an attorneys' fee award, cost award, and Class Representative service awards, each in an amount to be determined by the Court. Any such application is inclusive of an attorneys' fee award and cost award sought on behalf of Plaintiffs' Counsel, including any attorneys currently or previously affiliated with those law firms.

2. MNAO agrees to pay the attorneys' fees, expenses, and Class Representative service awards as ordered by the Court separate and apart from, and in addition to, the relief provided to the Class. Any order or proceedings relating to Plaintiffs' application for an attorneys' fee award, cost award, or Class Representative service award, or any appeal from any order related thereto or reversal or modification thereof, will not operate to terminate or cancel this Settlement Agreement, or effect or delay the Effective Date of this Settlement Agreement as it relates to benefits conferred to Settlement Class Members, provided that the Settlement Agreement is otherwise in all respects final.

3. MNAO agrees to not oppose service awards to each of the Class Representatives to the extent no more than \$2,200 is requested for each Class Representative.

4. MNAO does not agree to any specific amount in attorneys' fee award or cost award. MNAO may oppose Plaintiffs' motion or request for an award of attorneys' fees and/or costs on any ground available to MNAO.

5. MNAO shall pay Plaintiffs and/or Plaintiffs' Counsel the fees, expenses, and Class Representative service payments awarded by the Court within the later of thirty (30) days

following (i) the Effective Date or (ii) the first date after the Court enters an order awarding fees, expenses, and service payments, and all appellate rights with respect to said order have expired or been exhausted in such a manner as to affirm the order. Within three (3) Business Days following (i) the Effective Date or (ii) the first date after the Court enters an order awarding fees, expenses, and service payments, and all appellate rights with respect to said order have expired or been exhausted in such a manner as to affirm the order, Plaintiffs' Counsel shall provide MNAO, for each payee, a W-9 along with wire instructions on their firm letterhead for the payment to Plaintiffs' Counsel of fees, expenses, and service payments awarded by the Court.

6. MNAO is not responsible for any fees or expenses of any counsel, other than Interim Class Counsel, retained by Settlement Class Members other than lawyers working for or with Interim Class Counsel subject to MNAO's objections or opposition to Plaintiffs' request for attorneys' fees and the Court's order thereon. Settlement Class Members are solely responsible for such fees and expenses.

7. The procedure for and the grant or denial or allowance or disallowance by the Court of the fee award, cost award and service awards are not part of the Settlement Agreement, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement Agreement. Any order or proceedings relating solely to the fee award, cost award and service awards, or any appeal from any order related thereto or reversal or modification thereof, will not operate to terminate or cancel this Agreement, or affect or delay the Effective Date of this Agreement. Payment of any fee award, cost award and service awards will not reduce the benefit being made available to the Settlement Class Members, and the Settlement Class Members.

D. Release of Plaintiffs' and Settlement Class Members' Claims

1. Upon the Effective Date, the Plaintiffs and each Settlement Class Member shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, completely and forever released, acquitted and discharged the Released Parties from all Released Claims.

2. Upon the Effective Date, with respect to the Released Claims, the Plaintiffs and Settlement Class Members expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. Upon the Effective Date, the Action will be deemed dismissed with prejudice.

IX. MISCELLANEOUS PROVISIONS

A. Effect of Exhibits

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

B. No Admission of Liability

Neither the fact of, nor any provision contained in this 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 Action or of any wrongdoing, fault, violation of law or liability of any kind on the part of Defendant and the Released Parties, or any admissions by Defendant and the Released Parties of any claim or allegation made in any action or proceeding against them. The Parties understand and agree that neither this Agreement, nor the negotiations that preceded it, shall be offered or be admissible in evidence against Defendant, the Released Parties, the Plaintiffs or the

Settlement Class Members, or cited or referred to in the Action or any action or proceeding, except in an action or proceeding brought to enforce the terms of this Agreement.

C. Entire Agreement

This Settlement Agreement represents the entire agreement and understanding among the Parties and supersedes all prior proposals, negotiations, agreements and understandings relating to the subject matter of this Settlement Agreement. The 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 or party against whom enforcement of the Settlement Agreement is sought.

D. Arm's-Length Negotiations and Good Faith

The Parties have negotiated all of the terms and conditions of this Settlement Agreement at arm's length and in good faith. The Parties have vigorously and zealously advanced the interests of their respective clients. All terms, conditions and exhibits in their exact form are material and necessary to this Settlement Agreement and have been relied upon by the Parties in entering into this Settlement Agreement.

E. Continuing Jurisdiction

The Parties agree that the Court may retain continuing and exclusive jurisdiction over them, including all Settlement Class Members, for the purpose of the administration and enforcement of this Agreement.

F. Binding Effect of Settlement Agreement

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

G. Extensions of Time

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

H. Service of Notice

Whenever, under the terms of this Settlement Agreement, a person is required to provide service or written notice to Defense Counsel 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 parties in writing, of a successor individual or address:

As to Plaintiffs: Sergei Lemberg, Esq.
Lemberg Law, LLC
43 Danbury Road, 3rd Floor
Wilton, Connecticut 06897

As to Defendant: Jahmy S. Graham, Esq.
Nelson Mullins Riley and Scarborough LLP
19191 South Vermont Avenue
Torrance, California 90502

I. 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.

J. Discovery

Defendant has and will cooperate and participate in reasonable confirmatory discovery, to the extent reasonably deemed necessary by Plaintiffs and/or the Court and agreed by the Parties.

K. No Assignment

The Parties represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the litigation or any related action.

L. No Third-Party Beneficiaries

This Agreement shall not be construed to create rights in, or to grant remedies to, or delegate any duty, obligation or undertaking established herein to any third party (other than Settlement Class Members themselves) as a beneficiary of this Agreement.

M. Construction

The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each Party participated jointly in the drafting of this Agreement and, therefore, the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any Party by virtue of draftsmanship.

N. Captions

The captions or headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed, by their duly authorized attorneys, as of the date(s) indicated on the lines below.


ON BEHALF OF PLAINTIFFS:

Dated: January 19 2024

Sergei Lemberg
Lemberg Law, LLC
43 Danbury Road, 3rd Floor
Wilton, Connecticut 06897

ON BEHALF OF DEFENDANT:

Dated: January 19 2024




Jahmy S. Graham
Nelson Mullins Riley and Scarborough LLP
19191 South Vermont Avenue
Torrance, CA 90502

Exhs.

- 1 Claim Form
- 2 Final Order and Judgment
- 3 Preliminary Approval Order
- 4 Class Notice

ON BEHALF OF PLAINTIFFS:

Dated: January 19 2024



Sergei Lemberg
Lemberg Law, LLC
43 Danbury Road, 3rd Floor
Wilton, Connecticut 06897

ON BEHALF OF DEFENDANT:

Dated: January 19 2024

Jahmy S. Graham
Nelson Mullins Riley and Scarborough LLP
19191 South Vermont Avenue
Torrance, CA 90502

Exhs.

- 1 Claim Form
- 2 Final Order and Judgment
- 3 Preliminary Approval Order
- 4 Class Notice

EXHIBIT 1

Guthrie, et al. v. Mazda Motor of America, Inc. d/b/a Mazda North American Operations
United States District Court for the Central District of California, Case No. 8:22-cv-01055

Mazda Excessive Oil Consumption Settlement
Claim Form for Qualifying Low Oil Concerns with Oil Change or Oil Refilling

If you submit a valid Claim Form and accompanying Proof of Oil Change Expense as a result of low oil concerns or Additional Engine Oil Purchase related to the eligible, specific VIN (Vehicle Identification Number) to claim reimbursement available under, and in the manner provided by, the terms of this Settlement by _____, **2024**, you will receive a Claim Payment. This deadline is unlikely to, but could, change, so please visit the Settlement Website for the most updated information on the deadline to submit a claim. You can submit a Claim Form on the Settlement Website at [www.\[website\].com](http://www.[website].com) or by mailing a Claim Form to: Mazda Excessive Oil Consumption Settlement, PO Box 91414, Seattle, WA 98111. See the instructions for additional details.

If you wish to make a claim for more than one vehicle, please submit a separate Claim Form for each vehicle.

I. CONTACT INFORMATION

Full Name

Mailing Address – Line 1

Mailing Address – Line 2 (If Applicable)

City

State

Zip Code

Telephone Number

Email Address

II. VEHICLE INFORMATION

Vehicle Identification Number (VIN)

Vehicle Model

Vehicle Model Year

III. OIL CHANGE/OIL REFILL INFORMATION

Please complete the details below for all oil change and/or oil refill events for which you are claiming reimbursement. Proof of Oil Change Expense or Additional Engine Oil Purchase, specific to the eligible VIN, is required for all claimed oil change and/or oil refill events. Detailed information concerning the required types of documentation is provided in the instructions on page 3 of this Claim Form.

Date of Oil Change/Oil Refill []	Mileage at time of service []	Amount paid []
Date of Oil Change/Oil Refill []	Mileage at time of service []	Amount paid []
Date of Oil Change/Oil Refill []	Mileage at time of service []	Amount paid []
Date of Oil Change/Oil Refill []	Mileage at time of service []	Amount paid []
Date of Oil Change/Oil Refill []	Mileage at time of service []	Amount paid []

IV. PAYMENT ELECTION

You may elect to receive your payment by check or electronic payment. Please choose one. If you do not make a selection, and your claim is approved, your settlement benefit will be issued by check.

- Paper Check by Mail
- Virtual Debit Card

Email Address for Virtual Debit Card: _____

V. CERTIFICATION

By signing this form, I attest under penalty of perjury that:

1. I am a Settlement Class Member.
2. The documents I have submitted in support of this claim are true and accurate copies and reflect oil changes and/or oil refill purchases associated with the claimed vehicle after the low engine oil light illuminated in my vehicle or other indications that my oil was low (e.g., MyMazda app alerts) before the regular oil change interval of 7,500 miles or 1 year.
3. The information provided in this Claim Form is true and correct to the best of my knowledge.

Signature: _____ Date: _____

Mazda Excessive Oil Consumption Settlement:

Instructions for claiming reimbursement for Qualifying Oil Changes or Oil Refilling

You can only file a claim if you are a Class Member. You are a Class Member if you fit the following description and do not opt out of the Settlement:

All persons or entities in the United States who are current or former owners and/or lessees of a 2021-2022 Mazda CX-30, 2021 CX-5, 2021 CX-9, 2021-2022 Mazda3, and 2021 Mazda6 vehicle equipped with 2.5L turbocharged engines within the defined VIN range.

To check whether your vehicle is included in the Settlement Class, visit the VIN Lookup page on the Settlement Website at [www.\[website\].com](http://www.[website].com) and enter your Vehicle Identification Number (VIN). You may also contact the Claim Administrator by email or phone at [info@\[website\].com](mailto:info@[website].com) or 1-877-231-0642.

Supporting documentation is required for ALL claims. Your claim must include Proof of Oil Change Expense or Additional Engine Oil Purchase specific to the eligible VIN as defined in the Settlement Agreement. This may take the form of an original (or legible copies) of oil change or engine oil purchase invoices, repair orders (“ROs”), receipts or similar records identifying the date and price of each claimed oil change and/or purchase of replacement oil. For any questions related to completing this Claim Form or the documentation required to support your claim, please contact the Claim Administrator at [info@\[website\].com](mailto:info@[website].com) or 877-231-0642.

The deadline to file a claim for reimbursement is _____, 2024. All claims must be submitted online or postmarked on or before this date or they will not be considered. You must complete all sections of the Claim Form and sign the certification to complete your claim submission. For faster processing, please submit your claim online at [www.\[website\].com](http://www.[website].com).

EXHIBIT 2

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Case No.: 8:22-cv-01055-DOC-DFM

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

[PROPOSED] FINAL APPROVAL ORDER AND JUDGMENT

The Court having held a Final Fairness Hearing on _____ regarding the instant proposed nationwide class action settlement, notice of the Final Approval Hearing having been duly given in accordance with this Court’s Order (1) Preliminarily Approving Class Action Settlement, (2) Conditionally Certifying Settlement Class, (3) Approving Notice Plan, (4) Setting Final Fairness Hearing (“Preliminary Approval Order”) and (5) scheduling the Final Fairness Hearing, and having considered all matters submitted to it at the Final Fairness Hearing and otherwise, and finding no just reason for delay in entry of this Final Judgment and good cause appearing, therefore,

It is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. The Settlement Agreement and Release, including its exhibits, fully executed on _____, 2024 (“Agreement”), and the definitions contained therein are incorporated by reference in this Order. The terms of this Court’s Preliminary Approval Order (Dkt. No. ___) are also incorporated by reference in this Order.

1 2. The Court has jurisdiction over the subject matter and parties to this
2 proceeding pursuant to the Class Action Fairness Act, 28 U.S.C. §§ 1332(d) & 1453(b).

3 3. Venue is proper in this District.

4 4. The Settlement Class means:

5 All persons and entities who purchased or leased a Settlement Class Vehicle in
6 the United States of America, including the District of Columbia, Puerto Rico,
7 and the U.S. Virgin Islands.

8 5. “Settlement Class Vehicle” means the following model year and model
9 Mazda vehicles equipped with a 2.5L turbocharged engine and valve stem seals within
10 the impacted Vehicle Identification Number (“VIN”) production range distributed by
11 Mazda Motor of America, Inc. d/b/a Mazda North American Operations (“MNAO”),
12 for sale or lease in the United States of America, including the District of Columbia,
13 Puerto Rico, and the U.S. Virgin Islands:

- 14 Model Year 2021 Mazda3 (Japan built)
- 15 Model Year 2021 & 2022 Mazda3 (Mexico built)
- 16 Model Year 2021 & 2022 CX-30 (Mexico built)
- 17 Model Year 2021 Mazda6
- 18 Model Year 2021 CX5
- 19 Model Year 2021 CX9

20 6. Excluded from the Settlement Class are (a) anyone claiming personal
21 injury, property damage and/or subrogation; (b) all Judges, court staff, and/or mediators
22 or arbitrators who have presided over the Action and their spouses; (c) all current
23 employees, officers, directors, agents and representatives of Defendant, and their family
24 members; (d) any affiliate, parent or subsidiary of Defendant and any entity in which
25 Defendant has a controlling interest; (e) anyone acting as a used car dealer; (f) anyone
26 who purchased a Settlement Class Vehicle for the purpose of commercial resale; (g)
27 anyone who purchased a Settlement Class Vehicle with salvaged title and/or any

1 insurance company who acquired a Settlement Class Vehicle as a result of a total loss;
2 (h) any insurer of a Settlement Class Vehicle; (i) issuers of extended vehicle warranties
3 and service contracts; (j) any Settlement Class Member who, prior to the date of this
4 Agreement, settled with and released Defendant or any Released Parties from any
5 Released Claims, and (k) any Settlement Class Member that files a timely and proper
6 Request for Exclusion from the Settlement Class.

7 7. _____ timely exclusions were submitted to the Claims Administrator.
8 Those persons and entities identified in the list attached as Exhibit __ to the Declaration
9 of _____ are validly excluded from the Settlement Class. Such persons
10 and entities are not included in or bound by this Judgment. Such persons and entities
11 are not entitled to any benefits of the Settlement obtained in connection with the
12 Settlement Agreement.

13 8. The Court hereby finds that the Agreement is the product of arm's-length
14 settlement negotiations between the Plaintiffs and Class Counsel, on the one hand, and
15 Defendant MNAO, and Defendants' Counsel, on the other hand, and with the assistance
16 of an experienced, well-respected and neutral Mediator, Hon. Dickran M. Tevrizian
17 (Ret.) of JAMS.

18 9. The Court hereby finds and concludes that Class Notice was disseminated
19 to members of the Settlement Class in accordance with the terms set forth in the
20 Agreement and this Court's Preliminary Approval Order (Dkt. No. ____).

21 10. The Court hereby finds and concludes that the Notice Program and claims
22 submission procedures fully satisfy Rule 23 of the Federal Rules of Civil Procedure and
23 the requirements of due process and constitute the best notice practicable under the
24 circumstances. The Court further finds that the Notice Program provided individual
25 notice to all members of the Settlement Class who could be identified through
26 reasonable effort and supports the Court's exercise of jurisdiction over the Settlement
27 Class as contemplated in the Settlement and this Order.

1 11. This Court hereby finds and concludes that the notice provided by the
2 Claim Administrator pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715, fully
3 satisfied the requirements of that statute.

4 12. The Court finds that the Settlement’s terms constitute, in all respects, a
5 fair, reasonable, and adequate settlement as to all Settlement Class Members in
6 accordance with Rule 23 of the Federal Rules of Civil Procedure and directs its
7 consummation pursuant to its terms and conditions. The Plaintiffs, in their roles as
8 Class Representatives, and Class Counsel adequately represented the Settlement Class
9 for purposes of entering into and implementing the Agreement. Accordingly, the
10 Agreement is hereby finally approved in all respects, and the Parties are hereby directed
11 to fully perform its terms. The Parties and Settlement Class Members who were not
12 excluded from the Settlement Class are bound by the terms and conditions of the
13 Agreement.

14 13. The Court approves Class Counsel’s award for attorney’s fees and
15 expenses of _____. The award of attorneys’ fees and expenses are to be paid
16 directly by Defendant in the manner provided by the terms of the Agreement.

17 14. The Court finds the payment of incentive awards in the amount of \$2,200
18 each to Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna
19 Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw to be fair and reasonable. The
20 incentive awards are to be paid directly by Defendant in the manner provided by the
21 terms of the Agreement.

22 15. The Settlement Class described in paragraph 4 above is hereby finally
23 certified, solely for purposes of effectuating the Settlement and this Order and Final
24 Judgment.

25 16. The requirements of Rule 23(a) and (b)(3) have been satisfied for
26 settlement purposes, for the reasons set forth herein. The Settlement Class is so
27 numerous that joinder of all members is impracticable; there are questions of law and

1 fact common to the class; the claims of the Class Representatives are typical of the
2 claims of the Settlement Class; the Class Representatives will fairly and adequately
3 protect the interests of the class; the questions of law or fact common to class members
4 predominate over any questions affecting only individual members; and a class action
5 is superior to other available methods for fairly and efficiently adjudicating the
6 controversy between the Settlement Class Members and Defendant.

7 17. This Court hereby dismisses, with prejudice, without costs to any party,
8 except as expressly provided for in the Agreement, all of the Actions.

9 18. The Claims Administrator is directed to administer claims and
10 consideration to the Settlement Class pursuant to the terms of the Agreement.

11 19. Plaintiffs and each and every one of the non-excluded Settlement Class
12 Members unconditionally, fully, and finally release and forever discharge the Released
13 Parties from the Released Claims as provided for in the Agreement. In addition, any
14 rights of the Settlement Class Representatives and each and every one of the Settlement
15 Class Members to the protections afforded under Section 1542 of the California Civil
16 Code (and any other similar, comparable, or equivalent laws) are hereby terminated.

17 20. Each and every Settlement Class Member, and any person actually or
18 purportedly acting on behalf of any Settlement Class Member(s), is hereby permanently
19 barred and enjoined from commencing, instituting, continuing, pursuing, maintaining,
20 prosecuting, or enforcing any Released Claims (including, without limitation, in any
21 individual, class or putative class, representative or other action or proceeding), directly
22 or indirectly, in any judicial, administrative, arbitral, or other forum, against the
23 Released Parties. This permanent bar and injunction is necessary to protect and
24 effectuate the Agreement, this Final Judgment and Order, and this Court's authority to
25 effectuate the Agreement, and is ordered in aid of this Court's jurisdiction and to protect
26 its judgments. However, Settlement Class members are not precluded from addressing,
27 contacting, dealing with, or complying with requests or inquiries from any

1 governmental authorities relating to the issues raised in this Lawsuit or class action
2 settlement.

3 21. The Agreement (including, without limitation, its exhibits), and any and
4 all negotiations, documents, and discussions associated with it, shall not be deemed or
5 construed to be an admission or evidence of any violation of any statute, law, rule,
6 regulation, or principle of common law or equity, of any liability or wrongdoing, by
7 Defendants, or of the truth of any of the claims asserted by Plaintiffs.

8 22. By incorporating the Agreement and its terms herein, the Court determines
9 that this Final Judgment complies in all respects with Federal Rule of Civil Procedure
10 65(d)(1).

11 23. Finding that there is no just reason for delay, the Court orders that this
12 Final Judgment and Order shall constitute a final judgment pursuant to Rule 54 of the
13 Federal Rules of Civil Procedure. The Court orders that, upon the Effective Date, the
14 Settlement shall be the exclusive remedy for any and all Released Claims of Plaintiffs
15 and each and every Settlement Class Member. The Clerk of the Court is directed to
16 enter this Order on the docket forthwith.

17 24. If an appeal, writ proceeding or other challenge is filed as to this Final
18 Approval Order, and if thereafter the Final Approval Order is not ultimately upheld, all
19 orders entered, stipulations made and releases delivered in connection herewith, or in
20 the Settlement or in connection therewith, shall be null and void to the extent provided
21 by and in accordance with the Settlement.

22 25. Without further order of the Court, the Parties may agree to reasonably
23 necessary extensions of time to carry out any of the provisions of the Settlement.

24 26. The Court retains jurisdiction of all matters relating to the modification,
25 interpretation, administration, implementation, effectuation and enforcement of the
26 Agreement and the Settlement, which includes, without limitation, the Court's power
27 pursuant to the All Writs Act, 28 U.S.C. § 1651, or any other applicable law, to enforce

1 the above-described bar on and injunction against prosecution of any and all Released
2 Claims.

3 **IT IS SO ORDERED.**

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5 Dated: _____

Hon. David O. Carter
United States District Judge

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EXHIBIT 3

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Case No.: 8:22-cv-01055-DOC-DFM

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

WHEREAS, pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, the Parties seek entry of an order preliminarily approving the settlement of this action pursuant to their settlement agreement (the “Settlement Agreement” or “Settlement”), which, together with its attached exhibits, sets forth the terms and conditions for a proposed nationwide class action settlement of the Action and dismissal of the Action with prejudice; and

WHEREAS, the Court has read and considered the Settlement and its exhibits, and Plaintiffs’ Unopposed Motion for Preliminary Approval;

NOW, THEREFORE, IT IS ON THIS ____ DAY OF _____, 2024, ORDERED THAT:

1. This Order incorporates by reference the definitions in the Settlement Agreement, and all terms used in this Order shall have the same meanings as set forth in the Settlement Agreement.

1 2. The Court has jurisdiction over the subject matter and parties to this
2 proceeding pursuant to the Class Action Fairness Act, 28 U.S.C. §§ 1332(d) & 1453(b).

3 3. Venue is proper in this District.

4 4. The Court grants the Plaintiffs’ motion for preliminary approval of the
5 Settlement as fair, reasonable and adequate under Rule 23. The Court finds that the
6 Settlement was reached in the absence of collusion, and is the product of informed,
7 good faith, arm’s-length negotiations between the parties and their capable and
8 experienced counsel, and with the assistance of an experienced, well-respected and
9 neutral Mediator, Hon. Dickran M. Tevrizian (Ret.) of JAMS. The Court further finds
10 that the Settlement, including the exhibits attached thereto, is sufficiently fair,
11 reasonable and adequate to justify preliminary approval of the Settlement, preliminary
12 certification of the proposed Settlement Class, dissemination of notice to the Settlement
13 Class, as set forth below and in the Settlement, and to schedule a Final Fairness Hearing
14 to determine whether to grant final approval of the Settlement and enter a final approval
15 order and judgment.

16 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
17 certifies, solely for purposes of effectuating the Settlement, the Settlement Class as
18 follows:

19 All persons and entities who purchased or leased a Settlement Class
20 Vehicle in the United States of America, including the District of
 Columbia, Puerto Rico, and the U.S. Virgin Islands.

21 6. “Settlement Class Vehicle” means the following model year and model
22 Mazda vehicles equipped with a 2.5L turbocharged engine and valve stem seals within
23 the impacted VIN production range distributed by Mazda Motor of America, Inc. d/b/a
24 Mazda North American Operations (“MNAO”), for sale or lease in the United States of
25 America, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands:

26 Model Year 2021 Mazda3 (Japan built)

27

1 Model Year 2021 & 2022 Mazda3 (Mexico built)

2 Model Year 2021 & 2022 CX-30 (Mexico built)

3 Model Year 2021 Mazda6

4 Model Year 2021 CX5

5 Model Year 2021 CX9

6 7. Excluded from the Settlement Class are (a) anyone claiming personal
7 injury, property damage and/or subrogation; (b) all Judges, court staff, and/or mediators
8 or arbitrators who have presided over the Action and their spouses; (c) all current
9 employees, officers, directors, agents and representatives of Defendant, and their family
10 members; (d) any affiliate, parent or subsidiary of Defendant and any entity in which
11 Defendant has a controlling interest; (e) anyone acting as a used car dealer; (f) anyone
12 who purchased a Settlement Class Vehicle for the purpose of commercial resale; (g)
13 anyone who purchased a Settlement Class Vehicle with salvaged title and/or any
14 insurance company who acquired a Settlement Class Vehicle as a result of a total loss;
15 (h) any insurer of a Settlement Class Vehicle; (i) issuers of extended vehicle warranties
16 and service contracts; (j) any Settlement Class Member who, prior to the date of this
17 Agreement, settled with and released Defendant or any Released Parties from any
18 Released Claims, and (k) any Settlement Class Member that files a timely and proper
19 Request for Exclusion from the Settlement Class.

20 8. The Court preliminarily appoints Interim Class Counsel Lemberg Law,
21 LLC, as Class Counsel.

22 9. The Court preliminarily appoints Plaintiffs Gary Guthrie, Stephanie Crain,
23 Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy
24 Bradshaw as Settlement Class Representatives.

25 10. The Court preliminarily finds, solely for purposes of the Settlement, that
26 the Settlement satisfies the requirements of Rule 23 such that preliminary certification
27 of the Settlement Class and dissemination of the class notice pursuant to the

1 Settlement's notice program are appropriate. The Court further finds, for Settlement
2 purposes, that: (a) the Settlement Class is so numerous that joinder of all Settlement
3 Class Members in the Action is impracticable; (b) there are questions of law and fact
4 common to the Settlement Class that predominate over any individual questions; (c) the
5 claims of the Settlement Class Representatives are typical of the claims of the
6 Settlement Class; (d) the Settlement Class Representatives and Settlement Class
7 Counsel have and will continue to fairly and adequately represent and protect the
8 interests of the Settlement Class; and (e) a class action is superior to all other available
9 methods for the fair and efficient adjudication of the controversy. The Court also
10 preliminarily finds that certification of the Settlement Class is appropriate when
11 balanced against the risks of continued litigation.

12 11. The Court finds that discovery has been conducted to a sufficient extent
13 that counsel for the parties are reasonably able to evaluate their claims and defenses,
14 the risks of further litigation, and the benefits of settlement which will avoid substantial
15 additional costs to the parties and reduce delay and risks associated with litigating this
16 action to conclusion. It further appears that the Settlement has been reached as a result
17 of intensive, arm's-length negotiations of vigorously disputed claims, with the
18 assistance of an experienced and respected third-party neutral Mediator.

19 12. The Court preliminarily approves the Settlement Agreement and its
20 content and exhibits, including the form and content of the Claim Form (Exhibit 1 to
21 the Settlement Agreement) and the form and content of the Settlement Class Notice
22 (Exhibit 4 to the Settlement Agreement). The Court finds that the mailing of the
23 Settlement Class Notice in the manner set forth in the Settlement Agreement, as well
24 as the establishment of a settlement website, satisfy Rule 23 and due process. The
25 foregoing is the best notice practicable under the circumstances and is reasonably
26 calculated to apprise the Settlement Class of the pendency of the Action, the class
27 certification for settlement purposes only, the terms of the Settlement and benefits

1 afforded, the Settlement Class Members’ rights including the right to opt-out of or
2 object to the Settlement and the deadlines and procedures for doing so, the deadline,
3 procedures and requirements for submitting a reimbursement claim pursuant to the
4 Settlement, Class Counsel’s application for fees and expenses, the request for service
5 awards for the named Plaintiffs, and other pertinent information. The Settlement Class
6 Notice and notice plan constitute due and sufficient notice to the Settlement Class. The
7 Court authorizes the Parties to make non-material modifications to the Settlement Class
8 Notice and Claim Form prior to publication if they jointly agree that any such changes
9 are appropriate, in consultation with the claims administrator, JND Legal
10 Administration.

11 13. Accordingly, the Court directs that the aforementioned Class Notice be
12 mailed to the Settlement Class Members, pursuant to the terms of the Settlement, on or
13 before _____ (within sixty (60) days after entry of this Order (the “Notice
14 Date”)).

15 14. The Court preliminarily appoints JND Legal Administration as the
16 Settlement Claim Administrator. The Settlement Claim Administrator is directed to
17 perform all settlement administration duties set out in the Settlement Agreement,
18 including establishing, maintaining, and administering a website dedicated to the
19 Settlement which (i) will provide information about the Settlement including all
20 relevant documents and deadlines and (ii) will instruct on how to submit a Claim for
21 reimbursement. At least fourteen (14) days before the Final Approval Hearing, the
22 Settlement Claim Administrator shall provide an affidavit or declaration to the Court
23 attesting that Settlement Class Notice was disseminated in a manner consistent with the
24 terms of the Settlement.

25 15. The Court authorizes the Settlement Claim Administrator, JND Legal
26 Administration, through data aggregators or otherwise, to request, obtain and utilize
27 vehicle registration information from the Department of Motor Vehicles for all 50

1 states, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands and all
2 other United States territories and/or possessions for the purposes of providing the
3 identity of and contact information for purchasers and lessees of Class Vehicles.
4 Vehicle registration information includes, but is not limited to, owner/lessee name and
5 address information, registration date, year, make and model of the vehicle.

6 16. The Departments of Motor Vehicles within the United States and its
7 territories are ordered to provide approval to Polk/IHS Markit, Experian, or any other
8 company so retained by the parties and/or the Settlement Claim Administrator, to
9 release the names and addresses of Settlement Class Members in this action associated
10 with the titles of the Vehicle Identification Numbers (“VINs”) at issue in this action for
11 the purposes of disseminating the Settlement Class Notice to the Settlement Class
12 Members. Settlement Class Members’ contact information may be used solely for
13 providing Settlement Class Notice in this action and for no other purpose.

14 17. Any Settlement Class Members that wish to exclude themselves from the
15 Settlement must submit a Request for Exclusion, in writing, to the Settlement Claim
16 Administrator at the address to be specified in the Class Notice. All Requests for
17 Exclusion must be postmarked no later than _____, 2024 (within forty-five (45) days
18 after the Notice Date) (the “Exclusion Deadline”), and must include/state the following:

- 19 (a) the Settlement Class Member’s full name, address and
20 telephone number;
- 21 (b) the model, model year and VIN of the Settlement Class
22 Vehicle;
- 23 (c) state that he/she/it is or was a present or former owner or
24 lessee of a Settlement Class Vehicle; and
- 25 (d) a specific and unambiguous statement that he/she/it
26 desires to be excluded from the Settlement Class.

27 18. Any Settlement Class Member who fails to submit a timely and complete
Request for Exclusion sent to the proper address, shall remain in the Settlement Class

1 and shall be subject to and bound by all determinations and judgments in the Action
2 concerning the Settlement, including but not limited to the Release set forth in the
3 Settlement Agreement.

4 19. Any Settlement Class Member who has not submitted a Request for
5 Exclusion may object to the fairness of this Settlement Agreement, the request for
6 Settlement Class Counsel fees and expenses and/or the request for Settlement Class
7 Representative service awards. Any objection and supporting documents must be filed,
8 on or before _____ (forty-five (45) days after the Notice Date) (the
9 “Objection Deadline”), with the Court via the Court’s electronic filing system, or if not
10 filed via the Court’s electronic system, the objection and supporting documents must
11 be mailed to all of the following persons by first-class mail postmarked no later than
12 the Objection Deadline:

- 13 (a) Clerk of the Court, Ronald Reagan United States
14 Courthouse, 411 West Fourth Street, Santa Ana, CA,
15 92701-4516.
- 16 (b) Sergei Lemberg, Lemberg Law, LLC, 43 Danbury Road,
17 3rd Floor, Wilton, CT 06897; and
- 18 (c) Jahmy S. Graham, Nelson Mullins Riley and Scarborough
19 LLP, 19191 South Vermont Avenue, Torrance, CA 90502;
20 and
- 21 (d) JND Legal Administration by mailing to:
22 Mazda Excessive Oil Consumption Settlement
23 c/o JND Legal Administration
24 PO Box 91414
25 Seattle, WA 98111

26 20. For an objection to be considered by the Court, the objection must contain
27 the following:

- 28 (a) the case name, *Guthrie et al. v. Mazda Motor of America, Inc.*, 8:22-cv-01055 (DOC) (DFM);
- 29 (b) the objector’s full name, address, and telephone number;

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- (c) the model, model year and Vehicle Identification Number (“VIN”) of the Settlement Class Vehicle, along with proof that the objector has owned or leased the Settlement Class Vehicle (i.e., a true copy of a vehicle title, registration, or license receipt);
- (d) a written statement of all grounds for the objection accompanied by any legal support for such objection;
- (e) copies of any papers, briefs, or other documents upon which the objection is based and are pertinent to the objection; and
- (f) a list of all other objections submitted by the objector, or the objector’s counsel, to any class action settlements submitted in any court in the United States in the previous five years, including the full case name with jurisdiction in which it was filed and the docket number. If the Settlement Class Member or his, her or its counsel has not objected to any other class action settlement in the United States in the previous five years, he/she/it shall affirmatively so state in the objection.

21. Any objection that fails to satisfy all of these requirements is not valid and shall not be considered by the Court.

22. Subject to the approval of the Court, any objecting Settlement Class Member may appear, in person or by counsel, at the final fairness hearing to explain the bases for his/her/its objection. In order to appear, the objecting Settlement Class Member must, by the Objection Deadline, file with the Clerk of the Court and serve upon all counsel designated in the Class Notice, a notice of intention to appear at the fairness hearing. The notice of intention to appear must include copies of any papers, exhibits, or other evidence and identity of witnesses that the objecting Settlement Class Member (or the objecting Settlement Class Member’s counsel) intends to present to the Court in connection with the fairness hearing.

23. Any Settlement Class Member who does not object in the time and manner directed in this Order shall be deemed to have waived such objections and shall forever

1 be foreclosed from objecting to the fairness, reasonableness, or adequacy of the
2 proposed Settlement and any judgment approving the Settlement.

3 24. The Court hereby schedules the Final Fairness Hearing for _____, 2024
4 at _____ a.m./p.m. (not less than 135 days after the date of this Order) and will take
5 place in Courtroom 10A of the Ronald Reagan United States Courthouse, 411 West
6 Fourth Street, Santa Ana, CA, 92701-4516. The Final Fairness Hearing will assist the
7 Court in determining whether the proposed Settlement should receive final approval as
8 fair, reasonable, and adequate, the Settlement Class should be certified, a final order
9 and judgment should be entered approving the Settlement, and whether Settlement
10 Class Counsel’s applications for reasonable attorneys’ fees and expenses and service
11 awards to the Settlement Class Representatives should be approved.

12 25. Settlement Class Counsel shall file their Motion for reasonable attorneys’
13 fees and expenses (“Fee and Expense Application”) and service awards for the
14 Settlement Class Representative Plaintiffs, no later than three (3) days after the Notice
15 Date. In addition, Class Counsel will cause the Fee and Expense Application, and any
16 Opposition filed by Defendant, and Reply by Plaintiffs, and any other documents the
17 Court orders, to be posted on the settlement website.

18 26. Plaintiffs shall file their Motion for Final Approval of the Settlement, no
19 later than _____, 2024 (fourteen (14) days before the Final Fairness
20 Hearing). If Defendant chooses to file a memorandum of law in support of final
21 approval of the Settlement, it must do so no later than _____, 2024 (seven
22 (7) days before the Final Fairness Hearing).

23 27. Plaintiffs and Class Counsel shall file their responses to any timely and
24 properly filed objections to the Settlement, the Fee and Expense Application or
25 Settlement Class Representative service awards no later than _____,
26 2024 (fourteen (14) days before the Final Fairness Hearing). If Defendant chooses to
27

1 file a response to timely and properly filed objections, it also must do so no later than
2 _____, 2024 (seven (7) days before the Final Fairness Hearing).

3 28. In the event the Settlement is not approved by the Court, or for any reason
4 the parties fail to obtain a Final Order and Judgment as contemplated in the
5 Settlement, or the Settlement is terminated pursuant to its terms for any reason, then the
6 following shall apply:

- 7 (a) All orders and findings entered in connection with the
8 Settlement shall become null and void and have no further
9 force and effect, shall not be used or referred to for any
10 purposes whatsoever, and shall not be admissible or
11 discoverable in this or any other proceeding, judicial or
12 otherwise;
- 13 (b) All of the Parties' respective pre-Settlement claims,
14 defenses and procedural rights will be preserved, and the
15 parties will be restored to their positions *status quo ante*;
- 16 (c) Nothing contained in this Order is, or may be construed as,
17 any admission or concession by or against Defendant,
18 Released Parties or Plaintiffs on any claim, defense, or
19 point of fact or law;
- 20 (d) Neither the Settlement terms nor any publicly
21 disseminated information regarding the Settlement,
22 including, without limitation, the Class Notice, court
23 filings, orders and public statements, may be used as
24 evidence in this or any other proceeding, judicial or
25 otherwise;
- 26 (e) Neither the fact of, nor any documents relating to, either
27 party's withdrawal from the Settlement, any failure of the
Court to approve the Settlement, and/or any objections or
interventions may be used as evidence in any action;
- (f) The preliminary certification of the Settlement Class
pursuant to this Order shall be vacated automatically, and
the Action shall proceed as though the Settlement Class
had never been preliminarily certified; and

1 (g) The terms in Section VI of the Settlement Agreement shall
2 survive.

3 29. Pending the Final Fairness Hearing and the Court's decision whether to
4 finally approve the Settlement, no Settlement Class Member, either directly,
5 representatively, or in any other capacity (including those Settlement Class Members
6 who filed Requests for Exclusion from the Settlement which have not yet been
7 approved by the Court at the Final Fairness Hearing), shall commence, continue,
8 prosecute or participate in any action or proceeding in any court or tribunal asserting
9 any of the matters, claims or causes of action that are to be released in the Settlement
10 Agreement against any of the Released Parties (as that term is defined in the Settlement
11 Agreement). Pursuant to 28 U.S.C. § 1651(a) and 2283, the Court finds that issuance
12 of this preliminary injunction is necessary and appropriate in aid of the Court's
13 continuing jurisdiction and authority over the Action.

14 30. Upon final approval of the Settlement, all Settlement Class Members who
15 have not been determined to have timely and validly excluded themselves from the
16 Settlement Class, shall be forever enjoined and barred from asserting any of the matters,
17 Released Claims or causes of action released pursuant to the Settlement Agreement
18 against any of the Released Parties, and any such Settlement Class Member shall be
19 deemed to have forever released any and all such matters, Released Claims, and causes
20 of action against any of the Released Parties as provided in the Settlement Agreement.

21 31. Settlement Class Counsel and Defendant's Counsel are hereby
22 authorized to use all reasonable procedures in connection with approval of the
23 Settlement that are not materially inconsistent with this Order or the Settlement
24 Agreement, including making, without further approval of the Court, agreed minor
25 changes to the Settlement Agreement, to the form or content of the Class Notice or to
26 any other exhibits that the parties jointly agree are reasonable or necessary.
27

1 32. This Court shall maintain continuing jurisdiction over these settlement
2 proceedings to assure the effectuation of the Settlement terms.

3 33. Based on the foregoing, the Court sets the following schedule for the
4 Fairness Hearing and the actions which must precede it:

- 5 (a) Notice shall be provided in accordance with the Notice
6 Plan and this Order;
- 7 (b) Class Counsel shall file their Fee and Expense Application
8 and request for service awards for Plaintiffs no later than
9 _____, 2024 (three (3) days after the Notice Date);
- 10 (c) Settlement Class Members must file any objections to the
11 Settlement, Class Counsel’s Fee and Expense Application
12 and/or the request for service awards no later than
13 _____, 2024 (forty-five (45) days after Notice Date);
- 14 (d) Settlement Class Members who wish to exclude
15 themselves from the Settlement must submit proper and
16 sufficient Requests for Exclusion from the Settlement no
17 later than _____, 2024 (forty-five (45) days after
18 Notice Date);
- 19 (e) Plaintiffs shall file their Motion for Final Approval of the
20 Settlement and responses to timely and properly filed
21 objections to the Settlement, the Fee and Expense
22 Application or Settlement Class representative service
23 awards no later than _____, 2024 (fourteen
24 (14) days before the Final Fairness Hearing);
- 25 (f) If Defendant chooses to file a memorandum of law in
26 support of final approval of the Settlement or to respond
27 to timely and properly filed objections, it must do so no
later than _____, 2024 (seven (7) days
before the Final Fairness Hearing);
- (g) The Settlement Claim Administrator must file with the
Court, no later than _____, 2024 (fourteen (14) days
before the Final Fairness Hearing), (i) a list of those
persons or entities who or which have opted-out or
excluded themselves from the Settlement; and (ii) the

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details outlining the scope, method and results of the notice program;

(h) The Final Fairness Hearing will be held on _____, 2024 (not less than 135 days after the date of this Order), at _____, at the Ronald Reagan United States Courthouse, 411 West Fourth Street, Santa Ana, CA, 92701-4516.

IT IS SO ORDERED.

Dated: _____

Hon. David O. Carter
United States District Judge

EXHIBIT 4

LONG FORM NOTICE AND POSTCARD NOTICE
[Subject to Modification to fit notice or postcard notice on website
or postcard respectively]

For more information visit www.xyz.com

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA
NOTICE OF PROPOSED CLASS SETTLEMENT

If your 2021-2022 Mazda3, 2021-2022 CX-30, 2021 Mazda6, 2021 CX5, or 2021 CX9 vehicle equipped with a 2.5L turbocharged engine had

- a “**LOW ENGINE OIL LEVEL**” warning message on the instrument cluster before the regular oil change interval of 7,500 miles or 1 year, **OR**
- an oil refill after noticing the oil was low before the regular oil change interval

You can get a repair of your vehicle’s Valve Stem Seals now and may get reimbursement for prior oil refills (subject to certain conditions).

Your rights may be affected by this settlement whether you act or not. Read this notice carefully.

• A proposed class action settlement has followed from allegations that some Mazda vehicles were manufactured, marketed, distributed, sold, and/or leased containing defective valve stem seals which causes excessive oil consumption (the alleged “Valve Stem Seal Defect”). This is caused by damage to the valve stem seals on the exhaust side of the engine. To eliminate this concern, the design of these valve stem seals has been modified. Mazda denies any wrongdoing. The parties have reached a settlement to avoid the costs of litigation, and provide class members relief, repair, a warranty extension and compensation for qualifying past oil refills or oil changes.

• The settlement provides the following benefits:

- (1) replacement of the affected valve stem seals in included vehicles (certain conditions apply as outlined below);
 - (2) extension of Mazda’s Powertrain Limited Warranty from 60 months and 60,000 miles, whichever comes first, to 84 months and 84,000 miles, whichever comes first for all Settlement Class Vehicles;
 - (3) reimbursement of certain out-of-pocket costs incurred by a current or former owner or lessee of a Settlement Class Vehicle who actually incurred and paid out-of-pocket costs for an (a) oil change performed more frequently than the normal interval of 7,500 miles or 1 year, and/or (b) additional engine oil in between the normal interval of 7,500 miles or 1 year; and
 - (4) loaner vehicles to be provided (subject to dealer availability) for the repair.
- To qualify for repair, you must have owned or leased one of the affected Mazda vehicles listed above (specific to the VIN—see VIN ranges below) that have the affected valve stem seals and manifested excessive oil consumption as explained below.

For more information visit www.xyz.com

Who Is Included?

You are receiving this Notice because your Vehicle Identification Number (VIN) indicates that your vehicle may be included in the settlement. Alternatively, you can visit the Settlement Website [www.\[website\].com](http://www.[website].com) and you can look up your VIN to confirm your vehicle is included in the settlement. The VIN is a 17-character number that can be found on the driver's side dashboard or driver's side door post. The VIN also appears on your registration card and insurance card.

If the settlement is approved, Judge David O. Carter of the United States District Court for the Central District of California will decide that everyone who fits this description is a Settlement Class Member:

All persons or entities in the United States who are current or former owners and/or lessees of a 2021-2022 Mazda CX-30, 2021 CX-5, 2021 CX-9, 2021-2022 Mazda3, and 2021 Mazda6 vehicle equipped with a 2.5L turbocharged engine with the affected valve stem seals.

Excluded from the Settlement Class are (a) anyone claiming personal injury, property damage and/or subrogation; (b) all Judges, court staff, and/or mediators or arbitrators who have presided over the lawsuit and their spouses; (c) all current employees, officers, directors, agents and representatives of Mazda, and their family members; (d) any affiliate, parent or subsidiary of Mazda and any entity in which Mazda has a controlling interest; (e) anyone acting as a used car dealer; (f) anyone who purchased a Settlement Class Vehicle for the purpose of commercial resale; (g) anyone who purchased a Settlement Class Vehicle with salvaged title and/or any insurance company who acquired a Settlement Class Vehicle as a result of a total loss; (h) any insurer of a Settlement Class Vehicle; (i) issuers of extended vehicle warranties and service contracts; (j) any Settlement Class Member who, prior to the date of the Class Settlement, settled with and released Mazda or any Released Parties from any Released Claims, and (k) any Settlement Class Member that files a timely and proper Request for Exclusion from the Settlement Class.

The following models and VIN ranges are equipped with the affected valve stem seals:

- 2021 Mazda3 (Japan built 2.5T) with VINS from JM1BP*****315204 - 403637 (produced from October 12, 2020 to September 13, 2021)
- 2021-2022 Mazda3 (Mexico built 2.5T) with VINS starting from 3MZBP*****209389 - 307372 (produced from December 8, 2020 to June 16, 2022)
- 2021-2022 CX-30 (2.5T) with VINS starting from 3MVDM*****233598 - 437812 (produced from December 7, 2020 to June 30, 2022)
- 2021 Mazda6 (2.5T) with VINS from JM1GL*****602506 - 618909 (produced from October 6, 2020 to September 14, 2021)
- 2021 CX-5 (US/Canada spec 2.5T with 10.25" center display) with VINS from JM3KF*****320280 – 472324 (produced from October 6, 2020 to September 13, 2021)
- 2021 CX-9 (US/Canada spec 2.5T with 10.25" center display) with VINS from JM3TC*****509027 – 541070 (produced from October 6, 2020 to September 13, 2021)
- 2021 CX-5 (Canada/Mexico spec 2.5T with 8" center display) with VINS from JM3KF*****112005 – 135036 (produced from October 6, 2020 to September 1, 2021)
- 2021 CX-9 (Canada/Mexico spec 2.5T with 7" or 9" center display) with VINS from JM3TC*****451418 – 455173 (produced from October 6, 2020 to September 11, 2021)

For more information visit www.xyz.com

If you meet the definition of "Who is Included?" detailed above, you ARE a class member.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

GET A VALVE STEM SEAL REPAIR

If the "Low Engine Oil Level" on your vehicle instrument cluster has illuminated before the regular oil change interval of 7,500 miles/1 year, you can go to or contact a Mazda authorized dealership and schedule a repair for the Valve Stem Seals right now.

If the "Low Engine Oil Level" has not illuminated, you can still get a repair right now if your engine oil has been refilled (by the customer or the dealer) before the regular interval because the engine oil was too low.

If neither of the above, you can bring your vehicle to a Mazda authorized dealership for a free-of-charge excessive oil consumption test and, if your vehicle fails the test, you will receive the Valve Stem Seal repair.

The Valve Stem Seal repair involves replacing the valve stem seals on the exhaust side of your engine with redesigned valve stem seals.

SUBMIT A CLAIM FORM FOR OIL CHANGES OR OIL REFILLING

If you submit a valid Claim Form and accompanying Proof of Oil Change Expense or Additional Engine Oil Purchase to claim reimbursement available under, and in the manner provided by, the terms of this Settlement by _____, 2024, you will receive a Claim Payment. This date could change, so please visit the Settlement Website often for the most updated information on the deadline to submit a claim. You can submit a Claim Form on the Settlement Website or by mailing a Claim Form to: _____.

EXCLUDE YOURSELF FROM THE CASE

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens or has happened in the lawsuit. You may be able to sue (or continue to sue) Mazda in the future. The deadline for excluding yourself is _____, 2024.

Any Settlement Class Member who wishes to be excluded from the Settlement Class must submit a request for exclusion ("Request for Exclusion") to the Claim Administrator at the following address _____. To be effective, the Request for Exclusion must:

- (a) include the Settlement Class Member's full name, address and telephone number;
- (b) identify the model, model year and VIN of the Settlement Class Vehicle;
- (c) state that he/she/it is or was a present or former owner or lessee of a Settlement Class Vehicle; and
- (d) specifically and unambiguously state his/her/its desire to be excluded from the Settlement Class.

OBJECT TO THE SETTLEMENT

If you are a Settlement Class Member, you can object to the settlement, any award of attorneys' fees and costs and/or incentive awards to the Plaintiffs. You can give reasons why you think the Court should not approve the Settlement or any awards. The Court will consider your views. The deadline for objecting is _____, 2024.

Any Settlement Class Member who intends to object to the fairness of this Class Settlement must file any such objection via the Court's electronic filing system, and if not filed via the Court's electronic

For more information visit www.xyz.com

system, must mail the objection to the Court and the following persons, by first-class mail postmarked no later than _____, 2024: Sergei Lemberg, Lemberg Law, LLC, 43 Danbury Road, 3rd Floor, Wilton, Connecticut 06897 on behalf of Settlement Class Counsel; Jahmy S. Graham, Nelson Mullins Riley and Scarborough LLP, 19191 South Vermont Avenue, Torrance, CA 90502, on behalf of Defense/Mazda Counsel; and the Claim Administrator, Mazda Excessive Oil Consumption Settlement, c/o JND Legal Administration, PO Box 91414, Seattle, WA 98111.

DO NOTHING

If you do nothing, you will be bound by the terms of the Settlement, you will obtain the extended warranty coverage to your vehicle, you can get the Valve Stem Seal Defect repair as set forth above. You will not receive any reimbursement for past qualifying expenses unless you submit a claim. By doing nothing you do give up certain rights to sue Mazda or other Released Persons or Entities.

ATTEND THE FINAL APPROVAL HEARING

The Court will hold a Fairness Hearing on _____, 2024, at __:__ a.m., in-person at U.S. District Court for the Central District of California, **Ronald Reagan Federal Building and United States Courthouse, 411 West Fourth Street, Courtroom 10 A, Santa Ana, CA, 92701-4516**. The putative class action case is captioned *Guthrie, et al. v. Mazda Motor of America, Inc. d/b/a Mazda North American Operations*, No. 8:22-cv-01055 (C.D. Cal.). The Court may hold the Fairness Hearing electronically, reschedule the Fairness Hearing, or change any of the deadlines described in the Notice. The date of the Fairness Hearing may change without further notice to the Settlement Class Members. Be sure to check the Settlement Website for news of any such changes.

THE CLASS REPRESENTATIVES AND CLASS COUNSEL

Who are the class representatives and how much will they receive?

There are eight class representatives: Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo and Amy Bradshaw. The Class Representatives will receive their benefits of the settlement as Class Members and they will request incentive awards of \$2,200 each, to be paid by Mazda, for having pursued this action. No amount of an incentive has been awarded. The Class Representatives will request that the Court approve their awards and the awards are subject to Court Approval.

Do I have a lawyer in this case?

To represent the class, the Court has appointed attorneys with the law firm of Lemberg Law, LLC, 43 Danbury Road, Wilton, CT 06897 as "Class Counsel."

Class Counsel will request an award of attorney's fees and costs to be paid by Mazda. Class Counsel's petition for an award of attorneys' fees and costs will be available on the Settlement Website. No amount for fees or costs has been agreed to by Mazda or awarded by the Court. Any attorney's fee and expense award is subject to Court Approval. You may hire your own attorney, but only at your own expense.

ADDITIONAL DETAILS ABOUT THE PROGRAM:

DESCRIPTION

Customers within any of the 50 States of the U.S. and the District of Columbia, Puerto Rico, or U.S. Virgin Islands whose covered vehicles (1) experienced the Low Engine Oil Warning Indication light before the recommended service/oil change interval of 7,500 miles or 1 year, or (2) has had the oil refilled before the warning light came on if the customer or dealer noticed that the oil level was too low before the regular service/oil change interval, are requested to visit a dealer for a valve stem seal replacement.

For more information visit www.xyz.com

If neither 1 nor 2, customers may bring their vehicle to a Mazda authorized dealership for an oil consumption test. If the vehicle fails the test, it may receive a valve stem seal replacement.

During the initial one-year period of the Program, Mazda dealers servicing Class Vehicles for any reason will check whether the DTC P250F:00 (“Low Engine Oil Level”) is stored in the memory. If the code is stored in memory before the regular oil change interval of 7,500 miles or 1 year, even if the engine oil level is not low or decreased at the time of the technicians’ inspection of the vehicle due to previous refilling of oil, the dealer will advise the vehicle owner that they are eligible to receive replacement of the affected valve stem seals under the Program.

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

CLASS ACTION NOTICE

If your 2021-2022 Mazda3, 2021-2022 CX-30, 2021 Mazda6, 2021 CX5, or 2021 CX9 vehicle equipped with a 2.5L turbocharged engine had

- a “LOW ENGINE OIL LEVEL” warning message on the instrument cluster before the regular oil change interval of 7,500 miles or 1 year, OR
- an oil refill after noticing the oil was low before the regular oil change interval

You can get a repair of your vehicle’s Valve Stem Seals at no cost now and may get reimbursement for prior oil refills/ changes.

All vehicles within the impacted VIN range, whether or not an oil issue has occurred, get a 24 month/24,000 mile powertrain limited warranty extension and are part of a potential class settlement – read this notice carefully

Mazda Excessive Oil Consumption Settlement
7077
c/o JND Legal Administration
PO Box 91414
Seattle, WA 98111

FIRST CLASS
MAIL
US POSTAGE
PAID
Permit#__



Postal Service: Please do not mark barcode

Unique ID: «CF_PRINTED_ID»

«Full_Name»
«CF_CARE_OF_NAME»
«CF_ADDRESS_1»
«CF_ADDRESS_2»
«CF_CITY», «CF_STATE» «CF_ZIP»
«CF_COUNTRY»

A proposed class action settlement has been reached in a class action lawsuit called *Guthrie, et al. v. Mazda Motor of America, Inc. d/b/a Mazda North American Operations*, No. 8:22-cv-01055 (C.D. Cal.) (the "Settlement"). Records indicate that you may be a Settlement Class Member. This notice summarizes your rights and options. More details are available at [www.\[website\].com](http://www.[website].com).

What is this about? Plaintiffs alleged that some Mazda vehicles were sold and/or leased with defective valve stem seals which causes excessive oil consumption (the alleged "Valve Stem Seal Defect"). To eliminate this concern, the design of these seals has been changed. Mazda denies any wrongdoing. The parties have reached a settlement to avoid the costs of litigation, and provide class members relief, repair, a warranty extension and compensation for qualifying past oil refills or oil changes.

Who is affected? Settlement Class Members include all persons or entities in the United States who are current or former owners and/or lessees of a 2021-2022 Mazda CX-30, 2021 CX-5, 2021 CX-9, 2021-2022 Mazda3, and 2021 Mazda6 vehicle within the defined Vehicle Identification Number ("VIN") range with a 2.5L turbocharged engine. There are several exclusions to the Settlement Class. Visit [www.\[website\].com](http://www.[website].com) for more details.

What does the Settlement provide? (1) replacement of the affected valve stem seals in vehicles where a low engine oil issue has manifested by premature oil light illumination, oil refill or change, or failure of an oil consumption test; (2) a 24,000 mile/2yr extension of Mazda's Powertrain Limited Warranty; (3) reimbursement of out-of-pocket costs incurred by a current or former owner or lessee of a Settlement Class Vehicle for an oil change and/or additional oil more frequently than the normal interval of 7,500 miles or 1 year; and (4) loaner vehicles to be provided (subject to dealer availability) for the repair.

How do I get the settlement benefits? The Valve Stem Seal Repair Program is available now. Contact your Mazda authorized dealership to schedule an appointment. If you have not refilled your oil, or your low engine oil has not gone off before the recommended interval, you may schedule an oil consumption test. The extended powertrain warranty is automatic for all Class Vehicles if the Settlement is approved. To recover out-of-pocket costs for a past qualifying oil change or additional oil, you must submit a valid claim for reimbursement. Go to [www.\[website\].com](http://www.[website].com) to file or download a reimbursement Claim Form. You can also write Mazda Excessive Oil Consumption Settlement, c/o JND Legal Administration, PO Box 91414, Seattle, WA 98111, or email

info@[website].com. Claim Forms and supporting documentation must be submitted online or postmarked by _____, 2024 or they will not be considered. Go to [www.\[website\].com](http://www.[website].com) to learn more.

What are my other options? You can do nothing, exclude yourself or object to the Settlement. Do nothing. You will be bound by the terms of the Settlement, you will obtain the extended warranty coverage to your vehicle, and you can get the Valve Stem Seal repair now. You will not receive any reimbursement for past qualifying expenses unless you submit a claim. By doing nothing you do give up certain rights to sue Mazda or other Released Persons or Entities. Exclude yourself. If you ask to be excluded, you will not get any settlement benefits and you cannot object to the Settlement. You will not be legally bound by anything that happens or has happened in the lawsuit. You may be able to sue (or continue to sue) Mazda in the future. Object. If you do not exclude yourself from the Settlement Class, you can object to the Settlement, any award of attorneys' fees and costs and/or incentive awards to the Plaintiffs. The deadline for exclusion requests and objections is _____, 2024. For more details about your rights and options and how to exclude yourself or object, go to [www.\[website\].com](http://www.[website].com).

What happens next? The Court will hold a Fairness Hearing on _____, 2024 at __:__ am to consider whether to approve the Settlement, Class Counsel's attorneys' fees and expenses, and incentive awards of \$2,200 for each of the Class Representatives (Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo and Amy Bradshaw). The applications for fees, expenses and incentive awards are available on the settlement website. The Court has appointed the law firm of Lemberg Law, LLC as Class Counsel. You or your attorney may ask to speak at the hearing at your own expense, but you do not have to. The Court may hold the Fairness Hearing electronically, reschedule the Fairness Hearing, or change any of the deadlines described in the Notice. The date of the Fairness Hearing may change without further notice to the Settlement Class Members. Be sure to check the Settlement Website for news of any such changes.

How do I get more information? For more information, visit [www.\[website\].com](http://www.[website].com), call toll-free 1-877-231-0642, write Mazda Excessive Oil Consumption Settlement, c/o JND Legal Administration, PO Box 91414, Seattle, WA 98111, or email [info@\[website\].com](mailto:info@[website].com).

Please do not contact the Court regarding this Notice.

UNIQUE ID: XXXXX-XXXXX / PIN: XXXXXXXX / VIN: XXXXXXXXXXXXXXXXXXXX



Carefully separate this Address Change Form at the perforation

#:7080

Name: _____

Current Address: _____

Place
Stamp
Here

Address Change Form

To make sure your information remains up-to-date in our records, please confirm your address by filling in the above information and depositing this postcard in the U.S. Mail.

Mazda Excessive Oil Consumption Settlement
c/o JND Legal Administration
PO Box 91414
Seattle, WA 98111

1 TRINETTE G. KENT (State Bar No. 222020)
2 Lemberg Law, LLC
3 1100 West Town & Country Rd.
4 Suite 1250
5 Orange, California 92868
6 Telephone: (480) 247-9644
7 Facsimile: (480) 717-4781
8 E-mail: tkent@leberglaw.com

9 Sergei Lemberg (admitted *pro hac vice*)
10 Stephen Taylor (admitted *pro hac vice*)
11 Joshua Markovits (admitted *pro hac vice*)
12 Lemberg Law, LLC
13 43 Danbury Road
14 Wilton, CT 06897
15 Telephone: (203) 653-2250
16 Facsimile: (203) 653-2250
17 E-mail: slemberg@leberglaw.com
18 E-mail: jmarkovits@leberglaw.com
19 *Attorneys for Plaintiffs*

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

22 Gary Guthrie, Stephanie Crain, Chad
23 Hinton, Julio Zelaya, Anna Gilinets,
24 Marcy Knysz, Lester Woo, and Amy
25 Bradshaw, *on behalf of themselves and all
26 others similarly situated,*

27 Plaintiffs,

28 vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF SERGEI
LEMBERG IN SUPPORT OF
MOTION FOR FINAL
APPROVAL**

1 I, Sergei Lemberg, under penalty of perjury under the laws of the United States
2 of America, affirm and state as follows:

3 1. I am the principal of Lemberg Law, LLC (“Lemberg Law”). I am a
4 consumer rights attorney experienced in prosecuting actions under various federal and
5 state consumer protection statutes. I have personal knowledge as to all matters set forth
6 in this Declaration and could testify to the same if called to do so.

7 2. I graduated from Brandeis University in 1997 and from the University of
8 Pennsylvania School of Law in 2001. I am a member in good standing of the bars of,
9 Connecticut, Florida, Georgia, Massachusetts, New Jersey, New York, and
10 Pennsylvania. I am also admitted to practice before the First, Second, Third, Fourth,
11 Fifth, Seventh, Ninth and Eleventh Circuit Courts of Appeal. I am admitted to practice
12 before the following Federal courts: the District of Massachusetts, Eastern and Western
13 Districts of Arkansas; the District of Connecticut; the Northern and Middle Districts of
14 Georgia; the Northern, Central and Southern Districts of Illinois; the District of
15 Maryland; the Eastern and Western Districts of Michigan; the Eastern District of
16 Missouri; the District of Nebraska; the Northern, Southern, Eastern and Western
17 Districts of New York; the Northern District of Ohio; the Northern, Eastern and
18 Western Districts of Oklahoma; the Western District of Texas and the Eastern, Middle
19 and Western Districts of Pennsylvania.

20 3. My firm’s decisions on consumer right’s matters include but are not
21 limited to: *Pollard v. Law Office of Mandy L. Spaulding*, 766 F.3d 98 (1st Cir. 2014);
22 *Scott v. Westlake Servs. LLC*, 2014 WL 250251 (7th Cir. Jan. 23, 2014); *Evon v. Law*
23 *Offices of Sidney Mickell*, 688 F.3d 1015 (9th Cir. 2012); *LaVigne v. First Cmty.*
24 *Bancshares, Inc.*, No. 1:15-CV-00934-WJ-LF, 2016 WL 6305992 (D.N.M. Oct. 19,
25 2016); *Butto v. Collecto, Inc*, 290 F.R.D. 372, 395-396 (E.D.N.Y. 2013); *Cerrato v.*
26 *Solomon & Solomon*, 909 F.Supp.2d 139 (D. Conn. 2012); *Zimmerman v. Portfolio*
27 *Recovery Assoc., LLC*, 276 F.R.D. 174 (S.D.N.Y. 2011); *Davis v. Diversified*
28

1 *Consultants, Inc.*, 2014 WL 2944864 (D. Mass. June 27, 2014); *Hudak v. The Berkley*
2 *Grp., Inc.*, 2014 WL 354666 (D. Conn. Jan. 23, 2014); *Zimmerman v. Portfolio*
3 *Recovery Assocs., LLC*, 2013 WL 6508813 (S.D.N.Y. Dec. 12, 2013); *Seekamp v. It's*
4 *Huge, Inc.*, 2012 WL 860364 (N.D.N.Y. Mar. 13, 2012).

5 4. I have been certified as class counsel, in both contested proceedings and
6 in settlement, in the following matters: *Sager, et al. v. Volkswagen Group of America,*
7 *Inc., and Audi of America, Inc.*, 18-cv-13556 (D.N.J) (settlement class counsel
8 representing nation-wide class of approximately 340,000 members alleging breach of
9 various warranties and state consumer law owing to allegedly defective after-run
10 electric coolant pumps); *Riley v. Gen. Motors LLC*, 2024 WL 1256056 (S.D. Ohio Mar.
11 25, 2024) (in which the court certified a class of Ohio vehicle owners for breach of
12 warranty claims flowing from General Motors failure to comply with its warranty
13 obligations to repair defective shifters. In addition to appointing Lemberg Law as class
14 counsel and certifying the case, the court denied in part the manufacturer's motion for
15 summary judgment); *Jefferson v. Gen. Motors, LLC*, 344 F.R.D. 175, 188 (W.D. Tenn.
16 2023) (in which the court certified a class of Tennessee vehicle owners for breach of
17 warranty claims flowing from General Motors failure to comply with its warranty
18 obligations to repair defective shifters. In addition to appointing Lemberg Law as class
19 counsel and certifying the case, the court denied in part the manufacturer's motion for
20 summary judgment); *Seekamp v. It's Huge, Inc.*, 2012 WL 860364 (N.D.N.Y. Mar. 13,
21 2012) (certifying auto fraud class action); *Johnson v. Comodo Grp., Inc.*, No.
22 CV164469SDWLDW, 2020 WL 525898 (D.N.J. Jan. 31, 2020) (certifying Telephone
23 Consumer Protection Act ("TCPA") class action); *Munday v. Navy Federal Credit*
24 *Union*, 15-cv-01629 (C.D. Cal., July 14, 2017) (ECF No. 60) (final approval of class
25 settlement of \$2.75MM in TCPA action); *Brown v. Rita's Water Ice Franchise Co.*
26 *LLC*, No. CV 15-3509, 2017 WL 1021025, at *1 (E.D. Pa. Mar. 16, 2017) (final
27 approval of class settlement of \$3MM common fund in TCPA action); *Duchene v.*
28

1 *Westlake Servs., LLC*, No. 2:13-CV-01577-MRH, 2016 WL 6916734 (W.D. Pa. July
2 14, 2016) (final approval of class settlement of \$10MM common fund in TCPA action);
3 *In Re: Convergent Telephone Consumer Protection Act Litigation*, 3:13-md-02478 (D.
4 Conn., November 10, 2016) (ECF No. 268) (final approval of class settlement
5 consisting of \$5.5MM common fund and injunctive relief in TCPA action); *Oberther*
6 *v. Midland Credit Management*, 14-cv-30014 (D. Mass. July 13, 2016) (ECF No. 90)
7 (Fair Debt Collection Practice Act (“FDCPA”) class action); *Zimmerman v. Portfolio*
8 *Recovery Assoc., LLC*, 276 F.R.D. 174 (S.D.N.Y. 2011) (certifying FDCPA class
9 action); *Evon v. Law Offices of Sidney Mickell*, 688 F.3d 1015 (9th Cir. 2012) (FDCPA
10 class action); *Butto v. Collecto, Inc.*, 290 F.R.D. 372 (E.D.N.Y. 2013) (certifying
11 FDCPA class action); *Douma v. Law Offices of Mitchell N. Kay P.C.*, 09-cv-9957
12 (S.D.N.Y.) (FDCPA class action); *Waiters v. Collection Tech., Inc.*, 10-cv-02514
13 (S.D.N.Y.) (FDCPA class action).

14 5. Since its inception in 2006, Lemberg Law has also represented plaintiffs
15 in over 10,000 individual automotive actions under the Magnuson-Moss Warranty Act,
16 and various state lemon law and express and implied warranty statutes.

17 6. I have co-authored the definitive compilation of form complaints in
18 Connecticut, Connecticut Civil Complaints for Business Litigation, contributing form
19 complaints for the Lemon Law and Auto Fraud sections.

20 7. I have been interviewed and asked to contribute on multiple occasions by
21 the media regarding various matters that I worked on, such as the Boston Herald,
22 NorthJersey.com, Newsweek, The Leader Herald, PatriotLedger.com, Law360, Texas
23 Lawyer, ABC News, Chanel 7 in Boston, McClatchy, AOL Autos, Connecticut Law
24 Tribune, Philly.com, the Los Angeles Times, Consumer Reports.org, Syracuse.com,
25 Daily News, Harford Advocate.com and the Boston Herald.

26 8. I am also the former Chair of the Consumer Law Section of the
27 Connecticut Bar Association. I held that position from 2014 to 2015. I have been a
28

1 guest speaker at the Professional Association for Customer Engagement conference in
2 2014 and the National Debt Collection Forum in 2016. In both instances I spoke about
3 best practices that should be or are adopted in the debt collection profession from the
4 perspective of a consumer advocate.

5 9. We have litigated this case with and on behalf of Plaintiffs and the putative
6 class since March 2022 regarding the oil consumption issues with their Mazda vehicles.
7 When each Plaintiff contacted us, they and we agreed to pursue their claims on a class
8 action basis.

9 10. Before filing the Complaint against Defendant Mazda North American
10 Operations (“MNAO”), we investigated the nature of the alleged defect (the “Valve
11 Stem Seal Defect”), the affected Class vehicle models, interviewed Class Vehicle
12 owners and lessees, reviewed documents published by MNAO and made available to
13 the National Highway Traffic and Safety Administration, investigated other Class
14 Vehicle owner complaints, consulted with an automotive expert and analyzed potential
15 legal claims.

16 11. In addition to our own investigations, we have engaged in discovery on
17 the merits and on class claims. This includes serving interrogatories and requests for
18 the production of documents on MNAO regarding the individual and class claims and
19 the requirements of Rule 23; reviewing extensive document productions from
20 Defendant outlining, *inter alia*, the investigation into the cause of the Valve Stem Seal
21 Defect, its scope, and the repair regarding the Valve Stem Seal Defect including the
22 efficacy of the repair; conferring with MNAO regarding the scope of its production and
23 need for additional discovery; and taking the deposition of a Rule 30(b)(6) designee
24 regarding the same areas and to confirm that the redesigned valve stem seals correct the
25 Defect.

26 12. As part of our review of Mazda’s investigation into the Valve Steam Seal
27 Defect, we obtained and reviewed documents from Mazda that identified the cause of
28

1 the defect, contained diagrams showing the exhaust valve stem seals' placement within
2 the engine and the location of the resulting oil leaks, and detailed the results of
3 emissions testing performed by Mazda. In addition, we consulted with our automotive
4 expert, Darren Manzari, regarding the cause of the Valve Stem Seal Defect, how the
5 Defect manifests in the Class Vehicles, which symptoms flow from the Defect and
6 which vehicle systems are impacted by the Defect, and the scope and results of Mazda's
7 investigation.

8 13. Our investigation also included our review of results of the EPA's random
9 emissions testing, available at [https://www.epa.gov/compliance-and-fuel-economy-](https://www.epa.gov/compliance-and-fuel-economy-data/manufacturer-run-use-testing-program-data-light-duty-vehicles)
10 [data/manufacturer-run-use-testing-program-data-light-duty-vehicles](https://www.epa.gov/compliance-and-fuel-economy-data/manufacturer-run-use-testing-program-data-light-duty-vehicles), for failures by
11 Class Vehicles and we did not find any failures in the Class Vehicles. We also
12 interviewed the named plaintiffs, and other class members who experienced oil
13 consumption, and none of these Class Vehicle owners and lessees reported any
14 emissions test failures.

15 14. We conferred with counsel for MNAO with respect to Francis Farina's
16 objection regarding a supposed Mazda Motor Corporation's CAA "reserve."
17 Following our conferrals with MNAO, we were and are satisfied that Farina's
18 contentions and theory regarding the alleged "reserve" has no merit.

19 15. Discovery and data from MNAO showed there were approximately 86,116
20 vehicles produced with the valve stem seal which caused the Valve Stem Defect and
21 are in the Settlement Class. At least 58,789 of those vehicles, or approximately 68%,
22 had a low engine oil level light illuminate before the regular oil change interval.
23 Further, the discovery showed that 12.9% of vehicles that had valve stem seals replaced
24 with redesigned parts had the oil level light illuminate before the regular oil change
25 interval, which was in line with Mazda turbocharged engines of this type.

26 16. On May 1, 2023, the Parties attended a mediation in Los Angeles,
27 California before Hon. Dickran M. Tevrizian (Ret.) of JAMS. The session was
28

1 productive but did not result in a settlement. Further discussions between the Parties
2 and through Judge Tevrizian resulted in a settlement in principle as to the benefits for
3 the Class, which was subsequently memorialized in a term sheet and the Settlement.
4 As a condition of settlement, additional discovery on class size, Mazda's investigation
5 into the defect, and the efficacy of its repair was conducted by the Parties.

6 17. Over the next several months, that discovery was completed, the
7 Settlement Agreement and its exhibits were drafted, finalized and Plaintiffs retained
8 Hemming Morse, LLC to provide an expert opinion of the value of the warranty
9 extension and repair components of the settlement. A true and correct copy of that
10 report is attached hereto as Exhibit A.

11 18. Part of the relief provided to class members under the Settlement
12 Agreement is an expansion of the coverage period for the Powertrain Limited Warranty
13 by an additional 24 months or 24,000 miles, from the earlier of 60 months or 60,000
14 miles to 84 months or 84,000 miles. *Settlement Agreement*, Art. I(S), II(B). Attached
15 as Exhibit B is a true and correct copy of the 2021 Mazda Warranty Booklet which sets
16 forth the powertrain components covered under the Powertrain Limited Warranty.
17 Specifically, page 19 of the Warranty Booklet notes that the following components are
18 covered:

19 Engine - Cylinder Block, Cylinder Head, and All Internal Lubricated Parts
20 (Piston engines); Timing gears; Timing chain/belt and tensioner; Timing
21 chain/belt front cover and gaskets; Flywheel; Valve Covers and Gaskets;
22 Oil Pan; Oil Pump; Intake Manifold and Gaskets; Exhaust Manifold and
23 Gaskets; Turbocharger Housing and All Internal Parts; Supercharger
Housing and All Internal Parts; Water Pump and Gaskets; Thermostat and
Gaskets; Fuel Pump; Seals and Gaskets;

24 Transmission and transaxle - Transmission Case and All Internal Parts
25 Transmission and transaxle; Torque converter; Clutch Pressure Plate;
26 Transmission Mounts; Transfer Case and All Internal Parts;
Transmission/Transaxle Control Module;

27 Front/Rear Drive System - Final Drive Housing and all Internally Lubricated
28 Parts; Rear Axle Housing (Differential) and all Internally Lubricated Parts;

1 Manual and Automatic Hub (4x4); Front Wheel Hubs and Bearing (FWD
2 or AWD only); Rear Axle/Hub Bearings (RWD or AWD only);
3 Axle/Drive Shafts; Universal Joints; Constant Velocity Joints; Propeller
4 shaft (RWD or AWD only); Seals and Gaskets.

5 19. As part of the Class Notice, the Settlement Administrator JND created a
6 Settlement Website that contained essential case documents. Mr. Farina's attorney
7 contacted Class Counsel and counsel for MNAO and demanded that JND upload copies
8 of his objections and dozens of unlabeled files to the Settlement Website. However,
9 because uploading the dozens of other unlabeled files to the Settlement Website would
10 have obscured essential case documents and confused Class Members, we instructed
11 the Settlement Administrator to compile Farina's first two filed objections into one
12 single pdf file, attach a neutral and simple cover sheet for Class Members, and then
13 upload that file to the Settlement Website.

14 20. Prior to the Court preliminarily approving the settlement, we had not
15 negotiated a fee and cost award with MNAO as part of the Class Settlement beyond
16 agreeing that Class Counsel could move for fees which MNAO would pay if ordered
17 by the Court and after any appeals. On May 7, 2024, after the settlement was
18 preliminarily approved, we participated in a mediation before Judge Tevrizian in an
19 attempt to resolve the fee question. We prepared a mediation brief for Judge Tevrizian.
20 The mediation was contentious and adversarial between the Parties. The Parties
21 reached an impasse in negotiations. Thereafter, Judge Tevrizian made a mediator's
22 proposal of \$2,035,0000.00. The Parties accepted the proposal.

23 21. Based on my extensive class action experience, my knowledge of the case,
24 its strengths and weaknesses, and my assessment of the risk to any recovery were the
25 matter to proceed to summary judgment or trial, I believe the Parties' Class Action
26 Settlement Agreement is fair, reasonable and adequate and merits final approval.

27 22. Attached as Exhibit C are true and correct excerpts from the deposition
28 transcript of Jerry Ward, Senior Manager for Product Quality at MNAO.

1 23. Attached as Exhibit D is a true and correct copy of the objection from
2 Pamela Farr.

3 24. Attached as Exhibit E is a true and correct copy of the objection from
4 Bobby Young.

5 25. Attached as Exhibit F is a true and correct copy of the Complaint that
6 Francis Farina filed on January 28, 2023, in the United States District Court for the
7 Western District of North Carolina. *Farina v. Mazda Motor of America, Inc. et al*, 3:23-
8 cv-00050.

9 26. Attached as Exhibit G is a true and correct copy of the Amended
10 Complaint that Francis Farina filed on May 2, 2023 in the United States District Court
11 for the Western District of North Carolina. *Farina v. Mazda Motor of America, Inc. et*
12 *al*, 3:23-cv-00050.

13 27. Attached as Exhibit H are true and correct excerpts of Mazda Motor
14 Corporation's Annual Securities Report (From April 1, 2023 to March 31, 2024),
15 which is available at <https://www.mazda.com/en/investors/library/f-report/> (last visited
16 July 22, 2024).

17
18 I declare under penalty of perjury that the foregoing is true and accurate to the
19 best of my knowledge.

20
21 Dated: July 22, 2024

By: /s/ Sergei Lemberg
Sergei Lemberg

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Exhibit A

Report of
Susan K. Thompson
and
Brian S. Repucci of Hemming Morse, LLC

Gary Guthrie, et al. v. Mazda Motor of America, Inc.

United States District Court
Central District of California

8:22-cv-01055-DOC-DFM

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- Summary Schedule: Summary of Settlement Values
- Schedule 1: Value of Extended Powertrain Limited Warranty
- Schedule 1.1: Calculation of Extension of Powertrain Limited Warranty
- Schedule 2: Value of Repair
- Schedule 3: Value of Inspection
- Schedule 4: Reimbursement for Out-of-Pocket Excess Oil Change Analysis
- Schedule 5: Mazda Class Vehicles

Exhibits

- Exhibit A: Curriculum Vitae, Susan K. Thompson, CPA/CFF and Brian S. Repucci, CPA/CFF
- Exhibit B: Documents Considered
- Exhibit C: Joint Term Sheet for Proposed Nationwide Class Settlement as of September 20, 2022
- Exhibit D: Powertrain Warranty Research
- Exhibit E: Part Cost
- Exhibit F: Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor.

REPORT OF SUSAN K. THOMPSON AND BRIAN S. REPUCCI OF HEMMING MORSE, LLC

I. INTRODUCTION AND QUALIFICATIONS

1. Hemming Morse, LLC, (“Hemming”) was retained by counsel for the plaintiffs (“Counsel”), representing the proposed class (the “Class”) in *In re: Gary Guthrie, et al. v. Mazda Motor of America, Inc.*, Case No. 8:22-cv-01055-DOC-DFM (the “Litigation”), to provide an opinion concerning the value to the consumer (economic benefit) that is provided to the class as a result of the Joint Terms Sheet for Proposed Nationwide Class Settlement, as of September 20, 2023 (the “Settlement”). Specifically, we were engaged to determine the value of the various elements of the Settlement including the warranty extension, the Hybrid Inspection/Repair program and Reimbursement for out-of-pocket costs related to oil changes. In determining a total value to the Class, we reviewed documents and records provided by Mazda Motor of America, Inc. (“Mazda”), “Defendants,” related to vehicle warranty, inspections, repairs, labor rates as well as conducting research related to out-of-pocket reimbursements contemplated in the Settlement Agreement.

Susan K. Thompson

2. I am a Partner of Hemming Morse, LLC, a forensic and financial consulting firm. I have over 35 years of experience in public accounting with both a national firm and a local firm in Fresno having joined Hemming Morse, Inc. in 2001 (the company changed from a corporation to a limited liability partnership in 2012). My expert qualifications, including the testimony I have given during the last 5 years are described in **Exhibit A**.
3. My primary background is in auditing, and I have performed extensive litigation and forensic accounting and consulting services for over 35 years. My forensic accounting and consulting experience includes assistance in various forms of business litigation, fraud investigations, professional liability litigation, investigations of property and casualty insurance and fraud claims, and investigations of internal controls of for profit and not for profit companies. I also have experience in criminal matters, having provided services to the United States Attorney, County District Attorneys and the California Attorney General. I have testified in several superior courts and participated in arbitration proceedings, mediation proceedings and administrative hearings.
4. I am a Certified Public Accountant and Certified in Financial Forensics by the American Institute of Certified Public Accountants. I earned a Bachelor of Science degree from Loma Linda University, La Sierra Campus.
5. My hourly rate for preparing this report is \$560 per hour. My compensation for any deposition is \$560 per hour, if taken remotely, and \$5,600 per any portion of a day, if taken in person, and my trial testimony in this Litigation is billed at the rate of \$560 per hour.

Brian S. Repucci

6. I am a Principal at Hemming Morse, LLC, a forensic and financial consulting firm. I have over 25 years of accounting experience working in both private industry and with a regional public accounting firm having joined Hemming Morse in 2007. My expert qualifications, including the testimony I have given during the last four years are described in **Exhibit A**.

7. My primary background is in accounting and auditing, and I have performed litigation and forensic accounting and consulting services for over 15 years. My forensic accounting and consulting experience includes assistance in various forms of business litigation, construction disputes, investigations of property and casualty insurance and fraud claims, and investigations of internal controls of for profit and not for profit companies. I have testified in superior court, Federal court, and participated in arbitration and mediation proceedings.
8. I am a Certified Public Accountant and Certified in Financial Forensics by the American Institute of Certified Public Accountants. I earned a Bachelor of Science degree with an emphasis in Accountancy from California State University, Fresno.
9. My hourly rate for preparing this report is \$400 per hour. My compensation for any deposition is \$400 per hour, if taken remotely, and \$4,000 per any portion of a day, if taken in person, and my trial testimony is billed at my hourly rate of \$400 per hour.
10. Others in our firm assisting in this Litigation under our supervision and control are compensated at their respective hourly rates. Counsel has also agreed to reimburse Hemming for any out-of-pocket expenses. Our compensation is not dependent either on the opinions expressed or the outcome of this Litigation. A list of the sources consulted in preparing this report, as required by Federal Rule of Civil Procedure 26(a)(2)(B)(ii) may be found in **Exhibit B** to this report.
11. This report should not be construed as expressing opinions on matters of law, which are outside of our expertise. To the extent we have interpreted regulations, contracts, agreements, relevant cases, or other evidence, these interpretations necessarily reflect our understanding thereof from an accounting and financial reporting perspective.

II. DOCUMENTS CONSIDERED

12. A list of the sources consulted in preparing this report, may be found in Exhibit B to this report.
13. In addition, other evidence may be produced that could be relevant to these conclusions, including the testimony and reports of other witnesses, and we reserve the right to amend this report after considering such evidence, if necessary.

III. SUMMARY OF VALUES

14. The value provided to the Class under the Settlement Agreement as of January 8, 2024 is \$109,895,680.¹ That value includes the following elements:
 - a. The value of the Extended Powertrain Limited Warranty Coverage for the Mazda Class Vehicles from 60 months/60,000 miles to 84 months/84,000 miles is \$58,836,174.²
 - b. The value of the Inspection/Repair program for Class Vehicles is \$51,059,506.³ The value of the repair for 58,789 Class Vehicles in which the issue has already manifested is

¹ Summary Schedule.

² Schedule 1.

³ Schedule 2 and 3.

\$46,413,916⁴ and the value of the inspection for the remaining 27,327 Class Vehicles is \$4,645,590.⁵

- c. The value of Other Repair-Related Reimbursements for Class Vehicles related to the additional oil changes has not been calculated because data related to the number of qualifying reimbursements is not available.
 - i. An estimate of potential values related to out-of-pocket reimbursement for excess oil changes was prepared using the average cost of an oil change at a Mazda dealer of \$100⁶ and assuming a range of 5% to 25% of Class Vehicles received one excess oil change the out-of-pocket reimbursement value would range from \$430,580 - \$2,152,900. If all Class Vehicles received one extra oil change at an average cost of \$100 the out-of-pocket reimbursement value would be \$8,611,600.
- d. The value related to the Administration of the program has not been calculated.
- e. The value related to Attorneys’ fees and costs has not been calculated.

IV. BACKGROUND

15. The Settlement with Defendants provides certain benefits to the following class: past and present owners and lessees of certain 2021-2022 Mazda CX-30, 2021 CX-5, 2021 CX9, 2021-2022 Mazda3, and 2021 Mazda6 vehicles within a specific VIN production range (the “Class Vehicles”). The number of Class Vehicles total approximately 86,116 vehicles and include:⁷

Model Year	Make/Model	No. of Class Vehicles
2021	Mazda3 (Japan built)	6,000
2021/2022	Mazda3 (Mexico built)	1,047
2021/2022	Mazda CX-30 (Mexico built)	11,167
2021	Mazda6	6,033
2021	Mazda CX5	31,296
2021	Mazda CX9	30,573
	Total	86,116

⁴ Schedule 2.

⁵ Schedule 3.

⁶ See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F).

⁷ Item 1. Vehicle Scope to the Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

16. The benefits to the Class as described in the Settlement Agreement are:

1. *Powertrain Limited Warranty Extension*

17. The entirety of the Class Vehicles shall receive an extension to the Mazda Powertrain Limited Warranty from 60 months/60,000 miles to 84 months/84,000 miles.

2. *Repair Program and Inspection/Repair Program*

18. A valve stem seal replacement is available to customers who have experienced excessive oil consumption (i.e., actual manifestation, for example low engine oil light has illuminated before the recommended service/oil change interval OR documented previous refilling of oil (either by dealer or the customer) before the light came on if the customer or dealer noticed that the oil level was too low before the regular service/oil change interval (documented proof can include but is not limited to repair orders or invoices from dealers or a receipt for the purchase of engine oil)); **but** If a customer has not experienced manifestation yet, they can still bring their vehicle to a dealer for an excessive oil consumption test. If the vehicle fails the test, that customer will then receive a valve stem seal replacement. Loaner vehicles to be provided (subject to dealer availability) for the repair.⁸

3. *Reimbursement for out-of-pocket costs*

19. Class members have available to them reimbursement for oil, and oil changes subject to proof (e.g., cost of oil changes performed more frequently than the normal interval of 7,500 miles or 1 year) related to the excessive oil consumption issue.⁹

4. *Cost of Administration and Notice*

20. We have not calculated the cost of administration and notice.¹⁰

5. *Cost of Attorneys' fees and costs*

21. We have not calculated the cost of attorneys' fees and costs to be paid by Mazda.¹¹

V. ANALYSIS

22. The determination of value for the various elements of the Settlement, including the powertrain limited warranty extension, the Repair Program, the Inspection/Repair Program, and various cash reimbursements, is based on information supplied by Mazda and independent research. The

⁸ Item 4. Inspection/Repair program ("Program") to the Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

⁹ Item 11. Reimbursement for out-of-pocket costs to the Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

¹⁰ Item 5. Administration of program to the Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

¹¹ Item 10. Attorneys' Fees and Costs to the Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

methodology to determine the value already received or eligible to be received by the Class is described in detail below.

A. Class Vehicles

23. The total number of Mazda Class Vehicles of 86,116 was provided by Mazda and shown in the Joint Terms Sheet.¹² Pursuant to which and for purposes of this opinion, a total of 58,789 Class Vehicles have had the Engine Oil Light Illuminate before Mazda’s recommended interval for an oil service.¹³ Those Class Vehicles have been allocated to each Make/Model and Model Year based on that model’s percentage of the total Class. See Allocation in Table 1 below:

Table 1. Class Vehicles¹⁴

Make/Model	Model Year	86,116 Class Vehicles	%	58,789 Class Vehicles had Engine Oil Light Illuminate	%
Mazda3 (Japan built)	2021	6,000	7%	4,096	7%
Mazda3 (Mexico built)	2021/2022	1,047	1%	715	1%
Mazda CX-30 (Mexico built)	2021/2022	11,167	13%	7,623	13%
Mazda6	2021	6,033	7%	4,119	7%
Mazda CX5	2021	31,296	36%	21,365	36%
Mazda CX9	2021	30,573	36%	20,871	36%
Total		86,116		58,789	

B. Powertrain Limited Warranty Extension

24. The Settlement extends the Class Vehicle’s Powertrain Limited Warranty, for all Class Vehicles for an additional 24 months/24,000 miles from 60 months/60,000 miles to 84 months/84,000 miles. The Mazda Powertrain limited warranty covers the transmission and transaxle; the engine; and the front and rear drive systems.¹⁵

25. As of the date of this report Mazda has not provided the manufacturer’s suggested retail price (“MSRP”) to a consumer for the Powertrain Limited Warranty Extension. This information has been requested and this opinion may be updated if this information is provided.

¹² Guthrie et al. v. MNAO CONFIDENTIAL pursuant to FRE 408 – Settlement Negotiation Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

¹³ See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F) and Exhibit 7 to J. Ward deposition which stated that as of October 2023 a total of 3,577 vehicles had already received the repair.

¹⁴ Schedule 5.

¹⁵ Powertrain Limited Warranty, <https://www.ingramparkmazda.com/blogs/2214/which-parts-are-covered-in-the-mazda-powertrain-limited-warranty/>

26. To provide an estimate of the value of the powertrain extended warranty we have relied on online research and quotes for aftermarket vehicle warranty extensions.¹⁶ Based on this analysis, two on-line articles specifically related to the cost of powertrain warranties were used to estimate a \$683 value for a Mazda 2-year/24,000 mile Powertrain Limited Warranty extension¹⁷
27. The calculation of the total value of the Powertrain Limited Warranty Extended Warranty of \$58,836,174 is shown on Schedule 1 and is summarized in Table 2 below.

Table 2. Value of Powertrain Limited Warranty Extension¹⁸

		[a]	[b]	[c]= [a]x[b]
Make/Model	Model Year	86,116 Class Vehicles	Value of Powertrain Limited Warranty Extension	Total Warranty Value
Mazda3 (Japan built)	2021	6,000	\$683	\$4,099,320
Mazda3 (Mexico built)	2021/2022	1,047	\$683	\$715,331
Mazda CX-30 (Mexico built)	2021/2022	11,167	\$683	\$7,629,518
Mazda6	2021	6,033	\$683	\$4,121,866
Mazda CX5	2021	31,296	\$683	\$21,382,053
Mazda CX9	2021	30,573	\$683	\$20,888,085
Total		86,116		\$58,836,174

C. Repair Program and Inspection/Repair Program

28. Mazda will replace the defective valve stem seals of all Class Vehicles which manifest excessive oil consumption through premature triggering of the engine oil light or documented premature refilling of oil. If a Class Member has not experienced manifestation yet, they can bring their vehicle to a dealer for an excessive oil consumption test.¹⁹
29. Mazda reports that, at least, 58,789 Class Vehicles had the manifestation of the Engine Oil Light illuminating, and which therefore qualify for the repair.²⁰ The value related to the cost of repair has only been calculated for these 58,789 Class Vehicles.
30. The 58,789 Class Vehicles may be understated because that number does not include Class Vehicles whose owners opted out of Mazda Connected Services but experienced an Engine Oil Light triggering event. Nor does it account for any Class Vehicles that documented low engine oil before the recommended oil change interval. These Class Vehicles would be eligible for the repair

¹⁶ Extended warranty quotes from Empire Auto Protection and Endurance Warranty as well as extended powertrain warranty costs cited in articles (Autoguide.com, Consumer Affairs.com) were used. See Schedule 1.1.

¹⁷ Schedule 1.1.

¹⁸ Schedule 1.

¹⁹ Item 4. Inspection/Repair program (“Program”) to the Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023).

²⁰ J. Ward Deposition dated 10/26/23, Exhibit-7.

but because this information is not known at this time, they have not been considered in the value of this settlement benefit.

31. Mazda estimated the time needed to complete the repairs at 4.4 hours.²¹
32. Mazda stated the national average labor rate charged by dealers is \$170 per hour.²² Total cost of labor to complete the repair is \$748.²³
33. To calculate the cost of parts needed to complete the repair, Technical Service Bulletin (“TSB”) number 01-003/23 was reviewed. The required parts listed in this TSB were 8 valve seals, part number PY8W-10-1F5, and 1 cylinder head cover gasket, part number PY8W-10-235. To obtain the cost of these parts, the part numbers were entered into a Mazda online parts store.²⁴ The list price for the valve seals was \$1.38 (or \$11.04 for 8) and the list price for the cylinder head cover gasket was \$30.46 for a total part cost of \$41.50.
34. The total cost to perform the repair based on parts and labor is \$790 per class vehicle.²⁵
35. Based on this information the total value of the repair for Class Vehicles that experienced the manifestation is at least \$46,413,916 and calculated on Schedule 2 and shown in Table 3 below.²⁶

Table 3. Value of Repair²⁷

Make/Model	Model Year	[a]	[b]	[c] = [a]x[b]
		58,789 Class Vehicles had Engine Oil Light Illuminate	Cost of Parts & Labor	Total Value of Repair
Mazda3 (Japan built)	2021	4,096	\$ 790	\$ 3,233,818
Mazda3 (Mexico built)	2021/2022	715	\$ 790	\$ 564,301
Mazda CX-30 (Mexico built)	2021/2022	7,623	\$ 790	\$ 6,018,675
Mazda6	2021	4,119	\$ 790	\$ 3,251,604
Mazda CX5	2021	21,365	\$ 790	\$ 16,867,596
Mazda CX9	2021	20,871	\$ 790	\$ 16,477,921
Total		58,789		\$ 46,413,916

36. In addition to the cost of repair, Class Members that have not experienced an oil light illumination before the recommended interval, or who have no documented excessive oil consumption, can bring their vehicle in for an oil consumption test. Approximately 27,327 Class Vehicles may be eligible for this inspection.

²¹ See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F)

²² See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F).

²³ 4.4 hours x \$170 per hour = \$748.

²⁴ <https://parts.mazdausa.com/> (Exhibit E).

²⁵ Parts cost of \$41.50 + labor cost of \$748 (4.4hours x \$170 an hour) = \$789.50.

²⁶ Total value of the repair = \$46,413,915.50 (58,789 Class Vehicles x \$789.50 (4.4 hours x \$170 per hour + part cost of \$41.50).

²⁷ Schedule 2.

37. This figure is the difference between the 58,789 Class Vehicles known to have the Engine Oil Light triggering event and the total Class Vehicle population of 86,116. The number of Class Vehicles eligible for the inspection is an approximation as it does not factor in Class Vehicles that opted out of Mazda Connected Services but experienced an Engine Oil Light triggering event. Nor does it account for any Class Vehicles that documented low engine oil before the recommended oil change interval. In either of those cases, these Class Vehicles would not need an oil consumption test but would qualify for the repair.
38. Mazda stated the national average labor rate charged by Dealers is \$170 per hour.²⁸
39. Mazda estimated the time needed to conduct the inspection was approximately 1 hour.²⁹
40. To calculate the value of the inspection, the corresponding labor cost of \$170 (\$170 rate x 1 hour) was multiplied by the 27,327 Class Vehicles eligible for the inspection.³⁰
41. In calculating the value of the inspection, we did not include the value of any repairs needed resulting from the inspection and oil consumption test. The value of the inspection for all eligible Class Vehicles is \$4,645,590 and calculated on Schedules 3 and shown in Table 4 Below.

Table 4. Value of Inspection³¹

	[a]	[b]	[c]= [a]-[b]	[d]	[e] = [c]x[d]	
Make/Model	Model Year	86,116 Class Vehicles	58,789 Class Vehicles had Engine Oil Light Illuminate	Class Vehicles Eligible for Inspection	Inspection Cost	Total Value of Repair
Mazda3 (Japan built)	2021	6,000	4,096	1,904	\$ 170	\$ 323,674
Mazda3 (Mexico built)	2021/2022	1,047	715	332	\$ 170	\$ 56,481
Mazda CX-30 (Mexico built)	2021/2022	11,167	7,623	3,544	\$ 170	\$ 602,412
Mazda6	2021	6,033	4,119	1,914	\$ 170	\$ 325,455
Mazda CX5	2021	31,296	21,365	9,931	\$ 170	\$ 1,688,285
Mazda CX9	2021	30,573	20,871	9,702	\$ 170	\$ 1,649,283
Total		86,116	58,789	27,327		\$4,645,590

D. Reimbursements for Out-of-Pocket Costs

42. We have not included in our valuation of the settlement a value related to the Other Repair-Related Reimbursements for excess oil changes because data related to the number of qualifying reimbursements is not available. To estimate a potential value to the Class for reimbursement

²⁸See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F).

²⁹ See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F).

³⁰ \$170 per hour x 1 hour = \$170.

³¹ See Schedule 3.

related to additional oil changes Mazda's average cost of \$100 for an oil change was used.³² This information was compared to oil change costs reported by Kelly Blue Book and deemed reasonable.³³

43. If all Class Vehicles obtained one extra oil change the potential reimbursement value would be \$8,611,600. Assuming only 5%-25% of the Class Vehicles received an extra oil change the out-of-pocket reimbursement value would range from \$430,580-\$2,152,900.³⁴

E. Cost of Administration and Notice

44. We have not calculated a value related to the Cost of Administration and Notice.

F. Cost of Attorneys' Fees and Costs

45. We have not calculated the cost of attorneys' fees and costs agreed to be paid by Mazda.

VI. CONCLUSION

46. As outlined in the Summary Table above, the total value of benefits provided to the Class, under the Joint Terms Sheet for Proposed Nationwide Class Settlement Agreement as of September 20, 2023, and based on the information presently available and our work completed as of January 4, 2024, is \$109,895,680. The value for the Extended Warranty is \$58,836,174 and other benefits including inspection and repair provided in the Settlement Agreement were \$51,059,506 (\$46,413,916 for the value of the repair and \$4,645,590 for the value of the inspection).
47. The opinions expressed in this report are based on the information reviewed to date. When further information becomes available and reviewed, we reserve the right to amend, revise and finalize the report and opinions accordingly.
48. We declare the foregoing to all be correct and true to the best of our knowledge. Executed on the 8th day of January 2024, at Fresno, CA.



Susan K. Thompson, CPA/CFF



Brian S. Repucci, CPA/CFF

³² See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor (Exhibit F). Mazda estimates the cost of a routine oil change to range from \$90 - \$110 or an average cost of \$100 ($\$90 + \$110 = \$200 / 2 = \100).

³³ To determine the average cost of an oil change the average cost of an oil change provided by Mazda in the discovery process was used. See Mazda Correspondence of December 26, 2023, from Jahmy Graham to Stephen Taylor. To confirm the reasonableness of this average we reviewed information related to Mazda Oil Changes as report by Kelly Blue Book. The website listed dealer oil changes ranging from \$91-\$112 for an average of \$101.50 per oil change and the cost of an oil change from an independent service ranged from \$73-\$89 for an average cost of \$81.

³⁴ See Schedule 4.

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Summary of Settlement Values

Description	Amount
Total Class Vehicles	[1] 86,116
Class Vehicles With Oil Light Illuminating	[1] 58,789
Class Vehicles Eligible for Inspection	[1] 27,327
Est. Value of 24 month/24,000 Powertrain Limited Warranty	[2] \$ 683.22
Per Class Vehicle Value of Repair (Parts & Labor)	[3] \$ 789.50
Per Class Vehicle Value of Inspection	[4] \$ 170.00
Total Value of 24 month/24K mile Powertrain Limited Warranty 86,116 Class Vehicles	[5] \$ 58,836,174
Other Settlement Agreement Benefits Valued:	
Value of Repair 58,789 Class Vehicles	[6] \$ 46,413,916
Value of Inspection for 27,327 Class Vehicles	[7] \$ 4,645,590
Total Value of Other Settlement Agreement Benefits	[8] \$ 51,059,506
Total Value of Settlement Agreement Valued as of January 4, 2024	[9] \$ 109,895,680

Potential Reimbursement Out-of-Pocket costs

Response Rate	
Value of Excess Oil Changes (Range of Response Rate)	[10]
5% of Class Vehicles Obtained an Excess oil Change	\$ 430,580
25% of Class Vehicles Obtained an Excess oil Change	\$ 2,152,900
100% of Class Vehicles Obtained an Excess oil Change	\$ 8,611,600

Notes:

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- [1] Total number of Mazda Class Vehicles of 86,116, See Schedule 5.
 - [2] Estimated value of warranty, See Schedule 1 and Schedule 1.1.
 - [3] Value of Repair, See Schedule 2.
 - [4] Value of Inspection, See Schedule 3.
 - [5] Value of Warranty calculated on Schedule 1 (86,116 Class Vehicles x Value of warranty of \$683.22 = \$58,836,174).
 - [6] Value of Repair See Schedule 2. Value of Repair calculated on 58,789 Class Vehicles that had the Engine Oil Light Illuminate (58,789 Class Vehicles x Value of Repair of \$789.50 = \$46,413,916).
 - [7] Value of Inspection See Schedule 3. Value based on remaining Class Vehicles that did not have the Engine Oil Light illuminate, 86,116 Total Class Vehicles - 58,789 Class Vehicles with Oil Light Illuminating = 27,327. Total value of inspection (27,327 Class Vehicles x Value of inspection of \$170 = \$4,645,590).
 - [8] Sum of the value of the Repair and Inspection (\$46,413,916 + \$4,645,590 = \$51,059,506).
 - [9] Total value of Settlement, valued as of January 4, 2024 is \$109,895,680 (value of warranty: \$58,836,174 + value of repair: \$46,413,916 + value of inspection: \$4,645,590 = \$109,895,680).
 - [10] Potential value of out-of-pocket reimbursement related to excess oil changes. See Schedule 4.

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Value of Extended Powertrain Limited Warranty

Extended Warranty Value \$ 683.22

[a]	[b]	[c]	[d] = See Sch 1.1	[e] = [c]x[d]
Make/Model	Model Years	Class Vehicles ^[1]	Estimated Value of 24mo./24K mile Warranty ^[2]	Total
Mazda3	2021	6,000	\$ 683	\$ 4,099,320
Mazda3	2021/2022	1,047	\$ 683	\$ 715,331
Mazda CX-30	2021/2022	11,167	\$ 683	\$ 7,629,518
Mazda6	2021	6,033	\$ 683	\$ 4,121,866
Mazda CX5	2021	31,296	\$ 683	\$ 21,382,053
Mazda CX9	2021	30,573	\$ 683	\$ 20,888,085
Totals		86,116		\$ 58,836,174

Notes:

[1] Total Class Vehicles that received the Extended Powertrain Limited Warranty. See Schedule 5.

[2] Estimated value of the 24 month/24,000 extension of the powertrain limited warranty calculated on Schedule 1.1.

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Calculation of Extension of Powertrain Limited Warranty

<u>Description of Source</u>	<u>2018 CX-9</u>	<u>2016 Mazda3</u>	<u>2019 MX-5</u>	<u>2021 Mazda3</u>	<u>Average</u>	<u>Per Year</u>	<u>2 Year Contract</u>
Autoguide 3 year/75 mile Contract ^[1]	\$ 1,031	\$ 994	\$ 974		\$ 1,000	\$ 333	\$ 666
Consumer Affairs (Low End) ^[2]						\$ 350	\$ 700
Consumer Affairs (High End) ^[2]						\$ 1,000	\$ 2,000
Empire Auto Protect (Per month) ^[3]				\$ 80		\$ 960	\$ 1,920
Endurance Warranty (30 months) ^[4]					\$ 3,512	\$ 1,405	\$ 2,810
Average All data points						\$ 810	\$ 1,619
Average of 3 lowest data points						\$ 548	\$ 1,095
Average of 2 lowest data points						\$ 342	\$ 683

Estimated Value of Powertrain Limited Warranty to
Schedule 1 \$ 683.22

Notes:

[1] Per Autoguide.com article updated August 25, 2023 cited quotes for Mazda Powertrain Extended Warranty for a contract period of 3-year/75,000 miles. Average cost across the three models cited was \$1,000 for the three year period, or \$333 a year. Estimate average cost for a 2-year Powertrain Extended per Autoguide.com is \$666.

[2] Per Consumer Affairs article updated May 5, 2023 cited that powertrain warranties cost between \$350 and \$1,000 per year. A distinction between vehicle makes and models was not identified, but the lower end cost cited was comparable to the Mazda powertrain warranties cited in the Autoguide article.

[3] A third-party quote from Empire Auto Protect was obtained for a Powertrain Enhanced plan for a monthly premium of \$79.99 a month which would equate to \$960 a year or \$1,920 for 24 months of coverage.

[4] Extended Warranty quote from Endurance Warranty had three warranty levels that covered similar items covered in the Mazda Powertrain Warranty. These quotes were for 30 monthly payments of: \$105.07 for the Secure Plus; \$112.97 for the Superior; and \$117.07 for the Supreme coverage. Our understanding from counsel, is that the Supreme quote was the only warranty that covered seals and gaskets. The total cost of the Endurance Supreme Warranty is \$3,512.10 (30 months x \$117.07). For 24 months of warranty coverage the cost would be \$2,809.68 (\$117.07 x 24 months).

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Value of Repair

		[a]	[b]	[c]	[d] = [b]+[c]	[e] = [a]x[d]	
Make/Model	Model Year	Total Number of Class Vehicles^[1]	Class Vehicles with Engine Oil Light Illumination^[2]	Part Cost^[3]	Labor Cost of Repair^[4]	Total Cost	Value of Repair
Mazda3 (Japan built)	2021	6,000	4,096	\$ 42	\$ 748	\$ 790	\$ 3,233,818
Mazda3 (Mexico built)	2021/2022	1,047	715	\$ 42	\$ 748	\$ 790	\$ 564,301
Mazda CX-30 (Mexico built)	2021/2022	11,167	7,623	\$ 42	\$ 748	\$ 790	\$ 6,018,675
Mazda6	2021	6,033	4,119	\$ 42	\$ 748	\$ 790	\$ 3,251,604
Mazda CX5	2021	31,296	21,365	\$ 42	\$ 748	\$ 790	\$ 16,867,596
Mazda CX9	2021	30,573	20,871	\$ 42	\$ 748	\$ 790	\$ 16,477,921
		86,116	58,789				\$ 46,413,916

Notes:

[1] Total Class Vehicles See Schedule 5.

[2] Deposition of J. Ward dated 10/26/2023- Exhibit 7.

[3] Parts required for repair obtained from TSB 01-003/23. Part costs obtained from Mazdausa.com See Exhibit E for Part Costs.

Part Cost	Part Number	Qty	Price	Amount
Seal, Exhaust Valve	PY8W-10-1F5	8	\$ 1.38	\$ 11.04
Gasket, Head Cover	PY8W-10-235	1	\$ 30.46	\$ 30.46
Total				\$ 41.50

[4] Average Labor Rate of \$170 and 4.4 hours needed for inspection for a total value of \$748 (4.4 hrs. x \$170 = \$748) obtained from correspondence dated December 26, 2023 from Jahmy Graham to Stephen Taylor. See Exhibit F.

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Value of Inspection

		[a]	[b]	[c]= [a]-[b]	[d]	[e]= [c] x [d]
Make/Model	Model Year	Class Vehicles	Class Vehicles with Engine Oil Light Illumination	Class Vehicles Eligible for Inspection ^[1]	Labor Rate for Free Inspection ^[2]	Value of Free Inspection 100%
Mazda3 (Japan built)	2021	6,000	4,096	1,904	\$ 170.00	\$ 323,674
Mazda3 (Mexico built)	2021/2022	1,047	715	332	\$ 170.00	\$ 56,481
Mazda CX-30 (Mexico built)	2021/2022	11,167	7,623	3,544	\$ 170.00	\$ 602,412
Mazda6	2021	6,033	4,119	1,914	\$ 170.00	\$ 325,455
Mazda CX5	2021	31,296	21,365	9,931	\$ 170.00	\$ 1,688,285
Mazda CX9	2021	30,573	20,871	9,702	\$ 170.00	\$ 1,649,283
		86,116	58,789	27,327		4,645,590

Notes:

[1] Total Class Vehicles whose engine oil light has not illuminated is eligible for an inspection (86,116 Class vehicles less 58,789 Vehicles with engine oil light illumination = 27,327 Class Vehicles) Schedule 5.

[2] Average Labor Rate of \$170 and 1 hour needed for inspection for a total value of \$170 obtained from correspondence dated December 26, 2023 from Jahmy Graham to Stephen Taylor. See Exhibit F.

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Reimbursement for Out-of-Pocket Excess Oil Change Analysis

		[a]	[b]	[c]
Make/Model	Model Year	Total Number of Class Vehicles ^[1]	Average Cost of an Oil Change ^[2]	Potential Reimbursement
Mazda3 (Japan built)	2021	6,000	\$ 100	\$ 600,000
Mazda3 (Mexico built)	2021/2022	1,047	\$ 100	\$ 104,700
Mazda CX-30 (Mexico built)	2021/2022	11,167	\$ 100	\$ 1,116,700
Mazda6	2021	6,033	\$ 100	\$ 603,300
Mazda CX5	2021	31,296	\$ 100	\$ 3,129,600
Mazda CX9	2021	30,573	\$ 100	\$ 3,057,300
		86,116		\$ 8,611,600

Estimated Response Rates for Vehicles that obtained one Excess Oil Change:

Estimated Response Rate		Number of Class Vehicles	Average Cost of an Oil Change	Potential Reimbursement
% of Class Vehicles	5%	4,306	\$ 100	\$ 430,580
% of Class Vehicles	10%	8,612	\$ 100	\$ 861,160
% of Class Vehicles	15%	12,917	\$ 100	\$ 1,291,740
% of Class Vehicles	20%	17,223	\$ 100	\$ 1,722,320
% of Class Vehicles	25%	21,529	\$ 100	\$ 2,152,900

Notes:

[1] Total Class Vehicles See Schedule 5.

[2] Per correspondence dated December 26, 2023 from Jahmy Graham to Stephen Taylor (See Exhibit F), Average cost of an oil change at a dealership is approximately \$90-\$110 for an average of \$100 per oil change. This is comparable to the estimates obtained from Kelly Blue Book website accessed on December 7, 2023. Estimates include dealer costs ranging from \$91-112 (Average \$101.50).

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Mazda Class Vehicles

		[a]	[b]	[c]= [a]-[b]	[d]	[e]= [b]-[d]
Make/Model	Model Year	86,116 Class Vehicles ^[1]	58,789 Class Vehicles had Engine Oil Light Illuminate ^[2]	Class Vehicles Eligible for Inspection	3,577 Class Vehicles Repaired as of October 2023 ^[2]	Class Vehicles with Engine light Illumination Not Repaired
Mazda3 (Japan built)	2021	6,000	4,096	1,904	249	3,847
Mazda3 (Mexico built)	2021/2022	1,047	715	332	43	671
Mazda CX-30 (Mexico built)	2021/2022	11,167	7,623	3,544	464	7,160
Mazda6	2021	6,033	4,119	1,914	251	3,868
Mazda CX5	2021	31,296	21,365	9,931	1,300	20,065
Mazda CX9	2021	30,573	20,871	9,702	1,270	19,601
Total		86,116	58,789	27,327	3,577	55,212

Notes:

[1] Total number of Class Vehicles "affected units" obtained from the Joint Terms Sheet for Proposed Nationwide Class Settlement (As of September 20, 2023). See Exhibit C.

[2] Deposition of J. Ward dated 10/26/2023- Exhibit 7.

Exhibit A



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SUSAN K. THOMPSON, CPA/CFF

Employment & Education

- 2001 – Present Hemming Morse
Forensic and Financial Consultants
Partner
Director, 2004-2011
Manager, 2001-2003

- 1987 – 2001 Silva Harden & Adolph, AC
Fresno, CA

- 1985 – 1987 Price Waterhouse
San Jose, California

- 1984 – 1985 Price Waterhouse
Newport Beach/Riverside, California

- 1983 Loma Linda University, Loma Linda, California
B.S. Accounting



SUSAN K. THOMPSON, CPA/CFF

Professional & Service Affiliations

- Certified Public Accountant, State of California
- Certified in Financial Forensics
- California Society of Certified Public Accountants
 - Member, Forensic Services Section for Economic Damages
 - Member, Forensic Services Section for Fraud
 - Member, Litigation Steering Committee, 1997-2001
 - Chair, Litigation Services Committee, Fresno Chapter, 1997-1999
- American Institute of Certified Public Accountants
 - Loma Linda University Alumni Association
 - Smile For A Lifetime, Fresno/Clovis Chapter Board of Directors, 2011- 2019

Seminar Instruction/Presentations

- **Speaker**, AICPA Forensics & Valuation Services Conference: When Good Food Goes Bad, 2015
- **Speaker**, California Society of CPAs Economic Damages Section Conference – Business Interruptions: When Good Food Goes Bad, 2015
- **Speaker**, State Association of County Auditors 103rd Conference – Developing Your Fraud Investigation Through Percipient and Subject Interviews, 2013
- **Speaker**, Fresno Chapter of the Institute of Management Accountants

Testimony

Trial and Arbitration

- **Assemi Brothers, LLC et al. v. Wonderful Pistachios & Almonds LLC et al. (2023)**, California Superior Court, Fresno County, Case No. 19CECG03249
- **Dr. Thomas Minor and Dr. Nadeem Rahman v. Dr. H. Greg Rainwater (2023)**, Private Arbitration, Case No. 01-21-0018-1225
- **Marina Pacific Hotel & Suites, LLC, et al. v. Fireman’s Fund Insurance Company (2023)**, California Superior Court, Los Angeles County, Case No. 20SMCV00952
- **Pontus MAG Fairfield, LLC v. Barber Auto Mall Properties, LP, Barber Fairfield Management Company, LLC and Ronald L. Barber, et al. (2022)**, JAMS Arbitration, Case No. 1130009285
- **Christopher S. Vincent and Shelby G. Vincent v Joi K. Stephens, Trustee of the Trust A, A Division of the Stephens Family Trust U/D/T (2022)**, California Superior Court, County of Santa Barbara, Case No. 16CECG02450



SUSAN K. THOMPSON, CPA/CFF

Testimony

Trial and Arbitration continued

- Sandra N. Eddleman and Madelyn Lue Eddleman on behalf of The Morro Bay Ranch L.P. v. Joann Roemer Jones, et al. (2020) California Superior Court, San Luis Obispo County, Case No. 1:14-cv-01889-DAD-JLT
- Mandeep Singh Samrai dba American Quality Logistics, et al. v. Harjit Singh Samrahi, et al. (2019) California Superior Court, Fresno County Case No. 16CECG02450
- C & C Properties, et al. v. Shell Pipeline Company, et al. (2019) U.S. District Court Eastern District of California Case No. 1:14-cv-01889-DAD-JLT
- Timothy Norman, Ph.D. v. Hanna Boys Center, Inc. (2018) California Superior Court, Sonoma County SCV-260065
- Cynthia Klein v. Kewel Munger, a.k.a. Kable Munger, et al. (2018) California Superior Court, Kern County Case No. S-1500-CV-276206 SPC

Testimony

Deposition

- Assemi Brothers, LLC et al. v. Wonderful Pistachios & Almonds LLC et al. (2023), California Superior Court, Fresno County, Case No. 19CECG03249
- David A. Rodgers v. John L. Sullivan et al. (2023), California Superior Court, County of Placer, Case No. S-CV-0046695
- Marina Pacific Hotel & Suites, LLC, et al. v. Fireman's Fund Insurance Company (2023), California Superior Court, Los Angeles County, Case No. 20SMCV00952
- Dish Network L.L.C. v. Jadoo TV, Inc. (2023), U.S. District Court, Northern District of California San Francisco Division, Case No. 3:20-cv-01891-CRB (LB)
- Herbert D. Dompe, et al. v. Stewart & Jasper Orchards, et al. (2023), California Superior Court, County of Stanislaus, Case No. CV-20-004626
- PG&E v. Jeff Alexander (2022), California Superior Court, County of Kern, Case No. BCV-15-101623
- John Cepelak, et al. v HP Inc. (2022), United States District Court, Northern District of California, Case No.: 3:20-cv-02450-VC
- Jon Hart, Alex Daniels, and Joshua Dunlap v TWC Product and Technology LLC (2022), United States District Court, Northern District of California Case No. 4:20-cv-3842-JST
- Terry Sonneveldt, et al. v. Mazda Motor of America, Inc., et al. (2022), U.S. District Court, Central District of California, Case No. 8:19-cv-01298-JLS-KES



SUSAN K. THOMPSON, CPA/CFF

Testimony

Deposition continued

- **Biodico Westside, LLC v. Red Rock Ranch, Inc. (2022)**
American Arbitration Association,
Case No. 02-19-003-9789
- **Christopher S. Vincent and Shelby G. Vincent v Joi K. Stephens, Trustee of the Trust A, A Division of the Stephens Family Trust U/D/T (2022)**
California Superior Court, County of Santa Barbara,
ANACAPA Division, Case No. 19CV04223
- **Ronald Garcia and Michiel Harrison v. Harley Davidson Motor Co. Group, LLC (2021)** U.S. District Court
Northern District of California, San Francisco Division
Case No. 3:19-cv-02054 JCS
- **Michael Kant v. Bigge Crane and Rigging Co. (2021)**
California Superior Court, County of Alameda
Case No. RG19047780
- **Harlan v. Visalia Unified School District, et al. (2020)**
California Superior Court, Tulare County
Case No. VCU271531
- **San Carlos Irrigation and Drainage District v. The United States (2020)**, United States Court of Federal Claims, Case No. 18CECG02412
- **Patrick Klinger, et al. v. Western Milling, LLC, et al. (2020)** American Arbitration Association
Case No. 34-2019-00251782
- **Michael Jones v. Vinvision Trucking & Storage (2020)**
California Superior Court, Monterey County
Case No. 19CV001091
- **Robert P. Garver v. Principal Life Insurance Co., The Roth Companies, Inc., and Duane Roth (2020)**
U.S. District Court, District of Kansas
Case No. 2:19-CV-02354
- **Michelle Aivazian Sanders, et al. v. Deborah R. Aivazian, et al. (2019)** California Superior Court, Fresno County, Case No. 18CECG02412
- **Mandeep Singh Samrai dba American Quality Logistics, et al. v. Harjit Singh Samrahi, et al. (2019)**
California Superior Court, Fresno County
Case No. 16CECG02450
- **Shawn Alger v FCA US LLC (2019)**
U.S. District Court Eastern District of California
Sacramento Division (2019) Case No. 2:18-cv-00360-MCE-EFB
- **Armando J. Becerra, et al. v. General Motors LLC (2019)**
U.S. District Court Southern District of California
Case No. 15CV2365-JAH-LL
- **Dorothy Rodden Jackson v. Richard Calone, et al (2018)** U.S. District Court Eastern District of California
Case No. 2:16-cv-00891 TLN KJN
- **Jack Sislian and Christine Sislian v. Charlie Sislian, et al. (2018)** California Superior Court, Fresno County
Case No. 17 CECG 03588
- **Timothy Norman, Ph.D. v. Hanna Boys Center, Inc. (2018)** California Superior Court, Sonoma County
Case No. SCV-260065



SUSAN K. THOMPSON, CPA/CFF

Selected Experience

- Expert witness for plaintiffs' counsel in a wage and hour matter involving multiple employees spanning multiple years. The case involved unpaid overtime, meal and rest break violations, unpaid drive time to job sites, and off-the-clock time for traveling repairmen. Reviewed and analyzed employment history files, time and travel records, job site records, compensation data, and other documents to determine the proper employee compensation and to quantify damages.
- Expert witness for plaintiff in a loss of business income case. Determined the loss that resulted from the failure to plant corn ilage, based on the insurance agent's direction, on land that had previously flooded.
- Accounting consultant for the insured in a large business interruption case involving a nut processing plant. The case went to appraisal upon which each element of loss was unanimously decided in favor of client in excess of \$1 million dollars.
- Accounting consultant for an insurance company to investigate a theft at the insured's nut processing plant. Analysis included documenting the accounting and physical controls surrounding inventory.
- Accounting consultant for a large insurance company in a suspected fraudulent claim of a nut processing plant. Based upon analysis performed, including following transactions through the perpetual inventory system, the receiving and shipping processes, the claim was denied and further action was taken against the insured.
- Performs analysis of Trust Accountings in disputed matters. Has worked in matters where over 10 years of Trust Accounting had to be tested and analyzed for propriety, including analysis of related parties who had financial interactions with the Trust.
- Expert witness for the plaintiff, a nut processor. Calculated damages in a breach of contract dispute, ultimately determining the lost contribution margin due to the breach. Plaintiff was awarded damages according to testimony.
- Accounting consultant to the plaintiff, a nut grower, against their nut processor for suspected fraudulent accounting practices. Analysis included assessing reasonable processing costs, allocation of fixed and variable costs and analysis of third party transactions. The analysis lead to successful settlement in favor of the plaintiff before trial.
- Served as a neutral in an insurance appraisal hearing involving lost profits of a fast food restaurant.
- Performs internal control reviews for not for profit as well as for profit businesses.
- Accounting consultant on behalf of the insurance company to assist in quantifying the losses of their insured's due to Class 1 food recalls, both domestically and internationally. This included interacting with the insured's customers and following the recalled product through all processors up to the point it is sold to the end consumer. Losses included raw product, work in progress and finished goods. The results of the analysis were used by counsel and the insured to settle claims. Assistance was provided in the settlement process as well.



SUSAN K. THOMPSON, CPA/CFF

Selected Experience continued

- Accounting consultant to many of the larger property and casualty insurance companies in California in assessing claims for loss of earnings, loss of inventory stock and loss of other business assets in agricultural, retail, food services and construction.
- Accounting consultant in several insurance fraud cases on behalf of the insurance company and/or the legal counsel assisting the insurance company. Duties included tracing money in money laundering schemes, providing financial status information for businesses or individuals, determining probable asset/inventory on hand, analysis and interpretation of accounting records and internal control structures, as well as analyzing various financial transactions.
- Accounting consultant in a large insurance fraud case. Worked with investigators from the Federal Bureau of Investigation and the District Attorney of Fresno's office in tracing funds through several bank accounts of several businesses.
- Assisted attorneys in preparation for depositions, in various stages of litigation and in anticipation of litigation. Prepared exhibits and related write-up work for trial. Typical services included calculations of damages and loss of earnings, analysis and interpretation of accounting records, and analysis of internal controls in industries including agricultural, professional services, retail, food services, construction, automobile dealerships, governmental entities, and real estate development.
- Provided expert witness testimony in cases involving personal injury and wrongful termination and resulting in lost wages/damages.
- Accounting consultant in white-collar crimes including embezzlement and kiting schemes.
- Provided expert witness testimony in a criminal matter involving real estate fraud. Our involvement included tracing investor funds over several years through several bank accounts and various businesses.
- Assisted a general contractor and a California city in mediation proceedings by calculating damages and resulting lost profits to lessees which was relied upon by all parties involved.
- Provides damage calculations and expert testimony in class action lawsuits.



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Employment & Education

- 2007 – Present Hemming Morse
Forensic and Financial Consultants
Principal
Manager, 2012-2016
Senior Associate, 2008-2010
Associate, 2007-2008
- 2006 – 2007 ORBIS Container Services
Assistant Controller
- 2001 – 2006 Harrell Remodeling, Inc.
Assistant Controller, 2004-2006
Accounting Manager, 2001-2004
- 1998 – 2001 Brown Adams LLP
Senior Staff Accountant, 2000-2001
Staff Accountant, 1998-2000
- 1997 – 1998 Brinks Incorporated
Office Manager
- 1996 Cigna Health Care
Data Entry Clerk
- 1991 – 1996 Wells Fargo Bank
Customer Service Representative
- 1996 California State University, Fresno
B.S. Business Administration



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Professional & Service Affiliations

- Certified Public Accountant, State of California
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- Certified in Financial Forensics
- Golden Gate University
- Adjunct Professor, Construction Claims
2016 - 2021

Testimony

Trial

- Maria Costa and Mario Soares v. FCA US LLC f/k/a Chrysler Group LLC (2023), United States District Court for the District of Massachusetts, Case No. 1:20-cv-11810-ADB
- John Baldrice v. Burley Linhart (2019) Superior Court of California, County of Madera Case No. MCV076659
- Wise Villa Winery, LLC v. California Wine Transport Inc. (2023), Superior Court of California, County of Sacramento, Case No. 34-2021-00293469

Arbitration

- Richard Furman Borst, M.D., Inc. v. Access Imaging Associate, Inc., Arthur B. Fontaine, M.D., Inc. (2022) Arbitration
- VSS International, Inc. v. State of California, Department of Transportation (2018) State of California Office of Administrative Hearings Public Works Contract Arbitration Case No. A-0013-02016
- Omni Women's Health Medical Group, Inc. v Wade Dickinson, M.D.; and Camilla Marquez, M.D. (2021) Arbitration

Deposition

- Maria Costa and Mario Soares v. FCA US LLC f/k/a Chrysler Group LLC (2023), United States District Court for the District of Massachusetts, Case No. 1:20-cv-11810-ADB
- Chunfeng Shen v. Leng Han (2023) Superior Court of California, County of San Mateo Case No. 19-CIV-00022



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Testimony continued

Deposition

- Wise Villa Winery, LLC, v. California Wine Transport Inc. (2023)
Superior Court of California, County of Sacramento
Case No. 34-2021-00293469
- Leiasa Beckham v. Kaslofsky & Associates, LLC; 1850 Bryant Land LLC (2023)
Superior Court of California, County of San Francisco
Case No. CGC-19-573757
- Craig Kaprielian; Fruit World Nursery, Inc. v. Bruce M. Brown, et al. (2018)
Superior Court of California, County of Fresno
Case No. 16CECG01664
- VSS International, Inc. v. State of California, Department of Transportation (2018)
State of California Office of Administrative Hearings
Public Works Contract Arbitration
Case No. A-0013-02016

Selected Experience

- Accounting consultant in a wage and hour matter, which alleged that hundreds of farm labor employees were paid improper wages. Prepared analysis using hours worked records, compensation data and employee records to determine the proper calculation of employees' regular rate of pay.
- Accounting consultant in several business interruption cases. Duties have included calculation of damages, calculation of business interruption loss and interpretation of accounting records.
- Accounting Consultant regarding damages in a breach of lease action. Analysis included a quantification of unpaid rents, and quantification of the impacts of mitigation efforts.
- Accounting Consultant for a major insurance company sued by a former independent contractor claiming he should have been an employee. Helped prepare extensive analyses of time records, expense documents and other financial records. Assisted in the preparation of detailed analysis of the various factors considered by the courts in making decisions regarding employment status.
- Assisted attorneys in preparation for depositions in various stages of litigation and in anticipation of litigation. Prepared exhibits and related write-up work for trial. Typical services included performing damages and lost-profit analysis, which includes reviewing industry trends and historical financial data and creating various financial models to be used as trial exhibits.



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BRIAN S. REPUCCI, CPA/CFF

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Selected Experience continued

- Consultant for Plaintiff, owners of a single-family residence to determine construction costs incurred related to the renovation of their residence.
- Consultant for owner of a newly built condominium casino project. Assisted the expert in the evaluation of contract costs and unpaid contract balances.
- Consultant for Plaintiff in a wrongful termination matter. Calculated past and future lost wages and fringe benefits.
- Consultant for contractor, analyze construction claims to the project owner relating to changes in condition and project delays. Reviewed claim documentation for sufficient support of costs incurred.
- Consultant for Defendant, in a partnership dispute. Analyzed partnership's accounting records including tax returns and credit card statements to determine the appropriateness of expenses related to a 200 acre farming operation.
- Various accounting experience including income tax preparation, planning and performing audits and preparation of financial statements. Responsible for preparing company budgets and cash flow projections. Financial presentations of monthly and yearly results to management team.
- Accounting consultant for a network of health care providers to perform labor rate examinations of the general contractor and subcontractors for contract negotiations. Evaluated contractors' proposed billing and overhead rates.

Exhibit B

Guthrie, et al. v Mazda Motor of America, Inc.

Case No. 8:22-cv-01055-DOC-DFM

Exhibit B - Documents Considered

Documents

Second Amended Complaint

Mazda correspondence dated 12/26/2023 from Jahmy Graham to Stephen Taylor

Deposition of Jerry Ward 10/26/2023

Ex. 7 to Deposition of Jerry Ward

Guthrie-9-20-23 term sheet

Guthrie_v. Mazda_000029-Guthrie_Mazda_000050

Guthrie_v. Mazda_008082-Guthrie_Mazda-008133

Guthrie_v. Mazda_008239-Guthrie_Mazda_008240

Kelly Blue Book oil change

Consumer Affairs, What does a Powertrain Warranty Cover in 2024

What is a Powertrain Warranty & What Does it Cover--Endurance

Should You Buy a Mazda Extended Warranty__Autoguide.com

PY8W101F5 Part list and cost

PY8W-10-235 - Gasket Part list and cost

Powertrain Warranty_What does it Cover (2023)

Mazda Powertrain Limited Warranty (Mazda website)

How Much Does and Extended Car Warranty Cost - CarTalk

Exhibit C

Guthrie et al. v. MNAO

CONFIDENTIAL pursuant to FRE 408 – Settlement Negotiation

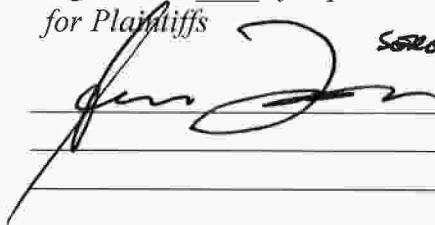
Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023)

<p>1. Vehicle Scope</p>	<ul style="list-style-type: none"> • 2021MY Mazda3 (Japan built) – 6,000 units • 2021/2022MY Mazda3 (Mexico built) – 1,047 units • 2021/2022MY CX-30 (Mexico built) – 11,167 units • 2021MY Mazda6 – 6,033 units • 2021MY CX5 – 31,296 units • 2021MY CX9 – 30,573 units (2022MY CX9 not affected) <p><u>Total</u>: approximately 86,116 affected units (to be confirmed in confirmatory discovery)</p>
<p>2. Geographic Scope</p>	<p>U.S. 2.5-liter turbo engine-equipped vehicles nationwide within affected VIN production range (subject to verification of defect manifestation).</p> <p>To be confirmed in confirmatory discovery whether there are affected vehicles / customers in Puerto Rico and/or the U.S. Virgin Islands. At a minimum, the nationwide class includes all 50 U.S. States and the District of Columbia (DC).</p>
<p>3. Customer Notification</p>	<p>SSP with customer notification of the availability of the repair outlined in TSB 01-003/23 (“Engine Oil Level Warning Light on with DTC P250F:00 Due to Low Engine Oil Level”). Notification to all customers by direct mail that the customers who have experienced warning lights during the specified scheduled-maintenance period, or who have refilled oil before the light came on if the customer or dealer noticed that the oil level was too low before the regular service/oil change interval, are requested to visit a dealer. (1) Valve stem seal replacement for vehicles with actual manifestation/excessive oil consumption, and (2) an oil consumption test and then valve stem seal replacement for vehicles determined to have defective valve stem seals/excessive oil consumption based on the oil consumption test (as outlined below).</p> <p>During the initial one-year period after the Program begins, Mazda dealers servicing Class Vehicles for any reason will check whether the DTC P250F:00 code (“Engine oil level signal: engine oil level low”) is stored in the memory. If the code is stored in memory, the</p>

	dealer will advise the vehicle owner that they are eligible to receive a replacement valve stem seal under the Program.
4. Inspection/Repair program (“Program”)	<p><u>Hybrid Approach</u></p> <p>Mazda offers a valve stem seal replacement only to customers who have already experienced excessive oil consumption (<i>i.e.</i>, actual manifestation, for example, low engine oil light has illuminated before the recommended service/oil change interval OR documented previous refilling of oil (either by the dealer or the customer) before the light came on if the customer or dealer noticed that the oil level was too low before the regular service/oil change interval (documented proof can include but is not limited to repair orders or invoices from dealers or a receipt for the purchase of engine oil)); but if a customer has not experienced manifestation yet, they can still bring their vehicle to a dealer for an excessive oil consumption test under the SSP. If the vehicle fails the test, that customer will then receive a valve stem seal replacement.</p> <p>In this hybrid approach, customers with older vehicles (or higher mileage) can be given priority over customers with newer vehicles (or lower mileage) unless a customer with a newer vehicle (or lower mileage) has already experienced excessive oil consumption and the customer with the older vehicle (or with higher mileage) has not experienced excessive oil consumption.</p> <p>Loaner vehicles to be provided (subject to dealer availability) for the repair.</p>
5. Administration of program	<p>TBD. An outside claims administrator may be necessary at least with respect to the aspect providing for reimbursement for customer-paid oil refills and oil changes related to the excessive oil consumption issue. The parties will meet and confer on the selection of an outside claims administrator.</p> <p>The costs of notice to the class and related administrative costs will be borne by Mazda.</p>
6. Start of program	The Program will begin when the Court preliminarily approves the settlement, but can commence sooner if Mazda is ready/prefers to start the Program.
7. Duration of program	Warranty extension: Extension of the Mazda powertrain limited warranty from 60 months/60,000 miles, whichever comes first, to

	<p>84 months/84,000 miles, whichever comes first, for all Class Vehicles.</p> <p>The Program is available for the entirety of the Class Vehicle's extended 84 months/84,000 miles powertrain limited warranty period.</p>
8. Voluntary dismissal	<p>Settlement would include the need for:</p> <ul style="list-style-type: none"> • A classwide/court-approved dismissal of the pending <i>Guthrie</i> matter, and if possible (and depending on whether they opt out) the <i>Heinz</i> and <i>Farina</i> matters; with • No admission of liability by Mazda.
9. Incentive awards	\$2,200 per named plaintiff
10. Attorneys' fees and costs	Plaintiffs may move for an award of attorneys' fees and costs to be paid by Mazda as ordered by the Court separate and apart from, and in addition to, the relief provided to the Class. No amount of attorneys' fees and costs is agreed to be paid by Mazda, which may oppose any such motion on any ground available to Mazda.
11. Reimbursement for out-of-pocket costs	<ol style="list-style-type: none"> Oil Oil changes subject to proof (e.g., cost of oil changes performed more frequently than the normal interval of 7,500 miles or 1 year) related to the excessive oil consumption issue.
12. Confirmatory Discovery	Concerning the root cause of the defect and effectiveness of the countermeasure including the number of impacted vehicles. Confirmatory discovery will include a 30(b)(6) deposition of a MNAO witness on topics related to root cause of the defect and effectiveness of the countermeasure.

Signed this 20 of September, 2023,
for Plaintiffs


SEROCI LOMBARDI

Signed this ____ of September, 2023, for
Defendant

Exhibit D

Should You Buy a Mazda Extended Warranty?



by Stephen Kenney

Updated: August 25th, 2023 Published: November 25th, 2022

 Share

To learn more about our editorial integrity policy and how we make money through affiliate partnerships, read our full disclosure [here](http://editorial-integrity-affiliate-partnerships/) (<http://editorial-integrity-affiliate-partnerships/>).

Thinking about a [Mazda](http://new-cars/mazda/index.html) extended warranty? While Mazdas are reliable vehicles, nothing lasts forever. A guarantee that your Mazda continues to “zoom zoom” in its old age may be what you need for peace of mind.

This article reviews the Mazda Extended Confidence warranty by comparing coverage and cost with the potential cost of repairs over time.

Before you buy coverage from Mazda, you should also compare it to extended warranties from third-party companies. You can easily free, personalized quotes from the providers that topped our list of the [best extended car warranty](http://best-extended-auto-warranty-providers/) companies in the industry to help you shop.

FEATURED EXTENDED WARRANTY COMPANIES



BEST COVERAGE

★★★★☆ 4.6/5

GET PRICE

📞 877-374-1840

Limited time offer: Get \$300 off with code SAVE300



BEST VALUE

★★★★☆ 4.2/5

GET PRICE

📞 800-563-2761

Plans as low as \$99 per month

Table of contents

- [Mazda Extended Warranty Overview](#)
- [Do You Need Extended Warranty Coverage?](#)
- [Mazda Extended Warranty Cost](#)
- [Benefits of Third-Party Extended Warranties](#)

- Final Thoughts on Mazda's Extended Warranty
- Methodology
- Q & A

Mazda Extended Warranty Overview

Mazda offers two extended warranty packages: Total Confidence and Powertrain Confidence. These warranties offer protection for Mazdas up to 100,000 miles by covering repairs after mechanical breakdowns.

Mazda Extended Warranty	Coverage Term
Extended Confidence	9 years/100,000 miles
Powertrain Confidence	9 years/100,000 miles

All repairs must be made by certified Mazda dealerships, and Mazda promises to make repairs using only genuine Mazda parts. Both plans are fully transferable and—like the factory warranty—include 24-hour emergency roadside assistance.

The Mazda extended warranty service contract does mention specific exclusions. These are:

- Damage to tire or wheels
- Environmental damage
- Damage from lack of maintenance
- Damage from incorrect fluid or fuel use
- Damage as a result of a collision

If you decide to purchase a Mazda extended warranty, be sure to read through the service contract yourself. This will give you a full understanding of what is and is not covered.

As with most extended warranty plans, a Mazda extended warranty requires that you regularly maintain and service your vehicle. These service visits are not covered under warranty and must be paid for out of pocket.

Additional Coverage

In addition to extended warranty protection, Mazda offers:

- **Gap protection:** This will help you recuperate the difference between the amount paid by your insurer and the amount you owe in car payments in the event of a total loss auto insurance claim.
- **Vehicle theft protection:** You'll receive a \$3,000 reimbursement and \$2,000 replacement allowance if your vehicle is stolen and not recovered. Mazda will pay the insurance deductible if your recovered stolen vehicle needs repairs.
- **Tire and wheel protection:** This covers reimbursement for flat tire damage, tire replacements, rim protection, and any taxes.
- **Appearance package protection:** This package includes paintless dent repair, interior fabric repair, and key fob replacement.

Do You Need Extended Warranty Coverage?

When considering extended coverage, first weigh the cost of the coverage against what you can expect to pay in repairs. Understanding your vehicle's normal service costs can help you determine the value of an extended warranty.

Much to the delight of Mazda owners, the Japanese automaker manufactures exceptionally reliable vehicles. According to [RepairPal \(https://repairpal.com/mazda\)](https://repairpal.com/mazda), the average annual repair cost for a 2018 Mazda3 is only \$338. Major repairs for the Mazda3 are uncommon, and the same is true for the rest of the Mazda fleet. The CX-7 tends to require repairs more frequently than other Mazdas, but is still quite reliable.

The chart below details some common repairs for a 2018 Mazda3 and associated costs, according to RepairPal.

Mazda Repair	Cost
Clutch hydraulic system bleed	\$44 - \$56
Exhaust manifold gasket replacement	\$240 - \$297
Oil change	\$127 - \$147
Engine compression test	\$107 - \$136
Powertrain control system diagnosis and testing	\$88 - \$111
Automatic trans shift cable replacement	\$326 - \$368
Wheel hub replacement	\$289 - \$331

When considering an extended warranty, another thing to keep in mind is that most vehicles come with a manufacturer’s warranty already. The value of an extended warranty comes from what it provides beyond the coverage that you would have without it.

New and certified pre-owned (CPO) Mazda vehicles both come with factory warranties. These warranties are transferable, so even used Mazdas may be covered.

Mazda Manufacturer’s Warranty

The Mazda manufacturer’s warranty that comes standard with all new Mazda cars includes:

Mazda Warranty Coverage	Term	Details
New-Vehicle Limited Warranty	3 years/36,000 miles	Bumper-to-bumper coverage for defects in materials and workmanship, with some exclusions
Powertrain Limited Warranty	5 years/60,000 miles	Powertrain coverage for defects in materials and workmanship
24/7 roadside assistance	3 years/36,000 miles	Towing service to the nearest Mazda dealer

RX-8 rotary engine core limited warranty extension	8 years/100,000 miles	Coverage for rotary engine core components in RX-8 vehicles
Brake pads and shoes	Lifetime	C Coverage for brake pads and shoes, not including installation costs

The factory warranty offered by Mazda is standard in terms of length. The detail that makes the Mazda factory warranty stand out is the lifetime guarantee for brake pads and shoes. Brake pads are not typically covered by warranties.

Certified Pre-Owned Warranty

Mazda’s certified pre-owned warranty provides an extension of the factory warranty. It includes:

- **CPO-Vehicle Limited Warranty:** Covers the same components as the New-Vehicle Limited Warranty for the remaining term of the original warranty, plus 12 months/12,000 miles
- **Limited Powertrain Warranty:** Covers the same components as the factory powertrain warranty but lasts for 7 years/100,000 miles
- **24/7 roadside assistance:** Towing for repairs covered under either the limited or powertrain warranty

Mazda Extended Warranty Cost

Unlike the vast majority of manufacturer extended warranties, it is simple to get a quote for a Mazda extended warranty. Check out MazdaUSAWarranty.com (<http://MazdaUSAWarranty.com>) to find a quote for your vehicle.

Costs for Mazda extended warranties vary by vehicle model, deductible, and warranty term. The chart below lists some coverage prices for Mazda warranties with a \$0 deductible and 3-year/75,000-mile contract.

Mazda Year and Model	Total Confidence Warranty	Powertrain Extended Warranty
2018 CX-9	\$1,422	\$1,031
2016 Mazda3	\$1,328	\$994
2019 MX-5 Miata	\$1,192	\$974

These are good rates and about average for the industry. A major selling point of the Mazda extended warranty is that you can purchase one at any time. With most manufacturer warranties, you must purchase the extended warranty when you buy your car. With Mazda, you can purchase an extended warranty online at a later date if you prefer.

Benefits of Third-Party Extended Warranties

Usually, the greatest advantage of a third-party warranty provider is that you don't have to purchase it when you buy your car. Because the Mazda extended warranty can also be purchased anytime, third-party warranties do not carry this advantage.

However, it's worth comparing any manufacturer warranty against third-party offerings, as they may be cheaper or have longer coverage limits. [Endurance \(https://www.autoguide.com/endurance-auto-warranty-review/\)](https://www.autoguide.com/endurance-auto-warranty-review/), [CARCHEX \(https://www.autoguide.com/carchex-warranty-reviews/\)](https://www.autoguide.com/carchex-warranty-reviews/), and [CarShield \(https://www.autoguide.com/carshield-reviews/\)](https://www.autoguide.com/carshield-reviews/) all offer extended warranties as high as 200,000+ miles. It's important to note that while these are technically called "vehicle service contracts," they function in almost exactly the same way as a warranty program.

With a Mazda extended warranty, you must have your vehicle serviced at a Mazda dealership. Dealerships usually offer superior service because dealership mechanics can specialize in one manufacturer. But it can also be inconvenient to have your car serviced at a dealership if none are nearby when your car breaks down. With many third-party extended warranty programs, you can take your Mazda to any certified repair shop you choose.

There are advantages and disadvantages with either warranty. The chart below offers a quick comparison between Mazda and Endurance extended warranties.

	Mazda Extended Warranty	Endurance Extended Warranty
Coverage Start Date	Anytime	Anytime
Longest Term	9 years/10,000 miles	200,000+ miles
Levels of Coverage	2	6
Deductible	\$0, \$100 disappearing, or \$250	\$0, \$50, \$100, or \$200
Where to Get Repairs	Mazda dealerships	Any US or Canadian repair facility certified by the National Institute for Automotive Service Excellence (ASE)
Transferability		
Cancellation	Full refund available within 30 days, prorated refund after 30 days	Refund available within 30 days
Roadside Assistance		
Rental Car Reimbursement		
Availability	Purchase from Mazda dealerships or online	Get Quote

Final Thoughts on Mazda's Extended Warranty

It's not usually the best idea to purchase an extended warranty the same time that you buy a new car. It's better to wait until the factory warranty is about to expire. This is why we generally recommend third-party warranties over manufacturer extended warranties.

However, the Mazda extended warranty can be purchased separately from your vehicle, making it a more attractive option. The Mazda warranty offers comparable protection to most third-party warranties at a fair price. It is certainly worth considering.

We recommend comparing prices and protection plans from a few sources before making a final decision. Most providers will offer you a free quote upon request to help you make a thorough and accurate comparison before you choose.

Methodology

Our review team prides itself on sharing accurate and unbiased information with consumers. We have accumulated data from dozens of extended auto warranty companies to formulate our rankings of the industry's best providers. Companies receive a score out of 5.0 overall, as well as a rating in each of the following categories:

- **Price:** Comparing providers can be difficult due to the many factors that influence cost. To determine this score, we employ a secret shopper analysis using different vehicles, mileages, warranty plans, and locations.
- **Coverage:** A wide variety of coverage is essential to support the differing needs of customers. We take into account the number of extended car warranty plans available, term limits, exclusions, and additional benefits.
- **Customer Service:** The level of customer service and care provided by an extended warranty company is an important consideration. Our review team sifts through customer reviews and complaints from reputable sources such as the Better Business Bureau (BBB) and Trustpilot. We also consider the responsiveness of each company's customer service team based on our secret shopper analysis.
- **Reputation:** Good extended warranty providers consistently provide quality experiences. Our team takes into account BBB ratings and the company's history of reliable service when giving this score.
- **Transparency:** Customers value a commitment to open and honest communication when it comes to vehicle service contracts. Our team of experts

takes into account the availability of money-back guarantees and sample contracts.

Q & A

Does Mazda have an extended warranty?

Yes. Mazda offers extended bumper-to-bumper and powertrain coverage for up to 100,000 miles. Both warranties have two deductible options: \$0 and \$100. A great benefit of the Mazda extended warranty is that you do not have to purchase it at the time you purchase your vehicle.

What does a Mazda extended warranty cover?

Mazda's extended warranty covers the same parts as the factory warranty, with only a few exclusions. You can purchase bumper-to-bumper coverage or protection for only the vehicle's most essential parts and systems, like the engine.

Is a Mazda extended warranty worth it?

Mazdas are particularly reliable vehicles. There is a good chance that the price of a Mazda extended warranty will not exceed the cost of covered repairs under the contract term. However, the peace of mind offered by an extended warranty may be worth it for drivers.

How much should I pay for an extended warranty?

The cost of an extended car warranty varies depending on the age and model of your vehicle. Extended powertrain warranties can range anywhere from \$500 to \$1,500 per year. When comparing warranties, be sure to consider deductibles and breadth of coverage.

To measure the value of an extended warranty, compare your vehicle's average annual repair costs against the price of the warranty. You should also check out a few of the most expensive repairs that your vehicle could encounter so you understand what could happen in a worst-case scenario. In addition to saving money, another great benefit of an extended auto warranty is peace of mind.

#AutoWarranty



Stephen Kenney

Stephen Kenney is a writer and editor who focuses on car insurance, auto financing, and vehicle shipping services. He's a graduate of UNC-Chapel Hill and has experience covering categories ranging from travel to sports to environmental sustainability. In his free time, Stephen enjoys going on long-distance runs, trying out new recipes, and exploring his adopted hometown of Cincinnati.

More by [Stephen Kenney](#)

Autoguide Insurance

Comments

Automotive Extended Car Warranties Best Extended Auto Warranties What is a powertrain warranty?

What does a powertrain warranty cover?

These contracts cover your engine and parts that deliver power to the wheels

Written by [Amelia York](#), Edited by [Cassidy McCants](#)

Updated: 05/05/2023

Fact Checked

Your vehicle's powertrain creates movement and delivers it to the wheels. If any component involved fails, you might be stuck paying high repair costs to get your car moving again.

A powertrain warranty covers the cost to repair or replace any part of your powertrain that fails due to a manufacturing defect or malfunction. This coverage might make sense if you're no longer under the [manufacturer's warranty](#) or prefer the financial safety net of an [extended warranty](#).

Key insights

- Your powertrain includes all parts that create and deliver power to your wheels: the engine, transmission, driveshaft, differentials, axles and any transfer cases.
- Auto warranties don't cover regular maintenance or damage from fire, vandalism, theft or accidents.
- In general, powertrain warranties cost between \$350 and \$1,000 a year. You'll pay a deductible (varies by company and plan) each time you make a claim and require service.



What is a powertrain warranty, and what does it cover?

A vehicle's powertrain is all the parts that create power and deliver it to the wheels, including its [engine](#), [transmission](#), driveshaft, differential(s) and axle(s). If any of these components unexpectedly need repairs, the expense can be significant, which is why a powertrain warranty is worth considering.

The engine is the largest and most expensive item covered by a powertrain warranty. Your engine block contains a crankshaft, pistons and many other parts that help your car turn air, fuel and sparks into movement. A powertrain warranty covers the complete engine, including failure or issues with its components.

Everything else a powertrain warranty covers is technically part of your drivetrain. The drivetrain includes your:

- Transmission
- Driveshaft
- Differential(s)
- Axle(s)
- Transfer case (if applicable)

The complexity of your drivetrain mostly depends on whether your car has front-wheel drive, rear-wheel drive, all-wheel drive or four-wheel drive.

Issues with any of these components can bring your car to a grinding halt, and you'll have to pay up or fix them yourself if you want to get back on the road. Transmissions are particularly expensive to replace, sometimes costing several thousands of dollars without coverage.

» **LEARN:** [What is a drivetrain warranty?](#)

What does a powertrain warranty not cover?

Simply put, if a part doesn't contribute to creating power or transferring it to the wheels, don't expect it to be covered under a powertrain warranty. You're still responsible for repairs to many important components with a powertrain warranty, including the heating and air conditioning system, for example.

If you want help paying for repairs to other parts of your vehicle, bumper-to-bumper warranty coverage might be a better choice. Bumper-to-bumper coverage is more expensive, but it can be worth it if you're worried about your car's other systems.

» **MORE:** [What is a bumper-to-bumper warranty?](#)

It's also worth noting that not every powertrain warranty covers seals and gaskets, so be sure to read the details of your plan to find out whether or not these components are included.



Keep in mind that a powertrain warranty (like all warranties) won't cover damage due to accident or theft. It also won't cover any routine maintenance.

Likewise, most powertrain warranty plans don't cover your wheels or tires, even though they move the car. Most tires need to be replaced roughly every six years, but it's hard to find warranties, even among bumper-to-bumper plans, that include coverage for tires.

Car warranty coverage also generally doesn't include maintenance or replacement of items designed to wear down, though you may be required to keep up with both as part of your policy. Plan to take care of the following items yourself:

- **Oil changes** are usually necessary every 5,000 to 7,000 miles.
- **Brake pads** need to be replaced every 25,000 to 70,000 miles, and rotors are typically replaced about every 70,000 miles.
- **Occasional tire rotations** help extend the life of your tires.

Factor these costs into your budget on top of whatever you're spending on your vehicle, including for fuel and the warranty.

Powertrain warranties, like all auto warranties, don't cover damage sustained from accidents, vandalism or theft. These events should be covered by your [car insurance](#). Your warranty only covers repairs and replacements that come about due to a malfunction or a breakdown.

How much does a powertrain warranty cost?

Powertrain warranties typically cost between \$350 and \$1,000 per year. With a new car, you pay for the warranty upfront, with the cost wrapped into your vehicle's purchase price. In other cases, you may make a down payment at the start of coverage and a monthly payment thereafter. Most warranties also require a deductible ranging from \$50 to \$100.

Powertrain warranties are a great option for drivers who have unreliable vehicles or plan to own their vehicles for a long time. Depending on when and where you buy, you can get a powertrain warranty from your car dealership, your manufacturer or an independent auto warranty company.

You might also see options for:

- **Bumper-to-bumper warranties**, which cover more components but generally cost more and don't last as long
- **Drivetrain warranties**, which include everything in your powertrain except the engine

» **MORE:** [How much does an extended car warranty cost?](#)

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FAQ

How long does a powertrain warranty last? 

Are there lifetime powertrain warranties? 

How is a powertrain warranty different from a bumper-to-bumper warranty? 

What voids a powertrain warranty?



Did you find this article helpful? **YES** | **NO** Share this article



<https://www.mazdausawarranty.com/>

<https://www.autoguide.com/mazda-extended-warranty/>

Mazda Extended Warranty Cost

Unlike the vast majority of manufacturer extended warranties, it is simple to get a quote for a Mazda extended warranty. Check out [MazdaUSAWarranty.com](https://www.mazdausawarranty.com/) to find a quote for your vehicle.

Costs for Mazda extended warranties vary by vehicle model, deductible, and warranty term. The chart below lists some coverage prices for Mazda warranties with a \$0 deductible and 3-year/75,000-mile contract.

Mazda Year and Model	Total Confidence Warranty	Powertrain Extended Warranty
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MOST POPULAR

Superior

30 MONTHLY PAYMENTS

\$112.97

Extensive coverage that protects a wide range of components

Protection for the most common parts that break down over time:

- ✓ Engine
- ✓ Transmission
- ✓ A/C
- ✓ Fuel System
- ✓ Electrical
- ✓ High-tech options
- ✓ And more!
- ✓ [See What's Covered](#)

Supreme

30 MONTHLY PAYMENTS

\$117.07

Most comprehensive coverage available

Closest to a new manufacturer's warranty protection:

- ✓ Engine
- ✓ Transmission
- ✓ A/C
- ✓ Fuel System
- ✓ Electrical
- ✓ High-tech options
- ✓ Seals & Gaskets
- ✓ Cooling System
- ✓ Transfer Case
- ✓ Drive Axle
- ✓ And more!
- ✓ [See What's Covered](#)

Secure Plus

30 MONTHLY PAYMENTS

\$105.07

Affordable coverage designed for older vehicles

Protects the most vital components of your vehicle:

- ✓ Engine
- ✓ Transmission
- ✓ A/C
- ✓ And more!
- ✓ [See What's Covered](#)



Quote Page

GREAT NEWS!

Hi Darren,

Here is the quote that you inquired for your 2021 MAZDA CX-3. Should you have any questions, Please feel free to contact Empire Auto Protect. We are always ready and eager to help! If you are unsatisfied with any of the coverage details, you will get a full refund for any reason within 30 days of signing up. This is unrestricted to ensure complete satisfaction. There is no risk included!

Call Now (888) 345-0084

<u>YEAR</u>	<u>MAKE</u>	<u>MODEL</u>
2021	MAZDA	CX-3

<u>PLAN</u>	<u>TERM</u>	<u>PREMIUM</u>
Powertrain Enhanced	monthly	\$79.99

Component Groups with Coverage

Engine	[X]	Transmission	[X]
4x4 AWD	[X]	Drive Axle	[X]
Electrical System	[X]	Cooling System	[X]
Brake System	[X]	Differential Assembly	[X]
Super/Turbo Charger	[X]	Steering	[X]
Fuel System	[X]	Air Conditioning	[X]
Suspension System	[X]	ABS Brakes	[X]
Hi- Tech	[X]	Out Of Gas	[X]
Heating System	[X]	Rental Car	[X]
Towing	[X]	Locksmith	[X]
Dead Battery	[X]	Trip Interruption	[X]

Exhibit E

Shop OEM Mazda Part # PY8W-10-235 (8LT1-10-271, 8PY1-10-271, PY8W10235). GASKET, HEAD COVER. Cylinder head and cover

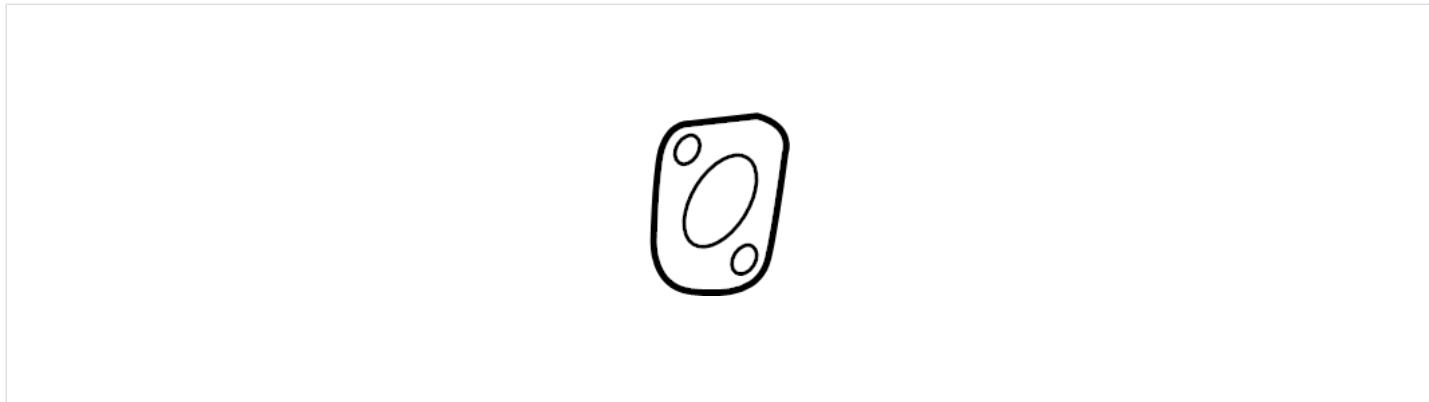
Home (https://parts.mazdausa.com/) / PY8W-10-235 (/p/Mazda_/GASKET--HEAD-COVER/105510463/PY8W-10-235.html)

CONFIRM THIS FITS YOUR Mazda (/)
2024 (/p/Mazda_2024_/GASKET--HEAD-COVER/105510463/PY8W-10-235.html) 2023 (/p/Mazda_2023_/GASKET--HEAD-COVER/105510463/PY8W-10-235.html)

GASKET, HEAD COVER

Part Number: PY8W-10-235

Supersession(s): 8LT1-10-271; 8PY1-10-271; PY8W10235



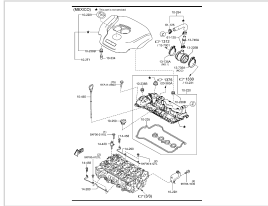
(https://images.simplepart.com/images/parts/motor/parts/fullsize/5416040_15.png)



GASKET, HEAD COVER

Fits CX-30, CX-5, CX-50, CX-9, Mazda3, Mazda6

3 people have looked at this part recently

<p>DIAGRAMS AND KITS</p> <hr/> <p>WHAT THIS FITS</p> <hr/> <p>ATTACHMENTS</p> <hr/> <p>PRODUCT TYPES</p>	<p>CYLINDER HEAD & COVER (/a/Mazda_/105510463_9369898/CYLINDER-HEAD--COVER/AUTV04-1010A.html#10235) Full Diagram (/a/Mazda_/105510463_9369898/CYLINDER-HEAD--COVER/AUTV04-1010A.html)</p>  <p>#10235 Required: 1</p> <hr/> <p>GASKET, HEAD COVER</p>
--	--

<p>DIAGRAMS AND KITS</p> <hr/> <p>WHAT THIS FITS</p> <hr/> <p>ATTACHMENTS</p> <hr/> <p>PRODUCT TYPES</p>	<p>CYLINDER HEAD & COVER (/a/Mazda_/105510463_9369899/CYLINDER-HEAD--COVER/AUTV07-1010A.html#10235) Full Diagram (/a/Mazda_/105510463_9369899/CYLINDER-HEAD--COVER/AUTV07-1010A.html)</p>  <p>#10235 Required: 1</p> <hr/> <p>GASKET, HEAD COVER</p>
--	--

SHOW MORE

Recommended Products

--	--



Remote Engine Start. Module (Service Part)

00008FZ01

\$ 91.95

(/p/Remote-Engine-Start-Module-Service-Part/94314042/00008FZ01.html?clickSource=relatedPerformance)

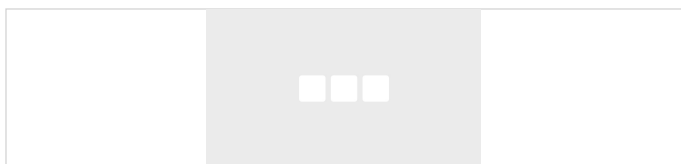


Front Mask. Front Mask Hardware Kit.

00008GG03

\$ 11.95

(/p/Front-Mask-Front-Mask-Hardware-Kit/94314046/00008GG03.html?clickSource=relatedPerformance)



Remote Engine Start. Antenna (Service Part)

00008FZ10

\$ 7.95

(/p/Remote-Engine-Start-Antenna-Service-Part/94314043/00008FZ10.html?clickSource=relatedPerformance)



Rear Bumper Guard / Step Plate

00008TJ02A

\$ 46.95

(/p/Rear-Bumper-Guard--Step-Plate/94314116/00008TJ02A.html?clickSource=relatedPerformance)



Floor Mats, All-Weather

00008BG04A

\$ 106.95

(/p/Floor-Mats-All-Weather/94312895/00008BG04A.html?clickSource=relatedPerformance)



Front Mask. Front Mask Hardware Kit.

00008GG02

\$ 11.95

(/p/Front-Mask-Front-Mask-Hardware-Kit/94314045/00008GG02.html?clickSource=relatedPerformance)



Floor Mats, Carpet. Gray (Tribute).

00008BG06A42

\$ 126.95

(/p/Floor-Mats-Carpet-Gray-Tribute/94314011/00008BG06A42.html?clickSource=relatedPerformance)



Side Step Tubes. Black

00008TG01

\$ 464.95

(/p/Side-Step-Tubes-Black/94313705/00008TG01.html?clickSource=relatedPerformance)

MSRP

\$ 30.46

Please select a dealer to view local pricing.

Mazda USA's website and/or mobile terms, privacy and security policies do not apply to the third party site you are about to visit. Please review its terms, privacy and security policies to see how they apply to you.

Fresno Mazda

Distance: 4.96 mi

(<https://parts.myfresnomazda.com/p/GASKET-HEAD-COVER/105510463/PY8W-10-235.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejje>)

Mazda Of Elk Grove

Distance: 144.45 mi

(<https://parts.mazdaofelkgrove.com/p/GASKET-HEAD-COVER/105510463/PY8W-10-235.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejje>)

Maita Mazda







Distance: 157.83 mi

(<https://parts.maitamazda.com/p/GASKET-HEAD-COVER/105510463/PY8W-10-235.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejje>)

Zip Code

[VIEW MORE DEALERS \(/FINDDEALER.ASPX?REF=/PRODUCTDETAILS.ASPX_MODELYEAR=0*MODELNAME=105510463*STOCKNUMBER=PY8W-10-235*UKEY_](#)

People Also Bought

 <p>GASKET, CYLINDER HEAD PY8W-10-271A \$ 117.27</p>	<p>(/p/GASKET--CYLINDER-HEAD/105510465/PY8W-10-271A.html?clickSource=relatedProduct)</p>	 <p>SEAL, EXHAUST VALVE SH09-10-1F5A \$ 6.73</p>	<p>(/p/SEAL--EXHAUST-VALVE/105512434/SH09-10-1F5A.html?clickSource=relatedProduct)</p>
 <p>VALVE, EXHAUST PY8W-12-121 \$ 27.28</p>	<p>(/p/VALVE--EXHAUST/105510482/PY8W-12-121.html?clickSource=relatedProduct)</p>	 <p>CAMSHAFT, INTAKE PY8W-12-420 \$ 291.89</p>	<p>(/p/CAMSHAFT--INTAKE/105510485/PY8W-12-420.html?clickSource=relatedProduct)</p>
 <p>ADJUSTER, HYDRAULIC LASH P301-12-100 \$ 34.82</p>	<p>(/p/ADJUSTER--HYDRAULIC-LASH/105507299/P301-12-100.html?clickSource=relatedProduct)</p>	 <p>VALVE, INLET PY01-12-111 \$ 17.34</p>	<p>(/p/VALVE--INLET/105509983/PY01-12-111.html?clickSource=relatedProduct)</p>

Links

- MAZDAUSA.COM ([HTTPS://WWW.MAZDAUSA.COM](https://www.mazdausa.com))
- ABOUT US ([HTTPS://WWW.MAZDAUSA.COM/WHY-MAZDA/MAZDA-SPIRIT](https://www.mazdausa.com/why-mazda/mazda-spirit))
- NEWS ([HTTPS://INSIDEMAZDA.MAZDAUSA.COM/NEWS](https://insidemazda.mazdausa.com/news))
- CONTACT US ([HTTPS://WWW.MAZDAUSA.COM/CONTACT-US](https://www.mazdausa.com/contact-us))

Legal

- TERMS AND CONDITIONS ([HTTPS://WWW.MAZDAUSA.COM/SITE/TERMS-OF-USE](https://www.mazdausa.com/site/terms-of-use))
- PRIVACY POLICY ([HTTPS://WWW.MAZDAUSA.COM/SITE/PRIVACY](https://www.mazdausa.com/site/privacy))
- DO NOT SELL OR SHARE MY PERSONAL INFORMATION ([HTTPS://WWW.MAZDAUSA.COM/PRIVACY](https://www.mazdausa.com/privacy))
- ACCESSIBILITY ([HTTPS://WWW.MAZDAUSA.COM/ACCESSIBILITY](https://www.mazdausa.com/accessibility))

(<https://www.mazdausa.com/mazdasocial/>)

While every reasonable effort is made to ensure the accuracy of this data, we are not responsible for any errors or omissions contained on these pages. Please verify any information in question with a sales representative.

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Shop OEM Mazda Part # PY8W101F5 (PY8W-10-1F5). SEAL, EXHAUST VALVE. TURBO, CYLINDER, HEAD

Home (<https://parts.mazdausa.com/>) / [PY8W101F5 \(/p/Mazda_/SEAL--EXHAUST-VALVE/120620718/PY8W101F5.html\)](#)

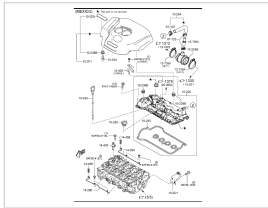
SEAL, EXHAUST VALVE

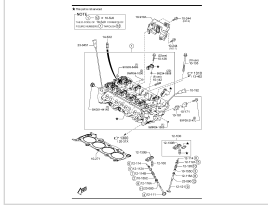
Part Number: **PY8W101F5**

Supersession(s): **PY8W-10-1F5**

SEAL, EXHAUST VALVE

Fits CX-30, CX-5, CX-50, CX-9, Mazda3, Mazda6

DIAGRAMS AND KITS	<p>CYLINDER HEAD & COVER (/a/Mazda_/120620718_9369900/CYLINDER-HEAD--COVER/AUTV08-1010A.html#10155D) Full Diagram (/a/Mazda_/120620718_9369900/CYLINDER-HEAD--COVER/AUTV08-1010A.html)</p>  <p>#10155D Required: 8</p> <p>SEAL, EXHAUST VALVE 20210913-99999999</p>
WHAT THIS FITS	
ATTACHMENTS	
PRODUCT TYPES	

	<p>CYLINDER HEAD & COVER (2500CC) (W/TURBO) (/a/Mazda_/120620718_9369930/CYLINDER-HEAD--COVER-2500CCWTURBO/AUBA18-1010AC.html#10155D) Full Diagram (/a/Mazda_/120620718_9369930/CYLINDER-HEAD--COVER-2500CCWTURBO/AUBA18-1010AC.html)</p>  <p>#10155D Required: 8</p> <p>SEAL, EXHAUST VALVE 20210913-99999999</p>
--	---

[SHOW MORE](#)

MSRP

\$ 1.38

Please select a dealer to view local pricing.

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Fresno Mazda

Distance: 4.96 mi

(<https://parts.myfresnomazda.com/p/SEAL--EXHAUST-VALVE/120620718/PY8W101F5.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejlje>)

Mazda Of Elk Grove

Distance: 144.45 mi

(<https://parts.mazdaofelkgrove.com/p/SEAL--EXHAUST-VALVE/120620718/PY8W101F5.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejlje>)

Maita Mazda

Distance: 157.83 mi

(<https://parts.maitamazda.com/p/SEAL--EXHAUST-VALVE/120620718/PY8W101F5.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejlje>)

Zip Code

[VIEW MORE DEALERS \(/FINDDEALER.ASPX?REF=/PRODUCTDETAILS.ASPX_MODELYEAR=0*MODELNAME=120620718*STOCKNUMBER=PY8W-10-1F5*UKEY_](#)

Exhibit F



NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW

Jahmy S. Graham | Partner
T 424.221.7426
jahmy.graham@nelsonmullins.com

19191 South Vermont Avenue | Suite 900
Torrance, CA 90502
T 424.221.7400 F 424.221.7499
nelsonmullins.com

December 26, 2023

Sergei Lemberg, Esq.
Managing Partner
Stephen Taylor
Lemberg Law
43 Danbury Road
Wilton, CT 06897
slemberg@leberglaw.com
staylor@leberglaw.com

RE: Response to Request for Information–Confirmatory Discovery *Guthrie et al. v. MNAO*

Counsel:

I write on behalf of Mazda Motor of America, Inc. d/b/a Mazda North American Operations (“MNAO”) in response to your recent questions below. See the below responses in red, subject to the Parties’ Stipulated Protective Order (“SPO”) in this matter, and Federal Rule of Evidence 408:

- Labor hours charged/estimated to perform the valve stem seal repair.
 - 4.4 hours

Inspection cost:

- Hours needed to perform the inspection/excess oil consumption test.
 - 1 hour of labor
- Labor rate charged to perform the inspection (National average?)
 - Average across the U.S. is about \$170 per hour

Oil Changes:

- Average amount dealer’s charge for a routine oil change.
 - Estimate is around \$90-\$110
- Amount dealer’s charges for oil (top off).
 - Depends on the dealer; likely won’t charge for top off

Warranty:

- The value of the powertrain limited warranty of 60 months/60,000 miles or the estimate of Mazda’s extended warranty for the powertrain.
 - MC is checking on this.

Sergei Lemberg, Esq.
December 26, 2023
Page 2

If you would like to further discuss this response letter, please contact me at the e-mail address or telephone number above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jahmy S. Graham', with a stylized, cursive script.

Jahmy S. Graham

Exhibit B

AN IMPORTANT MESSAGE FROM MAZDA

We thank you very much for choosing Mazda. We at Mazda design and build vehicles with complete customer satisfaction in mind. From the moment you get behind the wheel of your new Mazda, you'll notice how good it feels. A feeling you'll appreciate for as long as you own your Mazda.

You'll also be pleased to know how strongly we stand behind every Mazda vehicle. The New Vehicle Limited Warranty and the Powertrain Limited Warranty described in this booklet is one of the finest available.

Together with your Owner's Manual, this warranty booklet details the operating procedures and intervals between maintenance that we recommend you follow to maximize the performance of your Mazda.

In addition, your authorized Mazda Dealer will take care of all your service needs using Genuine Mazda Parts. They'll do all they can to ensure that your Mazda vehicle continues to exceed all your expectations.

At Mazda, it's not enough to sell vehicles that look impressive in the showroom. We're committed to making sure you enjoy your Mazda for years to come.

**Mazda Motor Corporation
and
Mazda North American Operations**

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When You Need to Talk to Mazda	7
New Vehicle Limited Warranty	
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• What Is Not Covered	13
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• Other Terms	16
Powertrain Limited Warranty	17
Safety Restraint System Limited Warranty	20
Anti-Perforation Limited Warranty	22
Federal Emission Control Warranty	24
California Emission Control Warranty	30
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Note:

All information is based on the latest data available at the time of publication and, with the exception of the emissions warranty, is subject to change without notice.

WARRANTY COVERAGE AT A GLANCE

		Warranty Term (Whichever comes first)		
		Months in Service	Miles in Service	
			10,000 20,000 30,000 40,000 50,000 60,000 70,000 80,000 90,000 (150,000)	
LIMITED WARRANTY	Service Adjustment	12	12,000	
	Basic	36	36,000	
	Original Equipment Battery	36	36,000	
	Powertrain	60	60,000	
	Safety Restraint	60	60,000	
	Perforation	60	(Unlimited Miles)	
EMISSION WARRANTY	Federal	Emission Defects		
		• Any Related Parts	36 36,000	
	• Specific Parts	96 80,000		
	California	Emission Performance		
		• Any Related Parts*	24 24,000	
	• Specific Parts	96 80,000		
	Replacement Parts & Accessories	California	Emission Defects	
			• Any Related Parts	36 50,000
• Specific Parts**			84 70,000	
Emission Performance	36 50,000			

This chart illustrates warranty coverage by months and miles.

Please read the applicable pages for detailed information on what is covered and what is not covered under each of these warranties.

Note:

Tires are warranted by the Tire Manufacturers.

* : Mazda will provide coverage under the terms of the New Vehicle Warranty.

** : Except those specified parts covered by the Federal Emission Warranty.

Please keep this booklet with your Mazda Vehicle.

This booklet should be presented to a Mazda Dealer if warranty service is needed.

This booklet should remain with your Mazda Vehicle, so if you sell it future owners will have this information.

■ DEFINITIONS

As used in this booklet (unless otherwise specifically stated),

- “Mazda” means Mazda Motor Corporation, 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima, Japan 7308670, and Mazda North American Operations 200 Spectrum Center Drive, Irvine, California 92618, U.S.A.
- “Mazda Vehicle” means a 2021 model year Mazda motor vehicle manufactured by or for Mazda.
- “Mazda Importer/Distributor” means any of the companies identified as a Mazda Importer/Distributor on page 40 of this booklet.
- “Mazda Dealer” means a person authorized by a Mazda Importer/Distributor to service Mazda Vehicles or perform repairs under the warranties in this booklet.
- “Mazda Accessory” means a Mazda genuine accessory or Mazda genuine optional equipment supplied by a Mazda Importer/Distributor.
- “Date of First Service” means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest.

VEHICLE AND OWNER IDENTIFICATION

Owner's Name		Date of Retail Delivery or First Use		
_____		Month	Day	Year
Address		Mileage at Delivery		
_____		_____ Miles		
City	State	Zip Code		
Vehicle Identification Number				
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Selling Dealership				

Phone()	-	Dealer Code	

SPEEDOMETER REPLACEMENT RECORD

Speedometer replaced on _____ with _____ Miles
 _____ date

Dealer Name _____

Dealer Signature _____

After the speedometer is replaced, total mileage should be determined by adding the mileage listed here to the current mileage shown on the speedometer installed.

WHEN YOU NEED TO TALK TO MAZDA

To Our Customer

Your complete and permanent satisfaction is our business. We are here to serve you. All Authorized Mazda Dealers have the knowledge and the tools to keep your Mazda Vehicle in top condition.

If you have any questions or recommendations for improvement regarding the service of your Mazda Vehicle or servicing by Mazda Dealer personnel, we recommend that you take the following steps:

Step 1: Contact Your Mazda Dealer

Discuss the matter with an Authorized Mazda Dealer. This is the quickest and best way to address the issue.

If your concern has not been resolved by the CUSTOMER RELATIONS, SALES, SERVICE or PARTS MANAGER, then please contact the GENERAL MANAGER or the OWNER of the dealership.

WHEN YOU NEED TO TALK TO MAZDA

Step 2: Contact Mazda North American Operations

If for any reason you feel the need for further assistance after contacting your dealership management, you can reach Mazda North American Operations by one of the following ways:

Log on at: **www.mazdausa.com**

Answers to many questions, including how to locate or contact a local Mazda Dealership in the U.S., can be found here.

You can also contact Mazda:

By E-mail: **MazdaCustomerExperience@Mazdausa.com**

By Phone at: **(800) 222-5500**

By Letter at: **Attn: Customer Experience Center
Mazda North American Operations
200 Spectrum Center Drive
Irvine, California 92618
P.O. Box 19734
Irvine, CA 92623-9734**

Whatever way you contact us, please help us to serve you more efficiently and effectively by providing the following information:

1. Your name, address, and telephone number
2. Year and model of vehicle
3. Vehicle Identification Number (17 digits, noted on your registration or title or located on the upper driver's side corner of the dash)
4. Purchase date and current mileage
5. Your dealer's name and city location
6. Your question(s)

If you live outside the U.S.A., please contact your nearest Mazda Distributor (Please see page 40.)

WHEN YOU NEED TO TALK TO MAZDA

Step 3: Contact Better Business Bureau (BBB)

Mazda North American Operations realizes that mutual agreement on some issues may not be possible. As a final step to ensure that your concerns are being fairly considered, Mazda North American Operations has agreed to participate in a dispute settlement program administered by the Better Business Bureau (BBB) system, at no cost to you the consumer.

BBB AUTO LINE works with consumers and the manufacturer in an attempt to reach a mutually acceptable resolution of any warranty related concerns. If the BBB is not able to facilitate a settlement they will provide an informal hearing before an arbitrator.

You are required to resort to BBB AUTO LINE before exercising rights or seeking remedies under the Federal Magnuson-Moss Warranty Act, 15 U.S.C. § 2301 et seq. To the extent permitted by the applicable state "Lemon Law", you are also required to resort to BBB AUTO LINE before exercising any rights or seeking remedies under the "Lemon Law". If you choose to seek remedies that are not created by the Magnuson-Moss Warranty Act or the applicable state "Lemon Law", you are not required to first use BBB AUTO LINE.

The whole process normally takes 40 days or less. The arbitration decision is not binding on you or Mazda else you accept the decision. For more information about BBB AUTO LINE, including current eligibility standards, please call 1-800-955-5100 or visit the BBB website at www.lemonlaw.bbb.org.

Being truly committed to customer satisfaction is more than a phrase with Mazda.

We hope to satisfy every customer directly, but if there is ever a question about our decision, Mazda believes in providing a fast, fair and free method such as the BBB AUTO LINE to ensure Mazda delivers on our commitment to do the right thing for our customers!

For Vehicles in CALIFORNIA

1. MAZDA NORTH AMERICAN OPERATIONS ("MAZDA") participates in BBB AUTO LINE, a mediation/arbitration program administered by the Council of Better Business Bureaus [3033 Wilson Boulevard, Arlington, Virginia 22201] through local Better Business Bureaus. BBB AUTO LINE and MAZDA have been certified by the Arbitration Certification Program of the California Department of Consumer Affairs.
2. If you have a problem arising under a MAZDA written warranty, we encourage you to bring it to our attention. If we are unable to resolve it, you may file a claim with BBB AUTO LINE. Claims must be filed with BBB AUTO LINE within six (6) months after the expiration of the warranty.

WHEN YOU NEED TO TALK TO MAZDA

Step 3: Contact Better Business Bureau (BBB) (continued)

3. To file a claim with BBB AUTO LINE, call 1-800-955-5100. There is no charge for the call.
4. In order to file a claim with BBB AUTO LINE, you will have to provide your name and address, the brand name and vehicle identification number (VIN) of your vehicle, and a statement of the nature of your problem or complaint. You will also be asked to provide: the approximate date of your acquisition of the vehicle, the vehicle's current mileage, the approximate date and mileage at the time any problem(s) were first brought to the attention of MAZDA or one of our dealers, and a statement of the relief you are seeking.
5. BBB AUTO LINE staff may try to help resolve your dispute through mediation. If mediation is not successful, or if you do not wish to participate in mediation, claims within the program's jurisdiction may be presented to an arbitrator at an informal hearing. The arbitrator's decision should ordinarily be issued within 40 days from the time your complaint is filed; there may be a delay of 7 days if you did not first contact MAZDA about your problem, or a delay of up to 30 days if the arbitrator requests an inspection/report by an impartial technical expert or further investigation and report by BBB AUTO LINE.
6. You are required to use BBB AUTO LINE before asserting in court any rights or remedies conferred by California Civil Code Section 1793.22. You are also required to use BBB AUTO LINE before exercising rights or seeking remedies created by Title I of the Magnuson-Moss Warranty Act, 15 U.S.C. sec. 2301 et seq. If you choose to seek redress by pursuing rights and remedies not created by California Civil Code Section 1793.22 or Title I of the Magnuson-Moss Warranty Act, resort to BBB AUTO LINE is not required by those statutes.
7. California Civil Code Section 1793.2(d) requires that, if MAZDA or its representative is unable to repair a new motor vehicle to conform to the vehicle's applicable express warranty after a reasonable number of attempts, MAZDA may be required to replace or repurchase the vehicle. California Civil Code Section 1793.22(b) creates a presumption that MAZDA has had a reasonable number of attempts to conform the vehicle to its applicable express warranties if, within 18 months from delivery to the buyer or 18,000 miles on the vehicle's odometer, whichever occurs first, one or more of the following occurs:

WHEN YOU NEED TO TALK TO MAZDA

Step 3: Contact Better Business Bureau (BBB) (continued)

- * The same nonconformity [a failure to conform to the written warranty that substantially impairs the use, value or safety of the vehicle] results in a condition that is likely to cause death or serious bodily injury if the vehicle is driven AND the nonconformity has been subject to repair two or more times by MAZDA or its agents AND the buyer or lessee has directly notified MAZDA of the need for the repair of the nonconformity; OR
- * The same nonconformity has been subject to repair 4 or more times by MAZDA or its agents AND the buyer has notified MAZDA of the need for the repair of the nonconformity; OR
- * The vehicle is out of service by reason of repair of nonconformities by MAZDA or its agents for a cumulative total of more than 30 calendar days after delivery of the vehicle to the buyer.

NOTICE TO MAZDA AS REQUIRED ABOVE SHALL BE SENT TO THE FOLLOWING ADDRESS:

Mazda North American Operations
200 Spectrum Center Drive
Irvine, California 92618
ATTN: Customer Mediation

8. The following remedies may be sought in BBB AUTO LINE: repairs, reimbursement for money paid to repair a vehicle or other expenses incurred as result of a vehicle nonconformity, repurchase or replacement of your vehicle, and compensation for damages and remedies available under MAZDA'S written warranty or applicable law.
9. The following remedies may not be sought in BBB AUTO LINE: punitive or multiple damages, attorneys' fees, or consequential damages other than as provided in California Civil Code Section 1794(a) and (b).
10. You may reject the decision issued by a BBB AUTO LINE arbitrator. If you reject the decision, you will be free to pursue further legal action. The arbitrator's decision and any findings will be admissible in a court action.
11. If you accept the arbitrator's decision, MAZDA will be bound by the decision, and will comply with the decision within a reasonable time not to exceed 30 days after we receive notice of your acceptance of the decision.
12. Please call BBB AUTO LINE at 1-800-955-5100 for further details about the program.

NEW VEHICLE LIMITED WARRANTY

1. What Is Covered

The New Vehicle Limited Warranty period is **36 months** or **36,000 miles** whichever comes first. This Limited Warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest. This Limited Warranty does not mean that each Mazda vehicle is defect free. For this reason, Mazda provides this Limited Warranty in order to remedy during the warranty period any such defects in materials and workmanship of all parts and components supplied by Mazda subject to the exclusions indicated under "Exceptions" and "What is Not Covered". The vehicle must be brought to an authorized Mazda dealer for all warranty service. The authorized Mazda dealer will without charge for parts or labor, either repair or replace the defective part(s) using new or authorized remanufactured parts. This transferable Limited Warranty is included with all new Mazda vehicles sold in the United States. Mail the "Subsequent Ownership Notification" attached to the end of the booklet to your Mazda Importer/Distributor.

■ Original Equipment Battery

The originally equipped battery is fully covered for **36 months** or **36,000 miles**, whichever comes first. The warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest.

■ Exceptions

The items specified below are covered for specific periods which are different from the basic coverage.

• Adjustments

Service adjustment is covered for the first **12 months** or **12,000 miles**, whichever comes first.

Service adjustment means minor repairs not usually associated with the replacement of parts, such as wheel balance and alignment, aiming of headlights, fitting of engine hood, trunk lid, or rear hatch, etc.

Note:

Adjustments required to conform to an EPA approved emission short test, are subject to the applicable emission warranty coverage.

• Air Conditioner Refrigerant Charge

Air conditioner refrigerant charge is covered for the first **12 months** of the warranty period regardless of mileage.

Over the balance of the warranty period, refrigerant charge is covered only when replenished as part of a warranty repair.

2. Towing

If Mazda vehicle is not drivable due to a warranted part failure during the coverage period of the New Vehicle Limited Warranty or Powertrain Limited Warranty, towing service will be covered to the nearest Mazda dealer.

3. Warranty Application

This warranty is applicable to Mazda Vehicles originally distributed, registered and normally operated in the country(ies) of the United States, Canada, Mexico, or the U.S. territories of Puerto Rico, U.S. Virgin Islands, Guam, Saipan, or American Samoa. The warranty that originally came with this vehicle will be in effect and will not change if the car is legally imported and subsequently registered into a different country or territory identified above.

Although the warranty that came with this vehicle will be honored to the extent possible in the various countries/territories identified above, there may be limitations on the ability of the local Mazda dealership to repair vehicles that have moved across the various borders identified above.

During the warranty period, this warranty is transferable to subsequent owners. Mail the "Subsequent Ownership Notification" attached to the end of the booklet to your Mazda Importer/Distributor.

4. What Is Not Covered

■ Factors Beyond the Manufacturer's Control

- Misuse of the Mazda Vehicle such as driving over curbs, overloading, racing, snowplowing, etc.
(Proper usage is described in your Owner's Manual.)
- Accidents such as collision, fire, flood, theft, riot etc.
- Alteration, modification, tampering etc.
- If the vehicle has been classified a total loss and/or sold for salvage purposes or branded for any other reasons.
- Damage or surface corrosion from the environment such as:
Acid rain, airborne fallout (chemicals, tree sap, etc), salt, road hazards, hail, wind storm, lightning, floods and other natural disasters.
- Cosmetic conditions or surface corrosion from stone chips or scratches in the paint.
- Registration of the vehicle out of the U.S., Canadian, or Mexican Markets as identified in the "Warranty Application" for New Vehicle Limited Warranty section of this booklet.

NEW VEHICLE LIMITED WARRANTY

■ Damage due to Lack of Maintenance or the Use of Wrong Fuel, Oil or Lubricants

- Lack of proper maintenance as described in your Owner's Manual. (Failure to properly maintain your vehicle can result in your warranty being voided either in whole or in part.)
- Improper maintenance, the use of other than specified fuel, oil or lubricants recommended in your Owner's Manual.

■ Normal Deterioration

- Normal wear, tear or deterioration such as discoloration, fading, deformation, blur etc.
- Surface corrosion on any part other than the body sheet metal panels forming the exterior appearance of a Mazda Vehicle.

4. What Is Not Covered (Cont'd)

■ Maintenance is at Owner's Expense

- Normal maintenance services such as cleaning and polishing, lubrication, and replenishment or replacement of oil, fluid, coolant, worn wiper blades, filters, worn brake and clutch linings, spark plugs, fuses, keyless transmitter batteries etc.
- Maintenance services described as "Scheduled Maintenance Services", "Owner Maintenance Services" or "Appearance Care" in your Owner's Manual.

■ Altered Mileage

- Any repair of a Mazda Vehicle on which the odometer has been altered or on which the actual mileage cannot be readily determined. (When replacing the speedometer, the "Speedometer Replacement Record" on page 6 must be filled in by a Mazda Dealer.)

■ Extra Expenses and Damages

- Any financial loss, for example: due to loss of use of the Mazda Vehicle, lodging, transportation, travel costs, loss of pay and any other expenses or damages.

■ Tires

- Tires are warranted by the tire manufacturers. Refer to the "Tire Limited Warranty" on page 37 for a brief explanation or the tire warranty pamphlets provided with your Mazda Vehicle for details.

5. Your Responsibilities

■ Maintenance

You are responsible for properly operating and maintaining your Mazda Vehicle in accordance with the instructions described in your Owner's Manual. If your vehicle is used under severe driving conditions, you should follow Schedule 2 of the maintenance requirements described in your Owner's Manual.

■ Maintenance Records - Proof of Maintenance

To continue warranty eligibility and to protect your investment, it is your responsibility to properly maintain your vehicle according to factory recommended schedules outlined in your Owner's Manual. As part of this you must keep your maintenance records, receipts, repair orders and any other documents as evidence this maintenance was performed. You must present these documents, should any warranty coverage disagreement occur. Failure to do so can result in your warranty being voided either in whole or in part.

This evidence may consist of the following:

- The Mazda Scheduled Maintenance Record, on page 42, must be completely filled out showing mileage, repair order number, date for each service, and signed by a qualified automotive service technician who service vehicles.
- Original copies of repair orders or other receipts that include the mileage and date the vehicle was serviced. Each receipt should be signed by a qualified automotive service technician.
- For self maintenance, a statement that you completed the maintenance yourself, displaying mileage and the date the work was performed. Also, receipts for the replacement parts (fluid, filters, etc.) indicating the date and mileage must accompany this statement.

Note:

If you elect to perform maintenance yourself or have your vehicle serviced at a location other than an Authorized Mazda Dealer, Mazda requires that all fluids, parts and materials must meet Mazda standards for durability and performance as described in your Owner's Manual.

6. To Get Warranty Service

You must take your Mazda Vehicle, along with this booklet, to a Mazda Dealer in the United States, Puerto Rico, U.S. Virgin Islands, Guam, Saipan, American Samoa, Canada or Mexico during its normal service hours. While any Mazda Dealer will perform warranty service, Mazda recommends that you return to the dealership where you purchased your Mazda Vehicle because you have already established a relationship with them.

If you have any question or need assistance regarding this warranty, refer to "When You Need to Talk to Mazda" on page 7.

NEW VEHICLE LIMITED WARRANTY

7. Limited Liability

The liability of Mazda under this warranty is limited solely to the repair or replacement of parts defective in Mazda-supplied material, or workmanship by a Mazda Dealer at its place of business. Specifically, it does not include any expense of, or payment for loss of use of the Mazda Vehicle during warranty repairs.

8. Other Terms

This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

All Implied Warranties, including but not limited to any regarding marketability or fitness for a particular purpose, are limited respectively to the duration of this warranty.

This warranty is given in lieu of all other Express Warranties (except those set forth separately in this booklet) on the part of Mazda, Mazda Importer/Distributor, or the Mazda Dealer selling the Mazda Vehicle. No dealer, or any agent or employee thereof, is authorized to extend or expand this warranty. Mazda or a Mazda Importer/Distributor shall not be liable for any incidental, special, consequential, or exemplary damages, or any service not expressly provided for herein.

Some states do not allow limitations on how long an implied warranty lasts or the exclusion or limitation of incidental or consequential damages, so the above limitations or exclusions may not apply to you.

1. What Is Covered

The Powertrain Limited Warranty period is **60 months** or **60,000 miles** whichever comes first. This Limited Warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest. This Limited Warranty does not mean that each Mazda vehicle is defect free. For this reason, Mazda provides this Limited Warranty in order to remedy during the warranty period any such defects in materials and workmanship of the Powertrain components supplied by Mazda subject to the exclusions indicated under "What is Not Covered". The vehicle must be brought to an authorized Mazda dealer for all warranty service. The authorized Mazda dealer will without charge for parts or labor, either repair or replace the defective part(s) using new or authorized remanufactured parts. This transferable Limited Warranty is included with all new Mazda vehicles sold in the United States. Mail the "Subsequent Ownership Notification" attached to the end of the booklet to your Mazda Importer/Distributor.

■ Powertrain components

The following is a general list of components covered by this warranty.
(See page 19 for specific components covered.)

- Engine
- Transmission and Transaxle
- Front /Rear Drive System

2. Towing

If your Mazda is not drivable due to the failure of a warranted powertrain component, then towing service will be covered to the nearest Mazda dealer during the coverage period of the Powertrain Limited Warranty.

3. Warranty Application

The "Warranty Application" is the same as stated for New Vehicle Limited Warranty section of this booklet.

4. What Is Not Covered

The "What is Not Covered" is the same as stated for New Vehicle Limited Warranty section of this booklet.

5. Your Responsibilities

■ Maintenance

You are responsible for properly operating and maintaining your Mazda Vehicle in accordance with the instructions described in your Owner's Manual. If your vehicle is used under severe driving conditions, you should follow Schedule 2 of the maintenance requirements described in your Owner's Manual.

POWERTRAIN LIMITED WARRANTY

■ Maintenance Records - Proof of Maintenance

To continue warranty eligibility and to protect your investment, it is your responsibility to properly maintain your vehicle according to factory recommended schedules outlined in your Owner's Manual. As part of this you must keep your maintenance records, receipts, repair orders and any other documents as evidence this maintenance was performed. You must present these documents, should any warranty coverage disagreement occur. Failure to do so can result in your warranty being voided either in whole or in part.

This evidence may consist of the following:

- The Mazda Scheduled Maintenance Record, on page 42, must be completely filled out showing mileage, repair order number, date for each service, and signed by a qualified automotive service technician who service vehicles.
- Original copies of repair orders or other receipts that include the mileage and date the vehicle was serviced. Each receipt should be signed by a qualified automotive service technician.
- For self maintenance, a statement that you completed the maintenance yourself, displaying mileage and the date the work was performed. Also, receipts for the replacement parts (fluid, filters, etc.) indicating the date and mileage must accompany this statement.

Note:

If you elect to perform maintenance yourself or have your vehicle serviced at a location other than an Authorized Mazda Dealer, Mazda requires that all fluids, parts and materials must meet Mazda standards for durability and performance as described in your Owner's Manual.

6. To Get Warranty Service

You must take your Mazda Vehicle, along with this booklet, to any Mazda Dealer in the United States, Puerto Rico, U.S. Virgin Islands, Guam, Saipan, American Samoa, Canada or Mexico during their normal service hours.

If you have any questions or need assistance regarding this warranty, refer to the "When You Need to Talk to Mazda" on Page 7.

7. Limited Liability

The liability of Mazda under this warranty is limited solely to the repair or replacement of parts defective in Mazda-supplied material, or workmanship by a Mazda Dealer at its place of business. Specifically, it does not include any expense of, or related to, transportation to such a dealer or payment for loss of use of the Mazda Vehicle during warranty repairs.

8. Other Terms

The "Other Terms" stated on page 16 in the New Vehicle Limited Warranty also apply to this warranty.

9. Powertrain Warranty Parts List

Below are the powertrain components covered under the Powertrain Limited Warranty:

■ Engine

- Cylinder Block, Cylinder Head, and All Internal Lubricated Parts (Piston engines)
- Timing gears
- Timing chain/belt and tensioner
- Timing chain/belt front cover and gaskets
- Flywheel
- Valve Covers and Gaskets
- Oil Pan
- Oil Pump
- Intake Manifold and Gaskets
- Exhaust Manifold and Gaskets
- Engine Mounts
- Turbocharger Housing and All Internal Parts
- Supercharger Housing and All Internal Parts
- Water Pump and Gaskets
- Thermostat and Gaskets
- Fuel Pump
- Seals and Gaskets

■ Transmission and transaxle

- Transmission Case and All Internal Parts
- Torque converter
- Clutch Pressure Plate
- Transmission Mounts
- Transfer Case and All Internal Parts
- Transmission/Transaxle Control Module

■ Front/Rear Drive System

- Final Drive Housing and all Internally Lubricated Parts
- Rear Axle Housing (Differential) and all Internally Lubricated Parts
- Manual and Automatic Hub (4×4)
- Front Wheel Hubs and Bearing (FWD or AWD only)
- Rear Axle/Hub Bearings (RWD or AWD only)
- Axle/Drive Shafts
- Universal Joints
- Constant Velocity Joints
- Propeller shaft (RWD or AWD only)
- Seals and Gaskets

SAFETY RESTRAINT SYSTEM LIMITED WARRANTY

To help decrease the possibility or severity of injury during accidents or emergency stops, Mazda strongly recommends that the driver and all vehicle occupants be properly restrained at all times by using the seat belts provided. (Proper use is outlined in your Owner's Manual.)

In addition to the seat belts, Mazda Vehicles are equipped with supplemental restraint systems (air bags). Air bags are designed to supplement the seat belts by providing additional protection by restraining the forward motion in a serious frontal accident or sideward motion in seats equipped with side airbags and/or side air curtains. The air bags alone may not prevent severe injury in an accident. The driver and all vehicle occupants should always wear seat belts.

1. What Is Covered

The Safety Restraint System Limited Warranty period is **60 months** or **60,000 miles** whichever comes first. This Limited Warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest. This Limited Warranty does not mean that each Mazda vehicle is defect free. For this reason, Mazda provides this Limited Warranty in order to remedy during the warranty period any such defects in materials and workmanship of the Safety Restraint System components supplied by Mazda subject to the exclusions indicated under "What is Not Covered". The vehicle must be brought to an authorized Mazda dealer for all warranty service. The authorized Mazda dealer will without charge for parts or labor, either repair or replace the defective part(s) using new parts. This transferable Limited Warranty is included with all new Mazda vehicles sold in the United States. Mail the "Subsequent Ownership Notification" attached to the end of the booklet to your Mazda Importer/Distributor.

■ Safety Restraint System components

The following are general components covered by this warranty.

- Seat Belts and Related Components
- Air Bag System

■ Kansas Safety Seat Belt Limited Warranty

For Mazda vehicles sold or registered in the State of Kansas, the seat belts and related components are warranted against defects in manufacturer's materials and workmanship for a period of 10 years, from in-service date, regardless of mileage when replaced/repared by an authorized Mazda dealer. This warranty does not apply if damage or failure was due to: misuse, alteration, accident, or collision. This warranty also does not apply if damage or failure was due to cosmetic appearance, such as, color fading, spotting, when the safety belts function properly.

2. Warranty Application

The "Warranty Application" is the same as stated for New Vehicle Limited Warranty section of this booklet.

SAFETY RESTRAINT SYSTEM LIMITED WARRANTY

3. What Is Not Covered

- Repair or replacement required due to misuse, negligence, improper repair/adjustment, alteration, or accident/collision damage.
- Replacement of proper functioning part for comfort or appearance.
- Incidental or consequential damages such as loss of use of your Mazda Vehicle, inconvenience or commercial loss.
- If the vehicle has been classified a total loss and/or sold for salvage purposes or branded for any other reasons.
- Registration of the vehicle out of the U.S., Canadian, or Mexican Markets as identified in the "Warranty Application" for New Vehicle Limited Warranty section of this booklet.

4. To Get Warranty Service

If a safety problem exists, immediately take your Mazda Vehicle, along with this booklet, to any Mazda Dealer in the United States, Puerto Rico, U.S. Virgin Islands, Guam, Saipan, American Samoa, Canada or Mexico during their normal service hours.

If you have any questions or need assistance regarding this warranty, refer to the "When You Need to Talk to Mazda" on Page 7.

5. Limited Liability

The liability of Mazda under this warranty is limited solely to the repair or replacement of parts defective in Mazda-supplied material, or workmanship by a Mazda Dealer at its place of business. Specifically, it does not include any expense of, or related to, transportation to such a dealer or payment for loss of use of the Mazda Vehicle during warranty repairs.

6. Other Terms

The "Other Terms" stated on page 16 in the New Vehicle Limited Warranty also apply to this warranty.

ANTI-PERFORATION LIMITED WARRANTY

1. What Is Covered

The Anti-Perforation Limited Warranty period is **60 months** (regardless of mileage). This Limited Warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest. This Limited Warranty does not mean that each Mazda vehicle is defect free. For this reason, Mazda provides this Limited Warranty in order to remedy during the warranty period any such perforation (hole through the body panel) due to corrosion of the body sheet metal panels supplied by Mazda subject to the exclusions indicated under "What is Not Covered". The vehicle must be brought to an authorized Mazda dealer for all warranty service. The authorized Mazda dealer will without charge for parts or labor, either repair or replace the defective part(s) using new parts. This transferable Limited Warranty is included with all new Mazda vehicles sold in the United States. Mail the "Subsequent Ownership Notification" attached to the end of the booklet to your Mazda Importer/ Distributor.

2. Warranty Application

The "Warranty Application" is the same as stated for New Vehicle Limited Warranty section of this booklet.

3. What Is Not Covered

- Any perforation due to corrosion of the Mazda Vehicle which is caused by industrial fallout, accident, damage, abuse, vehicle modifications or damaging or corrosive cargo in the Mazda Vehicle.
- Any surface corrosion of the Mazda Vehicle which does not result in perforation, such as that typically caused by sand, salt, saltpeter/nitre, hail, or stones.
- Any perforation due to corrosion of the Mazda Vehicle which results, not from a defect in material or workmanship, but from failure to maintain the Mazda Vehicle in accordance with the procedures specified in Section 4 (page 23) of this warranty and the Owner's Manual provided with your Mazda Vehicle.
- Any perforation due to corrosion of a part of the Mazda Vehicle which is not a body sheet metal panel. As used herein, "body sheet metal panel" specifically excludes all parts which are components of the exhaust system of the Mazda Vehicle.
- If the vehicle has been classified a total loss and/or sold for salvage purposes or branded for any other reasons.
- Registration of the vehicle out of the U.S., Canadian, or Mexican Markets as identified in the "Warranty Application" for New Vehicle Limited Warranty section of this booklet.
- Any perforation to panels previously repaired to correct collision damage, fire, theft, natural disaster, etc.

ANTI-PERFORATION LIMITED WARRANTY

4. Your Responsibilities

Inspect the body sheet metal panels of your Mazda Vehicle frequently and if you detect any stone chips or scratches in the paint or protective coating, touch them up immediately.

In addition, under certain conditions, special care should be taken to protect your Mazda Vehicle from corrosion.

- If you drive on salted roads, or if you drive near the ocean, flush the underbody at least once a month with clean water.
- It is important to keep the drain holes in the lower edges of the body clear.
- If your Mazda Vehicle is damaged due to an accident or any event which may cause damage to the paint, have your Mazda Vehicle repaired as soon as possible.
- If you carry special cargo, such as chemicals, fertilizers, de-icing salt, or other corrosive substances, be sure that such materials are well packaged and sealed.
- If you drive frequently on gravel roads, we recommend that you install stone guards behind each wheel.

5. To Get Warranty Service

You must take your Mazda Vehicle, along with this booklet, to any Mazda Dealer in the United States, Puerto Rico, U.S. Virgin Islands, Guam, Saipan, American Samoa, Canada or Mexico during their normal service hours. If you have any questions or need assistance regarding this warranty, refer to “When You Need to Talk to Mazda” on page 7.

6. Limited Liability

The liability of Mazda under this warranty is limited solely to the repair or replacement of parts defective in material or workmanship by a Mazda Dealer at its place of business. Specifically, it does not include any expense of, or related to, transportation to such a dealer or payment for loss of use of the Mazda Vehicle during warranty repairs.

7. Other Terms

The “Other Terms” stated on page 16 in the New Vehicle Limited Warranty also apply to this warranty.

FEDERAL EMISSION CONTROL WARRANTY

1. Introduction

The Federal Clean Air Act requires vehicle manufacturers to provide two emissions related warranties:

- The Federal Emissions Defect Warranty, which covers certain parts of each vehicle's emissions control systems against defects in materials and workmanship, and
- The Federal Emissions Performance Warranty, which covers repairs to certain parts of each vehicle's emission control system if certain conditions are met (see Section 5, for those conditions).

These two emission warranties apply to all Mazda Vehicles (including those registered in states requiring California-certified vehicles). They are given in lieu of all other express or implied warranties (except those set forth separately in this booklet) on the part of Mazda, Mazda Importer/Distributor or the Mazda Dealer selling this Mazda Vehicle. No dealer, or any agent or employee thereof, is authorized to extend or expand these warranties.

2. Definitions

- (a) "EPA" means the U.S. Environmental Protection Agency.
- (b) "Owner" means the original and any subsequent owner of a Mazda Vehicle.
- (c) "Mazda Part" means a part sold by a Mazda Dealer, whether new or remanufactured, which is supplied by Mazda.
- (d) "Emission Warranty Part" means a part installed on or in a Mazda Vehicle by or at the direction of Mazda for the sole or primary purpose of reducing the Mazda Vehicle's emissions and that was not in general use prior to model year 1968. The Emission Warranty Parts are listed in Sections 6 and 7.
- (e) "Certified Part" means a replacement part for a Mazda Vehicle certified in accordance with aftermarket part certification regulations issued by the EPA.
- (f) "Written Maintenance Instructions" means those maintenance and operation instructions, together with the time and/or mileage interval at which such maintenance is to be performed, specified in the Owner's Manual for the Mazda Vehicle as being necessary to assure compliance of the Mazda Vehicle with applicable emission standards during the term of this warranty, as specified by law.

FEDERAL EMISSION CONTROL WARRANTY

3. Exclusions from the Emission Warranties

The following are NOT covered by these Emission Warranties:

- (1) Any incidental, consequential, or exemplary damages (whether in contract or tort), including loss of time, inconvenience, loss of use of the vehicle, cost of transporting it for repair or service, and commercial loss.
- (2) Damage resulting from accidents, misuse, natural disasters, or events beyond the control of Mazda.
- (3) Failures directly caused by lack of proper maintenance, including repair improperly performed or replacements improperly installed by any person other than a Mazda Dealer, or a replacement part or accessory not conforming to Mazda's specifications.
- (4) Any repair of the vehicle on which the odometer mileage has been altered or on which the actual mileage cannot be readily determined. (When replacing the speedometer, the "Speedometer Replacement Record" on page 6 must be filled in by a Mazda Dealer.)
- (5) Registration of the vehicle out of the U.S., Canadian, or Mexican Markets as identified in the "Warranty Application" for New Vehicle Limited Warranty section of this booklet.

4. Emission Defect Warranty

Mazda warrants to the ultimate purchaser and each subsequent purchaser that this Mazda Vehicle is designed, built, and certified so as to conform at the time of sale with applicable regulations under Section 202 of the Federal Clean Air Act. This Warranty does not mean that each Mazda vehicle is defect free. For this reason, Mazda provides this Warranty in order to remedy during the warranty period any such defects in materials and workmanship which would cause it to fail to conform with the applicable regulations during the warranty periods mentioned herein after. The vehicle must be brought to an authorized Mazda dealer for all warranty service. The applicable regulations require that the warranty period is for the first 24 months* or 24,000 miles, whichever comes first. However, Mazda will provide you a coverage of 36 months* or 36,000 miles, whichever comes first, under the terms of the New Vehicle Limited Warranty. The applicable regulations also require that the warranty period for specific major Emission Warranty Parts listed in Section 7 is for the first 96 months* or 80,000 miles, whichever comes first.

* This warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest.

Any defects in warranted parts that are identified within those warranty periods will be repaired or replaced by Mazda, at its option, with new or remanufactured parts at no cost to the Mazda Vehicle owner by a Mazda Dealer in the U.S.A. The liability of Mazda under this Emission Defect Warranty is solely limited to such repair or replacement.

FEDERAL EMISSION CONTROL WARRANTY

5. Emission Performance Warranty

■ Important Notice

This warranty has been prepared in accordance with certain regulations promulgated by the EPA which provide that a remedy will be available under this warranty only when a vehicle fails an EPA approved emission short test; usually this means when an Owner could be subject to a penalty under state or federal law because of such failure. At the date of the printing of this warranty, some states did not have vehicle inspection programs for testing vehicles for conformity with such short tests and had not enacted laws subjecting vehicle Owners to such penalties.

Therefore, it is possible that in some states or local areas no remedy will be available under this warranty as a matter of law.

■ Warranty

Pursuant to Section 207 (b) of the U.S. Clean Air Act, Mazda warrants to each Owner that if:

- (a) The Mazda Vehicle is maintained and operated in compliance with the Written Maintenance Instructions; and
- (b) The Mazda Vehicle fails to conform at any time during the term of this warranty to the applicable emission standards as judged by an emission test approved by the EPA; and
- (c) Such nonconformity results or will result in the Owner having to bear any penalty or other sanction (including the denial of the right to use the Mazda Vehicle) under local, state or Federal law; and
- (d) If such nonconformity results from the failure of an Emission Warranty Part.

Mazda shall remedy the nonconformity at no cost to the Owner in accordance with the following:

- During a period of vehicle operation that does not exceed 24 months* or 24,000 miles, whichever comes first, if the failed Emission Warranty Part is listed in the 24 months/24,000 miles Emission Warranty Parts List in Section 6.
- During a period of vehicle operation that does not exceed 96 months* or 80,000 miles, whichever comes first, if the failed Emission Warranty Part is listed in the 96 months/80,000 miles Emission Warranty Parts List in Section 7.

* This warranty period begins on the Date of First Service. "Date of First Service" means the first date the Mazda Vehicle is delivered to the first retail purchaser, is leased or is placed into service as a company vehicle use (e.g., as a demonstrator, rental or fleet vehicle), whichever is earliest.

FEDERAL EMISSION CONTROL WARRANTY

■ Compliance with Written Maintenance Instructions

Each Owner is required to comply with the Written Maintenance Instructions and a claim under this warranty may be denied on the basis of noncompliance by the Owner with such instructions. **If and when it is considered that the vehicle's nonconformity with the applicable emission standards has resulted from the Owner's noncompliance with those Written Maintenance Instructions which the manufacturer considers necessary for the vehicle to meet the standards, the Owner may be required to submit evidence of such compliance. Receipts and other documents covering the performance of Scheduled Maintenance and proper use in accordance with the Written Maintenance Instructions, including but not limited to the validated Scheduled Maintenance Record in this booklet, should, therefore, be retained by the Owner and should be transferred to each subsequent Owner of the Mazda Vehicle.**

■ Use of Mazda Parts

The Mazda Vehicle is designed, built and tested using Mazda Parts so that the Mazda Vehicle is able to perform in conformity with EPA regulations as provided by this warranty. Accordingly, it is recommended that any replacement parts used for maintenance, repair or replacement of the Mazda Vehicle be Mazda Parts, or parts equivalent to those with which the Mazda Vehicle or its engine was originally equipped.

■ Use of Non-Mazda Parts

Owners may elect to use parts other than Mazda Parts in the performance of any maintenance or repairs and such use in itself will not invalidate this warranty. However, use of parts other than Mazda, may cause Mazda to deny an emission performance warranty claim on the basis of uncertified replacement parts used in the maintenance or repair of a Mazda Vehicle if the uncertified replacement parts are either defective in material or workmanship or not equivalent, from an emission standpoint, to Mazda Parts.

■ Repair or Replacement by Mazda Dealer

Mazda's obligation to remedy nonconformities under this warranty shall be performed by a Mazda Dealer, which shall make all adjustments, repairs or replacements necessary to assure that the Mazda Vehicle complies with applicable emission standards of the EPA and that the Mazda Vehicle will continue to comply during the remainder of the term of this warranty (if proper maintenance and operation are continued).

FEDERAL EMISSION CONTROL WARRANTY

■ Maintenance by An Establishment or Individual Other Than Mazda

Maintenance, replacement, or repair of the emission control devices and systems covered by this warranty may be performed by any automotive repair establishment or individual using Certified Parts. However, the Owner should note that service by a person other than a Mazda Dealer may cause Mazda to deny a claim under this warranty, if it is shown that the improper installation or adjustment of any part has caused the Mazda Vehicle to fail the emission test, either directly or by causing another warranted part to fail.

■ Warranty Claim Procedures

A warranty claim may be submitted by bringing the Mazda Vehicle to any Mazda Dealer during the Dealer's regular business hours, together with a copy of a failed emissions test. Upon presentation of a claim, Mazda shall notify the Owner within 30 days, or a shorter period of time within which repair is required by local, State or Federal law, that the claim will be honored or shall provide the Owner in writing with an explanation of the basis upon which the claim is being denied. Failure to notify the Owner within such a time period, shall cause Mazda to be responsible for repairing the Mazda Vehicle free of charge to the Owner, unless such failure is attributable to the Owner or to events beyond the control of Mazda or the Mazda Dealer.

■ Further Information

Owners may obtain further information concerning this warranty and may report violations of this warranty by contacting the below.

U.S. Environmental Protection Agency
Office of Transportation and Air Quality
Compliance Division, Light-Duty Vehicle Group
Attn: Warranty Complaints
2000 Traverwood Drive
Ann Arbor, MI 48105
Email: complianceinfo@epa.gov

FEDERAL EMISSION CONTROL WARRANTY

6. 24 months/24,000 miles Emission Warranty Parts List

■ Air/Fuel Metering System

- Closed loop system
 - Oxygen sensor
 - Air flow sensor (Air flow meter)
 - Fuel injectors
- Cold start enrichment system
 - Cold start injector
- Electronic idle speed control system
 - Idle air control valve (Idle speed control valve)
 - Air valve
- Deceleration controls
- Variable Valve Timing System
 - Sequential valve timing actuator
 - Oil control valve

■ Ignition Spark Advance/Retard System

- Certain spark advance/retard control components
 - High energy electronic ignition
 - Spark plugs*

■ Fuel Evaporative System

- Canister and associated control valve
 - Purge valve
 - Purge solenoid
 - Fuel filler cap

* Spark plugs are warranted under the basic warranty or until the first required maintenance, whichever comes first.

■ Positive Crankcase Ventilation (PCV) System

- PCV valve

■ Exhaust Gas Recirculation (EGR) System

- EGR function control valve (EGR control valve) and associated parts
 - EGR valve
 - EGR valve control solenoid

■ Secondary Air Injection System

- Air pump
- Air control valves and distribution pipes

■ Miscellaneous Items Used in Above Systems

- Hoses, clamps, fittings, gaskets, sealing materials, tubing, brackets and belts
- Exhaust pipe (between exhaust manifold and catalyst)
- Sensors, switches and valves

7. 96 months/80,000 miles Emission Warranty Parts List

- Catalytic Converter
- Electronic Emission Control Unit
- Onboard Emission Diagnostic Device (Incorporated into Electronic Emission Control Unit)

CALIFORNIA EMISSION CONTROL WARRANTY

The California Air Resources Board and Mazda are pleased to explain the emission control system warranty on your Mazda Vehicle. In California, new motor vehicles must be designed, built and certified to meet the State's stringent anti-smog standards.

Mazda must warrant the emission control system on your Mazda Vehicle for the periods of time listed below, provided there has been no abuse, neglect or improper maintenance of your Mazda Vehicle.

Your emission control system may include parts such as the fuel-injection system, ignition system, catalytic converter, and powertrain control module. Also included may be hoses, belts, connectors, and other emission-related assemblies.

Where a warrantable condition exists, Mazda will repair your Mazda Vehicle at no cost to you including diagnosis, parts, and labor.

Under the authority of Section 177 of the Federal Clean Air Act, some states require that new vehicles currently registered in their jurisdictions comply with California's emission control system warranty requirements. If your vehicle is currently registered in such a state, or in California, the warranty provisions set forth in this section apply to it.

1. Mazda's Warranty Coverage

(a) For **3 years** or **50,000 miles** whichever first occurs: (*1)

1) If your Mazda Vehicle fails a California Smog Check inspection, all necessary repairs and adjustments will be made by Mazda to ensure that your Mazda Vehicle passes the inspection. This is your emission control system **PERFORMANCE WARRANTY**.

2) If any emission-related part (listed on page 29) on your Mazda Vehicle is defective, the part will be repaired or replaced by Mazda. This is your short term emission control system **DEFECTS WARRANTY**.

(b) For **7 years** or **70,000 miles** whichever first occurs: (*1)

1) If an emission-related part listed in this warranty booklet specially noted with coverage for 7 years or 70,000 miles is defective, the part will be repaired or replaced by Mazda. This is your long-term emission control system **DEFECTS WARRANTY**.

(*1) This warranty applies to all California emission certified Mazda vehicles currently registered in California, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont or Washington.

CALIFORNIA EMISSION CONTROL WARRANTY

2. Owner's Warranty Responsibilities:

As the Mazda Vehicle owner, you are responsible for the performance of the required maintenance listed in your Owner's Manual. Mazda recommends that you retain all receipts covering maintenance on your Mazda Vehicle, but Mazda cannot deny warranty solely for the lack of receipts or for your failure to ensure the performance of all scheduled maintenance.

You are responsible for presenting your Mazda Vehicle to a Mazda Dealer as soon as a problem exists. The warranty repairs should be completed in a reasonable amount of time, not to exceed 30 days.

As the Mazda Vehicle owner, you should also be aware that Mazda may deny warranty coverage if your Mazda Vehicle or a part has failed due to abuse, neglect, improper maintenance, or unapproved modifications.

3. Customer Assistance

If you have any questions regarding your warranty rights and responsibilities, you should contact

Mazda North American Operations' CUSTOMER EXPERIENCE CENTER toll free at: (800) 222-5500

or the California Air Resources Board at 9480 Telstar Avenue Suite 4, El Monte California 91731.

4. Start of Warranty Period

This warranty begins on the date the vehicle is delivered to the ultimate purchaser or on the date the vehicle is first placed in service as a demonstrator, lease or company car, whichever comes first.

5. Repair or Replacement by Mazda Dealer

A Mazda Dealer will repair or replace, at its option, all Warranted Parts which fail during the term of this warranty, and all other components which are damaged during the term of this warranty as a result of such failure, without charge to Owner, using Mazda Parts at its place of business.

The Mazda Dealer shall determine if the repair or replacement is covered by warranty. Repair or replacement shall include diagnosis.

When a Warranted Part is replaced, the newly installed part is warranted for the remaining period of the applicable California Emission Control Warranty.

6. Repair or Replacement by Dealers Other Than Mazda

If, under this warranty a part requires repair or replacement, Owners may choose to have this work performed by any automotive service establishment or individual, rather than at a Mazda Dealer. They may also perform the work themselves using any replacement parts. Such service in and of itself will not invalidate this warranty.

CALIFORNIA EMISSION CONTROL WARRANTY

However, Owners should note the following:

- (a) The cost of such service by dealers other than Mazda will not be covered under this warranty except in an “emergency” as set forth below.
- (b) An “emergency” exists when Warranted Parts are not available within 30 days from a Mazda Dealer, when a repair is not completed within 30 days, or when a Mazda Dealer is not reasonably available to perform service under this warranty.
- (c) The cost of such service by dealers other than Mazda in an “emergency” shall be reimbursed to the Owner as follows: as to all Warranted Parts which require repair or replacement under this warranty, the Owner shall be reimbursed for all such replacement parts in an amount not to exceed the retail price suggested for such parts by Mazda North American Operations. As to labor, including diagnostic charge related to the emergency repair, the Owner shall be reimbursed in an amount not to exceed Mazda’s recommended time allowance and geographically appropriate hourly labor rate for the repair or replacement performed under this warranty. **All failed parts and paid invoices must be presented to a Mazda Dealer after repair as a condition of reimbursement for emergency repairs not performed by a Mazda Dealer.**

7. Use of Mazda Parts

The emission control system of the Mazda Vehicle is designed, built and tested using Mazda Parts so that the Mazda Vehicle is certified as being in conformity with the California emission control regulations. **Accordingly, it is recommended that any replacement part used for maintenance, repair, or replacement of emission control systems be Mazda designated parts.**

8. Use of Non-Mazda Parts

Owners may elect to use parts other than Mazda Parts in the performance of any maintenance or repairs and such use in and of itself will not invalidate this warranty.

However, Owners should note the following:

- (a) The cost of non-Mazda designated parts will not be covered under this warranty except in emergency cases.
- (b) Use of replacement parts which are not of equivalent quality to Mazda Parts may impair the effectiveness of emission control systems.
If non-Mazda designated parts are used, the Owner should obtain assurance that such parts are warranted by their manufacturer to be equivalent to Mazda Parts in performance and durability.
- (c) Mazda assumes no liability under this warranty with respect to non-Mazda designated parts except for damage to non-Mazda designated parts by a Mazda Part.
- (d) Use of non-Mazda designated parts resulting in damage to Warranted Parts will invalidate the warranty for these parts.

CALIFORNIA EMISSION CONTROL WARRANTY

9. What Is Not Covered by This Warranty

- (a) Items described as not covered in paragraph 6 (a), 8 (a), 8 (c), and 8 (d).
- (b) Malfunctions in any part caused by misuse, abuse, neglect, modification, alteration, tampering, disconnection, improper or inadequate maintenance, or use of leaded gasoline.
- (c) Damage resulting from accident, acts of nature or other events beyond the control of Mazda.
- (d) The repair or replacement of Warranted Parts which are scheduled for replacement within the warranty term provided in Section 1, such as spark plugs and filters. These parts shall be warranted only until the first scheduled time or mileage for replacement.
- (e) Any incidental or consequential damages, such as loss of time, inconvenience, loss of use of the Mazda Vehicle, cost of transporting the Mazda Vehicle to a Mazda Dealer for service, and commercial loss.
- (f) Any repair of a Mazda Vehicle on which the odometer mileage has been altered or on which the actual mileage cannot be readily determined.
(When the Owner replaces the speedometer or has it replaced by a repair facility, then the "Speedometer Replacement Record" on page 6 must be filled in by a Mazda Dealer.)

10. Other Terms

This warranty is given in lieu of all other Express and Implied Warranties (except those set forth separately in this booklet) on the Warranted Parts by Mazda and all other authorized Mazda representatives. Any warranty of merchantability or fitness is hereby disclaimed. No Mazda Dealer, or any agent or employee thereof, is authorized to extend or expand this warranty.

(1) 7 YEARS/70,000 MILES EMISSION CONTROL WARRANTY AND VEHICLE INSPECTION PROGRAM(*1)

- (*1) This warranty applies to all California emission certified Mazda vehicles currently registered in California, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont or Washington.
- (A) If the Mazda Dealer determines that an emission-related part listed in this warranty booklet specially noted with coverage for 7 years or 70,000 miles is defective, then Mazda shall be liable for the expenses of detecting and correcting the part failure or malfunction, unless the Mazda Dealer demonstrates one or more conditions as provided under Section 9, the "What Is Not Covered" section of this warranty. This section applies to situations after a period of use of 3 years or 50,000 miles, but before a period of use of 7 years or 70,000 miles.

CALIFORNIA EMISSION CONTROL WARRANTY

- (B) If the Mazda Dealer demonstrates one or more conditions as provided under Section 9, the “What Is Not Covered” section of this Warranty, the Owner shall be liable for all diagnostic and repair expenses.
- (C) If the Mazda Dealer determines an emission-related part listed in this warranty booklet specially noted with coverage for 7 years or 70,000 miles is defective and in combination with one or more conditions as provided under Section 9, the “What Is Not Covered” section of this warranty, then Mazda shall be liable for the diagnostic and repair costs related to detecting and repairing the warrantable defects.

In the alternative, the Owner of a Mazda Vehicle whose emission-related part listed in this warranty booklet specially noted with coverage for 7 years or 70,000 miles is defective may choose to have the Mazda Vehicle repaired at another repair facility other than a Mazda Dealer. If a warrantable defect is found, the Owner may deliver the Mazda Vehicle to a Mazda Dealer and have the defect corrected free of charge. Mazda shall not be liable for any expense incurred at a service establishment not authorized to perform warranty repairs, except when an “emergency” situation exists as specified in Section 6 (b), in this warranty.

Mazda will not reimburse the Owner for any emission-related diagnosis or repair by an automotive service establishment or individual other than a Mazda Dealer except when an “emergency” situation exists.

If Mazda or the Mazda Dealer fails to notify the Owner within 30 days that the repair, replacement, or diagnosis is not covered by this performance warranty, unless so requested by the Owner, or due to events beyond the control of Mazda or the Mazda Dealer, Mazda shall be responsible for repairing the Mazda Vehicle free of charge to the Owner.

Maintenance records and receipts should be retained in the event questions arise concerning maintenance, and should be transferred to each subsequent owner.

11. Definitions

- (a) “Mazda Vehicle” means a 2021 model year Mazda motor vehicle manufactured by or for Mazda in accordance with the laws and regulations of the State of California.
- (b) “Owner” means each owner of a Mazda Vehicle as defined above Section 11 (a), currently registered for use in the States that comply with California’s emission control system warranty requirements.
- (c) “Mazda Part” means a part sold by a Mazda Dealer, whether new or remanufactured, which is supplied by Mazda.
- (d) “Warranted Part” means any part installed on a Mazda Vehicle by or at the direction of Mazda, which affects any regulated emission from the Mazda Vehicle or its engine.

CALIFORNIA EMISSION CONTROL WARRANTY

7 years/70,000 miles Emission Defect Warranty Parts List

Gasoline Engine Model

	Mazda3	Mazda6	CX-3	CX-30	CX-5	CX-9
ABS Unit	✓	✓	✓	✓	✓	✓
AT Shift Solenoid Valve and/or Harness	✓	✓	✓	✓	✓	✓
Body Control Module	✓			✓		
Catalytic Converter ⁽¹⁾	✓	✓	✓	✓	✓	✓
Cylinder Head Cover	✓(*2,*4)	✓(*2,*4)		✓(*2,*4)	✓(*2,*4)	✓(*2)
EGR Cooler		✓(*4)			✓(*4)	✓
Electric Sequential Valve Timing Motor/Driver	✓	✓	✓	✓	✓	✓
Emission Harness	✓	✓	✓	✓	✓	✓
Engine Coolant Control Valve	✓(*5)	✓(*5)	✓	✓(*5)	✓(*5)	
Engine Oil Pump	✓			✓		
Evaporative Hose					✓	✓
Evaporative Pipe	✓(*2)	✓(*2)	✓(*2)	✓(*2)	✓(*2)	✓(*2)
Exhaust Gasket ⁽⁶⁾	✓(*4)			✓(*4)	✓(*3,*4)	✓(*3)
Exhaust Manifold and/or Gasket	✓(*4)	✓(*4)		✓(*4)	✓(*4)	✓
Exhaust Nut ⁽⁶⁾	✓(*4)			✓(*4)		
Front Harness	✓	✓	✓	✓	✓	✓
Fuel Distributor and/or Fuel Injector	✓(*4)	✓(*4)		✓(*4)	✓(*4)	✓
Fuel Filler Pipe		✓				
Fuel Pump Control Unit Harness	✓(*3)			✓(*3)		
Fuel Pump Unit	✓(*5)	✓	✓	✓(*5)	✓	✓
Fuel Tank	✓	✓	✓	✓	✓	✓
Fuel Tank Recirculation Pipe (Vapor)	✓(*3)		✓(*3)	✓(*3)	✓(*3)	
Injector Grommet					✓(*4)	✓
Injector 'O' Ring and/or Injector Spacer					✓(*4)	
Instrument Cluster (Speedometer) (In Case of Check Engine Light LED failure.)	✓	✓	✓	✓	✓	✓
Instrument Panel Harness	✓	✓	✓	✓	✓	✓
Intake Manifold	✓	✓	✓	✓(*4)	✓	✓
Intake Manifold Gasket	✓(*4)			✓(*4)		
Intercooler	✓(*4)	✓(*4)		✓(*4)	✓(*4)	✓
Intercooler Air Seal	✓(*4)			✓(*4)		
Knock Sensor	✓(*4)			✓(*4)		
Main Fuel Pipe	✓	✓	✓	✓	✓	✓
Oil Control Valve	✓(*2,*4)			✓(*2,*4)		
Positive Crankcase Ventilation (PCV) Valve	✓(*4)			✓(*4)		
Powertrain Control Module ⁽¹⁾	✓	✓	✓		✓	✓
Rear Harness	✓	✓	✓	✓	✓	✓
Sequential Valve Timing Actuator	✓	✓	✓	✓	✓	✓
Throttle Body		✓(*4)			✓(*4)	✓
Transmission (Transaxle) Control Module ⁽¹⁾	✓	✓	✓	✓	✓	✓
Turbocharger and/or Gasket	✓(*4)	✓(*4)		✓(*4)	✓(*4)	✓
Turbocharger Control Harness	✓(*4)			✓(*4)		
Turbocharger Vacuum Tube/Chamber	✓(*4)	✓(*4)			✓(*4)	✓

The parts marked with check mark [✓] are applicable to this warranty.

(*1) These parts are also applied to Federal specific 96 months/80,000 miles Emission Warranty listed in Section 7, on page 29.

(*2) Specific part only (*3) 4WD model only (*4) Turbo model only (*5) Except Turbo model

(*6) Between Turbo Charger and Catalytic Converter

For details, please contact your Mazda Dealer.

CALIFORNIA EMISSION CONTROL WARRANTY

7 years/70,000 miles Emission Defect Warranty Parts List

Gasoline Engine Model	MX-5
ABS Unit	✓
AT Shift Solenoid Valve	✓
Catalytic Converter (*1)	✓
Electric Sequential Valve Timing Motor/Driver	✓
Emission Harness	✓
Evaporative Hose	✓(*2)
Evaporative Pipe	✓(*2)
Front Harness	✓
Fuel Distributor	✓
Fuel injector	✓
Fuel Pump Unit	✓
Fuel Tank	✓
Inhibitor Switch	✓
Injector Grommet	✓
Instrument Cluster (Speedometer) (*3)	✓
Instrument Panel Harness	✓
Intake Manifold	✓
Main Fuel Pipe	✓
Neutral Switch	✓(*4)
Rear Harness	✓
Sequential Valve Timing Actuator	✓
Transmission (Transaxle) Control Module(*1)	✓

Diesel Engine Model	Mazda6	CX-5
ABS Unit	✓	✓
Air Fuel Ratio Sensor	✓	
AT Shift Solenoid Harness	✓	✓
AT Shift Solenoid Valve	✓	✓
Catalytic Converter (*1)	✓	✓
Common Rail	✓	✓
Cylinder Head Cover	✓(*2)	✓(*2)
DEF Quality Sensor	✓	
EGR Cooler	✓	✓
EGR Cooler Bypass Valve	✓	✓
EGR Pipe	✓	✓
EGR Valve	✓	✓
Emission Harness	✓	✓
Front Harness	✓	✓
Fuel Filler Joint Hose		✓
Fuel Filler Pipe	✓	✓
Fuel Hose	✓	✓
Fuel Injector	✓	✓
Fuel Pump Unit	✓	✓
Fuel Return Pipe	✓	✓
Fuel Tank	✓	✓
Fuel Tank Breather Hose	✓	
Fuel Tank Breather Pipe	✓	
Fuel Tank Ventilation Hose	✓	
Instrument Cluster (Speedometer) (*3)	✓	✓
Instrument Panel Harness	✓	✓
Intake Manifold	✓	✓
Intake Shutter Valve	✓	✓
Intercooler	✓	✓
Main Fuel Pipe	✓	✓
Nitrogen Oxide Sensor (NOx)	✓	✓
Powertrain Control Module (*1)	✓	✓
Rear Harness	✓	✓
Transmission (Transaxle) Control Module (*1)	✓	✓
Turbocharger	✓	✓
Turbocharger Vacuum Tube/Chamber	✓	✓
Urea Pump	✓	✓
Urea Tank	✓	✓
Vacuum Pump	✓	✓

The parts marked with check mark [✓] are applicable to this warranty.

(*1) These parts are also applied to Federal specific 96 months/80,000 miles Emission Warranty listed in Section 7, on page 29.

(*2) Specific part only (*3)In Case of Check Engine Light LED failure. (*4)MT model only

For details, please contact your Mazda Dealer.

The originally equipped tires are warranted by the tire manufacturer. Refer to the separate tire warranty pamphlet in the glove box for details.

1. To Get Warranty Service

To obtain warranty service, you are responsible for presenting the unserviceable tire to any authorized dealer of the tire manufacturer in the United States, Puerto Rico, U.S. Virgin Islands, Guam, Saipan, American Samoa, Canada or Mexico. For the location of authorized tire dealers, refer to your local telephone directory. Your Mazda Dealer may also assist you in obtaining warranty service from the tire manufacturer.

2. Tire Warrantor

To obtain detailed tire warranty information or for customer service, contact the appropriate tire warrantor listed below.

The Respective Tire Warrantors are:

Bridgestone Americas, Inc.

535 Marriott Drive
PO Box 140990
Nashville, TN 37214-0990
1-800-367-3872
www.bridgestoneamericas.com

The Warrantor of Falken Tires is Sumitomo Rubber North America, Inc

8656 Haven Avenue, Rancho
Cucamonga, CA 91730
1-800-723-2553
www.falkentire.com

Dunlop Tire Corporation

200 Innovation Way
Akron, OH 44316-0001
1-330-796-2121
www.dunloptires.com

Yokohama Tire Corporation

601 South Acacia Avenue
Fullerton, CA 92831
1-800-722-9888
www.yokohamatire.com

Toyo Tire (USA) Corporation

6261 Katella Ave. Suite 2B
Cypress, CA 90630
1-800-442-8696
www.toyotires.com

American Kenda Rubber Ind. Co., LTD

7095 Americana Parkway
Reynoldsburg, OH 43068
1-800-225-4714
www.kendatire.com

Michelin North America, Inc.

Consumer Care Department
P.O. Box 19001
Greenville, SC 29602-9001
1-866-866-6605
www.michelinman.com

Goodyear Tire and Rubber Company

200 Innovation Way
Akron, OH 44316-0001
1-330-796-2121
www.goodyear.com

Pirelli Tire North America

Consumer Affairs Group
100 Pirelli Drive
Rome, GA 30162-7000
1-800-747-3554 (1-800-Pirelli)
www.pirelli.com

Continental Tire the Americas, LLC

1830 McMillan Park Dr.
Fort Mill, SC 29707
1-800-847-3349
www.continentaltire.com

REPLACEMENT PARTS AND ACCESSORIES LIMITED WARRANTY

1. What Is Covered

The Mazda genuine replacement parts and Mazda Accessories limited warranty covers Mazda genuine new or remanufactured replacement parts and Mazda Accessories sold by a Mazda Dealer and also includes Mazda Accessories installed by a Mazda Dealer or a Mazda Importer/Distributor prior to the retail delivery of a new Mazda Vehicle. This Limited Warranty does not mean that each Mazda part or accessory is defect free. For this reason, Mazda provides this Limited Warranty in order to remedy during the warranty period any such defects in materials and workmanship, subject to the exclusions indicated under "What Is Not Covered."

Mazda genuine replacement parts (other than the battery) and Accessories purchased by a customer from a Mazda importer/Distributor or a Mazda dealer and installed by a Mazda importer/Distributor or a Mazda dealer are covered for the first **12 months/12,000 miles** from the installation date or the remainder of the warranty coverage applied to the component by Mazda, whichever is longer.

Mazda genuine replacement parts (other than the battery) and Accessories purchased by a customer from a Mazda dealer and not installed by a Mazda Dealer are covered for the first **12 months/12,000 miles** from the purchase date for the amount of the part purchase cost only excluding installation labor charges.

Mazda genuine replacement battery sold by a Mazda Importer/Distributor or a Mazda Dealer is covered by the separate replacement battery warranty. See your Mazda dealer for details.

REPLACEMENT PARTS AND ACCESSORIES LIMITED WARRANTY

2. What Is Not Covered

- Damage or corrosion due to accidents, misuse, or alterations.
- Damage or surface corrosion from the environment such as acid rain, airborne fallout (chemicals, tree sap), stones, salt, road hazards, hail, wind storm, lightning, floods, and other natural disasters.
- Normal wear, tear, or deterioration, such as discoloration, fading, deformation, blurring, etc.
- Air conditioner refrigerant charge after the first 12 months, unless replenished as part of a warranty repair.
- Replacement batteries (consult with your Mazda Dealer for the separate battery warranties.)
- Replacement parts or accessories installed on any Mazda Vehicle originally distributed, registered and normally operated out of the U.S., Canadian, or Mexican Markets as identified in the "Warranty Application" for New Vehicle Limited Warranty section of this booklet.
- Replacement parts or accessories installed on a Mazda Vehicle in which the odometer has been altered, or on which the actual mileage cannot be readily determined.
- Replacement parts or accessories used in applications for which they are not designed.
- Replacement parts or accessories installed improperly by dealers, Importer/Distributor other than Mazda.
- Any replacement part or accessory without proof of purchase or replacement date.
- Non-Mazda replacement parts or accessories which Mazda Dealers may sell or install on your Mazda Vehicle.
- If the vehicle has been classified for a total loss and/or sold for salvage purposes or branded for any other reasons.
- Registration of the vehicle out of the U.S., Canadian, or Mexican Markets as identified in the "Warranty Application" for New Vehicle Limited Warranty section of this booklet.

3. To Get Warranty Service

You must take your Mazda Vehicle, along with this booklet and proof of purchase or replacement date, to a Mazda Dealer in the United States, Puerto Rico, U.S. Virgin Islands, Guam, Saipan, American Samoa, Canada or Mexico during their normal service hours. If you have any questions or need assistance regarding this warranty, refer to "When You Need to Talk to Mazda" on page 7.

4. Limited Liability

The liability of a Mazda Importer/Distributor under this warranty is limited solely to the repair or replacement of parts defective in material or workmanship by a Mazda Dealer at their place of business, and specifically does not include any expense of, or related to, transportation to such a dealer or payment for loss of use of the Mazda Vehicle during warranty repairs.

5. Other Terms

The "Other Terms" stated on page 16 in the New Vehicle Limited Warranty also apply to this warranty.

MAZDA IMPORTER/DISTRIBUTORS**U.S.A. (Importer/Distributor)****Mazda North American Operations**

200 Spectrum Center Drive
 Irvine, California 92618
 P.O. Box 19734
 Irvine, CA 92623-9734
 Phone: 1 (800) 222-5500 (In the U.S.A.)
 (949) 727-1990 (Outside of the U.S.A.)

Distributors outside of the U.S.A.**CANADA**

Mazda Canada, Inc.
 55 Vogell Road, Richmond Hill,
 Ontario, L4B 3K5, Canada
 Phone: 1 (800) 263-4680 (In Canada)
 (905) 787-7000 (Outside of Canada)

MEXICO

Mazda Motor de Mexico
 Mario Pani N° 400 P.B.
 Col. Santa Fe Cuajimalpa
 Cd. de Mexico 05348
 Phone: (800) 222-5500 (In the U.S.A.)
 01-866-315-0220 (Outside of the U.S.A.)

PUERTO RICO

**International Automotive
 Distributor Group, LLC**
 (d/b/a Mazda de Puerto Rico)
 P.O. Box 191850, San Juan, Puerto Rico
 00919-1850
 Phone: (787) 641-1777

GUAM

Triple J Enterprises, Inc.
 (d/b/a Triple J Motors)
 P.O. Box 6066
 Tamuning, Guam 96931
 Phone: (671) 646-9126

SAIPAN

Triple J Saipan, Inc.
 (d/b/a Triple J Motors)
 P.O. Box 500487,
 Saipan MP 96950-0487
 Phone: (670) 235-4868

SCHEDULED MAINTENANCE RECORD

The service record below has been designed to include the signature of your Mazda Dealer representative or other repair establishment representative. This signed form is evidence of completion of scheduled maintenance services and should be kept with the receipts, repair orders, and invoices in the glove box. All records should be given to any subsequent owner of the Mazda Vehicle. **Failure to properly maintain your vehicle can result in your warranty being voided either in whole or in part.**

■ Maintenance Records - Proof of Maintenance

To continue warranty eligibility and to protect your investment, it is your responsibility to properly maintain your vehicle according to factory recommended schedules outlined in your Owner's Manual. As part of this you must keep your maintenance records, receipts, repair orders and any other documents as evidence this maintenance was performed. You must present these documents, should any warranty coverage disagreement occur. Failure to do so can result in your warranty being voided either in whole or in part.

This evidence may consist of the following:

- The Mazda Scheduled Maintenance Record, on page 42, must be completely filled out showing mileage, repair order number, date for each service, and signed by a qualified automotive service technician who service vehicles.
- Original copies of repair orders or other receipts that include the mileage and date the vehicle was serviced. Each receipt should be signed by a qualified automotive service technician.
- For self maintenance, a statement that you completed the maintenance yourself, displaying mileage and the date the work was performed. Also, receipts for the replacement parts (fluid, filters, etc.) indicating the date and mileage must accompany this statement.

Note:

If you elect to perform maintenance yourself or have your vehicle serviced at a location other than an Authorized Mazda Dealer, Mazda requires that all fluids, parts and materials must meet Mazda standards for durability and performance as described in your Owner's Manual.

SCHEDULED MAINTENANCE RECORD

■ Scheduled Maintenance Intervals

For your information, refer to the owner's manual for your vehicle's recommended maintenance schedule.

Pre-Delivery Inspection

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

3 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

1 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

4 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

2 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

5 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

SCHEDULED MAINTENANCE RECORD

6 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

10 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

7 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

11 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

8 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

12 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

9 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

13 Mileage/Month Service

Mileage _____

R.O. No./Date: _____

Authorized Signature: _____

Dealership: _____

SCHEDULED MAINTENANCE RECORD

14 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

18 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

15 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

19 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

16 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

20 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

17 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

21 Mileage/Month Service

Mileage

R.O. No./Date:

Authorized Signature:

Dealership:

SCHEDULED MAINTENANCE RECORD

22 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

26 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

23 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

27 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

24 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

28 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

25 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

29 Mileage/Month Service
Mileage
R.O. No./Date:
Authorized Signature:
Dealership:

DEALER CERTIFICATION

The undersigned Dealer wants you to know that at the time your new Mazda Vehicle is being delivered:

1. Based upon written notification furnished by the manufacturer, we have knowledge that this Mazda Vehicle is covered by an Environmental Protection Agency (EPA) Certificate of Conformity.
2. We have made a visual inspection. This inspection is limited to those emission control devices or portions thereof which are visible without removal or adjustment of any vehicle component or system of the Mazda Vehicle, whether emissions related or otherwise. Based upon such visual inspection, there are no apparent deficiencies in the installation of emission control devices by the manufacturer. ("Emission control device" is limited to all devices installed on a Mazda Vehicle for the sole or primary purpose of controlling Mazda Vehicle's emissions which were not in general use prior to 1968.)
3. We have performed all emission control system preparations required by the manufacturer prior to the sale of the Mazda Vehicle, as set forth in the current pre-delivery service manual provided by the manufacturer.
4. Except as may be provided in Paragraph 5 below, the Mazda Vehicle warrantor shall remedy problems free of charge to the customer, under terms of the warrantor's emission performance warranty, if this Mazda Vehicle fails to pass an EPA-approved emission test under BOTH of the following conditions:
 - a. If such test is prior to the expiration of three months or 4,000 miles (whichever comes first) from date or mileage at time of delivery to the ultimate buyer.
 - b. If the Mazda Vehicle has been maintained and used in accordance with the manufacturer's written instructions for proper maintenance and use.
5. Check if the Mazda Vehicle is a company car or demonstrator and complete the following:
The Mazda Vehicle with which this statement is delivered was placed in service as a demonstrator or company car prior to delivery. The manufacturer's emission performance warranty period commenced on the date the vehicle was first placed in service, namely on

Month Day Year

NOTE

The dealer makes no representation or warranty that the emission control system or any part thereof is without defect nor that the system will properly perform. The warrantor's emission performance warranty referred to above furnished with this Mazda Vehicle is solely that of the warrantor.

This statement is required by Section 207 of the Clean Air Act (42 U.S.C. 7541) and the EPA regulations issued thereunder.

Dealership Name _____



NO POSTAGE
NECESSARY IF
MAILED IN
THE UNITED
STATES

BUSINESS REPLY MAIL

FIRST CLASS

PERMIT NO. 9250

IRVINE, CA

POSTAGE WILL BE PAID BY ADDRESSEE

Mazda North American Operations
Attn: Customer Experience Center
P.O. Box 19734
Irvine, CA 92623-9734

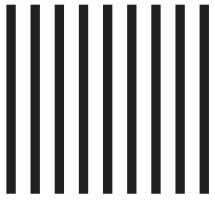


Exhibit C

Jerry Ward

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

GARY GUTHRIE, STEPHANIE)	
CRAIN, CHAD HINTON, JULIO)	
ZELAYA, ANNA GILINETS, MARCY)	
KNYSZ, AND LESTER WOO, ON)	
BEHALF OF THEMSELVES AND ALL)	CASE NO.
OTHERS SIMILARLY SITUATED,)	8:22-CV-01055-DOC-
)	DFM
PLAINTIFFS,)	
)	
VS.)	
)	
MAZDA MOTOR OF AMERICA, INC.,)	
)	
DEFENDANTS.)	
)	

DEPOSITION OF JERRY WARD, PMK
THURSDAY, OCTOBER 26, 2023

JOB NO.: 10129621

REPORTED BY HEIDI FUEHRER, CSR 14145

Jerry Ward

1 DEPOSITION OF JERRY WARD, TAKEN ON BEHALF OF THE
2 PLAINTIFF, AT 9:02 A.M., THURSDAY, OCTOBER 26, 2023, AT
3 2601 MAIN STREET, SUITE 330, IRVINE, CALIFORNIA, BEFORE
4 HEIDI FUEHRER, CSR NUMBER 14145.

5

6 APPEARANCES OF COUNSEL:

7

8 FOR THE PLAINTIFF:

9 LEMBERG LAW LLC
10 BY: STEPHEN TAYLOR, ATTORNEY AT LAW
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13

14 FOR THE DEFENDANT:

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17 SUITE 900
TORRANCE, CALIFORNIA 90502
424-221-7400
18 JAHMY.GRAHAM@NELSONMULLINS.COM

19

20 ALSO PRESENT:

21 GRACE LEE
22 SATOSHI KANEKO

23

24

25

26

Jerry Ward

1 BY MR. TAYLOR:

2 Q This is a document that we provided to counsel
3 for Mazda Motor of America, Inc., outlining the topics
4 for the deposition. As counsel said, they served
5 objections, and we have the scope of the deposition
6 today, but I want to use this document to go through
7 some of the issues, okay?

8 A Okay.

9 Q I have also put a copy in the chat. So if you
10 wanted to pull it up yourself, you could do that, okay?

11 A Okay.

12 Q For the first topic, if you could see that on
13 your screen, sir, and I understand that you may refer to
14 it as the valve stem seal issue or however you want to
15 call it, valve seal defect, but can you describe to me
16 at high level what the issue is with the valve stem
17 seals in the subject Mazda vehicles that we're talking
18 about today?

19 A So the exhaust valve seals on these affected
20 vehicles, the design of them were changed. As a
21 result of that design change, when those exhaust
22 valve seals were installed, as they went over the tip
23 of the exhaust valve stem, they were susceptible to
24 getting scratched, and as a result of those
25 scratches, it could increase the oil consumption.

Jerry Ward

1 Q So when you say as a result of the design
2 change, what was the design change?

3 A MC made a change to the design of those
4 seals on the affected vehicles.

5 Q Do you know why the design was changed?

6 A I don't.

7 Q Do you know when the design was changed?

8 A I believe it was around October of 2021.

9 Q You are looking at a document there. Is that
10 the document that's Bates stamped in the lower
11 right-hand corner 000030?

12 A Yes, and it was October of 2020.

13 Q So there was a design change in October of 2020
14 to the valve stem seal, correct?

15 A Yes.

16 Q And if I'm looking at this document that I
17 think you are looking at, it's referring to a specific
18 factory that's making specific engine, right?

19 A Right.

20 MR. GRAHAM: Would it be easier if you put it
21 up on the screen? Are you okay putting it up on the
22 screen while you talk about? If not, I'll grab a hard
23 copy.

24 MR. TAYLOR: No problem.

25 MR. GRAHAM: Thank you.

Jerry Ward

1 exactly that led to the damage to the seal?

2 MR. GRAHAM: I'm going to object only to the
3 extent it exceeds the scope of his knowledge as a
4 representative of MNAO. The defendant in this case, MC,
5 who designed the vehicles, obviously is not being
6 deposed here today, but to the extent you have
7 information about it, you can answer.

8 THE WITNESS: From the descriptions in this
9 same document, they changed the lip of the seal, and due
10 to the change in that lip of the seal design, as it is
11 installed over that exhaust valve stem tip, it has the
12 potential of getting scratched.

13 BY MR. TAYLOR:

14 Q Okay. And so it was how the -- was it how the
15 seal was installed rather than what the seal was
16 actually made of?

17 A It was the design of the seal.

18 Q So does that include how it was installed and
19 its shape as well or just how it was installed?

20 A It was the design of the seal so that when
21 it was installed, it had the potential to get
22 scratched.

23 Q And then if we continue down to the next page,
24 I'm sorry, go back to the original page. Then in
25 October of 2021, they changed the design back, September

Jerry Ward

1 individual capacity, when he says he doesn't have
2 knowledge, let's be clear as to MNAO reviewing
3 information provided by MC, and which he can testify
4 about. So even if you don't personally know, you didn't
5 see it, based on your review of the documents and
6 investigation, you can talk about that. Do you
7 understand?

8 THE WITNESS: Understand.

9 MR. GRAHAM: Sorry about that.

10 BY MR. TAYLOR:

11 Q So to be clear, do you have knowledge about the
12 investigation into the stem seal issues, you personally?

13 A Me personal, no.

14 Q Can you describe to me what the Mazda connect
15 functionality is?

16 A Just to clarify, when you say Mazda connect,
17 are you talking Mazda Connected Services?

18 Q Correct.

19 A For vehicles that have connected services,
20 these vehicles have what's called a telematics
21 control unit or TCU. So as a vehicle is being
22 operated, there are certain data that is being
23 recorded, and as the ignition is cycled off, the data
24 is transmitted to MC servers. It has stuff such as
25 error messages or DTC's that it would store and send

Jerry Ward

1 to MC.

2 Q Can you define DTC?

3 A Yes, diagnostic trouble codes.

4 Q So I think everybody understands when an engine
5 light goes on or some light goes on on the dash, are DTC
6 and the codes that are sent back to Mazda Connected
7 Services, is that a universe that is broader than the
8 information that would, when a light just goes on on the
9 dashboard?

10 MR. GRAHAM: I'm going to object to the extent
11 the question is vague or ambiguous, but if you
12 understand, you can answer.

13 THE WITNESS: I don't understand it. I need a
14 little more context behind it.

15 BY MR. TAYLOR:

16 Q Sure. So every time a DTC is reported back to
17 Mazda, is that something that will also trigger some
18 sort of warning light to the actual user of the vehicle?

19 MR. GRAHAM: I'm going to object to the scope
20 is limited to this particular issue, but go ahead.

21 THE WITNESS: For this issue, when the warning
22 message came on for the low oil level and sent a P250F
23 DTC, that was recorded and sent to MC.

24 BY MR. TAYLOR:

25 Q Would that trigger a low engine oil light in

Jerry Ward

1 the vehicle itself?

2 A It would trigger the low oil level light and
3 message, yes.

4 Q Are there any other DTC's that would be
5 triggered in regards to the valve stem seal issue?

6 A The only DTC that we found was being stored
7 was the P250F.

8 Q And the P250F, is that just saying that the oil
9 level had increased beyond a certain amount or is it
10 providing other information as well?

11 A No, that DTC is just to indicate low engine
12 oil level.

13 Q So vehicles that are being driven by people, if
14 they have an engine, low engine oil level DTC code of
15 P250, and they have the Mazda Connected Services on,
16 that gets reported back to Mazda when the vehicle is
17 turned off?

18 MR. GRAHAM: I'm going to object only to the
19 extent that Mazda is vague and ambiguous. So you can
20 answer, but distinguish which Mazda entity, if you know,
21 gets that information. Go ahead.

22 THE WITNESS: As vehicle is driven, and if the
23 low oil level light comes on, as the ignition is cycled
24 off, that data is sent to MC. If the customer is also
25 registered with the connected vehicle services through

Jerry Ward

1 the My Mazda app, the customer is also notified through
2 their My Mazda app as well.

3 BY MR. TAYLOR:

4 Q And when that code is sent, does it also send
5 the vehicle mileage?

6 A Yes.

7 Q Does it send any other information?

8 A It sends mileage, vehicle identification
9 number or VIN, I believe date and time as well.

10 Q And then MC would have, they have a profile for
11 every vehicle, would that be correct, that has the VIN
12 and all DTC's codes that were recorded if the vehicle is
13 in the Mazda Connected Services?

14 MR. GRAHAM: Object, only to the extent that
15 profile is vague and ambiguous, but if you understand,
16 you can answer.

17 THE WITNESS: I was going to ask if you could
18 explain what you mean by vehicle profile.

19 BY MR. TAYLOR:

20 Q Well, I mean, I'm just, each vehicle -- this
21 may be more of a data question. They have this
22 information on the vehicles, and it's tied to vehicle by
23 the VIN, so presumably they have a profile of a vehicle
24 with the history and each code is triggered on. If you
25 don't know, that's fine.

Jerry Ward

1 A I don't know.

2 MR. GRAHAM: I think the word profile is off.
3 I don't know if summary is a better description, but I
4 defer to you.

5 BY MR. TAYLOR:

6 Q Would summary make more sense? Do they have a
7 vehicle summary that would be able to provide vehicle
8 history with the DTC codes that were reported?

9 A Reported by that vehicle?

10 Q Correct.

11 A It would be able to see that history of that
12 VIN and what DTC's have been sent by that VIN.

13 Q Mazda Connected Services, is that something
14 that vehicle owners have to turn on or is it something
15 that is a default setting on the vehicle?

16 A It's default to on.

17 Q And then to un-enroll from Mazda Connected
18 Services, the vehicle owner would have to take steps to
19 try and do that, right?

20 A Correct. If a customer wants to opt out of
21 the services, they can contact our customer
22 experience center or CEC to go through the steps to
23 deactivate the system.

24 Q Do you know when MC started seeing a concerning
25 or do you know when MC determined it had an issue with

Jerry Ward

1 the valve stem seal?

2 A Initial reports to MC started arriving in
3 May of 2021.

4 Q Was it by July of 2021 that they determined
5 that the stem seal was damaged?

6 A In July 2021, they did confirm that the
7 design change had caused the oil consumption to
8 increase.

9 Q You can't tell me today about the testing
10 process determined that the valve stem seal was the
11 cause of the low engine, their actual testing process to
12 confirm that was the issue, you can't tell me about
13 that?

14 A Correct, I don't have that information.

15 Q To determine the, to identify the vehicles that
16 were impacted by the valve stem seal design that was
17 used for that 11-month period of time, do you know how
18 MC or MNAO identified the impacted vehicles?

19 A MC has records that shows when these valve
20 stem seals were being installed on these vehicles and
21 when they switched back to the original valve stem
22 seals.

23 Q So MC can identify the VIN numbers of the
24 vehicles that had the new design valve stem seal
25 installed, correct?

Jerry Ward

1 **Q Can you tell me the number of vehicles that**
2 **were sold with the redesigned valve stem seal?**

3 A Just to clarify, are you asking number of
4 vehicles sold or produced?

5 **Q Well, let's do sold, and then you can tell me**
6 **produced and what the difference is, okay?**

7 A Okay. Sold, I don't know. Produced,
8 approximately 86,000 vehicles.

9 **Q Okay. And can you explain the difference**
10 **between sold and produced?**

11 A Produced would be the number of vehicles
12 that were produced or built. Sold would be vehicles
13 that were sold to whether a dealer or customer. That
14 number possibly could be different if there was an
15 issue with a vehicle that was not actually sold or
16 potentially not even sold to a consumer, but 86,000
17 vehicles from this affected vehicles were built.

18 **Q You would presume that some are going to be**
19 **used for testing or various reasons, but not sold,**
20 **correct?**

21 A Correct.

22 **Q For these approximately 86,000 vehicles, do you**
23 **know how many had, you may not know, do you know how**
24 **many had the Mazda Connected Services turned on?**

25 A I don't, but the 2021 Mazda6 is not equipped

Jerry Ward

1 with a TCU or the telematics control unit, so it does
2 not have connected services.

3 Q But the other makes and models all did, and
4 they all had it on a default setting if they were sold,
5 correct?

6 A Correct.

7 Q So for the, other than the Mazda Connected
8 Services, which would inform Mazda about the, MC about
9 the, DTC codes, are there any other sources that Mazda
10 would use to identify this particular issue?

11 MR. GRAHAM: Objection, only as to the last use
12 of the word Mazda as vague and ambiguous, but if you
13 understand, you can answer.

14 THE WITNESS: Can you repeat the question,
15 please.

16 BY MR. TAYLOR:

17 Q Other than the Mazda Connected Services
18 functionality, are there other sources that MC would
19 have to identify this low engine oil level issue in
20 Mazda vehicles?

21 A To clarify, are you asking is there any
22 other way that Mazda Japan or MC was notified of
23 this?

24 Q Correct.

25 A From the U.S. market, as we find potential

Jerry Ward

1 product issues, we may report these to Japan as well
2 as we did in this particular case, we did report
3 these cases to MC.

4 Q Were these cases that you were hearing about
5 from dealerships or from customer hotlines?

6 A Yes, correct.

7 Q And were you involved in that process?

8 MR. GRAHAM: Objection, vague and ambiguous as
9 to involve, but if you understand, you can answer.

10 THE WITNESS: The product quality team and
11 field team would have reported those. The product
12 quality team did report to me.

13 BY MR. TAYLOR:

14 Q You should have up on your screen page 32 of
15 Exhibit 2. Do you see that?

16 A Yes.

17 Q This is describing the failure phenomenon. Do
18 you see that?

19 A Yes.

20 Q Is this an accurate description of the failure
21 at issue or let's say what happens with the valve stem
22 seal when it's scratched during the manufacturing
23 process?

24 A Yes.

25 Q In that second paragraph where it says this

Jerry Ward

1 different issues. One issue could be low engine oil
2 level.

3 Q But when I say low in that regard, I mean much
4 lower than the level that would trigger the low engine
5 oil warning, correct?

6 A Correct.

7 Q Going back to that page, engine durability, why
8 does the, this issue where there is excessive oil being
9 used by the engine, why does that not affect engine
10 durability?

11 A When the low engine oil level light comes
12 on, it's dropped about approximately one liter or
13 one quart of oil, which is still, again, not causing
14 any problems with the low oil pressure. It's just
15 about one quart on the low side, but not going to
16 affect engine wear or durability.

17 Q Why doesn't it affect fuel consumption?

18 A It has no affect based off of MC's
19 investigation.

20 Q Doesn't the -- what about running performance,
21 why doesn't it affect running performance?

22 A From MC's investigations on this root cause
23 and analysis of what could happen at the low mark,
24 they found there is no affect on engine performance.

25 Q If a vehicle was in a low engine oil pressure

Jerry Ward

1 models and VIN's. Do you see that?

2 A Yes.

3 Q And just to note, between the prior TSB or
4 previous TSB and this one in November of 2022, some
5 additional VIN's were added and dates of production. Do
6 you see that?

7 A Yes.

8 Q If I am looking at the dates of production in
9 red here that go through June of 2022 for the Mazda3,
10 the CX30, those seem to exceed the time period where the
11 redesigned valve stem seal was used. Remember, we said
12 that the original design, they reverted back to the
13 original design in September of 2021. Do you see that
14 or do you remember that?

15 A Yes.

16 Q Here we're including models that go through
17 June of 2022. Do you know why this would include models
18 through June of 2022?

19 A Based on this, it would appear that MC from
20 their further investigations were able to confirm
21 that at least for those two models, those two models
22 were both built at the Mexico plant, that those
23 vehicles had the defective valves or those redesigned
24 valve seals installed up to June production.

25 Q Before, when we were looking at the notice of

Jerry Ward

1 deposition, we had the list of years and models. You
2 gave me a figure of approximately 86,000 vehicles were
3 produced that would have had the valve stem seal, a
4 redesigned valve stem seal. Do you know if those
5 figures included up through June of 2022 for at least
6 the Mazda3 and the CX30?

7 A To my knowledge, approximately 86,000 would
8 include those models as well.

9 Q And it is for, again, like you said, they
10 determined that for those two models, the change back to
11 the original valve stem seal occurred in June 2022, not
12 September 2021 timeframe, right?

13 A For those two models built at the Mexico
14 plant, correct.

15 Q In your role with product quality, did you, was
16 part of your role putting together the TSB's themselves?

17 A My role, no. The publications team would
18 have put this together based off the draft that came
19 from MC.

20 Q And I don't think I want you to go through the
21 specifics of how they go through the repair, but can you
22 at a high level describe for me how the repair is done?

23 A Sure. At a high level, this repair is done
24 with the engine still in the vehicle, removing the
25 engine valve cover or cylinder head cover as it may

Jerry Ward

1 be called in this document, then using a special tool
2 that MC developed specific to be able to perform this
3 repair. Again, engine in vehicle without having to
4 remove the exhaust camshaft to make it a more
5 streamlined and simple process for technicians to be
6 able to perform without having to disassemble a lot
7 of the engine to make it a much better experience for
8 our customers and much shorter downtime of the
9 vehicle to be able to perform that repair.

10 **Q Did they ever try and do the repair before**
11 **there was a special tool developed in order to address**
12 **the valve stem seal?**

13 MR. GRAHAM: Objection, vague as to they, but
14 if you understand, you can answer.

15 THE WITNESS: Can you confirm who you mean.

16 BY MR. TAYLOR:

17 **Q Sure. Did MC or MNAO have any repairs to the**
18 **valve stem seal issue prior to developing the special**
19 **tool?**

20 A On MC's side, I don't know. On MNAO side,
21 no.

22 **Q If we continue down on the TSB, it gets into**
23 **detail about how to perform the repair, correct?**

24 A Yes.

25 **Q There are approximately 50 pages of**

Jerry Ward

1 Q Following the guidance in this TSB, they would
2 not perform the repair if the oil was not below the
3 gauge on the day when they checked it, correct?

4 A Correct.

5 Q So if we go back to Exhibit 1, and topic number
6 ten, which you should see up on the screen, do you see
7 that?

8 A Yes.

9 Q For this repair, for the valve stem seal issue,
10 how does MNAO or MC measure the effectiveness of this
11 repair?

12 A MC uses the connected services or connected
13 vehicle data to look at the occurrence of the light
14 coming on for vehicles that were repaired versus
15 vehicles that have not been repaired, and vehicles
16 that were built prior to the change, to the design
17 change of those seals.

18 Q So MC starts with the whole universe of the
19 vehicles that had the redesigned valve stem seal,
20 correct?

21 MR. GRAHAM: Sorry, can you repeat that
22 question. It didn't come all the way through.

23 BY MR. TAYLOR:

24 Q I'm trying to break down his answer. So MC
25 starts with the universe of vehicles that had the

Jerry Ward

1 redesigned valve stem seal, correct?

2 A That's part of their analysis, yes.

3 Q And then from that group it can identify the
4 vehicles that had this valve stem seal repair performed,
5 correct?

6 A Correct.

7 Q And then it can monitor through the Mazda
8 Connected Services whether these vehicles have triggered
9 a subsequent DTC low engine oil code, correct?

10 A Yes, that's correct.

11 MR. TAYLOR: I will introduce as Exhibit 6 a
12 document which is Bates stamped Guthrie Mazda 8062
13 through 8080.

14 (Plaintiff's Exhibit 6 was marked for
15 identification and is attached
16 hereto.)

17 BY MR. TAYLOR:

18 Q Do you see that document up on the screen?

19 A Is this the same document we were looking at
20 item number ten?

21 Q No. Maybe it's not showing. Do you see it
22 now?

23 A Yes.

24 Q Have you seen this document before?

25 A Yes.

Jerry Ward

1 **September 2021, do you know what percentage of those**
2 **vehicles require repairs following a DTC P250 code?**

3 MR. GRAHAM: Objection as vague and ambiguous
4 as to which vehicles produced on before or after those
5 dates, and just to add for clarity, are we talking about
6 class vehicles or any Mazda vehicle?

7 MR. TAYLOR: Class vehicles.

8 MR. GRAHAM: Do you understand what he's
9 asking?

10 THE WITNESS: I'm not a hundred percent clear
11 on what's being asked.

12 MR. GRAHAM: Can we give another spin.

13 BY MR. TAYLOR:

14 **Q Here we have, let's say, 13 percent of the**
15 **vehicles that had the repair have an engine oil level**
16 **warning light come on before the 7,500-mile scheduled**
17 **maintenance period, right, and my question is for**
18 **vehicles that are produced with the original valve stem**
19 **seal installed, class vehicles, what percentage of those**
20 **vehicles have the engine oil level warning light?**

21 A Understood. Thank you. So from MC's
22 analysis they saw about ten percent of those vehicles
23 would have the light illuminate.

24 **Q Are you basing that -- what are you basing that**
25 **on?**

Jerry Ward

1 A The same document you are showing, the 8081,
2 the third bullet point down where it says on the
3 second line, in about nine to ten percent of the
4 vehicles with the okay valve stem seal.

5 **Q So there it says that -- when it says okay stem**
6 **seal, that is referring to the population of vehicles**
7 **that had the original stem seal installed to begin with**
8 **whether before or after the redesign?**

9 A Correct.

10 **Q Did MC do this analysis and provide it to you**
11 **or did you get this document from your counsel?**

12 MR. GRAHAM: Well, first, object to the extent
13 it calls for divulgence of privileged information. So
14 don't answer as it relates to what you got from counsel.
15 Can you rephrase it so it doesn't elicit potentially
16 privileged information, Stephen.

17 BY MR. TAYLOR:

18 **Q So that ten percent, and that's what I'm**
19 **referring to when I say baseline. I see that you are**
20 **saying nine to ten percent. That's what I would call**
21 **the baseline for when the oil light would come on**
22 **between oil changes. That information, that came from**
23 **MC, correct?**

24 A Correct.

25 **Q And did MC -- do you know how MC arrived at**

Jerry Ward

1 videos and the repair procedure to become more
2 familiar with it.

3 Q Looking at Exhibit 6, putting some of these
4 numbers together, if the baseline for the oil warning
5 light being illuminated was nine to ten percent with
6 vehicles with the original valve stem seal, and for
7 these ones that have gotten the repair that were 13
8 percent, would it be fair to say that your testimony, at
9 least from the data that you have, it's about three
10 percent of the vehicles that had the repair have an
11 engine light come on three percent above the baseline?

12 MR. GRAHAM: I'm going to object to the extent
13 it misstates testimony or the document given that the
14 sample sizes are different, but go ahead.

15 THE WITNESS: So based off of the data, it is
16 approximately three percent higher, but it is still a
17 very low sample rate currently. I do believe that as we
18 get more repairs done, that we will see that number
19 start to decrease.

20 BY MR. TAYLOR:

21 Q When you say it's a low sample size, you mean
22 we're looking at 3,577 vehicles rather than the hundreds
23 of thousands of vehicles that were sold or produced with
24 the original valve stem seal, correct?

25 MR. GRAHAM: Objection to the extent it

Jerry Ward

1 misstates testimony as to the vehicle population, but,
2 otherwise, you can answer.

3 THE WITNESS: This is vehicles repaired of the
4 3,577 versus the affected vehicles as we have discussed
5 of being approximately 86,000 vehicles.

6 BY MR. TAYLOR:

7 Q I mean the unaffected vehicles, right, those
8 are the ones that didn't have the redesigned valve stem
9 seal. Do you understand?

10 MR. GRAHAM: I'm going to object as vague and
11 ambiguous. When you say unaffected vehicles, can you
12 clarify because technically every nonclass vehicle was
13 unaffected.

14 MR. TAYLOR: That's exactly what I mean. I
15 mean the types of class vehicles, but they had the
16 original valve stem seal. They were produced with the
17 original valve stem seal, right? My understanding is
18 that the nine to ten percent of vehicles that is
19 referred to in the first bullet point.

20 MR. GRAHAM: Can we go off the record briefly.
21 I may be able to help.

22 MR. TAYLOR: Sure.

23 (Off the record.)

24 BY MR. TAYLOR:

25 Q So for that nine to ten percent of the vehicles

Jerry Ward

1 with the okay stem seal that did have the oil warning
2 light illuminated, that's the percentage of all the
3 vehicles that had the original valve stem seal installed
4 when they were produced in the factory, correct?

5 A Correct, for the vehicles with the 2.5-liter
6 turbo engine.

7 Q The 12.9 percent figure we're looking at here
8 in this bullet point, that's just for the vehicles that
9 had this valve stem seal repair done, correct?

10 MR. GRAHAM: Objection to the extent it
11 misstates the document for a certain number of those
12 vehicles that are listed there, but if you have a
13 different view, you can answer.

14 THE WITNESS: Can you repeat the question one
15 more time.

16 BY MR. TAYLOR:

17 Q For the 12.9 percent figure in this document,
18 the third bullet point, that's counting the return rate
19 of 465 units out of the figure that only had the repair
20 done, correct?

21 MR. GRAHAM: Same objections in that it's still
22 incomplete. 465 of what, of the number on the page?

23 MR. TAYLOR: Right, of the 3,577 that had the
24 repair done.

25 THE WITNESS: Yes, correct.

Jerry Ward

1 very likely that the valve stem seal damage is causing
2 oil to leak into the combustion chamber. Did I read
3 that correctly, sir?

4 A Yes.

5 Q Do you have an understanding one way or the
6 other whether that statement that I just read is
7 accurate or inaccurate?

8 A It is inaccurate.

9 Q Why do you say that?

10 A Because this is still very early in MC's
11 investigation. After investigation, they did confirm
12 that this was a leak past the exhaust valve seals,
13 and because it's on the exhaust valve seal, it is not
14 going into the combustion chamber. It is getting
15 burned up or evaporated going into the exhaust
16 manifold, not into the combustion chamber.

17 Q How do you know that?

18 A If you look at document from MC, number is
19 000036.

20 Q That appears to be Exhibit 2. Okay, so what
21 pages are we on Exhibit 2?

22 A 000036.

23 Q I'm there. And so what from this document on
24 this page confirms what you just testified to?

25 A As I mentioned, this is on the exhaust side,

Jerry Ward

1 and the illustration or image on the right is showing
2 the droplets of oil coming past the seal, and it
3 indicates here that this oil is not, again, being on
4 the exhaust side, it's not going into the combustion
5 chamber. It is being burned or evaporated and going
6 into the exhaust manifold, not into the combustion
7 chamber, and from MC's analysis that we reviewed
8 earlier on the emissions has no affect on emissions
9 which also shows that it was not going into the
10 combustion chamber.

11 **Q The latter part of what you just said, why does**
12 **that show that it was not going into the combustion**
13 **chamber?**

14 A Because had it been going into the
15 combustion chamber, it could affect emissions, but
16 this is showing the phosphorus which is in the oil is
17 going into the exhaust manifold.

18 **Q So the statement from the TSB that we just**
19 **read, in that version, is that same statement in other**
20 **versions of the TSB going forward after that date?**

21 A No. It was removed because again MC during
22 the course of the investigation and their testing,
23 confirmed it was not going into the combustion
24 chamber, so it was corrected in the future versions
25 of the TSB.

Exhibit D

Objection to the Fairness of Settlement Agreement

1/11

Case: Guthrie et al. v. Mazda Motor of America, Inc., 8:22-cv-01055 (DOC) (DFM)

**Objector: Pamela Delk Farr
3704 Pine Knoll Trail
Blackshear, GA 31516
912-614-0835**

2021 Mazda CX-9 Grand Touring VIN JM3TCBDYXM0533065 purchased on 7-30-2021 as New from Mazda City of Orange Park, 6916 Blanding Blvd, Jacksonville, FL 32244 See Original Sale Paper with Current Registration copied onto that page

I object to the proposed settlement basically only including a 24,000 mile/24 month extension of Mazda's Powertrain Limited Warranty, besides replacement of the affected valve stem seals and reimbursement of out of pocket costs for an oil change and/or additional oil more frequently than the normal interval of 7,500 miles. This is just a slap in Mazda customers' faces! Basically, it appears the lawyers and government (the \$102,925,000 Reserve set forth for emissions issues not addressed with the customers) are the ones being adequately compensated in this case!

I have always bought Toyotas, due to their reliability. However, I switched to a Subaru and then a Mazda due to Toyota basically not changing their exterior and interior design, and I didn't want a "frowning" front grill car!

When it was time to buy a new car (and I always buy New with the intentions of keeping them about 8 years), I researched what people and various online Car "magazines" were saying about the CX-9. They seemed to indicate the Mazda CX-9 was a very reliable, beautiful automobile. Now that I am retired, we wanted a good car that would take us to see the U.S. on various trips, as we indicated to the salesman. On 7-30-2021, I paid a total of \$48,913.14 for this car, the most I have EVER paid, by at least \$15,000, for an automobile, to begin our trips, heading out to Denver, Colorado!

I ensured the car had regular oil changes, the first one in Denver, but I later encountered "Vehicle Issue Detected-Low oil level. Add 1 L or 1Qt of engine oil" Mazda notifications on 2-9-23, 5-20-23, and 9-23-23, (**see printout**) and each time I took my car in to Mazda of Orange Park, where I bought it, to see about the issues. During the time frame of these events, I began to read about the valve stem seal issues and I let Mazda know I knew about this. On the 3rd event, 9-23-23, Mazda of Orange Park acknowledged the issue and admitted they "had to wait on me to report it 3 times" before they could do as

Case: Guthrie et al. v. Mazda Motor of America, Inc., #17234, 8:22-cv-01055 (DOC)(DFM)

the Technical Service Bulletin instructed, which they did on 9-28-23. **See the CX-9 Safety & Security Alerts that I took a picture of and printed for this objection.** (At the time they did this, they also rotated my tires, and I received the 3 top Alerts regarding the Brake system malfunction and Dynamic Stability Control..." I had been having my tires regularly rotated and never once got these messages before! Not sure how that is related to this TSB work! Also, Mazda of Orange Park Service kept telling me that my vehicle required the oil to be changed every 5,000 miles, when my manual said every 7,500 miles! This would cost me more, of course!) 2/11

An extension of the Powertrain warranty by 24,000 miles for me would be a little over a year, so the 24 months would be moot. **I have a hard time thinking I paid \$48,913.41 to be assured my car was covered for a little over 4 years from this possible "powertrain" damage (and possible emission issues) that these oil spills into my engine surely caused, in my opinion!** After 4 years, I could possibly have a very costly and disastrous occurrence with my engine as a result of this issue! And what am I to do if I don't want to worry about my engine? Who would buy my car when I did full disclosure about this Mazda fiasco, and in my opinion, the fraudulent withholding of information on this at the sale? It goes without saying that, when I get rid of this car, I will not ever trust Mazda again or purchase another Mazda! I can't see many other people purchasing Mazda's if they were fully informed of what has transpired!

An adequate remedy, to me, would be for Mazda to buy back my car at a reasonable price so that I am not left spending a fortune for driving this car 3 to 4 years at the most! My research indicates that a 2023 (of course I can't find 2021 leases) CX-9 can be leased for \$359/mo X 36 mo plus \$5,295 at signing. Assuming 7% taxes, this amounts to \$542/mo. I propose that my purchase price less this \$542/mo for the 3 years I have had the car (or 4 years with the extended powertrain warranty if the car is kept, which I hope not to do!) be refunded to me while Mazda takes this probable devastating and costly future issue of a car off my hands. I did not sign up for this when I bought this car, and Mazda knew about the issue and withheld this information from me! In my opinion, Mazda engaged in very deceptive practices and the current proposed settlement does not adequately address a remedy for their customers who bought their cars without being told about the issue!

Thank you for taking my objection into consideration.

Pamela Farr

Pamela Delk Farr

NOTE!

in Document 139-6
sending to all parties included

- a) Clerk of the Court
- b) Sergei Lemberg
- c) Tahmy Graham et al
- d) JND Legal Admin → Mazda EO Settlement

SAFETY & SECURITY ACTIVITY HISTORY NEWS & UPDATES

Case: 3/11
Guthrie et al.
v. Mazda Motor
of America, Inc
8/22-cv-01055
(DOF)(DFM)

2023

Critical Vehicle Malfunction... 09/28/2023

Brake System (Electronic Brake Force Distribution System) Malfunction....

Messages
Purging
Repair,

Also rotated
tires, but
never had
this msg
when
rotating
tires
before.
New tires
are
noisy.

Vehicle Issue Detected 09/28/2023

Anti-lock Brake System malfunction.
Use of the vehicle in this condition could result...

Vehicle Issue Detected 09/28/2023

Dynamic Stability Control malfunction.
If not addressed, Dynamic Stability Control, Tra...

Vehicle Issue Detected 09/23/2023

Low oil level.
Add 1 L or 1 qt. of engine oil...

3rd time
9-23-23

Vehicle Issue Detected 05/20/2023

Low oil level.
Add 1 L or 1 qt. of engine oil. Consult the own...

2nd time
5-20-23

Vehicle Issue Detected 02/09/2023

Low oil level.
Add 1 L or 1 qt. of engine oil. Consult the own...

1st time
2-9-23

New Message

Cancel

To: Jennifer Rubio-gonzalez Mazda of Orange Park



After 9-2023

TSB
work

Fair?

I'm surprised they don't change out the engine, as all that oil circulating where it shouldn't be certainly should have caused some engine damage, it seems to me. What happens if I still have issues after this TSB service and I'm over 60k Powertrain warranty?

Their response ↓

Because there is no need. It has nothing not do with the oil damaging any other parts or the engine. We are replacing parts on the valve. The warranty is 12 months 12,000 miles on this repair . Plus the remaining of your powertrain 60k or 07-29-2026. whichever occurs first.

In this case due to your mileage. You have a year or 12,000 miles as warranty in the event anything were to happen involving this repair.

Case: Gutwirth et al v. Mazda Motor of America, Inc. 7:23-cv-01055 (D.S.D.M.) **VEHICLE BUYER'S ORDER**
 See next page for Amount Paid 5/11

Buyer Name and Address	Co-Buyer Name and Address	Seller Name and Address
PAMELA DELK FARR 3704 PINE KNOLL TRL BLACKSHEAR, GA 31516 County: N/A Email: thefarrs@ato.cc Phone: N/A Cell: (912)814-0835	N/A N/A N/A County: N/A Email: N/A Phone: N/A Cell: N/A	MAZDA CITY OF ORANGE PARK 6916 Blanding Blvd Jacksonville, FL 32244 Salesperson: VICTOR THOMPSON

Agreement to Purchase. Buyer and Co-Buyer agree to buy the vehicle described below ("Vehicle") from Seller for the amount and on the terms in this Vehicle Buyer's Order ("Agreement"). "Buyer" and "you" refer to the above Buyer and Co-Buyer, separately and together. "Dealer," "we," "us," and "our" refer to the above Seller. In this Agreement, "(e)" means an estimate.

Vehicle Description				
Year:	Make:	Model:	Mileage:	Vehicle Identification Number:
2021	MAZDA	CX-9	5	JM3TCBDYXM0533065
New/Used/Demo/Executive:	Color:	Body:	Stock Number:	
NEW	BLACK JET	GRAND TOURING	MC33065	

Insurance Information. You have arranged the following insurance on the Vehicle:
 Insurance Company: OWNERS INS CO Policy Number: 5214025600

Additional Sales Terms	
If the Vehicle is used, unless indicated below, we do not know and are not able to make any representations about the Vehicle's history. The Vehicle has previously been titled, registered or used as a (check all that apply) <input type="checkbox"/> taxicab <input type="checkbox"/> police vehicle <input type="checkbox"/> short-term lease vehicle. The Vehicle is titled as (check all that apply) <input type="checkbox"/> rebuilt or assembled from parts <input type="checkbox"/> kit car <input type="checkbox"/> glider kit <input type="checkbox"/> replica <input type="checkbox"/> flood vehicle <input type="checkbox"/> nonconforming vehicle (manufacturer buy back) <input type="checkbox"/> custom vehicle <input type="checkbox"/> street rod vehicle.	<input type="checkbox"/> THIS VEHICLE WAS DELIVERED TO A PREVIOUS PURCHASER. Buyer X _____ Co-Buyer X _____ You represent that you have thoroughly inspected the Vehicle. You approve and accept it. You had an opportunity to have the Vehicle inspected on Seller's premises (but not its service department) by a third party of your choice and at your expense. You are purchasing the Vehicle based on your inspection. You are not relying on any opinion, statement, or promise of the Seller or its employees that is not contained in the written agreements you are signing today.

Used Car Buyers Guide. The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

Spanish Translation: Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.

Unless the Seller makes a written warranty, or enters into a service contract within 90 days from the date of this Agreement, this Vehicle is sold "AS IS" and "WITH ALL FAULTS." The Seller makes no warranties, express or implied, on the Vehicle, and there will be no implied warranties of merchantability or of fitness for a particular purpose. This provision does not affect any warranties covering the Vehicle that the Vehicle Manufacturer may provide.

We have provided to you written warranty information if any applies to the sale of the Vehicle. This includes any warranty indicated on the Used Car Buyers Guide if the Vehicle is used. By initialing below, you acknowledge that you received the warranty information.

Buyer's Initials _____ Co-Buyer's Initials _____

As a condition of the Vehicle sale, we agree to perform the following services: _____
 You agree to schedule services by calling _____ within _____ days of this Agreement.

Trade-in Vehicle 1			Trade-in Vehicle 2		
Year N/A	Make N/A	Model N/A	Year N/A	Make N/A	Model N/A
VIN N/A	Mileage _____		VIN N/A	Mileage _____	
Trade-in Allowance \$ N/A			Trade-in Allowance \$ N/A		
Lienholder N/A			Lienholder N/A		
Payoff Amount N/A	Good Thru: N/A		Payoff Amount N/A	Good Thru: N/A	
Lienholder _____			Lienholder _____		
Payoff Amount _____	Good Thru: _____		Payoff Amount _____	Good Thru: _____	

You assign to us all of your rights, title and interest in each Trade-In Vehicle. You represent that each Trade-In Vehicle was not previously used as a police vehicle, taxicab, or under a short-term lease. To the best of your knowledge, each vehicle you are trading in has has not been in any accident with damages exceeding \$500.

Buyer Initials _____ Co-Buyer Initials N/A

Case: Guthrie et al. v. Mazda Motor of America, Inc., #7239 8:22-cv-01055 (Doc)(DFM)

7/1

Mazda Settlement Buyback Proposal



Garden City Mazda

<https://www.gcmazda.com/mazda-cx9-lease-special>

Mazda CX-9 Lease Special

NEW 2023 MAZDA CX-9 2.5 Turbo Touring Plus AWD – Lease for \$359 a month for 36 months with \$5,295 down payment, \$0 security deposit.

\$359/mo X 36 months I have had the car is \$12,924

Down Payment 5,295

Total for 3 years I have owned my car: \$18,219

Assuming 7% taxes, total would be: \$19,494 or approximately \$542/mo

Total I paid for my car on 7-30-2021 \$48,913

Difference Mazda should buy my car back \$29,419 ←

Below is another lease advertisement for less than the above! Why would I buy a car for \$48,913 if I knew it has valve stem seal issues that affected the engine and emissions?



LeaseTrader

<https://www.lease-trader.com/lease-specials/2023-Maz...>

2023 Mazda CX-9 Touring Lease for \$339.0 month

Lease a 2023 Mazda CX-9 Touring 351970 Car lease for \$339.0 month in Staten Island

NY: Learn how to take over a Mazda CX-9 lease.

Case: Guthrie et al. v. Mazda Motor of America, Inc., 8:22-cv-01055 (DOC)(DFM) 8/11

From: Farr, Pamela
Sent: Thursday, June 20, 2024 1:19 PM
To: info@MazdaValveStemSealSettlement.com
Cc: g2pfarr@gmail.com
Subject: RE: How to file an objection electronically-Mazda

Hello,

Yes, I found these addresses but not the Court's address. One would think that the Court's address would be posted where these other addresses are, and the items necessary to be included in the letter there also. I have spent a lot of my time looking for this, but I found it.

From: info@MazdaValveStemSealSettlement.com <info@MazdaValveStemSealSettlement.com>
Sent: Thursday, June 20, 2024 11:43 AM
To: Farr, Pamela <pamela.farr@gohs.ga.gov>
Subject: Re: How to file an objection electronically-Mazda

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Pamela,

If you are a Settlement Class Member, you can object to the Settlement, any award of attorneys' fees, and costs and/or incentive awards to the Plaintiffs. You can give reasons why you think the Court should not approve the Settlement or any awards. The Court will consider your views. The deadline for objecting is June 27, 2024.

Any Settlement Class Member who intends to object to the fairness of this Class Settlement must file any such objection via the Court's electronic filing system, and if not filed via the Court's electronic system, must mail the objection to the Court, Settlement Class Counsel, Defense Counsel, and the Claim Administrator, by first-class mail postmarked no later than June 27, 2024. I can provide the addresses to you now if you are ready, or you can find this information on the Settlement Website.

Settlement Class Counsel:

Sergei Lemberg
Lemberg Law, LLC
43 Danbury Road, 3rd Floor
Wilton, Connecticut 06897

Defense/Mazda Counsel:

Jahmy S. Graham
Nelson Mullins Riley and Scarborough LLP
19191 South Vermont Avenue
Torrance, CA 90502

Claim Administrator:

Mazda Valve Stem Seal Settlement
c/o JND Legal Administration
PO Box 91414

Case: Guthrie et al. v. Mazda Motor of America, Inc., 8:22-cv-01055 (DOC)(DFM)

Seattle, WA 98111

9/11

Regards,

Mazda Valve Stem Seal Claim Administrator
c/o JND Legal Administration
Toll-free: 1-877-231-0642
www.MazdaValveStemSealSettlement.com
[AAM]

From: Farr, Pamela <pamela.farr@gohs.ga.gov>
Sent: Tuesday, June 18, 2024 3:16 PM
To: info@MazdaValveStemSealSettlement.com <info@MazdaValveStemSealSettlement.com>
Cc: g2pfarr@gmail.com <g2pfarr@gmail.com>
Subject: How to file an objection electronically-Mazda

Hello,

I'm emailing from my work address but copying my home email. I have gone to the Settlement website but I do not find the information as to where to file an objection (not excluding myself) in the Court's electronic filing system, as indicated in FAQ #17. The FAQ #17 mentions this but does not give the information! I'd rather do it electronically than have to send 3 snail mails to the addresses listed in the FAQ plus try to find the Court's snail mail address. I went to the US District Court for the Central District of California, and it appears there are 2 electronic filing systems. EDSS is slower, but the other one seems to need the judge's approval first, which would take some time. EDSS also goes only to the court and we'd still have to send the communication to the 3 other addresses, from my reading. I feel not including the detailed information to electronically file and objection is a disservice, especially considering we only have until June 27th to do it. There's not even an address to mail an objection to the court on FAQ#17! More research must be done! I guess at this point I'll devise a letter and find a snail mail Court address and make copies and send it to the Court and to the 3 other addresses listed.

Basically, I'm not too happy with this settlement! I paid a LOT of money for this car, have had to fight to get Mazda to admit something was wrong, until after I reported it 3 times, and now I have to live with the knowledge my expensive car could go out of commission after the 24K mile (basically 1.5 years at most) extension and leave me with nothing. Ridiculous! I think they should take my car back and pay me more than the lemon law allows (which the deadline is over), as they KNEW they were selling me a new car with this issue! I do research on my car purchases before I buy them and I try to keep my cars 10 years. The only reviews I found indicated some people were not too happy about the infotainment system and some thought the seats were not comfortable enough. I can live with those opinions. I did not find out about this MAJOR ISSUE until it began happening to me, and even then, Mazda did not want to admit it! Not happy at all!!!

Pamela Farr
3704 Pine Knoll Trail
Blackshear, GA 31516

↓
Guthare et al, v Mazda Motor of America, Inc

10/11

1 17. Any Settlement Class Members that wish to exclude themselves from the
2 Settlement must submit a Request for Exclusion, in writing, to the Settlement Claim
3 Administrator at the address to be specified in the Class Notice. All Requests for
4 Exclusion must be postmarked within forty-five (45) days after the Notice Date (the
5 "Exclusion Deadline"), and must include/state the following:

- 6 (a) the Settlement Class Member's full name, address and
7 telephone number;
8 (b) the model, model year and VIN of the Settlement Class
9 Vehicle;
10 (c) state that he/she/it is or was a present or former owner or
11 lessee of a Settlement Class Vehicle; and
12 (d) a specific and unambiguous statement that he/she/it
13 desires to be excluded from the Settlement Class.

13 18. Any Settlement Class Member who fails to submit a timely and complete
14 Request for Exclusion sent to the proper address, shall remain in the Settlement Class
15 and shall be subject to and bound by all determinations and judgments in the Action
16 concerning the Settlement, including but not limited to the Release set forth in the
17 Settlement Agreement. *I found where to mail + what I must include!*

18 19. Any Settlement Class Member who has not submitted a Request for
19 Exclusion may object to the fairness of this Settlement Agreement, the request for
20 Settlement Class Counsel fees and expenses and/or the request for Settlement Class
21 Representative service awards. Any objection and supporting documents must be filed
22 within forty-five (45) days after the Notice Date (the "Objection Deadline"), with the
23 Court via the Court's electronic filing system, or if not filed via the Court's electronic
24 system, the objection and supporting documents must be mailed to all of the following
25 persons by first-class mail postmarked no later than the Objection Deadline:

- 26 ~~✗~~ (a) Clerk of the Court, Ronald Reagan United States
27 Courthouse, 411 West Fourth Street, Santa Ana, CA, ~~✗~~
92701-4516. ✓

over 7

Guthrie et al. v. Mazda Motor of America, Inc.

11/1

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- ✓ (b) Sergei Lemberg, Lemberg Law, LLC, 43 Danbury Road, 3rd Floor, Wilton, CT 06897; and
- ✓ (c) Jahmy S. Graham, Nelson Mullins Riley and Scarborough LLP, 19191 South Vermont Avenue, Torrance, CA 90502; and
- ✓ (d) JND Legal Administration by mailing to:
Mazda Excessive Oil Consumption Settlement
c/o JND Legal Administration
PO Box 91414
Seattle, WA 98111

20. For an objection to be considered by the Court, the objection must contain the following:

- ✓ (a) the case name, *Guthrie et al. v. Mazda Motor of America, Inc.*, 8:22-cv-01055 (DOC) (DFM);
- ✓ (b) the objector's full name, address, and telephone number;
- ✓ (c) the model, model year and Vehicle Identification Number ("VIN") of the Settlement Class Vehicle, along with proof that the objector has owned or leased the Settlement Class Vehicle (i.e., a true copy of a vehicle title, registration, or license receipt);
- ✓ (d) a written statement of all grounds for the objection accompanied by any legal support for such objection;
- ✓ (e) copies of any papers, briefs, or other documents upon which the objection is based and are pertinent to the objection; and
- (f) a list of all other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court in the United States in the previous five years, including the full case name with jurisdiction in which it was filed and the docket number. If the Settlement Class Member or his, her or its counsel has not objected to any other class action settlement in the United States in the previous five years, he/she/it shall affirmatively so state in the objection.

NOTE

Exhibit E

Mazda Valve Stem Seal Settlement

Case No. 8:22-cv-01055-DOC-DFM

The Court:

Attn: Clerk of the Court

Ronald Reagan Federal Building and United States Courthouse
411 West Fourth Street
Santa Ana, CA 92701-4516

Settlement Class Counsel:

Sergei Lemberg
Lemberg Law, LLC
43 Danbury Road, 3rd Floor
Wilton, CT 06897

Defense/Mazda Counsel:

Jahmy S. Graham
Nelson Mullins Riley and Scarborough LLP
19191 South Vermont Avenue
Torrance, CA 90502

Claim Administrator:

Mazda Valve Stem Seal Settlement
c/o JND Legal Administration
PO Box 91414
Seattle, WA 98111

Bobby Young, Settlement Class Member

PO Box 2758

Onalaska Texas 77360

936-404-4872

I have the following concerns. That the dealerships are not qualified to do the Valve Stem Seal replacement correctly...something that was put together at a factory by skilled employees. That the replacement parts have not been tested and how do we know if they are any better than the faulty Seals. What guarantee if any do I have that the Newly designed parts are going to perform properly. That the dealership where I purchased my 2021 Mazda CX 30 did not notify me before the purchase that there were Known issues of excessive oil consumption Because a service bulletin had already

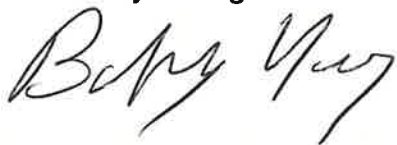
been posted, (1/12/21, 10/4/21, 11/24/21, 1/01/22, 10/03/22, 11/07/22), These dates were taken off the TSB of which I have included the following link to as well as a copy. Link to TSB, (<https://static.nhtsa.gov/odi/tsbs/2023/MC-10230891-0001.pdf>),

I purchased my Mazda in 2023 new from Gullo Mazda in Conroe, Texas.

What damage has my catalytic converter, engine, turbo, etc. received which may possibly shorten the life of my investment. I chose to buy this car for the long term now I am not sure of what I have!

Sincerely,

Bobby Young

A handwritten signature in black ink that reads "Bobby Young". The signature is written in a cursive, flowing style.

Technical Service Bulletin

Mazda North American Operations
Irvine, CA 92618-2922



Subject: ENGINE OIL LEVEL WARNING LIGHT ON WITH DTC P250F:00 DUE TO LOW ENGINE OIL LEVEL	Bulletin No.: 01-003/23
	Last Issued : 01/31/2023

BULLETIN NOTES

This bulletin supersedes the previously issued bulletin(s) listed below. The changes are noted below in Red.

Previous TSBs:	Date(s) Issued:
01-011/22	11/07/22 and 10/03/22
01-012/21	11/24/21 and 10/04/21

APPLICABLE MODLE(S)/VINS

- 2021 Mazda3 (Japan built 2.5T) with VINS from JM1BP*****315204 - 403637 (produced from October 12, 2020 to September 13, 2021)
- 2021-2022 Mazda3 (Mexico built 2.5T) with VINS starting from 3MZBP*****209389 - 307372 (produced from December 8, 2020 to June 16, 2022)
- 2021-2022 CX-30 (2.5T) with VINS starting from 3MVDM*****233598 - 437812 (produced from December 7, 2020 to June 30, 2022)
- 2021 Mazda6 (2.5T) with VINS from JM1GL*****602506 - 618909 (produced from October 6, 2020 to September 14, 2021)
- 2021 CX-5 (US/Canada spec 2.5T with 10.25" center display) with VINS from JM3KF*****320280 - 472324 (produced from October 6, 2020 to September 13, 2021)
- 2021 CX-9 (US/Canada spec 2.5T with 10.25" center display) with VINS from JM3TC*****509027 - 541070 (produced from October 6, 2020 to September 13, 2021)
- 2021 CX-5 (Canada/Mexico spec 2.5T with 8" center display) with VINS from JM3KF*****112005 - 135036 (produced from October 6, 2020 to September 1, 2021)
- 2021 CX-9 (Canada/Mexico spec 2.5T with 7" or 9" center display) with VINS from JM3TC*****451418 - 455173 (produced from October 6, 2020 to September 11, 2021)

DESCRIPTION

Some vehicles may have a "LOW ENGINE OIL LEVEL" warning message and an **engine oil level warning light** on in the instrument cluster with DTC P250F:00 stored in memory, and the oil level has actually decreased to near low.

- DTC P250F:00 - Engine oil level signal: engine oil level low

This is caused by an oil consumption increase due to damage of the valve seals on the exhaust side. To eliminate this concern, the design of these valve seals has been modified.

Customers having this concern should have their vehicle repaired using the following repair procedure.

CONSUMER NOTICE: The information and instructions in this bulletin are intended for use by skilled technicians. Mazda technicians utilize the proper tools/ equipment and take training to correctly and safely maintain Mazda vehicles. These instructions should not be performed by "do-it-yourselfers." Customers should not assume this bulletin applies to their vehicle or that their vehicle will develop the described concern. To determine if the information applies, customers should contact their nearest authorized Mazda dealership. Mazda North American Operations reserves the right to alter the specifications and contents of this bulletin without obligation or advance notice. All rights reserved. No part of this bulletin may be reproduced in any form or by any means, electronic or mechanical---including photocopying and recording and the use of any kind of information storage and retrieval system ---without permission in writing.

REPAIR PROCEDURE

Procedure Support Videos:
A. SST Overview
B. Main Body_Assembly
C. Additional Required Tools
01 Prep and Main Body Install
02 Valve Spring Retainer, Keeper Removal
03 Valve Stem Seal Remove and Replace
04 Valve Spring, Retainer and Keeper Installation
05 Rocker Arm Reinstallation
06 Rocker Arm 6 Remove and Reinstall
07 Rocker Arm 3 Remove and Reinstall

1. Verify the customer concern.

- Confirm with the oil level gauge that the engine oil has actually decreased. If the engine oil has NOT decreased, this TSB is not applicable.
- Confirm the engine oil is not leaking from the engine. If the engine oil leaked from the engine, this TSB is not applicable.

2. Replace the valve seals of the exhaust side with improved ones using the special tools called out in the repair procedures below.

3. Verify the repair.

Contents

(A) Required Parts and Tools

(B) SST

(C) Related Parts Removal (before replacing the valve seal)

- *Related Parts Removal*
- *Blocking the oil drain holes with a suitable material to prevent parts from falling into the engine*

(D) Valve Seal Replacement of the Exhaust Side

1. *SST Main Body Installation*

Perform the work in the following order.

(1) #1 Cylinder (Front)	(3) #3 Cylinder (Front)	(5) #4 Cylinder (Front)	(7) #2 Cylinder (Front)
(2) #1 Cylinder (Rear)	(4) #3 Cylinder (Rear)	(6) #4 Cylinder (Rear)	(8) #2 Cylinder (Rear)

2. *Rocker arm removal*
3. *Valve spring removal*
4. *Valve seal removal*
5. *Valve seal installation*
6. *Valve spring installation*
7. *Rocker arm installation*

CONSUMER NOTICE: The information and instructions in this bulletin are intended for use by skilled technicians. Mazda technicians utilize the proper tools/ equipment and take training to correctly and safely maintain Mazda vehicles. These instructions should not be performed by "do-it-yourselfers." Customers should not assume this bulletin applies to their vehicle or that their vehicle will develop the described concern. To determine if the information applies, customers should contact their nearest authorized Mazda dealership. Mazda North American Operations reserves the right to alter the specifications and contents of this bulletin without obligation or advance notice. All rights reserved. No part of this bulletin may be reproduced in any form or by any means, electronic or mechanical---including photocopying and recording and the use of any kind of information storage and retrieval system ---without permission in writing.

Exhibit F

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

Francis J. Farina, on behalf of himself and all others similarly situated, Plaintiff,	:	
	:	
vs.	:	Civil Case No.: _____
	:	
Mazda Motor of America, Inc., and Keffer Mazda, on behalf of itself and all others similarly situated, Defendants.	:	TRIAL BY JURY DEMANDED ON ALL COUNTS
	:	

CLASS ACTION COMPLAINT

Nature of Suit

1. Plaintiff brings this lawsuit on behalf of himself and a proposed class of past and present owners and lessees (the “Class”) of defective 2021 Mazda CX-30, CX-5, CX-9, Mazda3, and Mazda6 vehicles (the “Class Vehicles”) designed, manufactured, marketed, distributed, sold, warranted, and serviced by Defendant Mazda Motor of America, Inc. (“Defendant” or “Mazda”).

2. These vehicles, and the persons who bought them, are easily ascertainable through Defendant’s records as pursuant to Technical Service Bulletin (“TSB”) 01—12/21, as follows:

2021 Mazda3 (Japan built 2.5T) with VINS lower than JM1BP*****403639
(produced before September 14, 2021)

2021 Mazda6 (2.5T) with VINS lower than JM1GL*****618910 (produced
before September 15, 2021)

2021 CX-30 (2.5T)

2021 CX-5 (2.5T) with VINS lower than JM3KF*****472325 (produced before
September 14, 2021)

2021 CX-9 (2.5T) with VINS lower than JM3TC*****541071 (produced before September 14, 2021)

3. Plaintiff and the Class are damaged because the Class Vehicles contain defective valve stem seals that allow engine oil to leak into the Class Vehicles' combustion chamber (the "Valve Stem Seal Defect" or "Defect"), which causes the Class Vehicles to consume an excessive amount of engine oil in between regular oil change intervals; places the Class Vehicles at an increased risk of engine failure; violates federal emissions standards; and causes damage to the Class Vehicles' engines and emissions components including, but not limited to, the vehicles' catalytic converters.

4. Plaintiff also seeks certification of a Defendant Class of Dealerships because they are actively conspiring with Mazda to hide and conceal a known, dangerous defect.

5. Specifically, the Defendant Class of Dealerships uniformly – and at the behest of Mazda - conceal the true danger, by using the exact language contained in Mazda Motor's Technical Service Bulletin(s) ("TSB"):

Explain the following to the customer:

A small amount of the engine oil may be leaking into the combustion chamber, causing the oil consumption. Mazda has confirmed this oil leakage into the combustion chamber will not cause any immediate engine damage and the vehicle may be safely driven. The warning message and CHECK ENGINE light will go off by topping off the engine oil level. This is only a temporary repair and as soon as Mazda identifies the root cause, a complete repair procedure will be announced. Mazda will top off or replace the engine oil at no charge until the complete repair is provided.

TSB 01-012/21 (emphasis added.)

6. The Valve Stem Seal Defect poses an extreme safety hazard to the environment, drivers, passengers, pedestrians, and the vehicles themselves in the form of prohibited, non-disclosed carbon emissions because it prevents the Class Vehicles' engines from maintaining the

proper level of engine oil and causes voluminous oil consumption that cannot be reasonably anticipated or predicted, and which can result in engine failure as well as damage to the vehicles' emissions components including, but not limited to, catalytic converters.

7. As a result, the Defect can cause engine failure while the Class Vehicles are in operation, exposing the Class Vehicle drivers, their passengers, and others who share the road with them to serious risk of accidents and injury – as is borne out by several complaints to the National Highway Traffic Safety Administration (“NHTSA”).

8. Mazda – and the Defendant Dealer Class - have long known about the Defect; however, they have refused or otherwise been unable to repair the Defect in the Class Vehicles under Mazda's warranties in violation of the federal Magnuson-Moss Warranty Act.

9. Plaintiff seeks global recall and/or repairs and/or replacement for the affected engines and emissions systems, reimbursement for the increased oil use, and for Mazda to honor its warranties.

Jurisdiction and Venue

10. This Court has jurisdiction over this matter pursuant to the Magnuson-Moss Warranty Act, 15 U.S.C. § 2310(d)(1)(B), in that the Plaintiff claims more than \$50,000.00 in damages, exclusive of interest and costs.

11. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) in that a substantial part of the events giving rise to the Plaintiff's claims occurred within this District; this District is where Plaintiff purchased the vehicle and has it serviced; Defendant directs and controls warranty repairs on covered vehicles; and this District is where Defendant made repeated misrepresentations to Plaintiff and concealed certain material information from Plaintiff.

Parties

12. Plaintiff, Francis J. Farina is a resident of North Carolina at 203 Hobbs Street, Davidson, North Carolina 28036.

13. Keffer Mazda (“Keffer” or “KM”) is an authorized Mazda Sales and Service Facility located at 13307 Statesville Rd., Huntersville, NC 28078.

14. Keffer operates pursuant to terms set by Mazda within their Service and Sales Agreement (“SSA.”)

15. Pursuant to the SSA, KM – and each and every Mazda dealer similarly situated - is required to conceal this Defect at the time of sale and then to spin it as outlined above, withholding the truth as to the severity of the Defect - and the consequences which emanate from it, when, as herein, a purchaser returns to the Dealership with low oil prior to a scheduled maintenance interval.

16. Defendant Mazda Motor of America, Inc. (“Mazda” or “Defendant”) is a California corporation with a principal place of business at 200 Spectrum Center Drive, Irvine, Orange County, California 92618.

17. At all times herein mentioned, Mazda designed, engineered, developed, manufactured, fabricated, assembled, equipped, tested or failed to test, inspected or failed to inspect, repaired, retrofitted or failed to retrofit, failed to recall, labeled, advertised, promoted, marketed, supplied, distributed, wholesaled, and/or sold the Class Vehicles, including the vehicle operated by Plaintiff.

18. Mazda also reviews and analyzes warranty data submitted by Mazda’s dealerships and authorized technicians in order to identify defect trends in vehicles.

19. Pursuant to the SSA, Mazda dictates to the Dealership Class that when a repair is made under warranty (or warranty coverage is requested), its service centers must provide

Defendant with detailed documentation of the problem and the fix that describes the complaint, cause, and correction (“CCC”), and also save the broken part in the event Defendant decides to audit the dealership.

20. Mazda uses this information to determine whether particular repairs are covered by an applicable Mazda warranty or are indicative of a pervasive defect, and both it and the Dealer Class, are required by uniform federal law nearly universally adopted by the several states, to maintain these records for not less than five (5) years.

Mazda’s Engines are Palpably Defective

21. Based upon the data generated by its dealers, on November 10, 2020, Mazda acknowledged internally that some of the Class Vehicles consume an excessive amount of engine oil, a symptom of the Valve Stem Seal Defect.

22. Specifically, on that date, Mazda updated its “High Engine Oil Consumption” “M-Tips” Bulletin to its dealerships, M-Tips No.: MT-005/20, to include, inter alia, 2021 CX-5, 2021 CX-9, and 2021 Mazda6 vehicles, and noted that “Some customers may complain about high engine oil consumption.”

23. The above M-Tip Bulletin provides a process for Mazda dealerships to measure a vehicle’s engine oil consumption. Specifically, it directs Mazda dealers to measure a vehicle’s engine oil consumption after driving 1,200 miles and states that “[n]o repair is necessary” where a vehicle consumes less than one liter (1.06 quarts) of engine oil within 1,200 miles.

24. However, Mazda’s Owner’s Manual and Warranty advise that the recommended oil service interval for Class Vehicles is the earlier of 10,000 miles or one year.

25. Thus, according to Mazda, a vehicle needs to consume more than eight quarts of engine oil between recommended oil change intervals in order to necessitate a repair for excess oil consumption.

26. There is nothing normal or expected about this rate of oil consumption and this sort of carbon burn exceeds that which Mazda certified to the Environmental Protection Agency (“EPA”), violates the Clean Air Act,¹ and will quickly lead to the breakdown of the vehicle’s emissions components – the catalytic convertor especially, as well as the engine itself and its components.

27. On October 4, 2021, Mazda issued Technical Service Bulletin No. 01-012/21, applicable to 2021 Mazda CX-30, CX-5, CX-9, Mazda3 and Mazda6 vehicles that were “produced before September 14, 2021.” The bulletin notes that “Some vehicles may have a ‘LOW ENGINE OIL LEVEL’ warning message and a CHECK ENGINE light illuminated in the instrument cluster, along with DTC P250F:00 stored in memory. Upon inspecting the engine oil level, the level is found to be low and there doesn’t appear to be any trace of oil leakage in the engine compartment. This concern usually occurs when the mileage reaches approximately 3,100 – 4,700 miles (5,000 - 7,500km) and may also occur again after replacing or topping off the engine oil.”

28. The October 4, 2021 bulletin further states that “[t]he root cause of this concern has not been identified yet, therefore a repair procedure will be announced at a later date.” However, at the same time, the bulletin acknowledges that “[s]ince this issue has been reported after a valve stem seal modification, it is very likely that valve stem seal damage is causing oil to leak into the combustion chamber.” (emphasis supplied).

¹ Plaintiff intends to amend this complaint to bring a claim under the Clean Air Act in accordance with 42 U.S. Code § 7604.

29. Regarding a repair procedure, the bulletin directs dealers that they should first “verify that the oil level is low” and if so, “verify that there is no oil leakage in the engine compartment.” “If no oil leakage is found,” the bulletin advises that dealer should “top off the engine oil to the FULL level as a temporary measure.”

30. The bulletin also directs dealers to minimize the severity of the Valve Stem Seal Defect to Class Vehicle owners by telling dealers to “[e]xplain the following to the customer: A small amount of the engine oil may be leaking into the combustion chamber, causing the oil consumption. Mazda has confirmed this oil leakage into the combustion chamber will not cause any immediate engine damage and the vehicle may be safely driven. The warning message and CHECK ENGINE light will go off by topping off the engine oil level. This is only a temporary repair and as soon as Mazda identifies the root cause, a complete repair procedure will be announced. Mazda will top off or replace the engine oil at no charge until the complete repair is provided.”

31. Notably, Mazda does not claim that engine oil leaking into the combustion chamber will not cause long term engine damage, but only that it purportedly “will not cause any immediate damage.”

32. On November 24, 2021, Mazda issued a revised version of Bulletin No. 01-012/21.

33. The revised bulletin was largely identical to the prior one; however, it directs Mazda dealers that if the dealer inspects a vehicle and determines there is no oil leakage, the dealer should either “top off the engine oil to the FULL level as a temporary measure or replace the engine oil if service is due within 1000 miles or 30 days.” The bulletin continues to state that “[t]he root cause of this concern has not been identified yet, therefore a repair procedure will be announced at a later date.”

34. To date, however, Mazda has not provided its dealers with an adequate repair procedure regarding the Valve Stem Seal Defect.

35. Oil collecting on the stems of intake valves is sucked into the combustion chamber during normal operation.

36. Hot exhaust gases burn oil on stems of the exhaust valves.

37. If, as is apparent herein, there's too much clearance between the valve stems and guides, the engine will suck more oil down the guides and into the cylinders.

38. Mazda's problems could be caused by premature valve guide wear or seals that are improperly installed.

39. The engine may still have good compression but, as herein, will burn a lot of oil.

The Consequences of Mazda's Defect on the Environment & Vehicle

40. By itself, oil consumption is a well-known source of harmful emissions to the atmosphere. Solid contaminants combined with soot and other oil suspensions influence engine wear, deposits and oil economy (oil consumption rate).

41. When oil is consumed, it enters the combustion chamber, burns with the fuel and is pushed out with exhaust gases as particles and volatile hydrocarbons.

42. Fresh new lubricants have more volatile light-end molecules and are more prone to hydrocarbon emissions.

43. Unburned or partially burned oil is released through the exhaust path in the form of hydrocarbons and particulate contamination (soot).

44. Additionally, motor oil anti-wear additives are known to poison or at least impair the performance of catalytic converters.

45. The more oil consumed through the combustion chamber, the greater this poisoning risk/effect.

46. This escalates the environmental impact further.

47. Nitrogen oxides (NOx) consist of nitric oxide (NO) and nitrogen dioxide (NO₂). These ozone precursors also lead to smog when exposed to hydrocarbon gases and sunlight.

48. As a health hazard, NOx can potentially cause irritation and damage to lung tissue as well as paralysis.

49. Because of regulatory requirements and environmental protection pressures to lower both particulates and NO₂, increased pressure has been placed on lubricant formulation, engine design and filter performance.

50. Mazda, in obtaining proper certifications to sell these vehicles in the United States, did not disclose its vehicles would use seven (7) to eight (8) times the amount of oil nor have they come clean since.

51. Additionally, with the increased carbon accumulating on spark plugs, gas mileage will begin to decline at precipitous rates depending on driving habits. Mazda has not corrected its estimates with the EPA in this regard either.

Mazda Knew its Engine was Defective Prior to Certification and Sale

52. Mazda became aware of the Valve Stem Seal Defect through sources not available to Plaintiff and Class Members, including, but not limited to, pre-production testing, pre-production design failure mode and analysis data, production design failure mode and analysis data, early consumer complaints made exclusively to Mazda's network of dealers and directly to Mazda, aggregate warranty data compiled from Mazda's network of dealers, testing conducted by

Mazda in response to consumer complaints, and repair order and parts data received by Mazda from Mazda's network of dealers.

53. During the pre-release process of designing, manufacturing, engineering, and performing durability testing on the Class Vehicles, which would have likely occurred between 2019 and early 2020, before Mazda began selling the Class Vehicles, Mazda necessarily would have gained comprehensive and exclusive knowledge about the Class Vehicles' engines and specifically the valve stem seals: the types and properties of materials used to make them, including their durability and whether those materials would weaken over time regardless of wear and use; the basic engineering principles behind their construction; and the cumulative and specific impacts on the valve stem seals and related engine components caused by wear and use, the passage of time, and environmental factors.

54. Moreover, pre-release analysis of the design, engineering, and manufacture of the Class Vehicles would have revealed to Mazda that the valve stem seals were defective and allow engine oil to escape into the Class Vehicles' engines' combustion chambers.

55. Thus, during the pre-release analysis stage of the Class Vehicles, Mazda would have known that the Class Vehicles were defective and would pose a safety risk to the environment, owners/lessees, and the motoring public.

56. Despite that testing on the Class Vehicles revealed the Valve Stem Seal Defect to Mazda, Mazda failed to remedy the manufacturing processes with the Class Vehicles before putting the vehicles into production and selling them to the public.

57. Mazda also knew about the Valve Stem Seal Defect once these vehicles were sold in the North American Market because numerous consumer complaints regarding excess engine oil consumption were made directly to Mazda.

58. The large number of complaints, and the consistency of their descriptions of the symptoms of the Defect, alerted Mazda to this serious Valve Stem Seal Defect affecting the Class Vehicles.

Plaintiff Farina’s Experience

59. On April 26, 2021, Mr. Farina purchased a new 2021 Mazda6, VIN No. JM1GL1TY8M1605719, from Keffer Mazda, financing \$30,000 over sixty (60) months.

60. Being a Certified Public Accountant (“CPA”) as well as an attorney, Mr. Farina has kept meticulous notes of his oil consumption and changes:

SUMMARY OF FARINA 2021 MAZDA OIL CHANGES/ADDITIONS ACQUISITION OF VEHICLE THROUGH 1/7/2023

<u>Date</u>	<u>Description</u>	<u>Keffer Invoice Odometer Reading³</u>	<u>Interval Miles Driven</u>	<u>Contemporaneous Mileage Log Entry² Date</u>	<u>Odometer</u>
4/26/21	Car delivered	357		4/26/21	357
9/21/21	Oil change	2,687	2,330	9/12/21	2,676
				9/26/21	2,938
11/23/21	Oil change	7,554	4,867	11/20/21	7,263
				11/24/21	7,661
3/21/22	Oil change	12,509	4,955	3/19/21	12,201
				3/27/21	12,540
6/12/22	Oil change	74,889 ⁴	4,900 ⁵	5/31/22	17,409
				7/19/22	17,737
11/10/22	Oil added		4,170	11/10/22	21,579
11/21/22	Oil change	25,000	5,429	11/22/22	22,838
1/6/23	Oil added		2,001	1/6/23	24,839

61. When challenged by Farina about this excessive use, KM simply repeated the TSM language outlined above.

² Contemporaneous Mileage Log entry from log maintained in vehicle glovebox.

³ Per Keffer Mazda Service invoice.

⁴ Clearly erroneous entry by Keffer Mazda – see Contemporaneous Mileage Log entries.

⁵ Amount calculated as difference between Contemporaneous Mileage Log Entry and odometer reading on Keffer invoice at date of service.

Plaintiff and Defendant Class Allegations

Plaintiff Class

62. Plaintiff brings this action on his own behalf, and on behalf all persons or entities in the United States who are current or former owners and/or lessees whose vehicles are subject to Technical Service Bulletin (“TSB”) 01—12/21.

63. They are

2021 Mazda3 (Japan built 2.5T) with VINS lower than JM1BP*****403639 (produced before September 14, 2021)

2021 Mazda6 (2.5T) with VINS lower than JM1GL*****618910 (produced before September 15, 2021)

2021 CX-30 (2.5T)

2021 CX-5 (2.5T) with VINS lower than JM3KF*****472325 (produced before September 14, 2021)

2021 CX-9 (2.5T) with VINS lower than JM3TC*****541071 (produced before September 14, 2021)

Id.

64. The Class is so numerous that joinder of all members is impracticable. Although the size of the Class (and any separate classes or sub-classes that may be appropriate under Fed. R. Civ. P. 23(c)(5)) is presently unknown to Plaintiff, this information is easily obtainable from Defendants, who have it in their exclusive possession.

65. Based on preliminary discovery – reported sales - it is estimated that the Class consists of more than a hundred thousand consumers nationally.

66. There are questions of law and fact common to the Class that predominate over any questions affecting only individual Class members including:

- a. whether the Class Vehicles suffer from the Valve Stem Seal Defect;
- b. whether the Valve Stem Seal Defect constitutes an unreasonable safety hazard;
- c. whether Defendant knows about the Valve Stem Seal Defect and, if so, how long Defendant has known of the Defect;
- d. whether the defective nature of the Class Vehicles' valve stem seals constitutes a material defect;
- e. whether Plaintiff and the other Class Members are entitled to equitable relief, including, but not limited to, a preliminary and/or permanent injunction;
- f. whether Defendant knew or reasonably should have known of the Valve Stem Seal Defect contained in the Class Vehicles before it sold or leased them to Class Members;
- g. whether Defendant breached its express warranty and the and the Magnuson-Moss. Warranty Act, as alleged in this Complaint;
- h. whether Defendant has breached its implied warranty and the Magnuson-Moss. Warranty Act, as alleged in this Complaint;
- i. whether Defendant has misled the EPA;
- j. whether Defendant continues to mislead the EPA;
- k. whether Defendant has violated the Clean Air Act;
- l. whether Defendant continues to violate the Clean Air Act; and
- m. the appropriate class-wide measure of damages for the Classes

67. Plaintiff's claims are typical of the claims of the Class, which all arise from the same operative facts and are based on the same legal theories.

68. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff is committed to vigorously litigating this matter. Further, Plaintiff has retained counsel who are highly experienced in handling class actions, particularly consumer class actions.

69. Neither Plaintiff nor his counsel have any interests which conflict with or are antagonistic to those of the Class or which might cause them to not vigorously pursue this action.

70. This action should be maintained as a class action because the prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members which would establish incompatible standards of conduct for the parties opposing any Class, as well as a risk of adjudication with respect to individual members which would as a practical matter be dispositive of the interests of other members not parties to the adjudications or substantially impede or impair their ability to protect their interests.

71. A class action is a superior method for the fair and efficient adjudication of this controversy. The interests of Class members in individually controlling the prosecution of separate claims against Defendants is small given the small amount of the actual damages at issue for each Class member, but which in the aggregate are estimated to involve millions of dollars. Management of the action as a class action is likely to present significantly fewer difficulties than those presented by any assertion of many individual claims.

72. The identities of Class members can easily be obtained from Defendants' computerized and electronic records.

73. Defendant has acted, and refused to act, on grounds generally applicable to the Classes, thereby making appropriate final equitable relief with respect to the Classes as a whole.

The Defendant Class

74. KM – and all of Mazda's 544 dealerships across the USA - knowingly conspired with the manufacturing Defendant to conceal the subject defect.

75. And, pursuant to the SSA and TSB, supra, they continue to do so.

76. Therefore, Plaintiff also seeks certification of a defendant class action under Rule 23(a) of the Federal Rules of Civil Procedure for each of the 544 dealerships selling and servicing new Mazdas (collectively, the “Defendant Class.”)

77. The Defendant Class is so numerous that joinder of all members is impracticable.

78. A specific identification of each of the 544 dealers who participated in the subject scheme is within the Defendant Manufacturer’s sole custody and control, and available with keystrokes.

79. There are questions of law and fact common to the Defendant Class that predominate over any questions affecting only individual Defendant Class members including, but not limited to:

- a. was relevant, material information about the defect withheld at the time of sale;
- b. is relevant, material information about the defect continuing to be withheld when an owner presents with a vehicle subject of the TSB; and
- c. the appropriate class-wide measure of damages

80. Defendant KM is typical of the other dealers in the Defendant Class, in that its actions all arise from the same operative facts and Plaintiff’s claims are based on the same legal theories as the claims asserted on behalf of class members against the relevant Dealer.

81. A class action is a superior method for the fair and efficient adjudication of this controversy. Management of the action as a class action is likely to present significantly fewer difficulties than those presented by any assertion of many individual claims or defenses.

82. The identities of Defendant Class members can easily be obtained from Defendants’ computerized and electronic records.

83. Defendants and their employees or agents are excluded from the Plaintiff class.

COUNT 1⁶
Civil Conspiracy

84. All prior paragraphs and averments contained therein are incorporated herein as though set forth in complete detail below.

85. Plaintiff incorporates and re-alleges the preceding paragraphs as though the same were fully set forth at length herein.

86. Keffer and all other members of the Dealership Class operate pursuant to terms set by Mazda within its Service and Sales Agreement (“SSA.”)

87. Plaintiff and the Class are damaged because the Class Vehicles contain defective valve stem seals that allow engine oil to leak into the Class Vehicles’ combustion chamber (the “Valve Stem Seal Defect” or “Defect”), which causes the Class Vehicles to consume an excessive amount of engine oil in between regular oil change intervals; places the Class Vehicles at an increased risk of engine failure; violates federal emissions standards; and causes damage to the Class Vehicles’ engines and emissions components including, but not limited to, the vehicles’ catalytic converters.

88. Pursuant to the SSA, Mazda dictates to the Dealership Class that when a repair is made under warranty (or warranty coverage is requested), its service centers must provide Defendant with detailed documentation of the problem and the fix that describes the complaint, cause, and correction (“CCC”), and also save the broken part in the event Defendant decides to audit the dealership.

⁶ Please note, while Plaintiff brings claims herein pursuant to the Magnuson-Moss Warranty Act, 15 U.S.C. §2301, et seq., he intends to promptly amend to include such claims herein in accordance with the Clean Air Act.

89. The Defendant Class of Dealerships uniformly – and at the behest of Mazda - conceal the true danger, by using the exact language contained in Mazda Motor’s Technical Service Bulletin(s) (“TSB”):

Explain the following to the customer:

A small amount of the engine oil may be leaking into the combustion chamber, causing the oil consumption. Mazda has confirmed this oil leakage into the combustion chamber will not cause any immediate engine damage and the vehicle may be safely driven. The warning message and CHECK ENGINE light will go off by topping off the engine oil level. This is only a temporary repair and as soon as Mazda identifies the root cause, a complete repair procedure will be announced. Mazda will top off or replace the engine oil at no charge until the complete repair is provided.

TSB 01-012/21 (emphasis added.)

90. Pursuant to the SSA, KM – and each and every Mazda dealer similarly situated - is required to conceal this Defect at the time of sale and then to spin it as outlined above, withholding the truth as to the severity of the Defect - and the consequences which emanate from it, when, as herein, a purchaser returns to the Dealership with low oil prior to a scheduled maintenance interval.

91. Defendants are bound at the hip to act in concert pursuant to the SSA.

92. Defendants, jointly and systematically, through common and uniform practice, have actively misled the consumer prior to sale and thereafter.

93. Defendants have combined or agreed with intent to do an unlawful act, or to do an otherwise lawful act by unlawful means in the manner described above.

94. KM – and all of Mazda’s 544 dealerships across the USA who are members of the Defendant Class - knowingly conspired with the manufacturing Defendant to conceal the subject defect and, pursuant to the SSA and TSB, *supra*, they continue to do so.

95. As a direct and proximate result of Defendants' joint and concerted action, combination and conspiracy as alleged herein, Plaintiff and the Class have suffered damages, and Defendants are jointly and severally liable for those damages.

COUNT 2
Breach of Implied and Express Warranties Pursuant to the Magnuson-Moss Warranty Act
(15 U.S.C. §2301, et seq.)

96. All prior paragraphs and averments contained therein are incorporated herein as though set forth in complete detail below.

97. Under Mazda's New-Vehicle Limited Warranty,

“[t]he New-Vehicle Limited Warranty period for defects in materials and workmanship in all parts supplied by Mazda is 36 months or 36,000 miles, whichever comes first” and “The Powertrain Limited Warranty period for defects in materials and workmanship in the powertrain components supplied by Mazda is 60 months or 60,000 miles, whichever comes first.”

See <https://www.mazdausa.com/owners/warranty>" <https://www.mazdausa.com/owners/warranty>

(last visited January 25, 2023).

98. Plaintiff and members of the Classes are each a “consumer” as defined in 15 U.S.C. § 2301(3).

99. Defendant Mazda is a “supplier” and “warrantor” as defined in 15 U.S.C. § 2301(4) and (5).

100. Defendant KM – and the other 544 similarly situated dealerships - are Defendant Mazda's sales and service agents, operating pursuant to the terms and conditions set within Mazda's SSA.

101. The Class Vehicles are each a “consumer product” as defined in 15 U.S.C. § 2301(6).

102. 15 U.S.C. § 2310(d)(1) provides a cause of action for any consumer who is damaged by the failure of a warrantor to comply with the written and implied warranties.

103. 15 U.S.C. § 2304(a)(1) requires Defendant, as a warrantor, to remedy any defect, malfunction or nonconformance of the Class Vehicles within a reasonable time and without charge to the Plaintiff and Class members.

104. Defendants' sale of the defective Class Vehicles and its failure and/or refusal to repair the Class Vehicles' Valve Stem Seal Defect within the applicable warranty period constitute a breach of the written and implied warranties applicable to the Class Vehicles.

105. Defendants have failed to remedy the Class Vehicles' defects within a reasonable time, and/or a reasonable number of attempts, thereby breaching the written and implied warranties applicable to the Class Vehicles.

106. As a result of Defendants' breaches of the written and implied warranties, and Defendants' failure to remedy the same within a reasonable time, Plaintiff and class members have suffered damaged.

COUNT 3
Declaratory Relief/Judgment

107. All prior paragraphs and averments contained therein are incorporated herein as though set forth in complete detail below.

108. Plaintiffs hereby demand – pursuant to 28 U.S.C. §§ 2201 and 2201 as implement by Rule 57 of the Federal Rules of Civil Procedure, Declaratory Judgment that Defendants actions and conduct violate federal statutes.

COUNT 4
Jury Demand

109. All prior paragraphs and averments contained therein are incorporated herein as though set forth in complete detail below.

110. Plaintiff hereby demands a jury trial as to all issues herein.

DEMAND FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and all others similarly situated, prays for judgment against Defendants as follows:

- a. An order certifying the proposed plaintiff and Defendant Dealer Classes, designating Plaintiff as named representative of the Plaintiff Class, and designating the undersigned as Class Counsel;
- b. An order awarding Plaintiff and class members their actual damages, incidental and consequential damages, punitive damages, and/or other form of monetary relief provided by law;
- c. An order awarding Plaintiff and the class members restitution, disgorgement, or other equitable relief as the Court deems proper;
- d. Equitable relief including, but not limited to, replacement of the Class Vehicles with new vehicles, or repair of the defective Class Vehicles with an extension of the express warranties and service contracts which are or were applicable to the Class Vehicles;
- e. A declaration requiring Defendant to comply with the various provisions of the federal statutes herein alleged and to make all the required disclosures to the EPA;
- f. Reasonable attorneys' fees and costs;
- g. Pre-judgment and post-judgment interest, as provided by law;
- h. Plaintiff demands that Defendant perform a recall or repair or repurchase of all Class Vehicles; and
- i. Such other and further relief as this Court deems just and proper.

Dated: January 28, 2023

Respectfully Submitted,

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By: s/ Joseph A. O'Keefe
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Attorneys for Plaintiff

Exhibit G

**IN THE PLAINTIFFS DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

Francis J. Farina, on behalf of himself and all others similarly situated, Plaintiff,	:	
	:	
vs.	:	Civil Case No.: 3:23-cv-00050-MOC-SCR
	:	
Mazda Motor of America, Inc., and Keffer Mazda, on behalf of itself and all others similarly situated, Defendants.	:	TRIAL BY JURY DEMANDED ON ALL COUNTS
	:	
	:	

FIRST AMENDED CLASS ACTION COMPLAINT AND JURY DEMAND

Background

1. Plaintiff brings this lawsuit on behalf of himself and a proposed class of past and present owners and lessees (the “Class”) of defective 2021 Mazda CX-30, CX-5, CX-9, Mazda3, and Mazda6 vehicles (the “Class Vehicles”) designed, manufactured, marketed, distributed, sold, warranted, and serviced by Defendant Mazda Motor of America, Inc. (“Defendant” or “Mazda”).

2. Plaintiff and the Class are damaged because the Class Vehicles contain defective valve stem seals that allow engine oil to leak into the Class Vehicles’ combustion chamber (the “Valve Stem Seal Defect” or “Defect”), which causes the Class Vehicles to consume an excessive amount of engine oil in between regular oil change intervals; places the Class Vehicles at an increased risk of engine failure; violates federal emissions standards; and causes damage to the Class Vehicles’ engines and emissions components including, but not limited to, the vehicles’ catalytic convertors.

3. The Valve Stem Seal Defect poses an extreme safety hazard to the environment,

drivers, passengers, pedestrians, and the vehicles themselves in the form of prohibited, non-disclosed carbon emissions because it prevents the Class Vehicles' engines from maintaining the proper level of engine oil and causes voluminous oil consumption that cannot be reasonably anticipated or predicted, and which can result in engine failure as well as damage to the vehicles' emissions components including, but not limited to, catalytic converters.

4. As a result, the Defect can cause engine failure while the Class Vehicles are in operation, exposing the Class Vehicle drivers, their passengers, and others who share the road with them to serious risk of accidents and injury – as is borne out by several complaints to the National Highway Traffic Safety Administration (“NHTSA”).

5. Mazda – and the Defendant Dealer Class - have long known about the Defect; however, they have refused or otherwise been unable to repair the Defect in the Class Vehicles under Mazda's warranties in violation of the federal Magnuson-Moss Warranty Act.

6. Plaintiff seeks global recall and/or repairs and/or replacement for the affected engines and emissions systems, reimbursement for the increased oil use, and for Mazda to honor its warranties.

7. Plaintiff brings this lawsuit on behalf of himself and a proposed class of past and present owners and lessees (the “Class”) of defective 2021 Mazda CX-30, CX-5, CX-9, Mazda3, and Mazda6 vehicles (the “Class Vehicles”) designed, manufactured, marketed, distributed, sold, warranted, and serviced by Defendant Mazda.

8. These vehicles, and the persons who bought them, are easily ascertainable through Defendant's records as pursuant to Technical Service Bulletin (“TSB”) 01—12/21, as follows:

2021 Mazda3 (Japan built 2.5T) with VINS lower than JM1BP*****403639
(produced before September 14, 2021)

2021 Mazda6 (2.5T) with VINS lower than JM1GL*****618910 (produced before September 15, 2021)

2021 CX-30 (2.5T)

2021 CX-5 (2.5T) with VINS lower than JM3KF*****472325 (produced before September 14, 2021)

2021 CX-9 (2.5T) with VINS lower than JM3TC*****541071 (produced before September 14, 2021)

9. Plaintiff and the Class are damaged because the Class Vehicles contain defective valve stem seals that allow engine oil to leak into the Class Vehicles' combustion chamber (the "Valve Stem Seal Defect" or "Defect"), which causes the Class Vehicles to consume an excessive amount of engine oil in between regular oil change intervals; places the Class Vehicles at an increased risk of engine failure; violates federal emissions standards; and causes damage to the Class Vehicles' engines and emissions components including, but not limited to, the vehicles' catalytic convertors.

10. Plaintiff also seeks certification of a Defendant Class of Dealerships because they are actively conspiring with Mazda to hide and conceal a known, dangerous defect.

11. Specifically, the Defendant Class of Dealerships uniformly – and at the behest of Mazda - conceal the true danger by using the exact language contained in Mazda Motor's Technical Service Bulletin(s) ("TSB"):

Explain the following to the customer:

A small amount of the engine oil may be leaking into the combustion chamber, causing the oil consumption. Mazda has confirmed this oil leakage into the combustion chamber will not cause any immediate engine damage and the vehicle may be safely driven. The warning message and CHECK ENGINE light will go off by topping off the engine oil level. This is only a temporary repair and as soon as Mazda identifies the root cause, a complete repair procedure will be announced. Mazda will top off or replace the engine oil at no charge until the complete repair is provided.

TSB 01-012/21 (emphasis added.)

Clean Air Act and Emissions Standards

12. Congress enacted the Clean Air Act, 42 U.S.C. §§ 7401 et seq., (“CAA”) to protect and enhance the quality of the nation's air resources and to promote the public health and welfare. Title II of the CAA, as amended, and the regulations promulgated thereunder, protect human health and the environment by reducing emissions from mobile sources of air pollution, including motor vehicles. 42 U.S.C. §§ 7521 et seq.

13. Motor vehicles emit, among other things, nitrogen oxides, hydrocarbon, sulfur dioxide, carbon monoxide, and particulate matter. These and other pollutants emitted by motor vehicles can cause severe health problems, either directly or as a result of chemical reactions in the atmosphere. For example, particulate matter is associated with various severe health conditions, such as aggravated asthma and decreased lung function. Similarly, nitrogen oxides interact with other chemicals in the atmosphere to create ground-level ozone pollution (also known as "smog"), which can cause or exacerbate various respiratory health conditions such as chronic obstructive pulmonary disease.

14. To limit this pollution and protect the public health, the CAA requires the United States Environmental Protection Agency (“EPA”) to promulgate emission standards limiting the types and levels of pollutants that motor vehicles may emit. 42 U.S.C. § 7521; *see* 40 C.F.R. §§ 86.1811-04, 86.1811-09, 86.1811-10 (light-duty vehicle emission standards). No manufacturer may sell motor vehicles in or into the United States unless the vehicles are designed to comply with emission standards and the manufacturer has obtained a "certificate of conformity" from EPA prior to sale. 42 U.S.C. §§ 7521, 7541(a)(1); 40 C.F.R. part 85, Appendix VIII.

15. The CAA also requires the manufacturer of a new motor vehicle engine to warrant

to the ultimate purchaser and each subsequent purchaser that such engine is "(A) designed, built, and equipped so as to conform at the time of sale with applicable regulations under section 7521 of this title, and (B) free from defects in materials and workmanship which cause such vehicle or engine to fail to conform with applicable regulations for its useful life (as determined under section 7521(d) of this title)." *In re Caterpillar, Inc.*, 2015 U.S. Dist. LEXIS 98784 (D.N.J. 2015), *citing* 42 U.S.C. § 7541(a)(1).

16. Under the Clean Air Act, an individual may bring a "citizen suit" to enforce its requirements so long as notice of the violation is first provided to EPA, to the state in which the violation occurs, and to any alleged violator at least 60 days before the suit is filed. 42 U.S.C. § 7604(b)(1); *Parker v. Hunting Point Apts., LLC*, 2015 U.S. Dist. LEXIS 119655 (E.D. Va. 2015); *S.C. Clean Air Initiative, LLC v. Harbor Freight Tools*, 2017 U.S. Dist. LEXIS 77047. (The Clean Air Act, 42 U.S.C. § 7401, et seq. (the "Act") was created by Congress as a comprehensive program for controlling and improving the country's air quality. The Act includes a citizen suit provision that allows citizens to request injunctive relief and civil penalties, payable to the United States Treasury, for the violation of any "emission standard or limitation" under the Act), *citing*, 42 U.S.C. § 7604(a).

17. CAA section 209(a) preempts states from adopting emission control standards for new motor vehicles.

18. The State of California, however, maintains a waiver under CAA section 209(b), is the only state which is not subject to the CAA, and, as is relevant herein, the only state allowed to set and enforce its own emissions laws. *See*, Federal Register / Vol. 87, No. 49 / Monday, March 14, 2022 / Notices.

CAA Emission Defect Reporting

19. Even if properly designed and certified, vehicles may fail to perform as designed because of a defect. The defect may be, for example, a design or manufacturing error, a malfunctioning part, or an error in the software controlling vehicle functions.

20. The CAA thus requires manufacturers to provide two warranties: the "Design and Defect Warranty" and the "Performance Warranty."

21. If – as herein - the defect or actual performance affects one of the many vehicle components designed to control emissions, the vehicle may, in actual use, emit more pollutants than the levels approved in its certificate of conformity and permitted by law.

22. To encourage manufacturers to timely and appropriately respond to defects that may affect emissions, CAA regulations require manufacturers to file prompt reports notifying the EPA of defective emission-related parts and of manufacturers' efforts to recall and repair vehicles with emission-related defects. 40 C.F.R. part 85, subpart T (emission defect reporting regulations); *see also* 42 U.S.C. § 7542(a) (requiring manufacturers to "maintain records, perform tests . . . make reports, and provide information the Administrator may reasonably require" regarding compliance with emission standards).

23. These defect reporting requirements are a "critical . . . compliance tool[]" for ensuring that passenger cars and trucks, in particular, continue to comply with federal emission standards after sale. EPA, *Vehicle Engine Compliance Activities, 2014-2017 Progress Report*, at 7.

24. Specifically, a manufacturer must file an "Emission Defect Information Report," or "EDIR," whenever the manufacturer determines that a "specific emission-related defect exists in twenty-five or more vehicles or engines of the same model year." 40 C.F.R. § 85.1903(a).

25. The EDIR is due within "fifteen working days after an emission-related defect is found to affect twenty-five vehicles or engines of the same model year." 40 C.F.R. § 85.1903(b).

26. An "emission- related defect" is defined as any "defect in design, materials, or workmanship" that occurs in i) "a device, system, or assembly described in" the manufacturer's approved application for a certificate of conformity that affects various emission-related parameters stated in the regulations or ii) "one or more emission-related parts, components, systems, software or elements of design which must function properly to ensure continued compliance with emission standards." 40 C.F.R. § 85.1902(b).

27. An EDIR must contain a description of the defect, an estimate of the number of affected vehicles, an evaluation of the emissions impact of the defect, an indication of the manufacturer's intended further actions with respect to the defect such as whether a recall is anticipated), and other information. 40 C.F.R. § 85.1903(c).

28. An EDIR filing serves two key functions. First, it encourages manufacturers to identify emission-related defects early and to promptly conduct voluntary recalls to remedy those defects that warrant action.¹ It does this by "extend[ing] . . . surveillance" of emission-related defects "to . . . the manufacturers themselves," 40 Fed. Reg. 18176, 18177 (Apr. 25, 1975), and by requiring them to report to EPA, upon identifying twenty-five instances of a specific defect in a model year, an "evaluation of the emissions impact of the defect" and "[a]n indication of any anticipated manufacturer follow-up," among other information, 40 C.F.R. § 85.1903(b)(5),(7).

29. In requiring manufacturers to grapple with emission-related defects promptly and to disclose relevant information to EPA, the regulations put in place a process to prompt manufacturer-initiated recalls. *See* 40 Fed. Reg. at 18177 (EPA intent "to encourage

manufacturers to repair voluntarily emission-related defects which they discover and report to EPA"); *id.* at 18178 (intent to "encourage manufacturers to repair voluntarily emission-related defects which they determine to exist in vehicles or engines.").¹

30. Second, EDIRs provide EPA with an early warning that a vehicle or engine class is at risk of failing to perform as described in the certificate of conformity and required by emission standards. This information, taken together with other indicia of vehicle defects, such as consumer complaints, may lead EPA to investigate a defect and, where appropriate, press the manufacturer to conduct a voluntary recall in cases where the manufacturer was not otherwise doing so. If the manufacturer refuses to recall the vehicles voluntarily, an EPA investigation may ultimately lead EPA to order a mandatory recall. 42 U.S.C. § 7541 (C) (1) providing that EPA may order a recall when it "determines that a substantial number of any class or category of vehicles or engines, although properly maintained and used, does not conform to" applicable regulations).

31. The EPA publicly reports the number of EDIRs filed by each manufacturer. EPA's "compliance activity reports" containing this and related information are posted on EPA's website.

32. If a manufacturer conducts a recall to remedy an emission-related defect in twenty-five or more vehicles or engines, it must also file a Voluntary Emissions Recall Report, or "VERR" with the EPA. This report is due within fifteen working days of when the manufacturer notifies vehicle owners of the recall. 40 C.F.R. § 85.1904(a). In the VERR, the manufacturer must

¹ As used throughout this complaint (and in EPA's regulations), a "recall" includes any "repair, adjustment, or modification program . . . to remedy any emission-related defect for which direct notification of vehicle or engine owners has been provided," 40 C.F.R. § 85.1902(d), regardless of whether the manufacturer calls the program a "recall," "service action," "service campaign," "warranty extension," or some other term.

describe the substance of the recall, including technical details about the proposed fix. *Id.*

33. Finally, once an emission-related recall is underway, a manufacturer must file reports describing the progress of the recall (including the percentage of vehicles actually fixed) after each of the subsequent six consecutive quarters "Quarterly Reports" with the EPA. 40 C.F.R. § 85.1904(b).

34. It is a violation of the CAA a manufacturer to fail to file EDIRs, VERRs, or Quarterly Reports when required to do so. 42 U.S.C. § 7522(a)(2)(A); 42 U.S.C. § 7542(a).

35. It is also a violation for any person to cause a manufacturer to fail to make such filings. 42 U.S.C. § 7522(a).

Jurisdiction and Venue

36. This Court has original jurisdiction over this matter pursuant to 28 U.S.C. § 1331 as it is brought under the authority of 42 U.S. Code § 7604(a)(1), Citizen Suits, to enforce the CAA.

37. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) in that a substantial part of the events giving rise to the Plaintiff's claims occurred within this District; this District is where Plaintiff purchased the vehicle and has it serviced; Defendant directs and controls warranty repairs on covered vehicles; and this District is where Defendant made repeated misrepresentations to Plaintiff and concealed certain material information from Plaintiff.

Parties

38. Plaintiff, Francis J. Farina is a resident of North Carolina at 203 Hobbs Street, Davidson, North Carolina 28036.

39. Lake Norman Auto Mall, LLC, d/b/a Keffer Mazda (“Keffer” or “KM”) is an authorized Mazda Sales and Service Facility located at 13307 Statesville Rd., Huntersville, NC 28078.

40. Keffer operates pursuant to terms set by Mazda within their Service and Sales Agreement (“SSA.”).

41. Pursuant to the SSA, KM – and each and every Mazda dealer similarly situated - is required to conceal this Defect at the time of sale and then to spin it as outlined above, withholding the truth as to the severity of the Defect and the consequences which emanate from it, when, as herein, a purchaser returns to the Dealership with low oil prior to a scheduled maintenance interval.

42. Defendant Mazda is a California corporation with a principal place of business at 200 Spectrum Center Drive, Irvine, Orange County, California 92618.

43. At all times herein mentioned, Mazda designed, engineered, developed, manufactured, fabricated, assembled, equipped, tested or failed to test, inspected or failed to inspect, repaired, retrofitted or failed to retrofit, failed to recall, labeled, advertised, promoted, marketed, supplied, distributed, wholesaled, and/or sold the Class Vehicles, including the vehicle operated by Plaintiff.

44. Mazda reviews and analyzes warranty data submitted by Mazda’s dealerships and authorized technicians in order to identify defect trends in vehicles.

45. Pursuant to the SSA, Mazda dictates to the Dealership Class that when a repair is made under warranty (or warranty coverage is requested), its service centers must provide Defendant with detailed documentation of the problem and the fix that describes the complaint, cause, and correction (“CCC”), and also save the broken part in the event Mazda decides to audit the dealership.

46. Mazda uses this information to determine whether particular repairs are covered by an applicable Mazda warranty or are indicative of a pervasive defect, and both it and the Dealer Class, are required by uniform federal law nearly universally adopted by the several states, to maintain these records for not less than five (5) years.

Mazda's Engines are Palpably Defective

47. Based upon the data generated by its dealers, on November 10, 2020, Mazda acknowledged internally that some of the Class Vehicles consume an excessive amount of engine oil, a symptom of the Valve Stem Seal Defect.

48. Specifically, on that date, Mazda updated its "High Engine Oil Consumption" "M-Tips" Bulletin to its dealerships, M-Tips No.: MT-005/20, to include, inter alia, 2021 CX-5, 2021 CX-9, and 2021 Mazda6 vehicles, and noted that "Some customers may complain about high engine oil consumption."

49. The above M-Tip Bulletin provides a process for Mazda dealerships to measure a vehicle's engine oil consumption. Specifically, it directs Mazda dealers to measure a vehicle's engine oil consumption after driving 1,200 miles and states that "[n]o repair is necessary" where a vehicle consumes less than one liter (1.06 quarts) of engine oil within 1,200 miles.

50. However, Mazda's Owner's Manual and Warranty advise that the recommended oil service interval for Class Vehicles is the earlier of 10,000 miles or one year.

51. Thus, according to Mazda, a vehicle needs to consume more than eight quarts of engine oil between recommended oil change intervals in order to necessitate a repair for excess oil consumption.

52. There is nothing normal or expected about this rate of oil consumption and this sort of carbon burn exceeds that which Mazda certified to the Environmental Protection Agency

(“EPA”), violates the CAA,² and will quickly lead to the breakdown of the vehicle’s emissions components – the catalytic convertor especially, as well as the engine itself and its components.

53. On October 4, 2021, Mazda issued Technical Service Bulletin No. 01-012/21, applicable to 2021 Mazda CX-30, CX-5, CX-9, Mazda3 and Mazda6 vehicles that were “produced before September 14, 2021.” The bulletin notes that “Some vehicles may have a ‘LOW ENGINE OIL LEVEL’ warning message and a CHECK ENGINE light illuminated in the instrument cluster, along with DTC P250F:00 stored in memory. Upon inspecting the engine oil level, the level is found to be low and there doesn’t appear to be any trace of oil leakage in the engine compartment. This concern usually occurs when the mileage reaches approximately 3,100 – 4,700 miles (5,000 - 7,500km) and may also occur again after replacing or topping off the engine oil.”

54. The October 4, 2021 bulletin further states that “[t]he root cause of this concern has not been identified yet, therefore a repair procedure will be announced at a later date.” However, at the same time, the bulletin acknowledges that “[s]ince this issue has been reported after a valve stem seal modification, it is very likely that valve stem seal damage is causing oil to leak into the combustion chamber.” (emphasis supplied).

55. Regarding a repair procedure, the bulletin directs dealers that they should first “verify that the oil level is low” and if so, “verify that there is no oil leakage in the engine compartment.” “If no oil leakage is found,” the bulletin advises that dealer should “top off the engine oil to the FULL level as a *temporary measure*” (emphasis added.)

56. The bulletin also directs dealers to minimize the severity of the Valve Stem Seal Defect to Class Vehicle owners by telling dealers to “[e]xplain the following to the customer: A

² Plaintiff provided Notice to Defendant Mazda of his intent to bring a claim under the CAA in accordance with 42 U.S. Code § 7604. See Exhibit 1 hereto.

small amount of the engine oil may be leaking into the combustion chamber, causing the oil consumption. Mazda has confirmed this oil leakage into the combustion chamber will not cause any immediate engine damage and the vehicle may be safely driven. The warning message and CHECK ENGINE light will go off by topping off the engine oil level. This is only a temporary repair and as soon as Mazda identifies the root cause, a complete repair procedure will be announced. Mazda will top off or replace the engine oil at no charge until the complete repair is provided.”

57. Notably, Mazda does not claim that engine oil leaking into the combustion chamber will not cause long term engine damage, but only that it purportedly “will not cause any immediate damage.”

58. On November 24, 2021, Mazda issued a revised version of Bulletin No. 01-012/21.

59. The revised bulletin was largely identical to the prior one; however, it directs Mazda dealers that if the dealer inspects a vehicle and determines there is no oil leakage, the dealer should either “top off the engine oil to the FULL level as a temporary measure or replace the engine oil if service is due within 1000 miles or 30 days.” The bulletin continues to state that “[t]he root cause of this concern has not been identified yet, therefore a repair procedure will be announced at a later date.”

60. To date, Mazda has not provided its dealers with an adequate repair procedure regarding the Valve Stem Seal Defect.

61. Oil collecting on the stems of intake valves is sucked into the combustion chamber during normal operation.

62. Hot exhaust gases burn oil on stems of the exhaust valves.

63. If, as is apparent herein, there's too much clearance between the valve stems and guides, the engine will suck more oil down the guides and into the cylinders.

64. Mazda's problems could be caused by premature valve guide wear or seals that are improperly installed.

65. The engine may still have good compression but, as herein, will burn oil at rates equivalent to a quart to a quart and a half every thousand miles or up to eight times that which Mazda otherwise certified.

The Consequences of Mazda's Defect on the Environment & Vehicle

66. By itself, oil consumption is a well-known source of harmful emissions to the atmosphere. Solid contaminants combined with soot and other oil suspensions influence engine wear, deposits and oil economy (oil consumption rate).

67. When oil is consumed, it enters the combustion chamber, burns with the fuel and is pushed out with exhaust gases as particles and volatile hydrocarbons.

68. Fresh new lubricants have more volatile light-end molecules and are more prone to hydrocarbon emissions.

69. Unburned or partially burned oil is released through the exhaust path in the form of hydrocarbons and particulate contamination (soot).

70. Additionally, motor oil anti-wear additives are known to poison or at least impair the performance of catalytic converters.

71. The more oil consumed through the combustion chamber, the greater this poisoning risk/effect.

72. This escalates the environmental impact further.

73. Nitrogen oxides (NO_x) consist of nitric oxide (NO) and nitrogen dioxide (NO₂). These ozone precursors also lead to smog when exposed to hydrocarbon gases and sunlight.

74. As a health hazard, NO_x can potentially cause irritation and damage to lung tissue as well as paralysis.

75. Because of regulatory requirements and environmental protection pressures to lower both particulates and NO₂, increased emphasis has been placed on lubricant formulation, engine design and filter performance.

76. Mazda, in obtaining proper certifications to sell these vehicles in the United States to Plaintiff and other class members, did not disclose its vehicles would use seven (7) to eight (8) times the amount of oil nor have they come clean since.

77. Additionally, with the increased carbon accumulating on spark plugs, gas mileage will begin to decline at precipitous rates depending on driving habits. Mazda has not corrected its estimates with the EPA in this regard either.

Mazda Knew its Engine was Defective Prior to Certification and Sale

78. Mazda became aware of the Valve Stem Seal Defect through sources not available to Plaintiff and Class Members, including, but not limited to, pre-production testing, pre-production design failure mode and analysis data, production design failure mode and analysis data, early consumer complaints made exclusively to Mazda's network of dealers and directly to Mazda, aggregate warranty data compiled from Mazda's network of dealers, testing conducted by Mazda in response to consumer complaints, and repair order and parts data received by Mazda from Mazda's network of dealers.

79. During the pre-release process of designing, manufacturing, engineering, and performing durability testing on the Class Vehicles, which would have likely occurred between

2019 and early 2020, before Mazda began selling the Class Vehicles, Mazda necessarily would have gained comprehensive and exclusive knowledge about the Class Vehicles' engines and specifically the valve stem seals: the types and properties of materials used to make them, including their durability and whether those materials would weaken over time regardless of wear and use; the basic engineering principles behind their construction; and the cumulative and specific impacts on the valve stem seals and related engine components caused by wear and use, the passage of time, and environmental factors.

80. Moreover, pre-release analysis of the design, engineering, and manufacture of the Class Vehicles would have revealed to Mazda that the valve stem seals were defective and allow engine oil to escape into the Class Vehicles' engines' combustion chambers.

81. Thus, during the pre-release analysis stage of the Class Vehicles, Mazda would have known that the Class Vehicles were defective and would pose a safety risk to the environment, owners/lessees, and the motoring public.

82. Despite the fact that testing on the Class Vehicles revealed the Valve Stem Seal Defect to Mazda, Mazda failed to remedy the manufacturing processes with the Class Vehicles before putting the vehicles into production and selling them to the public.

83. Mazda also knew about the Valve Stem Seal Defect once these vehicles were sold in the North American Market because numerous consumer complaints regarding excess engine oil consumption were made directly to Mazda.

84. The large number of complaints, and the consistency of their descriptions of the symptoms of the Defect, alerted Mazda to this serious Valve Stem Seal Defect affecting the Class Vehicles.

Consequences of Mazda’s Failure to File EDIRs and VERRs

85. Defendants’ violations necessarily have had significant real world consequences.

86. By failing to timely prepare and submit EDIRs and VERRs, Mazda has avoided performing the self-scrutiny of emission defects intended by the regulations as part of the defect reporting process and deprived EPA of information needed for oversight of Clean Air Act compliance.

87. Among other things, by failing to file timely EDIRs, Mazda likely delayed or avoided repairing vehicles with emission-related defects, obtaining a significant financial benefit through the deferral and avoidance of recall costs, pushing costs onto consumers, and lengthening the time that unrepaired vehicles with emission-related defects remain on the road.

Plaintiff Farina’s Experiences

88. On April 26, 2021 -unaware of Mazda’s problems, Mr. Farina purchased a new 2021 Mazda6, VIN No. JM1GL1TY8M1605719, from Keffer Mazda, financing \$30,000 over sixty (60) months.

89. At the time Plaintiff purchased his vehicle, he was unaware that Mazda had determined – five (5) months earlier – that the vehicle he was purchasing would likely have high engine oil consumption. This was not disclosed to Plaintiff (or any other Class member) prior to the purchase of Mazda vehicles.

90. Being a Certified Public Accountant (“CPA”) as well as an attorney, Mr. Farina has kept meticulous notes of his oil consumption and changes:

**SUMMARY OF FARINA 2021 MAZDA OIL CHANGES/ADDITIONS
ACQUISITION OF VEHICLE THROUGH 3/31/2023**

<u>Date</u>	<u>Description</u>	<u>Keffer Invoice Odometer Reading</u>	<u>Interval Miles Driven</u>	<u>Contemporaneous Mileage Log Entry Date</u>	<u>Odometer</u>
4/26/21	Car delivered	357		4/26/21	357

9/21/21	Oil change	2,687	2,330	9/12/21	2,676
				9/26/21	2,938
11/23/21	Oil change	7,554	4,867	11/20/21	7,263
				11/24/21	7,661
3/21/22	Oil change	12,509	4,955	3/19/21	12,201
				3/27/21	12,540
6/12/22	Oil change	74,889	4,900	5/31/22	17,409
				7/19/22	17,737
11/10/22	Oil added		4,170	11/10/22	21,579
11/21/22	Oil change	25,000 ³	5,429	11/22/22	22,838
1/6/23	Oil added		2,001	1/6/23	24,839
2/20/23	Oil added				26,662
3/9/23	Oil change	27,517		3/4/23	27,268
				3/18/23	27,547

91. When Mr. Farina took the vehicle into the Keffer dealership on November 21, 2022, he questioned the service representative about having to add oil prior to the scheduled service. In response, the service representative informed Farina that this was not unusual and that there was no leak (simply repeating the TSB language outlined above.)

92. When Mrs. Farina took the vehicle into the Keffer dealership on March 9, 2023, no mention was made to her concerning any TSB.

Plaintiff Class and Defendant Class Allegations

A. Plaintiff Class

93. Plaintiff brings this action on his own behalf, and on behalf all persons or entities who are current or former owners and/or lessees whose vehicles are subject to Technical Service Bulletin (“TSB”) 01—12/21.

94. They are

- 2021 Mazda3 (Japan built 2.5T) with VINS lower than JM1BP*****403639 (produced before September 14, 2021)

³ Clearly erroneous entry by Keffer Mazda – see Contemporaneous Mileage Log entries as well as photo of service date sticker affixed to window by Keffer, noting next service due at 3/20/23 or 27,806 miles.

- 2021 Mazda6 (2.5T) with VINS lower than JM1GL*****618910 (produced before September 15, 2021)
- 2021 CX-30 (2.5T)
- 2021 CX-5 (2.5T) with VINS lower than JM3KF*****472325 (produced before September 14, 2021)
- 2021 CX-9 (2.5T) with VINS lower than JM3TC*****541071 (produced before September 14, 2021)

Id.

95. The Class is so numerous that joinder of all members is impracticable. Although the exact size of the Class (and any separate classes or sub-classes that may be appropriate under Fed. R. Civ. P. 23(c)(5)) is presently unknown to Plaintiff, this information is easily obtainable from Defendants, who have it in their exclusive possession.

96. Based on preliminary discovery – reported sales - it is estimated that the Class consists of more than one hundred thousand (100,000) consumers nationally.

97. There are questions of law and fact common to the Class that predominate over any questions affecting only individual Class members including:

- a. whether the Class Vehicles suffer from the Valve Stem Seal Defect;
- b. whether the Valve Stem Seal Defect constitutes an unreasonable safety hazard;
- c. whether Defendant knows about the Valve Stem Seal Defect and, if so, how long Defendant has known of the Defect;
- d. whether the defective nature of the Class Vehicles' valve stem seals constitutes a material defect;
- e. whether Plaintiff and the other Class Members are entitled to equitable relief, including, but not limited to, a preliminary and/or permanent injunction;
- f. whether Defendant knew or reasonably should have known of the Valve Stem Seal Defect contained in the Class Vehicles before it sold or leased them to Class Members;
- g. whether Defendant breached its obligations under the CAA;
- h. whether Defendant has misled the EPA;
- i. whether Defendant continues to mislead the EPA;
- j. whether Defendant has violated the Clean Air Act;

- k. whether Defendant continues to violate the Clean Air Act; and
- l. the appropriate class-wide measure of damages for the Class.

98. Plaintiff's claims are typical of the claims of other members of the Class, which all arise from the same operative facts and are based on the same legal theories.

99. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff is committed to vigorously litigating this matter. Further, Plaintiff has retained counsel who are highly experienced in handling class actions, particularly consumer class actions.

100. Neither Plaintiff nor his counsel have any interests which conflict with or are antagonistic to those of the Class or which might cause them to not vigorously pursue this action.

101. This action should be maintained as a class action because the prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members which would establish incompatible standards of conduct for the parties opposing any Class, as well as a risk of adjudication with respect to individual members which would as a practical matter be dispositive of the interests of other members not parties to the adjudications or substantially impede or impair their ability to protect their interests.

102. A class action is a superior method for the fair and efficient adjudication of this controversy. The interests of Class members in individually controlling the prosecution of separate claims against Defendants is small given the small amount of the actual damages at issue for each Class member, but which in the aggregate are estimated to involve millions of dollars. Management of the action as a class action is likely to present significantly fewer difficulties than those presented by any assertion of many individual claims.

103. The identities of Class members can easily be obtained from Defendants' computerized and electronic records.

104. Defendant Mazda has acted, and refused to act, on grounds generally applicable to the Class, thereby making appropriate final equitable relief with respect to the Class as a whole.

B. The Defendant Class

105. KM – and each of Mazda’s 544 dealerships across the USA - knowingly conspired with the manufacturing Defendant to conceal the subject defect.

106. Pursuant to the SSA and TSB, supra, they continue to do so.

107. Therefore, Plaintiff seeks certification of a defendant class action under Rule 23(a) of the Federal Rules of Civil Procedure to include each of the 544 dealerships selling and servicing new Mazdas (collectively, the “Defendant Class.”)

108. The Defendant Class is so numerous that joinder of all members is impracticable.

109. A specific identification of each of the 544 dealers who participated in the subject scheme is within the Defendant Manufacturer’s sole custody and control, and available with keystrokes.

110. There are questions of law and fact common to the Defendant Class that predominate over any questions affecting only individual Defendant Class members including, but not limited to:

- a. was relevant, material information about the defect withheld at the time of sale;
- b. is relevant, material information about the defect continuing to be withheld when an owner presents with a vehicle subject of the TSB; and
- c. the appropriate class-wide measure of damages

111. Defendant KM is typical of the other dealers in the Defendant Class, in that its actions all arise from the same operative facts and Plaintiff’s claims are based on the same legal theories as the claims asserted on behalf of class members against the relevant Dealer.

112. A class action is a superior method for the fair and efficient adjudication of this controversy. Management of the action as a class action is likely to present significantly fewer difficulties than those presented by any assertion of many individual claims or defenses.

113. The identities of Defendant Class members can easily be obtained from Defendants' computerized and electronic records.

114. Defendants and their employees or agents are excluded from the Plaintiff class.

FIRST CAUSE OF ACTION
(Civil Conspiracy)

115. Plaintiff incorporates and alleges all paragraphs and averments as though the same are fully set forth within this cause of action.

116. Defendants, including every member of the Defendant Class, are bound at the hip to act in concert pursuant to the Service and Sales Agreement ("SSA").

117. Defendants, jointly and systematically, through common and uniform practice, have actively misled consumers prior to sale and thereafter.

118. Defendants combined or agreed with intent to do an unlawful act, or to do an otherwise lawful act by unlawful means in the manner described above.

119. As a direct and proximate result of Defendants' joint and concerted action, combination and conspiracy as alleged herein, Plaintiff and the Class have suffered damages, and Defendants are jointly and severally liable for those damages.

SECOND CAUSE OF ACTION
(Declaratory Relief/Judgment)

120. Plaintiff incorporates and alleges all paragraphs and averments as though the same are fully set forth within this cause of action.

121. Plaintiff hereby demands, pursuant to 28 U.S.C. §§ 2201 and 2201 as implemented by Rule 57 of the Federal Rules of Civil Procedure, Declaratory Judgment that Defendants actions and conduct violate federal statutes.

THIRD CAUSE OF ACTION
Violation of CAA Failure to Timely File EDIRs

122. Plaintiff incorporates and realleges all paragraphs and averments as though the same are fully set forth within this cause of action.

123. Section 208 of the Clean Air Act, 42 U.S.C. § 7542, requires all manufacturers of new motor vehicles to make reports and provide information reasonably required by EPA in connection with Subchapter II, Part A of the Act, which deals with motor vehicle emissions.

124. Section 203(a)(2) of the Act, 42 U.S.C. § 7522(a)(2), prohibits any person from failing to submit a report required under Section 208 of the Act.

125. The EDIRs required to be filed by 40 C.F.R. part 85, subpart T, are reports that are required to be submitted pursuant to Section 208 of the Act.

126. Defendants failed to timely file EDIRs in violation of Section 203(a)(2) of the Act.

127. Pursuant to Section 205(a) of the Act, 42 U.S.C. § 7524(a), Defendants are liable for civil penalties for each separate violation of Section 203(a)(2) of the Act and for each and every day such separate violation continued.

128. Pursuant to Section 204 a) of the Act, 42 U.S.C. § 7523, the Plaintiff is entitled to injunctive relief to prevent future violations of EDTR regulations, and to mitigate past violations.

129. Pursuant to Section 7604 (b) of the Act, 42 U.S.C. § 7604, Plaintiff has provided the required Notice of the violation. See Exhibit 1 hereto.

FOURTH CAUSE OF ACTION
Failure to File VERRS

130. Plaintiff incorporates and re-alleges all paragraphs are realleges all paragraphs and averments as though the same are full set forth within this cause of action.

131. The VERR reports required to be filed by 40 C.F.R. part 85, subpart T, are reports that are required to be submitted pursuant to Section 208 of the Act.

132. Defendants failed to timely file VERRs, in violation of Section 203 a)(2) of the Act.

133. Pursuant to Section 205(a) of the Act, 42 U.S.C. § 7524(a), Defendants are liable for civil penalties for each separate violation of Section 203(a)(2) of the Act and for each and every day such separate violation continued.

134. Pursuant to Section 204(a) of the Act, 42 U.S.C. § 7523, Plaintiff is entitled to injunctive relief to prevent future violations of VERR regulations, and to mitigate past violations.

135. Pursuant to Section 7604 (b) of the Act, 42 U.S.C. § 7604, Plaintiff has provided the required Notice of the violation. See Exhibit 1 hereto.

FIFTH CAUSE OF ACTION

Breach of Implied and Express Warranties Pursuant to the Magnuson-Moss Warranty Act **(15 U.S.C. §2301, et seq.)**

136. Plaintiff incorporates and re-alleges all paragraphs are realleges all paragraphs and averments as though the same are full set forth within this cause of action.

137. Mazda, as required by law, warrants both defect and performance of their emission systems:

4. Emission Defect Warranty

Mazda warrants to the ultimate purchaser and each subsequent purchaser that this Mazda Vehicle is designed, built, and certified so as to conform at the time of sale with applicable regulations under Section 202 of the Federal Clean Air Act. This Warranty does not mean that each Mazda vehicle is defect free. For this reason, Mazda provides this Warranty in order to remedy during the warranty period any such defects in materials and workmanship which would cause it to fail to conform with the applicable regulations during the warranty periods mentioned herein after. The vehicle must be brought to an authorized Mazda dealer for all warranty service. The applicable regulations require that the warranty period is for the first 24

months* or 24,000 miles, whichever comes first. However, Mazda will provide you a coverage of 36 months* or 36,000 miles, whichever comes first, under the terms of the New Vehicle Limited Warranty. The applicable regulations also require that the warranty period for specific major Emission Warranty Parts listed in Section 7 is for the first 96 months* or 80,000 miles, whichever comes first.

5. Emission Performance Warranty

Pursuant to Section 207 (b) of the U.S. Clean Air Act, Mazda, in relevant part, warrants to each Owner that if:

- (a) The Mazda Vehicle is maintained and operated in compliance with the Written Maintenance Instructions; and
- (b) The Mazda Vehicle fails to conform at any time during the term of this warranty to the applicable emission standards as judged by an emission test approved by the EPA; and ...
- (d) If such nonconformity results from the failure of an Emission Warranty Part.

Mazda *shall* remedy the nonconformity at no cost to the Owner.

138. Plaintiff and members of the Classes are each a “consumer” as defined in 15 U.S.C. § 2301(3).

139. Defendant Mazda is a “supplier” and “warrantor” as defined in 15 U.S.C. § 2301(4) and (5).

140. Defendant KM – and the other 544 similarly situated dealerships - are Defendant Mazda’s sales and service agents, operating pursuant to the terms and conditions set within Mazda’s SSA.

141. The Class Vehicles are each a “consumer product” as defined in 15 U.S.C. § 2301(6).

142. 15 U.S.C. § 2310(d)(1) provides a cause of action for any consumer who is damaged by the failure of a warrantor to comply with the written and implied warranties.

143. 15 U.S.C. § 2304(a)(1) requires Defendant, as a warrantor, to remedy any defect, malfunction or nonconformance of the Class Vehicles within a reasonable time and without charge to the Plaintiff and Class members.

144. Defendants' sale of the defective Class Vehicles and its failure and/or refusal to repair the Class Vehicles' Valve Stem Seal Defect within the applicable warranty period constitute a breach of the written and implied warranties applicable to the Class Vehicles.

145. Defendants have failed to remedy the Class Vehicles' defects within a reasonable time, and/or a reasonable number of attempts, thereby breaching the written and implied warranties applicable to the Class Vehicles.

146. As a result of Defendants' breaches of the written and implied warranties, and Defendants' failure to remedy the same within a reasonable time, Plaintiff and class members have suffered damages.

JURY DEMAND

147. All prior paragraphs and averments are incorporated herein as though set forth in complete detail.

148. Plaintiff hereby demands a jury trial as to all issues herein.

DEMAND FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and all others similarly situated, prays for judgment against Defendants as follows:

- a. An order certifying the proposed plaintiff and Defendant Dealer Classes, designating Plaintiff as named representative of the Plaintiff Class, and designating the undersigned as Class Counsel;
- b. An order awarding Plaintiff and class members their actual damages, incidental and consequential damages, punitive damages, and/or other form of monetary relief provided by law;
- c. An order awarding Plaintiff and the class members restitution, disgorgement, or other equitable relief as the Court deems proper;
- d. Equitable relief including, but not limited to, replacement of the Class Vehicles with new vehicles, or repair of the defective Class Vehicles with an extension of the express warranties and service contracts which are or were applicable to the Class Vehicles;

- e. A declaration requiring Defendant Mazda to comply with the various provisions of the federal statutes herein alleged and to make all the required disclosures to the EPA;
- f. Reasonable attorneys' fees and costs;
- g. Pre-judgment and post-judgment interest, as provided by law;
- h. Plaintiff demands that Defendant Mazda perform a recall or repair or repurchase of all Class Vehicles;
- i. Civil penalties, pursuant to Section 205(a) of the Act, 42 U.S.C. § 7524(a), and the Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321, codified as amended at 40 C.F.R. Part 19, against Defendants for each violation of Section 203(a)(2)(A) of the Act of \$30,000 up to \$60,000 per day per violation occurring between the beginning of production of these vehicles up to and including those produced on or before September 13, 2021; and
- j. Such other and further relief as this Court deems just and proper.

Respectfully Submitted April 7, 2023.

The DiGuiseppe Law Firm, P.C.

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Exhibit H

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Annual Securities Report

The 158th Fiscal Year

(From April 1, 2023 to March 31, 2024)

Mazda Motor Corporation

E02163

that the debtor’s ability to pay their debt declines in the future due to such factors as a deterioration in the debtor’s financial condition.

b. Provision related to environmental regulations

Provision related to environmental regulations provides for the estimated costs of complying with environmental regulations as of March 31, 2024 in consideration of environmental regulations in each country. However, additional provisions may be required in the event that the environmental regulations in each country are further tightened in the future.

c. Employees’ retirement benefits

Employees’ retirement benefit expenses and obligations are calculated based on actuarial assumptions. Any changes in those assumptions or a decline in the plan assets due to a deterioration in market conditions or other factors may affect the expenses and obligations to be recognized in future periods.

d. Impairment of non-current assets

When applying impairment accounting for non-current assets, the Group in principle groups its assets by operating company, and groups idle assets, assets held for leasing, and assets held for sale by individual property, estimating the future cash flows for each group. If the carrying amount is determined to be unrecoverable due to a deterioration in business conditions or other factors, the Group may be required to record an impairment loss against the carrying amount of the asset.

e. Deferred tax assets

Deferred tax assets are recorded for deductible temporary differences by assessing the recoverability based on the projections of future taxable income. However, the amount of deferred tax assets could be reduced by, for example, the recording of valuation allowances against deferred tax assets in the event that they are determined to be unrecoverable due to a deterioration in business conditions or in the event of tax reforms that include changes in tax rates, and the Group may incur tax expenses.

f. Reserve for warranty expenses

Reserve for warranty expenses is provided in “V. Financial Information, 1. Consolidated Financial Statements, (1) Notes to the Consolidated Financial Statements, Significant Accounting Estimates, Reserve for Warranty Expenses.”

(iv) Objective indicators and other factors to assess the achievement of management policy, management strategy and management targets

The Group announced the Medium-term Management Plan Update and Management Policy up to 2030 in November 2022. Management indicators in this Management Plan are described in “II. Business Overview, 1. Management Policy, Management Environment, and Issues to Be Addressed.”

5. Important Business Contracts

Contracting party	Counterparty	Country	Contract details	Contract date
Mazda Motor Corporation (the Company)	Toyota Motor Corporation	Japan	Memorandum of understanding on the business and capital alliance	August 4, 2017
Mazda Motor Corporation (the Company)	Toyota Motor Corporation	Japan	Joint venture agreement on joint vehicle production in the U.S.	November 28, 2017

6. Research and Development Activities

Based on the management policy for 2030, the Group will flexibly enable electrification by dividing the period up to 2030 into three phases. In the first phase up to 2024, the Group optimizes both new technologies and existing assets and leverages multi-electrification technologies that allow each vehicle to choose from a list of powertrains best suited to its region. This helps meet more various customer needs specific to each market, with less environmental burdens.

As electrification is progressing rapidly and globally, the Electrification Business Division (called “e-Mazda”) is set up as a new team detached from traditional organizational structure. This division comprehensively promotes the electrification business and related product development, which present complex challenges in areas such as new technologies, new values, and new businesses. The Group concentrates various electrification resources to accelerate its efforts on a full scale.

The Group continues to make solid progress towards the goal of achieving carbon neutrality across its entire supply chain by 2050,

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19 *Attorneys for Plaintiffs*

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

22 Gary Guthrie, Stephanie Crain, Chad
23 Hinton, Julio Zelaya, Anna Gilinets,
24 Marcy Knysz, Lester Woo, and Amy
25 Bradshaw, *on behalf of themselves and all
26 others similarly situated,*

27 Plaintiffs,

28 vs.

Mazda Motor of America, Inc.,
Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF STEPHEN
TAYLOR IN SUPPORT OF
MOTION FOR FINAL
APPROVAL**

1 I, Stephen Taylor, under penalty of perjury under the laws of the United States
2 of America, affirm and state as follows:

3 1. I am a partner at Lemberg Law, LLC, of Wilton, Connecticut, and
4 counsel to Plaintiffs in this action. I have personal knowledge as to all matters set
5 forth in this Declaration and could testify to the same if called to do so.

6 2. In addition to being licensed to practice law in the states of Connecticut
7 and New York, I am admitted to the following Federal District Courts: the Southern,
8 Eastern, Western and Northern Districts of New York; the Southern, Eastern, and
9 Northern Districts of Texas; the District of Colorado; the Central and Northern
10 Districts of Illinois; the Eastern District of Michigan and the District of Connecticut.
11 I am a member in good standing in both Connecticut and New York and appear in this
12 matter *pro hac vice*.

13 3. I am a 2007 graduate of Tulane University School of Law and a 2003
14 graduate from Boston College. I am a former judicial clerk and worked for the
15 Connecticut firm the Law Office of Norman Pattis before joining Lemberg Law in
16 2009.

17 4. I have extensive experience in consumer rights litigation including
18 matters brought under the Telephone Consumer Protection Act (“TCPA”), the Fair
19 Debt Collection Practices Act (“FDCPA”) the Magnuson Moss Federal Act, the Truth
20 in Lending Act, and a variety of state consumer protection statutes.

21 5. I have extensive experience in class action litigation and have been
22 certified as class counsel in numerous cases. *See, e.g., Sager, et al. v. Volkswagen*
23 *Group of America, Inc., and Audi of America, Inc.*, 18-cv-13556 (D.N.J) (settlement
24 class counsel representing nation-wide class of approximately 340,000 members
25 alleging breach of various warranties and state consumer law owing to allegedly
26 defective after-run electric coolant pumps); *Seekamp v. It’s Huge, Inc.*, 2012 WL
27 860364 (N.D.N.Y. Mar. 13, 2012) (certifying auto fraud class action); *Johnson v.*
28

1 *Comodo Grp., Inc.*, 2020 WL 525898, at *1 (D.N.J. Jan. 31, 2020) (TCPA contested
2 class action); *Nyby v. Convergent Outsourcing, Inc.*, 2017 WL 3315264, at *5 (D.N.J.
3 Aug. 3, 2017) (final approval of class action settlement agreement in FDCPA matter);
4 *Lavigne v. First Community Bancshares, Inc., et al.*, 2018 WL 2694457, at *5
5 (D.N.M. June 5, 2018) (certifying TCPA class action and appointing undersigned as
6 class counsel); *Munday v. Navy Federal Credit Union*, ECF No. 60, 15-cv-01629
7 (C.D. Cal., July 14, 2017) (final approval of class settlement of \$2.75MM in TCPA
8 action); *Brown v. Rita's Water Ice Franchise Co. LLC*, No. CV 15-3509, 2017 WL
9 1021025, at *1 (E.D. Pa. Mar. 16, 2017) (final approval of class settlement of \$3MM
10 common fund in TCPA action); *Vinas v. Credit Bureau of Napa County Inc.*, Dkt. No.
11 112, 14-cv-3270 (D. Md. February 22, 2017) (order granting final approval of
12 FDCPA class action settlement); *Duchene v. Westlake Servs., LLC*, No. 2:13-CV-
13 01577-MRH, 2016 WL 6916734 (W.D. Pa. July 14, 2016) (final approval of class
14 settlement of \$10MM in TCPA action); *Oberther v. Midland Credit Management*,
15 Doc. No. 90, 14-cv-30014 (D. Ma. July 13, 2016) (order granting final approval of
16 FDCPA class action settlement); *Butto v. Collecto, Inc.*, 290 F.R.D. 372 (E.D.N.Y.
17 2013) (certifying FDCPA class action); *Zimmerman v. Portfolio Recovery Assoc.,*
18 *LLC*, 276 F.R.D. 174 (S.D.N.Y. 2011) (certifying FDCPA class action).

19 6. I believe the Settlement is fair, reasonable, and adequate and should be
20 granted final approval. This is based on my extensive familiarity with the case. We
21 have aggressively pursued this case and discovered all facets necessary to make a
22 well-informed decision on the merits of this settlement. Given my knowledge of the
23 case, its strengths and weaknesses, and my assessment of the risk to any recovery
24 were the matter to proceed to summary judgment or trial, I find the settlement to be a
25 fair and reasonable resolution of disputed claims.
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7. My recommendation is also grounded in my experience in class action litigation which informs my judgment that the terms of the settlement are fair and reasonable.

8. Based on the foregoing, I respectfully request the Court grant final approval of the class settlement agreement.

I declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge.

Dated: July 22, 2024

By: /s/ Stephen Taylor
Stephen Taylor

1 TRINETTE G. KENT (State Bar No. 222020)
2 Lemberg Law, LLC
3 1100 West Town & Country Rd.
4 Suite 1250
5 Orange, California 92868
6 Telephone: (480) 247-9644
7 Facsimile: (480) 717-4781
8 E-mail: tkent@leberglaw.com

9 Sergei Lemberg (admitted *pro hac vice*)
10 Stephen Taylor (admitted *pro hac vice*)
11 Joshua Markovits (admitted *pro hac vice*)
12 Lemberg Law, LLC
13 43 Danbury Road
14 Wilton, CT 06897
15 Telephone: (203) 653-2250
16 Facsimile: (203) 653-2250
17 E-mail: slemberg@leberglaw.com
18 E-mail: jmarkovits@leberglaw.com
19 *Attorneys for Plaintiffs*

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

22 Gary Guthrie, Stephanie Crain, Chad
23 Hinton, Julio Zelaya, Anna Gilinets,
24 Marcy Knysz, Lester Woo, and Amy
25 Bradshaw, *on behalf of themselves and all
26 others similarly situated,*

27 Plaintiffs,

28 vs.

Mazda Motor of America, Inc.,
Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF JOSHUA
MARKOVITS IN SUPPORT OF
MOTION FOR FINAL
APPROVAL**

1 I, Joshua Markovits, under penalty of perjury under the laws of the United States
2 of America, affirm and state as follows:

3 1. I am an associate attorney at Lemberg Law, LLC and counsel to Plaintiffs
4 in this action. I have personal knowledge as to all matters set forth in this Declaration
5 and could testify to the same if called to do so.

6 2. I am a 2010 graduate of Brandeis University and a 2015 graduate of the
7 Benjamin N. Cardozo School of Law.

8 3. I am a member in good standing to practice law in the state of New York
9 and before the United States District Courts for the Southern, Eastern and Western
10 Districts of New York; the Northern District of Illinois; and the District of Colorado.

11 4. I am admitted to appear in this matter pro hac vice.

12 5. During law school, I served as a legal intern in the chambers of both a
13 federal court and a New York Supreme Court judge. I also served as a legal intern in
14 the U.S. Commodity Futures Trading Commission's Division of Enforcement.

15 6. Since graduating from law school, I have exclusively worked on class
16 action and individual consumer protection lawsuits asserting claims under a variety of
17 state consumer protection laws, the Magnuson Moss Warranty Act, the Telephone
18 Consumer Protection Act ("TCPA") and the Fair Debt Collection Practices Act
19 ("FDCPA").

20 7. I have been certified as class counsel in automotive and other consumer
21 protection class actions in state and federal court. *See, e.g., Riley v. Gen. Motors LLC*,
22 2024 WL 1256056, at *1 (S.D. Ohio Mar. 25, 2024) (contested certification of class of
23 Ohio vehicle purchasers and lessees asserting breach of warranty claims regarding
24 alleged common defect with shifter assemblies; *Jefferson v. Gen. Motors, LLC*, 344
25 F.R.D. 175 (W.D. Tenn. 2023), *modified on reconsideration*, 2023 WL 5662596 (W.D.
26 Tenn. Aug. 31, 2023) (contested certification of class of Tennessee vehicle purchasers
27 and lessees asserting breach of warranty claims regarding alleged common defect with
28 shifter assemblies); *Pollard v. Windham Professionals, Inc.*, Case No: 1978CV00033

1 (Mass Super. Oct. 28, 2021) (final approval of class settlement for alleged violations of
2 Chapter 93A and 940 C.M.R. § 7.04(1)(f)); *Virgne v. C.R. England, Inc.*, Case No.
3 1:19-cv-02011-SEB-MDJ (S.D. Ind. Jan. 13, 2021) (ECF No. 124) (final approval of
4 class settlement in TCPA action).

5 8. I believe the Settlement is fair, reasonable, and adequate and should be
6 granted final approval. We have aggressively pursued this case and discovered all
7 facets necessary to make a well-informed decision on the merits of this settlement.
8 Given my knowledge of the case, its strengths and weaknesses, and my assessment of
9 the risk to any recovery were the matter to proceed to summary judgment or trial, I find
10 the settlement to be a fair and reasonable resolution of disputed claims.

11 9. My recommendation is also grounded in my experience in class action
12 litigation which informs my judgment that the terms of the settlement are fair and
13 reasonable.

14 10. Based on the foregoing, I respectfully request the Court grant final
15 approval of the class settlement agreement.

16

17 I declare under penalty of perjury that the foregoing is true and accurate to the
18 best of my knowledge.

19

20 Dated: July 22, 2024

By: /s/ Joshua Markovits
Joshua Markovits

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

DECLARATION OF AMY BRADSHAW IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

1 I, Amy Bradshaw, under penalty of perjury under the laws of the United States
2 of America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Greenville, North Carolina.

6 3. In June 2021 I leased a new 2021 Mazda CX-30 vehicle from Bob King
7 Mazda in Winston-Salem, North Carolina. The car came with Mazda's New-Vehicle
8 Limited Warranty and I expected the vehicle to operate in a normal manner and that
9 Mazda would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect.

11 5. Soon after I purchased my vehicle, I brought it to Mazda dealerships as
12 the car's engine oil light would go off before I was supposed to need an oil change.
13 Though I brought the vehicle in for a repair, no repairs were ever performed beyond
14 adding additional engine oil. I had to purchase additional engine oil myself to add to
15 my car in between oil changes.

16 6. Adding engine oil did not fix the problem and my low engine oil light
17 continued to illuminate before regular oil changes.

18 7. Because I was frustrated with this issue, on May 13, 2023, I traded in my
19 CX-30 before the lease term ended.

20 8. Because I had suffered this problem and because I had to pay for oil
21 changes, I sought out legal help. Before my attorneys filed the lawsuit against Mazda
22 on my behalf, I provided information to them regarding my experience with the CX-30
23 and my attempts to obtain repairs for the oil consumption.

24 9. We filed suit for Mazda's breach of its warranties, its failure to repair the
25 Valve Stem Defect and for leasing me the vehicle without disclosing the defect. I
26 agreed to serve as a class representative and to join the case in that capacity.

27 10. My attorneys have informed me of the responsibilities of a class
28 representative. I understand these responsibilities and I am, and have been, willing and

1 prepared to put the interests of the class members before my own, seeking a settlement
2 or result that is fair to the class members as a whole. To my knowledge, I have no
3 interest that is not in line with the class members.

4 11. After the lawsuit was filed, I remained in regular contact with my attorneys
5 by email and telephone to discuss the status of the lawsuit and my car, provide them
6 additional information and answer their questions.

7 12. I am aware of and have reviewed the terms of the proposed class action
8 settlement and have discussed those terms with my counsel. I informed them that I
9 approve of the terms and I believe it is a fair settlement.

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I declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge.

Dated: July 18, 2024

By: Amy S Bradshaw
Amy Bradshaw

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF STEPHANIE
CRAIN IN SUPPORT OF
MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT**

1 I, Stephanie Crain, under penalty of perjury under the laws of the United States
2 of America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Milwaukee, Wisconsin.

6 3. On March 5, 2021, I bought a new 2021 Mazda CX-30 vehicle from Sandy
7 Sansing Mazda in Pensacola, Florida. The car came with Mazda's New-Vehicle
8 Limited Warranty and I expected the vehicle to operate in a normal manner and that
9 Mazda would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect. I brought my vehicle to
11 Mazda authorized dealerships on March 5, 2021, June 30, 2021, May 23, 2022, when I
12 noticed that my car's low engine oil light displayed on my vehicle before I was due for
13 another oil change. Though I brought my vehicle in for a repair, no repairs were
14 performed beyond adding additional engine oil.

15 5. Adding engine oil did not fix the problem and my low engine oil light
16 continued to illuminate before regular oil changes. As a result I contacted my attorneys
17 for help.

18 6. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
19 my attorneys several documents including copies of my purchase agreement, repair
20 orders documenting my visits to Mazda dealerships where I complained about my car's
21 oil consumption and instances where I obtained oil changes.

22 7. We filed suit for Mazda's breach of its warranties, its failure to repair the
23 Valve Stem Defect and for selling me the vehicle without disclosing the defect. I agreed
24 to serve as a class representative and to join the case in that capacity.

25 8. My attorneys have informed me of the responsibilities of a class
26 representative. I understand these responsibilities and I am, and have been, willing and
27 prepared to put the interests of the class members before my own, seeking a settlement
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1 or result that is fair to the class members as a whole. To my knowledge, I have no
2 interest that is not in line with the class members.

3 9. After the lawsuit was filed, I remained in regular contact with my attorneys
4 by email and telephone to discuss the status of the lawsuit and my car, provide them
5 additional information and answer their questions.

6 10. I am aware of and have reviewed the terms of the proposed class action
7 settlement and have discussed those terms with my counsel. I informed them that I
8 approve of the terms and I believe it is a fair settlement.

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10 I declare under penalty of perjury that the foregoing is true and accurate to the
11 best of my knowledge.

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13 Dated: 07/18/2024, 2024

By:  _____

14 Stephanie Crain
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF ANNA
GILINETS IN SUPPORT OF MOTION
FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

1 I, Anna Gilinets, under penalty of perjury under the laws of the United States of
2 America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Claremont, California.

6 3. On August 29, 2021, I leased a new 2021 Mazda CX9 vehicle from
7 CardinaleWay Mazda Corona in Corona, California. The car came with Mazda's New-
8 Vehicle Limited Warranty and I expected the vehicle to operate in a normal safe manner
9 and that Mazda would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect. On August 23, 2022, I
11 brought my car to an authorized Mazda Dealership, explained that my car's engine oil
12 was low before I was due for my first oil change. No repair was made beyond adding
13 engine oil.

14 5. Adding engine oil did not fix the problem and my low engine oil light
15 continued to illuminate before regular oil changes. As a result I contacted my attorneys
16 for help.

17 6. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
18 my attorneys several documents including copies of my lease agreement and repair
19 orders showing my visits to Mazda of Claremont where I complained about my car's
20 oil consumption and instances where I obtained oil changes.

21 7. We filed suit for Mazda's breach of its warranties, its failure to repair the
22 Valve Stem Defect and for leasing me the vehicle without disclosing the defect. I
23 agreed to serve as a class representative and to join the case in that capacity.

24 8. My attorneys have informed me of the responsibilities of a class
25 representative. I understand these responsibilities and I am, and have been, willing and
26 prepared to put the interests of the class members before my own, seeking a settlement
27 or result that is fair to the class members as a whole. To my knowledge, I have no
28 interest that is not in line with the class members.

1 9. After the lawsuit was filed, I remained in regular contact with my attorneys
2 by email and telephone to discuss the status of the lawsuit and my car, provide them
3 additional information and answer their questions.

4 10. I am aware of and have reviewed the terms of the proposed class action
5 settlement and have discussed those terms with my counsel. I informed them that I
6 approve of the terms and I believe it is a fair settlement.

7 I declare under penalty of perjury that the foregoing is true and accurate to the
8 best of my knowledge.

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10 Dated: 07/17, 2024

By: Anna Gilinets

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Anna Gilinets

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

DECLARATION OF GARY GUTHRIE IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

1 I, Gary Guthrie, under penalty of perjury under the laws of the United States of
2 America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Spokane, Washington.

6 3. On June 7, 2021, I bought a new 2021 Mazda CX-30 vehicle from Foothill
7 Autogroup in Spokane, Washington. The car came with Mazda's New-Vehicle Limited
8 Warranty and I expected the vehicle to operate in a normal safe manner and that Mazda
9 would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect. On March 18, 2022, I
11 brought my car to Foothill after I noticed that my vehicle's low engine oil light
12 displayed on my vehicle before I was due for another oil change. Though I brought my
13 vehicle in for a repair, no repairs were performed.

14 5. Adding engine oil did not fix the problem and my low engine oil light
15 continued to illuminate before regular oil changes. As a result I contacted my attorneys
16 for help.

17 6. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
18 my attorneys several documents including copies of my purchase agreement, repair
19 orders showing my March 18, 2022, complaint to Foothill, a receipt from Jiffy Lube
20 showing that I purchased additional engine oil, and pictures of my low engine oil light
21 displayed on my dashboard.

22 7. We filed suit for Mazda's breach of its warranties, its failure to repair the
23 Valve Stem Defect and for selling me the vehicle without disclosing the defect. I agreed
24 to serve as a class representative.

25 8. My attorneys have informed me of the responsibilities of a class
26 representative. I understand these responsibilities and I am, and have been, willing and
27 prepared to put the interests of the class members before my own, seeking a settlement
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1 or result that is fair to the class members as a whole. To my knowledge, I have no
2 interest that is not in line with the class members.

3 9. After the lawsuit was filed, I remained in regular contact with my attorneys
4 by email and telephone to discuss the status of the lawsuit and my car, provide them
5 additional information and answer their questions.

6 10. I am aware of and have reviewed the terms of the proposed class action
7 settlement and have discussed those terms with my counsel. I informed them that I
8 approve of the terms and I believe it is a fair settlement.


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11 I declare under penalty of perjury that the foregoing is true and accurate to the
12 best of my knowledge.

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14 Dated: 7/16, 2024

By:  _____

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Gary Guthrie

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF CHAD HINTON
IN SUPPORT OF MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

1 I, Chad Hinton, under penalty of perjury under the laws of the United States of
2 America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Gallatin, Tennessee.

6 3. On October 23, 2021, I bought a new 2021 Mazda CX-30 vehicle from
7 Wyatt-Johnson Mazda in Clarksville, Tennessee. The car came with Mazda's New-
8 Vehicle Limited Warranty and I expected the vehicle to operate in a normal safe manner
9 and that Mazda would repair defects.

10 4. On June 16, 2022, I brought my car to Wyatt-Johnson Mazda, after I
11 noticed that my vehicle's low engine oil light displayed on my vehicle before I was due
12 for another oil change. Though I brought my vehicle in for a repair, no repairs were
13 performed.

14 5. Adding engine oil did not fix the problem and my low engine oil light
15 continued to illuminate before regular oil changes. As a result I contacted my attorneys
16 for help.

17 6. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
18 my attorneys several documents including copies of my purchase agreement, the
19 window sticker affixed to my car when I bought it, repair orders showing my visit to
20 Wyatt-Johnson where I complained about my car's engine oil consumption, and
21 pictures of my vehicle and the dipstick after I checked my car's engine oil level.

22 7. We filed suit for Mazda's breach of its warranties, its failure to repair the
23 Valve Stem Defect and for selling me the vehicle without disclosing the defect. I agreed
24 to serve as a class representative and to join the case in that capacity.

25 8. My attorneys have informed me of the responsibilities of a class
26 representative. I understand these responsibilities and I am, and have been, willing and
27 prepared to put the interests of the class members before my own, seeking a settlement
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1 or result that is fair to the class members as a whole. To my knowledge, I have no
2 interest that is not in line with the class members.

3 9. After the lawsuit was filed, I remained in regular contact with my attorneys
4 by email and telephone to discuss the status of the lawsuit and my car, provide them
5 additional information and answer their questions.

6 10. I am aware of and have reviewed the terms of the proposed class action
7 settlement and have discussed those terms with my counsel. I informed them that I
8 approve of the terms and I believe it is a fair settlement.

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10 I declare under penalty of perjury that the foregoing is true and accurate to the
11 best of my knowledge.

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13 Dated: 7/17, 2024

Chad Hinton
By: _____

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Chad Hinton

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF MARCY KNYSZ
IN SUPPORT OF MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

1 I, Marcy Knysz, under penalty of perjury under the laws of the United States of
2 America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Buffalo Grove, Illinois.

6 3. On January 23, 2021, I leased a new 2021 Mazda CX9 vehicle from
7 Napleton's Palatine Mazda in Palatine, Illinois. The car came with Mazda's New-
8 Vehicle Limited Warranty and I expected the vehicle to operate in a normal safe manner
9 and that Mazda would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect. On June 12, 2021,
11 December 13, 2021, May 17, 2022 and September 1, 2022, I brought my car to
12 Napleton's Palatine Mazda after I noticed that my car's engine oil was low before I
13 needed another oil change. Though I brought my vehicle in for a repair, no repairs were
14 performed beyond adding additional engine oil.

15 5. Adding engine oil did not fix the problem and my low engine oil light
16 continued to illuminate before regular oil changes. As a result I contacted my attorneys
17 for help.

18 6. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
19 my attorneys several documents including copies of my lease agreement and repair
20 orders showing my visits to Napleton's Palatine Mazda where I complained about my
21 car's oil consumption and instanced where I obtained oil changes.

22 7. We filed suit for Mazda's breach of its warranties, its failure to repair the
23 Valve Stem Defect and for leasing me the vehicle without disclosing the defect. I
24 agreed to serve as a class representative and to join the case in that capacity.

25 8. My attorneys have informed me of the responsibilities of a class
26 representative. I understand these responsibilities and I am, and have been, willing and
27 prepared to put the interests of the class members before my own, seeking a settlement
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1 or result that is fair to the class members as a whole. To my knowledge, I have no
2 interest that is not in line with the class members.

3 9. After the lawsuit was filed, I remained in regular contact with my attorneys
4 by email and telephone to discuss the status of the lawsuit and my car, provide them
5 additional information and answer their questions.

6 10. I am aware of and have reviewed the terms of the proposed class action
7 settlement and have discussed those terms with my counsel. I informed them that I
8 approve of the terms and I believe it is a fair settlement.

9

10 I declare under penalty of perjury that the foregoing is true and accurate to the
11 best of my knowledge.

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13 Dated: July 16, 2024

By: 

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Marcy Knysz

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF LESTER WOO
IN SUPPORT OF MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

1 I, Lester Woo, under penalty of perjury under the laws of the United States of
2 America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Woodinville, Washington.

6 3. On July 17, 2021, I bought a new 2021 Mazda CX-30 vehicle from Lee
7 Johnson Mazda of Seattle in Seattle, Washington. The car came with Mazda's New-
8 Vehicle Limited Warranty and I expected the vehicle to operate in a normal safe manner
9 and that Mazda would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect.

11 5. On January 8, 2022 and April 19, 2022, I brought my car to Doug's
12 Lynwood Mazda/Hyundai after I noticed that my vehicle's low engine oil light
13 displayed on my vehicle before I was due for an oil change. Though I brought my
14 vehicle in for a repair, no repairs were performed beyond adding additional engine oil.

15 6. Adding engine oil did not fix the problem and my low engine oil light
16 continued to illuminate before regular oil changes. As a result I contacted my attorneys
17 for help.

18 7. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
19 my attorneys several documents including copies of my purchase agreement and repair
20 orders documenting my visits to Mazda dealerships where I complained about my car's
21 oil consumption and instances where I obtained oil changes.

22 8. We filed suit for Mazda's breach of its warranties, its failure to repair the
23 Valve Stem Defect and for selling me the vehicle without disclosing the defect. I agreed
24 to serve as a class representative and to join the case in that capacity.

25 9. My attorneys have informed me of the responsibilities of a class
26 representative. I understand these responsibilities and I am, and have been, willing and
27 prepared to put the interests of the class members before my own, seeking a settlement
28

1 or result that is fair to the class members as a whole. To my knowledge, I have no
2 interest that is not in line with the class members.

3 10. After the lawsuit was filed, I remained in regular contact with my attorneys
4 by email and telephone to discuss the status of the lawsuit and my car, provide them
5 additional information and answer their questions.

6 11. I am aware of and have reviewed the terms of the proposed class action
7 settlement and have discussed those terms with my counsel. I informed them that I
8 approve of the terms and I believe it is a fair settlement.

9

10 I declare under penalty of perjury that the foregoing is true and accurate to the
11 best of my knowledge.

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13 Dated: 7/22/24, 2024

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By:  _____

Lester Woo

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

Case No.: 8:22-cv-01055-DOC-DFM

**DECLARATION OF JULIO ZELAYA
IN SUPPORT OF MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

1 I, Julio Zelaya, under penalty of perjury under the laws of the United States of
2 America, affirm and state as follows:

3 1. I am one of the Plaintiffs in this action. I have personal knowledge as to
4 all matters set forth in this Declaration and could testify to the same if called to do so.

5 2. I reside in Doral, Florida.

6 3. On December 10, 2021, I bought a new 2021 Mazda CX-30 vehicle from
7 Ocean Mazda in Miami, Florida. The car came with Mazda's New-Vehicle Limited
8 Warranty and I expected the vehicle to operate in a normal safe manner and that Mazda
9 would repair defects.

10 4. My vehicle suffers from the Valve Stem Defect. In March 2022 and
11 August 2022 I brought my car to Ocean Mazda, an authorized Mazda dealership, when
12 I noticed the my car's engine oil was low before I needed an oil change. Though I
13 brought my vehicle in for a repair, no repairs were performed. As a result I contacted
14 my attorneys for help.

15 5. Before my attorneys filed the lawsuit against Mazda on my behalf, I gave
16 my attorneys several documents including copies of my purchase agreement, repair
17 orders showing my visits to Ocean Mazda, and pictures of my vehicle's low engine oil
18 level light.

19 6. We filed suit for Mazda's breach of its warranties, its failure to repair the
20 Valve Stem Defect and for selling me the vehicle without disclosing the defect. I agreed
21 to serve as a class representative and to join the case in that capacity.

22 7. My attorneys have informed me of the responsibilities of a class
23 representative. I understand these responsibilities and I am, and have been, willing and
24 prepared to put the interests of the class members before my own, seeking a settlement
25 or result that is fair to the class members as a whole. To my knowledge, I have no
26 interest that is not in line with the class members.

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1 8. After the lawsuit was filed, I remained in regular contact with my attorneys
2 by email and telephone to discuss the status of the lawsuit and my car, provide them
3 additional information and answer their questions.

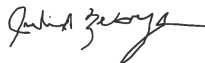
4 9. I am aware of and have reviewed the terms of the proposed class action
5 settlement and have discussed those terms with my counsel. I informed them that I
6 approve of the terms and I believe it is a fair settlement.

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8 I declare under penalty of perjury that the foregoing is true and accurate to the
9 best of my knowledge.

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11 Dated: 0717, 2024

By: 

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Julio Zelaya

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw, *on behalf of themselves and all others similarly situated,*

Case No.: 8:22-cv-01055-DOC-DFM

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

[PROPOSED] FINAL APPROVAL ORDER AND JUDGMENT

The Court having held a Final Fairness Hearing on August 5, 2024, regarding the instant proposed nationwide class action settlement, notice of the Final Approval Hearing having been duly given in accordance with this Court’s Order (1) Preliminarily Approving Class Action Settlement, (2) Conditionally Certifying Settlement Class, (3) Approving Notice Plan, (4) Setting Final Fairness Hearing (“Preliminary Approval Order”) and (5) scheduling the Final Fairness Hearing, and having considered all matters submitted to it at the Final Fairness Hearing and otherwise, and finding no just reason for delay in entry of this Final Judgment and good cause appearing, therefore,

It is hereby ORDERED, ADJUDGED AND DECREED as follows:

1 1. The Settlement Agreement and Release, including its exhibits, fully
2 executed on January 19, 2024 (“Agreement”), and the definitions contained therein are
3 incorporated by reference in this Order. The terms of this Court’s Preliminary Approval
4 Order (Dkt. No. 102) are also incorporated by reference in this Order.

5 2. The Court has jurisdiction over the subject matter and parties to this
6 proceeding pursuant to the Class Action Fairness Act, 28 U.S.C. §§ 1332(d) & 1453(b).

7 3. Venue is proper in this District.

8 4. The Settlement Class means:

9 All persons and entities who purchased or leased a Settlement Class Vehicle in
10 the United States of America, including the District of Columbia, Puerto Rico,
11 and the U.S. Virgin Islands.

12 5. “Settlement Class Vehicle” means the following model year and model
13 Mazda vehicles equipped with a 2.5L turbocharged engine and valve stem seals within
14 the impacted Vehicle Identification Number (“VIN”) production range distributed by
15 Mazda Motor of America, Inc. d/b/a Mazda North American Operations (“MNAO”),
16 for sale or lease in the United States of America, including the District of Columbia,
17 Puerto Rico, and the U.S. Virgin Islands:

- 18 Model Year 2021 Mazda3 (Japan built)
- 19 Model Year 2021 & 2022 Mazda3 (Mexico built)
- 20 Model Year 2021 & 2022 CX-30 (Mexico built)
- 21 Model Year 2021 Mazda6
- 22 Model Year 2021 CX5
- 23 Model Year 2021 CX9

24 6. Excluded from the Settlement Class are (a) anyone claiming personal
25 injury, property damage and/or subrogation; (b) all Judges, court staff, and/or mediators
26 or arbitrators who have presided over the Action and their spouses; (c) all current
27 employees, officers, directors, agents and representatives of Defendant, and their family

1 members; (d) any affiliate, parent or subsidiary of Defendant and any entity in which
2 Defendant has a controlling interest; (e) anyone acting as a used car dealer; (f) anyone
3 who purchased a Settlement Class Vehicle for the purpose of commercial resale; (g)
4 anyone who purchased a Settlement Class Vehicle with salvaged title and/or any
5 insurance company who acquired a Settlement Class Vehicle as a result of a total loss;
6 (h) any insurer of a Settlement Class Vehicle; (i) issuers of extended vehicle warranties
7 and service contracts; (j) any Settlement Class Member who, prior to the date of this
8 Agreement, settled with and released Defendant or any Released Parties from any
9 Released Claims, and (k) any Settlement Class Member that files a timely and proper
10 Request for Exclusion from the Settlement Class.

11 7. Seven timely exclusions were submitted to the Claims Administrator.
12 Those persons and entities identified in the list attached as Exhibit C to the Declaration
13 of Bronyn Heubach are validly excluded from the Settlement Class. Such persons and
14 entities are not included in or bound by this Judgment. Such persons and entities are
15 not entitled to any benefits of the Settlement obtained in connection with the Settlement
16 Agreement.

17 8. The Court hereby finds that the Agreement is the product of arm's-length
18 settlement negotiations between the Plaintiffs and Class Counsel, on the one hand, and
19 Defendant MNAO, and Defendants' Counsel, on the other hand, and with the assistance
20 of an experienced, well-respected and neutral Mediator, Hon. Dickran M. Tevrizian
21 (Ret.) of JAMS.

22 9. The Court hereby finds and concludes that Class Notice was disseminated
23 to members of the Settlement Class in accordance with the terms set forth in the
24 Agreement and this Court's Preliminary Approval Order (Dkt. No. 102).

25 10. The Court hereby finds and concludes that the Notice Program and claims
26 submission procedures fully satisfy Rule 23 of the Federal Rules of Civil Procedure and
27 the requirements of due process and constitute the best notice practicable under the

1 circumstances. The Court further finds that the Notice Program provided individual
2 notice to all members of the Settlement Class who could be identified through
3 reasonable effort and supports the Court's exercise of jurisdiction over the Settlement
4 Class as contemplated in the Settlement and this Order.

5 11. This Court hereby finds and concludes that the notice provided by the
6 Claim Administrator pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715, fully
7 satisfied the requirements of that statute.

8 12. The Court finds that the Settlement's terms constitute, in all respects, a
9 fair, reasonable, and adequate settlement as to all Settlement Class Members in
10 accordance with Rule 23 of the Federal Rules of Civil Procedure and directs its
11 consummation pursuant to its terms and conditions. The Plaintiffs, in their roles as
12 Class Representatives, and Class Counsel adequately represented the Settlement Class
13 for purposes of entering into and implementing the Agreement. Accordingly, the
14 Agreement is hereby finally approved in all respects, and the Parties are hereby directed
15 to fully perform its terms. The Parties and Settlement Class Members who were not
16 excluded from the Settlement Class are bound by the terms and conditions of the
17 Agreement.

18 13. The Court approves Class Counsel's request for an award for attorney's
19 fees and expenses of \$2,035,000. The award of attorneys' fees and expenses are to be
20 paid directly by Defendant in the manner provided by the terms of the Agreement.

21 14. The Court finds the payment of incentive awards in the amount of \$2,200
22 each to Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna
23 Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw to be fair and reasonable. The
24 incentive awards are to be paid directly by Defendant in the manner provided by the
25 terms of the Agreement.

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1 15. The Settlement Class described in paragraph 4 above is hereby finally
2 certified, solely for purposes of effectuating the Settlement and this Order and Final
3 Judgment.

4 16. The requirements of Rule 23(a) and (b)(3) have been satisfied for
5 settlement purposes, for the reasons set forth herein. The Settlement Class is so
6 numerous that joinder of all members is impracticable; there are questions of law and
7 fact common to the class; the claims of the Class Representatives are typical of the
8 claims of the Settlement Class; the Class Representatives will fairly and adequately
9 protect the interests of the class; the questions of law or fact common to class members
10 predominate over any questions affecting only individual members; and a class action
11 is superior to other available methods for fairly and efficiently adjudicating the
12 controversy between the Settlement Class Members and Defendant.

13 17. This Court hereby dismisses, with prejudice, without costs to any party,
14 except as expressly provided for in the Agreement, all of the Actions.

15 18. The Claims Administrator is directed to administer claims and
16 consideration to the Settlement Class pursuant to the terms of the Agreement.

17 19. Plaintiffs and each and every one of the non-excluded Settlement Class
18 Members unconditionally, fully, and finally release and forever discharge the Released
19 Parties from the Released Claims as provided for in the Agreement. In addition, any
20 rights of the Settlement Class Representatives and each and every one of the Settlement
21 Class Members to the protections afforded under Section 1542 of the California Civil
22 Code (and any other similar, comparable, or equivalent laws) are hereby terminated.

23 20. Each and every Settlement Class Member, and any person actually or
24 purportedly acting on behalf of any Settlement Class Member(s), is hereby permanently
25 barred and enjoined from commencing, instituting, continuing, pursuing, maintaining,
26 prosecuting, or enforcing any Released Claims (including, without limitation, in any
27 individual, class or putative class, representative or other action or proceeding), directly

1 or indirectly, in any judicial, administrative, arbitral, or other forum, against the
2 Released Parties. This permanent bar and injunction is necessary to protect and
3 effectuate the Agreement, this Final Judgment and Order, and this Court's authority to
4 effectuate the Agreement, and is ordered in aid of this Court's jurisdiction and to protect
5 its judgments. However, Settlement Class members are not precluded from addressing,
6 contacting, dealing with, or complying with requests or inquiries from any
7 governmental authorities relating to the issues raised in this Lawsuit or class action
8 settlement.

9 21. The Agreement (including, without limitation, its exhibits), and any and
10 all negotiations, documents, and discussions associated with it, shall not be deemed or
11 construed to be an admission or evidence of any violation of any statute, law, rule,
12 regulation, or principle of common law or equity, of any liability or wrongdoing, by
13 Defendants, or of the truth of any of the claims asserted by Plaintiffs.

14 22. By incorporating the Agreement and its terms herein, the Court determines
15 that this Final Judgment complies in all respects with Federal Rule of Civil Procedure
16 65(d)(1).

17 23. Finding that there is no just reason for delay, the Court orders that this
18 Final Judgment and Order shall constitute a final judgment pursuant to Rule 54 of the
19 Federal Rules of Civil Procedure. The Court orders that, upon the Effective Date, the
20 Settlement shall be the exclusive remedy for any and all Released Claims of Plaintiffs
21 and each and every Settlement Class Member. The Clerk of the Court is directed to
22 enter this Order on the docket forthwith.

23 24. If an appeal, writ proceeding or other challenge is filed as to this Final
24 Approval Order, and if thereafter the Final Approval Order is not ultimately upheld, all
25 orders entered, stipulations made and releases delivered in connection herewith, or in
26 the Settlement or in connection therewith, shall be null and void to the extent provided
27 by and in accordance with the Settlement.

